

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NATIONAL GRID - DISTRIBUTION ADJUSTMENT CLAUSE FILING,
GAS COST RECOVERY FILING, AND GAS CUSTOMER CHOICE PROGRAM
TARIFF FILING - DOCKET NOS. 4514, 4520 & 4523

NOTICE OF PUBLIC HEARING

Pursuant to R.I. Gen. Laws §§ 39-3-11, the Public Utilities Commission (PUC) will conduct a public hearing on **Thursday, October 23, 2014 @ 9:30 A.M.** in Hearing Room A of the PUC's office located at 89 Jefferson Blvd, Warwick, Rhode Island. In these dockets, the PUC will examine the propriety of filings submitted by National Grid ("NGrid") seeking to implement revised rates and charges effective November 1, 2014.

In Docket No. 4514, National Grid filed to decrease the Distribution Adjustment Clause ("DAC") rate. The DAC is designed to provide for the recovery and reconciliation of the costs of identifiable special programs. It includes an annual System Pressure factor, an Advanced Gas Technology factor, a Low Income Assistance Program factor, an Environmental Response Cost factor, a Pension Adjustment factor, an On-System Margin Credit factor, a Service Quality Performance factor, an Earnings Sharing Mechanism factor, a Revenue Decoupling Adjustment factor, and rate class specific Infrastructure, Safety, and Reliability factors (previously approved in Docket No. 4474). The proposed DAC factors on a per therm cost basis for each rate class are: -\$0.0002 for Residential Non-Heating and Residential Non-Heating Low Income; a credit of (\$0.0132) for Residential Heating and Residential Heating Low Income; a credit of (\$0.0127) for Small Commercial & Industrial (C&I); a credit of (\$0.0170) for Medium C&I; -\$0.0140 for Large Low Load Factor; -\$0.0137 for Large High Load Factor; -\$0.0058 for Extra Large Low Load Factor; and -\$0.0069 for Extra Large High Load Factor. For the average residential heating customer using 846 therms annually, this represents a decrease of \$59.29 or 4.5 percent from the currently effective DAC rates.

In Docket No. 4520, National Grid filed to decrease the Gas Cost Recovery ("GCR") charge for all customer classes. The GCR charge allows the Company to reconcile and recover its estimated costs for gas supplies for the period November 1, 2014 through October 31, 2015. The proposed GCR factors on a per therm cost basis are: \$0.6845 for Residential Heating customers, Small C&I customers, Medium C&I customers, Large Low-Load Factor customers, and Extra Large Low Load Factor customers; \$0.6663 per therm for Residential Non-Heating customers, Large High Load Factor customers, and Extra Large High Load Factor customers; and \$8.7038 per MDCQ dekatherm for FT-2 Demand rate. For the average residential heating customer using 846 therms annually, this represents a decrease of \$49.50 or 3.8 percent from the currently effective GCR rates.

The combined net bill impact of the GCR and DAC charges on a typical residential heating customer using 846 therms per year would be an annual reduction of approximately \$108.79 or 8.3 percent from \$1,309.75 to \$1,200.96. The PUC may approve different rates that may be higher or lower than those proposed by National Grid.

In Docket No. 4523, National Grid proposed to make certain changes to its Customer Choice Program and requested for approval of the associated changes to the Company's gas tariff, RIPUC

NG-GAS No. 101. Specifically, changes are proposed to the following schedules of the Company's tariff: Section 1, Schedule B, Definitions; Section 2, Schedule A, Gas Cost Recovery; Section 5, Schedule H, Transitional Sales Service; and Section 6, Schedule C, Transportation Terms and Conditions. The proposal contemplates a review of the terms under which gas marketers deliver gas to the Company's distribution system and a review of the pricing calculations for customers who return to the Company's gas supply service.

The filings may be examined at the PUC's office. The filings can also be accessed on the Commission's Docket Menu at www.ripuc.org, Dockets 4514, 4520 & 4523. Reference is made to Chapters 39-1, 39-3 & 42-35 of the RI General Laws.

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 401-780-2107, seventy-two hours in advance of hearing date.

Luly E. Massaro, Commission Clerk
October 10, 2014