

Natural Gas Long-Term Plan Technical Session

Gas Bill Impacts



Case 23-G-0437

February 28, 2024



Overview

- All results in today's presentation reflect the Companies' Revised LTP filing.
- All analyses are performed separately for NYSEG and RG&E, unless otherwise noted.
- Non-participant gas bill Impacts are calculated for each scenario and the LTP for the following service classes:

NYSEG	Service Class
Residential	SC1S/SC13T
General Service	SC2S/SC14T
Small Firm Transportation	SC5T
Large Firm Transportation	SC1T

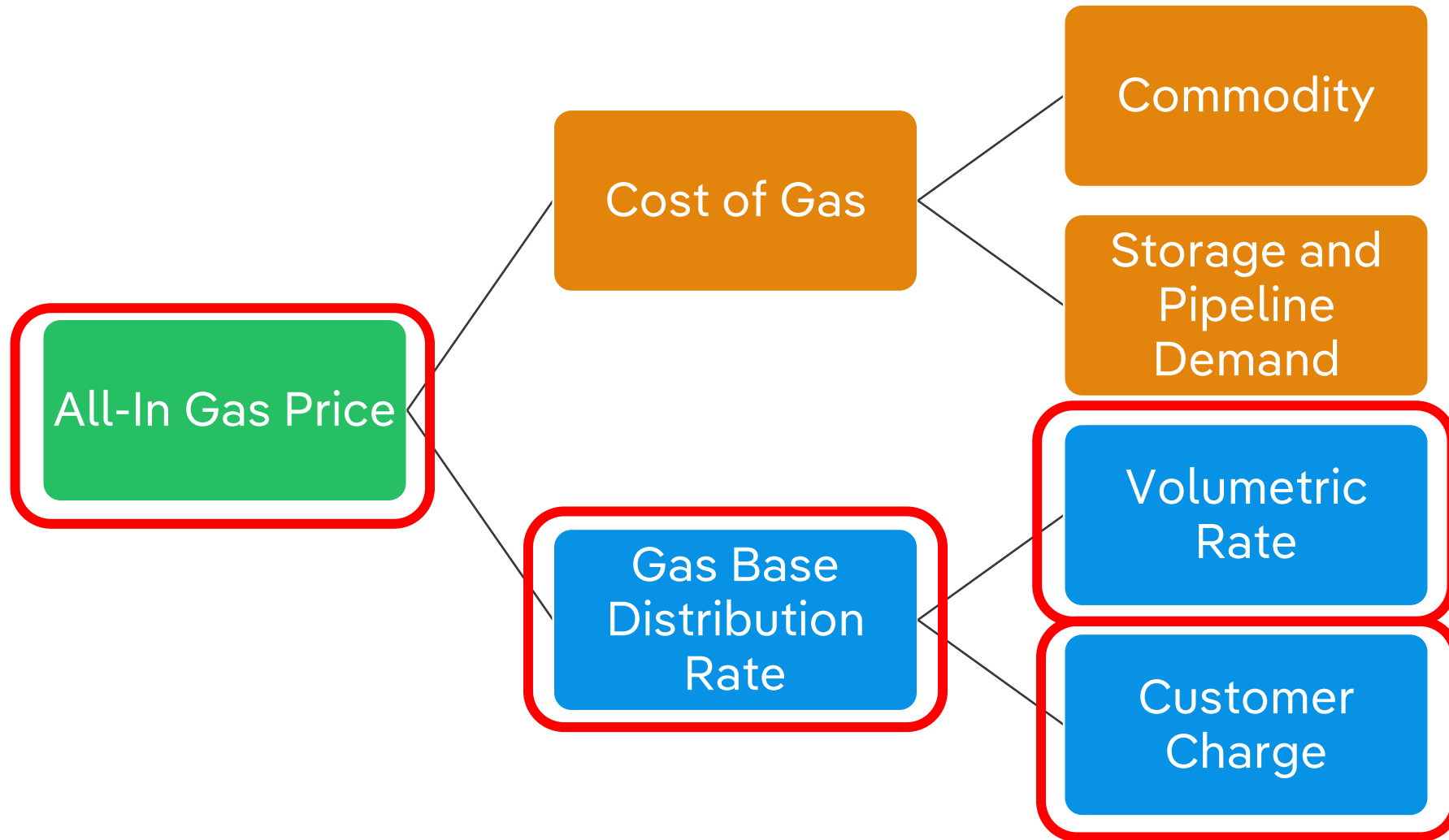
RG&E	Service Class
Residential General Service	SC1/SC5
Non-Residential General Service	SC1/SC5
Large Firm Transportation	SC3



Overview

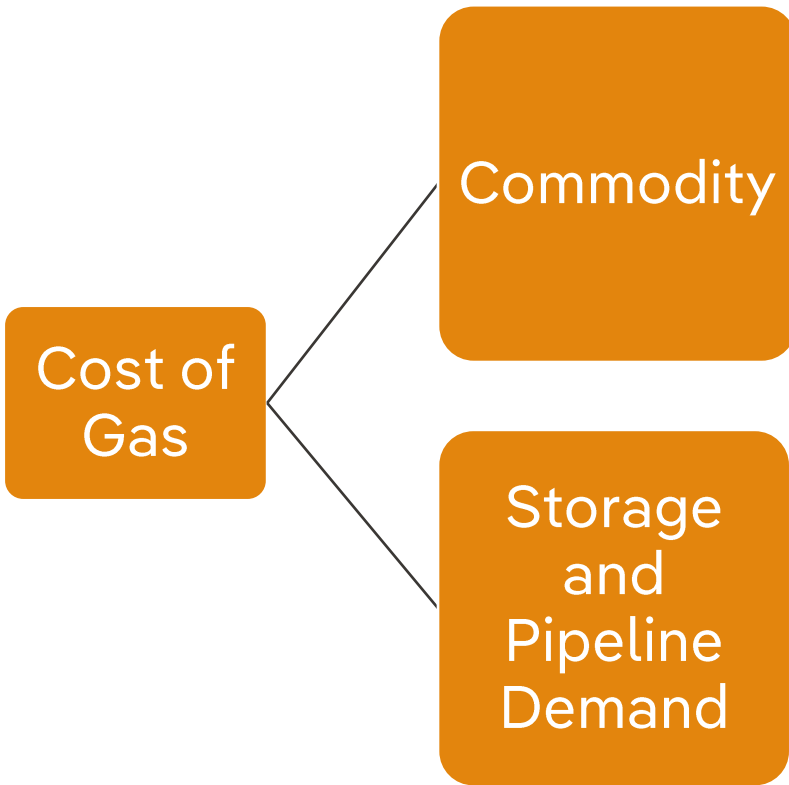
- Gas prices are impacted by the decarbonization actions included in each scenario and the LTP in two fundamental ways:
 - **changes in costs (numerator)**
 - **changes in billing determinants (denominator)**
- Appendix B to the Companies' Revised LTP filing contains additional detail regarding the gas price methodology
- Figure VI-7 and Appendix D (Sections I.E and II.E) to the Companies' Revised LTP filing contains the bill impact results for each service class for each scenario and the LTP

Components of the Gas Price Forecast (\$/MCF)



 Indicates that component differs by service class

Cost of Gas (\$/MCF) – Same for all Classes

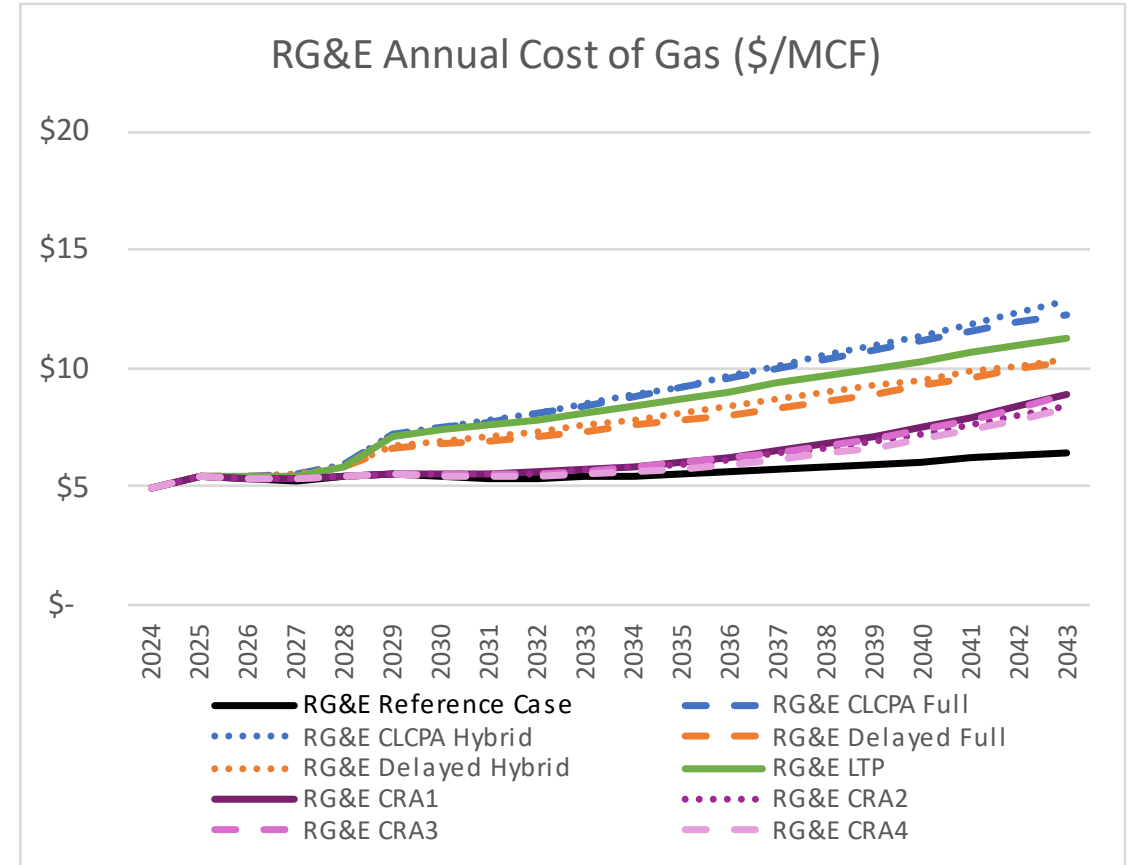
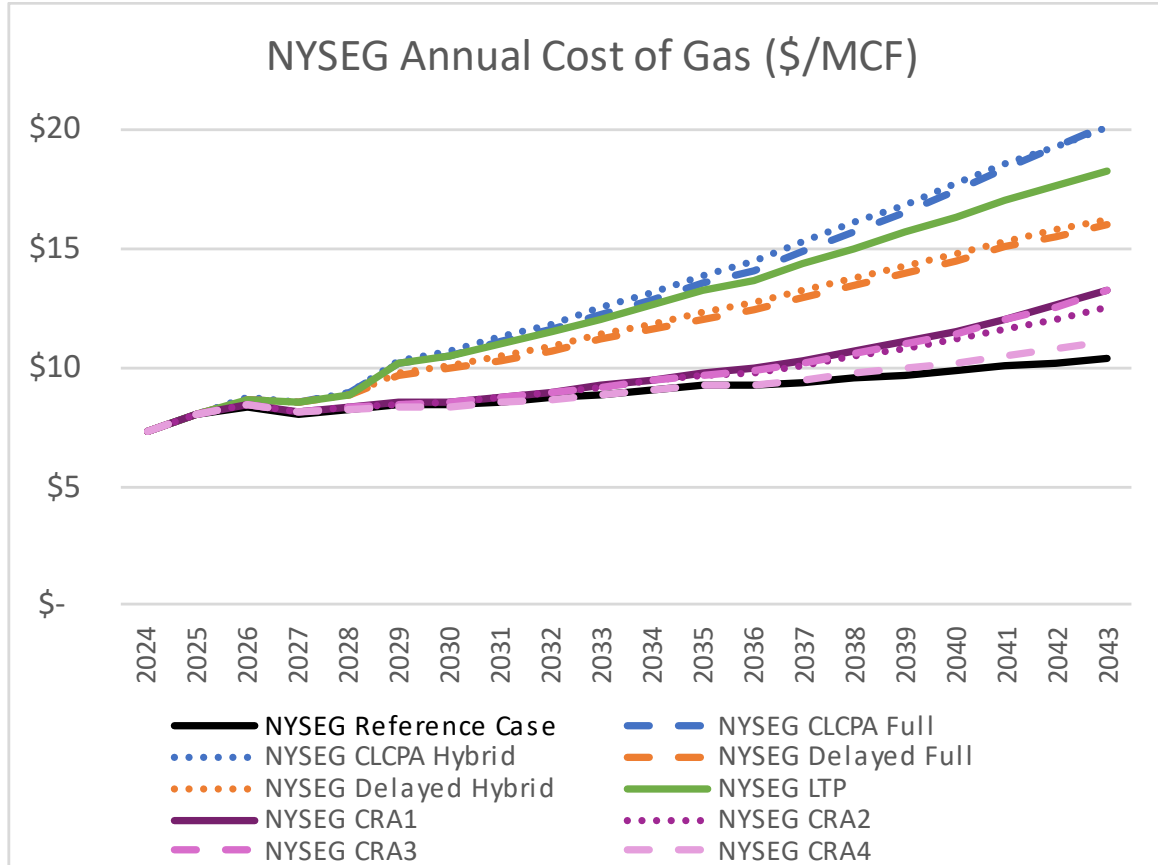


- **Traditional Supplies:** 2023 budgeted levels (\$/MCF), escalated by EIA AEO 2023 Henry Hub forecast annual growth rate.
- **RNG and Hydrogen:** Incorporate RNG and hydrogen specific cost premium for each unit included in each scenario and LTP. CRA/Stakeholder scenarios assume zero RNG and hydrogen, so no costs are included for these scenarios.
- **Fixed Pipeline and Storage Demand Costs:** 2023 budgeted levels (\$)
 - Total cost (in \$) assumed to remain constant over forecast period for LTP and Companies' scenarios
 - Total cost (in \$) assumed to decline by 0.5%-3%/year starting in 2028 in the CRA/Stakeholder scenarios.
 - Each scenario and LTP results in different levels of per unit cost (\$/MCF) as total fixed costs are spread over different throughput.

Cost of Gas

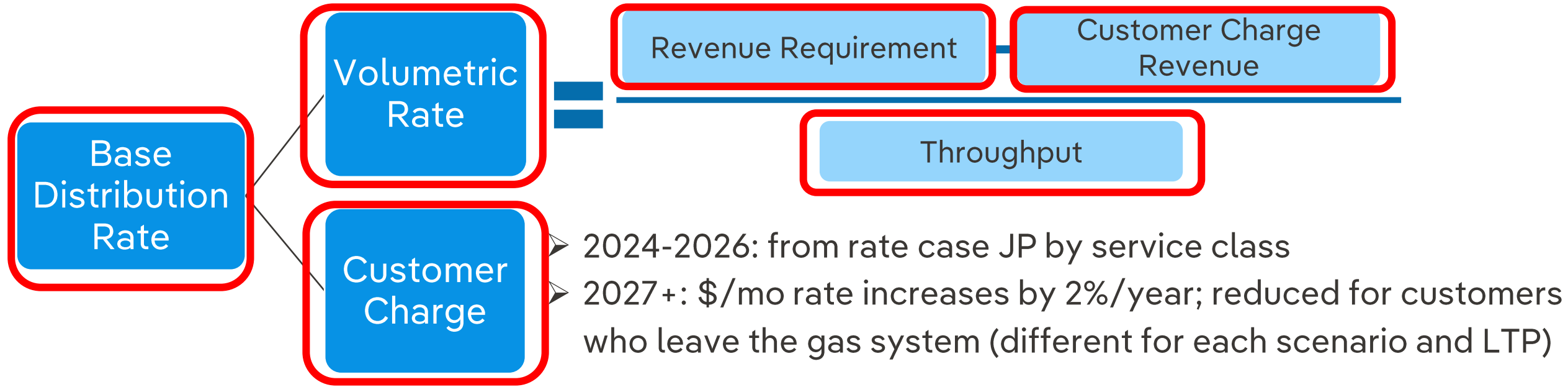


➤ Figure B-1





Gas Base Distribution Rate



- **Throughput:** Changes for each scenario and LTP based on reductions in gas use resulting from the specific decarbonization actions included.
- Changes in throughput and customer counts from decarbonization model in “customer class” categories (R, C, I, M) allocated to “service classes” to calculate bill impacts using mapping factors from the Companies’ demand forecast.

 Indicates that component differs by service class

Gas Base Distribution Rate

Revenue Requirement

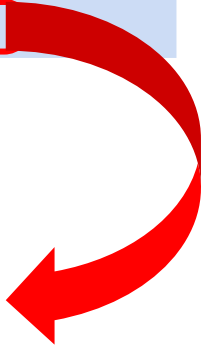


Forecasted System Level Revenue Requirement

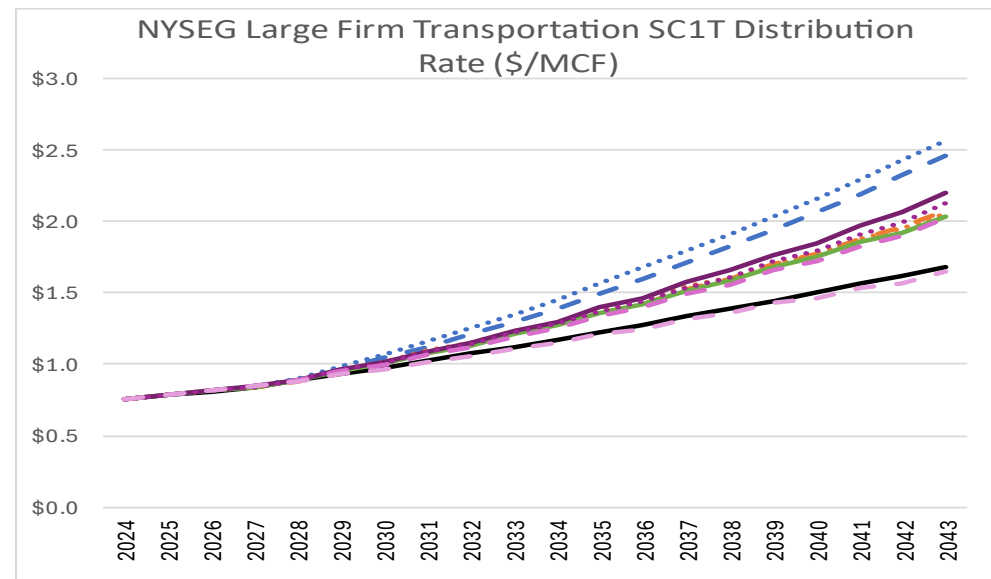
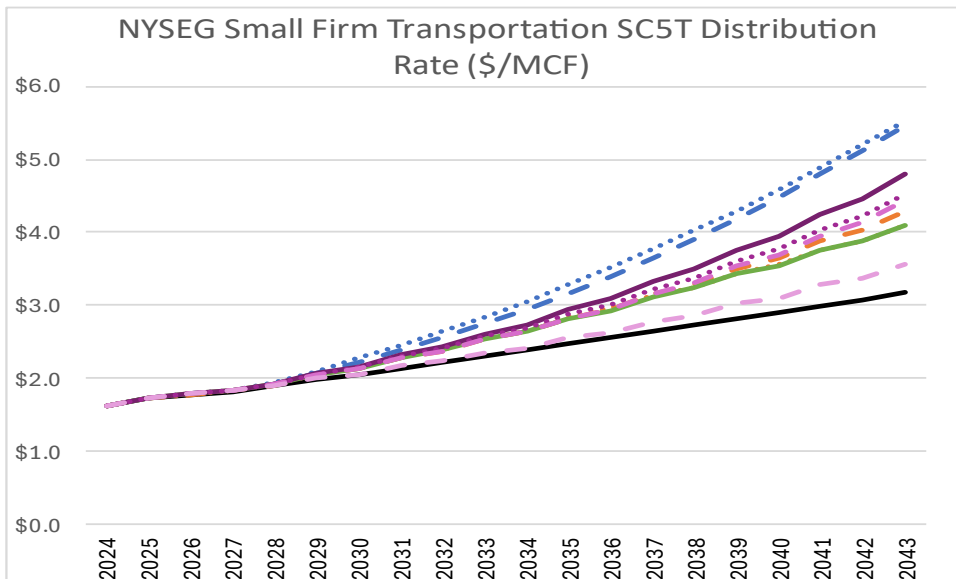
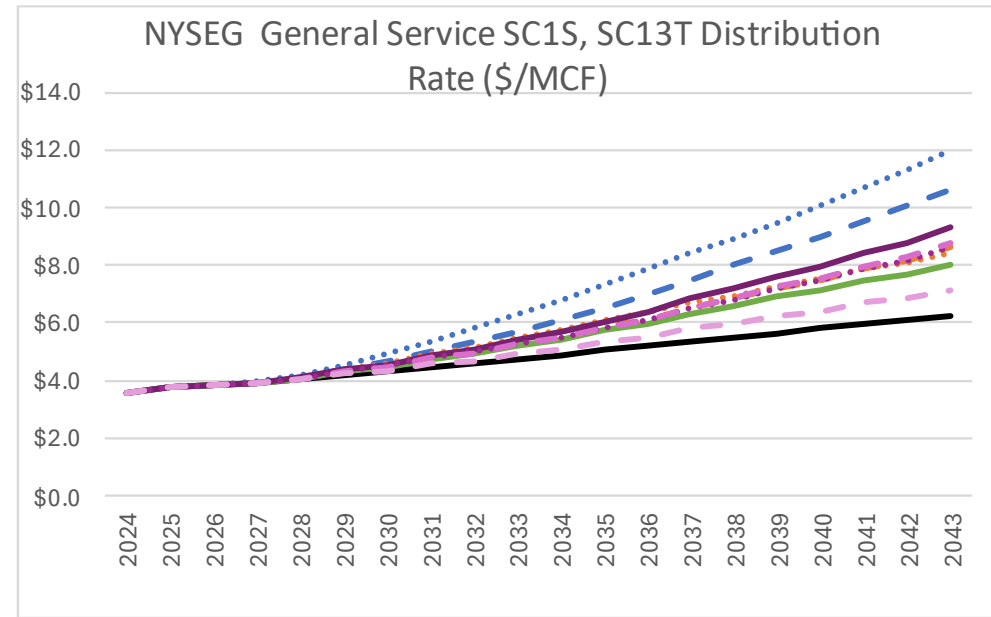
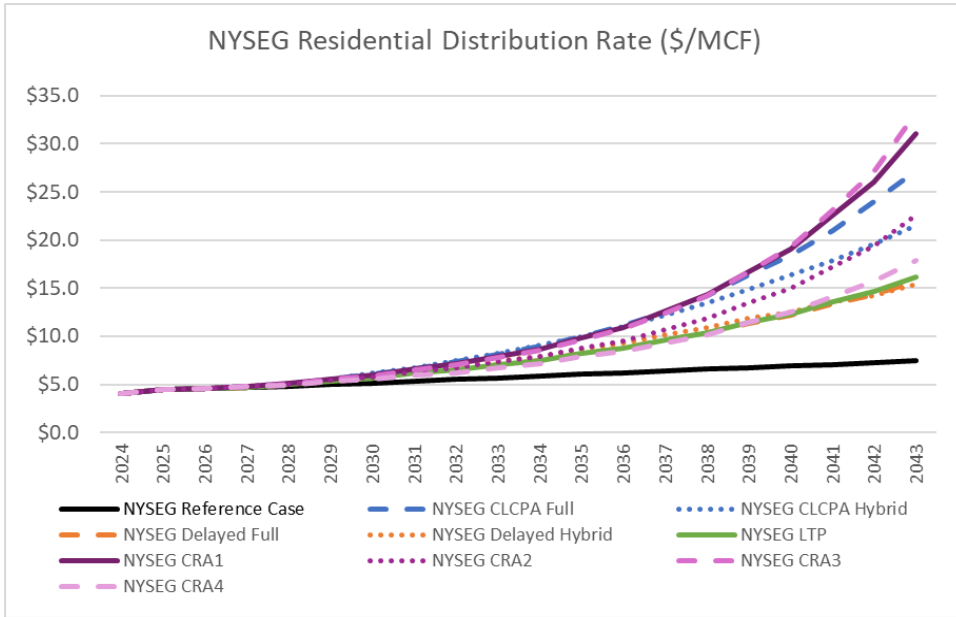
	2024 2025 2026	2027 2028 2029 2030... 2043
CapEx	Rate Case JP	<ul style="list-style-type: none"> • Reference Case: inflation • All Scenarios and LTP: Reference Case reduced for avoided gas meters and services due to full electrification of new buildings • Scenarios with TENs: Reference Case increased for TENs infrastructure • CRA Scenario 3: reduce Reference Case by 1%/year starting in 2028 • CRA Scenario 4: reduce Reference Case by 3%/year starting in 2028
O&M	Rate Case JP	<ul style="list-style-type: none"> • Reference Case: JP growth rate • Scenarios with TENs: Reference Case increased for TENs O&M • CRA Scenario 3: reduce Reference Case by 1%/year starting in 2028 • CRA Scenario 4: reduce Reference Case by 3%/year starting in 2028
System Level Revenue Requirement	Rate Case JP	<ul style="list-style-type: none"> • All investments adjusted to represent annual revenue requirement using standard ratemaking principles from Rate Case JP (e.g., depreciation, return, taxes). • Year to year % growth calculated for Reference Case, LTP and each Scenario

Forecasted Service Class Level Revenue Requirement

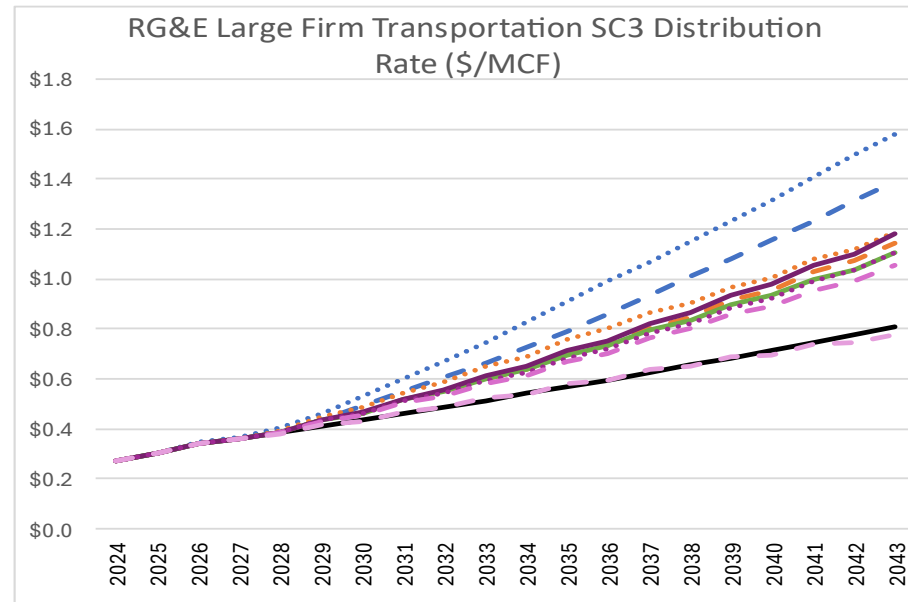
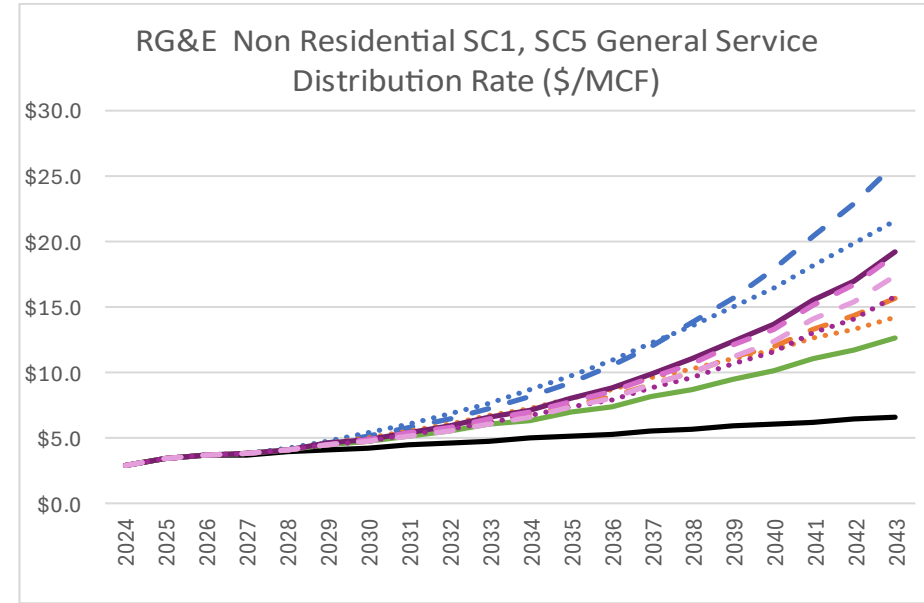
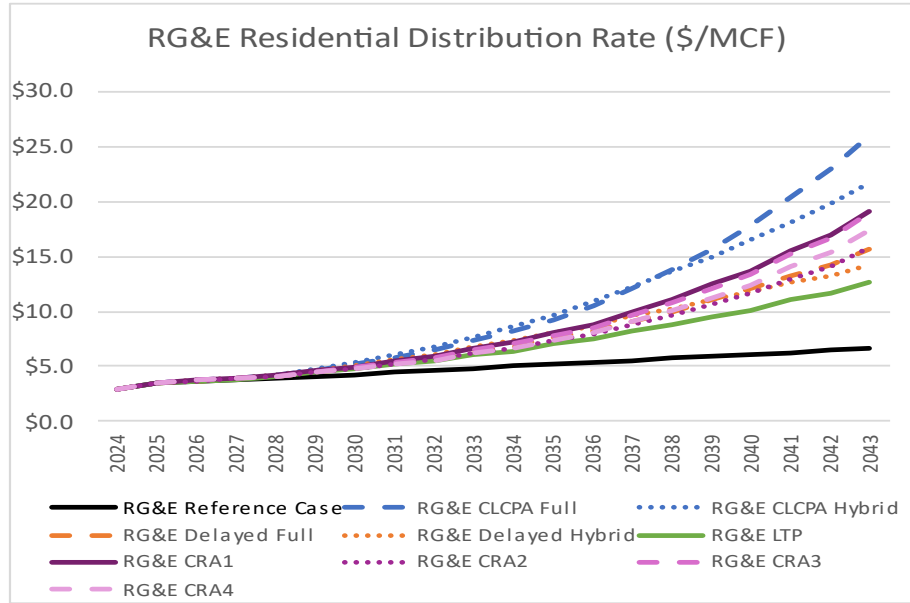
	2024 2025 2026	2027 2028 2029 2030... 2043
Service Class A Rev Req	Rate Case JP	Apply Year-to-year % growth from System Level Revenue Requirement.
Service Class B Rev Req	Rate Case JP	Apply Year-to-year % growth from System Level Revenue Requirement.
Service Class C Rev Req	Rate Case JP	Apply Year-to-year % growth from System Level Revenue Requirement.



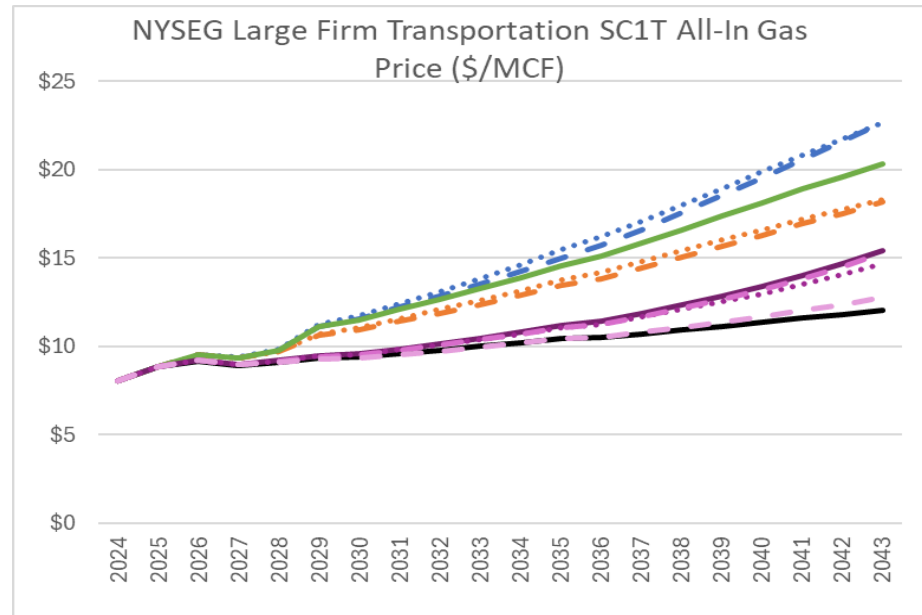
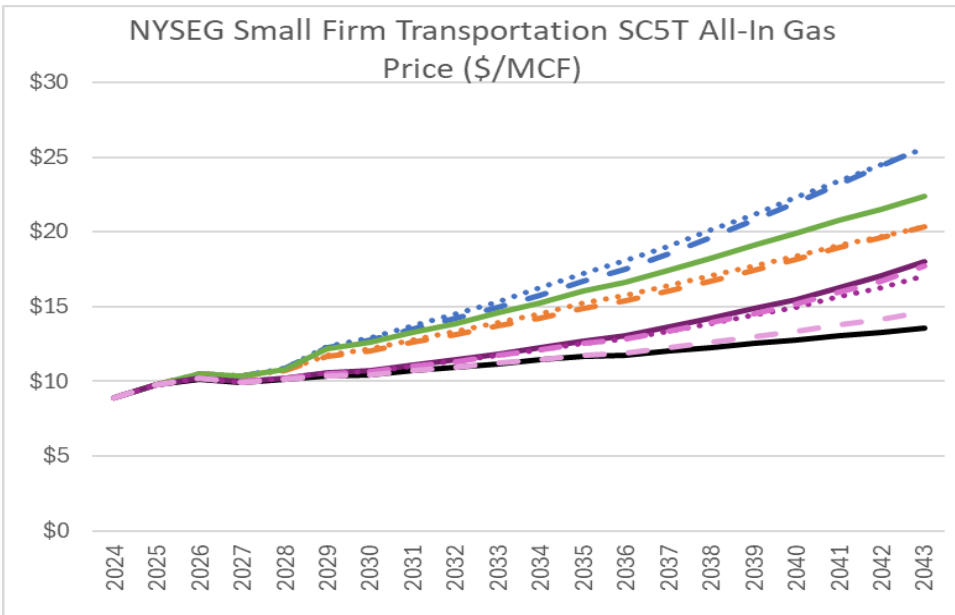
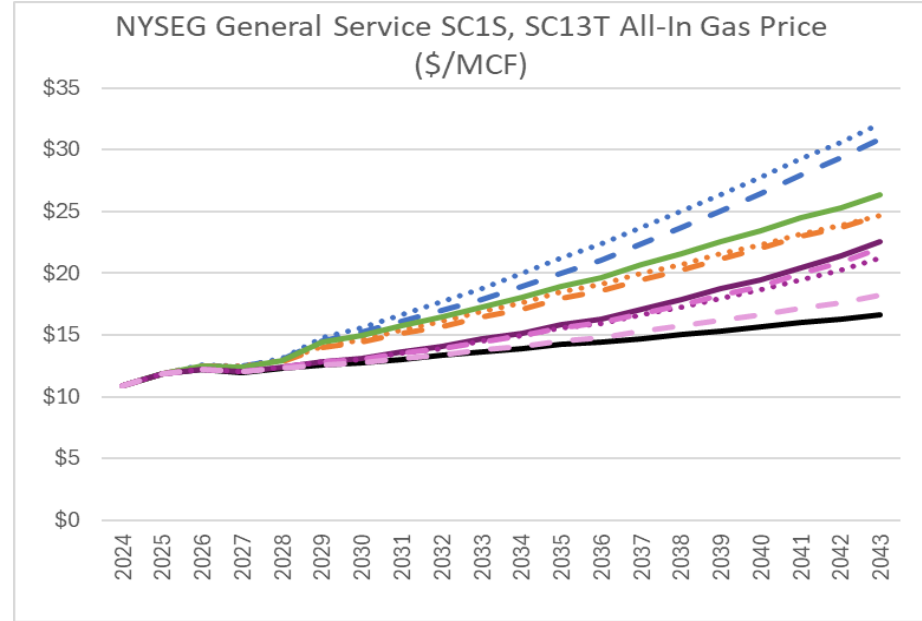
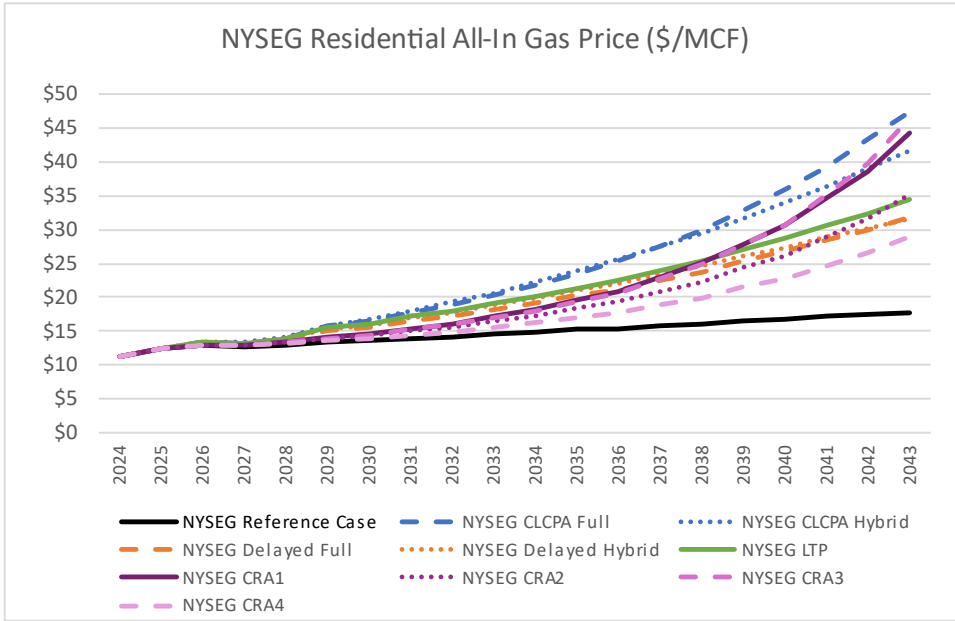
Gas Base Distribution Rate – NYSEG



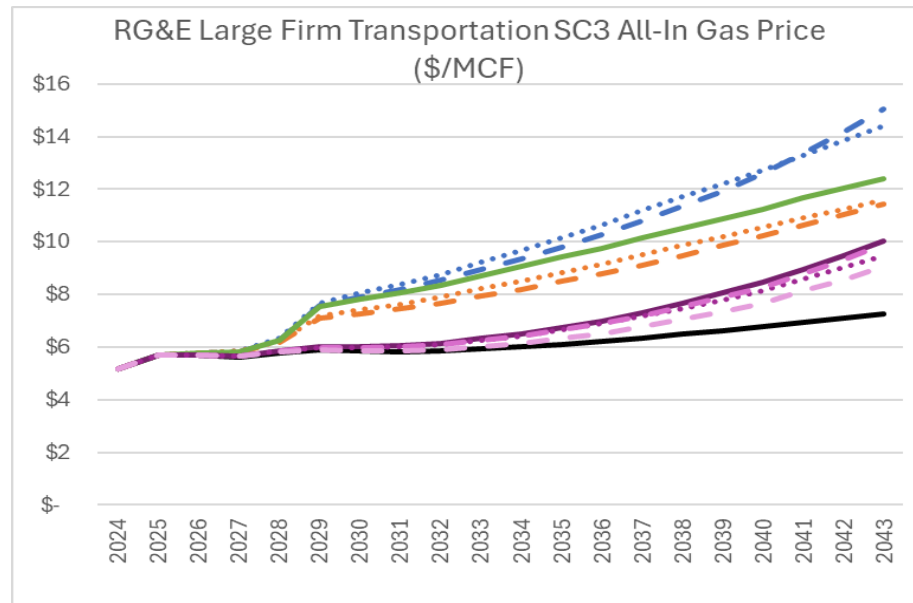
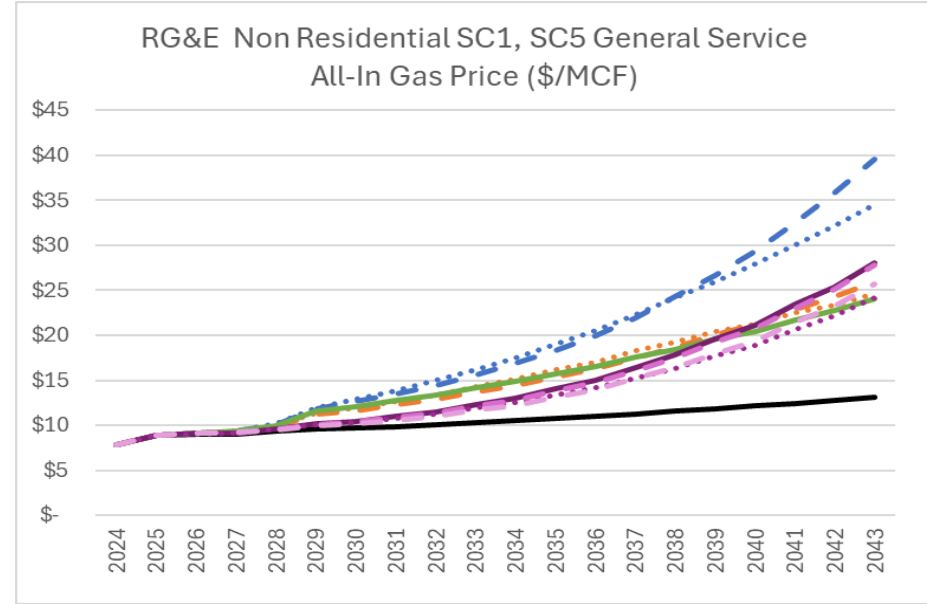
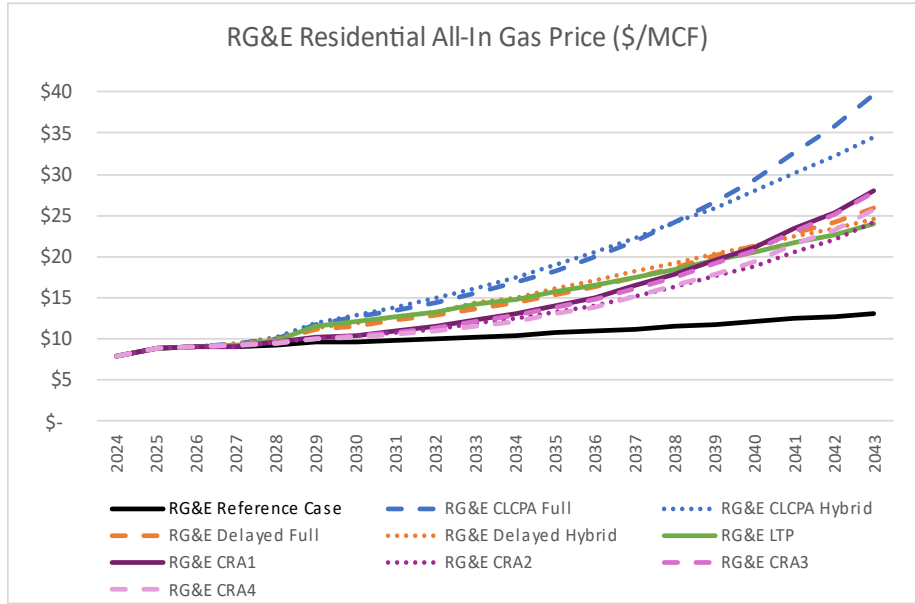
Gas Base Distribution Rate – RG&E



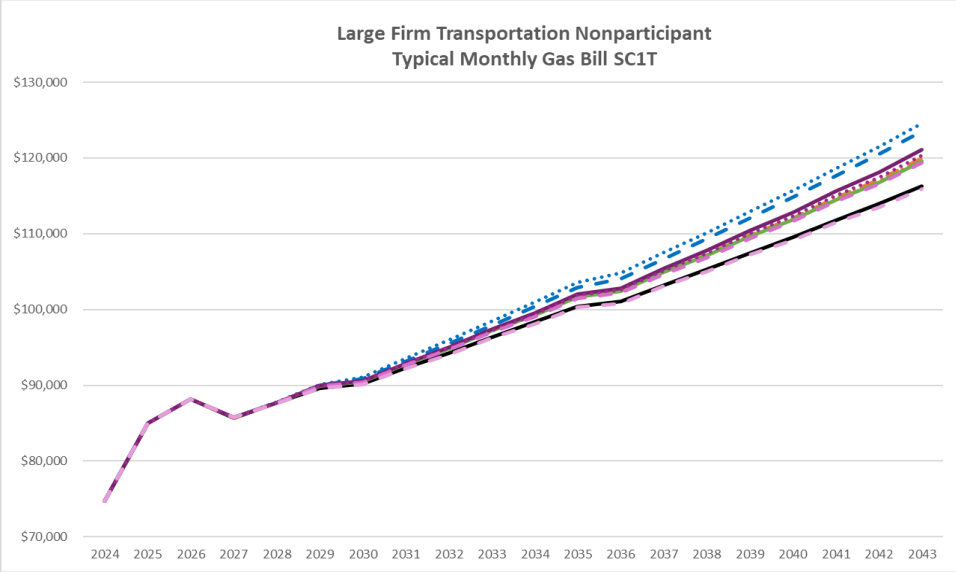
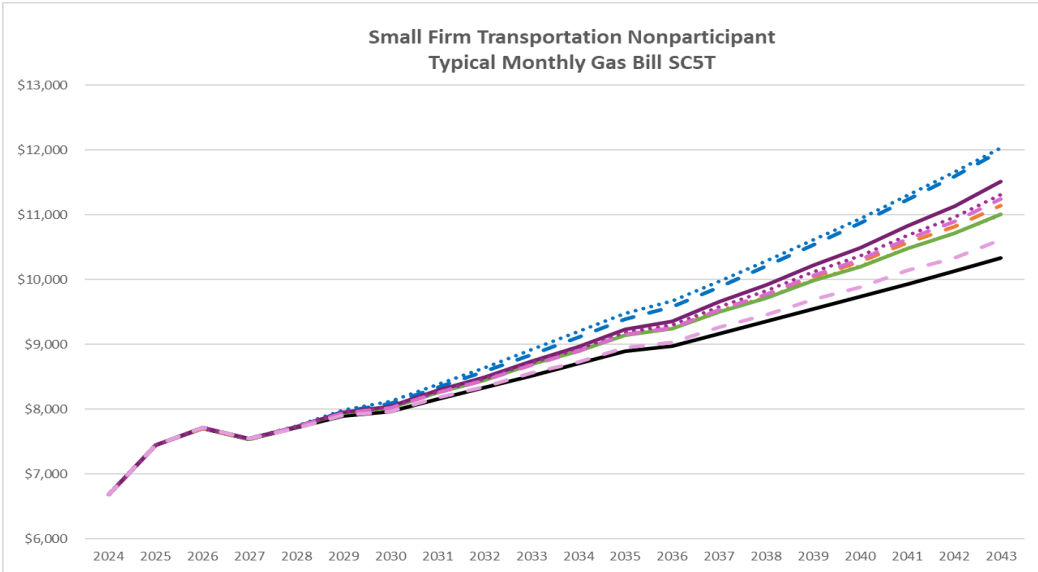
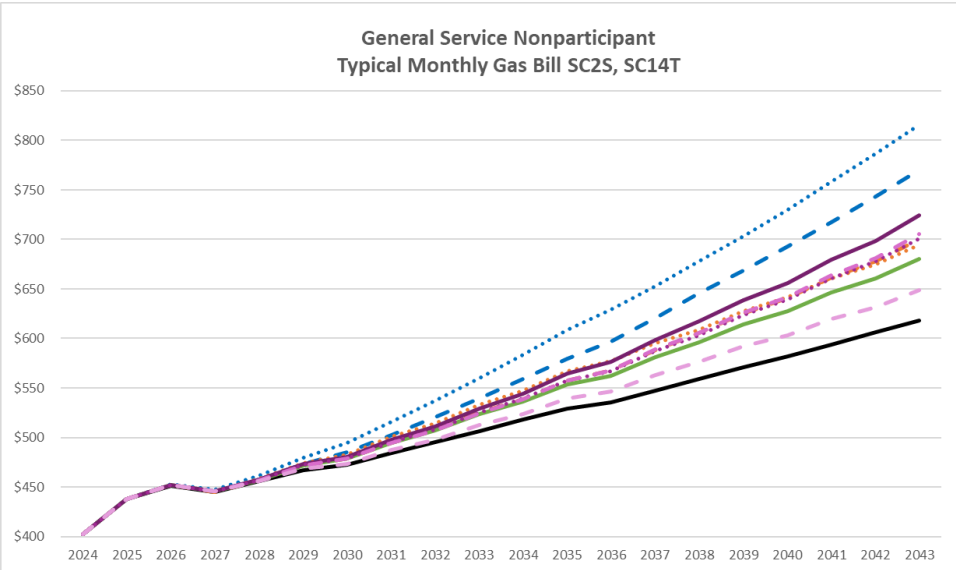
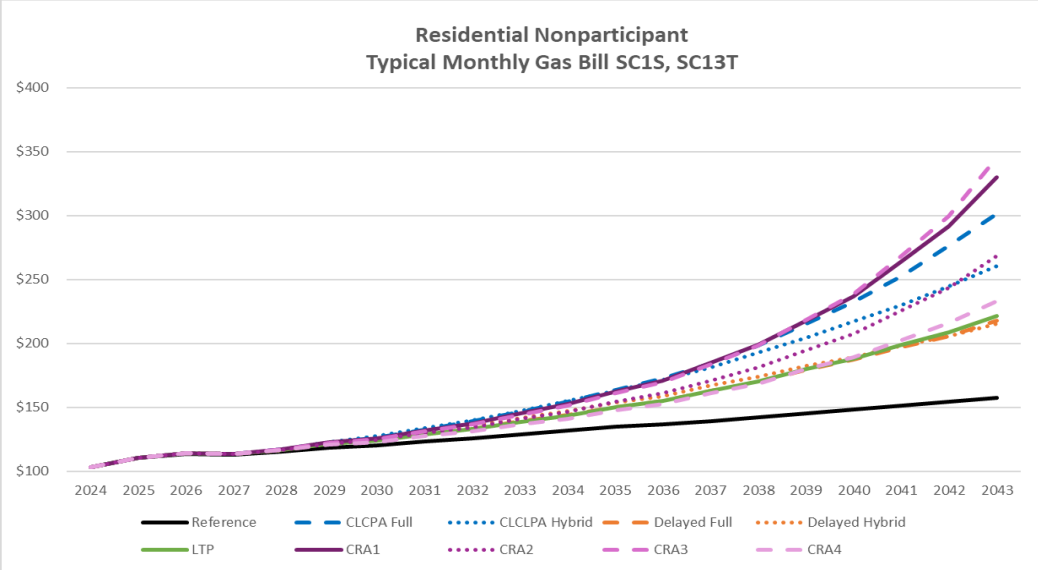
All-in Gas Price - NYSEG



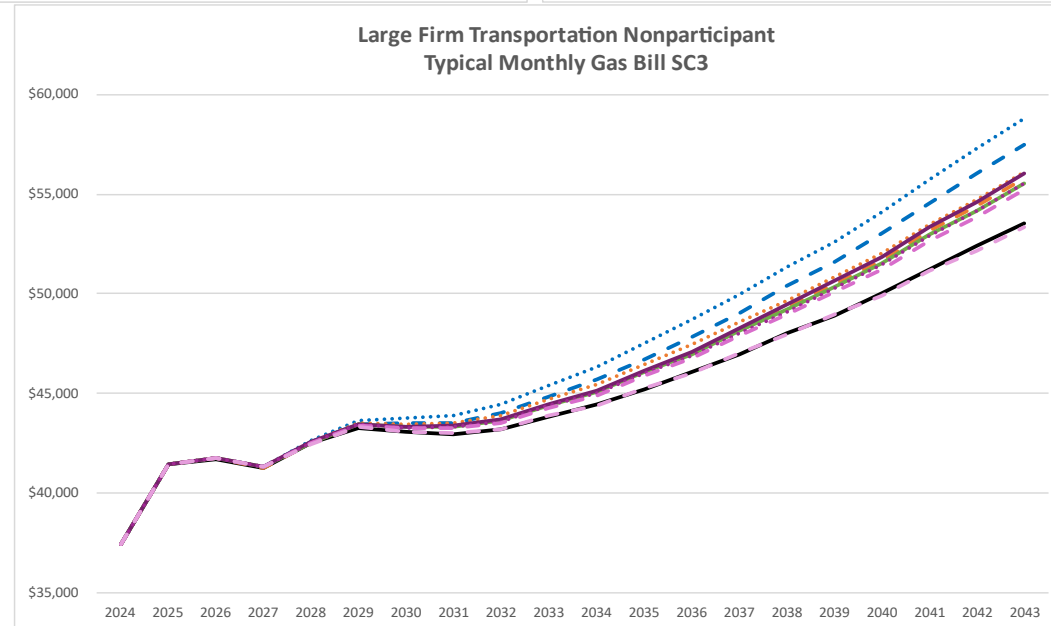
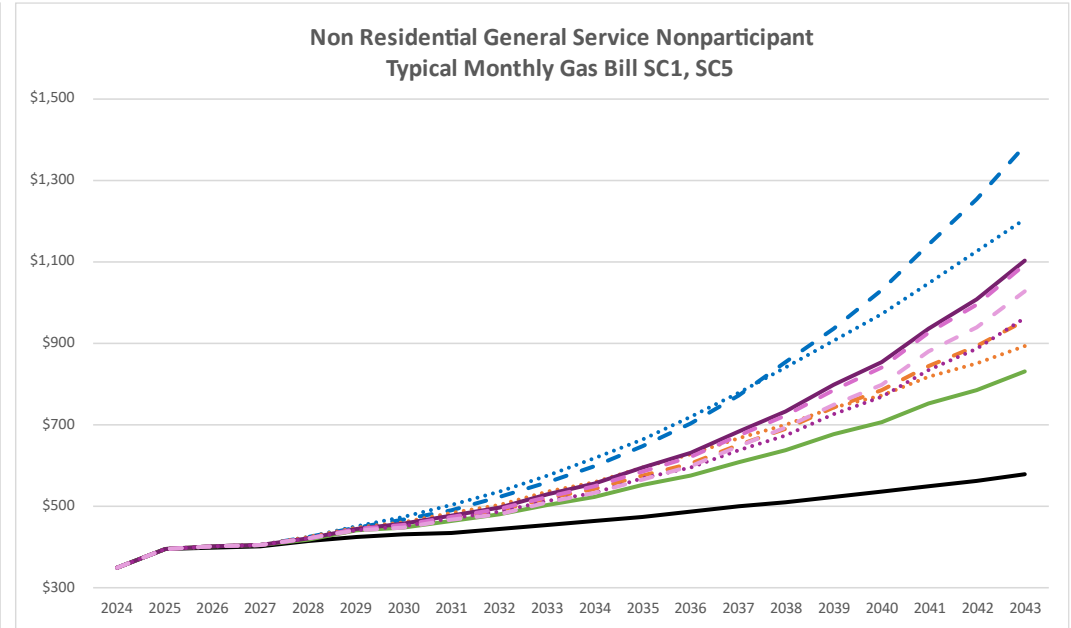
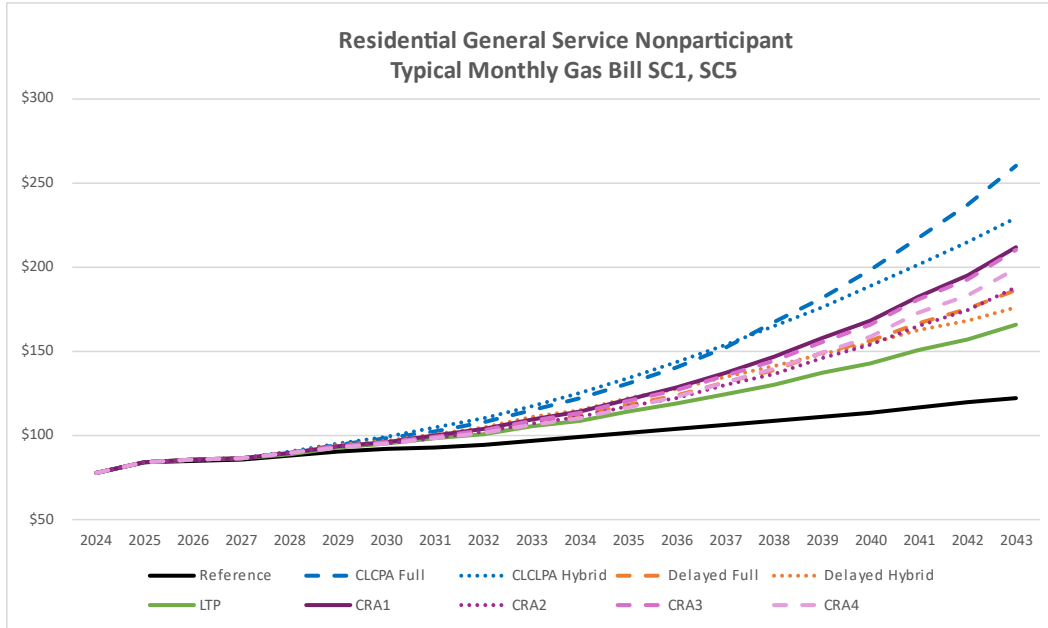
All-in Gas Price – RG&E



Non-Participant Typical Monthly Gas Bill - NYSEG



Non-Participant Typical Monthly Gas Bill – R&GE





Questions