



**Public Service
Commission**

Winter Preparedness of the Natural Gas and Electric Systems

2018-2019 Winter Season

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

October 18, 2018
Albany, New York

Natural Gas Winter Outlook

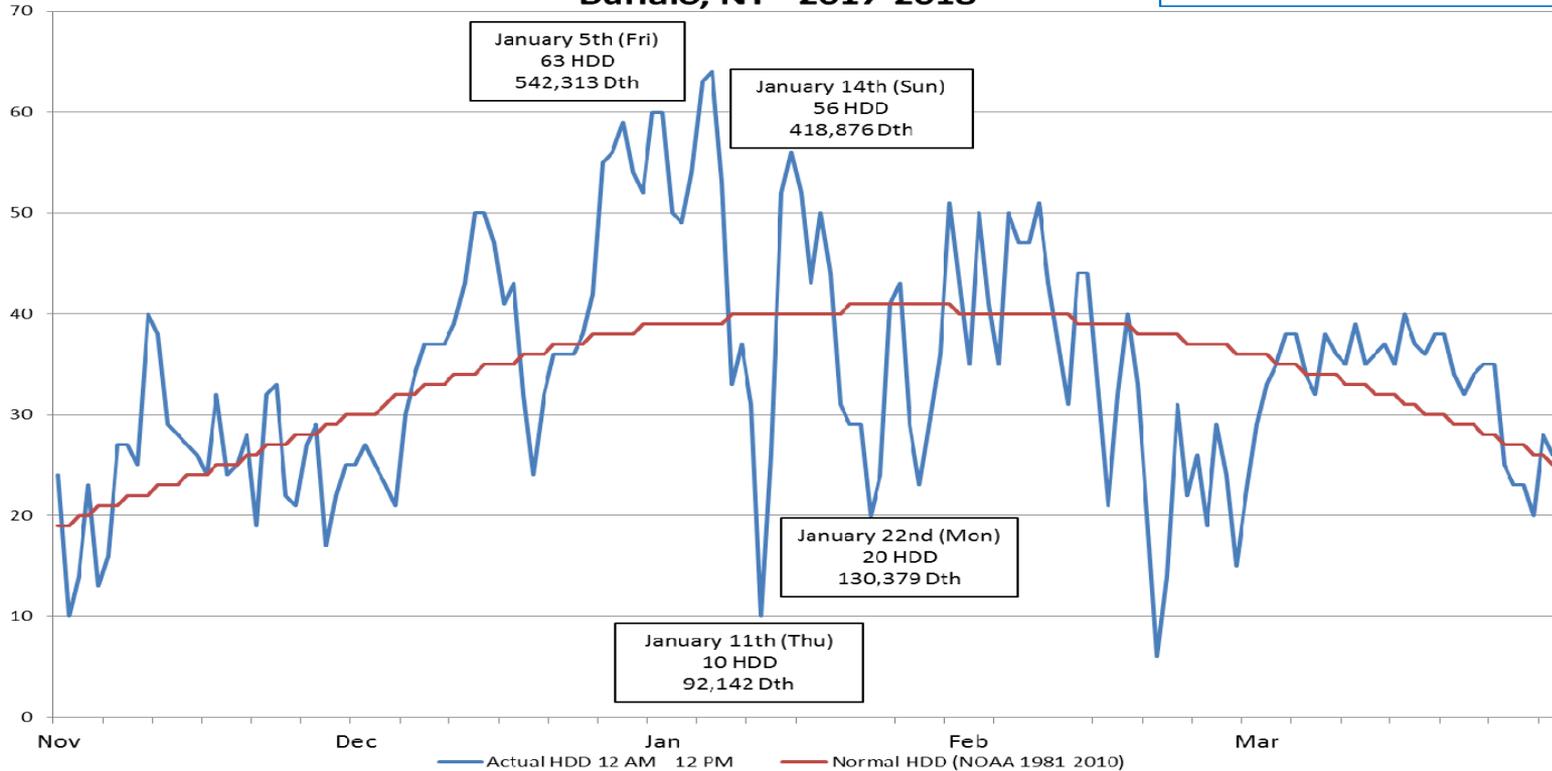
Chris Stolicky
Gas and Water Rates and Supply
Office of Electric, Gas, and Water

Adequate Capacity and Supplies

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

National Fuel Heating Degree Days (HDD) Buffalo, NY - 2017-2018

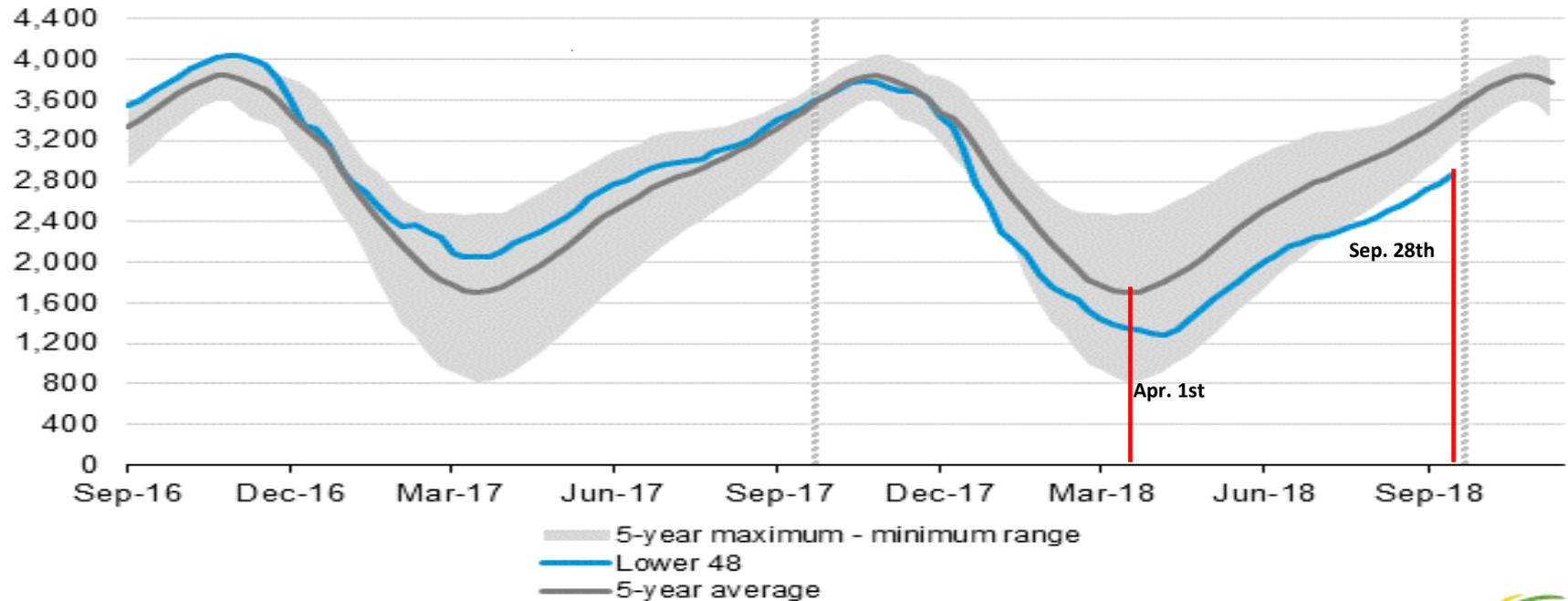
Winter HDD through 3-31-18
1.5% CTN



National Weekly Storage Report

Working gas in underground storage compared with the 5-year maximum and minimum

billion cubic feet



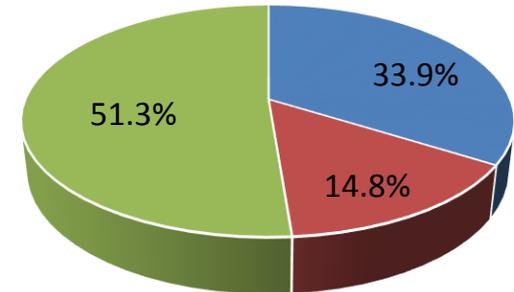
Source: U.S. Energy Information Administration

LDC Commodity Portfolio

	2018-19 Typical Portfolio	2017-18 Winter Forecast (11/1/17) \$/dth	2017-18 Winter Actual \$/dth	2018-19 Winter Forecast \$/dth
Physical Storage	34%	2.22	2.14	2.38
Hedged Supply	15%	3.06	2.98	2.85
Flowing Gas	51%	3.14	4.28	3.14
Average Winter Commodity Price		2.83	3.39	2.85

Firm Customers

New York State Gas Utility Typical
2018-19 Winter Supply Portfolio



- PHYSICAL HEDGES (Storage)
- FINANCIAL HEDGES
- FLOWING

Statewide Avg. Winter Bills

Residential Heating
Customer

2017-18 Actual Weather	2018-19 Normal Weather Forecast	% Change Actual 2017-18 vs. Normal 2018-19
\$803	\$801	-0.3%

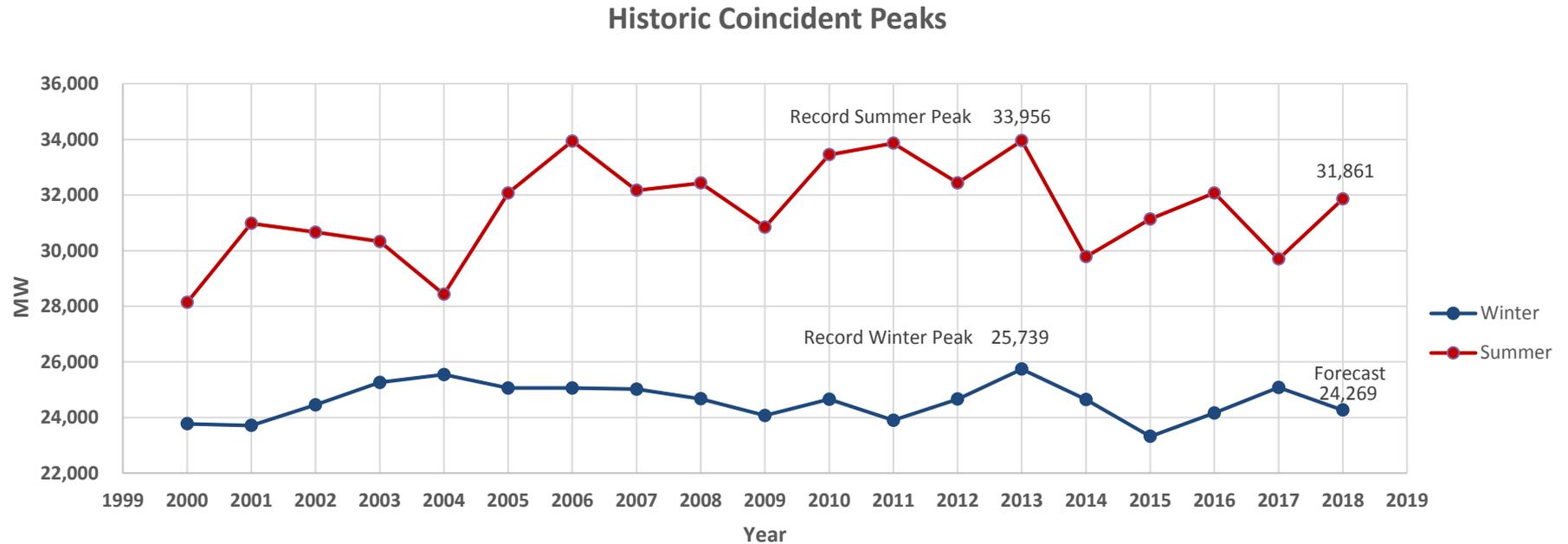
Summary

- ❑ NY gas utilities have contracted for adequate capacity and supplies and are ready to meet 2018-2019 winter conditions
- ❑ Commodity prices are projected to be slightly higher compared to last year, but will vary depending on service territory
- ❑ Customer bills this winter are expected to be about the same as last year

Bulk Electric Systems Preparedness

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

New York State Historic Coincident Peaks



New York Winter 2018/19 Capability & Load

NYISO Provided Data	MW
Winter Generation Capacity	41,539
New York Special Case Resources (SCRs)	884
Net Purchase & Sales	1519
LESS: Total Projected Capacity Outages	(5,618)
NET WINTER CAPACITY RESOURCES	38,324
Winter Peak Load Forecast	24,269
Operating Reserve Requirement	2,620
Capacity Margin	11,435

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 issue

State Agencies and NYISO Preparations

- ❑ State Agencies and NYISO Winter Protocol

- ❑ NYISO Winter 2018/2019 Preparations
 - Continue enhancements and activities developed over recent years
 - Monitor fuel availability
 - Share confidential operational information with interstate pipelines

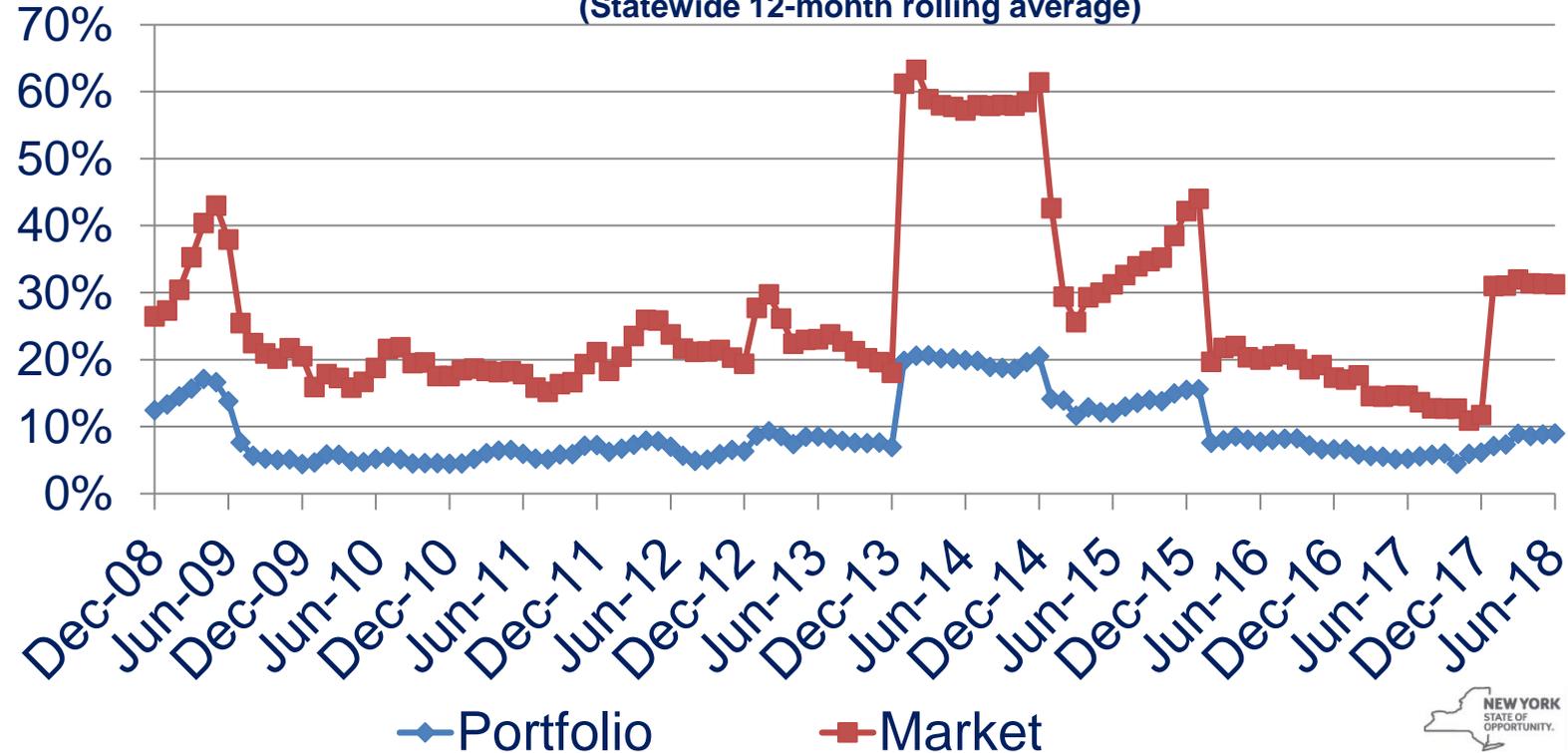
Electric Utility Portfolio Price Volatility and Supply Price Outlook

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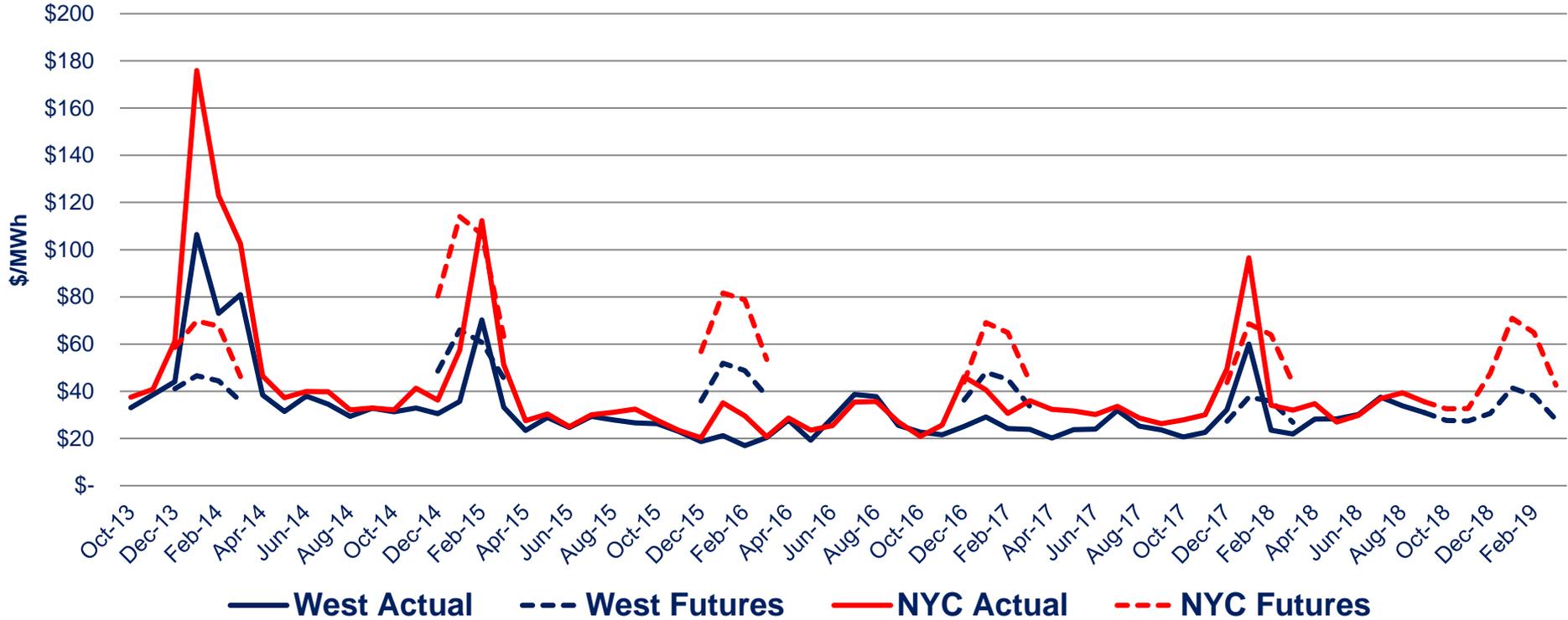
NYISO Spot Market vs. Utility Full Service Residential Customer Supply Portfolio Volatility

(Statewide 12-month rolling average)

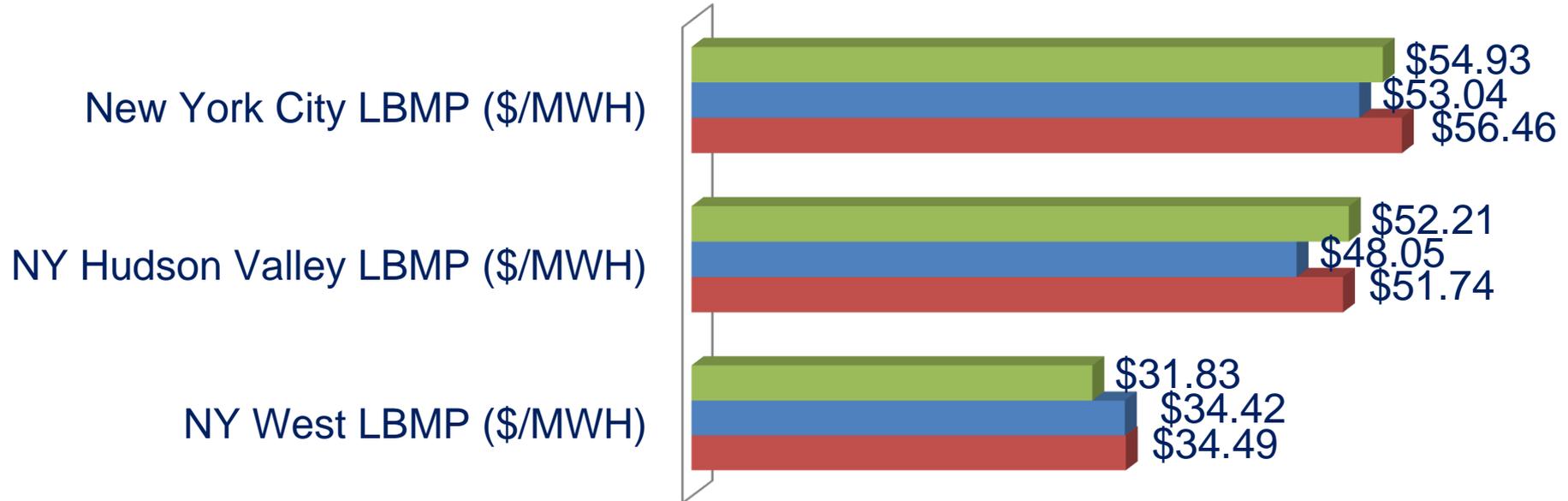
Coefficient of Variation



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

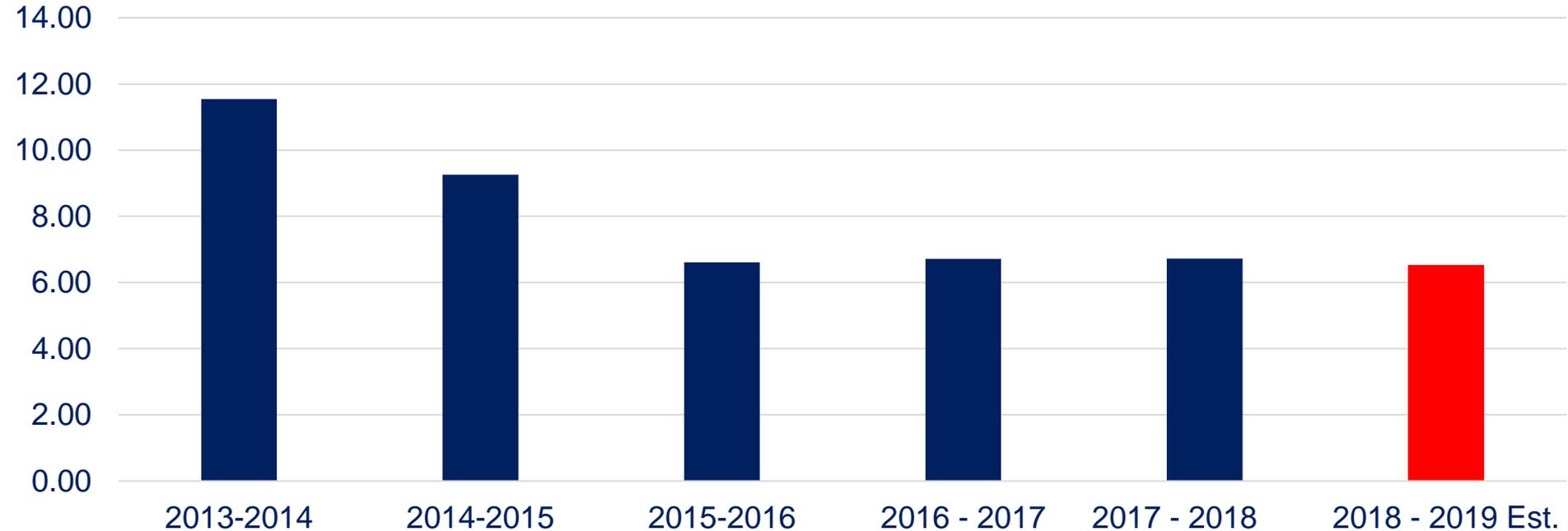


Average Energy Price Comparison Winter Season



- NYMEX Futures Dec 2017 - Mar 2018
- Day Ahead Market Dec 2017 - Mar 2018
- NYMEX Futures Dec 2018 - Mar 2019

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



Outreach and Education Programs

Sharon Alvaro
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