

Natural Gas Prices Impact Supply Portion of Customers' Bills

NYISO: As winter sets in, high natural gas prices are once again poised to drive up both heating bills and electricity costs across the state

BINGHAMTON, N.Y. — February 5, 2026 — New York State Electric & Gas (NYSEG) and Rochester Gas and Electric (RG&E) continue to shine the light on rising supply costs this winter caused by factors outside of the utilities' control, such as elevated natural gas prices and increased demand.

“Cold weather increases energy demand, and when natural gas prices are high, that impact is felt directly on customers' electric and gas bills,” said Pat Fox, senior director of New York energy services for Avangrid. “Most of the electricity generated in New York relies on natural gas. When the cost of natural gas rises, even outside the state, it drives up wholesale electricity prices. This is a nationwide challenge, not unique to NYSEG and RG&E.”

Natural gas remains the dominant fuel source for electric generation across the Northeast. As gas prices have climbed over the past year, driven by weather-related demand spikes, growing consumption from data centers, and increased load from artificial intelligence technologies, electricity prices have followed suit. For example, on January 30, residential customers in NYSEG's Eastern region who allow the Company to purchase supply through the New York Independent System Operator, Inc. (NYISO) paid approximately 15 cents per kilowatt-hour for supply, while those in the Western region paid 12.2 cents per kilowatt-hour. RG&E customers paid 12.5 cents per kilowatt hour. These figures are more than 44 percent higher for NYSEG customers and nearly 36 percent higher for RG&E customers compared to the same date in 2025. Customers may also purchase energy from an energy service company that sets its own rate.

In January, the [NYISO](#) explained that natural gas prices are the most significant driver of wholesale electricity costs. Colder-than-expected winter weather has increased heating demand and accelerated withdrawals from national gas storage inventories, tightening supply and pushing gas prices upward. Because wholesale electricity prices are closely tied to natural gas costs, these market pressures are passed through to utilities and ultimately appear on customers' bills. The NYISO also released a video detailing [what's behind rising electricity prices in New York](#).

NYSEG and RG&E do not profit from supply costs; the Companies are required to bill customers what the market charges, with no markup. To help reduce price volatility, the Companies take steps to hedge supply costs where allowed, which smooths out some of the supply volatility on a customer's bill.

Help is available for NYSEG and RG&E customers. All are encouraged to visit www.nyseg.com or www.rge.com to further understand their utility bill, how to better manage energy usage, and receive financial assistance or special services.

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About NYSEG: New York State Electric & Gas Corporation (NYSEG) is a subsidiary of Avangrid, Inc. Established in 1852, NYSEG operates approximately 35,000 miles of electric distribution lines and 4,500 miles of electric transmission lines across more than 40% of upstate New York. It also operates more than 8,150 miles of natural gas distribution pipelines and 20 miles of gas transmission pipelines. It serves approximately 894,000 electricity customers and 266,000 natural gas customers. For more information, visit www.nyseg.com.

About RG&E: Rochester Gas and Electric Corporation (RG&E) is a subsidiary of Avangrid, Inc. Established in 1848, RG&E operates approximately 8,800 miles of electric distribution lines and 1,100 miles of electric transmission lines. It also operates approximately 10,600 miles of natural gas distribution pipelines and 105 miles of gas transmission pipelines. It serves approximately 378,500 electricity customers and 313,000 natural gas customers in a nine-county region in New York surrounding the City of Rochester. For more information, visit www.rge.com.

About Avangrid: Avangrid, Inc. is a leading energy company in the United States working to meet the growing demand for energy for homes and businesses across the nation through service, innovation, and continued investments by expanding grid infrastructure and energy generation projects. Avangrid has offices in Connecticut, New York, Massachusetts, Maine, and Oregon, including operations in 23 states with approximately \$48 billion in assets, and has two primary lines of business: networks and power. Through its networks business, Avangrid owns and operates eight electric and natural gas utilities, serving more than 3.4 million customers in New York and New England. Through its power generation business, Avangrid owns and operates 80 energy generation facilities across the United States producing 10.5 GW of power for over 3.1 million customers. Avangrid employs approximately 8,000 people and has been recognized by JUST Capital as one of the JUST 100 companies – a ranking of America's best corporate citizens – in 2025 for the fifth consecutive year. The company was named among the World's Most Ethical Companies in 2025 for the seventh consecutive year by the Ethisphere Institute. Avangrid is a member of the group of companies controlled by Iberdrola, S.A. For more information, visit www.avangrid.com.



Media Contact:

Michael Baggerman

mbaggerman@nyseg.com

716.368.1284