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October 12, 2005

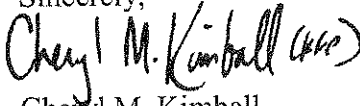
VIA HAND AND ELECTRONIC DELIVERY

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

RE: Docket No. 3696, Annual Gas Cost Recovery Filing

Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of New England Gas Company's responses to the Public Utilities Commission's First Set of Data Requests in the above captioned docket. 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. 3696

New England Gas Company
Docket No. 3696

Data Request and Response

Requestor: Commission
Respondent: Gary L. Beland
Issue Date: September 22, 2005

- Q. COMM 1-01** Provide one-page summaries of the Gas Purchasing Program as of the end of August, the end of September, and the end of October (when available). This summary should be in the format presented at GLB-4
- A. COMM 1-01** Attached are the reports for August and September. In addition, a revised July 31st report has been included. The revision to the July 31st report is to update the "Monthly Forecasted Volume" to correct an error in the previous version.

Gas Purchasing and Incentive Plan - Locked Volumes Ending July 31, 2005
New England Gas Company - Rhode Island

<u>Month</u>	#Monthly Forecasted <u>Volumes-Dth</u>	<u>Mandatory Purchases-Dth</u>	<u>Discretionary Purchases-Dth</u>	Monthly "Locked" <u>Volumes-Dth</u>	Percent "Locked"	Average Wellhead/ NYMEX <u>Price</u>	Total Cost of <u>Purchases</u>
Nov-05	3,093,739	2,091,360	77,640	2,169,000	70%	\$6.9357	\$15,043,575
Dec-05	3,952,852	2,505,265	89,435	2,594,700	66%	\$7.4899	\$19,433,931
Jan-06	4,167,385	2,398,346	205,654	2,604,000	62%	\$7.7435	\$20,164,167
Feb-06	3,587,355	1,925,728	163,072	2,088,800	58%	\$7.8296	\$16,354,436
Mar-06	3,811,874	1,765,295	144,305	1,909,600	50%	\$7.6270	\$14,564,606
Apr-06	2,604,104	1,206,720	35,280	1,242,000	48%	\$6.7029	\$8,325,045
May-06	2,009,761	789,074	20,026	809,100	40%	\$6.6562	\$5,385,537
Jun-06	1,428,230	580,890	19,110	600,000	42%	\$6.7503	\$4,050,180
Jul-06	1,342,381	474,145	15,655	489,800	36%	\$6.9918	\$3,424,570
Aug-06	1,339,239	398,567	13,733	412,300	31%	\$7.0389	\$2,902,158
Sep-06	1,418,949	384,330	8,670	393,000	28%	\$7.0174	\$2,757,825
Oct-06	2,281,980	552,699	14,601	567,300	25%	\$6.9779	\$3,958,561
	31,037,849	15,072,419	807,181	15,879,600	51%	\$7.3279	\$116,364,591

New forecast volumes for GCR effective for November 2005 forward.

Summary of Gas Purchasing and Incentive Plan - Locked Volumes Ending August 31, 2005
New England Gas Company - Rhode Island - Combined 18 and 24 month plans*

*Month	#Monthly Forecasted Volumes-Dth	Mandatory Purchases-Dth	Discretionary Purchases-Dth	Monthly "Locked" Volumes-Dth	Percent "Locked"	Average Wellhead/ NYMEX		Total Cost of Purchases
						Price	Price	
Nov-05	3,093,739	2,091,360	77,640	2,169,000	70%	\$6.9357	\$15,043,575	
Dec-05	3,952,852	2,505,265	89,435	2,594,700	66%	\$7.4899	\$19,433,931	
Jan-06	4,167,385	2,398,346	205,654	2,604,000	62%	\$7.7435	\$20,164,167	
Feb-06	3,587,355	1,953,728	163,072	2,116,800	59%	\$7.8582	\$16,634,156	
Mar-06	3,811,874	1,924,697	146,103	2,070,800	54%	\$7.8486	\$16,252,804	
Apr-06	2,604,104	1,340,580	36,420	1,377,000	53%	\$6.8951	\$9,494,595	
May-06	2,009,761	895,094	22,506	917,600	46%	\$6.8676	\$6,301,742	
Jun-06	1,428,230	662,370	21,630	684,000	48%	\$6.9738	\$4,770,060	
Jul-06	1,342,381	556,140	17,360	573,500	43%	\$7.2279	\$4,145,227	
Aug-06	1,339,239	467,077	16,523	483,600	36%	\$7.2707	\$3,516,113	
Sep-06	1,418,949	450,090	8,910	459,000	32%	\$7.2474	\$3,326,565	
Oct-06	2,281,980	640,150	17,050	657,200	29%	\$7.2285	\$4,750,580	
		15,884,897	822,303	16,707,200		\$7.4120	\$123,833,515	

New forecast volumes for GCR effective for November 2005 forward.

* 24 month plan commenced January 1, 2005

Summary of Gas Purchasing and Incentive Plan - Locked Volumes Ending September 30, 2005
New England Gas Company - Rhode Island

*Month	#Monthly Forecasted Volumes-Dth	Mandatory Purchases-Dth	Discretionary Purchases-Dth	Monthly "Locked" Volumes-Dth	Percent "Locked"	Average Wellhead/		Total Cost of Purchases
						NYMEX Price	Price	
Nov-05	3,093,739	2,091,360	77,640	2,169,000	70%	\$6.9357		\$15,043,575
Dec-05	3,952,852	2,505,265	89,435	2,594,700	66%	\$7.4899		\$19,433,931
Jan-06 **	4,167,385	2,398,346	205,654	2,604,000	62%	\$7.7435		\$20,164,167
Feb-06 **	3,587,355	1,953,728	163,072	2,116,800	59%	\$7.8582		\$16,634,156
Mar-06 **	3,811,874	1,924,697	146,103	2,070,800	54%	\$7.8486		\$16,252,804
Apr-06	2,604,104	1,414,530	37,470	1,452,000	56%	\$7.0362		\$10,216,545
May-06	2,009,761	1,023,031	24,769	1,047,800	52%	\$7.2814		\$7,629,472
Jun-06	1,428,230	729,840	23,160	753,000	53%	\$7.2502		\$5,459,370
Jul-06	1,342,381	620,062	18,538	638,600	48%	\$7.5666		\$4,832,032
Aug-06	1,339,239	534,285	17,515	551,800	41%	\$7.6575		\$4,225,393
Sep-06	1,418,949	517,980	10,020	528,000	37%	\$7.5254		\$3,973,395
Oct-06	2,281,980	721,153	19,747	740,900	32%	\$7.5924		\$5,625,245
	31,037,849	16,434,277	833,123	17,267,400		\$7.4991		\$129,490,085

New forecast volumes for GCR effective for November 2005 forward.

* 24 month plan commenced January 1, 2005

** = January, February & March were not completed due to Hurricanes Katrina & Rita

New England Gas Company
Docket No. 3696

Data Request and Response

Requestor: Commission
Respondent: Gary L. Beland
Issue Date: September 22, 2005

Q. COMM 1-02 Provide a calculation of the monthly average commodity cost of gas delivered to the Company's city gate for each month of 2005 (as available to date).

A. COMM 1-02 Please refer to the attached chart.

New England Gas Company
Docket No. 3696

Data Request and Response

Requestor: Commission
Respondent: Peter C. Czekanski
Issue Date: September 22, 2005

Q. COMM 1-03 The Company has estimated a net penalty under the Gas Purchasing Plan of approximately \$127,200. Has the Company reflected a credit to ratepayers in the GCR filing for this penalty?

A. COMM 1-03 No. The estimated net penalty under the Gas Purchasing Plan has not been reflected in the GCR filing. Consistent with the procedure established last year, upon Commission approval of the Company's Gas Procurement and Asset Management incentives/penalties, the Company will reflect the results in the Company's deferred gas cost balance account. For example, last year's approved Gas Purchasing Plan incentive can be seen on Schedule PCC-2, Schedule 1, page 1 as a line item entry in the Variable Supply Cost category and the Asset Management incentive in the Storage Fixed category.

New England Gas Company
Docket No. 3696

Data Request and Response

Requestor: Commission
Respondent: Gary L. Beland
Issue Date: September 22, 2005

- Q. COMM 1-04** Provide information on the results of the Company RFP for asset management services for the upcoming GCR period.
- A. COMM 1-04** The responses to the RFP are expected to be received by 5:00 p.m. October 12, 2005. The analysis of those responses will be completed by October 17th.

**New England Gas Company
Docket No. 3696**

Data Request and Response

Requestor: Commission

Respondent: Gary L. Beland

Issue Date: September 22, 2005

Q. COMM 1-05 What is the volume of gas that the Company withdrew from storage during each of the past two winter periods?

A. COMM 1-05 Please refer to the attached.

Underground Storage Balances for Past Two Winters

Winter Nov-03 - Mar 04		Mmbtu	Winter Nov-04 - Mar 05		Mmbtu
Nov-03	Starting bal	4,477,792	Nov-04	Starting bal	4,495,008
	Injection	88,910		Injection	8,548
	subtotal	4,566,702		subtotal	4,503,556
	withdrawal	147,100		withdrawal	46,009
	Ending bal	4,419,602		Ending bal	4,457,547
Dec-03	Starting bal	4,419,602	Dec-04	Starting bal	4,457,547
	Injection	4,000		Injection	0
	subtotal	4,423,602		subtotal	4,457,547
	withdrawal	288,298		withdrawal	463,682
	Ending bal	4,135,304		Ending bal	3,993,865
Jan-04	Starting bal	4,135,304	Jan-05	Starting bal	3,993,865
	Injection	0		Injection	0
	subtotal	4,135,304		subtotal	3,993,865
	withdrawal	1,252,762		withdrawal	962,234
	Ending bal	2,882,542		Ending bal	3,011,631
Feb-04	Starting bal	2,882,542	Feb-05	Starting bal	3,011,631
	Injection	84,431		Injection	0
	subtotal	2,966,973		subtotal	3,011,631
	withdrawal	795,622		withdrawal	955,685
	Ending bal	2,171,351		Ending bal	2,055,946
Mar-04	Starting bal	2,171,351	Mar-05	Starting bal	2,055,946
	Injection	10,152		Injection	87,932
	subtotal	2,181,503		subtotal	2,143,878
	withdrawal	705,161		withdrawal	670,597
	Ending bal	1,476,342		Ending bal	1,473,281

LNG Balances for Past Two Winters

Winter Nov-03 - Mar 04		Mmbtu	Winter Nov-04 - Mar 05		Mmbtu
Nov-03	Starting bal	733,155	Nov-04	Starting bal	859,140
	Injection	137,951		Injection	24,766
	subtotal	871,106		subtotal	883,906
	withdrawal	29,927		withdrawal	20,010
	Ending bal	842,179		Ending bal	863,896
Dec-03	Starting bal	842,179	Dec-04	Starting bal	863,896
	Injection	53,914		Injection	71,837
	subtotal	896,093		subtotal	935,733
	withdrawal	26,311		withdrawal	134,370
	Ending bal	869,782		Ending bal	801,363
Jan-04	Starting bal	869,782	Jan-05	Starting bal	801,363
	Injection	135,906		Injection	85,101
	subtotal	1,004,688		subtotal	886,464
	withdrawal	724,194		withdrawal	477,749
	Ending bal	280,494		Ending bal	408,715
Feb-04	Starting bal	280,494	Feb-05	Starting bal	408,715
	Injection	93,093		Injection	108,131
	subtotal	373,487		subtotal	516,846
	withdrawal	45,883		withdrawal	37,566
	Ending bal	327,604		Ending bal	479,280
Mar-04	Starting bal	327,604	Mar-05	Starting bal	479,280
	Injection	69,056		Injection	78,397
	subtotal	396,660		subtotal	557,677
	withdrawal	24,352		withdrawal	70,663
	Ending bal	372,308		Ending bal	487,014

Propane Balances for Past Two Winters

Winter Nov-03 - Mar 04		Mmbtu	Winter Nov-04 - Mar 05		Mmbtu
Nov-03	Starting bal	74,167	Nov-04	Starting bal	75,721
	Injection	0		Injection	0
	subtotal	74,167		subtotal	75,721
	withdrawal	225		withdrawal	213
	Ending bal	73,942		Ending bal	75,508
Dec-03	Starting bal	73,942	Dec-04	Starting bal	75,508
	Injection	0		Injection	0
	subtotal	73,942		subtotal	75,508
	withdrawal	204		withdrawal	659
	Ending bal	73,738		Ending bal	74,849
Jan-04	Starting bal	73,738	Jan-05	Starting bal	74,849
	Injection	15,274		Injection	7,606
	subtotal	89,012		subtotal	82,455
	withdrawal	55,398		withdrawal	46,707
	Ending bal	33,614		Ending bal	35,748
Feb-04	Starting bal	33,614	Feb-05	Starting bal	35,748
	Injection	8,080		Injection	2,185
	subtotal	41,694		subtotal	37,933
	withdrawal	1,169		withdrawal	0
	Ending bal	40,525		Ending bal	37,933
Mar-04	Starting bal	40,525	Mar-05	Starting bal	37,933
	Injection	0		Injection	0
	subtotal	40,525		subtotal	37,933
	withdrawal	57		withdrawal	123
	Ending bal	40,468		Ending bal	37,810

New England Gas Company
Docket No. 3696

Data Request and Response

Requestor: Commission
Respondent: Gary L. Beland
Issue Date: September 22, 2005

Q. COMM 1-06 What is the volume of gas that the Company expects to put into storage (underground, LNG, Propane) for the upcoming GCR period? Explain any significant change in storage volumes from the prior year.

A. COMM 1-06 Please refer to the table below.

Estimated Storage Balances for the 2005-06 GCR Winter

	31-Mar Balance Dth	Summer Purchases Dth	Start of Winter Dth	Start of Last Winter Dth	Difference Dth
Underground Storage	1,473,281	3,021,730	4,495,011	4,495,008	3
LNG (a)	487,014	482,578	838,096	863,898	-25,802
Propane (b)	37,810	0	37,810	75,721	-37,911

(a) LNG purchases includes an amount of 131,496 Dth to replace boiloff and tank inventory adjustments. LNG inventory is lower than last year due to the deferment of some purchases into November under the new Distrigas contract at an expected lower cost. LNG is expected to be at full capacity of 905,000 Dth on December 1.

(b) The new Distrigas FCS contract with higher volumes has reduced the need to fill Propane to the same level as last year.

New England Gas Company
Docket No. 3696

Data Request and Response

Requestor: Commission
Respondent: Gary L. Beland
Issue Date: September 22, 2005

Q. COMM 1-07 What were the quantity, total cost, and unit cost of LNG used during the past winter?

A. COMM 1-07 Please refer to the table below.

Summary of LNG Usage for the 2004-05 Winter

	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Total
Volumes used Dth	20,854	135,054	477,749	38,708	71,294	743,659
Value of Volumes used	\$168,958	\$1,096,487	\$3,822,601	\$301,287	\$550,137	5,939,470
Average \$/Dth	\$8.102	\$8.119	\$8.001	\$7.784	\$7.716	\$7.987

New England Gas Company
Docket No. 3696

Data Request and Response

Requestor: Commission
Respondent: Gary L. Beland
Issue Date: September 22, 2005

- Q. COMM 1-08 Provide a summary of the fixed gas costs that will be used as the "Fixed Gas Cost Benchmark" for determining any Asset Management Incentive for the period July 2005 through June 2006.**
- A. COMM 1-08 Please refer to the attached.**

Summary of Fixed Costs to be Used for July 2005 through June 2006 Benchmark

	Jul-05	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Fixed Costs													
TOTAL PIPELINE DEMANDS	\$2,431,995	\$2,431,995	\$2,431,768	\$2,431,995	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$28,242,018
TOTAL SUPPLIER DEMANDS	\$213,788	\$213,788	\$212,863	\$213,788	\$367,428	\$368,924	\$368,924	\$366,149	\$368,924	\$367,799	\$368,924	\$367,799	\$4,419,445
TOTAL STORAGE FACILITIES	\$386,322	\$386,322	\$386,322	\$386,322	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$4,632,256
TOTAL STORAGE DELIVERY	\$500,131	\$500,131	\$500,131	\$500,131	\$512,141	\$498,957	\$497,283	\$494,994	\$492,016	\$440,739	\$434,636	\$480,636	\$5,645,146
Total All Fixed Costs	\$3,532,236	\$3,532,236	\$3,530,884	\$3,532,236	\$3,619,092	\$3,607,404	\$3,605,730	\$3,600,667	\$3,600,463	\$3,548,061	\$3,543,083	\$3,587,958	\$42,938,867
Capacity Release Credits	\$425,624	\$425,624	\$425,624	\$425,624	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$5,205,384
Net Fixed Costs	\$3,106,612	\$3,106,612	\$3,105,260	\$3,106,612	\$3,185,310	\$3,173,622	\$3,171,948	\$3,166,885	\$3,166,681	\$3,114,279	\$3,109,301	\$3,154,176	\$37,733,482

New England Gas Company
Docket No. 3696

Data Request and Response

Requestor: Commission
Respondent: Gary L. Beland
Issue Date: September 22, 2005

Q. COMM 1-09 Under the Gas Purchasing Plan approved in April, § III D requires the Company to secure certain levels of winter supply by November 1 through a combination of forward purchases, hedges, storage, LNG or its Domac FSC contract.

If the Company makes the required 70% or 60% mandatory purchase levels for the winter months, does § III D require any discretionary purchases to be made? [Assume normal storage levels and LNG levels are filled for the winter.]

A. COMM 1-09 No. When combined with storage, the mandatory purchase required by the Plan are sufficient to meet the minimum requirements.

New England Gas Company
Docket No. 3696

Data Request and Response

Requestor: Commission
Respondent: Gary L. Beland
Issue Date: September 22, 2005

Q. COMM 1-10 As this is the initial period under the new requirements of § III D of the Gas Purchasing Plan and the Plan changes were made in April, will the Company meet the § III D requirements for November 1, 2005?

A. COMM 1-10 The projected November 1st purchases and storage is sufficient to meet the § III D requirements for November, December and January of 75%, 80% and 80% respectively. February is projected at 76.8%, slightly below the 80% requirement while March is projected at 63.4%, 11.6% below the 75% required.

The levels in February and March are below the requirement for two reasons. First, the Company has not made all of the purchases necessary to bring the level of mandatory purchases to the levels approved in the April 7, 2005 Plan. The Company, in consultation with the Division, made all of the purchases for the summer and most for the early winter but left some of the later purchases to be phased in over time. Second, since late August, the Company has, in consultation with the Division and Commission, refrained from buying at the exceptionally high prices caused by Hurricanes Katrina and Rita. See, October 5, 2005 letter from Gary L. Beland to RIPUC, attached. The supplies not purchased have been primarily for February and March of 2006.

October 5, 2005

2005 OCT -6 PM 3:30

New England Gas Company

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

Re: Docket No. 3436, Gas Purchasing Incentive Plan

Dear Ms. Massaro:

In light of the drastic upward trending of the natural gas market as a result of Hurricanes Katrina and Rita, the New England Gas Company ("Company") has consulted with the Division of Public Utilities and Carriers ("Division") regarding the feasibility of foregoing certain mandatory purchases in the month of August for the months of January, February, and December 2006, and in September for the months of February and March 2006. Given the drastic post-hurricane increase in market prices, both the Company and the Division are of the opinion that making purchases at this time would be imprudent and excessively costly for ratepayers. Therefore, the Company will make up these purchases when the short-term effects of the hurricane have abated and market conditions are more reasonable.

The Company wishes to emphasize that its supply outlook for this winter remains strong, and that for this winter, not including storage, the Company has already locked 71% for December, 67% for January, 62% for February, and 54% for March. Given the market's reactionary turn following the hurricanes, this decision should in no way detrimentally impact the Company's winter portfolio.

Thank you for your attention to this filing. If you have any questions relative to the issues raised in this letter, please contact me directly at (401) 574-2223.

Sincerely,



Gary L. Beland
Director, Gas Supply

Cc: Steve Scialabba, Division
Tom Massaro, Commission
Bruce Oliver

New England Gas Company
Docket No. 3696

Data Request and Response

Requestor: Commission
Respondent: Gary L. Beland
Issue Date: September 22, 2005

- Q. COMM 1-11** The Company will provide default service to capacity exempt transportation customers based upon the pricing sheet at GLB-7. How do the terms shown at GLB-7 differ from those currently in effect?
- A. COMM 1-11** The terms are the same as those currently in effect.