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John B. Rhodes, Chair

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## **Electricity Prices Expected to be Lower Than Average This Winter, Natural Gas Prices Up Slightly**

**— Utilities Have Adequate Energy Supplies, Helping to Ensure System Reliability —**

**ALBANY** — The New York State Public Service Commission (Commission) today announced that while the price of electricity this winter is expected to be lower than average this winter, the price of natural gas will move slightly higher.

“The utilities serving New York State have adequate electric and natural gas supply and capacity to satisfy customer needs,” **said Commission Chair John B. Rhodes**. “We anticipate energy consumers will benefit from adequate capacity and supply if we see a harsher-than-expected season.”

While bill impacts will vary by utility, natural gas bills in general are projected to be slightly higher this winter than historical averages, and compared to last winter which was much warmer than normal. On the electric side, this winter’s commodity prices statewide are projected to be slightly higher than last winter, but significantly lower than the historical average; although commodity prices can vary significantly due to weather and other conditions.

On average, a residential customer using 600 kWh per month is expected to pay about \$40 per month for supply, about 16 percent less than the five-year historic average, but the actual amount varies by utility. Meanwhile, the average residential customer using 720 therms of natural gas can expect to pay about \$800 in total for supply November through March, or about 2 percent higher than the five-year historical average, but again, the amount will vary by utility and weather. A colder-than-normal winter will cause usage and bills to increase.

Presently, electric NYMEX energy futures prices are lower than last winter's NYMEX futures prices. However, if there is unusually cold weather this winter, then actual prices might be higher than NYMEX forecast prices. Meanwhile, NYMEX gas futures prices are higher than last winter’s NYMEX future prices, but remain around the five-year average.

In keeping with Commission reliability requirements, natural gas companies are auditing systems, processes and procedures, as well as scheduling tests to ensure that interruptible customers comply with the Commission's alternate fuel requirements.

Commission staff has reached out to the major dual-fuel generation owners and found that they are continuing the lessons learned from the 2013/2014 winter. These primarily include topping off their

respective fuel oil storage tanks pre-winter, making firm arrangements for fuel oil replenishment as needed, and ensuring that plant equipment has been prepared for winter operations.

The electric utilities have continued to perform well in reducing the electric supply price volatility of their full service residential customers. The utilities have hedged approximately 70 percent of their estimated statewide full service residential energy needs to protect against unexpected electric market price swings that could occur this winter.

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 — expect to have adequate supplies on hand.

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.