

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
**PUBLIC UTILITIES COMMISSION**

IN RE: FILINGS BY NATIONAL GRID :  
ANNUAL GAS COST RECOVERY CHARGE : DOCKET NO. 3868  
ANNUAL DISTRIBUTION ADJUSTMENT CHARGE : DOCKET NO. 3859

**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 at **Monday, October 29, 2007 @ 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 effective November 1, 2007. In Docket No. 3868, NGrid filed to decrease: 1) the Gas Cost Recovery (“GCR”) charge for all customer classes and 2) the Natural Gas Vehicle rate. The filing also proposes new 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: \$1.0844 for Residential and Small C&I customers; \$1.0835 for Medium C&I customers; \$1.0875 for Large Low Load Factor C&I customers; \$1.0614 for Large High Load Factor customers; \$1.0844 for Extra Large Low Load Factor customers; and \$1.0513 for Extra Large High Load Factor customers. The proposed GCR factor for Natural Gas Vehicles is \$0.7901 per therm.

In Docket No. 3859, NGrid filed to decrease 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, as well as to facilitate the timely rate recognition of incentive provisions. The proposed DAC factor on a per therm basis for all customers is a credit of \$0.0035, a decrease 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 922 per therms per year would be an annual decrease of \$22 or 1.5%, from \$1,460 to \$1438. The Commission may approve different rates that may be higher or lower than those proposed by National Grid. The deadline to file a Motion to Intervene as a party in these dockets is September 28, 2007.

The filings may be examined at the Commission's office and at the office of the National Grid, 280 Melrose Street, Providence, R.I. The filings can also be accessed on the Commission's Docket Menu at [www.ripuc.org](http://www.ripuc.org).

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  
September 20, 2007