



Due to major, unexpected storms and unusually cold temperatures in January 2026, customers received higher than expected natural gas bills. Bills increased due to a combination of:

- Higher usage during the cold snap
- A sharp, temporary spike in wholesale natural gas prices driven by extreme market conditions

Frequently Asked Questions

Why did natural gas prices go up so much?

Prices rose because demand for heating increased sharply across a wide region at the same time supply was temporarily reduced by extreme cold. When demand rises and supply tightens at the same time, wholesale prices can spike very quickly.

Why was production down?

Extreme cold can temporarily disrupt natural gas production and delivery. Wells, processing equipment, and related systems can experience freeze-offs and other cold-weather interruptions, which reduces available supply until conditions improve.

Why didn't CNNGA hedge more?

Hedging is a tool, but it involves tradeoffs and cost. Planning decisions are made using available market information and standard forecasting tools. We are reviewing whether additional protections should be added for future extreme events.

What happened to the gas storage in the salt caverns of Mississippi?

CNNGA owns and maintains a large amount of gas located in salt caverns in Mississippi, which can be used when demand is very high or when the market becomes unstable. However, due to the storms' impact on market pricing and the markets being closed over the weekend, CNNGA's stored supply was rendered unavailable. CNNGA was unable to use the storage for severe weather, as planned. This was a major problem that forced CNNGA to utilize gas daily markets to keep up with customer

demands. Once the gas came back online, we used it for the remainder of the cold snap to offset costs

Was this a rate increase?

No. This was not a permanent base-rate increase. The higher bills reflect the cost of natural gas purchased during an extreme weather event when wholesale prices rose sharply, combined with increased customer usage during the storm. We expect bills to normalize as market conditions and usage return closer to typical levels.

Did CNINGA add interest to the February bills that covered January usage?

There is no interest, no fees, and no added cost for choosing a payment plan. Rather, the January balance appears across multiple bills and is divided evenly.

Were the increased costs passed on to customers a result of poor forecasting?

Forecasts are one input used for planning, and they are based on probabilities, not certainty. We are explaining the information available at the time and the decisions made with that information, while also taking steps to strengthen future protections.

Why didn't you warn customers sooner?

CNINGA recognizes that customers need timely information to make informed decisions about their energy use, and the Gas Authority is committed to improving how and when it communicates future price impacts. CNINGA acknowledges that earlier and more detailed communication would have helped customers prepare for potential cost impacts. The Authority is reviewing its communication processes to ensure customers receive faster, clearer alerts when market conditions may affect their bills.

Why were some customer bills higher than others?

Bills varied because the impact depended on both usage and home/business conditions during the storm. Factors like home size, insulation, furnace efficiency, and thermostat settings affected how much gas each customer used while wholesale prices were elevated.

Will CNINGA disconnect services for customers who are still working through paying their bill?

CNINGA has not carried out any non-payment disconnections since October 2025 and will not disconnect services for customers throughout March. Beginning in April 2026, any past-due balances without an active payment arrangement will again be subject to penalties and potential disconnection.

What should customers expect (cost-wise) regarding future bills?

Prices for February and March are expected to decline significantly as market conditions normalize. CNNGA's current projections show that gas delivered in February is expected to cost below \$1.30 per Therm, and preliminary March pricing is expected to be below \$1.20 per Therm once purchase gas adjustments are applied. These lower prices reflect the expected return to typical market conditions following the unusual nine-day national price spike experienced in January.