

Natural Gas Prices on the Rise

Natural gas customers across Kentucky should prepare for higher bills this winter. Wholesale prices for natural gas are up about 50% higher than last year. The wholesale prices of natural gas are market driven, and have steadily increased this summer. The increase is expected to continue through the fall and into the winter heating season.



Local natural gas utilities purchase natural gas from one or more wholesale suppliers, and re-sell it, at cost, to their customers. The local utilities pass through the wholesale cost of the gas, and are not permitted to make a profit on the price of the gas itself. Profits for local gas utilities come from the revenues generated from their charges for delivering gas to their retail customers. The Kentucky PSC is encouraging natural gas customers to prepare now for the higher gas bills expected this winter. See inside for more details.

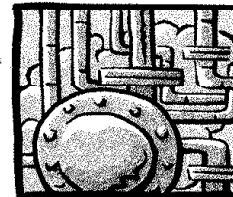
**Kentucky Public Service
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Planning for Higher Natural Gas Bills



Utility Customer Hotline
1-800-PSC-INFO

Tips for Getting Through the Winter Months Heating Costs

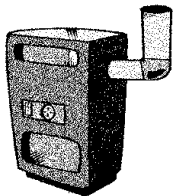
1. Natural gas utilities offer budget payment plans where customers pay the same amount each month based on their average monthly usage.

On this plan, customers know how much to plan for payment of their heating bills. Each utility has its own enrollment periods and eligibility requirements, so call your local gas company as soon as possible to

find out what options are available to you.

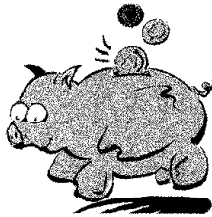
2. Start saving now. Finding money at the end of the month is sometimes impossible. But if you are able, start setting aside a little extra now to use when the winter heating bills hit.

3. Winterize your home.



Winterization Tips

- Consider installing a programmable thermostat that automatically lowers temperatures when you're not home, and raises temperatures when you are at home. Or adjust your existing thermostat and lower the temperature setting before you go out.

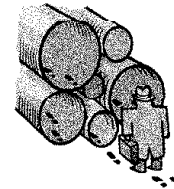


- Make sure your furnace, furnace filters, and ducts are clean. A dirty furnace has to work much harder to heat as effectively as a clean one does.

- Insulate your water heater and the first six feet of the hot water supply line.
- Open blinds and drapes during the day to let the sun heat the room. Close them at night to prevent heat loss.
- Seal out the cold air. Insulation gaskets can be purchased for electrical switches and outlet plates at local hardware stores.

- Adjust your natural gas water heater. Keep the temperature on the warm setting. (120 degrees)

If you have questions or need further information, contact your local gas utility. For additional information regarding your utility services, visit the PSC website at www.psc.state.ky.us. Or call us toll free at 1-800-PSC-INFO.



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