

ENERGY MATTERS

Think Gas Prices Are Heading Higher? Put The “Power” Back In Your Hands

(NAPSA)—What if you’d been able to have locked in last year’s—or, better yet, the previous year’s—gas price instead of feeling like you’re being gouged at the pump every time you now fill up?

Think about it: The average price of a gallon of gas in 2006 was \$2.57, according to the U.S. Energy Information Administration, before creeping up to \$2.80 a gallon in 2007.

Dream on, you say? Well, yeah—*mostly*.

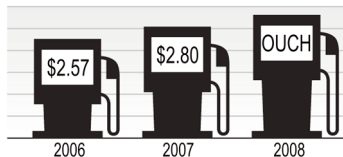
Unbeknownst to many consumers, you actually can lock in the price you pay for natural gas and electricity, the rising costs of which are likewise eating into household budgets, thanks to the deregulation of the industry that began in the late 1980s.

Many states, including New York, Michigan and Ohio, currently give consumers the same choice businesses have had for years: the traditional route (paying whatever rate state utility boards set to reflect real-time, often wild fluctuations in the market) or the deregulated, fixed-rate route (shopping around for a better rate from a list of state-approved companies, and then deciding for yourself whether you want to lock the price in to protect against sticker shock down the road).

Consumers who opt for the latter typically have the option of keeping the same rate for one, two or three years. Meaning, if there’s some political crisis or maybe a major storm in the Gulf Coast that causes natural gas prices to spike as they did after 2005’s Hurricane Katrina, say, they’re immune from what would almost certainly be a sharp jump in prices.

Sticker Shock

Predictions of \$5-a-gallon gas abound now that pump prices have topped \$4 in many parts of the country. Drivers everywhere have been feeling the sting, as reflected in the steadily rising national average price per gallon:



Source: Energy Information Administration
Data compiled by MXenergy.



Still unsure? Many states’ Web sites provide a list of all competitive marketers and their rates. Additionally, here are the two main questions to consider before locking in any energy rate:

• How much price volatility can my household energy budget handle?

While there may be a comfort level at remaining at the mercy of price-setting state agencies, fixed-rate plans do eliminate the highs and lows that make bills tough to manage.

• How long should I lock in my prices?

The short answer is “*as long as you can.*” While an energy supplier’s rate initially may be higher than a utility’s, over time variable rates may rise or fall, but a fixed rate won’t. Rather like a fixed-rate mortgage, as opposed to those adjustable-rate ones that have thrown the credit markets for a loop.

Now if someone could just figure out how to lock in cable-TV rates before they soar again, we’d all have a lot more money in our pockets.

For more information, visit www.mxenergy.com.