

Notice of Preliminary Investigation into Natural Gas Pipeline Market Practices

The Rhode Island Division of Public Utilities and Carriers (DPUC) has initiated a preliminary investigation into allegations that, during the 2013-14 polar vortex, the market practices of two non-Rhode Island companies, Eversource and Avangrid, may have artificially constrained New England's gas pipeline capacity. Massachusetts and Connecticut regulators have initiated similar reviews. The basis for the investigations comes from a recent study by the Environmental Defense Fund and three university researchers that claim that Eversource and Avangrid, through affiliated natural gas utilities, manipulated the New England gas supply market by failing to use pre-reserved pipeline capacity. The study's authors contend that such artificial constraints caused a significant increase in gas supply costs for New England ratepayers. The DPUC's preliminary investigation will focus on whether probable cause exists to pursue other regulatory and/or legal actions against the two energy companies and to take steps to protect against such harmful practices in the future. Should the DPUC determine that Rhode Island ratepayers were inappropriately impacted by these practices, it will pursue all legal remedies available to compensate ratepayers for their overpayments.