

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
**PUBLIC UTILITIES COMMISSION**

IN RE: FILINGS BY NEW ENGLAND GAS COMPANY :  
GAS COST RECOVERY FILING : DOCKET NO. 3436  
DISTRIBUTION ADJUSTMENT CLAUSE FILING : DOCKET NO. 3548

**NOTICE OF PUBLIC HEARING**

Pursuant to the provisions of Sections 39-1-1, 39-1-11 and 39-3-11 of the General Laws, as amended, the Public Utilities Commission ("Commission") will conduct a hearing on **Thursday, October 14, 2004 at 9:30 AM** in the first-floor hearing room of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. The hearing may continue thereafter from day to day and time to time as required.

In these dockets, the Commission will examine the propriety of filings submitted by the New England Gas Company (NEGas) seeking to implement revised rates and charges that would be in effect November 1, 2004 to October 31, 2005. In Docket No. 3436, NEGas filed to increase: 1) the Gas Cost Recovery ("GCR") charge for all customer classes, 2) the Natural Gas Vehicle rate and 3) the Gas Marketer Charges and factors associated with transportation services billed to Gas Marketers. The GCR allow the Company to reconcile and recover its estimated costs for gas supplies, including the cost of pipeline transportation and storage capacity. The proposed GCR factors on a per therm cost basis are: \$0.8793 for Residential and Small C&I customers; \$0.8718 for Medium C&I customers; \$0.8810 for Large Load Factor C&I customers; \$0.8617 for Large High Load Factor customers; \$0.9022 for Extra Large Low Load Factor customers; and \$0.8386 for Extra Large High Load Factor customers. The proposed GCR factor for Natural Gas Vehicle is \$0.6652 per therm.

In Docket No. 3548, NEGas filed to increase the Distribution Adjustment Clause ("DAC") factor. The DAC is a cost recovery and reconciliation clause that requires an annual updating of identifiable special programs such as environmental cost recovery and weather normalization, as well as to facilitate the timely rate recognition of incentive provisions. The filing incorporates an earnings sharing calculation required under the merger agreement in Docket No. 3401 that consolidated the operations of the Providence Gas and Valley Gas Companies. The earnings sharing provision will return \$314,125 to ratepayers through the DAC. The proposed DAC factor on a per therm basis for all customers is \$0.0021, an increase of \$0.0269 from the currently effective DAC factor.

If approved, the combined net bill impact of the GCR and DAC charges on a typical residential heating customer using 1,035 per therms per year would be an annual increase of \$28.00, or 2.1%, from \$1,335 to \$1,363. The Commission may

approve different rates that made be higher or lower than those proposed by New England Gas Company. The deadline to file a Motion to Intervene as a party in this docket is October 6, 2004.

The filings may be examined at the Commission's office and at the office of the New England Gas Company, 100 Weybosset Street, Providence, Rhode Island. The filings can also be accessed on [www.ripuc.org/eventsactions/docket/3436page.html](http://www.ripuc.org/eventsactions/docket/3436page.html) and [www.ripuc.org/eventsactions/docket/3548page.html](http://www.ripuc.org/eventsactions/docket/3548page.html).

Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island General Laws; specifically Sections 39-1-7, 39-1-8, 39-1-11, 39-1-12, 39-1-16, 39-1-18, 39-1-20, 42-35-8 and 42-35-10.

THE PUBLIC UTILITIES COMMISSION IS ACCESSIBLE TO THE HANDICAPPED. INDIVIDUALS REQUESTING INTERPRETER SERVICES FOR THE HEARING IMPAIRED MUST NOTIFY THE COMMISSION CLERK'S OFFICE AT 941-4500, SEVENTY-TWO HOURS IN ADVANCE OF HEARING DATE.

Luly E. Massaro  
Commission Clerk  
September 24, 2004