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ADLER POLLOCK & SHEEHAN PUBLIC UTILITIES COMMISSION

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March 20, 2003

Ms. Luly Massaro  
Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

Re: Docket No. 3436 – Revised Attachments

Dear Ms. Massaro:

On February 14, 2003, New England Gas Company ("Company") filed Direct Testimony in support of a proposed increase in the Gas Cost Recovery ("GCR") charge. Subsequent to this filing, the Company has responded to staff data requests as well as engaged in discussions with both Commission staff and the Division's consultant. Resulting from these efforts, the Company is submitting updated GCR factors along with the supporting schedules. Specifically, the Company is submitting updates to Attachments PCC-2 and PCC-3. The updated GCR factors reflect corrections to several incorrect cell references as well as a revision to the reconciled adjustment calculation. The net result is a slight reduction in the proposed GCR factors and the impact on residential customers is non material.

Also enclosed are a "clean" and a "marked" copy of the NGV tariff sheet reflecting the updated gas costs included in the GCR filing. This sheet was inadvertently omitted from the Company's February 14, 2003 filing.

Sincerely,



CRAIG L. EATON, #5515  
Attorney for New England Gas Company

Enclosures

cc: Paul Roberti, Esq.  
Dennis Roberts, Esq.  
Stephen Scialabba  
Bruce Oliver  
Roger Buck

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
**Factors Effective 03/1/03**

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 per Dth	pg 2	\$0.9859	\$0.8930	\$0.9391	\$0.6152	\$0.8608	\$0.3451
2	Storage Fixed Cost per Dth	pg 3	\$0.3396	\$0.3034	\$0.3361	\$0.2049	\$0.2965	\$0.1177
3	Supply Variable Cost per Dth	pg 4	\$4.7881	\$4.7881	\$4.7881	\$4.7881	\$4.7881	\$4.7881
4a	Storage Variable Product Cost per Dth	pg 5	\$0.8468	\$0.8468	\$0.8468	\$0.8468	\$0.8468	\$0.8468
4b	Storage Variable Non-product Cost per Dth	pg 5	\$0.0100	\$0.0100	\$0.0100	\$0.0100	\$0.0100	\$0.0100
5	Total Gas Cost Recovery Charge per Dth	(1)+(2)+(3)+(4)	\$6.9704	\$6.8413	\$6.9202	\$6.4650	\$6.8023	\$6.1077
6	Uncollectible %	Dkt 3401	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
7	Total GCR Charge adjusted for Uncollectibles	(5)x(1)+(6))	\$7.1199	\$6.9880	\$7.0686	\$6.6037	\$6.9482	\$6.2387

note: reflects corrections and adjustments to gas cost "bucket" specific reconciliations

NEW ENGLAND GAS COMPANY  
 Gas Cost Recovery Filing  
 Determination of Supply Fixed Cost Factor

Line No.	Description (a)	Reference (b)	Mar - Oct Amount (c)	Resid & Small C&I (d)	Medium C&I (e)	Large LLF (f)	Large HLF (g)	Extra Large LLF (h)	Extra Large HLF (i)
1	Supply Fixed Costs	GLB 6 pg 4	\$17,651,951						
2	Less:								
3	Capacity Release Revenues	GLB 6 pg4	\$840,000						
4	Interruptible Costs		\$0						
5	Non-Firm Sales Costs		\$0						
6	Off-System Sales Margin		\$0						
7	Refunds		\$0						
8	Total Credits	sum[(3):(7)]	\$840,000						
9	Plus:								
10	Working Capital Requirement	pg 11	\$72,389						
11	Reconciliation Amount	pg 6	(\$4,298,109)						
12	Reconciliation Adj Amount		(\$66,807)						
13	Total Additions	sum[(10):(12)]	(\$4,292,527)						
14	Total Supply Fixed Costs	(1)-(8)+(13)	\$12,519,424						
15	Design Winter Sales Percentage	pg 16		83.40%	12.01%	3.60%	0.51%	0.17%	0.31%
16	Allocated Supply Fixed Costs	(14)x(15)	\$10,441,127	\$1,503,502	\$450,869	\$64,066	\$21,257	\$38,603	
17	Sales (Dt)	pg 15	10,590,885	1,683,693	480,093	104,131	24,694	111,867	
18	Supply Fixed Factor	(16) / (17)	\$0.9859	\$0.8930	\$0.9391	\$0.6152	\$0.8608	\$0.3451	

**NEW ENGLAND DIVISION**  
**Gas Cost Recovery Filing**  
**Determination of Storage Fixed Cost Factor**

Line No.	Description (a)	Reference (b)	Mar - Oct Amount (c)	Resid & Small C&I (d)	Medium C&I (e)	Large LLF (f)	Large HLF (g)	Extra Large LLF (h)	Extra Large C&I (i)
1	Storage Fixed Costs	GLB 6 pg 4	\$5,844,000						
2	Less:								
3	LNG Demand to DAC	GLB 6 pg 3	\$256,914						
4	Credits		\$0						
5	Refunds		\$0						
6	Total Credits	sum[(3):(5)]	\$256,914						
7	Plus:								
8	Supply Related LNG O&M Costs	Dkt 3401	\$345,930						
9	Working Capital Requirement	pg 11	\$25,546						
10	Reconciliation Amount	pg 7	(\$1,474,271)						
11	Reconciliation Adj Amount		(\$22,655)						
12	Total Additions	sum[(8):(11)]	(\$1,125,450)						
13	Total Storage Fixed Costs	(1)-(6)+(12)	\$4,461,636						
14	Design Winter Throughput Percentage	pg 16		80.62%	14.16%	4.14%	0.62%	0.16%	0.30%
15	Allocated Storage Fixed Costs	(13)x(14)	\$3,596,801	\$631,901	\$184,539	\$27,774	\$7,323	\$13,298	\$13,298
16	Throughput (Dt)	pg 15	10,590,885	2,082,864	549,039	135,581	24,694	112,997	112,997
17	Storage Fixed Factor	(15) / (16)	\$0.3396	\$0.3034	\$0.3361	\$0.2049	\$0.2965	\$0.1177	\$0.1177

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
**Determination of Variable Cost Factors**

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Mar - Oct Amount</u>
1	<b>Variable Supply Costs</b>	GLB 3 pg4	\$51,331,615
2	Less:		
3	Non-Firm Sales		\$0
4	Variable Delivery Storage Costs	pg 5	\$33,797
5	Variable Injection Storage Costs	pg 5	\$43,181
6	Fuel Costs Allocated to Storage	pg 5	\$316,418
7	Refunds		<u>\$0</u>
8	Total Credits	sum[(3):(7)]	\$393,396
9	Plus:		
10	Working Capital	pg 12	\$219,329
11	Reconciliation Amount	pg 8	\$11,076,123
12	Reconciliation Adjust. Amount		<u>(\$10,914)</u>
13	Total Additions	sum[(10):(12)]	\$11,284,538
14	Total Variable Supply Costs	(1)-(8)+(13)	\$62,222,757
15	Sales (Dt)	pg 15	12,995,364
16	<b>Supply Variable Cost Factor</b>	(14) / (15)	<u>\$4.7881</u>

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
**Determination of Variable Cost Factors**

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Mar - Oct Amount</u>
1	<b>Storage Variable Product Costs</b>	GLB 2	\$4,138,737
2	Less:		
3	Balancing Related LNG Costs (to DAC)	GLB 2	\$244,171
4	Refunds		<u>\$0</u>
5	Total Credits	(3) + (4)	\$244,171
6	Plus:		
7	Supply Related LNG O&M	Dkt 3401	\$243,644
8	Working Capital	pg 12	\$17,818
9	Inventory Financing - LNG (Supply)	pg 14	\$195,410
10	Inventory Financing - LP (Supply)	pg 14	\$777
11	Inventory Financing - Storage	pg 14	\$942,562
12	Reconciliation Amount	pg 9	\$5,454,709
13	Reconciliation Adj. Amount		<u>\$255,035</u>
14	Total Additions	sum{(7)+(13)}	\$7,109,956
15	Total Storage Variable Costs	(1)-(5)+(14)	\$11,004,522
16	Sales (Dt)	pg 15	12,995,364
17	<b>Storage Variable Product Cost Factor</b>	(15) / (16)	<u>\$0.8468</u>
18	<b>Storage Variable Non-Product Costs</b>	GLB 2	\$224,226
19	Less:		
20	Refunds		<u>\$0</u>
21	Total Credits		<u>\$0</u>
22	Plus:		
23	Variable Delivery Storage Costs	pg 4	\$33,797
24	Variable Injection Storage Costs	pg 4	\$43,181
25	Fuel Costs Allocated to Storage	pg 4	\$316,418
26	Working Capital	pg 13	\$965
27	Inventory Financing - Storage	pg 14	\$0
28	Reconciliation Amount	pg 10	(\$256,886)
29	Reconciliation Adj. Amount		<u>(\$226,200)</u>
30	Total Additions	sum{(23):(29)}	(\$88,725)
31	Total Storage Variable Costs	(18)-(21)+(30)	\$135,501
32	Throughput (Dt)	pg 15	13,496,061
33	<b>Storage Variable Product Cost Factor</b>	(31) / (32)	<u>\$0.0100</u>

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
Determination of Reconciliation Balance

Line No.	Description (a)	Actual Jul-02 (c)	Actual Aug-02 (d)	Actual Sep-02 (e)	Actual Oct-02 (f)	Actual Nov-02 (f)	Actual Dec-02 (f)	Actual Jan-03 (f)	Fcst Feb-03 (f)
1	Beginning Balance - Supply Fixed	\$0	\$1,446,487	\$2,601,854	\$4,048,184	\$5,300,250	\$4,957,995	\$2,910,415	(\$173,432)
2	Supply Fixed Gas Costs	\$2,291,535	\$2,004,087	\$2,315,789	\$2,264,795	\$2,310,015	\$2,238,427	\$2,206,286	\$2,213,427
3	Supply Fixed Credits/Capacity Rel.	\$91,615	\$104,890	\$120,924	\$67,583	\$96,431	\$122,596	\$0	\$140,000
4	Working Capital Requirement	\$9,472	\$8,178	\$9,451	\$9,461	\$9,531	\$9,110	\$9,500	\$8,928
5	Adjusted Supply Fixed Costs	\$2,209,393	\$1,907,374	\$2,204,315	\$2,206,672	\$2,223,116	\$2,124,941	\$2,215,786	\$2,082,355
6	Supply Fixed Collections	\$764,593	\$756,729	\$765,492	\$965,511	\$2,575,268	\$4,180,032	\$5,302,245	\$6,203,176
7	(Over)/Under Recovery	\$1,444,800	\$1,150,645	\$1,438,823	\$1,241,161	(\$352,152)	(\$2,055,091)	(\$3,086,459)	(\$4,120,821)
8	Avg. Beg. Bal & (Over)/Under Recovery	\$722,400	\$2,021,809	\$3,321,266	\$4,668,765	\$5,124,173	\$3,930,449	\$1,367,185	(\$2,233,842)
9	Interest Rate	2.75%	2.75%	2.75%	2.75%	2.35%	2.25%	2.25%	2.25%
10	Interest Income	\$1,687	\$4,722	\$7,507	\$10,904	\$9,897	\$7,511	\$2,613	(\$3,856)
11	Refunds								
12	End of Month Balance - Supply Fixed	\$1,446,487	\$2,601,854	\$4,048,184	\$5,300,250	\$4,957,995	\$2,910,415	(\$173,432)	(\$4,298,109)

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
**Determination of Reconciliation Balance**

Line No.	Description (a)	Actual Jul-02 (c)	Actual Aug-02 (d)	Actual Sep-02 (e)	Actual Oct-02 (f)	Actual Nov-02 (f)	Actual Dec-02 (f)	Actual Jan-03 (f)	Fcst Feb-03 (f)
13	Beginning Balance - Storage Fixed	\$0	\$482,625	\$1,044,206	\$1,407,836	\$1,808,452	\$1,658,816	\$901,737	(\$37,873)
14	Storage Fixed Gas Costs	\$743,437	\$820,390	\$608,980	\$730,348	\$751,651	\$713,262	\$932,546	\$815,759
15	Storage Fixed Credits								
16	Less LNG Costs to DAC	\$32,114	\$32,114	\$32,114	\$32,114	\$32,114	\$32,114	\$32,114	\$37,253
17	Supply Related LNG O&M	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241
18	Working Capital Requirement	\$3,249	\$3,580	\$2,670	\$3,193	\$3,284	\$3,119	\$4,063	\$3,538
19	Adjusted Storage Fixed Costs	\$757,813	\$835,098	\$622,777	\$744,667	\$766,063	\$727,508	\$947,736	\$825,286
20	Storage Fixed Collections	\$275,751	\$275,298	\$261,915	\$347,803	\$919,044	\$1,487,031	\$1,888,171	\$2,260,380
21	(Over)/Under Recovery	\$482,062	\$559,800	\$360,862	\$396,864	(\$152,981)	(\$759,523)	(\$940,435)	(\$1,435,094)
22	Avg. Beg. Bal & (Over)/Under Recovery	\$241,031	\$762,525	\$1,224,637	\$1,606,268	\$1,731,961	\$1,279,055	\$431,520	(\$755,420)
23	Interest Rate	2.75%	2.75%	2.75%	2.75%	2.35%	2.25%	2.25%	2.25%
24	Interest Income	\$563	\$1,781	\$2,768	\$3,752	\$3,345	\$2,444	\$825	(\$1,304)
25	Refunds								
26	End of Month Balance - Storage Fixed	\$482,625	\$1,044,206	\$1,407,836	\$1,808,452	\$1,658,816	\$901,737	(\$37,873)	(\$1,474,271)



**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
Determination of Reconciliation Balance

Line No.	Description (a)	Actual Jul-02 (c)	Actual Aug-02 (d)	Actual Sep-02 (e)	Actual Oct-02 (f)	Actual Nov-02 (f)	Actual Dec-02 (f)	Actual Jan-03 (f)	Fcst Feb-03 (f)
27	Beginning Balance - Supply Variable	\$2,137,309	\$1,461,740	\$1,116,238	\$967,268	\$4,995,438	\$8,982,498	\$12,691,003	\$16,228,969
28	Supply Variable Gas Costs	\$2,026,301	\$2,346,525	\$2,571,162	\$7,377,966	\$12,753,874	\$18,193,386	\$22,047,184	\$16,184,974
29	Supply Variable Credits	\$42,804	\$48,322	\$37,460	\$34,020	\$3,509	\$311,877	\$535,225	\$434,797
30	Working Capital Requirement	\$8,605	\$9,956	\$10,912	\$31,624	\$54,902	\$77,021	\$92,641	\$67,817
31	Adjusted Supply Variable Costs	\$1,992,102	\$2,308,159	\$2,544,613	\$7,375,570	\$12,805,268	\$17,958,530	\$21,604,600	\$15,817,995
32									
33	Supply Variable Collections	\$2,671,869	\$2,656,668	\$2,695,935	\$3,354,355	\$8,831,694	\$14,270,713	\$18,094,240	\$20,994,385
34	(Over)/Under Recovery	(\$679,767)	(\$348,509)	(\$151,322)	\$4,021,215	\$3,973,574	\$3,687,817	\$3,510,360	(\$5,176,390)
35	Avg. Beg. Bal & (Over)/Under Recovery	\$1,797,425	\$1,287,485	\$1,040,577	\$2,977,875	\$6,982,225	\$10,826,406	\$14,446,183	\$13,640,774
36	Interest Rate	2.75%	2.75%	2.75%	2.75%	2.35%	2.25%	2.25%	2.25%
37	Interest Income	\$4,198	\$3,007	\$2,352	\$6,955	\$13,486	\$20,689	\$27,606	\$23,544
38	Refunds								
39	End of Month Balance - Supply Variable	\$1,461,740	\$1,116,238	\$967,268	\$4,995,438	\$8,982,498	\$12,691,003	\$16,228,969	\$11,076,123

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
**Determination of Reconciliation Balance**

Line No.	Description (a)	Actual Jul-02 (c)	Actual Aug-02 (d)	Actual Sep-02 (e)	Actual Oct-02 (f)	Actual Nov-02 (f)	Actual Dec-02 (f)	Actual Jan-03 (f)	Actual Feb-03 (f)
40	Beginning Balance - Storage Variable Prod	\$0	(\$183,826)	(\$362,019)	(\$335,528)	(\$186,022)	(\$1,208,820)	(\$175,614)	\$4,743,714
41	Storage Variable Gas Costs	\$98,263	\$85,977	\$287,761	\$577,932	\$267,138	\$3,374,634	\$8,557,848	\$4,232,144
42	Storage Variable Credits								
43	Less LNG Costs to DAC	\$20,036	\$17,212	\$23,353	\$97,158	\$26,899	\$136,854	\$737,795	\$89,161
44	Supply Related LNG O&M	\$188,632	\$202,545	\$217,655	\$234,823	\$233,887	\$203,168	\$131,019	\$103,008
45	Working Capital Requirement	\$348	\$280	\$1,110	\$2,057	\$1,153	\$12,756	\$31,513	\$17,050
46	Adjusted Storage Variable Costs	\$267,207	\$271,590	\$483,173	\$717,654	\$475,278	\$3,453,705	\$7,982,585	\$4,263,041
47	Storage Variable Collections	\$450,818	\$449,147	\$455,895	\$567,540	\$1,496,730	\$2,419,177	\$3,067,617	\$3,560,839
48	(Over)/Under Recovery	(\$183,611)	(\$177,557)	\$27,278	\$150,114	(\$1,021,452)	\$1,034,528	\$4,914,968	\$702,202
49	Avg. Beg. Bal & (Over)/Under Recovery	(\$91,806)	(\$272,604)	(\$348,380)	(\$260,471)	(\$696,748)	(\$691,557)	\$2,281,869	\$5,094,815
50	Interest Rate	2.75%	2.75%	2.75%	2.75%	2.35%	2.25%	2.25%	2.25%
51	Interest Income	(\$214)	(\$637)	(\$787)	(\$608)	(\$1,346)	(\$1,322)	\$4,361	\$8,794
52	Refunds								
53	End of Month Balance - Storage Variable	(\$183,826)	(\$362,019)	(\$335,528)	(\$186,022)	(\$1,208,820)	(\$175,614)	\$4,743,714	\$5,454,709

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
**Determination of Reconciliation Balance**

Line No.	Description (a)	Actual Jul-02 (c)	Actual Aug-02 (d)	Actual Sep-02 (e)	Actual Oct-02 (f)	Actual Nov-02 (f)	Actual Dec-02 (f)	Actual Jan-03 (f)	Fcst Feb-03 (f)
54	Beginning Balance - Storage Variable Non-	\$0	(\$32,658)	(\$59,361)	(\$80,699)	(\$123,614)	(\$320,178)	(\$334,477)	(\$207,993)
55	Storage Variable Non-prod. Gas Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
56	Storage Variable Non-prod. Credits	\$4,486	\$5,400	\$6,048	\$5,195	\$1,365	\$58,694	\$99,832	\$81,935
57	Storage Var. Del.Inj. Costs	\$23,365	\$28,835	\$30,930	\$28,236	\$1,660	\$247,024	\$431,995	\$352,861
58	Fuel Costs Alloc. To Storage	\$120	\$147	\$159	\$144	\$13	\$1,316	\$2,290	\$920
59	Working Capital Requirement	\$27,971	\$34,382	\$37,137	\$33,575	\$3,037	\$307,034	\$534,117	\$435,716
60	Adjusted Storage Variable Costs	\$60,591	\$60,978	\$58,317	\$76,252	\$199,173	\$320,709	\$407,115	\$484,208
61	Storage Variable Non-product Collections	(\$32,620)	(\$26,596)	(\$21,180)	(\$42,677)	(\$196,136)	(\$13,675)	\$127,002	(\$48,492)
62	(Over)/Under Recovery	(\$16,310)	(\$45,956)	(\$69,951)	(\$102,037)	(\$221,682)	(\$327,015)	(\$270,976)	(\$232,239)
63	Avg. Beg. Bal & (Over)/Under Recovery	2.75%	2.75%	2.75%	2.75%	2.35%	2.25%	2.25%	2.25%
64	Interest Rate	(\$38)	(\$107)	(\$158)	(\$238)	(\$428)	(\$625)	(\$518)	(\$401)
65	Interest Income								
66	Refunds								
67	End of Month Balance - Storage Variable	(\$32,658)	(\$59,361)	(\$80,699)	(\$123,614)	(\$320,178)	(\$334,477)	(\$207,993)	(\$256,886)
68	TOTAL Ending Deferred w/ Interest	\$3,174,369	\$4,340,918	\$6,007,062	\$11,794,503	\$14,070,310	\$15,993,064	\$20,553,385	\$10,501,567

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
**Fixed Costs Working Capital Calculation**

Line No.	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Mar - Oct</u> <u>Amount</u> (c)
1	<b>Supply Fixed Costs</b>	GLB 2	\$17,651,951
2	Capacity Release Revenue		<u>\$840,000</u>
3	Allowable Working Capital Costs	(1) - (2)	\$16,811,951
4	Number of Days Lag	Dkt 3401	13.40
5	Working Capital Requirement	[(3) * (4)] / 365	\$617,206
6	Cost of Capital	Dkt 3401	<u>9.09%</u>
7	Return on Working Capital Requirement	(5) * (6)	\$56,104
8	Weighted Cost of Debt	Dkt 3401	<u>4.19%</u>
9	Interest Expense	(5) * (8)	\$25,861
10	Taxable Income	(7) - (9)	\$30,243
11	1 - Combined Tax Rate	Dkt 3401	<u>0.6500</u>
12	Return and Tax Requirement	(10) / (11)	\$46,528
13	<b>Supply Fixed Working Capital Requirement</b>	(9) + (12)	<u>\$72,389</u>
14	<b>Storage Fixed Costs</b>	GLB 2	\$5,844,000
15	Less: LNG Demand to DAC		(\$256,914)
16	Less: Credits		\$0
17	Plus: Supply Related LNG O&M Costs		\$345,930
18	Allowable Working Capital Costs	(14) - (15) + (16)	\$5,933,015
19	Number of Days Lag	Dkt 3401	13.40
20	Working Capital Requirement	[(17) * (18)] / 365	\$217,815
21	Cost of Capital	Dkt 3401	<u>9.09%</u>
22	Return on Working Capital Requirement	(19) * (20)	\$19,799
23	Weighted Cost of Debt	Dkt 3401	<u>4.19%</u>
24	Interest Expense	(19) * (22)	\$9,126
25	Taxable Income	(19) - (23)	\$10,673
26	1 - Combined Tax Rate	Dkt 3401	<u>0.6500</u>
27	Return and Tax Requirement	(24) / (25)	\$16,420
28	<b>Storage Fixed Working Capital Requirement</b>	(23) + (26)	<u>\$25,546</u>

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
**Variable Costs Working Capital Calculation**

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Mar - Oct Amount</u> (c)
1	<b>Supply Variable Costs</b>	GLB 2	\$51,331,615
2	Credits		<u>\$393,396</u>
3	<b>Allowable Working Capital Costs</b>	(1) - (2)	\$50,938,219
4	Number of Days Lag	Dkt 3401	13.40
5	Working Capital Requirement	[(3) * (4)] / 365	\$1,870,061
6	Cost of Capital	Dkt 3401	<u>9.09%</u>
7	Return on Working Capital Requirement	(5) * (6)	\$169,989
8	Weighted Cost of Debt	Dkt 3401	<u>4.19%</u>
9	Interest Expense	(5) * (8)	\$78,356
10	Taxable Income	(7) - (9)	\$91,633
11	1 - Combined Tax Rate	Dkt 3401	<u>0.6500</u>
12	Return and Tax Requirement	(10) / (11)	\$140,974
13	<b>Supply Variable Working Capital Requirement</b>	(9) + (12)	<u>\$219,329</u>
14	<b>Storage Variable Product Costs</b>	GLB 2	\$4,138,737
15	Less: Balancing Related LNG Commodity (to DAC)		(\$244,171)
16	Plus: Supply Related LNG O&M Costs		<u>\$243,644</u>
17	<b>Allowable Working Capital Costs</b>	(14) + (15) + (16)	\$4,138,209
18	Number of Days Lag	Dkt 3401	13.40
19	Working Capital Requirement	[(17) * (18)] / 365	\$151,923
20	Cost of Capital	Dkt 3401	<u>9.09%</u>
21	Return on Working Capital Requirement	(19) * (20)	\$13,810
22	Weighted Cost of Debt	Dkt 3401	<u>4.19%</u>
23	Interest Expense	(19) * (22)	\$6,366
24	Taxable Income	(19) - (23)	\$7,444
25	1 - Combined Tax Rate	Dkt 3401	<u>0.6500</u>
26	Return and Tax Requirement	(24) / (25)	\$11,453
27	<b>Storage Var. Product Working Capital Requir.</b>	(23) + (26)	<u>\$17,818</u>

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
**Variable Costs Working Capital Calculation**

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Mar - Oct Amount</u> (c)
1	<b>Storage Variable Non-Product Costs</b>	GLB 2	\$224,226
2	Credits		<u>\$0</u>
3	Allowable Working Capital Costs	(1) - (2)	\$224,226
4	Number of Days Lag	Dkt 3401	13.40
5	Working Capital Requirement	[(3) * (4)] / 365	\$8,232
6	Cost of Capital	Dkt 3401	<u>9.09%</u>
7	Return on Working Capital Requirement	(5) * (6)	\$748
8	Weighted Cost of Debt	Dkt 3401	<u>4.19%</u>
9	Interest Expense	(5) * (8)	\$345
10	Taxable Income	(7) - (9)	\$403
11	1 - Combined Tax Rate	Dkt 3401	<u>0.6500</u>
12	Return and Tax Requirement	(10) / (11)	\$621
13	<b>Storage Variable Non-product WC Requir.</b>	(9) + (12)	<u><b>\$965</b></u>

**NEW ENGLAND GAS COMPANY**  
**Gas Cost Recovery Filing**  
**Gas Inventory Financing Costs**

Line No.	Description (a)	Reference (b)	Feb-03 (l)	Mar-03 (k)	Apr-03 (l)	May-03 (m)	Jun-03 (n)	Jul-03 (n)	Aug-03 (n)	Sep-03 (n)	Oct-03 (n)
1	Storage Inventory Balance	GLB 4	\$5,022,388	\$2,355,925	\$4,734,704	\$7,689,567	\$10,564,449	\$13,463,849	\$16,356,092	\$19,221,499	\$22,052,348
2	Cost of Capital	Dkt 3401	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%
3	Return on Working Capital Requirement	(1) x (2)	\$456,535	\$214,154	\$430,385	\$698,982	\$960,308	\$1,223,864	\$1,486,769	\$1,747,234	\$2,004,558
4	Weighted Cost of Debt	Dkt 3401	4.19%	4.19%	4.19%	4.19%	4.19%	4.19%	4.19%	4.19%	4.19%
5	Interest Charges Financed	(1) x (4)	\$210,438	\$98,713	\$198,384	\$322,193	\$442,650	\$564,135	\$685,320	\$805,381	\$923,993
6	Taxable Income	(3) - (5)	\$246,097	\$115,440	\$232,000	\$376,789	\$517,658	\$659,729	\$801,449	\$941,853	\$1,080,565
7	1 - Combined Tax Rate	Dkt 3401	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
8	Return and Tax Requirement	(6) / (7)	\$378,611	\$177,600	\$356,924	\$579,675	\$796,397	\$1,014,967	\$1,232,998	\$1,449,005	\$1,662,408
9	Working Capital Requirement	(5) + (8)	\$589,049	\$276,314	\$555,308	\$901,868	\$1,239,047	\$1,579,102	\$1,918,318	\$2,254,386	\$2,586,401
10	Monthly Average	(9) / 12	\$49,087	\$23,026	\$46,276	\$75,156	\$103,254	\$131,592	\$159,860	\$187,866	\$215,533
11	LNG Inventory Balance	GLB 5	\$3,003,273	\$2,838,642	\$2,680,701	\$2,824,365	\$2,985,153	\$3,149,529	\$3,319,523	\$3,545,528	\$3,770,790
12	Cost of Capital	Dkt 3401	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%
13	Return on Working Capital Requirement	(11) x (12)	\$272,998	\$258,033	\$243,676	\$256,735	\$271,350	\$286,292	\$301,745	\$322,288	\$342,765
14	Weighted Cost of Debt	Dkt 3401	4.19%	4.19%	4.19%	4.19%	4.19%	4.19%	4.19%	4.19%	4.19%
15	Interest Charges Financed	(11) x (14)	\$125,837	\$118,939	\$112,321	\$118,341	\$125,078	\$131,965	\$139,088	\$148,558	\$157,996
16	Taxable Income	(13) - (15)	\$147,160	\$139,093	\$131,354	\$138,394	\$146,273	\$154,327	\$162,657	\$173,731	\$184,769
17	1 - Combined Tax Rate	Dkt 3401	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
18	Return and Tax Requirement	(16) / (17)	\$226,401	\$213,990	\$202,084	\$212,914	\$225,035	\$237,426	\$250,241	\$267,278	\$284,260
19	Working Capital Requirement	(15) + (18)	\$352,238	\$332,929	\$314,405	\$331,255	\$350,113	\$369,391	\$389,329	\$415,836	\$442,256
20	Monthly Average	(19) / 12	\$29,353	\$27,744	\$26,200	\$27,605	\$29,176	\$30,783	\$32,444	\$34,653	\$36,855
21	System Balancing Factor	Dkt 3401	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%
22	Balancing Related Inventory Costs	(20) x (21)	\$5,985	\$5,657	\$5,342	\$5,629	\$5,949	\$6,277	\$6,615	\$7,066	\$7,515
23	Supply Related Inventory Costs	(20) - (22)	\$23,368	\$22,087	\$20,858	\$21,976	\$23,227	\$24,506	\$25,829	\$27,587	\$29,340

**NEW ENGLAND GAS COMPANY  
GAS COST RECOVERY FILING  
FORECASTED THROUGHPUT (Dt)**

Line No.	Rate Class (a)	Feb-03 (i)	Mar-03 (j)	Apr-03 (k)	May-03 (l)	Jun-03 (m)	Jul-03 (m)	Aug-03 (m)	Sep-03 (m)	Oct-03 (n)
1	<b>SALES (dtf)</b>									
2	Residential Non-Heating	103,778	93,830	74,895	60,580	51,962	46,857	40,870	46,952	51,311
3	Residential Heating	3,865,125	3,041,175	2,012,329	1,189,315	646,008	460,244	435,782	473,836	685,759
4	Small C&I	618,710	417,907	279,676	160,775	71,472	53,511	50,288	52,374	93,177
5	Medium C&I	647,193	510,563	356,005	200,007	142,661	108,096	99,509	107,060	159,792
6	Large LLF	196,637	153,792	104,086	72,921	27,399	33,879	27,185	20,627	40,204
7	Large HLF	20,787	14,984	16,230	10,791	6,101	7,074	17,873	24,609	6,469
8	Extra Large LLF	10,430	6,391	9,255	2,023	1,162	1,802	1,431	537	2,095
9	Extra Large HLF	12,184	9,577	9,929	12,630	15,972	17,572	9,943	25,846	10,398
10	<b>Total Sales</b>	5,474,844	4,248,219	2,862,404	1,709,043	962,738	729,035	682,880	751,841	1,049,205
11	<b>FT-2 TRANSPORTATION</b>									
12	FT-2 Medium	208,701	81,922	101,629	45,547	39,087	33,414	28,477	29,455	39,641
13	FT-2 Large LLF	58,835	16,469	17,163	10,910	7,598	2,615	2,092	6,339	5,760
14	FT-2 Large HLF	8,303	5,511	7,820	3,299	3,023	2,598	2,621	2,996	3,581
15	FT-2 Extra Large LLF	0	0	0	0	0	0	0	0	0
16	FT-2 Extra Large HLF	0	0	0	0	0	0	0	422	708
17	<b>Total Transportation</b>	275,840	103,902	126,612	59,756	49,708	38,627	33,190	39,211	49,690
18	<b>Sales &amp; FT-2 THROUGHPUT</b>									
19	Residential Non-Heating	103,778	93,830	74,895	60,580	51,962	46,857	40,870	46,952	51,311
20	Residential Heating	3,865,125	3,041,175	2,012,329	1,189,315	646,008	460,244	435,782	473,836	685,759
21	Small C&I	618,710	417,907	279,676	160,775	71,472	53,511	50,288	52,374	93,177
22	Medium C&I	855,894	592,485	457,633	245,555	181,748	141,510	127,986	136,515	199,433
23	Large LLF	255,473	170,262	121,249	83,831	34,997	36,494	29,276	26,966	45,964
24	Large HLF	29,090	20,495	24,050	14,090	9,124	9,673	20,494	27,605	10,051
25	Extra Large LLF	10,430	6,391	9,255	2,023	1,162	1,802	1,431	537	2,095
26	Extra Large HLF	12,184	9,577	9,929	12,630	15,972	17,572	9,943	26,268	11,106
27	<b>Total Throughput</b>	5,750,684	4,352,121	2,989,016	1,768,799	1,012,445	767,663	716,070	791,052	1,098,895



**NEW ENGLAND GAS COMPANY  
 GAS COST RECOVERY FILING  
 DESIGN WINTER PERIOD THROUGHPUT (D1)**

Line No.	Rate Class (a)	Nov-02 (b)	Dec-02 (c)	Jan-03 (d)	Feb-03 (e)	Mar-03 (f)	Total (h)	% (i)
1	<b>SALES (dfh)</b>							
2	Residential Non-Heating	61,697	89,223	93,970	97,808	107,975	450,674	2.15%
3	Residential Heating	1,248,408	2,285,223	3,634,212	3,847,760	3,781,314	14,796,917	70.62%
4	Small C&I	166,157	381,305	537,228	619,576	522,792	2,227,058	10.63%
5	Medium C&I	218,501	433,120	601,947	638,144	624,604	2,516,316	12.01%
6	Large LLF	56,727	131,631	180,744	195,212	190,276	754,590	3.60%
7	Large HLF	20,436	21,464	22,393	21,299	21,630	107,223	0.51%
8	Extra Large LLF	2,677	7,485	6,877	11,093	7,445	35,577	0.17%
9	Extra Large HLF	12,165	12,570	15,948	11,354	12,570	64,608	0.31%
10	Total Sales	1,786,768	3,362,022	5,093,319	5,442,246	5,268,608	20,952,963	100.00%
11	<b>TRANSPORTATION</b>							
12	FT-2 Medium	60,474	105,722	139,975	149,339	98,192	553,703	
13	FT-2 Large LLF	9,757	36,197	32,449	42,963	20,605	141,970	
14	FT-2 Large HLF	3,876	5,095	6,535	5,741	6,466	27,713	
15	FT-2 Extra Large LLF	0	0	0	0	0	0	
16	FT-2 Extra Large HLF	0	0	0	0	0	0	
17	Total Transportation	74,107	147,014	178,959	198,043	125,264	723,386	
18	<b>THROUGHPUT</b>							
19	Residential Non-Heating	61,697	89,223	93,970	97,808	107,975	450,674	2.08%
20	Residential Heating	1,248,408	2,285,223	3,634,212	3,847,760	3,781,314	14,796,917	68.26%
21	Small C&I	166,157	381,305	537,228	619,576	522,792	2,227,058	10.27%
22	Medium C&I	278,976	538,842	741,922	787,483	722,796	3,070,019	14.16%
23	Large LLF	66,483	167,828	213,193	238,175	210,881	896,560	4.14%
24	Large HLF	24,312	26,560	28,928	27,039	28,097	134,936	0.62%
25	Extra Large LLF	2,677	7,485	6,877	11,093	7,445	35,577	0.16%
26	Extra Large HLF	12,165	12,570	15,948	11,354	12,570	64,608	0.30%
27	Total Throughput	1,860,875	3,509,036	5,272,278	5,640,289	5,393,872	21,676,349	100.00%

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**Summary of Typical Sales Service Bill Impacts**

	March - October Usage (Therms)	Current Charges	Proposed Charges	Difference	Percent
Residential Non-heating	94	\$159	\$167	\$8	5.1%
Residential Heating	517	\$575	\$620	\$45	7.8%
Small C&I	540	\$635	\$682	\$47	7.4%
Medium C&I	5,634	\$5,171	\$5,666	\$495	9.6%
Large Low Load C&I	36,115	\$31,957	\$35,123	\$3,166	9.9%
Large High Load C&I	39,552	\$29,587	\$33,395	\$3,808	12.9%

**Typical Customer Bill Impact**

**Residential Heating - at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	Off-Peak Blk. Brk.				30					
2	Peak Blk. Brk.				125					
3	Rate		\$9.00	\$ 0.3600	\$ 0.2800	\$ 0.0036		\$0.6251		
4	July	38	\$9.00	\$10.80	\$2.24	\$0.14	\$22.18	\$23.75	\$45.93	\$45.93
5	August	29	\$9.00	\$10.44	\$0.00	\$0.10	\$19.54	\$18.13	\$37.67	\$37.67
6	September	32	\$9.00	\$10.80	\$0.56	\$0.12	\$20.48	\$20.00	\$40.48	\$40.48
7	October	34	\$9.00	\$10.80	\$1.12	\$0.12	\$21.04	\$21.25	\$42.30	\$42.30
8	November	68	\$9.00	\$24.48	\$0.00	\$0.24	\$33.72	\$42.51	\$76.23	
9	December	107	\$9.00	\$38.52	\$0.00	\$0.39	\$47.91	\$66.89	\$114.79	
10	January	165	\$9.00	\$45.00	\$11.20	\$0.59	\$65.79	\$103.14	\$168.94	
11	February	178	\$9.00	\$45.00	\$14.84	\$0.64	\$69.48	\$111.27	\$180.75	
12	March	164	\$9.00	\$45.00	\$10.92	\$0.59	\$65.51	\$102.52	\$168.03	\$168.03
13	April	114	\$9.00	\$41.04	\$0.00	\$0.41	\$50.45	\$71.26	\$121.71	\$121.71
14	May	68	\$9.00	\$10.80	\$10.64	\$0.24	\$30.68	\$42.51	\$73.19	\$73.19
15	June	38	\$9.00	\$10.80	\$2.24	\$0.14	\$22.18	\$23.75	\$45.93	\$45.93
16	Total	1,035	\$108.00	\$303.48	\$53.76	\$3.73	\$468.97	\$646.98	\$1,115.94	\$575.24

**Residential Heating - at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	Off-Peak Blk. Brk.				30					
2	Peak Blk. Brk.				125					
3	Rate		\$9.00	\$ 0.3600	\$ 0.2800	\$ 0.0036		\$0.7120		
4	July	38	\$9.00	\$10.80	\$2.24	\$0.14	\$22.18	\$27.06	\$49.23	\$49.23
5	August	29	\$9.00	\$10.44	\$0.00	\$0.10	\$19.54	\$20.65	\$40.19	\$40.19
6	September	32	\$9.00	\$10.80	\$0.56	\$0.12	\$20.48	\$22.78	\$43.26	\$43.26
7	October	34	\$9.00	\$10.80	\$1.12	\$0.12	\$21.04	\$24.21	\$45.25	\$45.25
8	November	68	\$9.00	\$24.48	\$0.00	\$0.24	\$33.72	\$48.42	\$82.14	
9	December	107	\$9.00	\$38.52	\$0.00	\$0.39	\$47.91	\$76.18	\$124.09	
10	January	165	\$9.00	\$45.00	\$11.20	\$0.59	\$65.79	\$117.48	\$183.27	
11	February	178	\$9.00	\$45.00	\$14.84	\$0.64	\$69.48	\$126.73	\$196.22	
12	March	164	\$9.00	\$45.00	\$10.92	\$0.59	\$65.51	\$116.77	\$182.28	\$182.28
13	April	114	\$9.00	\$41.04	\$0.00	\$0.41	\$50.45	\$81.17	\$131.62	\$131.62
14	May	68	\$9.00	\$10.80	\$10.64	\$0.24	\$30.68	\$48.42	\$79.10	\$79.10
15	June	38	\$9.00	\$10.80	\$2.24	\$0.14	\$22.18	\$27.06	\$49.23	\$49.23
16	Total	1,035	\$108.00	\$303.48	\$53.76	\$3.73	\$468.97	\$736.91	\$1,205.88	\$620.16
17	Difference		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$89.93	\$89.93	\$44.92
18	Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	13.90%	8.06%	7.81%

**Typical Customer Bill Impact**

**Residential Non-Heating - at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	Off-Peak Blk. Brk.			N/A						
2	Peak Blk. Brk.			N/A						
3	Rate		\$ 7.500	\$ 0.4226	\$ 0.4226	\$ 0.0036		\$0.6251		
4	July	13	\$7.50	\$5.49	\$0.00	\$0.05	\$13.04	\$8.13	\$21.17	\$21.17
5	August	9	\$7.50	\$3.80	\$0.00	\$0.03	\$11.34	\$5.63	\$16.96	\$16.96
6	September	10	\$7.50	\$4.23	\$0.00	\$0.04	\$11.76	\$6.25	\$18.01	\$18.01
7	October	10	\$7.50	\$4.23	\$0.00	\$0.04	\$11.76	\$6.25	\$18.01	\$18.01
8	November	13	\$7.50	\$5.49	\$0.00	\$0.05	\$13.04	\$8.13	\$21.17	
9	December	14	\$7.50	\$5.92	\$0.00	\$0.05	\$13.47	\$8.75	\$22.22	
10	January	16	\$7.50	\$6.76	\$0.00	\$0.06	\$14.32	\$10.00	\$24.32	
11	February	16	\$7.50	\$6.76	\$0.00	\$0.06	\$14.32	\$10.00	\$24.32	
12	March	17	\$7.50	\$7.18	\$0.00	\$0.06	\$14.75	\$10.63	\$25.37	\$25.37
13	April	14	\$7.50	\$5.92	\$0.00	\$0.05	\$13.47	\$8.75	\$22.22	\$22.22
14	May	11	\$7.50	\$4.65	\$0.00	\$0.04	\$12.19	\$6.88	\$19.06	\$19.06
15	June	10	\$7.50	\$4.23	\$0.00	\$0.04	\$11.76	\$6.25	\$18.01	\$18.01
16	Total	153	\$90.00	\$64.66	\$0.00	\$0.55	\$155.21	\$95.64	\$250.85	\$158.82

**Residential Non-Heating - at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	Off-Peak Blk. Brk.			N/A						
2	Peak Blk. Brk.			N/A						
3	Rate		\$7.50	\$ 0.4226	\$ 0.4226	\$ 0.0036		\$0.7120		
4	July	13	\$7.50	\$5.49	\$0.00	\$0.05	\$13.04	\$9.26	\$22.30	\$22.30
5	August	9	\$7.50	\$3.80	\$0.00	\$0.03	\$11.34	\$6.41	\$17.74	\$17.74
6	September	10	\$7.50	\$4.23	\$0.00	\$0.04	\$11.76	\$7.12	\$18.88	\$18.88
7	October	10	\$7.50	\$4.23	\$0.00	\$0.04	\$11.76	\$7.12	\$18.88	\$18.88
8	November	13	\$7.50	\$5.49	\$0.00	\$0.05	\$13.04	\$9.26	\$22.30	
9	December	14	\$7.50	\$5.92	\$0.00	\$0.05	\$13.47	\$9.97	\$23.43	
10	January	16	\$7.50	\$6.76	\$0.00	\$0.06	\$14.32	\$11.39	\$25.71	
11	February	16	\$7.50	\$6.76	\$0.00	\$0.06	\$14.32	\$11.39	\$25.71	
12	March	17	\$7.50	\$7.18	\$0.00	\$0.06	\$14.75	\$12.10	\$26.85	\$26.85
13	April	14	\$7.50	\$5.92	\$0.00	\$0.05	\$13.47	\$9.97	\$23.43	\$23.43
14	May	11	\$7.50	\$4.65	\$0.00	\$0.04	\$12.19	\$7.83	\$20.02	\$20.02
15	June	10	\$7.50	\$4.23	\$0.00	\$0.04	\$11.76	\$7.12	\$18.88	\$18.88
16	Total	153	\$90.00	\$64.66	\$0.00	\$0.55	\$155.21	\$108.93	\$264.14	\$166.99
17	Difference		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13.29	\$13.29	\$8.17
18	Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	13.90%	5.30%	5.14%

**Typical Customer Bill Impact**

**Small C&I - at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	Off-Peak Blk. Brk.			20						
2	Peak Blk. Brk.			135						
3	Rate		\$ 14.000	\$ 0.3721	\$ 0.2600	\$ 0.0036		\$0.6251		
4	July	22	\$14.00	\$7.44	\$0.52	\$0.08	\$22.04	\$13.75	\$35.79	\$35.79
5	August	21	\$14.00	\$7.44	\$0.26	\$0.08	\$21.78	\$13.13	\$34.90	\$34.90
6	September	21	\$14.00	\$7.44	\$0.26	\$0.08	\$21.78	\$13.13	\$34.90	\$34.90
7	October	40	\$14.00	\$7.44	\$5.20	\$0.14	\$26.79	\$25.00	\$51.79	\$51.79
8	November	72	\$14.00	\$26.79	\$0.00	\$0.26	\$41.05	\$45.01	\$86.06	
9	December	157	\$14.00	\$50.23	\$5.72	\$0.57	\$70.52	\$98.14	\$168.66	
10	January	208	\$14.00	\$50.23	\$18.98	\$0.75	\$83.96	\$130.02	\$213.98	
11	February	265	\$14.00	\$50.23	\$33.80	\$0.95	\$98.99	\$165.65	\$264.64	
12	March	198	\$14.00	\$50.23	\$16.38	\$0.71	\$81.33	\$123.77	\$205.10	\$205.10
13	April	132	\$14.00	\$49.12	\$0.00	\$0.48	\$63.59	\$82.51	\$146.11	\$146.11
14	May	77	\$14.00	\$7.44	\$14.82	\$0.28	\$36.54	\$48.13	\$84.67	\$84.67
15	June	29	\$14.00	\$7.44	\$2.34	\$0.10	\$23.89	\$18.13	\$42.01	\$42.01
16	Total	1,242	\$168.00	\$321.49	\$98.28	\$4.47	\$592.25	\$776.37	\$1,368.62	\$635.28

**Small C&I - at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	Off-Peak Blk. Brk.			20						
2	Peak Blk. Brk.			135						
3	Rate		\$14.00	\$ 0.3721	\$ 0.2600	\$ 0.0036		\$0.7120		
4	July	22	\$14.00	\$7.44	\$0.52	\$0.08	\$22.04	\$15.66	\$37.70	\$37.70
5	August	21	\$14.00	\$7.44	\$0.26	\$0.08	\$21.78	\$14.95	\$36.73	\$36.73
6	September	21	\$14.00	\$7.44	\$0.26	\$0.08	\$21.78	\$14.95	\$36.73	\$36.73
7	October	40	\$14.00	\$7.44	\$5.20	\$0.14	\$26.79	\$28.48	\$55.27	\$55.27
8	November	72	\$14.00	\$26.79	\$0.00	\$0.26	\$41.05	\$51.26	\$92.31	
9	December	157	\$14.00	\$50.23	\$5.72	\$0.57	\$70.52	\$111.78	\$182.30	
10	January	208	\$14.00	\$50.23	\$18.98	\$0.75	\$83.96	\$148.09	\$232.06	
11	February	265	\$14.00	\$50.23	\$33.80	\$0.95	\$98.99	\$188.68	\$287.66	
12	March	198	\$14.00	\$50.23	\$16.38	\$0.71	\$81.33	\$140.97	\$222.30	\$222.30
13	April	132	\$14.00	\$49.12	\$0.00	\$0.48	\$63.59	\$93.98	\$157.58	\$157.58
14	May	77	\$14.00	\$7.44	\$14.82	\$0.28	\$36.54	\$54.82	\$91.36	\$91.36
15	June	29	\$14.00	\$7.44	\$2.34	\$0.10	\$23.89	\$20.65	\$44.53	\$44.53
16	Total	1,242	\$168.00	\$321.49	\$98.28	\$4.47	\$592.25	\$884.29	\$1,476.54	\$682.20
17	Difference		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$107.92	\$107.92	\$46.92
18	Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	13.90%	7.89%	7.39%

**Typical Customer Bill Impact**

**Medium C&I at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	MDCQ			53.09						
2	N/A									
3	Rate		\$ 45.000	\$ 0.9000	\$ 0.1715	\$ 0.0036		\$ 0.6110		
4	July	543	\$45.00	\$47.78	\$93.12	\$1.95	\$187.86	\$331.77	\$519.63	\$519.63
5	August	761	\$45.00	\$47.78	\$130.51	\$2.74	\$226.03	\$464.97	\$691.00	\$691.00
6	September	1,240	\$45.00	\$47.78	\$212.66	\$4.46	\$309.90	\$757.64	\$1,067.54	\$1,067.54
7	October	1,581	\$45.00	\$47.78	\$271.14	\$5.69	\$369.61	\$965.99	\$1,335.60	\$1,335.60
8	November	1,623	\$45.00	\$47.78	\$278.34	\$5.84	\$376.96	\$991.65	\$1,368.62	
9	December	1,396	\$45.00	\$47.78	\$239.41	\$5.03	\$337.22	\$852.96	\$1,190.17	
10	January	1,102	\$45.00	\$47.78	\$188.99	\$3.97	\$285.74	\$673.32	\$959.06	
11	February	593	\$45.00	\$47.78	\$101.70	\$2.13	\$196.61	\$362.32	\$558.93	
12	March	450	\$45.00	\$47.78	\$77.18	\$1.62	\$171.57	\$274.95	\$446.52	\$446.52
13	April	363	\$45.00	\$47.78	\$62.25	\$1.31	\$156.34	\$221.79	\$378.13	\$378.13
14	May	335	\$45.00	\$47.78	\$57.45	\$1.21	\$151.44	\$204.69	\$356.12	\$356.12
15	June	361	\$45.00	\$47.78	\$61.91	\$1.30	\$155.99	\$220.57	\$376.56	\$376.56
16	Total	10,348	\$540.00	\$573.32	\$1,774.68	\$37.25	\$2,925.25	\$6,322.63	\$9,247.88	\$5,171.10

**Medium C&I at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	MDCQ			53.09						
2	N/A									
3	Rate		\$45.00	\$ 0.9000	\$ 0.1715	\$ 0.0036		\$ 0.6988		
4	July	543	\$45.00	\$47.78	\$93.12	\$1.95	\$187.86	\$379.45	\$567.30	\$567.30
5	August	761	\$45.00	\$47.78	\$130.51	\$2.74	\$226.03	\$531.79	\$757.81	\$757.81
6	September	1,240	\$45.00	\$47.78	\$212.66	\$4.46	\$309.90	\$866.51	\$1,176.41	\$1,176.41
7	October	1,581	\$45.00	\$47.78	\$271.14	\$5.69	\$369.61	\$1,104.80	\$1,474.41	\$1,474.41
8	November	1,623	\$45.00	\$47.78	\$278.34	\$5.84	\$376.96	\$1,134.15	\$1,511.12	
9	December	1,396	\$45.00	\$47.78	\$239.41	\$5.03	\$337.22	\$975.52	\$1,312.74	
10	January	1,102	\$45.00	\$47.78	\$188.99	\$3.97	\$285.74	\$770.08	\$1,055.81	
11	February	593	\$45.00	\$47.78	\$101.70	\$2.13	\$196.61	\$414.39	\$611.00	
12	March	450	\$45.00	\$47.78	\$77.18	\$1.62	\$171.57	\$314.46	\$486.03	\$486.03
13	April	363	\$45.00	\$47.78	\$62.25	\$1.31	\$156.34	\$253.66	\$410.00	\$410.00
14	May	335	\$45.00	\$47.78	\$57.45	\$1.21	\$151.44	\$234.10	\$385.53	\$385.53
15	June	361	\$45.00	\$47.78	\$61.91	\$1.30	\$155.99	\$252.27	\$408.25	\$408.25
16	Total	10,348	\$540.00	\$573.32	\$1,774.68	\$37.25	\$2,925.25	\$7,231.18	\$10,156.44	\$5,665.77
17	Difference		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$908.55	\$908.55	\$494.67
18	Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	14.37%	9.82%	9.57%

**Typical Customer Bill Impact**

**Large C&I (LLF) - at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	MDCQ			364.3						
2	N/A									
3	Rate		\$ 90.000	\$ 0.9000	\$ 0.1695	\$ 0.0036		\$0.6192		
4	July	3,449	\$90.00	\$327.87	\$584.61	\$12.42	\$1,014.89	\$2,135.62	\$3,150.51	\$3,151
5	August	5,269	\$90.00	\$327.87	\$893.10	\$18.97	\$1,329.93	\$3,262.56	\$4,592.50	\$4,592
6	September	9,942	\$90.00	\$327.87	\$1,685.17	\$35.79	\$2,138.83	\$6,156.09	\$8,294.92	\$8,295
7	October	11,710	\$90.00	\$327.87	\$1,984.85	\$42.16	\$2,444.87	\$7,250.83	\$9,695.70	\$9,696
8	November	10,820	\$90.00	\$327.87	\$1,833.99	\$38.95	\$2,290.81	\$6,699.74	\$8,990.56	
9	December	9,358	\$90.00	\$327.87	\$1,586.18	\$33.69	\$2,037.74	\$5,794.47	\$7,832.21	
10	January	7,301	\$90.00	\$327.87	\$1,237.52	\$26.28	\$1,681.67	\$4,520.78	\$6,202.45	
11	February	3,680	\$90.00	\$327.87	\$623.76	\$13.25	\$1,054.88	\$2,278.66	\$3,333.53	
12	March	1,505	\$90.00	\$327.87	\$255.10	\$5.42	\$678.39	\$931.90	\$1,610.28	\$1,610
13	April	1,597	\$90.00	\$327.87	\$270.69	\$5.75	\$694.31	\$988.86	\$1,683.17	\$1,683
14	May	1,360	\$90.00	\$327.87	\$230.52	\$4.90	\$653.29	\$842.11	\$1,495.40	\$1,495
15	June	1,283	\$90.00	\$327.87	\$217.47	\$4.62	\$639.96	\$794.43	\$1,434.39	\$1,434
16	Total	67,274	\$1,080.00	\$3,934.44	\$11,402.94	\$242.19	\$16,659.57	\$41,656.06	\$58,315.63	\$31,957

**Large C&I (LLF) - at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	MDCQ			364.30						
2	N/A									
3	Rate		\$90.00	\$ 0.9000	\$ 0.1695	\$ 0.0036		\$0.7069		
4	July	3,449	\$90.00	\$327.87	\$584.61	\$12.42	\$1,014.89	\$2,437.96	\$3,452.85	\$3,453
5	August	5,269	\$90.00	\$327.87	\$893.10	\$18.97	\$1,329.93	\$3,724.45	\$5,054.38	\$5,054
6	September	9,942	\$90.00	\$327.87	\$1,685.17	\$35.79	\$2,138.83	\$7,027.60	\$9,166.43	\$9,166
7	October	11,710	\$90.00	\$327.87	\$1,984.85	\$42.16	\$2,444.87	\$8,277.33	\$10,722.20	\$10,722
8	November	10,820	\$90.00	\$327.87	\$1,833.99	\$38.95	\$2,290.81	\$7,648.23	\$9,939.04	
9	December	9,358	\$90.00	\$327.87	\$1,586.18	\$33.69	\$2,037.74	\$6,614.80	\$8,652.54	
10	January	7,301	\$90.00	\$327.87	\$1,237.52	\$26.28	\$1,681.67	\$5,160.78	\$6,842.46	
11	February	3,680	\$90.00	\$327.87	\$623.76	\$13.25	\$1,054.88	\$2,601.24	\$3,656.12	
12	March	1,505	\$90.00	\$327.87	\$255.10	\$5.42	\$678.39	\$1,063.82	\$1,742.21	\$1,742
13	April	1,597	\$90.00	\$327.87	\$270.69	\$5.75	\$694.31	\$1,128.86	\$1,823.17	\$1,823
14	May	1,360	\$90.00	\$327.87	\$230.52	\$4.90	\$653.29	\$961.33	\$1,614.62	\$1,615
15	June	1,283	\$90.00	\$327.87	\$217.47	\$4.62	\$639.96	\$906.90	\$1,546.86	\$1,547
16	Total	67,274	\$1,080.00	\$3,934.44	\$11,402.94	\$242.19	\$16,659.57	\$47,553.30	\$64,212.87	\$35,123
17	Difference		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,897.24	\$5,897.24	\$3,166
18	Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	14.16%	10.11%	9.91%

**Typical Customer Bill Impact**

**Large C&I (HLF) - ProvGas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	MDCQ			260.05						
2	N/A									
3	Rate		\$90.00	\$ 1.2500	\$ 0.0964	\$ 0.0036		\$0.5641		
4	July	3,310	\$90.00	\$325.06	\$319.08	\$11.92	\$746.06	\$1,867.17	\$2,613.23	\$2,613
5	August	4,927	\$90.00	\$325.06	\$474.96	\$17.74	\$907.76	\$2,779.32	\$3,687.08	\$3,687
6	September	5,158	\$90.00	\$325.06	\$497.23	\$18.57	\$930.86	\$2,909.63	\$3,840.49	\$3,840
7	October	5,147	\$90.00	\$325.06	\$496.17	\$18.53	\$929.76	\$2,903.42	\$3,833.19	\$3,833
8	November	5,267	\$90.00	\$325.06	\$507.74	\$18.96	\$941.76	\$2,971.11	\$3,912.88	
9	December	6,977	\$90.00	\$325.06	\$672.58	\$25.12	\$1,112.76	\$3,935.73	\$5,048.49	
10	January	8,359	\$90.00	\$325.06	\$805.81	\$30.09	\$1,250.96	\$4,715.31	\$5,966.27	
11	February	7,119	\$90.00	\$325.06	\$686.27	\$25.63	\$1,126.96	\$4,015.83	\$5,142.79	
12	March	6,843	\$90.00	\$325.06	\$659.67	\$24.63	\$1,099.36	\$3,860.14	\$4,959.50	\$4,959
13	April	6,144	\$90.00	\$325.06	\$592.28	\$22.12	\$1,029.46	\$3,465.83	\$4,495.29	\$4,495
14	May	4,439	\$90.00	\$325.06	\$427.92	\$15.98	\$858.96	\$2,504.04	\$3,363.00	\$3,363
15	June	3,584	\$90.00	\$325.06	\$345.50	\$12.90	\$773.46	\$2,021.73	\$2,795.20	\$2,795
16	Total	67,274	\$1,080.00	\$3,900.75	\$6,485.21	\$242.19	\$11,708.15	\$37,949.26	\$49,657.41	\$29,587

**Large C&I (HLF) - at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)	March - October (j)
1	MDCQ			260.05						
2	N/A									
3	Rate		\$90.00	\$ 1.2500	\$ 0.0964	\$ 0.0036		\$0.6604		
4	July	3,310	\$90.00	\$325.06	\$319.08	\$11.92	\$746.06	\$2,185.82	\$2,931.89	\$2,932
5	August	4,927	\$90.00	\$325.06	\$474.96	\$17.74	\$907.76	\$3,253.64	\$4,161.41	\$4,161
6	September	5,158	\$90.00	\$325.06	\$497.23	\$18.57	\$930.86	\$3,406.19	\$4,337.05	\$4,337
7	October	5,147	\$90.00	\$325.06	\$496.17	\$18.53	\$929.76	\$3,398.92	\$4,328.69	\$4,329
8	November	5,267	\$90.00	\$325.06	\$507.74	\$18.96	\$941.76	\$3,478.17	\$4,419.93	
9	December	6,977	\$90.00	\$325.06	\$672.58	\$25.12	\$1,112.76	\$4,607.40	\$5,720.16	
10	January	8,359	\$90.00	\$325.06	\$805.81	\$30.09	\$1,250.96	\$5,520.03	\$6,771.00	
11	February	7,119	\$90.00	\$325.06	\$686.27	\$25.63	\$1,126.96	\$4,701.17	\$5,828.14	
12	March	6,843	\$90.00	\$325.06	\$659.67	\$24.63	\$1,099.36	\$4,518.91	\$5,618.27	\$5,618
13	April	6,144	\$90.00	\$325.06	\$592.28	\$22.12	\$1,029.46	\$4,057.31	\$5,086.78	\$5,087
14	May	4,439	\$90.00	\$325.06	\$427.92	\$15.98	\$858.96	\$2,931.38	\$3,790.34	\$3,790
15	June	3,584	\$90.00	\$325.06	\$345.50	\$12.90	\$773.46	\$2,366.77	\$3,140.23	\$3,140
16	Total	67,274	\$1,080.00	\$3,900.75	\$6,485.21	\$242.19	\$11,708.15	\$44,425.73	\$56,133.88	\$33,395
17	Difference		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,476.47	\$6,476.47	\$3,808
18	Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	17.07%	13.04%	12.87%



**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:	\$0.3917-4889 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.

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**NATURAL GAS VEHICLE SERVICE**  
**RATE 70**

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 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**

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Issued: ~~June 14, 2002~~ March 19, 2003

Effective: ~~July 1, 2002~~ April 1, 2003

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**NATURAL GAS VEHICLE SERVICE**  
**RATE 70**

**INTERRUPTION/  
CURTAILMENT:**

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

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.

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Issued: ~~June 14, 2002~~ March 19, 2003

Effective: ~~July 1, 2002~~ April 1, 2003

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**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:	\$0.4889 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 a vehicle powered by an alternate fuel which may be

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

**NATURAL GAS VEHICLE SERVICE**  
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**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.