

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: FILINGS MADE BY NATIONAL GRID :
GAS COST RECOVERY CHARGE FILING : DOCKET NO. 3766
DISTRIBUTION ADJUSTMENT CLAUSE FILING : DOCKET NO. 3760

NOTICE OF PUBLIC HEARING

Pursuant to the provisions of Sections 39-1-1 and 39-3-11 of the General Laws, as amended, the Public Utilities Commission (“Commission”) will conduct a public hearing on **Wednesday, October 25, 2006 @ 9:30 A.M.** in Hearing Room A of the Public Utilities Commission, located at 89 Jefferson Boulevard, Warwick, Rhode Island. The hearing may continue thereafter from day to day and time to time as required.

In these dockets, the Commission will examine the propriety of filings submitted by National Grid (“NGrid”) seeking to implement revised rates and charges for effect November 1, 2006. In Docket No. 3766, NGrid filed to: 1) decrease the Gas Cost Recovery (“GCR”) charge for all customer classes, 2) decrease the Natural Gas Vehicle rate, and 3) amend various charges associated with transportation services billed to Gas Marketers. The GCR charge allows the Company to reconcile and recover its estimated costs for gas supplies, including the cost of pipeline transportation and storage capacity. The proposed GCR factors on a per therm cost basis are: \$1.13014 for Residential and Small C&I customers; \$1.12388 for Medium C&I customers; \$1.13839 for Large Low Load Factor C&I customers; \$1.09133 for Large High Load Factor customers; \$1.1313 for Extra Large Low Load Factor customers; and \$1.07665 for Extra Large High Load Factor customers. The proposed GCR factor for Natural Gas Vehicle is \$0.868 per therm.

In Docket No. 3760, NGrid filed to increase the Distribution Adjustment Clause (“DAC”) factor. The DAC is a cost recovery and reconciliation clause that requires an annual updating of identifiable special programs such as environmental cost recovery and weather

normalization. The proposed DAC factor on a per therm basis for all customers is \$0.0003, an increase of \$0.0033 from the currently effective DAC factor.

If approved, the combined net bill impact of the GCR and DAC charges on a typical residential heating customer using 1,035 per therms per year would be an annual decrease of \$66, or 3.9%, from \$1,701 to \$1,635. The Commission may approve different rates that may be higher or lower than those proposed by National Grid.

The filings may be examined at the Commission's office and at the office of National Grid, 100 Weybosset Street, Providence, Rhode Island. The filings can also be accessed on www.ripuc.org/eventsactions/docket.html.

Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island General Laws; specifically Sections 39-1-7, 39-1-8, 39-1-11, 39-1-12, 39-1-16, 39-1-18, 39-1-20, 42-35-8 and 42-35-10.

THE PUBLIC UTILITIES COMMISSION IS ACCESSIBLE TO THE HANDICAPPED. INDIVIDUALS REQUESTING INTERPRETER SERVICES FOR THE HEARING IMPAIRED MUST NOTIFY THE COMMISSION CLERK'S OFFICE AT 941-4500, SEVENTY-TWO HOURS IN ADVANCE OF HEARING DATE.

Luly E. Massaro
Commission Clerk
October 15, 2006