

Public Statement concerning Natural Gas Cost Increase  
January 4, 2023

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The Hildale – Colorado City Utilities Department received a notice from Summit Energy (our natural gas supplier) that an immediate, and dramatic, cost increase has been implemented due to increased demand for natural gas because of the winter storms throughout the western United States. This increases our cost to serve Hildale residents to more than \$5 per therm, (a unit of heat equivalent to 100,000 Btu). The most recent residential price has been \$1.57 per therm. This increase is more than threefold. At this time, purchasing natural gas will be more expensive than the comparative cost of propane which has been \$2.37 per therm.

The Utilities Department has reduced the flow of natural gas in the transmission line from Hurricane. They are implementing a (air entrained) propane mixer. This delivers propane at the same energy value as natural gas. No appliance conversions are needed!

We encourage natural gas users in Hildale to conserve wherever possible or use electricity. Should a customer feel the need to use propane, please contact the Utility Department first, at 435-467-1160, to insure a safe transition. Hildale City is exploring options for customer financial assistance during this time.

The following is the statement received from Summit Energy:

*“As your natural gas provider, we feel it is our duty to keep you up to date the best we can on market conditions.*

*Over the last several weeks we have seen unusually cold temperatures across the western half of the United States that have brought some unique challenges. With demand increases, pipeline constraints, and storage deficits in the northwest natural gas has seen a lot of volatility. This is primarily affecting Oregon, Washington, California, Utah, Idaho, Montana, Colorado, Arizona, and New Mexico. We are looking at a monthly index settlement of approximately \$45/dth for January 2023.*

*What can you do? If you have the ability to reduce your natural gas consumption for the month of January 2023, we highly recommended you do so. If you do have a hedge in place, please try to stay within your hedged volumes.*

*Summit Energy is committed to help manage your costs and risks. If you or anyone in your entity have any further questions. “*

Mayor Donia Jessop