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## Consider locking in natural gas prices as fall approaches

**N**ow's the time to shift focus to winter heating bills, and for most people and businesses in the Cincinnati area, those are a function of the cost of natural gas.

Natural gas has been unusually cheap since last year. The market was flooded with supply from the enhanced drilling of shale deposits just as demand decreased because of the weak economy. Wellhead prices (which don't include transportation costs) dropped by more than half from an average of about 80 cents per hundred cubic feet in 2008 to less than 40 cents in 2009, according to data compiled by the U.S. Energy Information Administration. They're up a bit so far in 2010, but at 43 cents to 45 cents they're still very low compared to 2005-2008 prices.

Those cheap prices might not last forever, however, especially if the economy picks up,

**Wellhead prices fell by half in 2009.**

tactic - changing natural gas suppliers - save them money on heating costs this winter?

Maybe, maybe not. It's something of a gamble either way, but whichever turns out to be the case, the rationale for switching natural gas suppliers is much different than with electricity.

Switching to competing suppliers of electricity has let consumers take advantage of falling market prices for electric power over the past of couple years. Duke Energy Ohio's regulated electric rates are much higher because they were locked in for three years, from January 2009 through the end of 2011, by the Public Utilities Commission of Ohio.

It approved Duke current rates in late 2008, and those rates seemed reasonable given market conditions at that time. But wholesale prices have fallen sharply since then, and other suppliers are eager to sell electricity for much less than Duke's regulator-approved rates.

Duke's natural gas, on the other hand, is already priced to market, and in Ohio it's repriced

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Rocknoll a pioneer in local wind turbine technology

BRUCE CRIPPEN | COURIER

Jim Yockey, CEO of Rocknoll Energy Systems, helps companies and residents install energy-generating wind turbines like this one at a home in Fairfield.

## Catching the breeze

BY LEAH PRESSER  
Courier Contributor

**C**onnector Manufacturing Co. in Hamilton broke ground in late August to install a wind turbine as a way to show customers the benefits of using wind for power.

Rocknoll Energy Systems in Morrow is installing the Bergey Excel 10 kw turbine. It will take about two months to complete installation. When the turbine is up and spinning, it is expected to generate 5 to 8 percent of Connector Manufacturing's power needs and save an estimated \$6,000 to \$7,000 per year in costs. But its main function will be in advertising.

Connector Manufacturing makes component products used in large-scale wind farms. As a way to show prospective clients how a wind turbine works, a monitor inside Connector Manufacturing will display the electricity as it is being

generated from the Bergey turbine.

"We want to show potential customers that we actually utilize the products," said Joe Klenk, CEO and president at Connector Manufacturing. "Not only are we selling into the market, but we're utilizing alternative energy also."

### FINANCIAL INCENTIVES

Wind turbines have been popular in Europe and the western United States for years, and are beginning to spring up in this area.

"Wind is in its infancy in the Tri-State," said Jim Yockey, owner of Rocknoll Energy. "Ohio is really making a push for renewable energy and the jobs that go with the manufacturing of the turbines."

That push involves grants and other incentives. The state of Ohio grant is up to 40 percent for residences and 50 percent for commercial projects, Yockey said.

A federal grant is available to cover

### WIND WORKS

**Companies are beginning to bring wind turbine technology to businesses and residences in the Tri-State. Federal and state grants are available to install wind turbines, but the federal grant will switch to a tax credit in 2011. Local regulations can be hard to negotiate for alternative energy projects.**

30 percent of the cost of renewable energy projects.

"Until December, that money is wired directly to your account," said Jonathan Winterkorn, tax manager at Plante Moran. But beginning Jan. 1, the federal grant turns into a tax credit, so it's a reduction in tax liability instead of cash.

"It's definitely a good time to apply for these types of loans now," Winterkorn said. "When the grant goes to a tax

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