The 3 R's of heating can tame your

By Kevin DeMarrais

Last week's news that heating bills are unlikely to drop from last year's record levels -- despite a big drop in the wholesale price of natural gas and crude oil -- was disappointing.

After all, crude oil, which peaked at $78.40 in mid-July, slipped back under $60 a barrel last week, resulting in big drops in the wholesale cost of heating oil and gasoline.

And natural gas, which soared to $15.78 per million British thermal units in December after hurricanes Katrina and Rita disrupted supplies, is around $6.

Drivers have benefited because weekly fill-ups reflect the current market price of gasoline. It seemed like a bargain when some South Jersey stations charged less than $2 a gallon last week, less than three months after the statewide average topped $3.

But recent cuts merely bring gasoline and heating prices down to where they were 11 months ago, after the effects of Katrina and Rita and this summer's seasonal price run-up had worn off.

Natural gas pricing is largely controlled by a hedging program -- utilities' locking in prices in advance -- used to insure stability.
Last year, hedging spared customers from the full impact of the hurricane-related price spike; this year, we are experiencing the flip side of hedging as much of the supply was purchased before the recent declines.

Even so, there are some simple steps you can take to keep your heating bills in check. Your options fall into three general categories – reduction, research and relief – and each can help you make it through the winter.

The key is acting before the heating season gets into full swing.

- Reduction: Perhaps the easiest way to reduce bills is to cut demand. Conservation costs little or nothing, and can be handled by the average do-it-yourselfer.

There's really nothing dramatic here – install a programmable thermostat; clean filters, ducts and registers; make sure storm windows are in place; seal leaks around windows and in air ducts; insulate electric outlets and switches on outside walls; make sure heaters and radiators are not blocked; open drapes and shades during the day and close them at night – but each works.

Unfortunately, these steps are so easy we tend to overlook them.

Long term, consider insulating your attic, if it isn't done now (or if it has inadequate insulation) or installing more energy-efficient windows.

But don't wait for the big jobs to be completed before taking on the small jobs.

The U.S. Department of Energy has a nifty online tool, geared to your hometown, that offers specific suggestions on saving energy – and dollars – at http://hes.lbl.gov/ (note that there is no www in the address). Enter your ZIP code and do your own energy audit.

- Research: If you heat with oil, search around. In its monthly Marketbasket Survey, The Record checks on heating oil prices from several North Jersey dealers, and the average we list generally reflects a wide range of rates. Last week, for instance, the $2.43-per-gallon average was based on rates ranging from $2.59 to $2.35.

Considering all dealers sell the same product, it makes little sense to pay 10 percent more to one supplier. But make sure you're comparing apples with apples.

Price is, of course, only one factor. Reliability is key, and you might be better off sticking with an established dealer, even if you pay a few cents more per gallon.

"We're a full-service company," said Bruce Brotherston, sales manager at Shotmeyer Bros. in Hawthorne. "We can't compete with the one-truck wonders."

Perhaps the best balance between price and reliability is a
buying cooperative, such as one operated since 1983 by New Jersey Citizen Action, a non-profit consumer advocacy organization. A week ago, it was selling oil for $2.094 a gallon – about 35 cents below the North Jersey average – with a cap of $2.549.

The organization has contracts with oil dealers throughout the state, providing 6,000 members with discounts of up to 30 percent. All suppliers are full-service dealers, but service contracts are extra. Membership is $24 a year – $15 for those 60 and older.

For more information, call 800-464-8465.

Gas-heat customers have fewer options, but they can buy gas from companies other than Public Service Electric and Gas (or one of the state's three other established utilities).

More than 34,500 of the state's residential customers and 23,100 businesses have switched suppliers. That's just over 1 percent of residential customers, but more than 10 percent of businesses.

For more information, check the Bureau of Public Utilities' Web site at state.nj.us/bpu/home/energy.shtml.

- Relief: The third "R" covers a wide range of programs offered by county, state and federal agencies to help consumers cope with high gas and electric bills.

You'll find them, along with energy-saving tips, on the PSE&G Web site, pseg.com/index.jsp. Click on the "Managing Energy Costs" and "Need Help Paying Your Bills" buttons.

Also, check out the Weatherization Assistance Program offered through a partnership between the Bergen County Community Action Partnership (CAP) and PSE&G. This national program helps low-income tenants and homeowners make their homes more energy efficient by funding energy audits and recommended repairs.

CAP representatives are at PSE&G's customer-service center at 214 Hudson St. in Hackensack every Friday from 9:30 a.m. to 2:30 p.m.

For more information, call CAP at 201-968-0200, ext. 7050, or visit the service center.

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