

## National Energy Assistance Directors' Association

For Immediate Release

Contact: Mark Wolfe 202-237-5199/cell: 202-320-9046

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### Home Heating Costs Projected to Hit Record Levels this Winter Grim Forecast for Low Income Families

WASHINGTON, DC

The National Energy Assistance Directors' Association (NEADA) today called on the Administration to support additional funding for the Low Income Home Energy Assistance Program (LIHEAP) to help families adjust to skyrocketing prices for home heating fuels by increasing funding to \$3.4 billion in FY 2006.

Recent increases in gasoline, heating oil and natural gas prices as a result of Hurricane Katrina are putting substantial pressures on low income families. In addition to the \$1,000 projected annual increase that most families will be paying for gasoline to provide basic transportation, they will also have to bear the burden of rapidly rising home heating costs.

Heating costs for the average family using heating oil averaged about \$1,263 last winter and are projected to hit \$1,666 during the upcoming winter heating season based on current market prices during the upcoming winter heating season. This represents an increase of \$403 over last winter's prices and \$714 over the winter heating season of 2003-04. For families using natural gas, prices are projected to hit \$1,568, representing an increase of \$611 over last year's prices and \$643 over 2003-04.

Heating Oil	2003-04	2004-05	2005-06 *
Retail Price	\$1.36	\$1.82	\$2.40
Consumption (gallons)	700	694	694
Expenditures	\$952	\$1,263	\$1,666

Natural Gas	2003-04	2004-05	2005-06 *
Retail Price	\$9.76	\$10.75	\$16.00
Consumption (mcf)	94.8	89	98
Expenditures	\$925	\$957	\$1,568

NEADA is calling on the Congress to increase funding for LIHEAP to \$3.4 billion for FY 2005 to offset the increase in home energy prices. According to Mark Wolfe, Executive Director of NEADA, "the increase in heating oil and natural gas futures prices should be a wake-up call to the Congress that the burden of increasing energy prices this winter will fall hardest on low income families. Surveys have indicated that they will have few choices but to cut back on essential necessities, such as medicine, food and clothing. Without additional assistance, many of these families will look forward to a bleak winter."

NEADA represents the state directors of the Low Income Home Energy Assistance Program.

Note: The data projections are based on energy futures prices for heating oil and natural gas for the upcoming winter heating season. Data used for the 2003 and 2004 winter heating seasons are based on Energy Information Administration's Winter Fuel Outlook series. Heating oil projections are based on the average use in the Northeast; while natural gas projections are based on average use in the Midwest.

