



**Public Service
Commission**

Winter Preparedness of the Natural Gas and Electric Supply 2017-2018 Winter Season

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

October 19, 2017
Albany, New York

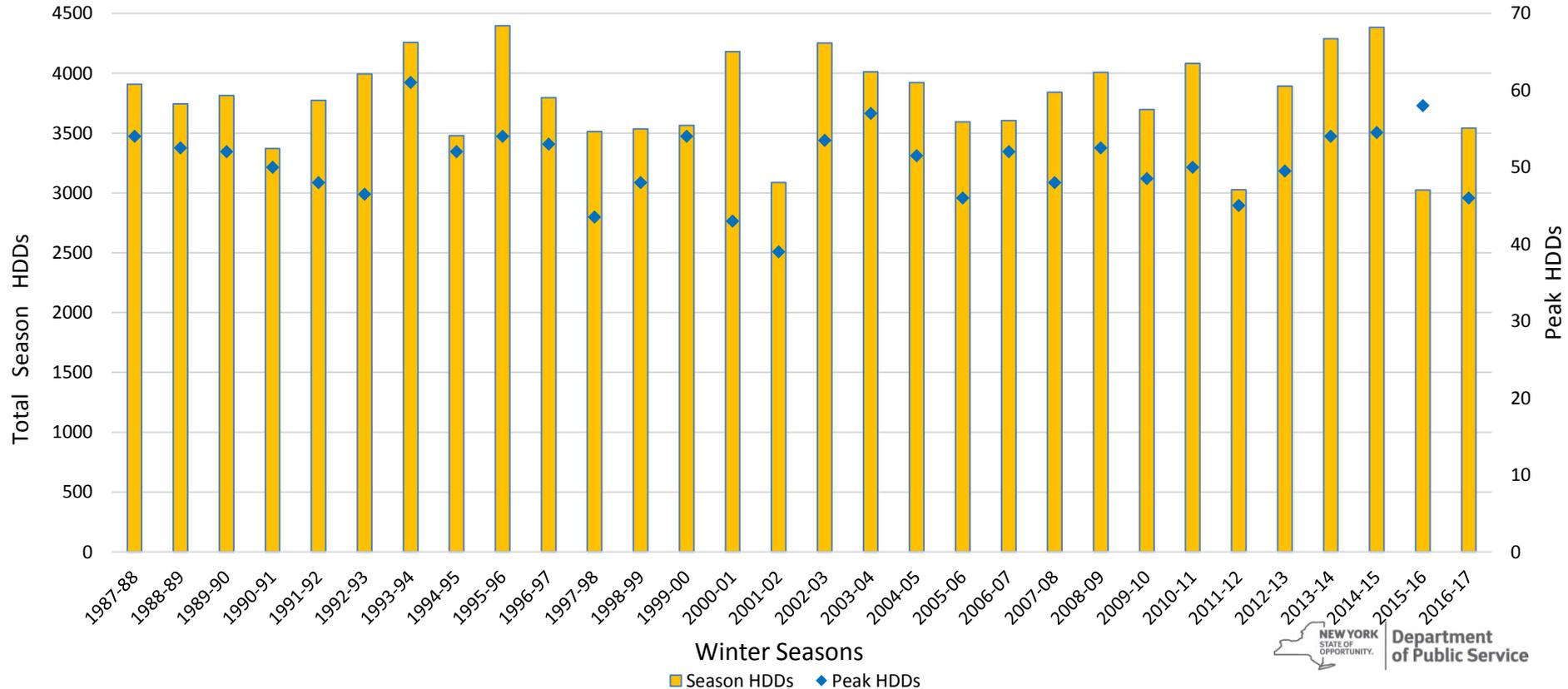
Natural Gas Winter Outlook

Cynthia H. McCarran
Deputy Director of Gas & Water
Office of Electric, Gas and Water

Adequate Capacity and Supplies

- Review of expected customer requirements for design weather conditions for this winter.
- Review of supplies to meet expected customer requirements for design weather conditions for this winter.
- Staff will continue to monitor supply, prices and interruptible customers throughout the winter

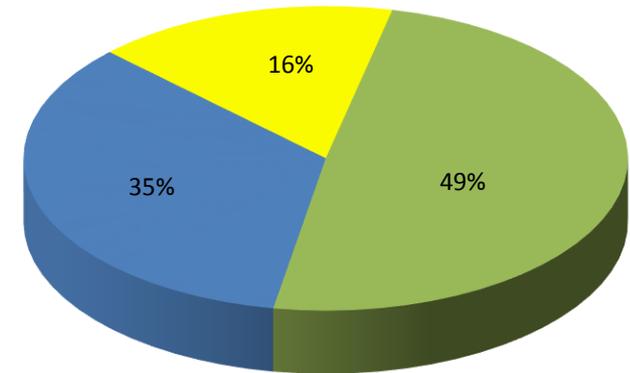
NY Central Park Historic Heating Seasons



LDC Commodity Portfolio

	2017-18 Typical Portfolio	2016-17 Winter Forecast \$/dth	2016-17 Winter Actual \$/dth	2017-18 Winter Forecast \$/dth
Physical Storage	35%	\$1.85	\$1.71	\$2.26
Hedged Supply	16%	\$2.73	\$2.68	\$3.18
Flowing Gas	49%	\$2.53	\$2.96	\$3.23
Average Winter Commodity Price		\$2.33	\$2.54	\$2.90

Firm Customers New York State Gas Utility Typical 2017-18 Winter Supply Portfolio



■ Storage ■ Hedged ■ Unhedged

Statewide Avg. Winter Bills

Residential Heating Customer

2016-17 Actual Weather	2016-17 Normal Weather	2017-18 Normal Weather	% Change Normal 2016-17 vs. Normal 2017-18
\$705	\$738	\$797	+8.0%

Summary

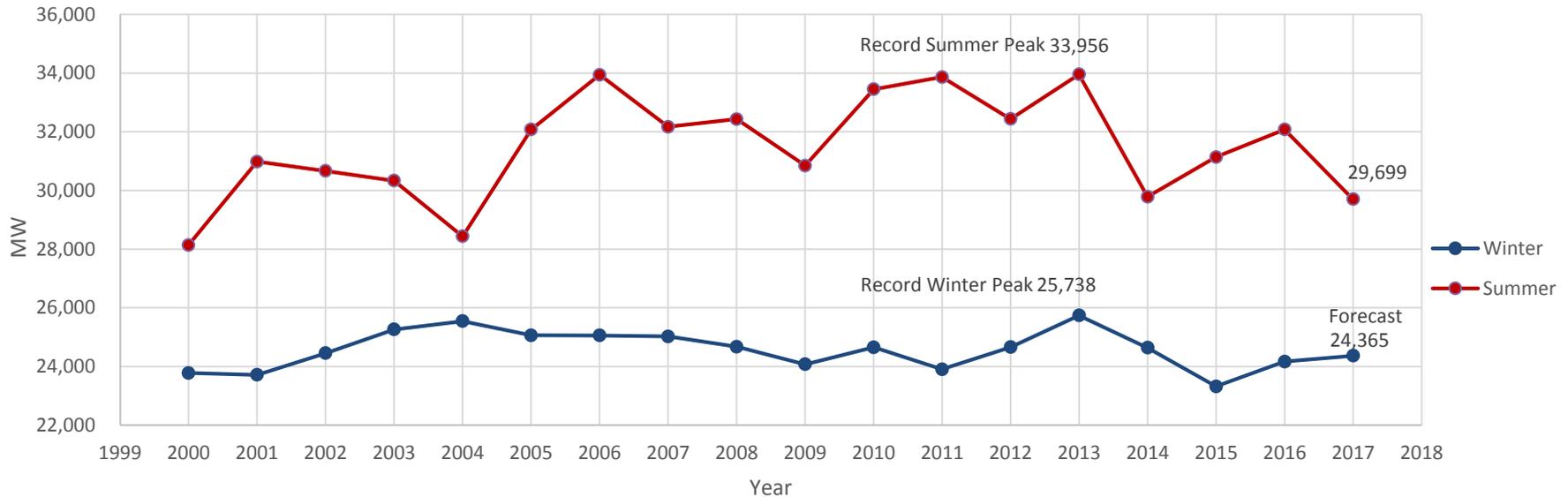
- ❑ NY gas utilities have contracted for adequate capacity and supplies and are ready to meet 2017-2018 winter conditions
- ❑ Commodity prices are projected to rise compared to last year, but remain lower than the five year average
- ❑ Compared to the five year average, customer bills this winter are expected to be slightly higher

Bulk Electric System Preparedness

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

New York State Historic Coincident Peaks

Historic Coincident Peaks



New York Winter 2017/18 Capability & Load

NYISO Provided Data	MW
Winter Generation Capacity	41,454
New York Special Case Resources (SCRs)	792
Net Purchases & Sales	2311
LESS: Total Projected Capacity Outages	(4,772)
NET WINTER CAPACITY RESOURCES	39,785
Winter Peak Load Forecast	24,365
Operating Reserve Requirement	2,620
Capacity Margin	12,800

Major Generating Facilities Assessment

- ❑ Staff reached out to major generating facility owners located primarily on the southeastern portion of New York
- ❑ Lessons learned and beneficial changes made as result of the 2013/2014 Polar Vortex are continuing
- ❑ On-site storage and replenishment of fuel oil is a critical issue
- ❑ State Agencies and NYISO Winter Protocol

NYISO

❑ NYISO Winter 2017/2018 Preparations

- Continue enhancements and activities developed over recent years
 - Use enhanced shortage pricing curves to incent generators to meet day-ahead commitments
 - Increase total operating reserve requirements
 - Monitor fuel availability
 - Share confidential operational information with interstate pipelines

❑ Neighboring RTO/ISO

- ISO New England
 - Winter Reliability Program
- PJM
 - Enhanced Capacity Performance Program

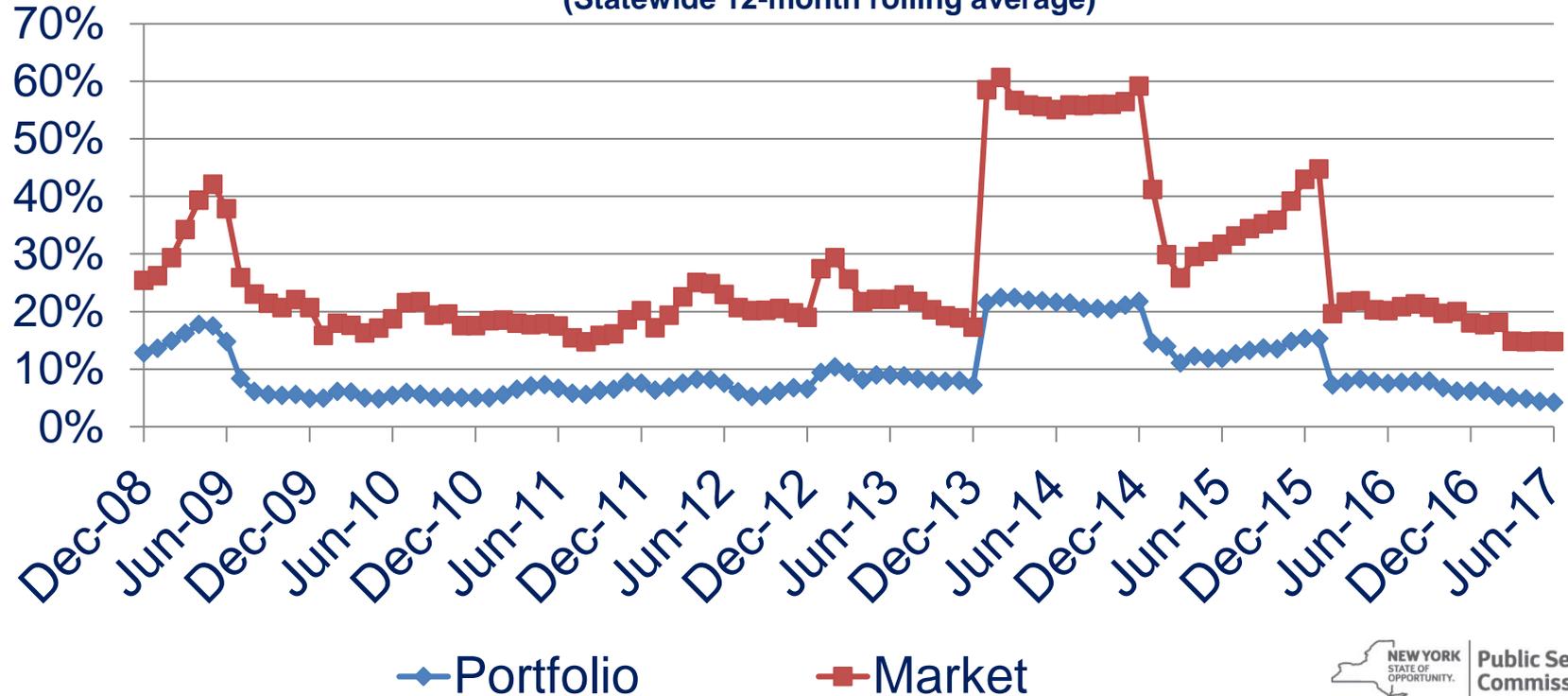
Electric Utility Portfolio Price Volatility and Supply Price Outlook

*Paul J. Darmetko Jr.
Electric Rates & Tariffs
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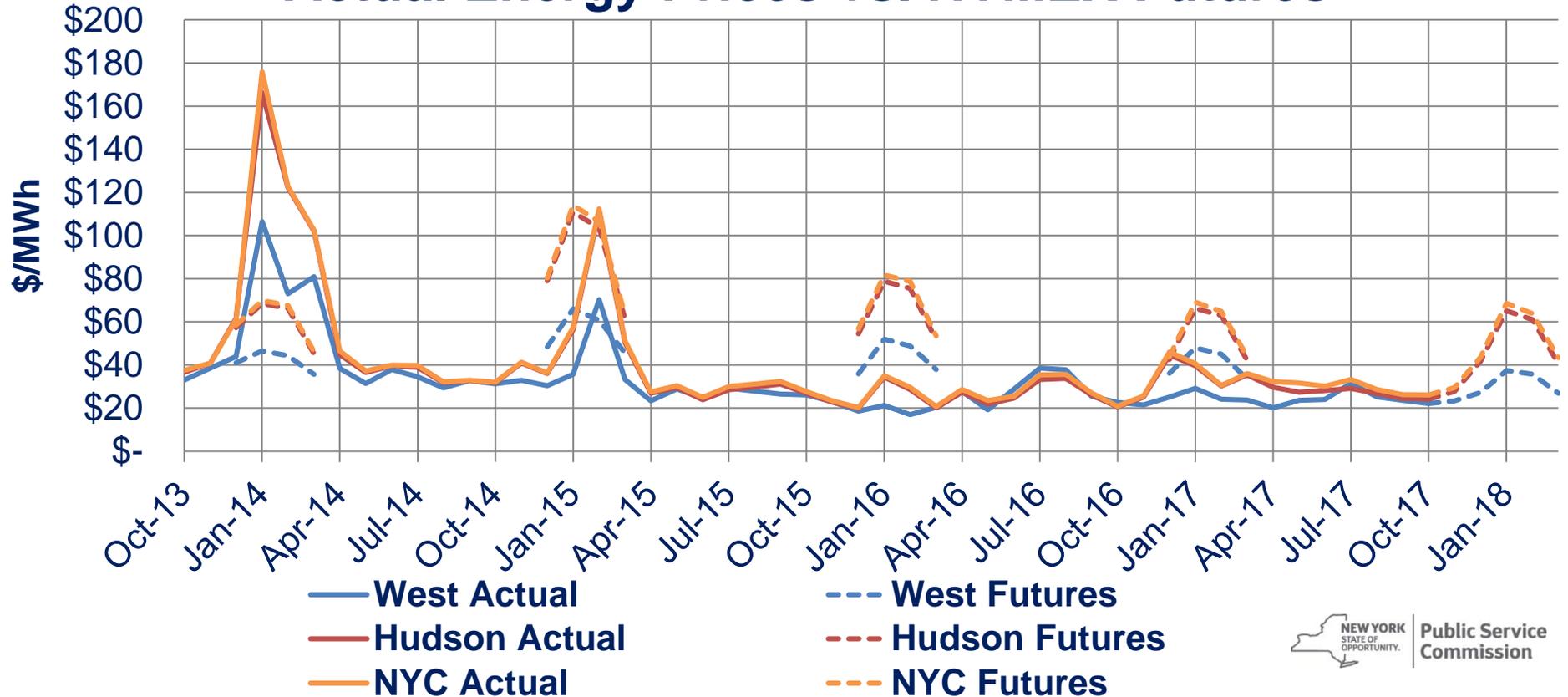
NYISO Spot Market vs. Utility Full Service Residential Customer Supply Portfolio Volatility

(Statewide 12-month rolling average)

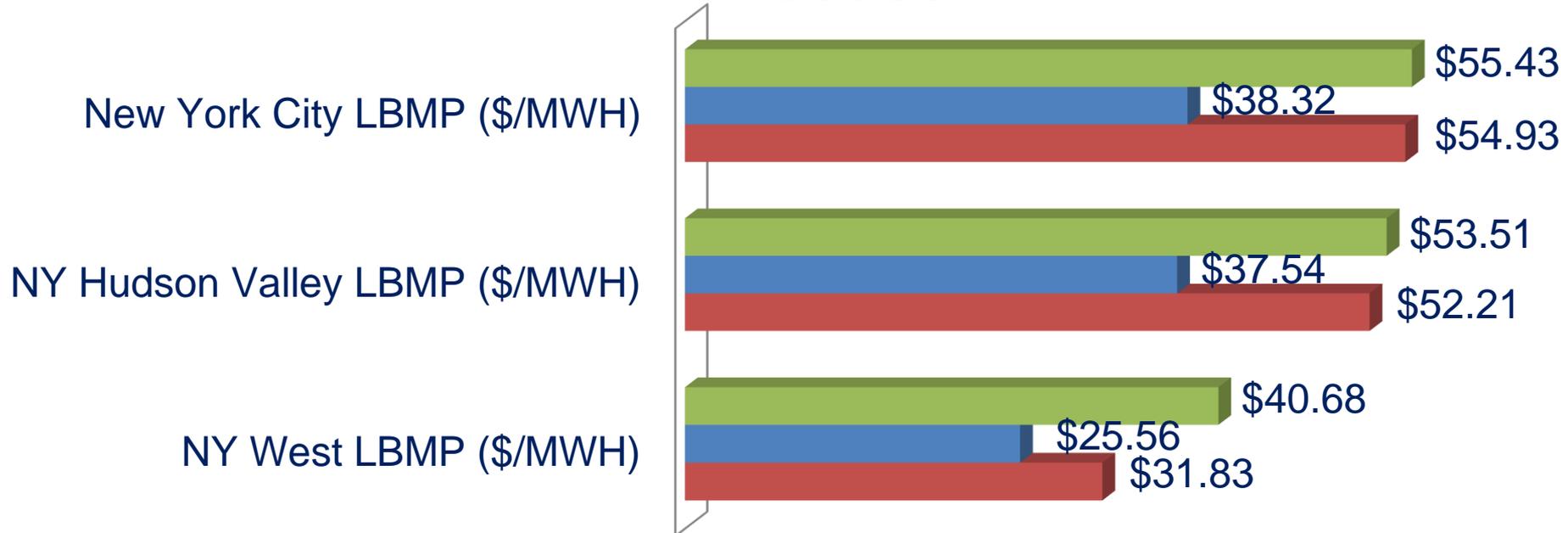
Coefficient of Variation



NYISO Day Ahead-Around The Clock Historic Actual Energy Prices vs. NYMEX Futures

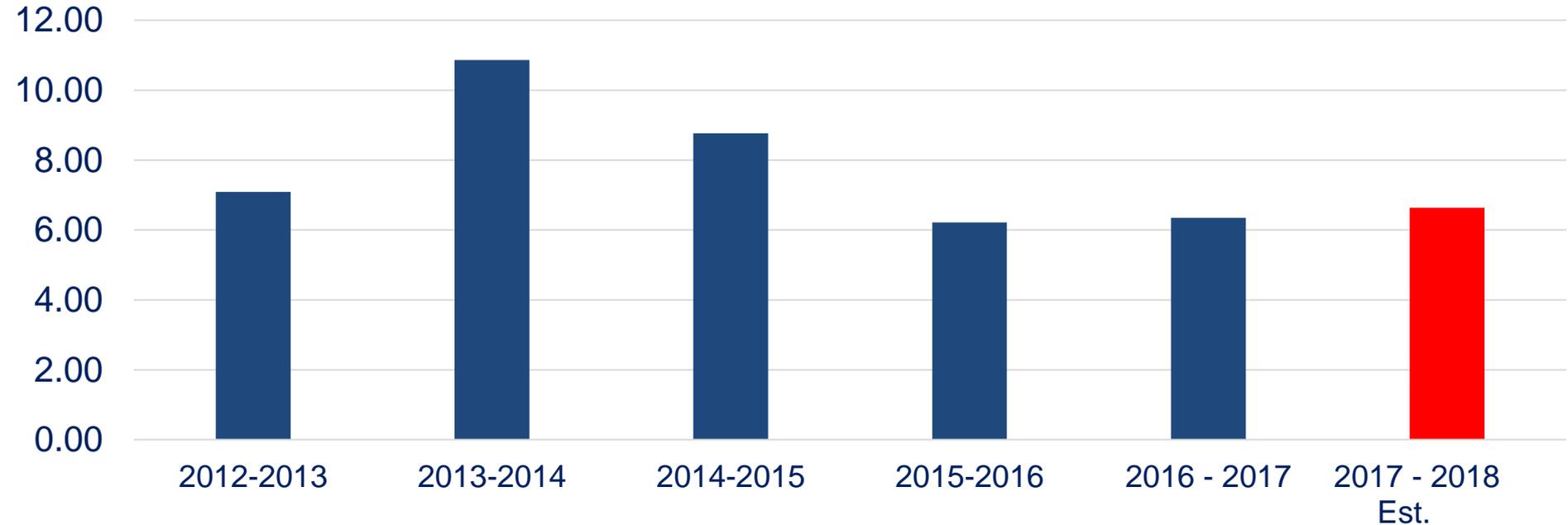


Average Energy Price Comparison Winter Season



- NYMEX Futures Dec 2016 - Mar 2017
- Day Ahead Market Dec 2016 - Mar 2017
- NYMEX Futures Dec 2017 - Mar 2018

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



Outreach and Education Programs for 2017-18 Winter Season

Andrew Bisnett
Consumer Outreach and Education
Office of Consumer Services

Messages

- ❑ Financial assistance/bill payment options
- ❑ Steps to improve energy efficiency
- ❑ Safety information regarding natural gas, electricity and carbon monoxide
- ❑ Storm preparation

DPS Outreach Efforts

- ❑ Educational materials
- ❑ Grassroots – events, website, customer service
- ❑ Partnerships with service organizations, government agencies, community groups

Utility Outreach Efforts

- ❑ News Media
- ❑ Website/Social Media/Mobile Applications
- ❑ Customer Education – publications, events, bill inserts/messaging
- ❑ Public Relations
- ❑ Employee Training and Quality Monitoring