



**Public Service
Commission**

Winter Preparedness of the Natural Gas and Electric Systems

2019-2020 Winter Season

*Office of Electric, Gas, and Water
Office of Consumer Services*

October 17, 2019
Albany, New York

- **Natural Gas Winter Outlook**
- **Bulk Electric Systems Preparedness**
- **Electric Utility Portfolio Price Volatility and Supply Price Outlook**
- **Outreach and Education Programs**

Natural Gas Winter Outlook

John Sano

*Gas and Water Rates and Supply
Office of Electric, Gas, and Water*

Capacity and Supply Review

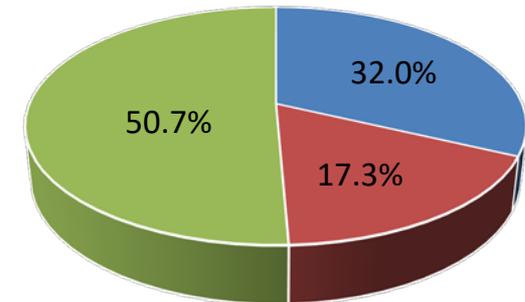
- Review of expected customer requirements for design weather conditions for this winter
- Review of supplies to meet those customer requirements
- Staff's monitoring of supply, prices and demand response customers throughout the winter

LDC Commodity Portfolio

	2019-20 Typical Portfolio	2018-19 Winter Forecast (11/1/18) \$/dth	2018-19 Winter Actual \$/dth	2019-20 Winter Forecast (10/1/19) \$/dth
Physical Storage	32%	\$ 2.45	\$ 2.49	\$ 2.23
Hedged Supply	17%	\$ 2.90	\$ 2.97	\$ 2.63
Flowing Gas	51%	\$ 3.15	\$ 3.72	\$ 2.54
Average Winter Commodity Price		\$ 2.88	\$ 3.25	\$ 2.46

Firm Customers

New York State Gas Utility Typical
2019-20 Winter Supply Portfolio



- PHYSICAL HEDGES (Storage)
- FINANCIAL HEDGES
- FLOWING

Statewide Avg. Winter Bills

Residential Heating Customer

2018-19 Actual Weather	2019-20 Normal Weather Forecast	% Change Actual 2018-19 vs. Normal 2019-20
\$831	\$757	-10.9%

Enbridge Pipelines' Force Majeure

- Force majeure is the result of integrity verification testing resulting from:
 - Incident investigation by the National Transportation Safety Board (NTSB)
 - Corrective action order from PHMSA
- The situation results in pressure reductions of up to 20% on much of the Enbridge system into the downstate area.
- Creates an immediate downstate reliability concern for existing customers this winter.
- NY gas utilities are in the process of contracting for additional replacement supplies to be ready to meet 2019-2020 winter conditions



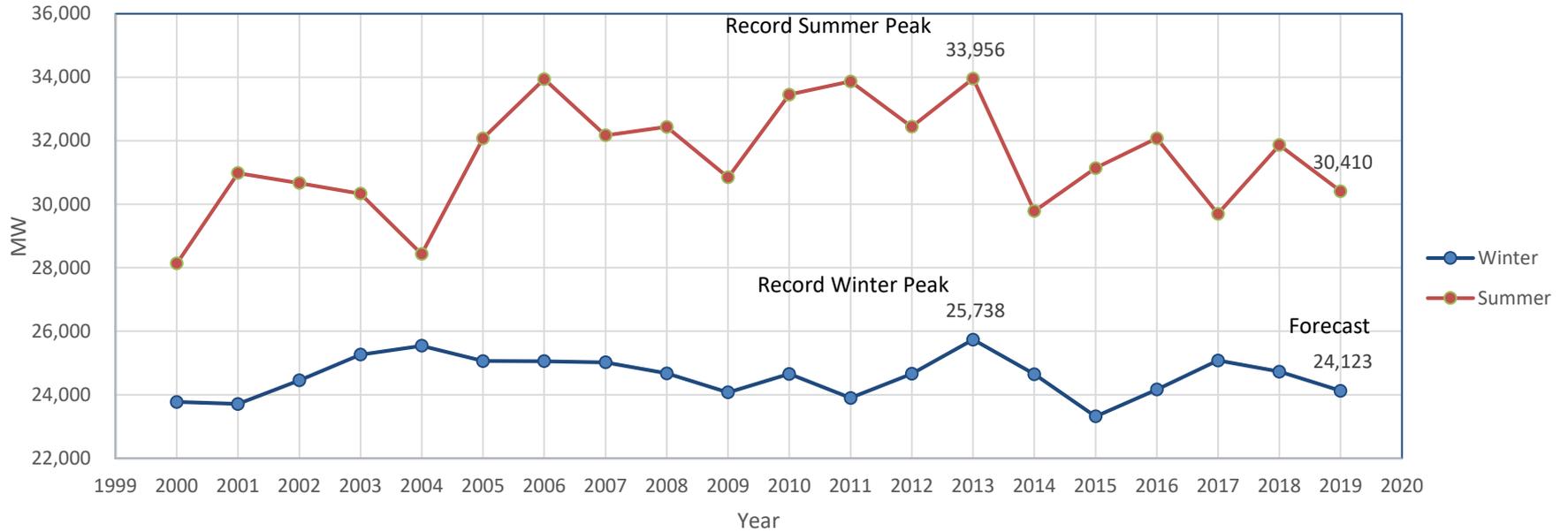
Natural Gas Summary

- ❑ Commodity prices are projected to be lower compared to last year, but will vary depending on the impact of weather on winter flowing gas prices
- ❑ Customer bills this winter are expected to be lower than last year. Delivery Costs are about the same but Gas Costs are forecast to decrease.
- ❑ NY gas utilities are in the process of contracting for additional supplies to be ready to meet 2019-2020 winter conditions
- ❑ Enbridge Force Majeure – 20% reduction in operating pressure
 - ❑ An immediate downstate reliability concern for existing customers this winter.
 - ❑ Shows how a single point interstate failure can impact NY operations.

Bulk Electric Systems Preparedness

Vijay Puran
Bulk Electric Systems
Office of Electric, Gas, and Water

Historic Coincident Peaks



New York Winter 2019/20 Capability & Load

NYISO Provided Data	MW
Winter Generation Capacity	41,815
New York Special Case Resources (SCRs)	853
Net Purchases & Sales	678
LESS: Total Projected Capacity Outages	(5,703)
NET WINTER CAPACITY RESOURCES	37,643
Winter Peak Load Forecast	24,123
Operating Reserve Requirement	2,620
Capacity Margin	10,900

Major Generation Facilities

- ❑ Staff reached out to major generation facility owners located primarily in the Southeastern portion of New York
- ❑ Lessons learned and beneficial changes made as a result of the 2013/2014 Polar Vortex are continuing
- ❑ On-site storage and replenishment of fuel oil is a critical priority

State Agencies and NYISO Preparations

- ❑ State Agencies and NYISO Winter Protocol

- ❑ NYISO Winter 2019/2020 Preparations
 - Continue enhancements and activities developed over recent years
 - Monitor fuel availability
 - Share confidential operational information with interstate pipelines

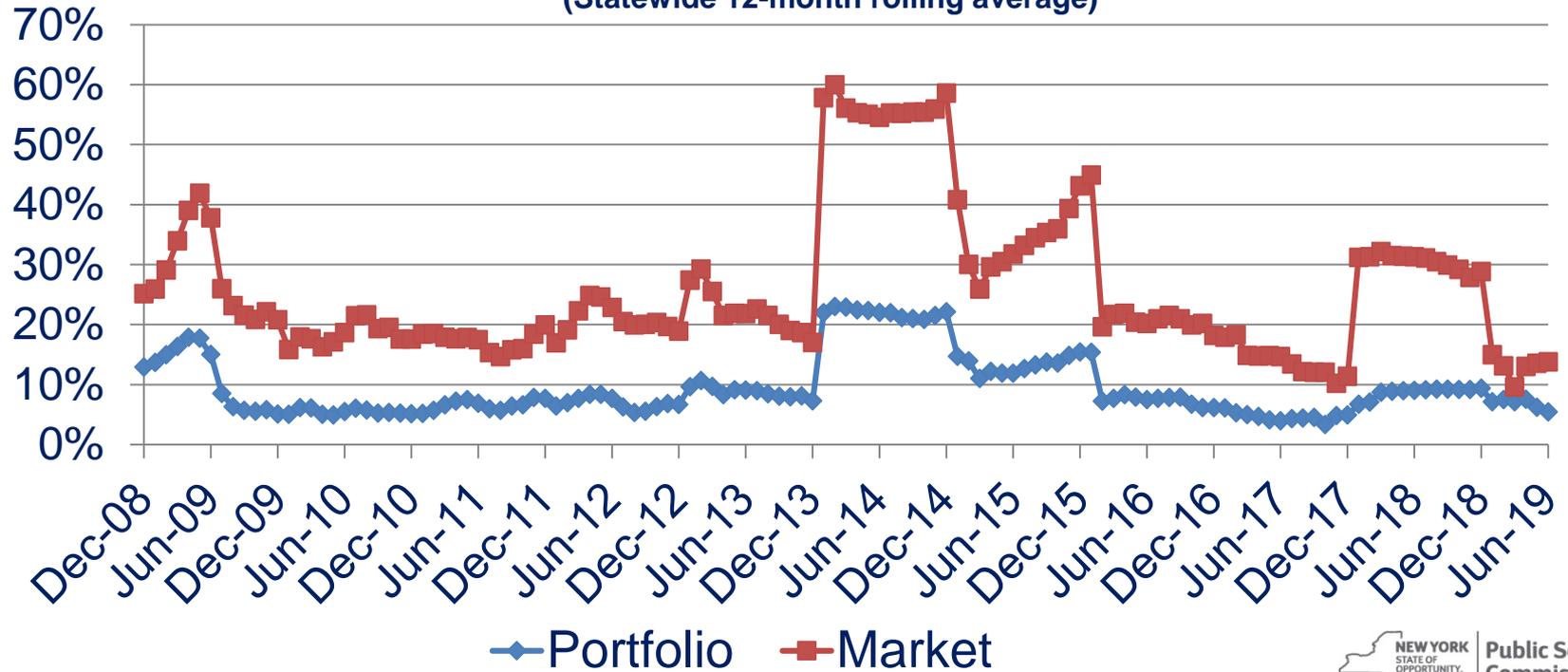
Electric Utility Portfolio Price Volatility and Supply Price Outlook

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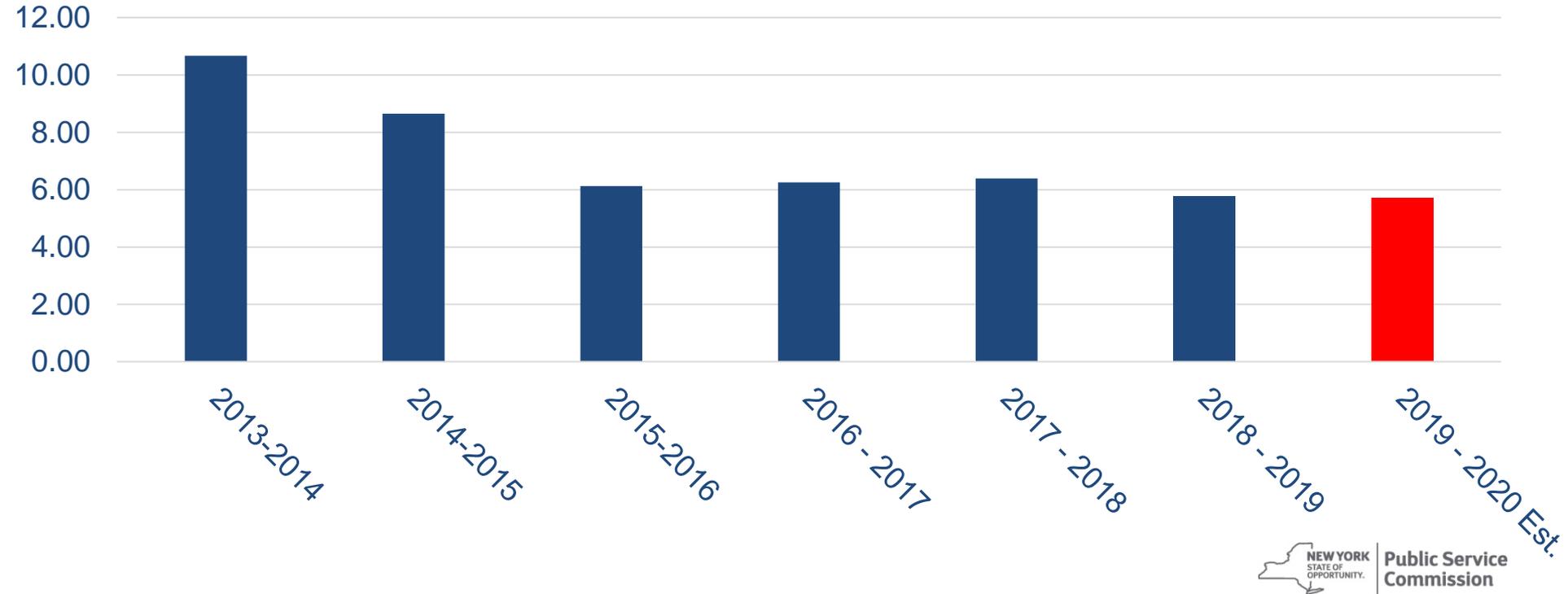
NYISO Spot Market vs. Utility Full Service Residential Customer Supply Portfolio Volatility

(Statewide 12-month rolling average)

Coefficient of Variation



Statewide Weighted Average Full Service Residential Supply Price - Winter Months (Cents per kWh)



Outreach and Education Programs

Anna Senatore
Consumer Outreach and Education
Office of Consumer Services

Messages

- Bill management strategies
 - Financial assistance programs
 - Budget billing
 - Payment options

- Energy efficiency tips

- Special customer protections

- Safety information
 - natural gas/electricity
 - carbon monoxide

- Storm preparation

DPS Outreach Efforts

- ❑ Educational materials

- ❑ Grassroots outreach
 - Events/presentations
 - Websites and toll-free numbers

- ❑ Partnerships
 - service organizations
 - government agencies
 - community based groups

Utility Outreach Efforts

- Media Advertisements – print/radio/tv/outdoor
- Website/Social Media/Mobile Applications
- Consumer Education
 - Publications - brochures/newsletters/bill inserts and messaging
 - Events
 - Weatherization kits
- Public Relations
- Outbound calling
- Employee Training and Quality Monitoring

Questions?