

2015 Fuel Price Forecast

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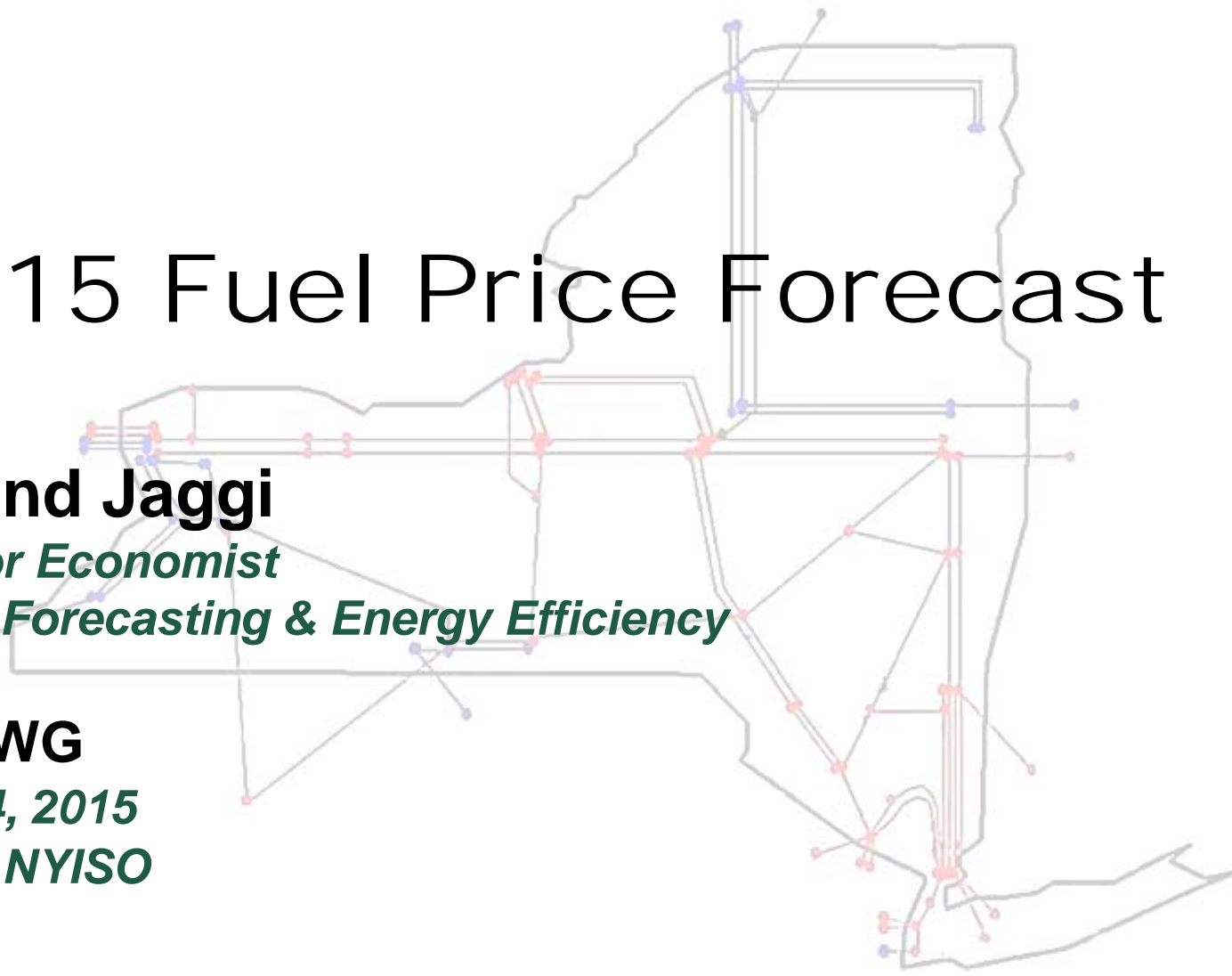
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ESPWG

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KCC, NYISO



General Framework

- ◆ **Revised methodology for natural gas price forecasts reflects discussions with Market Participants at multiple ESPWG meetings in Nov. 2014 – Mar. 2015**

- ◆ **Unchanged Elements**
 - *Use of the EIA Annual Energy Outlook's long-term annual forecast for national average delivered price*
 - *Three region model - Upstate (A-E); Mid-state (F-I); Downstate (J-K)*
 - *Five-year averages (2010-2014) for determining seasonality and weekly price spikes*

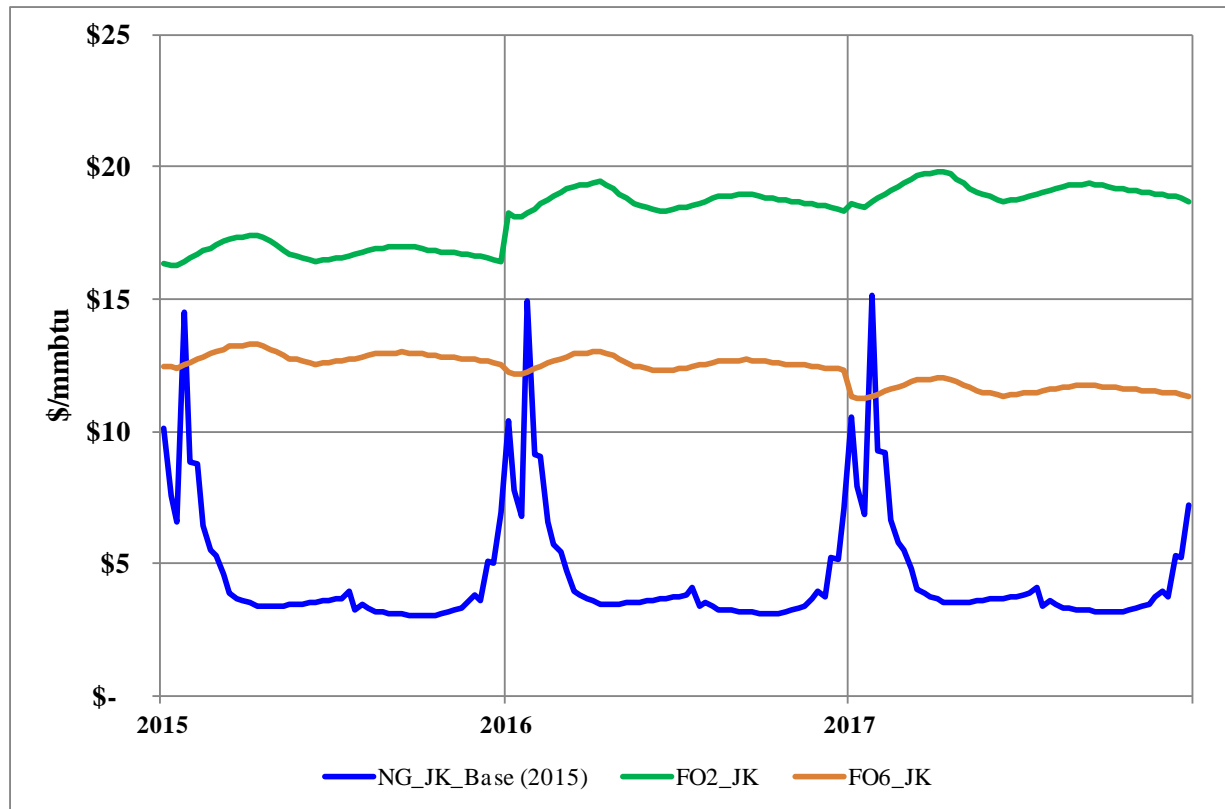
General Framework (cont'd)

◆ Revised Elements

- *Annual bases calculated using nine-month weighted monthly average (excluding Jan., Feb., and Dec.) as opposed to a twelve-month average*
- *Three-year averages (2012-2014) for annual bases (changed from five-year averages)*
- *“Spike structure” is normalized around mean monthly average prices*

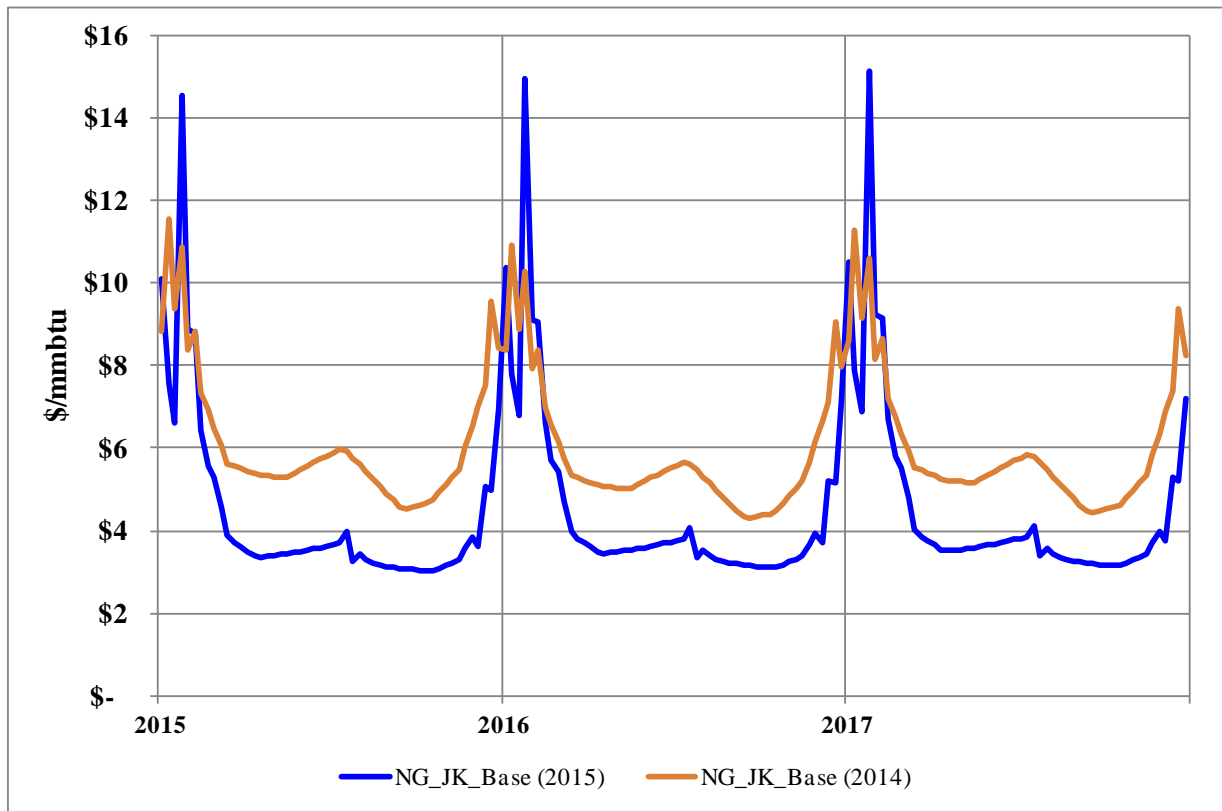
NYISO will post Excel files of all CARIS fuel price forecasts.

Zones J&K Fuel Price Forecast: Natural Gas & Fuel Oils (2015-17)

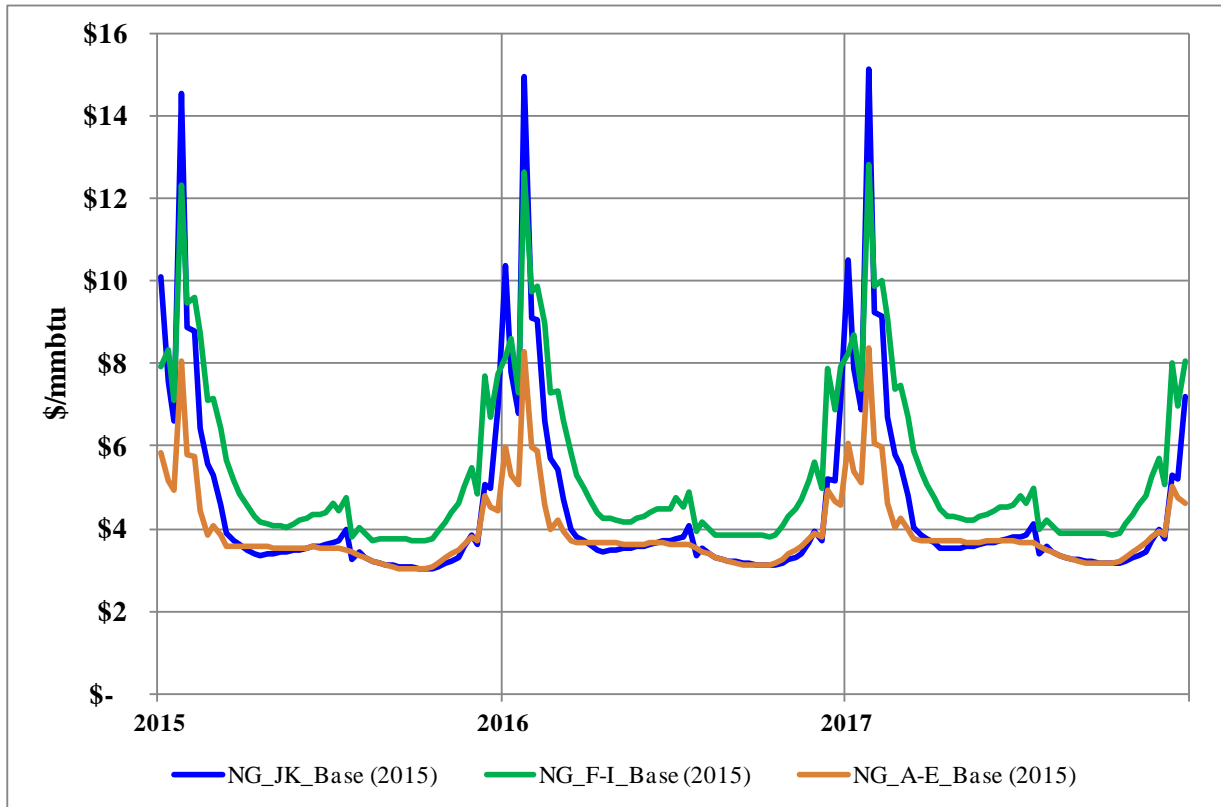


Fuel Oil seasonality based on NY Harbor Ultra-low Sulfur No. 2 spot prices

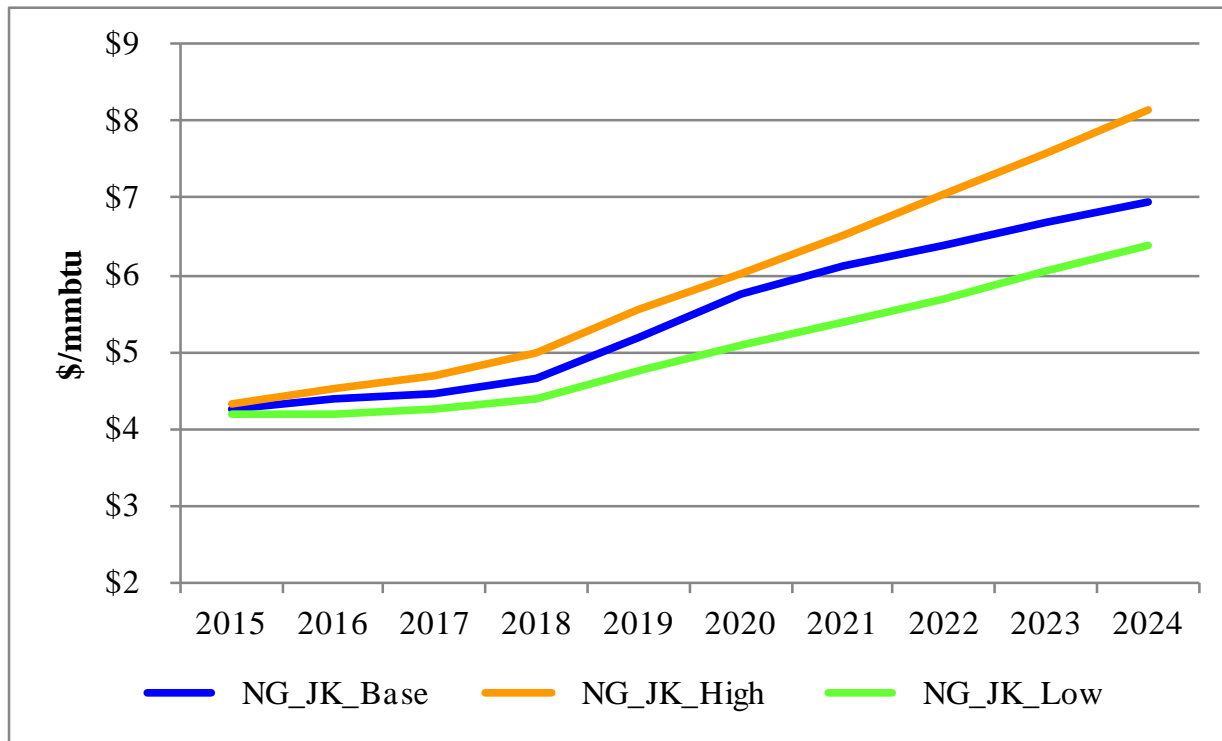
Zones J&K Natural Gas Forecast: 2014 vs. 2015



Natural Gas Price Forecast: NYCA Regions

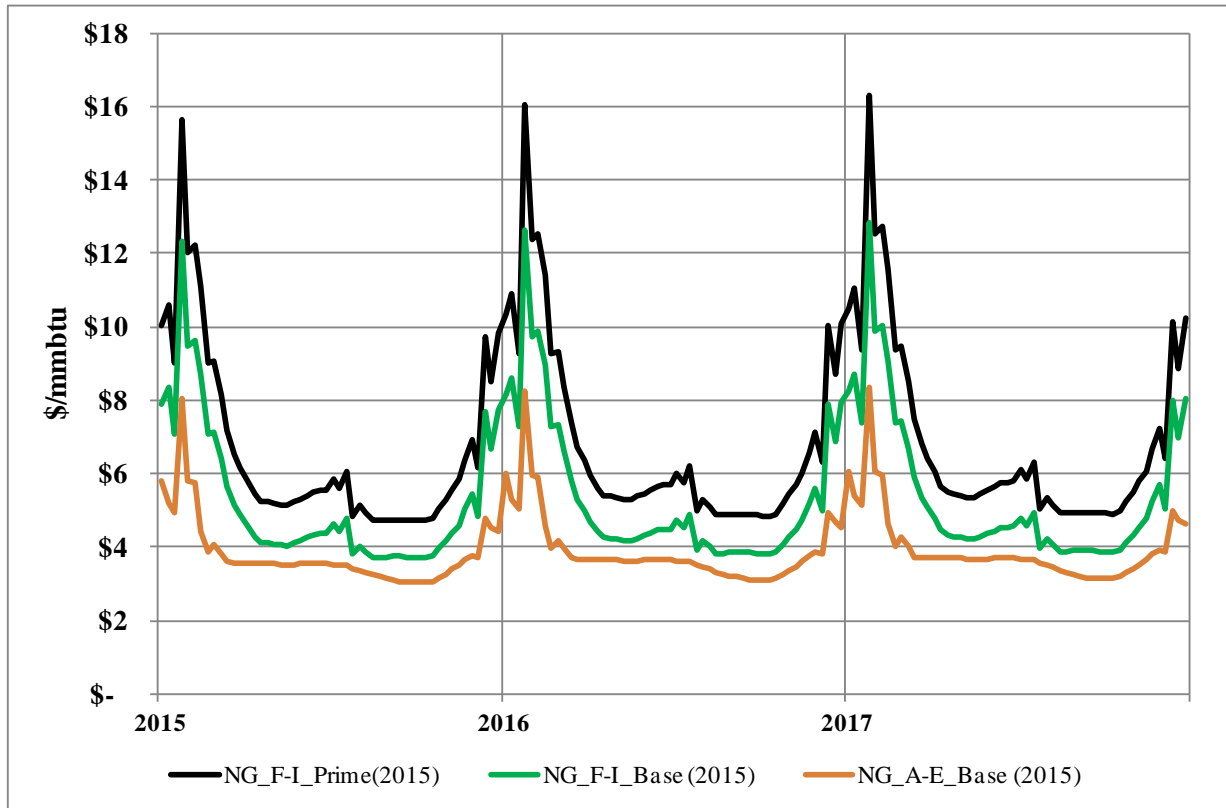


Zones J&K Natural Gas Forecast: High/Low Scenarios



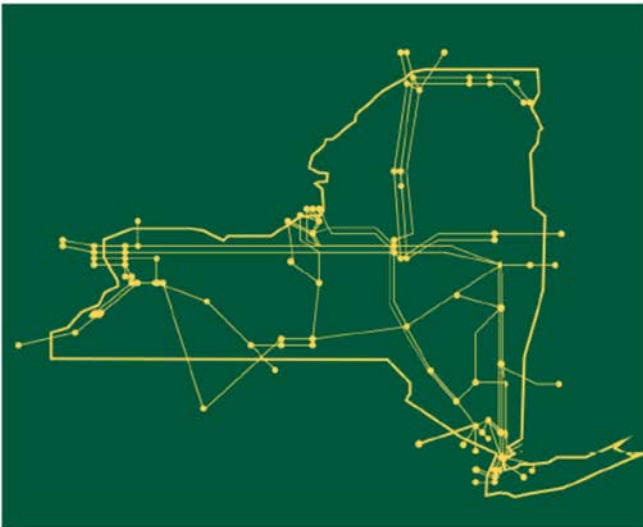
The High/Low forecasts are based on 2015 AEO's High/Low national annual forecasts

Natural Gas Price Forecast: Mid-state/Upstate Scenario



'F-I_Prime' assumes twice the Baseline differential with respect to A-E Baseline

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