



November 19, 2004

Dear Representative:

On behalf of the major producer and marketer members of the Natural Gas Supply Association, I am writing to add our voice to those urging you to include \$600 million in emergency funds for the Low Income Home Energy Assistance Program (LIHEAP). This is in addition to the \$1.911 billion in regular LIHEAP funds included in the House-passed FY05 Labor, HHS and Education spending bill. High-energy prices and increased demand for LIHEAP warrant additional emergency assistance before the winter heating season.

The Energy Information Agency (EIA) just released its report, "Short-Term Energy Outlook – November 2004," which forecasts increased space-heating costs for all fuel types this winter. Households heated by natural gas are projected to pay 15 percent more than last winter. Heating oil costs in the Northeast are expected to average 37 percent higher than last year. Propane costs are expected to be 26 percent higher than last year. These projections already are substantially higher than the projections EIA made just one month ago in its October winter fuels report. If you compare today's projections to average winter fuel costs from 1998-2000, heating expenditures this winter are expected to be 49 percent higher for natural gas, 48 percent higher for heating oil, and 38 percent higher for propane.

In addition, a recent survey published by the National Energy Assistance Directors Association (NEADA) shows that demand for LIHEAP also has increased. Households receiving LIHEAP assistance has increased from 4.2 million in FY 2002 to nearly 5 million this year. Unfortunately, due to funding shortfalls, the program serves only 14 percent of the eligible population. The average LIHEAP household has an income of less than \$10,000, while the majority of LIHEAP households have at least one member who is elderly, disabled or is a child under the age of five.

With any dramatic increase in winter heating fuel costs, we expect that overall demand for LIHEAP will continue to grow. Therefore, we urge Congress to appropriate at least \$1.911 billion in regular program funding and \$600 million in emergency assistance.

Thank you in advance for your consideration. Your leadership will help many low and fixed-income consumers through these difficult times. If you have any questions, suggestions or concerns, please contact me directly at (202) 326-9300.

Sincerely,  
R. Skip Horvath

A handwritten signature in blue ink that reads "R. Skip Horvath". The signature is written in a cursive, flowing style.

President and CEO, Natural Gas Supply Association