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ATTORNEYS AT LAW 265 FRANKLIN STREET

PUPL OF UTILITIES COMMISSION, MASSACHUSETTS 02110-3113

TELECOPIERS: (617) 951- 1354

(617) 951-1400

(617) 951- 0586

November 9, 2005

VIA HAND DELIVERY

Luly Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

RE:

Docket No. 3690, Earnings Sharing Mechanism and Distribution Adjustment Charge

Filing

Dear Ms. Massaro:

Enclosed please find New England Gas Company's ("Company") responses to the following data requests issued by the Rhode Island Public Utilities Commission ("Commission") and the Rhode Island Division of Public Utilities and Carriers ("Division"):

COMM 2-05 COMM 3-01 through 3-07 DIV 2-01 through 2-05, 2-13 through 2-17

Please note that COMM 3-01 contains confidential information that relates to the personal interests of certain of the Company's employees. Therefore, along with this response, the Company is filing a Motion for Confidentiality seeking protective treatment from the Commission of the information contained therein. In addition, the Commission has not yet had the opportunity to rule on the Company's objection to DIV 2-06 through 2-09, and therefore, the Company has not provided answers to these questions. However, we would like to note that we are currently working with the Division to elucidate issues relating to these responses.

Thank you for your attention to this filing.

Sincerely,

Cheryl M. Kimball (kfe)

Cheryl M. Kimball (R.I. Bar #6458)

Enclosure

cc:

Luly Massaro, Commission Clerk (nine copies)

Service List, Docket No. 3690

Record Request and Response

Requestor:

Commission

Respondent:

Peter Czekanski

Issue Date:

October 4, 2005

Q. COMM 2-05 NEGas' three-year distribution rate freeze has expired and gas costs have increased. Would the shareholders agree to increase the funding for LIHEAP without increasing the DAC or distribution rates in order to increase the percentage of funds that go to LIHEAP from NEGas overall rates to equal the percentage that existed in July 1, 2002? As a result, distribution revenues would decrease and there would be less earning sharing for ratepayers and shareholders.

A. COMM 2-05 New England Gas acknowledges the impact that current gas costs has on customers, especially those customers who meet the LIHEAP guidelines. As such, the Company would be willing to work with the Commission and the Division to develop a plan to increase the LIHEAP matching funds without increasing costs to our ratepayers and our shareholders.

Record Request and Response

Requestor:

Commission

Respondent:

Robert J. Riccitelli

Issue Date:

October 13, 2005

Q. COMM 3-01 Please supplement the response to Commission 1-5 by showing the requested information for each position.

Provide your response in the same format, and fill in the information for each position.

A. COMM 3-01 This material has been redacted and provided under confidential seal pending the Commission's ruling on the Company's Motion for Confidentiality.

Record Request and Response

Requestor:

Commission

Respondent:

Robert J. Riccitelli

Issue Date:

October 13, 2005

Q. COMM 3-02 Referring to the responses to Commission 1-6, 1-7, and 1-8, is the following a correct statement:

The only Management Incentive is one based on safety and customer service, and 100% of the Management Incentive payment was excluded from expense in calculating the earnings subject to sharing.

If this statement is not correct, please explain all management incentives, show the total expense for each incentive, and the amount excluded from the sharing calculation for each incentive.

A. COMM 3-02 The statement above is correct. The Company excluded 100% of the Management Incentive.

Record Request and Response

Requestor:

Commission

Respondent:

Robert J. Riccitelli

Issue Date:

October 13, 2005

Q. COMM 3-03 Referring to the responses to Commission 1-12, the response shows that the correct amount of insurance cost for fiscal year 2003 was \$1.355 million and the correct amount of insurances cost for fiscal year 2004 was \$1.255 million. In light of the information provided, please respond to the question asked in Commission 1-12:

Property Insurance (Account 924) decreased from \$1.3 million (as adjusted in Company data response 2-8 in Docket 3548) to \$830,000 in fiscal year 2005. This represents a decrease of 470,000 or 36%. Explain the reasons for the decrease in this account.

A. COMM 3-03 The adjusted insurance expense for FY2004 was \$1,254,842 and the FY2005 amount was \$830,943, which represents a variance of \$423,899. The Company's FY2004 premium was decreased by \$210,000 during FY2005 as a result of the annual audit performed by the insurance company/broker. The remaining variance is the result of lower insurance premiums based on the deductible and experience factors.

Record Request and Response

Requestor:

Commission

Respondent:

Robert J. Riccitelli

Issue Date:

October 13, 2005

Q. COMM 3-04 Referring to the responses to Commission 1-20, the increase of \$2.5 million in the accrued liability for post-retirement benefits (FAS 106 costs) results from \$3.2 million of expense offset by payments of \$740,000.

How does the Company determine the payment amount that it will make to the pension funds each year?

Why doesn't the payment amount relate to the booked liability amount?

A. COMM 3-04 Decisions as to the amount contributed on an annual basis are derived from a number of different variables that include, but are not limited to, ERISA tax deductibility, increases in contribution levels, opportunity costs for use of cash, borrowing rates and the existing level of debt, as well as the anticipated rate of return on plan assets.

The liability amount is booked in accordance with FAS 106. As stated above the Company uses various factors to determine the amount it funds. However, the Company contributes no less than the minimum amount required by law.

Record Request and Response

Requestor:

Commission

Respondent:

Robert J. Riccitelli

Issue Date:

October 13, 2005

Q. COMM 3-05 Referring to the responses to Commission 1-21, the increase of \$2.8 million in the accrued liability for pension costs results from \$3.4 million accrued pension in the Actuary Report offset by payments of \$600,000.

How does the Company determine the payment amount that it will make to the pension funds each year?

Why doesn't the payment amount relate to the accrued liability amount?

A. COMM 3-05 Decisions as to the amount contributed on an annual basis are derived from a number of different variables that include, but are not limited to, ERISA tax deductibility, increases in contribution levels, opportunity costs for use of cash, borrowing rates and the existing level of debt, as well as the anticipated rate of return on plan assets.

The liability amount is booked in accordance with FAS 87. As stated above the Company uses various factors to determine the amount it funds. The Company contributes no less than the minimum amount required by law.

Name	e of Respondent	This Re	port Is:	Date of Report	Year of Report
New	England Gas Company, A Division of Southern Union Co	X An	Original	(Mo, Da, Yr)	June 30, <u>2005</u>
	le Island Location		-		<u>2005</u>
	COMPARATIVE BALANCE SHEET (A		esubmission		
Line	Title of Account	SSETS AND		7^	T
No.	The of Account		Reference Page Number	Balance at End of Current Year	Balance at End of Previous Year
	(a)		(b)	(in dollars)	(in dollars)
1	UTILITY PLANT	· · · · · · · · · · · · · · · · · · ·	(b)	(c)	(d)
2	Utility Plant (101-106,114)	ONE OF THE OWNER OWNE			Para in the second control of the second con
3	Construction Work in Progress (107)	······································	200-201	809,424,484	
4	TOTAL Utility Plant (Total of Lines 2 and 3)	····	200-201	12,941,629	
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)	·	200-201	822,366,113	The state of the s
6	Net Utility Plant (Total of line 4 less 5)	·		(241,811,930)	(223,755,018)
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)			580,554,183	575,616,124
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.	5\			
9	Nuclear Fuel (Total of line 7 less 8)	J)			
10	Net Utility Plant (Total of Lines 6 and 9)	***************************************		F90 F54 400	
11	Utility Plant Adjustments (116)	***************************************	400	580,554,183	575,616,124
12	Gas Stored - Base Gas (117.1)	**********************	122		
13	System Balancing Gas (117.2)		220 220		
14	Gas Stored in Reservoirs and Pipelines - Noncurrent (117.3)				
15	Gas Owned to System Gas (117.4)	· · · · · · · · · · · · · · · · · · ·	220 220		
40	OTHER PROPERTY AND INVESTMENTS		220		
16		-			and the second s
17	Nonutility Property (121)	***************************************			
18	(Less) Accum. Provision for Depreciation and Amortization (122)				
19 20	Investments in Associated Companies (123)		222-223	117	117
21	Investments in Subsidiary Companies (123.1)		224-225		
22	(For Cost of Account 123.1 See Footnote Page 224, line 40) Noncurrent Portion of Allowances				
23	Other Investments (124)				
24	Special Funds (125 thru 128)		222-223	49,286	411,634
25	TOTAL Other Property and Investments (Total of lines 17-20, 22-24)		The state of the s		
***************************************			The state of the s	49,403	411,751
26	CURRENT AND ACCRUED ASSETS			2	
27	Cash (131)			907,393	383,150
28	Special Deposits (132-134)				
29	Working Funds (135)			6,996	8,724
30	Temporary Cash Investments (136)	***************************************	222-223		
31	Notes Receivable (141)		The same of the sa		(19,547)
32	Customer Accounts Receivable (142)			61,248,903	51,468,852
33	Other Accounts Receivable (143)			878,526	685,785
34 35	(Less) Accoum. Provision for Uncollectible Accounts - Credit (144)	·	**************************************	(7,101,767)	(5,301,934)
36	Notes Receivable from Associated Companies (145)				
37	Accounts Receivable from Associated Companies (146)	***************************************	······································	317,844,805	209,209,747
38	Fuel Stock (151) Fuel Stock Expenses Undistributed (152)		·	398,679	372,644
39	Residuals (Elec) and Extracted Products (Gas) (153)		·		
40	Plant Materials and Operating Supplies (154)		***************************************	<u> </u>	
41	Merchandise (155)		***************************************	1,663,895	1,482,021
42	Other Materials and Supplies (156)				
	Nuclear Materials Held for Sale (157)				

Name	e of Respondent	This Report Is:	Mint i i i i i i i i i i i i i i i i i i 	Date of Report	Year of Report
New	England Gas Company, A Division of Southern Union Co	X An Origina	I	(Mo, Da, Yr)	June 30, 2005
	de Island Location	A Resubmi	ssion		
~	COMPARATIVE BALANCE SHEET (ASSETS A	ND OTHER DERI	S) (Continue	d)	
Line No.	Title of Account		Reference Page Number	Balance at End of Current Year (in dollars)	Balance at End of Previous Year (in dollars)
	(a)	A	(b)	(c)	(in dollars)
44	Allowances (158.1 and 158.2)				
45	(Less) Noncurrent Portion of Allowances				
46	Stores Expense Undistributed (163)			71	
47	Gas Stored Underground - Current (164.1)		220	16,007,288	12,189,350
48	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)		220	4,922,766	4,542,432
49	Prepayments (165)		230	41,841,873	33,644,071
50	Advances for Gas (166 thru 167)				
51	Interest and Dividends Receivable (171)				
52	Rents Receivable (172)			***************************************	
53	Accrued Utility Revenues (173) Reclassed Jan 2005. See FERC 186 page 233		H-71	5,460.981	
54	Miscellaneous Current and Accrued Assets (174)			345	
55	TOTAL Current and Accrued Assets (Total of lines 27 thru 54)	***************************************		444,080,754	308,665,295
56	DEFERRED DEBITS			111,000,704	000,000,200
57	Unamortized Debt Expense (181)	***************************************		<u> 18 - Andread and Salver States and Andread Andre</u>	
58	Extraordinary Property Losses (182.1)	····	230		
59	Unrecovered Plant and Regulatory Study Costs (182.2)		230	William	
60	Other Regulatory Assets (182.3)		232	11,156,796	12,515,587
61	Preliminary Survey and Investigation Charges (Electric) (183)	***************************************		11,100,100	12,515,567
62	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)				
63	Clearing Accounts (184)	·		17,578	
64	Temporary Facilities (185)	***************************************	***************************************	11,076	
65	Miscellaneous Deferred Debits (186)		233	2,648,408	E 020 404
66	Deferred Losses from Disposition of Utility Plant (187)	**************************************	200	2,040,400	5,920,104
67	Research, Development, and Demonstration Expend. (188)			HOWAN I TO THE PART OF THE PAR	
68	Unamortized Loss on Reaquired Debt (189)				<u> </u>
69	Accumulated Deferred Income Taxes (190)		234-235		
70	Unrecovered Purchase Gas Costs (191)		2347233		
***************************************	TOTAL Deferred Debits (Total of lines 57 thru 70)			13,822,782	18,435,691
71					

Name	of Respondent	This Repor	t ls:	Date of Report	Year of Report
New E	ingland Gas Company, A Division of Southern Union	X An Ori	ginal	(Mo, Da, Yr)	June 30, 2005
	e Island Location		ubmission		
	COMPARATIVE BALANCE SHEET	<u> </u>		CREDITS)	
Line No.	Title of Account		Reference Page Number	Balance at End of Current Year (in dollars)	Balance at End of Previous Year (in dollars)
	(a)		(b)	(c)	(iii dollars)
1	PROPRIETARY CAPITAL				
2	Common Stock Issued (201)	-	250-251		
3	Preferred Stock Issued (204)		250-251	***************************************	
4	Capital Stock Subscribed (202, 205)	***************************************	252		***************************************
5	Stock Liability for Conversion (203, 206)	***************************************	252		
6	Premium on Capital Stock (207)		252		
7	Other Paid-In Capital (208-211)		253		
8	Installments Received on Capital Stock (212)		252		
9	(Less) Discount on Capital Stock (213)	***************************************	254		1
10	(Less) Capital Stock Expense (214)		254		
11	Retained Earnings (215, 215.1, 216)		118-119	291,019,547	263,344,332
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	***************************************	118-119		
13	(Less) Reaquired Capital Stock (217)	***************************************	250-251	<u> </u>	
14	TOTAL Proprietary Capital (Total of lines 2 thru 13)			291,019,547	263,344,332
15	LONG TERM DEBT			great things and the transport of the tr	and the second s
16	Bonds (221)	***************************************	256-257		
17	(Less) Reacquired Bonds (222)	***************************************	256-257		
18	Advances from Associated Companies (223)		256-257		
19	Other Long-Term Debt (224)		256-257		
20	Unamortized Premium on Long-Term Debt (225)		258-259		
21	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	WATER CONTINUES OF STREET, STR	258-259	**************************************	
22	(Less) Current Portion of Long-Term Debt	***************************************	***************************************		
23	TOTAL Long-Term Debt (Total of lines 16 thru 22)		111000000000000000000000000000000000000	-	-
24	OTHER NONCURRENT LIABILITIES	Section and the section and th			
25	Obligations Under Capital Leases - Noncurrent (227)			56,622	246,719
26	Accumulated Provision for Property Insurance (228.1)	***************************************		00,022	270,718
27	Accumulated Provision for Injuries and Damages (228.2)			1,794,311	
28	Accumulated Provision for Pensions and Benefits (228.3)	***************************************		1,704,011	
29	Accumulated Miscellaneous Operating Provisions (228.4)				1
30	Accumulated Provision for Rate Refunds (229)	**************			
31	TOTAL Other Noncurrent Liabilities (Total of lines 25 thru 3	0)	***************************************	1,850,933	246,719

Nam	e of Respondent	This Repor	t Is:	Date of Report	Year of Report
New	England Gas Company, A Division of Southern Union Co	X An Ori	iginal	(Mo, Da, Yr)	June 30, <u>2005</u>
Rhoo	de Island Location	A Res	ubmission		-
	COMPARATIVE BALANCE SHEET (LIABILITIES			nued)	
Line	Title of Account		Reference	,	
No.			Page Number	Balance at End of Current Year (in dollars)	Balance at End of Previous Year (in dollars)
	(a)		(b)	(c)	(d)
32	CURRENT AND ACCRUED LIABILITIES				
33	Current Portion of Long-Term Debt				
34	Notes Payable (231)				
35	Accounts Payable (232)			31,539,116	17,577,014
36	Notes Payable to Associated Companies (233)				
37	Accounts Payable to Associated Companies (234)			619,462,486	553,792,346
38	Customer Deposits (235)			2,931,708	2,804,951
39	Taxes Accrued (236)		262-263	(11,489,509)	(12,200,984
40	Interest Accrued (237)			287,145	286,040
41	Dividends Declared (238)				
42	Matured Long-Term Debt (239)	***************************************			
43	Matured Interest (240)				
44	Tax Collections Payable (241)	W. C.		276,222	383.181
45	Miscellaneous Current and Accrued Liabilities (242)		268	24,627,373	20,355,754
46	Obligations Under Capital Leases-Current (243)			7	20,000,104
47	TOTAL Current and Accrued Liabilities (Total of lines 33 thru 46)			667,634,541	582,998,302
48	DEFERRED CREDITS				002,000,002
49	Customer Advances for Construction (252)			in the second se	
50	Accumulated Deferred Investment Tax Credits (255)		 	1,439,822	1,644,390
51	Deferred Gains from Disposition of Utility Plant (256)			1,700,022	1,044,350
52	Other Deferred Credits (253)		269	34,298,815	20,315,204
53	Other Regulatory Liabilities (254)		278	9,947,069	2,263,425
54	Unamortized Gain on Reaquired Debt (257)	**************************************	260	0,011,000	2,200,720
54.1	Contributions in aid of Construction (271)				
55	Accumulated Deferred Income Taxes (281-283)	**************************************	276-277	32,316,395	32,316,489
56	Operating Reserves	-	T =: 2 =: 1	02,010,000	32,310,409
57	TOTAL Deferred Credits (Total of lines 49 thru 55)			78,002,101	56,539,508
58	TOTAL Liabilities and Other Credits (Total of lines 14, 23,31,47, and 56)			1,038,507,122	903,128,861

Record Request and Response

Requestor:

Commission

Respondent:

Robert J. Riccitelli

Issue Date:

October 13, 2005

- Q. COMM 3-07 Regarding FERC Form 2, the balance sheet (at page 110) reflects a significant increase I the Accounts Receivable from Associated Companies: the June 30, 2004 receivable of \$209.2 million increased to \$317.8 million at June 30, 2005.
 - a. Provide a summary showing the nature/composition of the receivable balances at June 30, 2004 and 2005.
 - b. Explain why the receivable balance increased by over 50%.
- COMM 3-07 New England Gas Company does not maintain independent A. banking relationships for the borrowing of funds needed to finance working capital and capital expenditures for the Rhode Island operations. Cash received from customers and payments made are transferred to and from the New England Division via corporate bank accounts. Cash received is transferred on a daily basis to the corporate cash account and booked as an account receivable from the associated company. As payments for items such as accounts payable and payroll are made, the transaction is booked as an account payable to the associated company. In addition, these associated receivable or payable accounts include inter-company charges from/to corporate or any other operating unit (i.e. insurance premiums paid by corporate and allocated to New England Gas would also be charged to the inter-company accounts.)

The increase in receivables from associated companies grew from a balance of \$209,209,747 to \$317,844,805 as a result of increased cash flows for the period. The payable to associated companies grew from \$563,792,346 to \$619,462,486 during the same time period due to increased payments made on behalf of New England Gas Company. Net cash generated or used from operating activities and cash used to fund investing activities are responsible for the changes in the inter-company accounts.

Record Request and Response

Requestor:

Division

Respondent:

Robert Riccitelli

Issue Date:

October 5, 2005

Q. DIV 2-01

Referring to the response to DIV 1-02, Attachment, Page 1, please explain the fluctuations in the Utility Plant account on Line

2 from 9/30/2004 to 12/31/2004 to 3/31/2005.

A. DIV 2-01

Please refer to the revised DIV 1-02 (attached). Upon review, DIV 1-02 incorrectly included balances for 12-31-03 rather than 12-31-04.

Na	Name of Respondent	This Report Is:	Date of Report	Vear of Report			
ž	New England Gas - RI	X An Original	(Mo, Da, Yr)				
		A Resubmission					
	COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)	SETS AND OTHER DE	ITS)				
S. S.	Tribe of	Reference Page Number	. S. E.	Balance at 9/30/2004 (in dollars)	Balance at 12/31/2004 (in dollars)	Balance at 3/31/2005 (in dollars)	Filed 6/30/2005 (in dollars)
L	(a) UTILITY PLANT	(Q)	(5)	(p)	(p)	(p)	(p)
2	Utility Plant (101-106,114)	200-201	793 520 490	703 431 140	807 217 881	190 600 001	100 000
٣	_	200-201	5 850 652		100,112,100 A A75,536	7 432 076	42 644 650
4	-	200-201	799,371,142	806.368.560	811 693 417	Š	12,341,029 822 366 113
2	-		(223,755,018)		(231,808,239)	2	(741 811 930)
9	+		575,616,124		579.885.178		580 554 183
_	+						2011
œ	-						
6			•	•	•	,	-
2	-		575,616,124	577,010,706	579,885,178	577.342.645	580.554.183
Ξ	-	122					
12	Gas Stored - Base Gas (117.1)	220					
5		220					
4		220					
15	Gas Owned to System Gas (117.4)	220					
16							
1	Nonutility Property (121)						
8	+	-					
19	-	222-223	117	447	117	447	7.44
8		224-225					
72	-						
2	-				And the second named district the state of the second seco		
8	-	222-223	411,634	332,584	202,846	43,516	49.286
75	+						
8	TOTAL Other Property and Investments (Total of lines 17-20, 22-24)		411,751	332,701	202,963	43,633	49,403
56	CURRENT AND ACCRUED ASSETS		(Secondaria)				
27			383,150	33.122	(2.423.477)	1.769.349	907 393
88	-+				0		
8	-		8,724	1,828	1,133	5,846	966.9
က	Temporary Cash Investments (136)	222-223					
ल	Notes Receivable (141)		(19,547)	(20,046)	(20,639)	(21,306)	
33	Customer Accounts Receivable (142)		51,468,852	34,232,555	56,394,085	87,542,285	61,248,903
8	Other Accounts Receivable (143)		685,785	674,952	994,398	844,433	878,526
용	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		(5,301,934)	(2,917,321)	(5,717,008)	(7,018,842)	(7,101,767)
32	Notes Receivable from Associated Companies (145)						
36	Accounts Receivable from Associated Companies (146)		209,209,747	221,677,961	239,455,836	303,101,513	317,844,805
37	Fuel Stock (151)		372,644	772,706	762,955	402,617	398.679
8	Fuel Stock Expenses Undistributed (152)						
စ္က	Residuals (Elec) and Extracted Products (Gas) (153)						
64 :	Plant Materials and Operating Supplies (154)		1,482,021	1,605,817	1,474,310	1,589,055	1,663,895
£ 5	Merchandise (155)						
4 5	Ourier Materials and Supplies (156) Nuclear Materials Held for Sole (457)						
	יייייייייייייייייייייייייייייייייייייי		otologo				
			alaining				- Committee

Balance at Col. (d) (d) (f) (d) (d) (d) (d) (d) (d) (d) (d) (d) (d	Nan	Name of Respondent	This Report Is:		Date of Report	Year of Report			10 7 283 -
COMPAPATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued) Reference	Nex	v England Gas - Ri	X An Original		(Mo, Da, Yr)				
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBTIS) (Continued) Reference of Englance at South Postalized Balance at South Compared (1881) Reference of Englanes) Reference of Englanes (1881) Reference of Englanes) Reference of Englanes (1882) Re			A Resubmis	ssion					
Advantage Table of Account Table of T		COMPARATIVE BALANCE SHEET (ASSETS.	AND OTHER DEBITS) (Continued)					
Allowancoes (158.1 and 158.2) 69 70 70 70 70 70 70 70 7	Line No.			Reference Page Number	Filed 6/30/2004 (in dollars)	Balance at 9/30/2004 (in dollars)	Balance at 12/31/2004 (in dollars)	Balance at 3/31/2005	Filed 6/30/2005 (in deliges)
	:			(g)	(c)	(p)	(d)	(p)	(p)
Stores Expense Undestructed (183) 220 12,199,350 20,888,394 21,202,774 7,916,074 Class Stored Undestructed (184) 220 12,199,350 20,888,394 21,202,774 7,916,074 Class Stored Undestructed (184) 220 12,277 3 2,016,279 2 2,018,894 21,202,774 7,916,074 Class Stored Undestruct (184) 220 12,277 3 2,016,279 2 2,018,894 21,202,774 7,916,074 Preparative (185) 220 12,277 3 2,016,279 2 2,018,894 2 2,120,277 3 2,016,279 2 2,018,894 2 2,120,277 3 2,016,279 2 2,018,894 2 2,017,895 2 2,017,895 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894 2 2,018,894	4	+							
Stories Expense Unidestituded (163) 222 12,189,550 20,868,394 21,242,774 7,916,074 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040,640 1,040	45								
Gas Stoned Underground - Currient (164.1) Case Stoned Underground - Currient (164.1) 2.22 12.189_3550 20,856_364 21,242_774 7,916,074 Liquefied Matural Case Stoned and Held for Processing (164.2 thun 164.3) 2.20 4,542,432 6,530_162 41,572_818 2,577_755 Advances for Case (169) Advances for Case (161) 41,572_818 2,577_756 2,577_756 Accurated Value Accurated Assets (174) Accurated Assets (174) 30,657_93 34,131_900 250.006_415 Accurated Assets (172) Accurated Assets (174) 2,507_77,56 30,657_93 34,131_900 250.006_415 Accurated Assets (182) Accurated Assets (182) 2,507_77,57 30,657_93 34,131_900 250.006_415 Accurated Assets (182) Accurated Assets (182.2) 2,507_77,57 30,657_93 34,131_900 451,473_284 Unamortized Debt (182) Accurated Assets (182.2) 2,207_77,57 2,207_77,57 30,657_93 34,174_8,401 31,743_284 41,748_8,401 Intercovered Part and Population Accurated (183) Accurated Assets (182.2) 2,207_77,652_77 1,257_78,672_77 41,748_8,401 41,748_8,401<	46							69	71
Liguefied Natural Gas Stand and Hald for Processing (164.2 thru 164.3) 220 4,542,422 6,559,246 6,500,168 3,755,021 Pergentent (165)	44	-		220	12,189,350	20.858.394	21.242.774	7,916.074	16 007 288
Prepayments (15) Prepayments (17) Prepayments (18) Prepayments (18) Prepayments (182.)	48	-		220	4,542,432	6,639,246	6,506,168	3,758,021	4.922.766
Advances for Gas (168 thu 167) International Property Lases (173) Accuard Utility Revenues (173) Accuard Utility Revenues (173) Accuard Utility Revenues (174) Miscallaneous Current and Accuard Assets (174) International Property Lases (181) Extraordinary Property Lases (181) Current and Accuard Assets (174) International Property Lases (181) Current and Accuard Assets (174) International Property Lases (181) Current and Accuard Assets (174) International Property Lases (181) Current and Accuard Assets (182) Current and Accuard Assets (182) Current and Accuard Assets (182) Current and Accuard Assets (181) Current and Accuard Assets (182) Current and Accuard Assets (181) Current and Accuard Assets (182) Creating Assets (182) Creating Assets (182) Creating Assets (182) Creating Assets (183) Creatin	49			230	33.644.071	33 016 219	41 572 818	2 577 755	41 841 873
Interest and Divideous Receivable (171) Reats Receivable (172) Reats Receivable (173) Reats Receivable (173) Reats Receivable (173) Reats Receivable (173) Receivable (174) Receivable (175) Receivable (175	먒								
Rents Receivable (172) Auto-control (182) Auto-control (183) Auto-control (183) Auto-control (184) Auto-control (184) Auto-control control control control (184) Auto-control (185) Auto-control control control control control (186) Auto-control control control control control control (186) Auto-control control c	51								The second secon
Accurad Utility Revenues (173) Accurad Datific (184) Accurad Datific (185) Accurad Datific (186) Accurad Datific (186) Accurada Deferrada Deferrada Datific (186) Accurada Deferrada	22	-							
Miscellaneous Current and Accured Assets (174) Miscellaneous Current and Accured Assets (174) 431,473,284 451,473,284 TOTAL Current and Accured Assets (181) DEFERRED DEBITS 308,665,295 316,675,433 394,375,261 431,473,284 Unamonitzed Debt Expense (181) Extraordinary Property Losses (182.1) 230 12,515,887 12,103,606 10,552,870 11,559,124 Unrecovered Plant and Regulatory Study Coals (182.2) 232 12,515,887 12,103,606 10,552,870 11,559,124 Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2) Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2) 233 5,200,104 8,000,199 4,213,884 41,748,491 Influence out Defenred Debtis (186) Miscellaneous Defenred Debtis (186) 233 5,920,104 8,000,199 4,213,884 41,748,491 Research, Development, and Demonstration Expend (189) 234,235 234,235 234,235 234,235 234,235 234,235 234,236 1,062,167,177 1,062,167,177 1,062,167,177 1,062,167,177 1,062,167,177 1,062,167,177 1,062,167,177 1,062,167,177 1,062,167,177 1,062,167,177	33	-					34.131.908	29.006.415	5 460 981
TOTAL Current and Accurated Assets (Total of lines 27 thru 64) 308,665,296 316,575,433 394,375,294 Unamontized Debt Expense (181) Extraordinary Property Losses (182.1) 230 230 12,515,687 12,103,606 10,552,870 11,559,124 Directored Plant and Regulatory Study Costs (182.2) 230 12,515,687 12,103,606 10,552,870 11,559,124 Directored Plant and Regulatory Study Costs (182.2) 232 12,515,687 12,103,606 10,552,870 11,559,124 Definitiary Survey and Investigation Charges (Gas) (1831, 183.2) 233 5,220,104 8,009,199 4,213,884 41,748,491 Definitiary Development and Definitiary Survey and Investigation Charges (Gas) (1831, 183.2) 233 5,220,104 8,009,199 4,213,884 41,748,491 Definitiary Development and Definitiary Survey and Investigation of Utility Plant (187) 234,235 234,235 234,235 24,235 24,235 24,235 24,235 24,235 24,236 24,236,137 24,236 24,236,137 24,236 24,236,137 24,236 24,236,137 24,236 24,236,137 24,236 24,236,137 24,236 24,236,137 24,236 24,236,137 24,236 24,236,137 24,236 24,236,137 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236 24,236	22								345
DEFERRED DEBITS DIFFERRED DEBITS Dimenorized Debt Experse (181)	22	_			308,665,295	316.575.433	394.375.261	431 473 284	444 080 754
Unamortized Debt Expense (181) 230 Professor (182.1)	23								
Extraordinary Property Losses (182.1) 230 12,103,606 10,532,870 11,559,124 12,103,606 10,532,870 11,559,124 12,103,606 10,532,870 11,559,124 12,103,606 10,532,870 11,559,124 12,103,606 10,532,870 11,559,124 12,103,606 10,532,870 11,559,124 12,103,606 10,532,870 11,559,124 12,103,606 10,532,870 11,559,124 12,103,606 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,604 12,103,60	22	-							
Unrecovered Plant and Regulatory Study Costs (182.2) 230 12,515,587 10,552,870 11,559,124 Other Regulatory Assets (182.3) Other Regulatory Assets (182.3) 12,103,606 10,552,870 11,559,124 Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2) Research Charges (Gas) (183.1, 183.2) 10,550,104 8,009,199 4,213,884 41,748,491 Clearing Accounts (184) Miscellaneous Deferred Debits (186) Accumulate Ober (189) 4,213,884 41,748,491 Miscellaneous Deferred Losses from Disposition of Utility Plant (187) Research, Development, and Demonstration Expend, (188) Accumulated Debet and Debits (189) 4,213,884 41,748,491 Miscellaneous Deferred Losses from Disposition of Utility Plant (187) Research, Development, and Demonstration Expend, (188) Accumulated Deferred Chrome Taxes (190) Accumulated Deferred Chrom	238	-		230					
Other Regulatory Assets (182.3) Preliminary Survey and Investigation Charges (Electric) (183) Preliminary Survey and Investigation Charges (Electric) (183.2) Preliminary Survey and Investigation Charges (Electric) (183.2) Cleaning Accounts (184) Temporary Facilities (185) Miscellaneous Defend Debti (186) Miscellaneous Defend Debti (187) Research, Development, and Demonstration Expend. (188) Unamortized Loss on Reaquired Debt (189) Accumulated Deferred Income Taxes (190) Unrecovered Purchase Gas Costs (191) Unrecovered Purchase Gas Costs (191) 1 OTAL Deferred Debtis (Total of lines 10-15,25,55, and 71) Other Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Other Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Description of the Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and Other Debtis (Total of lines 10-15,25,55, and 71) Accumulated Assets and	29			230					
Preliminary Survey and Investigation Charges (Electric) (183) Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2) Clearing Accounts (184) Temporary Eaclities (185) Miscellaneous Deferred Losses from Disposition (Utility Plant (187) Accommistration Expend. (188) Commistration Ex	8			232	12,515,587	12,103,606	10,552,870	11.559.124	11.156.796
Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2) Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2) Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2) Precipitates (185) Precipitates (185) Precipitates (185) Precipitates (185) Precipitate (185) Precipitate (185) Precipitate (186) Precipitate (186	19								
Cleaning Accounts (184) Cleaning Accounts (184) Cleaning Accounts (185) 4,213,884 41,748,491 Imporary Facilities (185) Aiscellaneous Deferred Debits (186) 233 5,920,104 8,000,199 4,213,884 41,748,491 Deferred Losses from Disposition of Utility Plant (187) Accurated Losses from Disposition of Utility Plant (187) Accurated Losses from Disposition of Utility Plant (188) Accurated Losses from Disposition of Utility Plant (189) Accurated Losses from Disposition (189) <td< td=""><td>62</td><td>-</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	62	-							
Interporary Facilities (185) 233 5,920,104 8,009,199 4,213,884 41,748,491 41,748,491 Miscellaneous Deferred Debits (186) 233 5,920,104 8,009,199 4,213,884 41,748,491 41,748,491 Research, Development, and Demonstration Expend. (188) 234,235 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	63								17.578
Miscellaneous Deferred Debits (186) 4,213,884 41,748,491 41,748,491 Deferred Losses from Disposition of Utility Plant (187) Research, Development, and Demonstration Expend. (188) 4,213,884 41,748,491 Research, Development, and Demonstration Expend. (189) Community of Unity Plant (189) 234,235 Complete Complete Unamortized Loss on Reaquired Debt (189) Accumulated Deferred Income Taxes (190) Complete	49	Temporary Facilities (185)							
Deferred Losses from Disposition of Utility Plant (187)	65			233	5,920,104	8.009.199	4.213.884	41.748.491	2.648.408
Research, Development, and Demonstration Expend. (188) Unamortized Loss on Reaquired Debt (189) Accumulated Deferred Income Taxes (190) Unrecovered Purchase Gas Costs (191) TOTAL Deferred Debits (Total of lines 10-15,25,55, and 71) Complete	99								
Unamortized Loss on Reaquired Debt (189) 234.235 Complete Complete Accumulated Deferred Income Taxes (190) 234.235 14,786,754 53,307,615 Unrecovered Purchase Gas Costs (191) 10.112,805 14,786,754 53,307,615 TOTAL Deferred Debits (Total of lines 10-15,25,55,and 71) 903,128,861 914,031,645 989,230,156 1,062,167,177 1,0	29	Research, Development, and Demonstration Expend. (188)							
Accumulated Deferred Income Taxes (190) 234.235 Accumulated Deferred Income Taxes (191) Accumulated Deferred Income Taxes (191) Accumulated Deferred Income Taxes (191) Accomplete	99	Unamortized Loss on Reaquired Debt (189)							
Unrecovered Purchase Gas Costs (191) 14,786,754 53,307,615 TOTAL Deferred Debits (Total of lines 10-15,25,55, and 71) 100,412,805 14,031,645 14,786,754 53,307,615 TOTAL Assets and Other Debits (Total of lines 10-15,25,55, and 71) 100,000 100,000 100,000 100,000	69	Accumulated Deferred Income Taxes (190)		234-235					
TOTAL Deferred Debits (Total of lines 57 thru 70) TOTAL Assets and Other Debits (Total of lines 10-15,25,55, and 71) TOTAL Assets and Other Debits (Total of lines 10-15,25,55, and 71) Complete	2	Unrecovered Purchase Gas Costs (191)					And the state of t		
TOTAL Assets and Other Debits (Total of lines 10-15,25,55,and 71) 903,128,861 914,031,645 989,230,156 1,062,167,177 1,0 complete	7	TOTAL Deferred Debits (Total of lines 57 thru 70)			18,435,691	20,112,805	14,766,754	53,307,615	13,822,782
luoo -	72	TOTAL Assets and Other Debits (Total of lines 10-15,25,55,and 71)			903,128,861	914,031,645	989,230,156	1,062,167,177	1,038,507,122
					complete	•			complete

14		The state of the s					Page 3 of
2		Inis Report Is:	Date of Report	Year of Report)
New	New England Gas - RI	X_ An Original	(Mo, Da, Yr)				
		A Resubmission					
	COMPARATIVE BALANCE SHEET ((LIABILITIES AND OTHER CREDITS)	R CREDITS)				
Line No.	Title of Account	Reference Page Number	Filed 6/30/2004	Balance at 9/30/2004	Balance at 12/31/2004	Balance at 3/31/2005	Filed 6/30/2005
	(a)	(q)	(in dollars)	(in dollars) (d)	(in dollars) (d)	(in dollars)	(in dollars)
-	PROPRIETARY CAPITAL						
2	Common Stock Issued (201)	250-251					
က	Preferred Stock Issued (204)	250-251					The state of the fact of the state of the st
4	Capital Stock Subscribed (202, 205)	252					
2	Stock Liability for Conversion (203, 206)	252					
9	Premium on Capital Stock (207)	252					
7	Other Paid-In Capital (208-211)	253					
8	Installments Received on Capital Stock (212)	252					
6	(Less) Discount on Capital Stock (213)	254					
9	(Less) Capital Stock Expense (214)	254					
=	Retained Earnings (215, 215.1, 216)	118-119	263,344,332	258,562,064	264,689,897	292,712,829	291,019,547
12	\dashv	118-119					
13	-	250-251					The state of the s
4	TOTAL Proprietary Capital (Total of lines 2 thru 13)		263,344,332	258,562,064	264,689,897	292,712,829	291,019,547
15	LONG TERM DEBT						
16	Bonds (221)	256-257					
7	(Less) Reacquired Bonds (222)	256-257					
2		256-257					ANTE UT HATTER BEING
13	Other Long-Term Debt (224)	256-257					
8	Unamortized Premium on Long-Term Debt (225)	258-259					
21	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	258-259					
22	(Less) Current Portion of Long-Term Debt						
23	TOTAL Long-Term Debt (Total of lines 16 thru 22)		•		,	•	
24	OTHER NONCURRENT LIABILITIES						
25	Obligations Under Capital Leases - Noncurrent (227)		246,719	230,525	86,105	71,414	56,622
56	Accumulated Provision for Property Insurance (228.1)						The state of the s
27	Accumulated Provision for Injuries and Damages (228.2)				1,934,148	1,703,723	1,794,311
78	Accumulated Provision for Pensions and Benefits (228.3)						
53	Accumulated Miscellaneous Operating Provisions (228.4)						
30							
31	TOTAL Other Noncurrent Liabilities (Total of lines 25 thru 30)		246,719	230,525	2,020,253	1,775,137	1,850,933
			complete			and the second s	complete

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<u> </u>	INGLIE OF RESPONDEN	This Report Is:	Date of Report	Year of Report			
Nex	New England Gas - RI	X An Original	(Mo, Da, Yr)				
_		A Resubmission					
	COMPARATIVE BALANCE SHEET (LIABILITIES A	ABILITIES AND OTHER CREDITS)(Continued)	ntinued)				
Line No.	Title of Account	Reference Page Number		Balance at 9/30/2004	Balance at 12/31/2004	Balance at 3/31/2005	Filed 6/30/2005
	(a)	(q)	(in dollars)	(in dollars)	(in dollars)	(in dollars)	(in dollars)
32	CURRENT AND ACCRUED LIABILITIES					(6)	(p)
33	Current Portion of Long-Term Debt						
34							
35			17.577.014	18.197.569	39.835.832	37 486 379	31 539 116
8	Notes Payable to Associated Companies (233)					2000	01,000,110
37			553.792.346	573.826.787	596.238.589	630 579 716	619 462 486
88			2,804,951	2,850,088	2,871,026	2.887.185	2.931.708
33	-	262-263	(12,200,984)	(10,723,207)	(7,974,004)	(7.279.960)	(11,489,509)
6	-		286,040	305,997	253,154	264,088	287.145
4	Dividends Declared (238)						
42	Matured Long-Term Debt (239)						
43	Matured Interest (240)						
4			383,181	297,053	825,790	826,390	276.222
45	Miscellaneous Current and Accrued Liabilities (242)	268	20,355,754	18,259,268	23,280,999	24.295.205	24.627.373
46	Obligations Under Capital Leases-Current (243)						
47	TOTAL Current and Accrued Liabilities (Total of lines 33 thru 46)		582,998,302	603,013,555	655,331,386	689.059.003	667.634.541
48	DEFERRED CREDITS					the second secon	
49	Customer Advances for Construction (252)						
20	Accumulated Deferred Investment Tax Credits (255)		1,644,390	1,593,248	1,542,106	1,490,964	1.439.822
21	Deferred Gains from Disposition of Utility Plant (256)						
52	Other Deferred Credits (253)	589	20,315,204	22,208,903	33,466,288	33,957,187	34.298.815
53	Other Regulatory Liabilities (254)	278	2,263,425	(3,893,139)	(136,263)	10,855,662	9.947.069
54	Unamortized Gain on Reaquired Debt (257)	260					
4.7	_						
32	Accumulated Deferred Income Taxes (281-283)	276-277	32,316,489	32,316,489	32,316,489	32,316,395	32,316,395
26	Operating Reserves						
57	TOTAL Deferred Credits (Total of lines 49 thru 55)		56,539,508	52,225,501	67,188,620	78,620,208	78,002,101
28	TOTAL Liabilities and Other Credits (Total of lines 14, 23,31,47, and 56)		903,128,861	914,031,645	989,230,156	1,062,167,177	1,038,507,122
_							

Record Request and Response

Requestor:

Division

Respondent:

Robert Riccitelli

Issue Date:

October 5, 2005

Q. DIV 2-02

Referring to the response to DIV 1-05, Attachment, Page 1, please describe the Supplemental Retirement on Line 18. The response should explain what these costs represent, how the amounts are determined, which employees are eligible, and why the expense is so much greater in the second six months.

A. DIV 2-02

This cost represents the supplemental retirement plan for a subgroup of current/former corporate employees of Southern Union. The expensed amounts were determined through an actuarial valuation. The expense was greater in the second half of the 12-month fiscal period because the plan was terminated, which made it necessary to accrue for the plan payout and pension plan payment for one former executive. The Company anticipates that the termination of the plan will result in future savings.

Record Request and Response

Requestor:

Division

Respondent:

Robert Riccitelli

Issue Date:

October 5, 2005

Q. DIV 2-03 Referring to the response to DIV 1-09, please reconcile the

amounts on the referenced pages to the \$142,653 on Page 5,

Line 12 of Riccitelli testimony.

A. DIV 2-03 Reconciliation is as follows:

FY 2004 Estimated ESM @ 06/30/04

\$539,000

-Amount on the Co.'s G/L

Final Commission ESM FY2004

284,065

Sub-total FY 2005 Estimated ESM @ 06/30/05 \$254,935 112,282

Total

\$142,653

Record Request and Response

Requestor:

Division

Respondent:

Robert Riccitelli

Issue Date:

October 5, 2005

Q. DIV 2-04

Referring to the response to DIV 1-12, please provide

calculations supporting the changes in the Accumulated Deferred

FIT balances in March 2005 and June 2005.

A. DIV 2-04

Please refer to the table below.

NEG-RI Estimated Tax over Book Depreciation For The Period January 1, 2005 Thru June 30, 2005

	Estimated 6mos.
	6/30/2005
COPIER CAPITAL LEASE	(31,126)
ABANDONMENT LOSS (Removal costs less proceeds/salvage only)	(581,233)
TAX DEPRECIATION	(8,220,069)
BOOK DEPRECIATION	8,943,825
BOOK LOSS (GAIN)	8,588
TAX (LOSS) GAIN	(459,706)
CIS AMORTIZATION-BOOK/Amortization Expense	961,393
Total Estimated Depreciation adjustment	621,673
	X 34%
	211,369
	/ 2
Net Change March 2005 & June 2005	105,684

Record Request and Response

Requestor:

Division

Respondent:

Robert Riccitelli

Issue Date:

October 5, 2005

Q. DIV 2-05

Referring to Attachment RJR-2, please explain what the Accrual

True-Ups represent.

A. DIV 2-05

The Accrual True-Up represents the difference between the

amount estimated at year-end and the final amount filed with the

IRS.

Record Request and Response

Requestor:

Division

Respondent:

Robert Riccitelli

Issue Date:

October 5, 2005

Q. DIV 2-13

Referring to the response to DIV 1-18, Page 1, please describe the services rendered for each line item described as "Legal". The response should explain the nature of the legal services rendered and should be supported by relevant documentation.

A. DIV 2-13

Adler, Pollock & Sheehan

Specialization: General, regulatory and environmental. **FY2005 Services Rendered**: Labor-bargaining matters, tax appeals, government relations and evidentiary hearings.

Safety & Health Compliance Solutions

Specialization: Safety and health compliance issues. **FY2005 Services Rendered:** Review and audit of all health and safety policies and procedures.

Kaspwitz, Benson, Torres & Freidman:

Upon review, this charge of \$150,136 should not have been included in the FY2005 ESM calculation.

Herbert Clark Co.:

Specialization: Environmental policies and procedures. **FY2005 Services Rendered:** Review and audit of all environmental policies and procedures.

Watson, Bishop, London & Brophy, PC:

Upon review, this charge of \$73,183 should not have been included in the FY2005 ESM calculation.

Record Request and Response

Cross Country Energy Services LLC:

Specialization: Legal consultant.

FY2005 Services Rendered: Review and audit of all health, safety and environmental policies and procedures.

Ira Lukin:

Specialization: Legal consultant.

FY2005 Services Rendered: PUC evidentiary hearings,

easements, customer issues and contracts.

Fleischmann & Walsh:

Specialization: Regulatory.

FY2005 Services Rendered: Keyspan LNG matters, gas

contracts and FERC.

Partridge, Snow & Harn:

Specialization: General.

FY2005 Services Rendered: Tax appeals and real estate

valuations.

Lathrop & Gage Law Office:

Specialization: General.

FY2005 Services Rendered: General legal and non-

remediation environmental matters.

Carroll, Kelly & Murphy:

Specialization: Collections and bankruptcy.

FY2005 Services Rendered: Customer accounts, record liens as result of judgments and recovery of third-party

damages.

Schiff Hardin:

Specialization: Regulatory.

FY2005 Services Rendered: FERC - LDC customer

groups.

Strauss, Factor & Laing:

Specialization: Collections and bankruptcy.

FY2005 Services Rendered: Customer accounts, record

liens as result of judgments.

Thornton Group LLC:

Specialization: N/A.

FY2005 Services Rendered: Consultation on (customer)

Key Accounts.

Record Request and Response

Requestor:

Division

Respondent:

Robert Riccitelli

Issue Date:

October 5, 2005

Q. DIV 2-14 Referring to the response to DIV 1-18, Page 1, please explain the increase legal expenses from fiscal year 2004.

A. DIV 2-14

The majority of the variance from total expenses in FY2003 resulted from the Company's comprehensive review and audit of all health, safety and environmental policies. This review and audit produced recommendations for achieving full compliance with a broad range of laws and regulations affecting the Company's operations. This review also served as the basis for the development of an up-to-date regulation and procedures manual.

Record Request and Response

Requestor:

Division

Respondent:

Robert Riccitelli

Issue Date:

October 5, 2005

Q. DIV 2-15

Referring to the response to DIV 1-18, Page 1, please explain the increase in Professional Security Service expense from fiscal year 2004.

A. DIV 2-15

The majority of the increase in Professional Security Services expense is due to the institution of increased security (<u>i.e.</u>, 24 hours per day, seven days per week) at the Company's Gas Control locations.

Record Request and Response

Requestor:

Division

Respondent:

Robert Riccitelli

Issue Date:

October 5, 2005

Q. DIV 2-16

Referring to Attachment RJR-1, Page 5, please explain the increase in the Injury and Damage Reserve from June 2004 to June 2005.

A. DIV 2-16

Starting January 1, 2005, the Company combined the Worker's Compensation Reserve with the Injury & Damage Reserve. This change increased the Injury & Damage Reserve by \$531,325. The majority of the remaining increase is the reserve for the mercury incident, which was properly charged to a below-the-line account and not included in the ESM calculation.

Record Request and Response

Requestor:

Division

Respondent:

Robert Riccitelli

Issue Date:

October 5, 2005

Q. DIV 2-17 For each fiscal year 2003, 2004, and 2005, please provide the accruals to and charges against the Injury and Damage

Reserve.

A. DIV 2-17 Please refer to the table below.

NEW ENGLAND GAS COMPANY INJURY AND DAMAGE RESERVE FOR THE TWELVE MONTH ENDED JUNE 30,

	*ACCRUED EXPENSE	PAYMENTS	I & D RESERVE ENDING BALANCE
JUNE 30, 2002			(423,191)
FISCAL 2003	(969,780)	733,147	(659,824)
FISCAL 2004	(868,055)	513,469	(1,014,410)
WCOMP RESERVE @ 01/01/	05		(348,239)
**FISCAL 2005	(1,501,755)	1,070,093	(1,794,311)

^{*} Accrued Expense does not include Insurance Premiums, WCOMP Labor (Internal) and Safety Equipment & Training charged directly to FERC Act. # 925. FY2005 Accrued Expense includes Mercury Expense charged below the line. This charge accounted for approximately half of the increase from FY2004 to FY2005.

^{**} Starting January 1, 2005 the Company included Worker's Compensation Accrued Expense and Payments as part of the Injury and Damages Reserve. This change accounts for the approximately half of the increase in Accrued Expense and majority of the increase in Payments from FY2004 to FY2005.