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# Pre-Winter Outlook Natural Gas Status

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**New York State Agencies  
Pre-Winter Fuels Outlook Meeting**

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Office of Electric, Gas and Water  
NYS Department of Public Service**

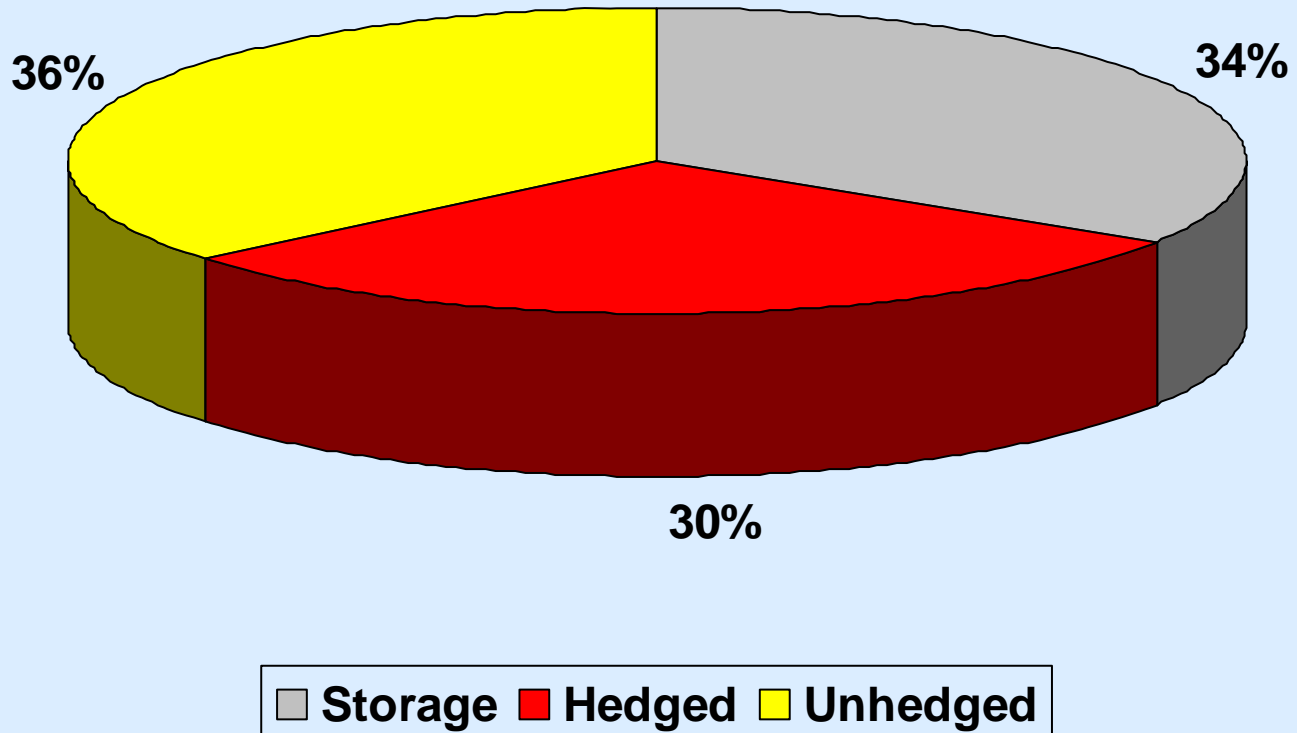
**July 1, 2007  
Albany, New York**

# Winter Gas Outlook

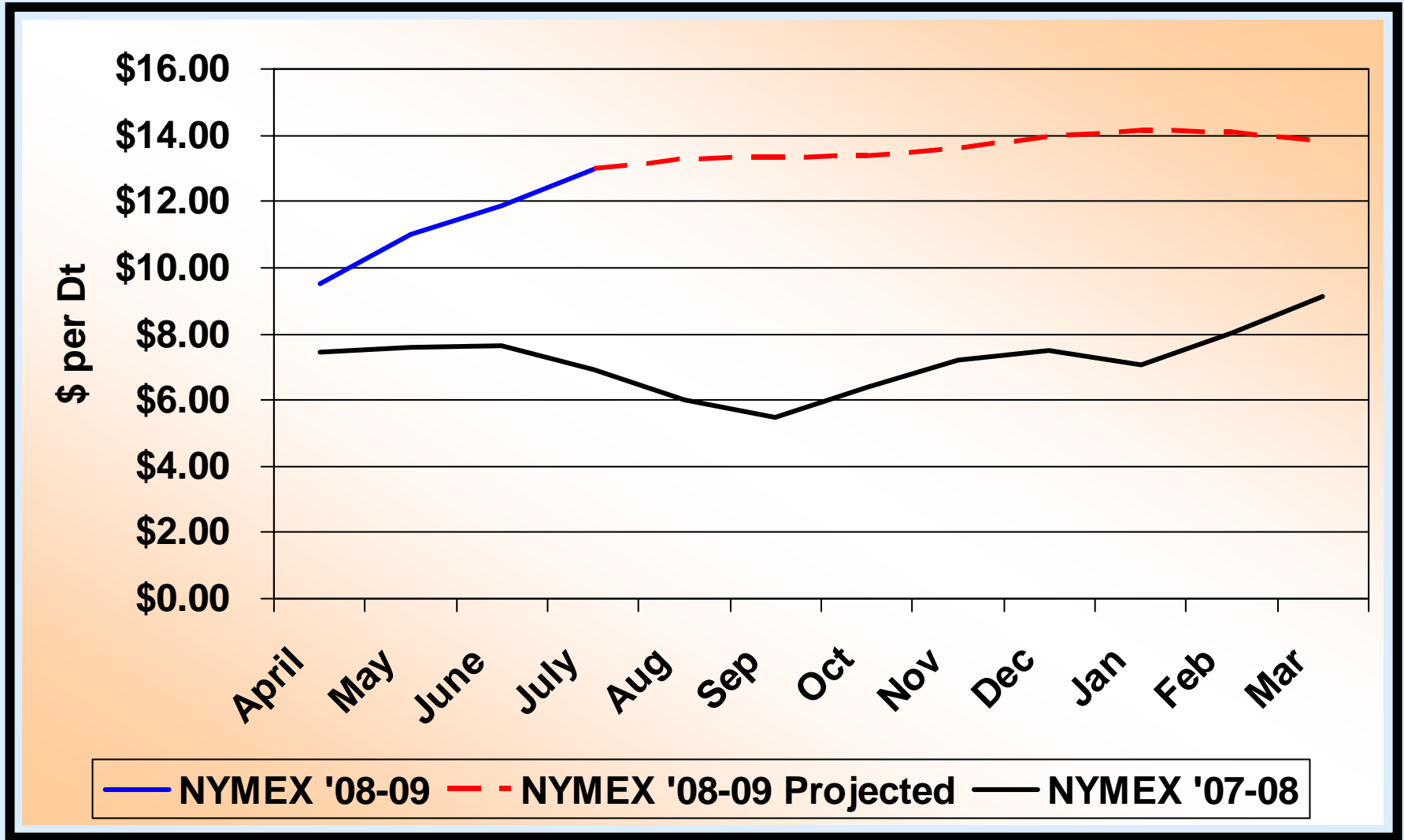
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- ❑ Based on where prices are currently, customer bills for next winter are expected to be 35-50% higher than last winter.
- ❑ Gas storage inventories nationwide are in the middle of the 5-year average range.
- ❑ It is expected that NY utilities will have adequate capacity and supplies to meet winter conditions.

# New York State LDC Typical Winter Supply Portfolio



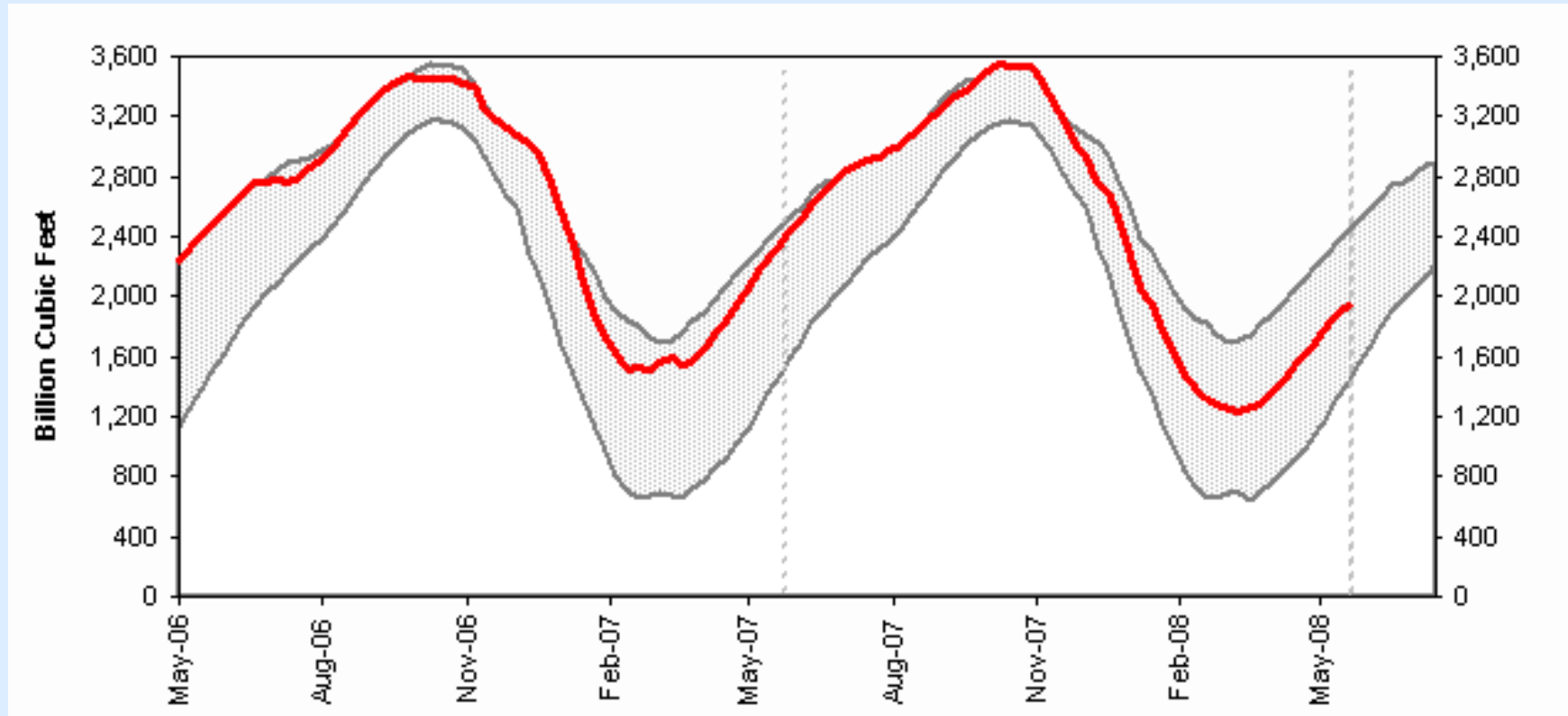
# NYMEX GAS FUTURES PRICES (\$/DT)



NYMEX prices as of June 26, 2008

# Working Gas in Underground Storage

## Compared with 5-Year Range



The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2003 through 2007.

EIA Weekly Natural Gas Storage Report, "Working Gas in Underground Storage", Data Released June 19, 2008, for the Week Ending June 13, 2007 (eia.doe.gov.).

# New York State Winter Commodity Portfolio Supply Summary

	Typical Portfolio	2007 – 2008 Winter Estimate	2008 – 2009 Winter Forecast**
Physical Storage	34%	\$7.46	\$11.33
Hedged Supply	30%	\$9.63	\$11.55
Flowing or Floating Point Gas	36%	\$8.14	\$13.92
Average Winter Commodity Price		\$8.36	\$12.33

\*\* Illustrative example based on NYMEX prices as of June 26, 2008

# Bill Impacts

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- ❑ Customer bills are comprised of commodity charges and transportation and delivery charges.
- ❑ Commodity costs account for roughly 70-80% of the customer's bill and varies depending on the utility.
- ❑ Customer bills are expected to be considerably higher this winter than last year under normal weather conditions driven by the commodity price increases.

# Electric Bills

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- ❑ Natural gas and oil are significant fuel sources for the State's generation of electricity.
- ❑ Given the significant rise in prices of these fuels, electricity prices are also expected to be significantly higher this year than last.

# New York State Department of Public Service

## Winter 2008-09

### Consumer Education and Assistance

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- Beginning in October, conduct a multifaceted, statewide outreach and education program to inform customers of price forecasts and expected bill impacts, the benefits of energy efficiency and conservation, and assistance programs
  - Radio, print and outdoor advertising
  - Plain language educational materials
  - Grassroots outreach, including partnerships with elected officials and community service organizations
  - Presentations to community groups and participation in public events
  - [www.AskPSC.com](http://www.AskPSC.com) consumer web site and toll-free information line
  - Toll free consumer assistance hotline and helpline.

# New York State Department of Public Service

## Winter 2008-09

### Consumer Education and Assistance

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- ❑ Coordination with and oversight of utility customer education programs and customer service operations
  - Ongoing interaction to ensure strong utility customer education programs
  - Meetings with senior utility executives to encourage flexibility in offering deferred payment agreements, limiting disconnections, and implementing voluntary moratoriums on winter terminations for elderly blind and disabled
  - Utility consumer education programs to provide payment plans and financial assistance programs, how to conserve energy and reduce heating bills
    - Paid advertisements/radio
    - Bill inserts, direct mailings
    - News releases
    - Website
    - “on hold” messages in call center