

**State of Rhode Island and Providence Plantations**

**Public Utilities Commission**

**Minutes of Open Meeting Held March 31, 2003**

**Attendees: Chairman Elia Germani, Commissioner Racine, Commissioner Brenda Gaynor, Steve Frias, Cindy Wilson, Thomas Massaro, Alan Nault and Luly Massaro.**

**Chairman Germani called the open meeting to order at 10:00 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.**

**3436 – New England Gas Co.:** The Commission discussed the propriety of the Company's gas purchasing plan and the proposed Gas Cost Recovery charge (GCR) filing made on February 14, 2003. After review and discussion the following motions were made:

**Gas Purchasing Plan**

1) Chairman Germani moved that the Gas Purchasing Plan filed by NEGas on October 8, 2002 be adopted with the following modifications:

- The plan will contain only one benchmark, which will be the weighted average cost of NEGas' non-discretionary gas purchases (for the specified gas supply month).
- The reward limit will be \$1,000,000 and penalty limit will be \$500,000.
- New England Gas has permission to and could receive an incentive under the plan if it:
  1. Purchases up to 60% of discretionary gas for a winter month (November to March) when the NYMEX price is at or below \$3.50;
  2. Purchases up to 80% of discretionary gas for a winter month (November to March) when the NYMEX price is at or below \$3.00;
  3. Purchases up to 60% of discretionary gas for a non-winter month (April to October) when the NYMEX price is at or below \$3.00;
  4. Purchases up to 80% of discretionary gas for a non-winter month (April to October) when the NYMEX price is at or below \$2.80.

The motion was seconded by Commissioner Racine and unanimously passed. **Vote 3-0.**

In addition, the Commission directed NEGas: (1) to file semi-annual reports on all its gas purchasing activities, rewards and penalties, and savings for ratepayers under the plan; and (2) to respond within 30 days to the issue raised by the Division of how NEGas will

address the migration of transportation customers to firm sale service.

**Gas Cost Recovery Charges**

Chairman Germani moved to approve NEGas' February 14, 2003 GCR filing, as further revised on March 20, 2003. The new GCR factors will be effective for consumption on and after April 1, 2003. The motion was seconded by Commissioner Racine and unanimously passed. **Vote 3-0.**

A transcript of the Commission's March 31, 2003 open meeting discussion is available at the office of the Commission Clerk.

There being no further business to discuss, the open meeting adjourned at 10:22 A.M.