

**New York State Electric & Gas  
and  
Rochester Gas and Electric**

***2015 – 2016 Winter Supply Plan***

***November 2015 Update***

***11/6/2015***



# NYSEG/RG&E 2015–2016 Winter Supply Update Plan

## November 6, 2015 Update

### Overview

The enclosed 2015-2016 Winter Supply November Update Plan for New York State Electric & Gas (NYSEG) and Rochester Gas and Electric (RG&E) (collectively the Companies), was prepared and submitted for filing in response to the request for updated gas supply data for the 2015-2016 winter. Specifically, NYSEG and RG&E offer the following updates:

- A. Table 6 to reflect a revision to the demand charge on NYSEG's IGT Waddington Swing Gas Supply Contract, filed September 4, 2015; filed under Trade Secret cover.
- B. Table 7 to reflect updated 2015-2016 plan prices – filed under Trade Secret cover.
- C. Tables 8.1 and 8.2 updated to reflect updated NYMEX/basis pricing as of October 30, 2015.

Please note that certain responses will be submitted requesting Trade Secret protection pursuant to the Commission's Codes, Rules and Regulations, 16 NYCRR Section 6-1.3.

Please do not hesitate to contact Jacqueline Casciani at 607.762.8620 if further information is required.

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**A. Updates to Table 6**

Table 6: *Gas Supply Contracts – Winter 2015-2016* for NYSEG has been updated to revise the demand charge on the IGT Waddington Swing Gas Supply Contract. This rate was incorrectly reported in the 2015 – 2016 Winter Supply Plan September 2015 Update, filed September 4, 2015. The update to NYSEG’s Table 6 is a replacement page to the original July 7, 2015 filing (page 26).

**B. Updates to Table 7**

Table 7: *Winter 2015-16 Purchasing Plan and Projected Prices* for NYSEG and RG&E has been updated for November, for NYSEG and RG&E, based on the NYMEX settlement on October 30, 2015. The tables, with submission date of November 6, 2015, are meant to be used as replacement pages to the filing replacement tables submitted October 6, 2015 (pages 49 and 50).

**C. Updates to Bill Impact Comparison**

Bill Impact Comparisons of last winter versus the forecasted 2015-2016 winter (Table 8.1 and 8.2) have been updated to reflect NYMEX/basis pricing as of October 30, 2015. The updates are meant to be used as comparisons to the original July 7, 2015 filing (pages 57 and 58).

**Table 6: Gas Supply Contracts – Winter 2015-2016**

Submission Date: November 6, 2015

New York State Electric & Gas											
Transporter	Supplier	Receipt Point	Contract Number	Daily Quantity (DT) <sup>(1)</sup>	Winter Quantity (MDT)	Annual Quantity (MDT)	Demand (\$/DT-Month)	Commodity (\$/DT)	Flexibility	Expiration Date	Supply Basin <sup>(3)</sup>
<b>Long Term (&gt;5 years) by FT</b>											
None											
<b>Immediate Term (1 to 5 years) by FT</b>											
None											
<b>Short Term (&lt;1 year) by FT</b>											
									100% Swing	3/31/2016	G
									Baseload	3/31/2016	A/M
									100% Swing	3/31/2016	A/M
									100% Swing	3/31/2016	A/M
									Baseload	3/31/2016	C/M
									100% Swing	3/31/2016	C/M
									100% Swing	3/31/2016	C/M
									Baseload	3/31/2016	C
									100% Swing	3/31/2016	C
									100% Swing	3/31/2016	C
									100% Swing	3/31/2016	C
									100% Swing	3/31/2016	C
									100% Swing	3/31/2016	C
									100% Swing	3/31/2016	C
									100% Swing	3/31/2016	C
<b>Purchases Other than FT</b>											
None	Various Local Production			Varies	Varies	Varies			Operational		M

**Notes:**

- <sup>(1)</sup> If daily amounts differ by winter month please show on separate form
- <sup>(2)</sup> Fixed Price, Monthly Index (Identify index), First of Month (FOM), Daily Indexed (Identify Index), etc.
- <sup>(3)</sup> Mark "A" for Appalachia, "M" for Marcellus, "C" for Canadian, "G" for Gulf or "W" for West/Mid-Continent supplies or leave blank for others if not known

### Table 7: Winter Supply Hedges Summary

Submission Date: November 6, 2015

New York State Electric & Gas: Winter 2015 – 2016 Purchasing Plan & Projected Prices			
Percent Hedged Normal Weather	Portfolio Summary	Amount (MDT)	Price Commodity
	<b>Physical Hedges</b>		
	Market Area Storage*		
	Production Area Storage		
	Fixed Price Contracts		
	<b>Financial Hedges</b>		
	NYMEX Futures		
	Collars		
	Calls		
	Puts		
	<b>Flowing or Floating Price Gas</b>		
	Monthly Index		
	Spot/Daily Price		
	<b>TOTAL</b>		

\*Market Area Storage WACOG estimated value based on NYMEX close as of 10/30/2015

### Table 7: Winter Supply Hedges Summary

Submission Date: November 6, 2015

Rochester Gas and Electric: Winter 2015 – 2016 Purchasing Plan & Projected Prices			
Percent Hedged Normal Weather	Portfolio Summary	Amount (MDT)	Price Commodity
	<b>Physical Hedges</b>		
	Market Area Storage*		
	Production Area Storage		
	Fixed Price Contracts		
	<b>Financial Hedges</b>		
	NYMEX Futures		
	Collars		
	Calls		
	Puts		
	<b>Flowing or Floating Price Gas</b>		
	Monthly Index		
	Spot/Daily Price		
	<b>TOTAL</b>		

\*Market Area Storage WACOG estimated value based on NYMEX close as of 10/30/2015

**Table 8.1: Bill Comparison (Excluding Taxes)  
Winter 2014-15 to Winter 2015-16**

Submission Date: November 6, 2015

New York State Electric & Gas				
Total Bill				
1	2	3	4	5
2014-15 Average Residential Heating Customer Winter Bill	2014-15 Average Residential Heating Customer Winter Bill	2015-16 Forecasted Residential Heating Customer Winter Bill	Commodity Related Percent Change From Last Winter	Expected Percent Change From Last Winter
Actual	Normalized	Normalized	(Column 3 – Column 2) / Column 2	(Column 3 – Column 1) / Column 1
\$696	\$643	\$579	-10.1%	-16.9%

**Assumptions:**

Normal = 977 Therms/Year with 728 Therms of winter use

Last Year = 814 Therms of winter use

**Notes:**

<sup>1</sup> Identify the impact of any GAC reconciliation surcharge or refund mechanism

- 2015 \$0.000862/therm
- 2016 (\$0.026038)/therm

<sup>2</sup> Identify the impact of any other surcharges or refunds included in bills

- System Benefits Charge rate as of 1/1/15 \$0.013832 (Winter 2014/15 \$0.013166)
- Temporary State Assessment Surcharge rate as of 7/1/15 - \$0.007300/therm (Winter 2014/15 \$0.015200)
- Transition Surcharge rate as of 11/1/15 - \$0.036896/therm (Winter 2014/15 \$0.031012)
- Merchant Function Charge (MFC) rate as of 11/1/15 \$0.018830/therm (Winter 2014/15 \$0.016879)
- Revenue Decoupling Mechanism (RDM) as of 11/1/15 - (\$0.003631)/therm (Winter 2014/15 (\$0.007154)
- State GRT rate on delivery charges as of 6/1/15 - 2.0408%
- Gas Supply Charge Average Rate - Winter 2015/16 \$0.374684/therm (Winter 2014/15 \$0.466365/therm).

Make up of Monthly Bill Impact – Winter 2015-16		
1	Delivery	45.26%
2	GRT	2.00%
3	Transition Surcharge	1.50%
4	Gas Cost Factor	47.14%
5	Systems Benefit Charge	1.74%
6	Merchant Function Charge	2.37%
7	Revenue Decoupling Mechanism (RDM)	(0.30)%
8	Temporary NY State Surcharge	0.29%
9	Other	0.00%
		100.00%

**Table 8.2: Bill Comparison (Excluding Taxes)  
Winter 2014-15 to Winter 2015-16**

Submission Date: November 6, 2015

Rochester Gas and Electric				
Total Bill				
1	2	3	4	5
2014-15 Average Residential Heating Customer Winter Bill	2014-15 Average Residential Heating Customer Winter Bill	2015-16 Forecasted Residential Heating Customer Winter Bill	Commodity Related Percent Change From Last Winter	Expected Percent Change From Last Winter
Actual	Normalized	Normalized	(Column 3 – Column 2) / Column 3	(Column 3 – Column 1) / Column 1
\$670	\$599	\$529	-11.7%	-21.0%

**Assumptions:**

Normal = 952 Therms/Year with 752 Therms of winter use

Last Year = 859 Therms of winter use

Current = 752 Therms of calendar month use for the winter

**Notes:**

<sup>1</sup> Identify the impact of any GAC reconciliation surcharge or refund mechanism

- Annual reconciliation for 12 months ending 8/31/2014 = \$0.006272/therm
- Annual reconciliation for 12 months ending 8/31/2015 = (\$0.004656)/therm

<sup>2</sup> Identify the impact of any other surcharges or refunds included in bills

- System Benefits Charge rate as of 1/1/15 - \$0.018669/therm
- Temporary State Assessment Surcharge rate as of 7/1/15 - \$0.006240/therm; 7/1/2014- \$0.01252/therm
- Merchant Function Charge (MFC) rate was updated for current GSC and September MFC updates
- Residential Revenue Decoupling Mechanism (RDM) as of 11/1/14 - (\$0.005386); 11/1/15 - (\$0.003698)
- State GRT rate on delivery charges as of 7/1/12 - 2.0408%
- Supplier Refund Adjustment as of 5/1/15 – none
- Includes Delivery Rates that are effective 9/26/12

Make up of Monthly Bill Impact – Winter 2015-16		
1	Delivery	48.34%
2	GRT	1.05%
3	Monthly Rate (GAC) Adjustment	43.46%
4	Gas Cost Factor	0.00%
5	Systems Benefit Charge	2.21%
6	Merchant Function Charge	4.58%
7	Revenue Decoupling Mechanism (RDM)	(0.53)%
8	Temporary NY State Surcharge	0.89%
9	Other	0.00%
		100.00%