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New England Gas Company

PUBLIC UTILITIES COMMISSION

April 30, 2004

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

Re: Docket No. 3436; Amended Gas Cost Recovery Filing

Dear Ms. Massaro:

Enclosed please find an original and nine copies of the testimony of Michael Harn and Gary Beland in support of the above referenced filing. The proposed GCR rates reflect the customer class-specific factors necessary for New England Gas Company to collect the projected increase in summer period variable gas costs. The Company is not attempting to achieve a zero deferred balance at October 31, 2004. Rather, the Company is attempting to capture the projected increase in summer period variable gas costs over the forecasted variable costs underlying the currently effective GCR recovery factors. The Company is making this filing in response to significantly increased gas prices throughout the May through October 2004 GCR period.

In this immediate filing, the Company has updated gas costs and gas cost collections with actual data through March 2004, and updated the April through October 2004 gas cost forecast based on the April 19, 2004 NYMEX and the GPIIP through March 31, 2004. The proposed GCR factors would take effect with gas consumed on or after June 1, 2004.

Sincerely,



Sharon Partridge
Vice President, Finance

cc: Service List

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

NEW ENGLAND GAS COMPANY
DOCKET NO. 3436

DIRECT TESTIMONY

OF

MICHAEL J. HARN

APRIL 30, 2004

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Michael J. Harn. My business address is 100 Weybosset Street,
3 Providence, RI 02903.

4 **Q. WHAT IS YOUR POSITION AND RESPONSIBILITIES?**

5 A. I am a Pricing Analyst for the New England Gas Company ("NEGC" or the
6 "Company"). My responsibilities include the preparation of the Company's Gas Cost
7 Recovery (GCR) filings, rate and revenue analysis, and other rate-related issues.

8 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN THIS DOCKET?**

9 A. Yes, I have testified in support of the Gas Cost Recovery ("GCR") rates that were
10 approved for effect on November 1, 2003.

11 **Q. WHAT IS YOUR PROFESSIONAL AND EDUCATIONAL BACKGROUND?**

12 A. From 1985 to 1987, I was employed as a Labor Market Economist by the
13 Commonwealth of Massachusetts – Department of Employment and Training. My
14 responsibilities at the Department included the analysis of re-employment by workers
15 affected by mass layoffs and plant closings. I joined Bay State Gas Company in
16 November 1987 as an Associate Rate Analyst, and was promoted to the position of
17 Rate Analyst in February 1995. While at Bay State, I testified before the New
18 Hampshire Public Utility Commission and Maine Public Utility Commission in Cost
19 of Gas Adjustment Filings. In April 1998, I joined ProvEnergy as a Pricing Analyst.

1 My educational background includes a Bachelor of Arts Degree in Economics from
2 Framingham State College.

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

4 A. The purpose of my testimony is to explain the calculation of the Gas Cost Recovery
5 ("GCR") charges to be effective with consumption on and after June 1, 2004 for the
6 following services: (1) firm sales service to the Residential Non-Heating and Heating
7 rate classes and Commercial and Industrial ("C&I") customers in the Small, Medium,
8 Large and Extra Large rate classes.

9 **Q. DO YOU HAVE ANY ATTACHMENTS TO YOUR TESTIMONY?**

10 A. Yes. I am sponsoring the following Attachments:

11 MJH-1 NYMEX Comparison
12 MJH-2 Supply Variable Costs Comparison
13 MJH-3 Amended GCR Factors
14 MJH-4 GCR Deferred without Updated Factors
15 MJH-5 GCR Deferred with Updated Factors
16 MJH-6 Bill Impact Analysis
17 MJH-7 NGV Tariff
18

19 **Q. WHY IS THE COMPANY PROPOSING TO AMEND THE CURRENTLY**
20 **EFFECTIVE GCR FACTORS?**

21 A. For the six months ended October 2004, projected gas costs have increased
22 significantly from those underlying the Company's currently effective GCR factors.
23 Consequently, the projected end-of-period gas cost deferred balance has increased as

1 well. The proposed GCR factors are intended to capture only the increase in variable
2 gas costs for the six-month period May through October 2004.

3 **Q. HOW DOES THE CURRENT NYMEX PRICE COMPARE TO THE**
4 **FORECAST UNDERLYING THE CURRENTLY EFFECTIVE GCR**
5 **FACTORS FOR THE SIX MONTHS ENDED OCTOBER 2004?**

6 A. The currently effective GCR factors reflect an October 27, 2003 NYMEX benchmark
7 for the Company's non-locked purchases. As shown on Attachment MJH-1, based on
8 the April 19, 2004 NYMEX, gas prices are approximately \$1.011/dth higher.

9 **Q. HOW DOES THE COMPANY'S LOCKED PURCHASES COMPARE WITH**
10 **THE OCTOBER 29, 2003 FORECAST?**

11 A. In the Company's October 29, 2003 GCR filing, total summer purchase requirements
12 (excluding storage fill) were 6,198,388 dth. Of this quantity, the price associated with
13 approximately 44 percent, or 2,736,758 dth was "locked" in. The value of the locked
14 purchases was \$14,014,185, for an average rate of \$5.121/dth. Consequently, the
15 price was not locked in for approximately 56 percent of summer purchase
16 requirements (excluding storage refills), or 3,461,630 dth. The value of the non-
17 locked purchases was \$17,318,403, or \$5.003/dth. Based on actual data through
18 March 31, 2004, the Company has fixed prices for 3,942,415 dth for the six summer
19 months at a cost of \$20,825,175. As such, non-locked purchases are currently
20 projected to be 2,255,973 dth at a cost of \$14,588,930 based on the April 19, 2004

1 NYMEX. Attachment MJH-2 summarizes the Company's locked and non-locked
2 purchases for the six summer months. As shown, variable gas costs are projected to
3 be \$3,050,673 greater than forecast due to higher than projected gas prices.

4 **Q. IS THE COMPANY PROPOSING TO AMEND THE GCR FACTORS SUCH**
5 **THAT A ZERO DEFERRED BALANCE IS ACHIEVED ON OCTOBER 31,**
6 **2004?**

7 A. The Company is proposing to amend only the Supply Variable Component of the
8 currently effective GCR factors so that the increment (\$3,050,673) of variable gas
9 costs caused by the higher than forecasted prices is collected from firm customers over
10 the period June 2004 through October 2004. This would ensure that summer period
11 gas costs are recovered from customers in a timely and equitable manner.

12 **Q. PLEASE PROVIDE AN OVERVIEW OF THE DEVELOPMENT OF THE**
13 **PROPOSED GCR RATES.**

14 A. As previously mentioned, the Company is proposing to amend the Supply Variable
15 Component of the currently effective GCR factors only. Accordingly, the \$3,050,673
16 of additional gas costs would be divided by projected firm through-put for the period
17 June 2004 through October 2004. For the five months ended October, projected firm
18 through-put is 4,634,150 dth. Thus, the currently effective Supply Variable
19 Component of the GCR would be increased by \$0.658/dth, resulting in an amended

1 Supply Variable Component of \$6.1495 per dth. Attachment MJH-3 presents the
2 proposed GCR factors for effect on June 1, 2004.

3 **Q. WHAT IS THE IMPACT OF THE AMENDED GCR ON THE ENDING GCR**
4 **DEFERRED BALANCE?**

5 A. Based on actual data through March 2004, and updated forecast data through October
6 31, 2004, the GCR deferred balance as of October 31, 2004 is projected to be
7 approximately \$13.9 million without a change in the currently effective GCR rate.
8 The updated forecast data reflects the April 19, 2004 NYMEX for the Company's
9 non-locked purchases with information on locked purchases updated to reflect actual
10 activity through March 31, 2004. The proposed GCR factors would result in a
11 projected end-of-period deferred balance of approximately \$10.9 million. Attachment
12 MJH-4, pages 1 and 2 presents the GCR deferred balance activity based on the April
13 19, 2004 NYMEX and updated locked purchases resulting in the end-of-period
14 balance of \$13.9 million. Attachment MJH-5, pages 1 and 2 presents the GCR
15 deferred balance activity based on the April 19, 2004 NYMEX, updated locked
16 purchases, and amended GCR collection factors resulting in the end-of-period balance
17 of \$10.9 million.

18 **Q. HAS THE COMPANY ANALYZED THE BILL IMPACTS OF THE**
19 **PROPOSED CHANGES FOR CUSTOMERS?**

1 A. Yes. If the proposed GCR factors were to take effect, a residential heating customer
2 using 171 therms over the five months June through October would experience an
3 increase of approximately 4.8 percent, or \$11 versus the currently effective GCR
4 factors. A summary of bill impacts for customers is provided on Attachment MJH-6.

5 **Q. IS THE COMPANY PROPOSING A CHANGE TO THE NATURAL GAS**
6 **VEHICLE (“NGV”) RATE?**

7 A. Yes. The commodity charge component of the NGV rates is based on the supply
8 variable costs identified in the Company’s GCR filing. Accordingly, the NGV
9 commodity charge is being updated to reflect the supply variable costs included in this
10 filing. A revised NGV tariff is provided as Attachment MJH-7.

11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 A. Yes.

New England Gas Company
NYMEX Comparison: October 27, 2003 vs. April 19, 2004

	27-Oct-03	19-Apr-04	Differ
May-04	\$4.621	\$5.509	\$0.888
Jun-04	\$4.626	\$5.597	\$0.971
Jul-04	\$4.636	\$5.672	\$1.036
Aug-04	\$4.654	\$5.715	\$1.061
Sep-04	\$4.641	\$5.692	\$1.051
Oct-04	\$4.659	\$5.715	\$1.056
Average	\$4.640	\$5.650	\$1.011

New England Gas Company
May - October 2004 Updated Projected Variable Gas Costs

October 29, 2003 GCR Filing (Alternate GLB-2, p.10)

	LOCKED			NON-LOCKED			TOTAL		
	dth	amount	\$/dth	dth	amount	\$/dth	dth	amount	\$/dth
May-04	648,715	\$3,230,696	\$4.980	600,435	\$2,991,165	\$4.982	1,249,150	\$6,221,861	\$4.981
Jun-04	525,592	\$2,653,884	\$5.049	310,546	\$1,531,933	\$4.933	836,138	\$4,185,816	\$5.006
Jul-04	405,061	\$2,079,331	\$5.133	384,274	\$1,906,911	\$4.962	789,335	\$3,986,242	\$5.050
Aug-04	396,456	\$2,045,195	\$5.159	392,879	\$1,957,772	\$4.983	789,335	\$4,002,967	\$5.071
Sep-04	353,259	\$1,848,934	\$5.234	515,201	\$2,572,756	\$4.994	868,460	\$4,421,690	\$5.091
Oct-04	407,675	\$2,156,146	\$5.289	1,258,295	\$6,357,866	\$5.053	1,665,970	\$8,514,012	\$5.111
Total	2,736,758	\$14,014,185	\$5.121	3,461,630	\$17,318,403	\$5.003	6,198,388	\$31,332,588	\$5.055

April 19, 2004 NYMEX; GCR Update (4-30-04 GLB-3, p.14)

	LOCKED			NON-LOCKED			TOTAL		
	dth	amount	\$/dth	dth	amount	\$/dth	dth	amount	\$/dth
May-04	731,557	\$3,741,628	\$5.115	517,593	\$3,069,085	\$5.930	1,249,150	\$6,810,713	\$5.452
Jun-04	643,737	\$3,348,460	\$5.202	192,401	\$1,137,210	\$5.911	836,138	\$4,485,670	\$5.365
Jul-04	636,082	\$3,371,975	\$5.301	153,253	\$909,040	\$5.932	789,335	\$4,281,014	\$5.424
Aug-04	612,614	\$3,266,825	\$5.333	176,721	\$1,060,447	\$6.001	789,335	\$4,327,272	\$5.482
Sep-04	567,936	\$3,036,905	\$5.347	300,524	\$1,821,491	\$6.061	868,460	\$4,858,397	\$5.594
Oct-04	750,489	\$4,059,382	\$5.409	915,481	\$5,560,814	\$6.074	1,665,970	\$9,620,196	\$5.775
Total	3,942,415	\$20,825,175	\$5.282	2,255,973	\$13,558,086	\$6.010	6,198,388	\$34,383,261	\$5.547
Differ	1,205,657	\$6,810,990	\$0.162	(1,205,657)	(\$3,760,317)	\$1.007	0	\$3,050,673	\$0.492
June thru Oct thru-put								4,634,150	
Average Increase \$/dth								\$0.658	
Average Increase \$/therm								\$0.066	

NEW ENGLAND GAS COMPANY
Gas Cost Recovery Filing
Factors Effective 06/1/04
(per Dth)

Line No.	Description (a)	Reference (b)	Resid & Small C&I (c)	Medium C&I (d)	Large LLF (e)	Large HLF (f)	Extra Large LLF (g)	Extra Large HLF (h)
1	Supply Fixed Cost Factor	pg. 2	\$0.9582	\$0.8924	\$0.8993	\$0.7177	\$0.9653	\$0.6485
2	Storage Fixed Cost Factor	pg. 3	\$0.3861	\$0.3582	\$0.3650	\$0.2907	\$0.3890	\$0.2613
3	Supply Variable Cost Factor	pg. 4	\$6.1495	\$6.1495	\$6.1495	\$6.1495	\$6.1495	\$6.1495
4a	Storage Variable Product Cost Factor	pg. 5	\$0.9067	\$0.9067	\$0.9067	\$0.9067	\$0.9067	\$0.9067
4b	Storage Variable Non-product Cost Factor	pg. 6	\$0.0742	\$0.0742	\$0.0742	\$0.0742	\$0.0742	\$0.0742
5	Total Gas Cost Recovery Charge	(1)+(2)+(3)+(4)	\$8.4747	\$8.3810	\$8.3947	\$8.1387	\$8.4846	\$8.0401
6	Uncollectible %	Docket 3401	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
7	Total GCR Charge adjusted for Uncollectibles	(5) / [(1 - (6))]	\$8.6564	\$8.5607	\$8.5748	\$8.3133	\$8.6666	\$8.2126

New England Gas Company
Rhode Island Division
Deferred Gas Cost Balances

	Nov-03		Jan-04		Feb-04		Mar-04		Apr-04		May-04		Jun-04		Jul-04		Aug-04		Sep-04		Oct-04		Total		
	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act		act	
I. Supply Fixed Cost Deferred																									
Beginning Balance																									
Supply Fixed Costs	\$2,354,122	\$2,349,446	\$2,380,028	\$2,230,641	\$2,230,641	\$2,274,894	\$2,352,769	\$2,354,121	\$2,352,769	\$2,354,121	\$2,352,769	\$2,354,121	\$2,352,769	\$2,354,121	\$2,352,769	\$2,354,121	\$2,352,769	\$2,354,121	\$2,352,769	\$2,354,121	\$2,352,769	\$2,354,121	\$2,352,769	\$10,360,605	
Capacity Release																									
Working Capital	\$9,000	\$9,000	\$9,101	\$9,452	\$9,452	\$9,645	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$9,974	\$39,974	
Total Supply Fixed Costs	\$2,137,136	\$2,133,430	\$2,177,930	\$2,014,100	\$2,014,100	\$2,065,529	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$8,753,374	
Supply Fixed - Collections	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$7,773,695	
Prelim. Ending Balance	\$209,304	\$212,692	\$257,192	\$94,362	\$94,362	\$144,816	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$1,070,165	
Month's Average Balance	\$209,304	\$212,692	\$257,192	\$94,362	\$94,362	\$144,816	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$216,015	\$1,070,165	
Interest Rate (Fleet Prime)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Interest Applied																									
Supply Fixed Ending Balance	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$1,720,434	\$7,683,209	

II. Storage Fixed Cost Deferred

Beginning Balance	\$282,248	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$1,637,228	
Storage Fixed Costs	\$871,206	\$848,166	\$892,702	\$807,174	\$807,174	\$874,629	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$3,662,247	
LNG Demand In DAC																									
Supply Related LNG O & M	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$173,961	
Working Capital	\$3,623	\$3,664	\$3,664	\$3,405	\$3,405	\$3,692	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$14,519	
Total Storage Fixed Costs	\$880,280	\$845,496	\$872,401	\$810,739	\$810,739	\$874,517	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$875,374	\$3,676,374	
Storage Fixed - Collections	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$729,664	\$2,858,664	
Prelim. Ending Balance	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$1,807,614	
Month's Average Balance	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$412,864	\$1,807,614	
Interest Rate (Fleet Prime)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Interest Applied	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$571	\$2,282	
Storage Fixed Ending Balance	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$413,435	\$1,809,902	

III. Variable Supply Cost Deferred

Beginning Balance	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$20,853,795	\$162,358,250	
Variable Supply Costs	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$12,688,704	\$126,887,040	
Variable Delivery Storage																									
Variable Injections Storage																									
Fuel Cost Allocated to Storage																									
Working Capital	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$53,446	\$213,784	
Total Supply Variable Costs	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$12,691,515	\$127,001,994	
Supply Variable - Collections	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$104,921,830	
Deferred Responsibility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TSS Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prelim. Ending Balance	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$176,661,231	
Month's Average Balance	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$21,953,492	\$176,661,231	
Interest Rate (Fleet Prime)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Interest Applied	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$36,088	\$1,442,823	
Supply Variable Ending Balance	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$22,089,286	\$178,104,054	

IV. Storage Variable Product Cost Deferred

Beginning Balance	\$2,102,278	\$1,485,608	\$336,688	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$6,518,838	\$7,203,931
Storage Variable Prod. Costs - LNG	\$205,319	\$178,470	\$5,030,181	\$472,701	\$472,701	\$202,555	\$172,178	\$166,115	\$166,115	\$166,115														

New England Gas Company
Rhode Island Division
Deferred Gas Cost Balances

	Nov-03		Dec-03		Jan-04		Feb-04		Mar-04		Apr-04		May-04		Jun-04		Jul-04		Aug-04		Sep-04		Oct-04		Total
	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	
IV. Stor Var Non-Prod Cost Deferred																									
Beginning Balance																									
Storage Variable Non-Prod Costs	\$610,159		\$520,519		\$508,770		\$96,897		\$87,376		\$156,890		\$41,582		\$123,841		\$129,915		\$129,915		\$112,395		\$95,458		\$1,181,867
Variable Delivery Storage Costs	\$28,638		\$252,432		\$393,807		\$372,738		\$130,415		\$3,837		\$0		\$0		\$0		\$0		\$0		\$0		\$216,840
Variable Injection Storage Costs	\$1,071		\$20,709		\$86,794		\$52,981		\$46,097		\$861		\$0		\$0		\$0		\$0		\$0		\$0		\$43,312
Fuel Costs Allocated to Storage	\$40,087		\$93,781		\$299,632		\$215,884		\$190,303		\$27,278		\$49,056		\$65,854		\$72,223		\$68,548		\$29,144		\$0		\$1,191,936
Working Capital	\$214		\$1,068		\$1,661		\$325		\$987		\$16		\$0		\$0		\$0		\$0		\$0		\$0		\$4,481
Total Storage Var Non-Product Costs	\$79,407		\$368,031		\$781,894		\$642,989		\$367,916		\$35,006		\$54,298		\$73,511		\$80,825		\$76,818		\$32,604		\$0		\$2,636,437
Storage Var Non-Product Collections	\$88,717		\$255,324		\$369,508		\$458,709		\$298,509		\$233,672		\$136,418		\$79,377		\$63,100		\$99,705		\$63,972		\$0		\$2,194,647
Prelim. Ending Balance	(\$619,508)		(\$507,812)		(\$56,364)		\$87,383		(\$41,678)		(\$123,701)		(\$82,841)		(\$126,774)		(\$121,953)		(\$95,282)		(\$126,925)		(\$159,508)		\$0
Month's Average Balance	(\$614,854)		(\$564,165)		(\$302,577)		(\$4,757)		\$122,079		\$57,657		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		\$0
Interest Rate (Fleet Prime)	2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		\$0
Interest Applied	(\$1,011)		(\$959)		(\$513)		(\$8)		\$207		\$95		(\$140)		(\$208)		(\$205)		(\$176)		(\$85,458)		(\$182)		(\$3,350)
Storage Var Non-Product Ending Bal.	(\$620,519)		(\$508,770)		(\$96,897)		\$87,376		\$166,890		(\$41,582)		(\$123,841)		(\$129,915)		(\$112,395)		(\$95,458)		(\$127,508)		(\$169,758)		\$0
GCR Deferred Summary																									
Beginning Balance	\$21,682,413		\$23,637,129		\$28,880,136		\$39,467,779		\$22,187,475		\$17,640,150		\$9,113,548		\$5,256,586		\$4,981,099		\$6,259,729		\$7,946,299		\$7,946,299		\$223,148,426
Gas Costs	\$16,866,859		\$31,449,838		\$48,518,044		\$30,019,895		\$26,212,342		\$15,413,472		\$10,112,788		\$7,820,715		\$7,652,535		\$7,731,167		\$8,283,498		\$13,068,271		\$925,662
Working Capital	\$70,043		\$131,468		\$202,399		\$123,876		\$110,088		\$64,453		\$41,843		\$31,912		\$31,029		\$31,234		\$33,633		\$63,681		\$224,075,088
Total Costs	\$16,936,902		\$31,581,307		\$48,720,443		\$30,143,771		\$26,322,431		\$15,477,926		\$10,154,631		\$7,852,628		\$7,683,565		\$7,762,401		\$8,317,131		\$13,121,953		\$232,111,465
Collections	\$15,019,404		\$26,382,866		\$38,160,641		\$47,482,874		\$30,883,444		\$24,026,439		\$14,023,744		\$8,136,510		\$6,414,447		\$6,087,854		\$6,503,914		\$8,949,269		\$232,111,465
Prelim. Ending Balance	\$23,399,911		\$28,835,570		\$39,409,938		\$22,118,677		\$17,606,462		\$9,091,637		\$5,244,435		\$4,972,714		\$6,250,216		\$7,934,276		\$8,759,516		\$13,946,713		\$0
Month's Average Balance	\$22,641,162		\$26,236,350		\$34,145,037		\$30,793,228		\$19,896,968		\$13,365,893		\$7,178,992		\$5,114,655		\$5,615,658		\$7,097,003		\$8,852,907		\$11,860,371		\$0
Interest Rate (Fleet Prime)	2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		2,00%		\$0
Interest Applied	\$37,216		\$44,566		\$67,841		\$48,798		\$33,588		\$21,911		\$12,161		\$8,385		\$9,513		\$12,022		\$14,513		\$20,091		\$320,708
Ending Bal. W/ Interest	\$23,637,129		\$28,880,136		\$39,467,779		\$22,167,475		\$17,640,150		\$9,113,548		\$5,256,586		\$4,981,099		\$6,259,729		\$7,946,299		\$9,774,029		\$13,966,804		\$0
Under(Over)-collection	\$1,917,488		\$5,198,441		\$10,529,802		(\$7,340,102)		(\$4,561,013)		(\$6,548,613)		(\$3,869,113)		(\$283,882)		\$1,268,118		\$1,674,547		\$1,813,217		\$4,172,684		\$0

New England Gas Company
Rhode Island Division
Deferred Gas Cost Balances

	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Total
	30	31	31	29	act	30	31	act	31	act	act	act	
I. Supply Fixed Cost Deferred													
Beginning Balance													
Supply Fixed Costs	\$2,354,122	\$2,349,446	\$2,383,028	\$2,230,641	\$2,274,884	\$2,352,769	\$2,354,121	\$2,352,769	\$2,354,121	\$2,354,121	\$2,352,769	\$2,354,121	\$28,066,912
Capacity Release													(\$2,700,996)
Working Capital	\$9,000	\$9,000	\$9,101	\$9,459	\$9,645	\$9,974	\$9,979	\$9,974	\$9,979	\$9,979	\$9,979	\$9,979	\$107,027
Total Supply Fixed Costs	\$2,137,136	\$2,137,430	\$2,167,129	\$2,014,100	\$2,083,529	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$2,136,743	\$25,472,953
Supply Fixed - Collections	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$1,920,738	\$23,041,166
Prelim. Ending Balance													
Month's Average Balance													
Interest Rate (First Prime)													
Interest Applied													
Supply Fixed Ending Balance													

II. Storage Fixed Cost Deferred

Beginning Balance	\$282,249	\$413,435	\$541,755	\$1,056,348	\$2,599,959	\$3,386,549	\$3,701,212	\$3,523,414	\$3,043,771	\$2,502,208	\$1,929,824	\$1,378,229	\$10,360,605
Storage Fixed Costs	\$871,206	\$848,166	\$862,702	\$907,174	\$747,629	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$886,247	\$10,360,605
LNG Demand to DAC													(\$669,871)
Supply Related LNG O & M													\$518,694
Working Capital	\$3,623	\$3,623	\$3,664	\$3,405	\$3,092	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$43,078
Total Storage Fixed Costs	\$860,280	\$845,498	\$872,401	\$891,739	\$740,721	\$873,374	\$873,374	\$873,374	\$873,374	\$873,374	\$873,374	\$873,374	\$10,252,706
Storage Fixed - Collections	\$729,864	\$729,864	\$729,864	\$729,864	\$729,864	\$729,864	\$729,864	\$729,864	\$729,864	\$729,864	\$729,864	\$729,864	\$9,442,540
Prelim. Ending Balance													
Month's Average Balance													
Interest Rate (First Prime)													
Interest Applied													
Storage Fixed Ending Balance													

III. Variable Supply Cost Deferred

Beginning Balance	\$20,853,786	\$23,089,286	\$30,871,171	\$38,321,907	\$27,479,494	\$25,173,683	\$20,341,943	\$17,276,937	\$15,311,997	\$14,492,338	\$13,973,536	\$13,704,699	\$162,358,250
Variable Supply Costs	\$12,698,704	\$28,322,849	\$34,983,744	\$22,718,406	\$19,675,026	\$12,026,660	\$6,810,773	\$4,485,670	\$4,281,014	\$4,327,272	\$4,858,397	\$9,620,196	\$0
Variable Delivery Costs													(\$216,840)
Variable Injections Storage													(\$43,312)
Fuel Cost Allocated to Storage													(\$1,191,936)
Working Capital	\$63,446	\$110,834	\$140,973	\$144,355	\$94,675	\$60,590	\$28,494	\$18,608	\$17,714	\$17,826	\$20,352	\$40,382	\$679,054
Total Supply Variable Costs	\$12,698,704	\$12,698,704	\$12,698,704	\$12,698,704	\$12,698,704	\$12,698,704	\$12,698,704	\$12,698,704	\$12,698,704	\$12,698,704	\$12,698,704	\$12,698,704	\$161,585,215
Supply Variable - Collections	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$10,492,183	\$11,443,904
Deferred Responsibility													
TSS Revenues													
Prelim. Ending Balance													
Month's Average Balance													
Interest Rate (First Prime)													
Interest Applied													
Supply Variable Ending Balance													

IV. Storage Variable Product Cost Deferred

Beginning Balance	\$2,102,278	\$1,485,608	\$336,688	\$6,518,838	\$5,138,329	\$5,315,719	\$2,914,164	\$1,586,262	\$979,661	\$605,893	\$301,002	(\$30,020)	\$7,203,931
Storage Variable Prod. Costs - LNG	\$205,319	\$178,470	\$5,030,181	\$472,701	\$202,555	\$172,178	\$168,115	\$156,867	\$156,315	\$156,149	\$149,713	\$153,568	\$476,592
Storage Variable Prod. Costs - LP													\$0
Storage Variable Prod. Costs - UG	\$719,054	\$1,485,608	\$5,947,704	\$3,679,684	\$3,405,056	\$1,164,418	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supply Related LNG to DAC													(\$31,313)
Supply Related LNG O & M													\$30,455
Inventory Financing - LNG	\$1,485,608	\$1,485,608	\$1,485,608	\$1,485,608	\$1,485,608	\$1,485,608	\$1,485,608	\$1,485,608	\$1,485,608	\$1,485,608	\$1,485,608	\$1,485,608	\$49,882
Inventory Financing - UG	\$204,093	\$197,250	\$137,484	\$104,131	\$17,589	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$1,893,536
Working Capital	\$3,761	\$7,022	\$43,920	\$16,812	\$15,374	\$1,198	\$693	\$654	\$660	\$653	\$631	\$644	\$92,022
Total Storage Variable Product Costs	\$1,168,485	\$1,915,896	\$10,615,026	\$4,130,687	\$3,758,910	\$384,707	\$301,950	\$336,233	\$371,362	\$403,729	\$426,266	\$447,901	\$24,261,152
Storage Variable Product Collections	\$1,788,102	\$3,068,362	\$4,438,678	\$5,520,424	\$3,500,368	\$2,793,002	\$1,681,682	\$946,937	\$746,472	\$709,888	\$757,510	\$1,041,478	\$27,030,383
Prelim. Ending Balance													
Month's Average Balance													
Interest Rate (First Prime)													
Interest Applied													
Storage Variable Ending Bal													

New England Gas Company
Rhode Island Division
Deferred Gas Cost Balances

	Nov-03		Dec-03		Jan-04		Feb-04		Mar-04		Apr-04		May-04		Jun-04		Jul-04		Aug-04		Sep-04		Oct-04		Total		
	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act	act			
IVB_Storage Var Non-Prod Cost Deferred																											
Beginning Balance	\$610,169	(\$22,519)	(\$509,770)	(\$393,807)	\$87,376	\$156,990	(\$4,582)	(\$123,841)	(\$129,915)	(\$112,395)	(\$95,458)	(\$127,908)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,181,867	
Storage Variable Non-Prod. Costs	\$28,638	\$252,432	\$393,807	\$372,738	\$130,415	\$3,837	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$218,840	
Variable Delivery Storage Costs	\$9,367	\$20,709	\$86,794	\$52,861	\$46,097	\$861	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,312	
Variable Injection Storage Costs	\$1,071	\$41	\$0	\$861	\$104	\$3,013	\$5,243	\$7,657	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$8,601	\$1,191,836	
Fuel Costs Allocated to Storage	\$40,087	\$93,781	\$299,632	\$215,884	\$190,303	\$27,278	\$49,056	\$65,854	\$72,223	\$72,223	\$68,548	\$40,145	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,481
Working Capital	\$214	\$1,068	\$1,661	\$525	\$997	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$2,638,437
Total Storage Var Non-Product Costs	\$79,407	\$368,031	\$781,804	\$642,889	\$367,916	\$35,008	\$54,298	\$73,511	\$80,825	\$80,825	\$76,818	\$45,136	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,194,647	
Storage Var Non-Product Collections	\$88,717	\$255,324	\$369,508	\$458,709	\$288,509	\$233,672	\$196,418	\$79,377	\$63,100	\$63,100	\$63,972	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$2,194,647	
Prolim. Ending Balance	(\$619,598)	(\$507,912)	(\$369,384)	(\$41,576)	(\$136,783)	(\$41,576)	(\$123,707)	(\$129,707)	(\$112,180)	(\$95,282)	(\$126,825)	(\$169,508)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Month's Average Balance	(\$614,864)	(\$584,165)	(\$362,577)	(\$34,757)	(\$122,079)	\$97,657	(\$62,641)	(\$126,774)	(\$121,053)	(\$111,142)	(\$103,818)	(\$148,258)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Rate (Fleet Prime)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	\$3,359	
Interest Applied	(\$1,011)	(\$958)	(\$513)	(\$81)	\$207	\$95	(\$140)	(\$208)	(\$205)	(\$176)	(\$182)	(\$251)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Storage Var Non-Product Ending Bal.	(\$620,519)	(\$608,770)	(\$368,897)	(\$41,576)	(\$156,990)	(\$41,582)	(\$123,841)	(\$129,915)	(\$112,395)	(\$95,458)	(\$127,908)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
GCR Deferred Summary																											
Beginning Balance	\$21,682,413	\$23,637,129	\$28,880,136	\$39,467,779	\$22,167,475	\$17,640,150	\$9,113,548	\$5,256,596	\$4,293,021	\$5,028,059	\$6,197,063	\$7,471,493	\$8,283,498	\$13,068,271	\$223,149,426	\$925,662	\$224,075,088	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066
Gas Costs	\$16,996,859	\$31,449,938	\$48,518,044	\$30,019,895	\$26,212,342	\$15,413,472	\$10,112,788	\$7,820,716	\$7,652,535	\$7,731,167	\$8,283,498	\$13,068,271	\$223,149,426	\$925,662	\$224,075,088	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066
Working Capital	\$70,043	\$131,468	\$202,389	\$123,876	\$110,088	\$64,453	\$41,843	\$31,912	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029	\$31,029
Total Costs	\$16,996,902	\$31,581,407	\$48,720,433	\$30,143,771	\$26,322,431	\$15,477,926	\$10,154,631	\$7,852,628	\$7,683,565	\$7,762,196	\$8,314,527	\$13,101,300	\$223,180,455	\$956,691	\$224,106,117	\$236,193,095	\$236,193,095	\$236,193,095	\$236,193,095	\$236,193,095	\$236,193,095	\$236,193,095	\$236,193,095	\$236,193,095	\$236,193,095	\$236,193,095	\$236,193,095
Collections	\$15,019,404	\$26,382,966	\$38,190,641	\$47,492,874	\$30,883,444	\$24,026,439	\$14,023,744	\$9,824,024	\$6,956,415	\$6,602,897	\$7,053,896	\$13,121,953	\$224,075,088	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066
Prelim. Ending Balance	\$23,599,911	\$28,635,570	\$39,409,939	\$22,118,677	\$17,606,462	\$9,091,637	\$5,244,435	\$4,295,200	\$5,020,171	\$5,187,863	\$6,197,063	\$7,471,493	\$8,283,498	\$13,068,271	\$223,149,426	\$925,662	\$224,075,088	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066
Month's Average Balance	\$22,641,152	\$26,236,350	\$34,145,037	\$30,793,228	\$19,886,968	\$13,365,883	\$7,178,982	\$4,770,898	\$4,656,566	\$5,607,811	\$6,828,680	\$9,179,758	\$10,868,022	\$15,903,573	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066
Interest Rate (Fleet Prime)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Interest Applied	\$37,218	\$44,566	\$67,841	\$48,798	\$33,698	\$21,911	\$12,161	\$7,821	\$7,888	\$9,500	\$11,195	\$15,950	\$19,903,573	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066
Ending Bal. w/ Interest	\$23,637,129	\$28,880,136	\$39,467,779	\$22,167,475	\$17,640,150	\$9,113,548	\$5,256,596	\$4,293,021	\$5,028,059	\$6,197,063	\$7,471,493	\$8,283,498	\$13,068,271	\$223,149,426	\$925,662	\$224,075,088	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066	\$235,162,066
Under/Overs-collection	\$1,917,488	\$5,198,441	\$10,529,802	(\$1,349,102)	(\$4,561,013)	(\$8,548,513)	(\$3,869,113)	(\$971,396)	(\$727,150)	\$1,159,504	\$1,263,235	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530	\$3,416,530

New England Gas Company
Bill Impact Analysis: June '04 - Oct '04 vs. Currently Effective GCR/DAC

Residential Heating: PGC

Annual Consumption	Jun 04 - Oct 04	Currently Effective	Difference due to:			
			Difference	% Chg	Base Rates	GCR DAC
128	\$200	\$192	\$9	4.5%	\$0	\$9
137	\$211	\$201	\$9	4.6%	\$0	\$9
145	\$221	\$211	\$10	4.6%	\$0	\$10
154	\$231	\$220	\$10	4.7%	\$0	\$10
162	\$241	\$230	\$11	4.8%	\$0	\$11
171	\$250	\$239	\$11	4.8%	\$0	\$11
180	\$260	\$248	\$12	4.9%	\$0	\$12
188	\$270	\$257	\$13	4.9%	\$0	\$13
197	\$280	\$266	\$13	5.0%	\$0	\$13
205	\$289	\$275	\$14	5.0%	\$0	\$14
214	\$299	\$284	\$14	5.1%	\$0	\$14

Residential Heating: CMB

Annual Consumption	Jun 04 - Oct 04	Currently Effective	Difference due to:			
			Difference	% Chg	Base Rates	GCR DAC
127	\$192	\$183	\$9	4.7%	\$0	\$9
135	\$201	\$192	\$9	4.7%	\$0	\$9
144	\$211	\$201	\$10	4.8%	\$0	\$10
152	\$220	\$210	\$10	4.9%	\$0	\$10
161	\$229	\$219	\$11	4.9%	\$0	\$11
169	\$239	\$227	\$11	5.0%	\$0	\$11
177	\$248	\$236	\$12	5.1%	\$0	\$12
186	\$257	\$245	\$13	5.1%	\$0	\$13
194	\$267	\$254	\$13	5.2%	\$0	\$13
203	\$276	\$262	\$14	5.2%	\$0	\$14
211	\$285	\$271	\$14	5.2%	\$0	\$14

New England Gas Company
Bill Impact Analysis: June '04 - Oct '04 vs. Currently Effective GCR/DAC

Residential Non-Heating: PGC

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference	% Chg	Difference due to:		
	Nov 03 - Oct 04	Nov 03 - Oct 04				Base Rates	GCR	DAC
39	\$88	\$85	\$85	\$3	3.1%	\$0	\$3	\$0
42	\$91	\$89	\$89	\$3	3.2%	\$0	\$3	\$0
44	\$95	\$92	\$92	\$3	3.2%	\$0	\$3	\$0
47	\$98	\$95	\$95	\$3	3.3%	\$0	\$3	\$0
49	\$101	\$98	\$98	\$3	3.4%	\$0	\$3	\$0
52	\$105	\$101	\$101	\$4	3.5%	\$0	\$4	\$0
55	\$108	\$104	\$104	\$4	3.5%	\$0	\$4	\$0
57	\$111	\$108	\$108	\$4	3.6%	\$0	\$4	\$0
60	\$115	\$111	\$111	\$4	3.6%	\$0	\$4	\$0
62	\$118	\$114	\$114	\$4	3.7%	\$0	\$4	\$0
65	\$122	\$117	\$117	\$4	3.7%	\$0	\$4	\$0

Residential Non-Heating: CMB

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference	% Chg	Difference due to:		
	Nov 03 - Oct 04	Nov 03 - Oct 04				Base Rates	GCR	DAC
38	\$80	\$77	\$77	\$2	3.2%	\$0	\$3	\$0
40	\$83	\$80	\$80	\$3	3.4%	\$0	\$3	\$0
43	\$85	\$83	\$83	\$3	3.4%	\$0	\$3	\$0
45	\$88	\$85	\$85	\$3	3.5%	\$0	\$3	\$0
48	\$91	\$88	\$88	\$3	3.6%	\$0	\$3	\$0
50	\$94	\$91	\$91	\$3	3.7%	\$0	\$3	\$0
53	\$97	\$93	\$93	\$4	3.8%	\$0	\$4	\$0
55	\$100	\$96	\$96	\$4	3.9%	\$0	\$4	\$0
58	\$102	\$99	\$99	\$4	3.9%	\$0	\$4	\$0
60	\$105	\$101	\$101	\$4	4.0%	\$0	\$4	\$0
63	\$108	\$104	\$104	\$4	4.0%	\$0	\$4	\$0

New England Gas Company
Bill Impact Analysis: June '04 - Oct '04 vs. Currently Effective GCR/DAC

C & I Small: PGC

Annual Consumption	Nov 03 - Oct 04	Currently Effective	Difference	% Chg	Difference due to:		
					Base Rates	GCR	DAC
100	\$287	\$281	\$7	2.4%	\$0	\$7	\$0
106	\$295	\$288	\$7	2.5%	\$0	\$7	\$0
113	\$303	\$295	\$8	2.6%	\$0	\$8	\$0
120	\$311	\$303	\$8	2.7%	\$0	\$8	\$0
126	\$318	\$310	\$8	2.7%	\$0	\$8	\$0
133	\$326	\$317	\$9	2.8%	\$0	\$9	\$0
140	\$333	\$324	\$9	2.9%	\$0	\$9	\$0
146	\$341	\$331	\$10	3.0%	\$0	\$10	\$0
153	\$348	\$338	\$10	3.0%	\$0	\$10	\$0
160	\$355	\$345	\$11	3.1%	\$0	\$11	\$0
166	\$363	\$352	\$11	3.2%	\$0	\$11	\$0

C & I Small: CMB

Annual Consumption	Nov 03 - Oct 04	Currently Effective	Difference	% Chg	Difference due to:		
					Base Rates	GCR	DAC
140	\$391	\$381	\$9	2.5%	\$0	\$9	\$0
149	\$400	\$390	\$10	2.6%	\$0	\$10	\$0
158	\$410	\$400	\$11	2.7%	\$0	\$11	\$0
167	\$420	\$409	\$11	2.8%	\$0	\$11	\$0
177	\$430	\$418	\$12	2.8%	\$0	\$12	\$0
186	\$440	\$427	\$13	2.9%	\$0	\$13	\$0
195	\$449	\$436	\$13	3.0%	\$0	\$13	\$0
205	\$459	\$445	\$14	3.1%	\$0	\$14	\$0
214	\$469	\$455	\$14	3.2%	\$0	\$14	\$0
223	\$479	\$464	\$15	3.2%	\$0	\$15	\$0
233	\$489	\$473	\$16	3.3%	\$0	\$16	\$0

New England Gas Company
Bill Impact Analysis: June '04 - Oct '04 vs. Currently Effective GCR/DAC

C & I Medium: PGC

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference	% Chg	Difference due to:		
	Nov 03 - Oct 04	Nov 03 - Oct 04				Base Rates	GCR	DAC
1,539	\$1,967	\$1,855	\$1,855	\$113	6.1%	\$0	\$113	\$0
1,642	\$2,084	\$1,963	\$1,963	\$120	6.1%	\$0	\$120	\$0
1,744	\$2,200	\$2,072	\$2,072	\$128	6.2%	\$0	\$128	\$0
1,847	\$2,316	\$2,181	\$2,181	\$135	6.2%	\$0	\$135	\$0
1,949	\$2,432	\$2,289	\$2,289	\$143	6.2%	\$0	\$143	\$0
2,052	\$2,548	\$2,398	\$2,398	\$150	6.3%	\$0	\$150	\$0
2,155	\$2,664	\$2,507	\$2,507	\$158	6.3%	\$0	\$158	\$0
2,257	\$2,780	\$2,615	\$2,615	\$165	6.3%	\$0	\$165	\$0
2,360	\$2,897	\$2,724	\$2,724	\$173	6.3%	\$0	\$173	\$0
2,462	\$3,013	\$2,833	\$2,833	\$180	6.4%	\$0	\$180	\$0
2,565	\$3,129	\$2,941	\$2,941	\$188	6.4%	\$0	\$188	\$0

C & I Medium: CMB

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference	% Chg	Difference due to:		
	Nov 03 - Oct 04	Nov 03 - Oct 04				Base Rates	GCR	DAC
1,408	\$1,857	\$1,762	\$1,762	\$95	5.4%	\$0	\$95	\$0
1,502	\$1,965	\$1,864	\$1,864	\$101	5.4%	\$0	\$101	\$0
1,595	\$2,074	\$1,967	\$1,967	\$107	5.5%	\$0	\$107	\$0
1,689	\$2,183	\$2,069	\$2,069	\$114	5.5%	\$0	\$114	\$0
1,783	\$2,292	\$2,172	\$2,172	\$120	5.5%	\$0	\$120	\$0
1,877	\$2,400	\$2,274	\$2,274	\$126	5.6%	\$0	\$126	\$0
1,971	\$2,509	\$2,377	\$2,377	\$133	5.6%	\$0	\$133	\$0
2,065	\$2,618	\$2,479	\$2,479	\$139	5.6%	\$0	\$139	\$0
2,159	\$2,727	\$2,582	\$2,582	\$145	5.6%	\$0	\$145	\$0
2,252	\$2,835	\$2,684	\$2,684	\$151	5.6%	\$0	\$151	\$0
2,346	\$2,944	\$2,786	\$2,786	\$158	5.7%	\$0	\$158	\$0

New England Gas Company
Bill Impact Analysis: June '04 - Oct '04 vs. Currently Effective GCR/DAC

C & I LLLF Large: PGC

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference due to:			
	Nov 03 - Oct 04	Nov 03 - Oct 04		Difference	% Chg	Base Rates	GCR
6,896	\$8,680	\$8,176	\$505	6.2%	\$0	\$505	\$0
7,355	\$9,229	\$8,691	\$538	6.2%	\$0	\$538	\$0
7,815	\$9,778	\$9,206	\$572	6.2%	\$0	\$572	\$0
8,275	\$10,326	\$9,721	\$606	6.2%	\$0	\$606	\$0
8,734	\$10,875	\$10,236	\$639	6.2%	\$0	\$639	\$0
9,194	\$11,424	\$10,751	\$673	6.3%	\$0	\$673	\$0
9,654	\$11,972	\$11,266	\$707	6.3%	\$0	\$707	\$0
10,113	\$12,521	\$11,781	\$740	6.3%	\$0	\$740	\$0
10,573	\$13,070	\$12,296	\$774	6.3%	\$0	\$774	\$0
11,033	\$13,618	\$12,811	\$808	6.3%	\$0	\$808	\$0
11,493	\$14,167	\$13,326	\$841	6.3%	\$0	\$841	\$0

C & I LLLF Large: CMB

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference due to:			
	Nov 03 - Oct 04	Nov 03 - Oct 04		Difference	% Chg	Base Rates	GCR
11,633	\$13,380	\$12,597	\$782	6.2%	\$0	\$782	\$0
12,409	\$14,242	\$13,407	\$834	6.2%	\$0	\$834	\$0
13,184	\$15,104	\$14,217	\$887	6.2%	\$0	\$887	\$0
13,960	\$15,965	\$15,027	\$939	6.2%	\$0	\$939	\$0
14,735	\$16,827	\$15,837	\$991	6.3%	\$0	\$991	\$0
15,511	\$17,689	\$16,646	\$1,043	6.3%	\$0	\$1,043	\$0
16,287	\$18,551	\$17,456	\$1,095	6.3%	\$0	\$1,095	\$0
17,062	\$19,413	\$18,266	\$1,147	6.3%	\$0	\$1,147	\$0
17,838	\$20,275	\$19,076	\$1,199	6.3%	\$0	\$1,199	\$0
18,613	\$21,137	\$19,886	\$1,252	6.3%	\$0	\$1,252	\$0
19,389	\$21,999	\$20,696	\$1,304	6.3%	\$0	\$1,304	\$0

New England Gas Company
Bill Impact Analysis: June '04 - Oct '04 vs. Currently Effective GCR/DAC

C & I HLF Large: PGC

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference due to:			
	Nov 03 - Oct 04	Current Effective		Difference	% Chg	Base Rates	GCR
16,595	\$16,736	\$15,521	\$1,215	7.8%	\$0	\$1,215	\$0
17,702	\$17,821	\$16,526	\$1,296	7.8%	\$0	\$1,296	\$0
18,808	\$18,907	\$17,530	\$1,377	7.9%	\$0	\$1,377	\$0
19,914	\$19,993	\$18,535	\$1,458	7.9%	\$0	\$1,458	\$0
21,021	\$21,078	\$19,540	\$1,539	7.9%	\$0	\$1,539	\$0
22,127	\$22,164	\$20,545	\$1,620	7.9%	\$0	\$1,620	\$0
23,233	\$23,250	\$21,549	\$1,701	7.9%	\$0	\$1,701	\$0
24,340	\$24,336	\$22,554	\$1,782	7.9%	\$0	\$1,782	\$0
25,446	\$25,421	\$23,559	\$1,863	7.9%	\$0	\$1,863	\$0
26,552	\$26,507	\$24,563	\$1,944	7.9%	\$0	\$1,944	\$0
27,659	\$27,593	\$25,568	\$2,025	7.9%	\$0	\$2,025	\$0

C & I HLF Large: CMB

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference due to:			
	Nov 03 - Oct 04	Current Effective		Difference	% Chg	Base Rates	GCR
16,595	\$16,698	\$15,582	\$1,116	7.2%	\$0	\$1,116	\$0
17,702	\$17,781	\$16,591	\$1,190	7.2%	\$0	\$1,190	\$0
18,808	\$18,865	\$17,600	\$1,265	7.2%	\$0	\$1,265	\$0
19,914	\$19,948	\$18,609	\$1,339	7.2%	\$0	\$1,339	\$0
21,021	\$21,031	\$19,618	\$1,413	7.2%	\$0	\$1,413	\$0
22,127	\$22,114	\$20,626	\$1,488	7.2%	\$0	\$1,488	\$0
23,233	\$23,198	\$21,635	\$1,562	7.2%	\$0	\$1,562	\$0
24,340	\$24,281	\$22,644	\$1,637	7.2%	\$0	\$1,637	\$0
25,446	\$25,364	\$23,653	\$1,711	7.2%	\$0	\$1,711	\$0
26,552	\$26,447	\$24,662	\$1,785	7.2%	\$0	\$1,785	\$0
27,659	\$27,530	\$25,671	\$1,860	7.2%	\$0	\$1,860	\$0

New England Gas Company
Bill Impact Analysis: June '04 - Oct '04 vs. Currently Effective GCR/DAC

C & I LLF Extra-Large: PGC

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference due to:				
	Nov 03 - Oct 04	Oct 04		Difference	% Chg	Base Rates	GCR	DAC
35,477	\$37,965		\$35,369	\$2,597	7.3%	\$0	\$2,597	\$0
37,842	\$40,396		\$37,627	\$2,770	7.4%	\$0	\$2,770	\$0
40,208	\$42,828		\$39,885	\$2,943	7.4%	\$0	\$2,943	\$0
42,573	\$45,259		\$42,142	\$3,116	7.4%	\$0	\$3,116	\$0
44,938	\$47,690		\$44,400	\$3,289	7.4%	\$0	\$3,289	\$0
47,303	\$50,121		\$46,658	\$3,462	7.4%	\$0	\$3,462	\$0
49,668	\$52,552		\$48,916	\$3,635	7.4%	\$0	\$3,635	\$0
52,033	\$54,983		\$51,174	\$3,809	7.4%	\$0	\$3,809	\$0
54,398	\$57,414		\$53,432	\$3,982	7.5%	\$0	\$3,982	\$0
56,764	\$59,845		\$55,690	\$4,155	7.5%	\$0	\$4,155	\$0
59,129	\$62,276		\$57,948	\$4,328	7.5%	\$0	\$4,328	\$0

C & I LLF Extra-Large: CMB

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference due to:				
	Nov 03 - Oct 04	Oct 04		Difference	% Chg	Base Rates	GCR	DAC
35,477	\$37,886		\$35,500	\$2,386	6.7%	\$0	\$2,386	\$0
37,842	\$40,311		\$37,767	\$2,545	6.7%	\$0	\$2,545	\$0
40,208	\$42,737		\$40,033	\$2,704	6.8%	\$0	\$2,704	\$0
42,573	\$45,163		\$42,300	\$2,863	6.8%	\$0	\$2,863	\$0
44,938	\$47,588		\$44,567	\$3,022	6.8%	\$0	\$3,022	\$0
47,303	\$50,014		\$46,833	\$3,181	6.8%	\$0	\$3,181	\$0
49,668	\$52,440		\$49,100	\$3,340	6.8%	\$0	\$3,340	\$0
52,033	\$54,866		\$51,367	\$3,499	6.8%	\$0	\$3,499	\$0
54,398	\$57,291		\$53,633	\$3,658	6.8%	\$0	\$3,658	\$0
56,764	\$59,717		\$55,900	\$3,817	6.8%	\$0	\$3,817	\$0
59,129	\$62,143		\$58,167	\$3,976	6.8%	\$0	\$3,976	\$0

New England Gas Company
Bill Impact Analysis: June '04 - Oct '04 vs. Currently Effective GCR/DAC

C & I HLF Extra-Large: PGC

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference	% Chg	Difference due to:		
	Nov 03 - Oct 04	Nov 03 - Oct 04				Base Rates	GCR	DAC
77,130	\$70,241	\$70,241	\$64,596	\$5,646	8.7%	\$0	\$5,646	\$0
82,272	\$74,824	\$74,824	\$68,802	\$6,022	8.8%	\$0	\$6,022	\$0
87,414	\$79,407	\$79,407	\$73,009	\$6,398	8.8%	\$0	\$6,398	\$0
92,556	\$83,990	\$83,990	\$77,215	\$6,775	8.8%	\$0	\$6,775	\$0
97,698	\$88,572	\$88,572	\$81,421	\$7,151	8.8%	\$0	\$7,151	\$0
102,840	\$93,155	\$93,155	\$85,628	\$7,527	8.8%	\$0	\$7,527	\$0
107,982	\$97,738	\$97,738	\$89,834	\$7,904	8.8%	\$0	\$7,904	\$0
113,124	\$102,321	\$102,321	\$94,040	\$8,280	8.8%	\$0	\$8,280	\$0
118,266	\$106,903	\$106,903	\$98,247	\$8,657	8.8%	\$0	\$8,657	\$0
123,408	\$111,486	\$111,486	\$102,453	\$9,033	8.8%	\$0	\$9,033	\$0
128,550	\$116,069	\$116,069	\$106,660	\$9,409	8.8%	\$0	\$9,409	\$0

C & I HLF Extra-Large: CMB

Annual Consumption	Nov 03 - Oct 04		Currently Effective	Difference	% Chg	Difference due to:		
	Nov 03 - Oct 04	Nov 03 - Oct 04				Base Rates	GCR	DAC
77,130	\$70,068	\$70,068	\$64,881	\$5,186	8.0%	\$0	\$5,186	\$0
82,272	\$74,639	\$74,639	\$69,107	\$5,532	8.0%	\$0	\$5,532	\$0
87,414	\$79,210	\$79,210	\$73,332	\$5,878	8.0%	\$0	\$5,878	\$0
92,556	\$83,781	\$83,781	\$77,557	\$6,224	8.0%	\$0	\$6,224	\$0
97,698	\$88,352	\$88,352	\$81,783	\$6,569	8.0%	\$0	\$6,569	\$0
102,840	\$92,923	\$92,923	\$86,008	\$6,915	8.0%	\$0	\$6,915	\$0
107,982	\$97,495	\$97,495	\$90,234	\$7,261	8.0%	\$0	\$7,261	\$0
113,124	\$102,066	\$102,066	\$94,459	\$7,607	8.1%	\$0	\$7,607	\$0
118,266	\$106,637	\$106,637	\$98,684	\$7,952	8.1%	\$0	\$7,952	\$0
123,408	\$111,208	\$111,208	\$102,910	\$8,298	8.1%	\$0	\$8,298	\$0
128,550	\$115,779	\$115,779	\$107,135	\$8,644	8.1%	\$0	\$8,644	\$0

NATURAL GAS VEHICLE SERVICE
RATE 70

1.0 NATURAL GAS VEHICLE SERVICE

1.1 AVAILABILITY: This rate is available for compressed natural gas dispensed at Company-owned fueling stations for the purpose of fueling natural gas vehicles.

No other use of gas will be included in this rate for billing purposes.

1.2 RATES:

Customer Charge:	\$5.00 per month
Energy Charge:	
Distribution Charge:	\$0.1697 per Therm
Commodity Charge:	\$0.6281 per Therm

1.3 MINIMUM RATE: Customer Charge

1.4 GENERAL RULES AND REGULATIONS: The Company's General Rules and Regulations in Section 1 of RIPUC NEGC No. 101, as in effect from time-to-time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

1.5 RHODE ISLAND GROSS EARNINGS TAX: The application of the above rates are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule D.

2.0 INTERRUPTIBLE NATURAL GAS VEHICLE SERVICE

2.1 AVAILABILITY: Gas service is available under this rate to any customer requiring natural gas as a motor fuel for motor vehicle operations.

Customer must have dual-fuel capability for the use of an alternate fuel which may be substituted for gas when gas is not available under this tariff, or customer must have use of

NATURAL GAS VEHICLE SERVICE

RATE 70

a vehicle powered by an alternate fuel which may be substituted for the NGV vehicle when gas is not available under this tariff.

2.2 RATES:

The interruptible rate shall be set for the upcoming month after 10:30 a.m. five (5) business days prior to the commencement of that month. Upon setting the non-firm service rate, if the Company obtains a new, lower gas supply, the rate may be reduced prior to the first calendar day of the month. The customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of the intention to take Interruptible Natural Gas Vehicle Service.

Customer Charge: \$5.00 per month

Energy Charge:

The rate for interruptible service will be equal to the Company's incremental gas cost, \$.085/Therm margin, plus \$.15/Therm for the cost of compression.

2.3 MINIMUM RATE: Customer Charge

2.4 GENERAL RULES AND REGULATIONS:

The Company's General Rules and Regulations in Section 1 of RIPUC NEGC No. 101, as in effect from time-to-time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

2.5 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule D.

2.6 NOTIFICATION OF INTERRUPTION/CURTAILMENT:

Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or

NATURAL GAS VEHICLE SERVICE
RATE 70

interruption is necessary in order for it to continue to supply the gas requirements of its firm customers at such time.

**2.7 FAILURE TO
CURTAIN:**

For any period that a customer fails to curtail the use of gas as requested by the Company, the rate for gas consumption will be equal to the highest cost gas required to meet demand during the curtailment period, plus \$1.55 per Therm.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

NEW ENGLAND GAS COMPANY
DOCKET NO. 3436

DIRECT TESTIMONY

OF

GARY L. BELAND

April 30, 2004

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Gary L. Beland, and my business address is 100 Weybosset Street,
3 Providence, Rhode Island 02903.

4 **Q. WHAT ARE YOUR POSITION AND RESPONSIBILITIES?**

5 A. I am Director of Gas Supply for New England Gas Company (“NEG” or the
6 “Company”). My responsibilities include all aspects of gas-supply management
7 including purchasing, contracting, planning, system monitoring and control and federal
8 regulatory monitoring and intervention.

9 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN THIS DOCKET?**

10 A. Yes, my most recent testimony in support of the Gas Cost Recovery (“GCR”) rates was
11 for the rates approved for effect on November 1, 2003.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 A. My testimony provides support for the updated gas costs estimates and other issues
14 relating to the Company’s proposed GCR factors.

15 **Q. ARE THERE ANY ATTACHMENTS TO YOUR TESTIMONY?**

16 A. Yes. I am sponsoring the following Attachments:

1	GLB-1	Comparison of Original Filing NYMEX with Updated NYMEX
2		Strip
3	GLB-2	Summary of Projected Gas Cost
4	GLB-3	Gas Cost Details
5	GLB-4	Comparison of Locked Prices and NYMEX Strip
6	GLB-5	Locked Price Gas Supplies

7 **Q. WHY IS IT NECESSARY TO REQUEST AN INCREASE IN THE GCR AT**
8 **THIS TIME?**

9 A. Gas prices for the summer of 2004 have increased substantially from those in the
10 original September 1, 2003 GCR filing. Attachment GLB-1 shows the NYMEX future
11 prices used in the original GCR filing and compares them with the actual NYMEX
12 closing prices for the period November 2003 through April 2004, as well as the current
13 futures prices as of the NYMEX close.

14 As the graph shows, the actual prices for November through April are \$0.46 per
15 dekatherm higher on average than the NYMEX prices projected in the original filing.
16 The future prices for May through October are an average of \$1.01 higher than the
17 original filing.

18 **Q. WHAT IS THE IMPACT OF THE HIGHER PRICES ON THE COMPANY'S**
19 **GAS COSTS?**

20 A. Because of the Gas Purchasing Plan (the "Plan"), the impact of the higher commodity
21 prices in the coming summer is largely mitigated. The Company entered the winter with

1 the ability to meet 73% of normal forecasted winter sendout with supply that was
2 available at a fixed price either because the price had been locked under the Plan or
3 because the supply was already purchased and in storage. However, the cost of
4 incremental supplies to meet requirements above the locked quantities, including
5 increased demand during colder than normal weather, have been at higher prices than
6 projected in the Company's original GCR filing. This has caused a level of
7 underrecovery of gas costs during the past winter. The need for this filing stems from
8 the fact that higher prices are also affecting purchases made under the Plan for future
9 months, with the current prices at levels that are substantially higher than the prices
10 previously projected in the September 2003 GCR filing. Accordingly, the higher market
11 prices have caused the Company's gas costs to increase.

12 **Q. HAVE FIXED COSTS IN THIS FILING CHANGED FROM THE ORIGINAL**
13 **GCR FILING?**

14 A. Yes. Fixed costs have been updated to calculate the projected deferred cost over the
15 remainder of the GCR year. However, the rates in this filing have been adjusted based
16 solely on the increased variable costs.

17 **Q. HOW HAS THE COMPANY UPDATED COMMODITY PRICES AND**
18 **VOLUMES IN THIS FILING?**

1 A. The filing includes actual gas cost results for November through March. The Company
2 has also updated the calculation to include the actual April NYMEX closing price and
3 the impact of NYMEX prices for the period May through October 2004, based on
4 NYMEX prices as of April 19, 2004.

5 **Q. WHAT GAS COSTS ARE USED IN THE GCR FILING?**

6 A. Attachment GLB-2 provides a summary of the projected gas costs reflected in this
7 filing. As indicated above, the variable commodity GCR costs are based on the
8 NYMEX strip as of the close of trading on April 19, 2004 for purchases of supply that
9 are not already locked in under the Plan. The GCR costs also reflect storage and
10 inventory costs as of April 1, 2004 and the projected fill and pricing for the gas to be
11 injected into storage. The purchases made under the Plan that are included in the GCR
12 calculations are shown in Attachment GLB-3 for each individual pipeline.

13 **Q. OVERALL, WHAT ARE THE PRICES AND QUANTITIES OF GAS**
14 **PURCHASED UNDER THE PLAN?**

15 A. Attachment GLB-4 shows a comparison of the April 19, 2004 NYMEX strip and the
16 average unit cost of gas purchased under the Plan. Attachment GLB-5 shows the
17 quantities purchased under the Plan for each future month, the average unit price and the
18 percentage of projected purchases at locked in prices.

1 **Q. HOW WERE GAS COSTS CALCULATED?**

2 A. Projected gas costs were calculated using the SENDOUT model results as shown in the
3 September 2, 2003 GCR filing, updated for actual purchased quantities and the
4 NYMEX strip pricing as of April 19, 2004. When the Company purchases supply at
5 locations other than Henry Hub, which is the pricing point for NYMEX contracts, the
6 Company used the historical differential to the Henry Hub price to determine the
7 expected difference, or "basis." Applying the basis differential to the NYMEX pricing
8 creates a reasonable estimate of the expected invoice cost of the supply.

9 **Q. HOW DID THE COMPANY CATEGORIZE THE PROJECTED GAS COST**
10 **COMPONENTS?**

11 A. Gas costs are broken down into five components: (1) Supply Fixed Costs; (2) Storage
12 Fixed Costs; (3) Supply Variable Costs; (4) Storage Variable Product Costs; and (5)
13 Storage Variable Non-Product. The Supply Fixed Costs include all fixed costs related
14 to the purchase of firm gas, including pipeline and supplier fixed reservation costs and
15 demand charges.

16 The Storage Fixed Cost includes all fixed costs related to the operation and maintenance
17 of storage including fixed storage demand charges, fixed costs associated with delivery
18 of storage gas to the Company's distribution system, and local production and storage
19 costs.

1 The Supply Variable Cost component includes all variable costs of firm gas, including
2 the commodity costs and expenses incurred to transport gas. Commodity costs included
3 in the Supply Variable Cost component reflect the sum of purchases made under the
4 Gas Purchasing Program and projections of gas costs based on the NYMEX prices of
5 wellhead futures contracts as of the close of regular trading on April 19, 2004. All
6 purchases made as part of the Plan were fixed price agreements and there were no call
7 options, collars and/or other financial-related transactions.

8 The Storage Variable Cost component includes all variable costs related to the
9 operation, maintenance and delivery of storage gas, including storage injection and
10 withdrawal costs, delivery of storage gas to the Company's distribution system, and the
11 cost of LNG and LPG supplies. A summary of gas costs included in the GCR and
12 disaggregated into these cost components by month for the period April 2004 through
13 October 2004 is shown on Attachment GLB-2.

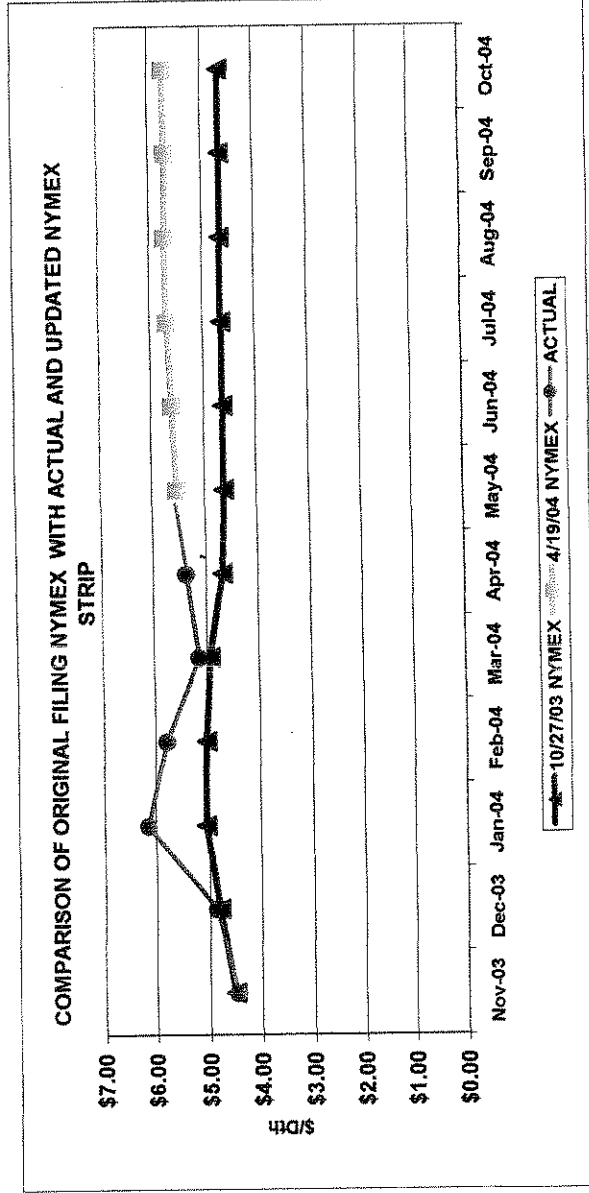
14 **Q. PLEASE DESCRIBE ATTACHMENT GLB-3 PAGES 1 THROUGH 24.**

15 A. Attachment GLB-3 Pages 1 through 24 shows the supporting detail for gas costs
16 included in the filing for the period April 2004 through October 2004. The various
17 schedules show the optimized, forecasted sendout by supply source and the pricing
18 detail by supply source and cost component.

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

1 A. Yes, it does.

	10/27/03 NYMEX	4/19/04 NYMEX	ACTUAL	DIFF
Nov-03	\$4.51		\$4.46	-\$0.05
Dec-03	\$4.81		\$4.86	\$0.05
Jan-04	\$5.05		\$6.15	\$1.10
Feb-04	\$5.03		\$5.78	\$0.74
Mar-04	\$4.93		\$5.15	\$0.22
Apr-04	\$4.68		\$5.37	\$0.69
May-04	\$4.62	\$5.51		\$0.89
Jun-04	\$4.63	\$5.60		\$0.97
Jul-04	\$4.64	\$5.67		\$1.04
Aug-04	\$4.65	\$5.72		\$1.06
Sep-04	\$4.64	\$5.69		\$1.05
Oct-04	\$4.66	\$5.72		\$1.06



GCR GAS COSTS
APRIL 2004 - OCTOBER 2004

SUMMARY OF GAS COSTS FOR 2004 GCR FILING (updated)
Apr 2004 - October 2004

Variable Costs	Apr	May	Jun	Jul	Aug	Sep	Oct	Apr-Oct Total
Total Pipeline Supply Costs	\$12,026,660	\$6,810,713	\$4,485,670	\$4,281,014	\$4,327,272	\$4,858,397	\$9,620,196	\$46,409,921
Total Storage Product Costs	\$114,125	\$0	\$0	\$0	\$0	\$0	\$0	\$114,125
Total Storage Delivery Costs	\$6,131	\$0	\$0	\$0	\$0	\$0	\$0	\$6,131
Total LNG and Propane Costs	\$172,178	\$168,115	\$156,667	\$158,315	\$156,149	\$149,713	\$153,568	\$1,114,705
Total All Variable Gas Costs	\$12,319,093	\$6,978,827	\$4,642,336	\$4,439,330	\$4,483,422	\$5,008,110	\$9,773,764	\$47,644,881
Fixed Costs								
TOTAL PIPELINE DEMANDS	\$2,338,335	\$2,338,562	\$2,338,335	\$2,338,562	\$2,338,562	\$2,338,335	\$2,338,562	\$16,369,254
TOTAL SUPPLIER DEMANDS	\$213,404	\$214,529	\$213,404	\$214,529	\$214,529	\$213,404	\$214,529	\$1,498,327
TOTAL STORAGE FACILITIES	\$386,084	\$386,084	\$386,084	\$386,084	\$386,084	\$386,084	\$386,084	\$2,702,590
TOTAL STORAGE DELIVERY	\$500,162	\$500,162	\$500,162	\$500,162	\$500,162	\$500,162	\$500,162	\$3,501,137
Total All Fixed Costs	\$3,437,986	\$3,439,338	\$3,437,986	\$3,439,338	\$3,439,338	\$3,437,986	\$3,439,338	\$24,071,309
Total Marketer Release Credits	\$423,970	\$423,970	\$423,970	\$423,970	\$423,970	\$423,970	\$423,970	\$2,967,790
Net Fixed Costs	\$3,014,016	\$3,015,368	\$3,014,016	\$3,016,368	\$3,015,368	\$3,014,016	\$3,016,368	\$21,103,519
Total All Gas Costs	\$15,333,109	\$9,994,195	\$7,656,352	\$7,454,697	\$7,498,789	\$8,022,126	\$12,789,131	\$68,748,400

Units: DTH

Natural Gas Supply VS. Requirements

	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	TOTAL
Forecast Demand	2,268,891	1,270,540	856,838	810,725	810,725	889,160	1,687,360	8,594,239
FIRM NORMAL	0	0	0	0	0	0	0	31,041
Storage Injections	0	14,114	117,157	0	69,940	53,140	19,327	273,678
TENN 8995	0	140,213	135,690	140,213	140,213	156,010	115,894	828,233
TENN 501	0	5,527	190	3,990	2,504	1,174	1,760	15,145
GSSTE 600003	0	32,519	31,470	32,519	28,109	26,821	6,972	158,410
GSSTE 600042	0	5,818	844	5,064	4,642	3,315	0	19,683
GSS 600018	0	22,673	30,000	27,000	8,135	12,306	12,927	113,041
GSS 300123	0	124,123	114,690	37,868	26,812	39,169	3,663	346,325
GSS 300140	4,458	12,400	12,000	12,400	12,400	8,773	0	62,431
GSS 300141	0	21,700	21,000	17,300	6,000	7,000	7,578	80,578
GSS 300142	32,943	189,317	183,210	189,317	189,317	35,053	17,409	836,566
GSS 300143	1,589	9,012	8,730	9,021	9,021	3,362	0	40,735
SS-1 400221	0	15,500	9,508	3,794	3,119	4,373	0	36,294
FSS-1 400515	0	0	0	0	0	0	0	0
TETCO 400185	0	0	0	0	0	0	0	0
NF ESS 1488	0	0	30,400	38,400	13,644	22,116	22,660	127,220
COL FS 38010	0	0	0	0	0	0	0	0
LNG EXETER	54,000	55,800	109,763	109,763	111,563	109,763	111,563	662,215
LNG PROV	13,029	10,600	0	0	0	39,700	13,990	77,319
LNG VALLEY	0	0	0	0	0	0	0	0
VGC PROPANE	106,019	659,316	804,652	626,649	625,419	544,067	342,792	3,708,914
Total Inj								
Total Req	2,374,910	1,929,856	1,661,490	1,437,374	1,436,144	1,433,227	2,030,152	12,303,153

Sources of Supply	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	TOTAL
TENN ZONE 0	82,410	85,157	82,410	85,157	85,157	82,410	85,157	587,858
TENN ZONE 1	125,910	130,107	125,910	130,107	130,107	125,910	130,107	898,158
TENN DRACUT	450,000	342,415	128,263	67,441	70,276	187,635	464,720	1,710,750
TETCO STX	212,946	22,558	0	0	0	0	49,252	284,756
TETCO ELA	226,994	234,561	236,631	243,580	243,580	236,886	253,333	1,675,565
TETCO WLA	96,455	39,767	41,175	17,018	14,183	0	28,365	236,963
TETCO ETX	223,920	22,796	54,150	79,955	77,955	68,150	153,942	680,868
TETCO - NF	0	0	0	0	0	0	0	0
HUBLINE	92,585	89,219	34,138	48,417	53,507	7,080	71,013	395,959
M3 DELIVERED	0	0	0	0	0	0	0	0
MAUMEE SUPPLY	89,886	86,448	10,696	17,236	17,186	56,380	31,226	309,058
BROADRUN COLUMBIA	0	0	0	0	0	0	0	0
COLUMBIA AGT	0	0	0	0	0	0	0	0
TRANSCO DOMINION	0	0	0	0	0	0	0	0
TRANSCO WHARTON	0	0	0	0	0	0	0	0
TETCO B&W	0	0	0	0	0	0	0	0
TETCO TO DOMINION B&W	0	0	0	0	0	0	0	0
TEXGAS DOMINION	0	0	0	0	0	0	0	0
ANE	30,000	31,000	30,000	31,000	31,000	30,000	31,000	214,000
NIAGARA	32,010	9,182	0	0	0	0	29,261	70,453
TENN ZN0 VGC	193,950	90,754	85,679	69,424	66,384	74,009	187,657	767,857
TENN ZN1 VGC	341,426	65,186	7,086	0	0	0	69,882	483,580
DISTRI FCS	27,923	0	0	0	0	0	81,055	108,978
WESTERLY LNG	0	0	0	0	0	0	0	0
NEWPORT LNG	0	0	0	0	0	0	0	0
Total Take	2,226,415	1,249,150	836,138	789,335	789,335	868,460	1,665,970	8,424,803

Usage to M2	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779	0.0779
Usage on AGT	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Fuel to M3	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%
Fuel to M2	7.92%	7.92%	7.92%	7.92%	7.92%	7.92%	7.92%	7.92%	7.92%
Fuel on AGT	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	5.8177	6.0188	6.1161	6.1990	6.2465	6.2211	6.2465	6.2465	6.2465
Injection cost Dom	0.0215	0.0215	0.0215	0.0215	0.0215	0.0215	0.0215	0.0215	0.0215
Injection Fuel Dom	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%
Total Injection cost	5.9939	6.2010	6.3011	6.3864	6.4353	6.4091	6.4353	6.4353	6.4353
Usage to M2/M3	0.0858	0.0858	0.0858	0.0858	0.0858	0.0858	0.0858	0.0858	0.0858
Fuel to M2/M3	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%
Injection cost Tetco	0.0369	0.0369	0.0369	0.0369	0.0369	0.0369	0.0369	0.0369	0.0369
Injection Fuel Tetco	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%
Total Injection cost	5.8477	6.0492	6.1466	6.2296	6.2771	6.2517	6.2771	6.2771	6.2771

TETCO WLA

Basis	(0.065)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)
Usage to M3	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920
Usage on AGT	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Fuel to M3	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%
Fuel on AGT	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	5.9332	6.0768	6.1734	6.2556	6.3028	6.2776	6.3028	6.3028	6.3028

TETCO ELA

Basis	(0.045)	(0.064)	(0.064)	(0.064)	(0.064)	(0.064)	(0.064)	(0.064)	(0.064)
Usage to M3	0.0894	0.0894	0.0894	0.0894	0.0894	0.0894	0.0894	0.0894	0.0894
Usage on AGT	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Fuel to M3	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%
Fuel on AGT	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	5.9334	6.0696	6.1658	6.2478	6.2948	6.2697	6.2948	6.2948	6.2948

	Apr	May	Jun	Jul	Aug	Sep	Oct
NYMEX strip 4/19/04	\$5.365	\$5.509	\$5.597	\$5.672	\$5.715	\$5.692	\$5.715
TETCO ETX	(0.155)	(0.130)	(0.130)	(0.130)	(0.130)	(0.130)	(0.130)
Basis	0.0894	0.0894	0.0894	0.0894	0.0894	0.0894	0.0894
Usage to M3	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Usage on AGT	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%
Fuel to M3	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Fuel on AGT	5.8131	5.9979	6.0941	6.1761	6.2232	6.1980	6.2232
Total Delivered							

	Apr	May	Jun	Jul	Aug	Sep	Oct
Usage on AGT	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Fuel on Columbia	2.42%	2.42%	2.42%	2.42%	2.42%	2.42%	2.42%
Fuel on AGT	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	6.1036	6.1610	6.2518	6.3292	6.3735	6.3498	6.3735

	Apr	May	Jun	Jul	Aug	Sep	Oct
NYMEX strip 4/19/04	\$5.365	\$5.509	\$5.597	\$5.672	\$5.715	\$5.692	\$5.715
TRANSCO AT WHARTON							
Basis	0.325	0.282	0.282	0.282	0.282	0.282	0.282
usage on NF	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090
usage on Transco	0.0073	0.0073	0.0073	0.0073	0.0073	0.0073	0.0073
usage on AGT	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Fuel on NF	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Fuel on Transco	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%
Fuel on AGT	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	5.9226	6.0273	6.1183	6.1959	6.2404	6.2166	6.2404

	Apr	May	Jun	Jul	Aug	Sep	Oct
DOMINION TO B & W							
Basis	(0.045)	(0.064)	(0.064)	(0.064)	(0.064)	(0.064)	(0.064)
Usage on Dominion	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250
Usage to M2	0.0696	0.0696	0.0696	0.0696	0.0696	0.0696	0.0696
Usage on Tetco	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021
Usage on AGT	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Fuel to M2	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%
Fuel on Dominion	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
Fuel on Tetco	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
Fuel on AGT	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%
Total Delivered	5.9760	6.1130	6.2098	6.2923	6.3396	6.3143	6.3396

	Apr	May	Jun	Jul	Aug	Sep	Oct
TRANSCO TO DOMINION							
Basis	(0.025)	(0.023)	(0.023)	(0.023)	(0.023)	(0.023)	(0.023)
Usage on Dominion	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250
Usage to M6	0.0412	0.0412	0.0412	0.0412	0.0412	0.0412	0.0412
Usage on Tetco	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021
Usage on AGT	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Fuel to M6	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
Fuel on Dominion	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
Fuel on Tetco	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
Fuel on AGT	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%
Total Delivered	5.9714	6.1326	6.2294	6.3120	6.3593	6.3340	6.3593

TEXAS GAS TO DOMINION

	(0.015)	(0.026)	(0.026)	(0.026)	(0.026)	(0.026)	(0.026)
Basis	0.0538	0.0538	0.0538	0.0538	0.0538	0.0538	0.0538
Usage on Texas Gas	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250
Usage on Dominion	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021
Usage on Tetco	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Usage on AGT	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%
Fuel to Dominion	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
Fuel on Dominion	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
Fuel on Tetco	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%
Fuel on AGT	5.8785	6.0222	6.1171	6.1981	6.2445	6.2196	6.2445
Total Delivered							

ANE TO TENNESSEE

	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Basis	1.083	1.083	1.083	1.083	1.083	1.083	1.083
Demand	4.522	4.666	4.754	4.829	4.872	4.849	4.872
Commodity	0.0057	0.0057	0.0057	0.0057	0.0057	0.0057	0.0057
Iroquois usage	0.0037	0.0037	0.0037	0.0037	0.0037	0.0037	0.0037
NETNE usage	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Fuel on Iroquois	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%
Fuel on NETNE	4.6675	4.8158	4.9065	4.9837	5.0280	5.0043	5.0280
Total Delivered							

NYMEX strip 4/19/04

NIAGARA TO TENNESSEE

	Apr	May	Jun	Jul	Aug	Sep	Oct
Basis	0.325	0.282	0.282	0.282	0.282	0.282	0.282
Tennessee Usage	0.0826	0.0826	0.0826	0.0826	0.0826	0.0826	0.0826
Tennessee Fuel	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%
Total Delivered	5.8820	5.9851	6.0747	6.1512	6.1950	6.1715	6.1950

Tetco to B&W

	(0.045)	(0.064)	(0.064)	(0.064)	(0.064)	(0.064)	(0.064)
Basis	0.421	0.421	0.421	0.421	0.421	0.421	0.421
usage	0.317	0.317	0.317	0.317	0.317	0.317	0.317
Usage to Zn2	0.2408	0.2408	0.2408	0.2408	0.2408	0.2408	0.2408
usage on AGT	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%
fuel to ZN 3	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%
Fuel on AGT	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
fuel to ZN2	6.5362	6.6723	6.7684	6.8504	6.8974	6.8722	6.8974
Total Delivered							

	Apr	May	Jun	Jul	Aug	Sep	Oct
Injection cost Dom	0.0215	0.0215	0.0215	0.0215	0.0215	0.0215	0.0215
Injection fuel Dom	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%
total Inj cost Dom	6.3199	6.4590	6.5573	6.6411	6.6891	6.6634	6.6891
Injection cost Tetco	0.0369	0.0369	0.0369	0.0369	0.0369	0.0369	0.0369
Injection Fuel Tetco	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%
Total Inj. Cost Tetco	6.1676	6.3030	6.3987	6.4802	6.5270	6.5020	6.5270

DISTRIGAS FCS

Total Delivered	5.17	5.17	5.17	5.17	5.17	5.17	5.17
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Hubline

Basis	0.3770	0.3770	0.3770	0.3770	0.3770	0.3770	0.3770
usage	0.2408	0.2408	0.2408	0.2408	0.2408	0.2408	0.2408
fuel	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%
Total Delivered	5.8621	6.0074	6.0961	6.1718	6.2151	6.1919	6.2151

Total delivered to the City Gas Gas Supply Costs

	Apr	May	Jun	Jul	Aug	Sep	Oct
Tennessee Zn 0							
Delivered Mmbtu	82,410	85,157	82,410	85,157	85,157	82,410	85,157
Locked Volumes	82,410	85,157	82,410	85,157	85,157	82,410	85,157
NYMEX Volumes	0	0	0	0	0	0	0
Locked \$/Mmbtu	5.099	5.090	5.174	5.267	5.291	5.307	5.375
NYMEX \$/Mmbtu Del	5.786	5.951	6.046	6.127	6.173	6.149	6.173
Delivered Cost Locked	420,209	433,449	426,389	448,522	450,566	437,350	457,719
Delivered Cost Nymex	0	0	0	0	0	0	0
Total Delivered Cost	420,209	433,449	426,389	448,522	450,566	437,350	457,719
Average Delivered Unit Cost	5.0990	5.0900	5.1740	5.2670	5.2910	5.3070	5.3750

TENN ZONE 1

Delivered Mmbtu	125,910	130,107	125,910	130,107	130,107	125,910	130,107
Locked Volumes	125,910	130,107	125,910	130,107	130,107	125,910	130,107
NYMEX Volumes	0	0	0	0	0	0	0
Locked \$/Mmbtu	5.099	5.090	5.174	5.267	5.291	5.307	5.375
NYMEX \$/Mmbtu Del	5.820	5.973	6.067	6.147	6.194	6.169	6.194
Delivered Cost Locked	642,015	662,245	651,458	685,274	688,396	668,204	699,325
Delivered Cost Nymex	0	0	0	0	0	0	0
Total Delivered Cost	642,015	662,245	651,458	685,274	688,396	668,204	699,325
Average Delivered Unit Cost	5.0990	5.0900	5.1740	5.2670	5.2910	5.3070	5.3750

	Apr	May	Jun	Jul	Aug	Sep	Oct
TETCO WLA							
Delivered Mmbtu	96,455	39,767	41,175	17,018	14,183	0	28,365
Locked Volumes	96,455	39,767	41,175	17,018	14,183	0	28,365
NYMEX Volumes	0	0	0	0	0	0	0
Locked \$/Mmbtu	5.1450	5.1420	5.2270	5.3310	5.3680	5.3840	5.4320
NYMEX \$/Mmbtu Del	5.9332	6.0768	6.1734	6.2556	6.3028	6.2776	6.3028
Deliverd Cost Locked	496,261	204,482	215,222	90,723	76,134	0	154,079
Delivered Cost Nymex	0	0	0	0	0	0	0
Total Delivered Cost	496,261	204,482	215,222	90,723	76,134	0	154,079
Average Delivered Unit Cost	5.1450	5.1420	0.0000	0.0000	0.0000	0.0000	0.0000
TETCO ETX							
Delivered Mmbtu	223,920	22,796	54,150	79,955	77,955	68,150	153,942
Locked Volumes	223,920	22,796	54,150	73,560	73,563	68,150	153,942
NYMEX Volumes	0	0	0	6,395	4,392	0	0
Locked \$/Mmbtu	5.1450	5.1420	5.2270	5.3310	5.3680	5.3840	5.4320
NYMEX \$/Mmbtu Del	5.8131	5.9979	6.0941	6.1761	6.2232	6.1980	6.2232
Deliverd Cost Locked	1,152,068	117,217	283,042	392,148	394,886	366,920	836,213
Delivered Cost Nymex	0	0	0	39,496	27,332	0	0
Total Delivered Cost	1,152,068	117,217	283,042	431,645	422,218	366,920	836,213
Average Delivered Unit Cost	5.1450	5.1420	5.2270	5.3986	5.4162	5.3840	5.4320
TETCO - NF							
Delivered Mmbtu	0	0	0	0	0	0	0
Delivered \$/Mmbtu	6.6078	6.7471	6.8456	6.9295	6.9776	6.9518	6.9776
Delivered Cost	0	0	0	0	0	0	0
M3 DELIVERED							
Delivered Mmbtu	0	0	0	0	0	0	0
Delivered \$/Mmbtu	5.935	5.991	6.079	6.155	6.155	6.198	6.175
Delivered Cost	0	0	0	0	0	0	0

MAUMEE_SUPP												
Delivered Mmbtu	89,886	86,448	10,696	17,236	17,186	56,380	31,226					
Locked Volumes	58,170	51,093	10,696	17,236	0	0	0					
NYMEX Volumes	31,716	35,355	0	0	17,186	56,380	31,226					
Locked \$/Mmbtu	\$5.125	\$5.117	\$5.190	\$5.287	\$0.000	\$0.000	\$0.000					
NYMEX \$/Mmbtu Del	5.8457	5.9351	6.0259	6.1033	6.1476	6.1239	6.1476					
Deliverd Cost FOM and Locked	298,121	261,443	55,512	91,127	0	0	0					
Delivered Cost Nymex	185,402	209,837	0	0	105,653	345,266	191,966					
Total Delivered Cost	483,523	471,280	55,512	91,127	105,653	345,266	191,966					

BROADRUN_COL												
Delivered Mmbtu	0	0	0	0	0	0	0					
Daily pricing wacog	5.8457	5.9351	6.0259	6.1033	6.1476	6.1239	6.1476					
Delivered Cost	0	0	0	0	0	0	0					

COLUMBIA_AGT												
Delivered Mmbtu	0	0	0	0	0	0	0					
Delivered \$/Mmbtu	6.1036	6.1610	6.2518	6.3292	6.3735	6.3498	6.3735					
Delivered Cost	0	0	0	0	0	0	0					

TRANS WHARTON												
Delivered Mmbtu	0	0	0	0	0	0	0					
Delivered \$/Mmbtu	5.9226	6.0273	6.1183	6.1959	6.2404	6.2166	6.2404					
Delivered Cost	0	0	0	0	0	0	0					

Total delivered to the City Gas Gas Supply Costs

	Apr	May	Jun	Jul	Aug	Sep	Oct
TRANSCO TO DOMINION							
Delivered Mmbtu	0	0	0	0	0	0	0
Delivered \$/Mmbtu	5.9714	6.1326	6.2294	6.3120	6.3593	6.3340	6.3593
Delivered Cost	0	0	0	0	0	0	0

TEXAS GAS TO DOMINION

Delivered Mmbtu	0	0	0	0	0	0	0
Delivered \$/Mmbtu	5.8785	6.0222	6.1171	6.1981	6.2445	6.2196	6.2445
Delivered Cost	0	0	0	0	0	0	0

ANE TO TENNESSEE

Delivered Mmbtu	30,000	31,000	30,000	31,000	30,000	31,000	30,000	31,000
Delivered \$/Mmbtu	4.6675	4.8158	4.9065	4.9837	5.0043	5.0280	5.0280	5.0280
Delivered Cost	140,025	149,290	147,194	154,495	150,130	155,869	150,130	155,869

NIAGARA TO TENNESSEE

Delivered Mmbtu Niagara	32,010	9,182	0	0	0	0	0	29,261
Locked Volumes	0	0	0	0	0	0	0	0
NYMEX Volumes	32,010	9,182	0	0	0	0	0	29,261
Delivered locked \$/Mmbtu	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NYMEX \$/Mmbtu Del	5.882	5.985	6.075	6.151	6.172	6.195	6.172	6.195
Deliverd Cost Locked	0	0	0	0	0	0	0	0
Delivered Cost Nymex	188,283	54,955	0	0	0	0	0	181,271
Total Delivered Cost	188,283	54,955	0	0	0	0	0	181,271

TEICO TO B&W

Delivered Mmbtu	0	0	0	0	0	0	0	0
Locked Volumes	0	0	0	0	0	0	0	0
NYMEX Volumes	0	0	0	0	0	0	0	0
Delivered locked \$/Mmbtu	5.1450	5.1420	5.2270	5.3310	5.3680	5.3680	5.3680	5.4320
NYMEX \$/Mmbtu Del	6.5362	6.6723	6.7684	6.8504	6.8974	6.8974	6.8722	6.8974
Delivered Cost Locked	0	0	0	0	0	0	0	0
Delivered Cost Nymex	0	0	0	0	0	0	0	0
Total Delivered Cost	0.0000	0.0000	0.0000	0.0000	0	0	0	0

TENNESSEE ZONE 0 VG

Delivered Mmbtu	193,950	90,754	85,679	69,424	66,384	66,384	74,009	187,657
Locked Volumes	193,950	80,332	85,679	69,424	66,384	66,384	62,616	87,793
NYMEX Volumes	0	10,422	0	0	0	0	11,393	99,864
Locked Delivered \$/Mmbtu	5.099	5.090	5.174	5.267	5.291	5.291	5.307	5.375
NYMEX \$/Mmbtu Del	5.7862	5.9509	6.0460	6.1270	6.1734	6.1734	6.1486	6.1734
Deliverd Cost Locked	988,951	408,890	443,303	365,656	351,238	351,238	332,303	471,887
Delivered Cost Nymex	0	62,020	0	0	0	0	70,051	616,503
Total Delivered Cost	988,951	470,910	443,303	365,656	351,238	351,238	402,354	1,088,390
	5.0990	5.1889	5.1740	5.2670	5.2910	5.2910	5.4366	5.7999

TENNESSEE ZONE 1 VG

Delivered Mmbtu	341,426	65,186	7,086	0	0	0	69,882
Locked Volumes	153,567	65,186	7,086	0	0	0	0
NYMEX Volumes	187,859	0	0	0	0	0	69,882
Delivered \$/Mmbtu Locked	5,099	5,090	5,174	5,267	5,291	5,307	5,375
NYMEX \$/Mmbtu Del	5,820	5,973	6,067	6,147	6,194	6,169	6,194
Delivered Cost Locked	783,038	331,797	36,663	0	0	0	0
Delivered Cost Nymex	1,093,258	0	0	0	0	0	432,817
Total Delivered Cost	1,876,296	331,797	36,663	0	0	0	432,817
	5,4955	5,0900	5,1740	0,0000	0,0000	0,0000	6,1935

DISTRIGAS FCS

Delivered Mmbtu	27,923	0	0	0	0	0	81,055
Delivered \$/Mmbtu	5.17	5.17	5.17	5.17	5.17	5.17	5.17
Delivered Cost	144,256	0	0	0	0	0	418,746

HUBLINE

Delivered Mmbtu	92,585	89,219	34,138	48,417	53,507	7,080	71,013
Delivered \$/Mmbtu	5,862	6,007	6,096	6,172	6,215	6,192	6,215
Delivered Cost	542,745	535,971	208,109	298,818	332,553	43,839	441,355

Total Pipeline Volumes
Delivered all pipeline \$/Dth
Total Pipeline Costs

Apr	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
2,226,415	2,226,415	1,249,150	836,138	789,335	789,335	868,460	1,665,970	8,424,803
\$5,402	\$5,402	\$5,452	\$5,365	\$5,424	\$5,482	\$5,594	\$5,775	\$5,509
\$12,026,660	\$12,026,660	\$6,810,713	\$4,485,670	\$4,281,014	\$4,327,272	\$4,858,397	\$9,620,196	\$46,409,921

Total Delivered Locked volumes

Delivered Locked \$/Dth	1,299,132	731,557	643,737	636,082	612,614	567,936	750,489	5,241,547
Locked Delivered Cost	\$6,657,302	\$3,741,628	\$3,348,460	\$3,371,975	\$3,266,825	\$3,036,905	\$4,059,382	\$27,482,478

Volumes not locked

Delivered unlocked \$/Dth	927,283	517,593	192,401	153,253	176,721	300,524	915,481	3,183,256
Cost of unlocked volumes	\$5,369,357	\$3,069,085	\$1,137,210	\$909,040	\$1,060,447	\$1,821,491	\$5,560,814	\$18,927,443

	April	May	June	July	August	September	October
Estimated Injection Wacog							
1 WACOG	\$5,402	\$5,452	\$5,365	\$5,424	\$5,482	\$5,594	\$5,775
2 Injection	\$0.0229	\$0.0229	\$0.0229	\$0.0229	\$0.0229	\$0.0229	\$0.0229
3 Variable	\$0.0788	\$0.0788	\$0.0788	\$0.0788	\$0.0788	\$0.0788	\$0.0788
4 Fuel	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%
5 Delivered Wacog to storage	\$5,866	\$5,920	\$5,826	\$5,889	\$5,952	\$6,073	\$6,267

All RI Storages

	APR	MAY	JUN	JUL	AUG	SEP	OCT
Combined Storages							
4 Beginning Inv Vol	1,476,342	1,492,468	2,129,393	2,824,282	3,341,168	3,855,024	4,249,628
5 Vol Withdrawn	22,864	0	0	0	0	0	0
6 Vol Injected	38,990	636,925	694,889	516,886	513,856	394,604	217,239
7 Begining Inv \$	\$7,369,181	\$7,483,765	\$11,254,481	\$15,302,860	\$18,346,945	\$21,405,611	\$23,802,071
8 \$ Withdrawn	\$114,125	\$0	\$0	\$0	\$0	\$0	\$0
9 \$ Injected - Wacog	\$228,709	\$3,770,715	\$4,048,380	\$3,044,085	\$3,058,666	\$2,396,460	\$1,361,476
10 Ending Vol	1,492,468	2,129,393	2,824,282	3,341,168	3,855,024	4,249,628	4,466,867
11 Ending \$	\$7,483,765	\$11,254,481	\$15,302,860	\$18,346,945	\$21,405,611	\$23,802,071	\$25,163,547
12 Avg \$/Mmbtu	\$5.0144	\$5.2853	\$5.4183	\$5.4912	\$5.5527	\$5.6010	\$5.6334

Apr 2004 - October 2004

LNG Withdrawals

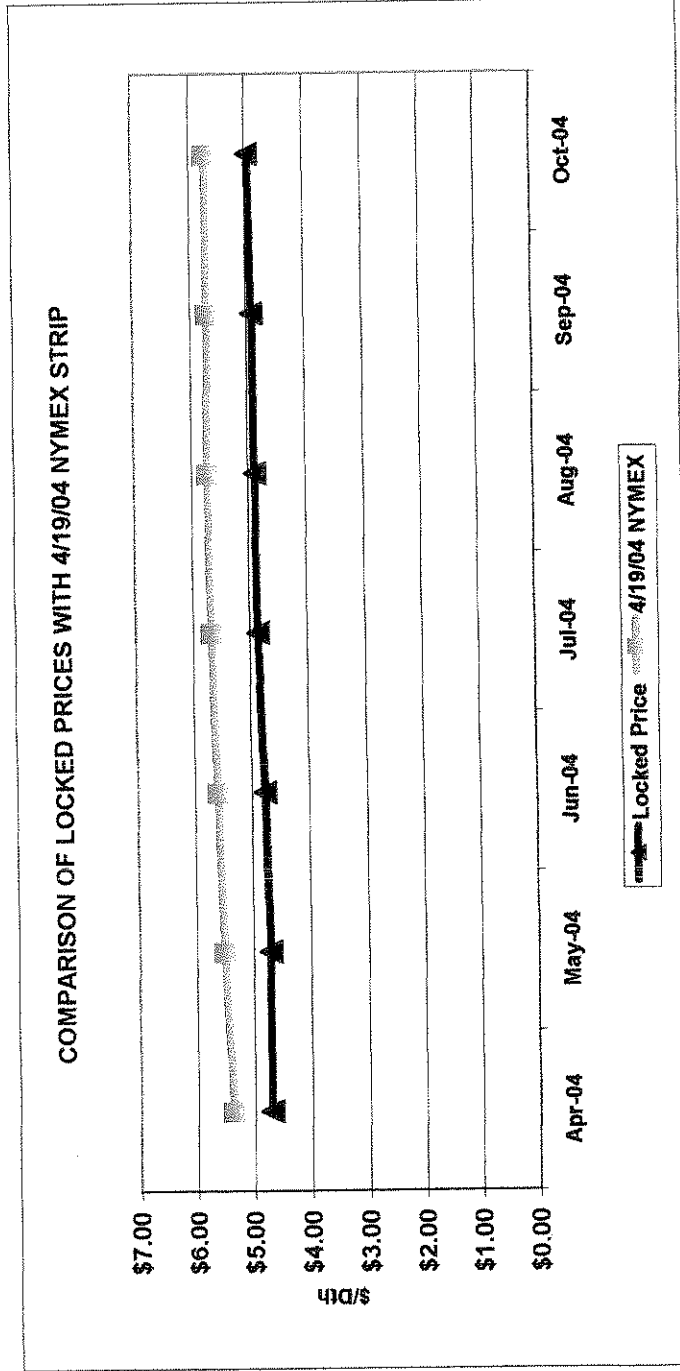
	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
Providence, Exeter and Valley								
1 Beginning Inv Vol	372,308	416,208	450,618	539,681	628,054	718,227	807,290	
2 Vol Withdrawn	20,700	21,390	20,700	21,390	21,390	20,700	21,390	
3 Vol Injected -	64,600	55,800	109,763	109,763	111,563	109,763	125,553	
4 Beginning Inv \$	3,096,783	3,271,184	3,410,471	3,994,376	4,584,864	5,194,594	5,795,880	
5 \$ Withdrawn	172,178	168,115	156,667	158,315	156,149	149,713	153,568	
6 \$ Injected	346,579	307,402	740,571	748,803	765,880	750,998	861,921	
7 Ending Vol	416,208	450,618	539,681	628,054	718,227	807,290	911,453	
8 Ending \$	3,271,184	3,410,471	3,994,376	4,584,864	5,194,594	5,795,880	6,504,233	
9 Avg \$/Dth	7.8595	7.5684	7.4014	7.3001	7.2325	7.1794	7.1361	
Total All LNG Withdrawal Cost	\$172,178	\$168,115	\$156,667	\$158,315	\$156,149	\$149,713	\$153,568	\$4,772,447

**Withdrawal fuel est
2004 GCR Filing**

Volumes withdrawn Dth		Apr	May	Jun	Jul	Aug	Sep	Oct
1	TENN_8995	0	0	0	0	0	0	0
2	TENN_501	0	0	0	0	0	0	0
3	GSSTE_600003	8,498	0	0	0	0	0	0
4	GSSTE_600042	1,039	0	0	0	0	0	0
5	GSS_600018	0	0	0	0	0	0	0
6	GSS_300123	0	0	0	0	0	0	0
7	GSS_300140	0	0	0	0	0	0	0
8	GSS_300141	0	0	0	0	0	0	0
9	GSS_300142	0	0	0	0	0	0	0
10	GSS_300143	0	0	0	0	0	0	0
11	TETCO_400221	0	0	0	0	0	0	0
12	TETCO_400515	0	0	0	0	0	0	0
13	TETCO_400185	2,752	0	0	0	0	0	0
14	NF ESS 1488	0	0	0	0	0	0	0
15	COL FS 38010	10,574	0	0	0	0	0	0
16	Total	22,864	0	0	0	0	0	0
17	Fuel % Delivered							
18	Tennessee Storage	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%
19	Dominion GSS-TE Storage	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%
20	Dominion GSS Storage to AGT	5.14%	5.14%	5.14%	5.14%	5.14%	5.14%	5.14%
21	Dominion GSS Storage to Tenn	5.14%	5.14%	5.14%	5.14%	5.14%	5.14%	5.14%
22	Tetco Storage SS-1	4.24%	4.24%	4.24%	4.24%	4.24%	4.24%	4.24%
23	Tetco Storage FSS-1	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%
24	Columbia Storage	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
25	National Fuel Storage	2.76%	2.76%	2.76%	2.76%	2.76%	2.76%	2.76%
26	Storage Fuel Volumes Dth							
27	Tennessee Storage	0	0	0	0	0	0	0
28	Dominion GSS-TE Storage	558	0	0	0	0	0	0
29	Dominion GSS Storage	117	0	0	0	0	0	0
30	Tetco Storage	323	0	0	0	0	0	0
31	Columbia Storage	0	0	0	0	0	0	0
32	National Fuel Storage	997	0	0	0	0	0	0
33	Total	5,014	5,285	5,418	5,491	5,553	5,601	5,633
34	Average Cost of inventory							
35	Tennessee Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	Dominion GSS-TE Storage	\$2,798	\$0	\$0	\$0	\$0	\$0	\$0
37	Dominion GSS Storage	\$585	\$0	\$0	\$0	\$0	\$0	\$0
38	Tetco Storage	\$1,617	\$0	\$0	\$0	\$0	\$0	\$0
39	Columbia Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	National Fuel Storage	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0
41	Total	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0

\$5,000

	Locked Price	4/19/04 NYMEX
Apr-04	\$4.70	\$5.37
May-04	\$4.70	\$5.51
Jun-04	\$4.77	\$5.60
Jul-04	\$4.86	\$5.67
Aug-04	\$4.88	\$5.72
Sep-04	\$4.90	\$5.69
Oct-04	\$4.95	\$5.72



Summary of Gas Purchasing Program Ending March 31, 2004
New England Gas Company - Rhode Island - Combined

<u>Month</u>	Monthly Forecasted		Monthly		Percent "Locked"	Average Wellhead/ NYMEX		Total Cost of Purchases
	<u>Volumes-Dth</u>	<u>Purchases-Dth</u>	<u>"Locked" Volumes-Dth</u>	<u>Discretionary Purchases-Dth</u>		<u>Price</u>	<u>Price</u>	
Apr-04	2,536,839	1,207,186	1,407,000	199,814	55%	\$4.7044	\$6,619,140	
May-04	1,997,753	877,959	1,010,600	132,641	51%	\$4.6965	\$4,746,286	
Jun-04	1,642,700	738,152	870,000	131,848	53%	\$4.7674	\$4,147,635	
Jul-04	1,533,414	656,655	765,700	109,045	50%	\$4.8615	\$3,722,480	
Aug-04	1,456,679	593,201	678,900	85,699	47%	\$4.8807	\$3,313,482	
Sep-04	1,467,058	568,080	636,000	67,920	43%	\$4.9009	\$3,117,000	
Oct-04	1,923,022	732,625	815,300	82,675	42%	\$4.9525	\$4,037,797	
TOTAL		5,373,858	6,183,500	809,642		\$4.8037	29,703,819	