

Hearing moved to November 21, 2008 @ 9:30 A.M.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: Filings by National Grid

Annual Gas Cost Recovery Charge and : Docket No. 3982
Annual Distribution Adjustment Clause : Docket No. 3977

NOTICE OF PUBLIC HEARING

Pursuant to the provisions of Sections 39-1-1 and 39-3-11 of the General Laws, as amended, the Public Utilities Commission (“Commission”) will conduct a public hearing on **Friday, October 24, 2008 @ 9:30 A.M.** in Hearing Room A of the Public Utilities Commission, located at 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 National Grid (“NGrid”) seeking to implement revised rates and charges effective November 1, 2008. In Docket No. 3982, NGrid filed to decrease: 1) the Gas Cost Recovery (“GCR”) charge for all customer classes and 2) the Natural Gas Vehicle rate. The filing also proposes new charges associated with transportation services billed to Gas Marketers. The GCR charge allows 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: \$1.1473 for Residential and Small C&I customers; \$1.1422 for Medium C&I customers; \$1.1551 for Large Low Load Factor C&I customers; \$1.1137 for Large High Load Factor customers; \$1.1440 for Extra Large Low Load Factor customers; and \$1.1004 for Extra Large High Load Factor customers. The proposed GCR factor for Natural Gas Vehicles is \$0.8830 per therm. NGrid also proposed an alternate GCR rate structure that would consolidate the current six GCR factors into two. The alternate GCR proposal is currently under examination in Docket No. 3943.

In Docket No. 3977, NGrid filed to decrease 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 proposed DAC factor on a per therm basis for all customers is a credit of \$0.0040, a decrease 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 922 therms per year would be an annual decrease of \$72 or 4.6%, from \$1570 to \$1498. The Commission may approve different rates that may be higher or lower than those proposed by National Grid. The deadline to file a Motion to Intervene as a party in these dockets is October 6, 2008.

The filings may be examined at the Commission’s office and at the office of the National Grid, 280 Melrose Street, Providence, R.I. The filings can also be accessed on the Commission’s Docket

Menu at www.ripuc.org, Docket No. 3982 and Docket No. 3977.

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 29, 2008