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October 14, 2005

VIA HAND AND ELECTRONIC DELIVERY

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

RE: Docket No. 3690, Earnings Sharing Mechanism and Distribution Adjustment Charge Filing

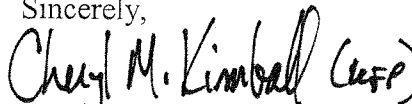
Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of New England Gas Company's responses to the Commission's Second Set of Information Requests in the above captioned docket. This filing contains the following:

COMM 2-01 through 2-04

The Company will provide its response to COMM 2-05 as soon as it becomes available. Thank you for your attention to this filing.

Sincerely,



Cheryl M. Kimball
(R.I. Bar #6458)

Enclosure

cc: Luly Massaro, Commission Clerk (nine copies)
service list, docket no. 3690

New England Gas Company
Docket No. 3690

Record Request and Response

Requestor: Commission
Respondent: Peter Czekanski
Issue Date: October 4, 2005

Q. COMM 2-01 The DSM account has “a balance of \$1,274,475 of which \$387,386 was designated for approved projects awaiting final customer implementation and another \$572,784 of rebates are being reviewed by the Division and TEC-RI”. Please explain in detail the projects awaiting implementation and the rebates being reviewed.

A. COMM 2-01 The following is a list of the DSM projects for which rebate dollars have been designated:

- State of RI at Pontiac Avenue
 - Compressed natural gas station
 - Rebate \$90,279
 - An Award and Acceptance letter was issued to the State; the project has been implemented and a compliance review completed. The State has accepted the level of rebate and the award is in the process of being disbursed.
- Butler Hospital
 - Microturbines
 - Rebate \$150,624
 - An Award and Acceptance letter was issued and the project is currently in the final construction phase.
- Charles Place Apartments
 - Microturbines
 - Rebate \$102,483
 - An Award and Acceptance letter was issued. Awaiting project implementation.
- State Airport
 - Compressed Natural Gas Station and Natural Gas vehicles
 - Rebate \$45,000
 - The State has made revisions to the original project. These revisions are currently under review to determine if any adjustment is required to the current level of rebate.

New England Gas Company
Docket No. 3690

Record Request and Response

A. COMM 2-01 (continued)

- AMGEN
 - Process Boilers
 - Rebate \$400,000
 - An Award and Acceptance letter was issued; the project has been implemented and a compliance review is being scheduled.
- Taco, Inc
 - Microturbines
 - Rebate \$172,784
 - An Award and Acceptance letter was issued. Awaiting project implementation.

New England Gas Company
Docket No. 3690

Record Request and Response

Requestor: Commission

Respondent: Peter Czekanski

Issue Date: October 4, 2005

Q. COMM 2-02 Does NEGas agree that the Commission has the authority to return \$614,305 in the DSM account to ratepayers? Also, how much of \$1,274,475 can be refunded to ratepayers?

A. COMM 2-02 The Company agrees that the Commission has the authority to return to ratepayers any uncommitted funds in the DSM account. As discussed in the prefiled testimony of Peter Czekanski at page 7, as of July 1, 2005, the balance of available funds was \$314,305 (also see the response to data request COMM 2-01). Additional funds have been collected during July, August and September and several residential rebates have been issued so that as of the end of September, the balance of available funds is approximately \$340,000 with an additional \$272,000 to be collected in base rates between now and June 2006.

New England Gas Company
Docket No. 3690

Record Request and Response

Requestor: Commission
Respondent: Robert Riccitelli
Issue Date: October 4, 2005

Q. COMM 2-03 What were bad write-offs for NEGas during fiscal years 2005 and what was it as a percentage of NEGas' revenues?

A. COMM 2-03 As the table below shows, the write-offs during FY'05 were \$7,042,158 or 1.71% of revenues. Also included below are updates to Table 1 and 2 from COMM 1-24, which showed the Uncollectible Expense as a percent of revenue.

<u>TABLE 1</u>		<u>TWO-YEAR AVERAGE</u>			
YEAR	NET WRITE-OFFS	UNCOLLECTIBLE EXPENSE	RELATED REVENUES	WRITE-OFFS PERCENTAGE	
1 2004	10,455,346	9,149,630	372,059,385	2.81%	1
2 2005	7,042,158	7,733,557	412,764,283	1.71%	2
3 TOTAL	17,497,504	16,883,187	784,823,668	2.23%	3
4					4
5					5
6					6
7 2000	3,696,476	6,254,307	244,265,585	1.51%	7
8 2001	7,616,555	6,163,725	320,667,456	2.38%	8
9 2002	8,329,393	6,059,715	283,649,000	2.94%	9
10 2003	5,650,615	5,362,050	340,022,374	1.66%	10
11 2004	10,455,346	9,149,630	372,059,385	2.81%	11
12 2005	7,042,158	7,733,557	414,136,353	1.70%	12
13 TOTAL	42,790,543	40,722,984	1,974,800,153	2.17%	13

New England Gas Company
Docket No. 3690

Record Request and Response

Requestor: Commission
Respondent: Peter Czekanski
Issue Date: October 4, 2005

- Q. COMM 2-04** In Docket No. 3401, the Commission approved of \$1,585,000 being essentially paid by ratepayers for LIHEAP assistance. The amount for LIHEAP constituted what percentage of NEGas' revenues, distribution and gas costs, as of July 1, 2002?
- A. COMM 2-04** LIHEAP assistance of \$1,585,000 constituted approximately six-tenths of a percent (0.6%) of the Company's distribution and gas cost revenues as of July 1, 2002. This estimation is based on total distribution revenues of \$124,930,314 (Docket No. 3401 Compliance Updated Response to RR 1-04) and projected gas costs of \$148,896,000 for the twelve months July 2002 through June 2003 (Docket No. 3436, Attachment PCC-1, page 9).