

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

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

ORDER

On February 14, 2003, the New England Gas Company (“NEGas”), a division of Southern Union, filed a Gas Cost Recovery (“GCR”) charge increase of approximately eight percent or \$47 over eight months for effect with the March 1, 2003 billing cycles. At an open meeting on February 27, 2003, the Commission suspended the effective date of the proposed GCR increase for consumption on or after March 16, 2003 so as to comply with the thirty day notice requirement of R.I.G.L. Section 39-3-11.

After hearing at an open meeting on March 31, 2003, the Commission approved the proposed GCR factor, as revised on March 20, 2003, for effect April 1, 2003. On April 23, 2003, NEGas’ counsel filed a letter with the Commission raising concerns and objections to the Gas Procurement and Asset Management Incentive Plan approved by the Commission on March 31, 2003. On April 25, 2003, the Commission Counsel responded to this letter and inquired as to whether NEGas had put the approved GCR increase into effect on the basis of consumption or billing cycles starting April 1, 2003. On April 30, 2003, NEGas indicated it had put the GCR increase into effect with April 1, 2003 billing cycles. However, NEGas indicated it would comply with any Commission directive to require NEGas to refund ratepayers for putting the GCR increase into effect for consumption prior to April 1, 2003. At an open meeting on May 2, 2003, the Commission determined that NEGas violated R.I.G.L. Section 39-3-11 by putting the GCR increase into effect for consumption prior to the end of the 30 day notice

requirement.¹ Accordingly, the Commission ordered a refund to ratepayers in the form of a bill credit for the increase in the GCR charge from March 1, 2003 to March 31, 2003. The Commission ordered this refund pursuant to Title 39, specifically R.I.G.L. Section 39-3-13.1.² The Commission required NEGas to begin implementation of the bill credit in effect as soon as practicable, and in no event later than billing cycles commencing July 1, 2003.

Accordingly, it is

(17484) ORDERED:

1. New England Gas will institute a bill credit for the increase Gas Cost Recovery charge from March 1, 2003 to March 31, 2003.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON MAY 2, 2003. WRITTEN ORDER ISSUED JUNE 3, 2003.

PUBLIC UTILITIES COMMISSON

Elia Germani, Chairman

Kate F. Racine, Commissioner

*Brenda K. Gaynor, Commissioner

*Commissioner Gaynor concurs but was unavailable for signature.

¹ Providence Gas Co. v. Burke, 475 A.2d 193, 197 (R.I. 1984). It should be noted that pursuant to R.I.G.L. Section 39-2-8 the Commission could have penalized NEGas for violating a statutory provision of Title 39.

² Narragansett Electric Co. v. Burke, 505 A.2d 1147, 1148 (R.I. 1986).