

# Comfort @ Line

Fall/Winter 2019

Your Comfort is Our Business



## Six Reasons to Stay With Heating Oil

**E**lizabethtown Gas has been actively encouraging residents of Sussex County to commit to converting to natural gas. Here are six good reasons to stick with oil heat:

**1. While natural gas is currently cheaper than heating oil, liquefied natural gas (LNG) exports will quickly cause this price difference to disappear.**

Heating oil and natural gas are fungible commodities. Over a 75-year time horizon, the price of heating your home with oil or natural gas has been pretty much in parity with an occasional small tilt in one direction or another. In 2006, as a result of the advent of fracking and horizontal drilling, the long term equilibrium between the prices of the two fuels changed.

Natural gas production increased from 19.4 trillion cubic feet in 2006 to 28.8 trillion cubic feet in 2017 and crude oil production increased from 5.1 million barrels a day in 2006 to 9.4 million barrels a day in 2017. These new technologies resulted in huge increases in the domestic production of both fuels, thereby causing

the prices of both fuels to decline. However, the price of natural gas declined more and has stayed down longer. Why? The simple answer is that it's easy to place the extra oil on a tanker and ship it to other parts of the world where the price is higher.

Until recently, this phenomenon was not possible for natural gas which was essentially "shut in" in the domestic market. A new technology known as liquefied natural gas (LNG) converts the natural gas into a liquid so that it can be shipped to other parts of the world where prices are higher.

The first two domestic LNG plants commenced operation in February 2016 (Cheniere Energy's Sabine Pass Facility) and March 2018 (Dominion's Cove Point Facility). An additional five plants are under construction and four more are approved and waiting to begin construction. From 2016 to 2017, US LNG exports quadrupled from .5 billion cubic feet per day (Bcf/d) to 1.94 Bcf/d. In 2019, US LNG Exports are expected to quintuple to 10 Bcf/d. Over the course of a year that's

enough natural gas to heat 36.5 million homes.

This rapid increase in LNG exports will eventually eliminate the overhang of natural gas causing US prices to rise, restoring the historical price equilibrium between the two fuels.

**2. It is unlikely that you will ever get a return on your conversion investment.**

The Gas Company estimated the cost to convert to be about \$12,000 with a payback of the investment in approximately six years. As LNG exports

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## Stay With Heating Oil... *continued from page 1*

ramp up and natural gas prices increase, you may never get your conversion investment back.

### 3. Heating oil is safer than natural gas.

Natural gas is highly flammable and explosive at room temperature. Though heating oil is combustible, it is not flammable and won't burn unless it is heated to 140 degrees Fahrenheit. On September 13, 2018, as many 80 homes in the suburbs north of Boston were damaged or destroyed by natural gas piped to their homes. Miraculously only one person was killed, but scores of people were injured. As a result, more than 8,000 people were evicted from their homes with no timetable as to when they could safely return. "It looked like Armageddon, it really did," said Andover, MA Fire Chief Michael B. Mansfield.

### 4. Heating oil heats hot water faster than natural gas.

Because of its higher flame temperature, the average oil-fired hot water heater makes 120 gallons of hot water per hour

compared to 40 gallons per hour for the average natural gas water heater.

### 5. You have a choice when it comes to your service provider.

As a heating oil customer, you can choose to do business with any number of independent, family-owned dealers who are eager to please you. If you are unhappy with one, you can simply choose another. If you are a natural gas customer, you will have to do business with a big, impersonal utility.

### 6. Heating oil is environmentally friendly.

In the last five years, the sulfur content of heating oil was reduced from 2,000 ppm to 15 ppm, making it an ultra-low sulfur fuel. These changes significantly reduced the emissions of SO<sub>2</sub>, NO<sub>x</sub> and CO<sub>2</sub>, making heating oil a "green fuel." Not only will you be able to keep your family safe and warm, but you will also be environmentally-friendly at the same time.

## 5 Steps To Take To Ensure Smooth Winter Deliveries

Undoubtedly, the cold weather this winter will bring our share of ice and snow. Please take the following actions to help us make sure you get your winter deliveries in a timely manner:

1. Clear a path to your fill pipe so that the driver can easily locate it.
2. When you plow your driveway, keep in mind that oil trucks are 9 feet wide and do not have four wheel drive.
3. If your driveway is not clear and dry, please salt and sand for the oil truck.
4. Trim low hanging tree branches to accommodate an oil truck that measures 11 feet high.
5. If you want to know when you can expect your next delivery, call us at 973-383-1421.

**Want to receive Comfort Line and delivery advisories via email?  
Send your email address to [info@hartandiliff.com](mailto:info@hartandiliff.com)  
and we'll add you to the list.**



## Season's Greetings from Hart & Iliff!

The holiday season and New Year are approaching and, once again, we wish to thank you for your business. As a small token of our appreciation, we have enclosed a 2019 energy and money-saving tips calendar. We hope you enjoy it and find it useful. As always, we appreciate the opportunity to be of service to you and your family. If we can assist you in any way, please call us at 973-383-1412 or email us at [info@hartandiliff.com](mailto:info@hartandiliff.com). Your comfort is our business. Have a joyous holiday season and a happy and healthy New Year!



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