

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NEW ENGLAND GAS COMPANY :
GAS COST RECOVERY FILING : DOCKET NO. 3436

ORDER

WHEREAS, On June 3, 2002, the New England Division of Southern Union Company d/b/a New England Gas Company (“NEGas”) filed with the Rhode Island Public Utilities Commission (“Commission”) proposed new Gas Cost Recovery (“GCR”) factors for effect July 1, 2002.

WHEREAS, Specifically, NEGas’ proposed GCR factors on a per therm cost are \$0.6251 for residential and small commercial and industrial (“C&I”) customers, \$0.06110 for medium C&I customers, \$0.6192 for large low load factor customers, \$0.5641 for large high load factor customers, \$0.6081 for extra large low load factor customers, and \$0.5331 for extra large high load factor customers.

WHEREAS, The proposed GCR factors would reduce the bill for the typical residential heating customer of the former Providence Gas Company by approximately 3 percent and have no change for the typical residential heating customers of the former Valley Gas and Bristol & Warren Gas companies.

WHEREAS, NEGas also proposed Gas Marketer Transportation Factors for effect September 1, 2002 as follows: FT-2 Firm Transportation Marketer Gas Charge--\$0.0439 per therm, Pool Balancing Charge--\$0.00147 per percent of balancing elected per therm, and weighted average upstream pipeline transportation cost of \$0.0885 per therm of capacity.

WHEREAS, Following public notice, at a hearing on June 21, 2002, the Division of Public Utilities and Carriers (“Division”) recommended adoption of the proposed GCR rates on an interim basis.

WHEREAS, At the hearing on June 21, 2002, the Commission reviewed the evidence presented and approved NEGas’ proposed GCR rates for effect July 1, 2002 on an interim basis, and the transportation factors for effect September 1, 2002 as final rates.

WHEREAS, On November 12, 2002, NEGas filed a motion requesting approval of the interim GCR factors as final rates effective through October 31, 2003.

WHEREAS, At a prior hearing on November 7, 2002, the Division indicated it would not object to a motion to make the interim GCR factors final rates through October 31, 2003.

WHEREAS, At an open meeting on December 4, 2002, the Commission reviewed the evidence presented and approved NEGas’ motion to make the GCR factors final rates through October 31, 2003 as just, reasonable and in the best interest of ratepayers.¹

Accordingly, it is

(17380) ORDERED:

1. The Gas Cost Recovery factors filed by New England Gas Company on June 3, 2002, for effect July 1, 2002 through October 31, 2003, are hereby approved.
2. The Gas Marketer Transportation Factors filed by New England Gas Company on June 3, 2002, for effect September 1, 2002 are hereby approved.

¹ A full Report and Order addressing the Gas Procurement and Asset Management Plan filed on October 8, 2002 and other issues related to gas procurement will follow after further proceedings.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2002
PURSUANT TO A BENCH DECISION ON JUNE 21, 2002 AND AN OPEN
MEETING DECISION ON DECEMBER 4, 2002. WRITTEN ORDER ISSUED
FEBRUARY 28, 2003.

PUBLIC UTILITIES COMMISSION

Elia Germani, Chairman

Kate F. Racine, Commissioner

Brenda K. Gaynor, Commissioner