



**For Immediate Release:** 10/17/19

John B. Rhodes, Chair

**Contact:**

John Chirlin | John.Chirlin@dps.ny.gov | (518) 474-7080

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

<http://twitter.com/NYSDPS>

**19090 /19-M-0382**

**Electricity and Natural Gas Prices Expected to be Below Average This Winter**  
***State Utility Regulator Will Ensure Appropriate Customer Winter Outreach Occurs***  
***PSC Will Closely Monitor Natural Gas Supply Throughout the Winter Heating Season***

**ALBANY** — The New York State Public Service Commission (Commission) today announced that the price of electricity this winter is expected to be slightly lower than last winter on average. Likewise, for natural gas, based on lower prices and a normal weather forecast, the average customer's bill is expected to be lower than last year. This Fall, however, the utilities were informed by Enbridge, the owner of the Texas Eastern and Algonquin Pipelines, that there would be pressure reductions this winter on both pipelines. The resulting capacity reductions will impact deliveries into the Goethals station in Staten Island and the South Manhattan Gate station in Manhattan and require offsetting measures.

"We anticipate energy consumers will benefit from lower than average energy prices this winter, which is welcome news for all of us," **said Commission Chair John B. Rhodes.** "We will continue to closely monitor the utilities serving New York State to make sure they have adequate sources and supplies of electricity and natural gas to meet current customer demands this winter. To that end, our 2018 New Efficiency New York Order established accelerated incremental targets to reduce statewide energy use by 31 trillion British thermal units of cumulative annual site energy consumption by 2025."

**Customer Outreach**

The Department of Public Service has a proactive program in place to ensure that customers receive the information and assistance they need. 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 heating-related energy emergencies. 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; alternate fuel and storage inventory management; and interstate pipeline operational issues.

**Electric and Natural Gas Price Forecast**

This winter's electricity prices statewide are projected to be slightly lower than last winter, although commodity prices can vary significantly due to weather and other conditions. While gas bill impacts will vary by utility, natural gas bills in general are also projected to be lower than last year.

On average, a residential customer using 600 kWh per month is expected to pay about \$34 per month for supply, but the actual amount varies by utility. Meanwhile, the average residential customer using 720 therms of natural gas can expect to pay under \$760 from November through March, less than last winter (this amount will vary by utility and weather). A colder-than-normal winter will cause usage and bills to increase.

The State's investor-owned utilities have continued to reduce the volatility of electric and gas supply prices to their full-service residential customers. The electric utilities have hedged approximately 70 percent of their estimated statewide full service electric residential energy needs to protect against unexpected electric market price swings that could occur this winter. Between financial hedges and gas held in storage, gas utilities have hedged approximately 49 percent of their estimated statewide firm customer needs.

### **Winter Heating Preparedness**

Staff continues to track weather impacts, pipeline and storage assets, and interruptible customer compliance, and will also work with the local distribution companies (LDCs) and communities to find innovative solutions that increase environmental benefits while meeting customer expectations for economic solutions. This work includes the aggressive pursuit of efficiency measures, demand response and other non-pipes solutions to meet growing space and water heating needs. The LDCs serving New York State are in the process of contracting for adequate natural gas supply, delivery capacity and storage inventory to satisfy current firm customer demands under typical winter conditions, including additional new contracts designed to replace volumes lost due to the Enbridge situation. The Department will also continue to closely monitor areas of the State where demand is growing at a faster pace, and where the existing distribution system is becoming constrained. Department staff continues to coordinate with oil industry representatives and the New York State Energy Research and Development Authority to ensure that customers have access to adequate supplies of winter heating fuels.

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.

### **Electric System Preparedness**

There is sufficient capability to meet electric demand for the winter. As part of the winter assessment, the major electric generating facility owners in Southeast New York who own about 12,000 MW of dual fuel generation capability were contacted. Staff found that these owners are continuing to implement lessons learned from the Polar Vortex winter of 2013-2014, including having increased pre-winter on-site fuel reserves, having firm contracts with fuel oil suppliers, conducting more aggressive replenishment plans, and having more proactive pre-winter maintenance and facilities preparations.