New England Gas Company

March 22, 2006

BY ELECTRONIC MAIL

Mary L. Cottrell, Secretary
Department of Telecommunications & Energy
One South Station
Boston, MA 02110

Re: New England Gas Company, D.T.E. 05-86-F
Compliance Filing

Dear Ms. ~~Cottrell~~ Mary:

Following discussions today with Department of Telecommunications and Energy ("Department") staff, New England Gas Company ("Company") hereby files its amended tariff: M.D.T.E. No. 103A, Residential Assistance Adjustment Clause ("RAAC") to replace the revised tariff originally filed with the Department by letter dated March 15, 2006. This revised tariff complies with the Department's Order in D.T.E. 05-86 and updates the Company's RAAC to include cost recovery net of benefits from implementation of the Company's HEAT Credit Program as approved by the Department in D.T.E. 05-86. The only amendment herein from the version filed on March 15th is that the effective date has been changed from May 1, 2006 to March 1, 2006. All other provisions remain the same as those originally filed.

Please do not hesitate to contact me should you have any questions or concerns regarding this filing. I can be reached at 1-401-574-2212. Thank you for your consideration of this matter.

Sincerely,

Kevin F. Penders

Kevin F. Penders, Esq.
Manager, Regulatory Relations

encl.

cc: Kevin Brannelly, Director, Rates and Revenue
George Yiankos, Director, Gas Division
Elizabeth A. Cellucci, Hearing Officer
Joseph W. Rogers, Assistant Attorney General
Service List by electronic mail

100 Weybosset Street
Providence, RI 02903

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RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

Purpose

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide New England Gas Company ("NEGC" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through the Company's HEAT Credit Program ("HEAT") established pursuant to D.T.E. 05-86, and traditional outreach programs. The RAAC shall be subject to annual reconciliation/true-up based on actual sales and revenue.

Applicability

The RAAC shall be applicable to all Firm Customers. For billing purposes, the RAAC shall be included in the Local Distribution Adjustment Clause.

Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on November 1, 2005, and then on November 1st of each succeeding calendar year, unless otherwise ordered by the Department.

Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

(1) "Distribution Company" or "Company" is New England Gas Company.

(2) "Baseline Period" is the twelve-month period ended June 30, 2005.

(3) "Baseline Revenue" is the amount of low-income discount revenue or HEAT credits in the Baseline Period. The Baseline Revenue shall be computed on a weather-normalized basis as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount or HEAT credit existed and the actual delivery rate revenue collected from customers on low-income tariffs and HEAT credit recipients during the Baseline Period.

(4) "Recoverable Revenue" is the amount of base rate discount revenue in an annual period subsequent to the Baseline Period in excess of the Baseline Revenue. The base rate discount revenue shall be calculated as the difference between the base rate revenue that would have been collected had no low-income discount or HEAT credit existed and actual base rate

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revenue from the low-income discount and HEAT credit recipients. The Recoverable Revenue shall not be less than zero.

Residential Assistance Adjustment Factor Formula

$$RAAF_x = [(RA_{x-1}) - BR + \{Cust_x(DCust\$) + Cust_x(AvgUse)(DUse\$)\} + HEAT]/FUse_x$$

RAAF = The annual Residential Assistance Adjustment Factor.

RA_{x-1} = The Reconciliation Adjustment for $Year_{x-1}$ shall be the difference between the actual amount of revenue recovered in $Year_{x-1}$ and the Recoverable Revenue for $Year_{x-1}$. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.

BR = Baseline Revenue

$Cust_x$ = The estimated number of customers enrolled on the Company's Residential Assistance Rates for $Year_x$.

DCust$ = The difference between the non-discounted and discounted customer charge for the applicable rates.

AvgUse = The estimated average weather-normalized therm or ccf usage per customer for the forecast period determined from the historical therm or ccf usage under the Company's Residential Assistance Rates.

DUse$= The difference between the non-discounted and discounted Therm or Ccf delivery charges for the applicable rates.

HEAT = Those costs related to the administration of HEAT.

FUsex = The estimated total weather-normalized Therm or Ccf sales in the forecast period.

Information Required to be Filed with the Department

Information pertaining to the RAAC shall be filed with the Department at least forty-five (45) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

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