

COLUMBIA, S.C. — Consumers would pay 50 percent more for natural gas this winter under rates South Carolina Electric and Gas has proposed.

SCANA, SCE&G's parent company, is asking the Public Service to allow it to raise the portion of customers' bills that pays for gas by 57 percent on average. That would boost the average charge from \$121 a month to \$172, or 42 percent.

The state Office of Regulatory Staff will review the rate increase request. "I've been in the business a long time and I don't recall anything of this size," agency executive director Dukes Scott said. "In the winter time, when people start getting the bills, we'll hear from them."

The utility, which sells natural gas to 284,000 homes, businesses and factories in South Carolina, including parts of the Bluffton area, says customers who use natural gas to heat their homes or operate stoves or water heaters need to start planning for the increase.

"If your bill was \$200 last winter, count on it being \$300 this year," SCE&G spokeswoman Cathy Love said.

The utility said customers should winterize their homes now to save money this winter.

"Anything you can do to winterize your home, there is a return on your investment," Marty Phalen, SCE&G vice president of gas operations, said.

The budget-busting rate increases come courtesy of already-rising natural gas prices that soared higher with after Hurricane Katrina and the approach of Hurricane Rita. And they hit consumers already facing sticker shock every time they pump a gallon of gas into their cars.

"We're having to pay \$9 million to \$14 million more for natural gas we bought last year," Phalen said. "Then Katrina hit, and now Rita is hitting."

The price of natural gas has doubled on the New York Mercantile Exchange during the past year. A year ago, gas prices hovered around \$6 a decatherm, a unit of measure. Last week, as speculation mounted about the damage Hurricane Rita would bring to pipelines and production facilities, natural gas set a record of \$12.66 a decatherm.

The Scana request comes as state regulators consider an April request by Scana to raise base rates — the portion of the bill that doesn't pay for fuel — by 22 percent. If both plans are approved, the typical household bill will soar by \$180 a month beginning in November.

Consumers around the nation are facing the same problem as the seasons change. For instance, Virginia residents are seeing rate increase requests that range from 33 percent to 64 percent.

The price increases eventually will find their way into electric rates, too. Utilities often use gas-fired power plants to supplement power generated by their coal, nuclear and hydroelectric facilities. And the higher cost of running those gas-fired plants likely will filter down to consumers.

"It is the cost of the commodity passing through to the customer," Phalen said. "It's not a good situation."