

STATE OF NEW YORK

# Public Service Commission

Audrey Zibelman, Chair

Three Empire State Plaza, Albany, NY 12223

Further Details: James Denn

James.denn@dps.ny.gov | 518.474.7080

<http://www.dps.ny.gov>

<http://twitter.com/NYS DPS>

14064/14-M-0425

## **ENERGY PRICES EXPECTED TO BE LOWER THIS WINTER**

— **New Options Available for New York Energy Consumers to Manage Their Bills** —

Albany, NY – 10/23/14 – The New York State Public Service Commission (Commission), in an effort to avoid a repeat of last winter’s large price increases, announced today that utilities and third-party energy providers have agreed to provide customers with more information and more refined tools to help customers manage their energy bills. In addition, the Commission said it is expanding its own outreach efforts, including launching a newly enhanced website that can help residential and small commercial consumers identify energy products to meet their needs to help control energy costs.

“The unprecedented cold weather last winter was particularly challenging for the many people who experienced unusually high energy bills,” said Commission Chair Audrey Zibelman. “To help ensure such problems are avoided, we have been working with the utilities and third-party energy providers on ways to reduce price volatility and provide more options to help consumers better manage and control their energy bills.”

In terms of energy resources, utilities providing natural gas service in the State have adequate supplies, delivery capacity, and storage inventory to satisfy customer demand under severe winter conditions. While bill impacts will vary by utility, natural gas bills in general are expected to be lower this winter compared to last winter. On the electric side, this winter’s (December through March) commodity prices statewide are expected to be lower, although commodity prices can vary due to weather and other conditions. On average, a residential customer using 600 kWh per month is expected to pay about \$55, or about 20 percent, less than

last winter, but the amount will vary by utility. Customers located in the Lower Hudson Valley, which is part of a new capacity zone put into place by the Federal Energy Regulatory Commission in May, might see capacity prices increase this winter, as compared to last year.

The state's major energy utilities — Central Hudson Gas and Electric Corporation, Consolidated Edison of New York, Inc., Corning Natural Gas Corporation, National Fuel Gas Distribution Corporation, National Grid, New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., PSEG Long Island, Rochester Gas & Electric Corporation, and St. Lawrence Gas Company — have developed programs to assist customers in managing winter energy bills.

In an effort to ensure residential consumers receive the utmost protection when it comes to paying utility bills, the Commission continues to monitor utility collection and termination activities to ensure all utilities comply with the Commission's rules and regulations. The Commission is also encouraging utilities to be flexible, where possible, in terms of accepting payment plans that best meet the needs of the customer.

Meanwhile, third-party suppliers, known as energy services providers or ESCOs, can offer energy at prices fixed for certain time periods, such as six months, one year or three years. In addition to asking the utilities to help consumers, the Commission asked third-party providers to work toward reducing or eliminating sudden and unexpected commodity price increases. With the Commission's encouragement, more ESCOs are now offering fixed price products that consumers seeking price certainty may want to consider purchasing. In Con Edison's service territory, for example, only five of the approximately 60 ESCOs offering electricity, offered fixed price products last year. Now, nearly 40 ESCOs in Con Edison's service territory offer fixed-price electricity products.

“New York energy consumers have the opportunity to choose from a large number of suppliers to lock in the price of energy they will pay and protect themselves from energy price volatility,” said Christopher Wentlent, New York Chair for the Retail Energy Supply Association. “These products provide price certainty to consumers. New York's Power-to-Choose website is an

excellent tool for residential consumers to use to identify fixed price products that may meet their needs.”

Last winter’s cold weather caused electric commodity prices to increase to levels never experienced in the history of the New York Independent System Operator (NYISO). Statewide, average electric commodity prices jumped by almost 12 cents per kilowatt-hour, or about 175 percent, from December 2013 to January 2014 costing a typical residential customer using 600 kWh per month about an additional \$72 in January, and remained relatively high through March. As of October 1, 2014, the price of flowing gas for the upcoming heating season, reported on the New York Mercantile Exchange, is projected to be lower than last year. Commodity costs make up about 45 percent of a customer’s bill. In the current price environment, based on a return to normal winter weather total bills are expected to decrease about 15 percent on a stateside average to about \$795 for the winter (about \$28 per month reduction), compared to actual bills last year which were about \$936. Actual bills will vary from utility to utility.

The Commission’s assessment of natural gas supplies and prices is based on staff’s monitoring of utilities’ actions to prepare for the winter. Throughout the winter season, staff will monitor issues that could potentially affect the utilities’ operations and their customers, such as weather and heating degree day data; storage inventory management; and interstate pipeline operational issues. The Department of Public Service also has a proactive program in place to ensure that customers receive the information and assistance they need this winter. The outreach and education efforts include publications in multiple languages about billing and payment options, financial assistance programs and winter preparedness measures to help with winter bills, and the steps to take if customers are faced with heat-related energy emergency.

Along with these efforts, the Department’s Power-to-Choose Web site has been enhanced to provide information on available fixed price energy options. This website, accessible from [www.dps.ny.gov](http://www.dps.ny.gov), allows customers to easily find fixed price energy products for electricity and natural gas service, identify those that may meet their needs, and directly link to providers of those products.