

REDACTED

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

NEW ENGLAND GAS COMPANY
DOCKET NO. 3696

DIRECT TESTIMONY

OF

GARY L. BELAND

September 1, 2005

I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Gary L. Beland. My business address is 100 Weybosset Street, Providence,
3 Rhode Island 02903.

4 **Q. WHAT ARE YOUR POSITION AND RESPONSIBILITIES?**

5 A. I am Director of Gas Supply for New England Gas Company (“NEG” or the
6 “Company”). My responsibilities include all aspects of gas-supply management
7 including purchasing, contracting, planning, system monitoring and control and federal
8 regulatory monitoring and intervention.

9 **Q. WHAT IS YOUR BACKGROUND AND EXPERIENCE?**

10 A. I began my career in the natural gas industry in June 1977 as an analyst in the Rates and
11 Regulatory Affairs Department of Michigan Consolidated Gas (“MichCon”) after
12 receiving a Masters of Business Administration from the State University of New York
13 in Albany. At MichCon, I worked on a variety of projects and studies including pipeline
14 rate filings, state rate cases, demand modeling, gas-supply cost simulations,
15 conservation planning and strategic analyses.

1 In 1983, I was hired by Niagara Mohawk as a Corporate Planner. In that position, I was
2 responsible for strategic analysis and a variety of projects in integrated resource
3 planning, pipeline regulatory monitoring and intervention, both end-use based and
4 econometric electric and gas-demand forecasting, fuel-cost forecasting and modeling
5 and gas market unbundling. In 1987, I joined the newly formed gas business unit as
6 Manager of Gas Supply Planning. While I was at Niagara Mohawk, I was involved in
7 the Forecasting and Planning Sub-Committee of the New York Power Pool and the
8 Planning Committee of the New York Gas Group, serving as Chairman at the time I left
9 to join the Providence Gas Company ("ProvGas") in 1994.

10 I joined ProvGas in 1994 as the Manager of Gas Supply. In 1997, I became Assistant
11 Vice President. After the merger with Southern Union Company, I was named Director
12 of Gas Supply for the New England Division. From 1997 to 1999 I served on the
13 Executive Committee of the Gas Industries Standards Board.

14 I have testified in several dockets before the Federal Energy Regulatory Commission.
15 I have also testified before the New York Public Service Commission on gas and
16 electric market forecasts and a gas-cost incentive mechanism. In Rhode Island, I have
17 testified before this Commission on a number of gas supply issues.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. My testimony provides support for the estimated gas costs, forecasting methodology,
3 assignments of pipeline capacity to marketers and other issues relating to the
4 Company's proposed Gas Cost Recovery ("GCR") factors. My testimony also presents
5 the results of the Gas Procurement and Asset Management Incentive Plan (the "GPIP")
6 and provides information on planned changes to the Company's resource portfolio.

7 **Q. ARE YOU SPONSORING EXHIBITS TO YOUR TESTIMONY?**

8 A. Yes. I am sponsoring the following exhibits:

9	GLB-1	Summary of Projected Gas Costs
10	GLB-2	Gas Cost Details
11	GLB-3	Comparison of Locked Prices and NYMEX Strip
12	GLB-4	Locked Price Gas Supplies
13	GLB-5	Assignment of Pipeline Capacity
14	GLB-6	FT-2 Operational Parameters
15	GLB-7	Default Transportation Service
16	GLB-8	Gas Purchase Incentive Plan Description
17	GLB-9	Gas Purchase Incentive Plan Results for July 1, 2004 to
18		June 30, 2005
19	GLB-10	Asset Management Incentive Results
20	GLB-11	Asset Management Discussion - CONFIDENTIAL
21	GLB-12	LNG System Pressure Report

II. PROJECTED GAS COSTS

22 **Q. WHAT ARE THE COMMODITY PRICES THAT WERE USED TO DEVELOP**
23 **THE PROPOSED GCR FACTORS?**

1 A. In terms of commodity prices, the proposed GCR factors are based on (1) commodity
2 prices locked-in under the GPIP, and (2) the NYMEX strip as of the close of trading on
3 August 25, 2005 for non-locked purchases. The GCR factors also reflect storage and
4 inventory costs as of July 31, 2005, as well as the projected cost of purchasing and
5 injecting gas into storage through October 31, 2005. Schedule GLB-1 provides a
6 summary of gas costs by major cost categories. Schedule GLB-2 shows the details of
7 the calculations including the cost detail and pathing of forward purchases under the
8 GPIP.

9 **Q. HOW IS GAS PURCHASING CONDUCTED UNDER THE GPIP?**

10 A. The primary objective of the GPIP is to lock-in gas prices over a 24-month horizon to
11 stabilize prices and protect customers from the impacts of large price swings that have
12 the potential to occur as a result of short or near-term market events, especially during
13 colder periods. The Company locks in NYMEX (commodity) gas prices by
14 systematically purchasing gas supplies at prevailing futures prices for delivery in future
15 months. Purchases are made in a structured series of monthly increments so that the
16 ultimate cost of gas under the GPIP is the product of a range of gas purchases made over
17 a 24-month time period. Therefore, the effectiveness of the GPIP results primarily from
18 a "dollar cost-averaging approach," which takes a longer-term market vision, and
19 therefore, helps to ensure that gas prices charged to customers are less susceptible to
20 short-term market events having the potential to generate substantial price swings. In

1 addition, the Company has the ability to complete discretionary purchases when market
2 pricing appears favorable.

3 **Q. WHY ARE NATURAL GAS AND OTHER ENERGY PRICES INCREASING?**

4 A. Natural gas and other energy prices are being driven by the tightness in world oil
5 markets, the unusually hot summer, an inability to find and put new gas supplies into
6 production and the exceptional hurricane activity. The tightness in oil supply is the
7 result of continuing increases in demand, particularly in China and India, and the strong
8 demand in the US, even in the face of sharply higher prices.

9 In addition to oil supply issues, this summer is currently on pace to be the hottest in U.S.
10 history. With that, electric demand is increasing and the large number of new gas-fired
11 electricity generation plants are increasing the demand for natural gas. Domestic gas
12 production has dropped over the last couple of years, particularly in the Gulf of Mexico
13 area. The recent hurricane Katrina has caused significant damage to gas and oil
14 infrastructure in the Gulf region. So far, record levels of drilling have produced limited
15 results and new LNG supplies have been slow to develop and have proven insufficient
16 to hold down prices in the face of increasing demand.

1 Q. HAS THE GPIIP HELPED TO MODERATE GAS-PRICE INCREASES FOR
2 RHODE ISLAND CUSTOMERS?

3 A. Yes. The GPIIP has been instrumental in moderating the price increases that customers
4 would otherwise be experiencing for gas service. The effectiveness of the GPIIP is
5 highlighted where gas prices going into the winter season are increasing because, under
6 the GPIIP, a substantial amount of the gas supplies needed to serve customers over the
7 winter season are locked in by the start of the winter season and, because those supplies
8 were purchased over the previous 24-months, the aggregated purchase price may be
9 lower than prevailing market rates at the outset of the winter season. This is the
10 situation that is occurring at this point in time. For example, the Company locked in
11 72% percent of the gas supplies needed to meet forecasted sendout requirements in
12 September 2005 at a cost of \$6.411 per dekatherm under the GPIIP. Based on the
13 NYMEX closing price on August 29, 2005, the Company would have paid \$10.847 per
14 dekatherm for gas supplies purchased for September in the absence of the GPIIP. Thus,
15 in just one month, the GPIIP has provided *actual* savings to customers of approximately
16 \$4.4 million. Over the 2005-06 GCR period savings to customers under the GPIIP
17 would total approximately \$39 million based on the NYMEX closing prices as of
18 August 25, 2005. Therefore, without the GPIIP in place, Rhode Island customers would
19 be bearing the full brunt of gas-price volatility occurring in the market at this point in
20 time.

1 **Q. HAVE THE RECENT CHANGES APPROVED BY THE COMMISSION HAD A**
2 **POSITIVE EFFECT ON THE OPERATION OF THE GPIP?**

3 A. Yes. In 2005, the Commission approved changes to the GPIP that (1) increased the
4 minimum amount of locked-in gas purchases from 50% to 70% of projected winter
5 purchases and (2) extended the purchasing horizon from 18 to 24 months. These
6 changes were very beneficial to customers in light of prevailing market conditions
7 because the Company is entering the 2005-06 winter season with a greater amount of
8 gas supply locked in at prices that are more favorable than current market prices. For
9 example, as of August 31, 2004, the Company had locked in 37% of total gas purchases
10 under the GPIP for the GCR year. As of August 31, 2005, the Company has locked in
11 57% of total gas purchases under the GPIP. At the same time prices for 70% of the
12 supplies needed to meet forecasted winter deliveries were locked in either through the
13 lock in of purchase cost or through purchase and injection into storage. This means that
14 the bulk of the Company's winter supplies are shielded from current price increases
15 occurring in the market. Accordingly, the GPIP has yielded substantial benefits for
16 Rhode Island customers. Without the GPIP, the Company estimates that cost increase
17 in the GCR would be 25 percent at this time, rather than the 13 percent that the
18 Company is proposing at this point in time.

19 **Q. OVERALL, WHAT ARE THE PRICES AND QUANTITIES OF GAS**
20 **PURCHASED UNDER THE PLAN?**

1 A. Schedule GLB-3 shows a comparison of the NYMEX prices used in the filing and the
2 average unit cost of gas purchased under the GPIP. Schedule GLB-4 shows the
3 quantities purchased under the GPIP for each future month, the average unit price of
4 those quantities and the percentage of projected purchases at locked-in prices.

5 **Q. HOW ARE GAS COSTS CALCULATED?**

6 A. As described in prior filings, projected gas costs are calculated using the SENDOUT
7 model to perform dispatch optimization on the entire Rhode Island portfolio of gas
8 supply, pipeline transportation, underground storage and peaking supplies. The model
9 then projects gas costs by first utilizing the supplies locked in price under the GPIP and
10 then dispatching the lowest cost supply available remaining in the portfolio to meet
11 daily requirements. Generally, the pricing of various pipeline services is based directly
12 on the pipeline tariffs. When the Company purchases supply at locations other than
13 Henry Hub, the pricing point for NYMEX contracts, it uses the historical differential to
14 the Henry Hub price to determine the expected difference or "basis." Applying the basis
15 to the NYMEX pricing creates a reasonable estimate of the expected invoice cost of the
16 supply.

17 **Q. HOW DID THE COMPANY CATEGORIZE THE PROJECTED GAS COST**
18 **COMPONENTS?**

1 A. Gas costs are disaggregated into five components: (1) Supply Fixed Costs; (2) Storage
2 Fixed Costs; (3) Supply Variable Costs; (4) Storage Variable Product Costs; and (5)
3 Storage Variable Non-Product Costs.

4 The Supply Fixed Costs include all fixed costs related to the purchase of firm gas,
5 including pipeline demand charges and supplier (fixed) reservation costs.

6 The Storage Fixed Cost includes all fixed costs related to the operation and maintenance
7 of storage including fixed storage demand charges, fixed costs associated with delivery
8 of storage gas to the Company's distribution system and local production and storage
9 costs.

10 The Supply Variable Cost component includes all variable costs of firm gas supplies,
11 including the commodity costs and expenses incurred to transport gas. Commodity
12 costs included in the Supply Variable Cost component reflect the sum of purchases
13 made under the Gas Purchasing Program and projections of gas costs based on the
14 NYMEX prices of wellhead futures contracts as of the close of regular trading on
15 August 25, 2005.

16 The Storage Variable Product Cost component includes all variable costs related to the
17 operation, maintenance and delivery of storage gas, including storage injection and
18 withdrawal costs, delivery of storage gas to the Company's distribution system and the
19 cost of LNG and LPG supplies. A summary of gas costs included in the GCR and

1 disaggregated into these cost components by month for the period November 2005
2 through October 2006 is shown on Schedule GLB-1.

3 Storage Variable Non-Product Cost component includes all variable costs related to the
4 operations, maintenance and delivery of storage, as determined in the most recent rate
5 case proceeding, injection and withdrawal costs, taxes on storage, delivery of storage
6 gas to the Company's Distribution System, and requirements for purchased gas working
7 capital.

8 **Q. PLEASE DESCRIBE SCHEDULE GLB-2 PAGES 1 THROUGH 19.**

1 B. Schedule GLB-2 Pages 1 through 19 shows the supporting detail for gas costs
2 included in the filing for the period November 2005 through October 2006.
3 Pages 1 and 2 show the optimized, forecasted sendout by supply source and the
4 detailed makeup of supply by pipeline source storage contracts and peaking
5 facility. Pages 3 through the first part of 6 show the calculation of the full
6 delivered cost for each pipeline pricing zone based on the 8/25/05 NYMEX
7 strip. The remainder of page 6 through page 10 show the calculation of the full
8 delivered cost of each of the locked supplies. Pages 11 through 16 show the
9 detailed calculation of fixed costs. The cost details of gas withdrawn from
10 underground storage is shown on page 17, LNG on page 18 and propane on page
11 19.

12 **Q. HOW DO YOU CALCULATE THE DELIVERED COST FOR A PARTICULAR**
13 **GAS SUPPLY?**

14 A. On Schedule GLB-2, page 3 the first supply source shown is gas purchased on
15 Tennessee Pipeline in Zone 0, which is all the way down in South Texas. The
16 calculation for November begins with the \$10.242 MYMEX price which is then
17 adjusted for basis by, in this case subtracting \$0.227 from the \$10.242, or \$10.015
18 South Texas trades, on average, 22.7 cents below NYMEX Henry Hub, Louisiana. The
19 price is adjusted to reflect the fuel retainage percentage of the pipeline, 8.71% to bring
20 the price to \$11.1492. That adjustment is made by dividing by the price by one minus

1 the loss factor or .9129. The pipeline usage fee for 16.27 cents is added to cover the
2 cost of transportation on the pipeline.

I. MARKETER CAPACITY ASSIGNMENT

3 **Q. HOW IS PIPELINE CAPACITY ASSIGNED TO MARKETERS?**

4 A. At the time a sales service customer switches to transportation service, the portion of the
5 Company's interstate pipeline transportation capacity under contract to meet the
6 customer's requirements are assigned to the marketer. Pursuant to Item 1.08.0 of the
7 Company's Transportation Terms and Conditions, entitled "Capacity Release," a pro
8 rata share of upstream pipeline capacity is assigned to marketers serving customers who
9 convert to firm transportation service after October 1, 1997. The pro rata share equals
10 the ratio of the customer's average normalized winter day usage to the average
11 normalized winter day usage for the system as a whole. This share is multiplied by the
12 amount of pipeline capacity in the Company's portfolio to determine the amount of
13 capacity to be assigned.

14 The Company's tariff utilizes a path-specific assignment approach that allows marketers
15 to select the path or paths upon which they prefer to acquire capacity. In order to reflect
16 the differing values of various paths, Item 1.08.0 provides:

17 The Company shall assess a surcharge/credit to marketers based on the
18 difference between the charges of the upstream pipeline transportation
19 capacity and the weighted average of the Company's upstream pipeline

1 transportation capacity charges as calculated by the Company. To the
2 extent that the charges of such released pipeline capacity are greater than
3 the weighted average charges, the marketer shall receive credit for such
4 difference in charges based on the total quantity of capacity released by the
5 Company to the Marketer.

6 The weighted average charge and the surcharge/credit charges applicable to individual
7 pipeline paths selected by the marketer are updated at Schedule GLB-5 of this filing.

8 **Q. WHAT AMOUNT OF PIPELINE CAPACITY WILL BE ASSIGNED TO**
9 **MARKETERS?**

10 A. The amount of capacity assigned to marketers is a direct function of the amount of
11 capacity in the Company's resource portfolio. The supply portfolio allows for a pipeline
12 assignment equal to 109% of each customer's normal average winter day's usage of the
13 updated pipeline assignment factor and will commence on November 1, 2005.

14 **Q. WHAT TRANSPORTATION PATHS WILL BE AVAILABLE FOR**
15 **ASSIGNMENT TO MARKETERS?**

16 A. Schedule GLB-5, page 1 shows the paths and corresponding quantities available for
17 assignment to marketers. In total, the Company has made available 23,200 Dth per day
18 of capacity on six different pipeline paths, which is unchanged from last year. The
19 capacity provides marketers with the flexibility to select paths that best fit their
20 individual resource portfolios and requirements. In the event an individual path is over-
21 subscribed, the Company will assign capacity on a pro rata basis.

1 **Q. PLEASE EXPLAIN THE SURCHARGE/CREDIT CALCULATION FOR EACH**
2 **ASSIGNED PIPELINE PATH?**

3 A. The first step in calculating the adjustment charge for each path is calculating the
4 system-average cost. The derivation of the weighted-average pipeline path cost of
5 \$1.308 per Dth is shown on Page 10 of Schedule GLB-5. This cost is equal to the sum
6 of the 100% load factor fixed-cost unit value and the system-average unit variable cost.
7 The fixed costs are similar to reservation charges, which reserve space on the pipeline
8 and ensure that there is a path available to transport gas to the Rhode Island area. The
9 100% load factor unit value is \$0.537 per Dth. The variable costs include the pipeline
10 compressor fuel loss and the commodity charges on the pipelines. The compressor fuel
11 loss is the amount of gas retained by the pipeline to provide fuel to operate its
12 compressors. The system-average pipeline unit variable cost is \$0.771 per Dth. Thus,
13 the sum of the \$0.537 (100% load factor) unit fixed cost and \$0.771 system-average
14 pipeline unit variable cost results in the \$1.308 per Dth weighted average pipeline cost.

15 **Q. HOW ARE THE DELIVERED COSTS FOR EACH PATH DEVELOPED?**

16 A. The calculations to develop the delivered cost for each path are similar to those
17 described for the system average. For illustration, the calculation for the first path
18 (Tennessee Zone 1, shown on Schedule GLB-5, at page 6) would be comprised of a
19 single contract originating in Zone 1 and terminating in Zone 6. Total fixed costs of
20 \$1,090,800 and total variable costs of \$22,964,950 are shown near the bottom, right of

1 page 6 of GLB-5. Commodity gas costs of \$21,130,404, priced at the August 25, 2005
2 NYMEX used in this filing, are subtracted from the variable costs to arrive at non-gas
3 variable costs, which includes pipeline charges and any basis differential associated with
4 the path. The cost of the path equals the sum of the fixed unit cost of \$0.498 per Dth at
5 100% load factor plus the non-gas variable unit cost of \$0.838 per Dth, or \$1.336 per
6 Dth. The unit cost of \$1.336 per Dth represents the direct costs incurred by the
7 marketer, which are paid to the transporter or other provider. Since these costs are
8 \$0.028 per Dth more than the system-average, marketers electing this path would be
9 credited \$0.028 per Dth per day each month on their bill from the Company. A
10 summary of the individual path costs and associated credits or surcharges, for which
11 approval is sought, is shown on Page 1 of Schedule GLB-5.

II. MISCELLANEOUS ISSUES

12 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE OPERATIONAL**
13 **PARAMETERS ASSOCIATED WITH STORAGE AND PEAKING**
14 **RESOURCES ASSIGNED TO MARKETERS?**

15 A. No. There have been only minor changes to the underlying underground storage and
16 peaking contracts that provide the Company's storage and peaking resources.
17 Accordingly, the operational parameters that govern a marketer's use of resources

1 assigned under the FT-2 service are the same as were in effect last year. Schedule GLB-
2 6 details those parameters.

3 **Q. ARE THERE ANY CHANGES TO THE DEFAULT TRANSPORTATION**
4 **SERVICE?**

5 A. No. The Company will continue to provide default service for capacity-exempt
6 transportation customers based on the pricing sheet shown in Schedule GLB-7.

7 **Q. HAVE THERE BEEN ANY CHANGES TO THE COMPANY'S PIPELINE**
8 **CAPACITY OR LONG-TERM SUPPLY CONTRACTS?**

9 A. Yes, the Company has both renewed and expanded its Firm Combination Service
10 contract with Distrigas of Massachusetts ("Distrigas") for a five-year term beginning
11 November 1, 2005. In addition, the Company has procured 11,500 Dth per day of
12 transportation capacity on the Tennessee Gas Pipeline from the Gulf of Mexico with an
13 in-service date of November 1, 2007. Also, the Company has terminated a 778 Dth per
14 day transportation contract on the Texas Gas Transmission Pipeline effective October
15 31, 2005. The Texas Gas Transmission contract was the first segment of a four pipeline
16 path that, in total, was a relatively expensive path as compared to the new Tennessee
17 capacity that the Company will add in November 2007.

18 **Q. PLEASE EXPLAIN THE FIRM COMBINATION SERVICE CONTRACT**
19 **WITH DISTRIGAS AND HOW IT IS CHANGING.**

1 A. The existing Dstrigas Firm Combination Service (FCS) contract is a 10-year contract
2 for 5,300 Dth per day and 800,300 Dth per year of supply delivered to the Company's
3 city gate. The contract will expire October 31, 2005. In addition to providing city gate
4 supply, the contract also provides liquid refills of the LNG tank, particularly during the
5 winter. The contract was originally executed by Valley Resources, and therefore, liquid
6 deliveries were limited by contract to the Cumberland LNG tank. Commodity pricing
7 under the contract was based on the average price for the 12 months ended October 31
8 for supply on Tennessee Pipeline in Zone 1, which is a price generally slightly below the
9 price available at the pricing point for NYMEX trading (Henry Hub).

10 The new FCS contract is a five-year contract for 10,000 Dth per day and 1,510,000 Dth
11 per year. The contract also provides for liquid refills of *any* of the Company's LNG
12 facility. Commodity pricing is based on NYMEX and may be locked-in at any time.

13 The fixed charge under the existing contract is \$XXXX per Dth and \$XXXX per Dth
14 under the new contract. The new contract allows for 11 trucks per day of LNG winter
15 restock with the opportunity to take any unused portion of the contract to fill the LNG
16 tanks in the summer. This year, the summer LNG price was NYMEX plus \$2.75, which
17 means that LNG under the new FCS contract would have been \$XXXX less expensive.

18 The new FCS contract will provide the Company with access to supply at the New
19 England Gas citygate on the Tennessee pipeline in Lincoln, RI, which will replace a
20 portion of the peaking supply that the Company lost when Pawtucket Power ceased

1 running as a baseload plant. More importantly, the new FCS contract will provide
2 significant additional LNG liquid supply to restock the Company's LNG tanks enabling
3 the Company to make more use of LNG to offset higher daily prices, which is a
4 situation that is occurring with greater frequency than in the past.

5 **Q. WHY IS THE COMPANY ENTERING INTO A NEW CONTACT FOR**
6 **CAPACITY ON TENNESSEE PIPELINE?**

7 A. In addition to the new FCS contract, the Company identified a need to add either long-
8 haul capacity from the Gulf or underground storage capacity with associated short-haul
9 capacity from the Gulf. The Company identified that either of these resources would
10 satisfy a growing need for flexibility in meeting daily load requirements during severe
11 cold periods without incurring the high cost of daily supplies, which tend to be priced at
12 a premium on the coldest days. Although the Company participated in an open season
13 on the Tennessee pipeline, the Company was unable to secure the combination of
14 underground storage and short-haul capacity at a reasonable price. However, as part of
15 the open-season process, the Company was awarded long-haul capacity to deliver
16 supplies from the Gulf of Mexico to the Company's citygates.

17 The Company was able to procure the long-haul capacity at a negotiated price that is
18 lower than a number of the Company's other transportation paths and will be useful in
19 transporting supplies to avoid higher prices available in this region. In conjunction with
20 the new Distrigas FCS contract described above, the Company will be in a stronger

1 position to reduce the amount of purchases at relatively higher daily prices and will have
2 enhanced opportunities to lock-in purchases. The two contracts will also enable the
3 Company to meet future growth requirements on a reliable basis.

4 **Q. PLEASE DESCRIBE THE INCENTIVE PORTION OF THE GAS**
5 **PROCUREMENT AND ASSET MANAGEMENT INCENTIVE PLAN?**

6 A. The GPIIP has two components: the gas procurement incentive that encourages the
7 Company to purchase supply in a way designed to both stabilize prices and reduce
8 commodity costs, and the asset management incentive that rewards the Company for
9 achieving savings in fixed costs. A full description of the GPIIP is provided in Schedule
10 GLB-8.

11 The gas procurement portion of the GPIIP is based on the Company's gas-purchasing
12 program under which the Company locks in the pricing of commodity purchases over a
13 24-month horizon. In all months except April and October, 70% of all projected
14 purchases are required to be made ratably over the period beginning 24 months prior to
15 the start of each month and ending four months before the month begins. These
16 mandatory purchases form the benchmark for the incentive calculation. For each
17 month, the average unit cost of the mandatory purchases is compared to the average unit
18 cost of discretionary purchases to determine the savings or loss per dekatherm resulting
19 from the discretionary purchases. This difference, multiplied by the discretionary
20 volumes, determines the total savings or cost. To determine the incentive or penalty for

1 the month, this total is multiplied by 10%, unless the unit cost savings is greater than 50
2 cents per dekatherm, in which case the incentive is 20%.

3 The asset-management incentive is based on the total fixed portfolio costs during the
4 year reduced by any revenue received for capacity release, asset management fees, or
5 off-system sales margins. The asset-management incentive excludes capacity releases
6 associated with the Company's capacity assignment program.

7 The incentive is based on the positive difference between the net fixed costs (costs less
8 any revenue credits) included and approved in the Company's annual September 1st
9 GCR filing and actual net fixed costs. The incentive to the Company is 20% of the
10 savings if actual gas procurement costs for the supply year are below the cost projected
11 in the September 1 GCR filing and 10% if procurement costs are above the projected
12 costs.

13 **Q. WHAT IS THE RESULT OF THE GAS PROCUREMENT INCENTIVE FOR**
14 **THE PAST YEAR?**

15 A. Schedule GLB-9 shows the results for the period July 1, 2004 to June 30, 2005 by
16 month. As shown, the Company purchased discretionary supply of 2,512,229 Dth
17 during the period resulting in a net penalty of \$148,485.59.

18 The calculation of the savings and incentive is shown for each month. For example, in
19 October the average purchase cost per Dth for mandatory purchases was \$5.378 and

1 discretionary purchases averaged \$5.084, which equates to a savings of \$0.294 per Dth
2 on discretionary purchases of 553,722 Dth, resulting in a savings for the month of
3 \$162,654.24.

4 **Q. WHAT CAUSED THE GAS PROCUREMENT INCENTIVE TO RESULT IN A**
5 **NET PENALTY TO THE COMPANY?**

6 A. For the 2004/2005 winter, the Company was required under the program to have 75% of
7 projected sendout fixed in price through locked purchases or injection into storage. In
8 order to meet that target, the Company had to make purchases following Hurricane Ivan.
9 Prior to the hurricane unusually high storage balances and mild weather had caused
10 prices to fall and created the possibility that lower prices could follow. Unfortunately,
11 Hurricane Ivan did more damage to gas production and pipelines in the Gulf of Mexico
12 than any hurricane in the past. The extensive damage caused gas prices to increase
13 sharply forcing the Company to make the required purchases at prices far above the
14 average of the mandatory purchases.

15 **Q. WHAT IS THE RESULT OF THE ASSET MANAGEMENT INCENTIVE?**

16 A. The asset management incentive results for the period November 1, 2004 to June 30,
17 2005 are shown on Schedule GLB-10. The measurement period of the incentive was
18 shifted from November through October to July through June by Commission Order
19 issued in October 2004. The overall results for the 8-month period November 2004 to

1 June 2005 was a reduction in fixed costs of \$212,849, resulting in an asset management
2 incentive of \$21,285. The reduction in fixed costs originates from lower payments for
3 pipeline capacity beginning in April 2005 as a result of a negotiated rate discount from
4 \$6.5854 to \$5.9771 per month for 116,980 Dth per day of Algonquin capacity.

5 **Q. WHAT IS INCLUDED IN THE CALCULATION OF THE FIXED COSTS IN**
6 **THIS FILING THAT WILL CONSTITUTE THE FUTURE ASSET**
7 **MANAGEMENT BENCHMARK?**

8 **A.** The majority of fixed costs are associated with long term contracts for pipeline
9 transportation storage and supplier fees that are either approved by the Federal Energy
10 Regulatory Commission or explicitly defined by long term contracts. All known
11 changes to those costs have been included in this filing. Also included is an estimate of
12 the asset management fee. The estimate is simply the level of the fee actually received
13 in each of the last two years. The Company is conducting an RFP for asset management
14 service, the results of which will not be known until late September.

15 Contract changes such as the re-contracting and expansion of the FCS contract and the
16 termination of the Texas Gas contract are incorporated in this filing. The fixed costs of
17 the FCS are greater than the previous contract; however, the Company anticipates that
18 these costs will be largely offset by lower commodity costs under the contract for three
19 reasons. One, the contract pricing is the simple NYMEX price, which is a price that is
20 generally well below the delivered cost to New England. Second, the LNG liquid

1 purchased under the contract will be less expensive than spot prices and more valuable
2 because it will be available mid-winter. Third, the contract will reduce the Company's
3 exposure to the high daily prices seen in the last two winters. Of course, the value of
4 this feature will depend on actual weather patterns and market pricing both of which are
5 unknowable in advance. However, recent experience indicates that the savings could be
6 substantial in a severe winter.

7 **Q. HAS THE COMPANY ASSESSED THE CHANGES TO ITS USE OF LNG FOR**
8 **PRESSURE SUPPORT AS THE COMMISSION ORDERED IN DOCKET NO.**
9 **3458?**

10 A. Yes, The Company filed a report to the Commission which is attached as Schedule
11 GLB-12. Essentially, the Company will exclude LNG used on an economic dispatch
12 basis from the calculation of the pressure support costs. Excluding these costs and
13 applying the factor to the remainder will allow the 20.39% to continue to be used as the
14 cost allocation factor for pressure support costs.

15 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

16 A. Yes, it does.

SUMMARY OF ESTIMATED GAS COSTS FOR 2006 CCR and Budget

Variable Costs	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	TOTAL
Total Pipeline Supply Costs	\$24,902,233	\$34,289,042	\$38,396,323	\$33,519,999	\$35,344,828	\$16,847,097	\$12,208,078	\$7,463,965	\$6,818,020	\$6,929,967	\$7,692,443	\$15,053,146	\$239,465,140
Total Storage Product Costs	\$0	\$4,567,846	\$9,088,050	\$7,203,928	\$2,251,188	\$641,912	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Storage Delivery Costs	\$0	\$281,583	\$560,230	\$444,084	\$133,545	\$101,720	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LNG and Propane Costs	\$129,650	\$440,304	\$2,702,099	\$909,417	\$391,207	\$197,242	\$204,656	\$198,814	\$205,733	\$206,132	\$200,090	\$207,076	\$1,521,162
Total All Variable Gas Costs	\$25,031,883	\$39,578,776	\$50,746,701	\$42,077,428	\$38,120,766	\$17,787,971	\$12,412,734	\$7,662,779	\$7,023,753	\$7,136,098	\$7,892,534	\$15,260,222	\$270,731,646
Fixed Costs													
TOTAL PIPELINE DEMANDS	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$28,242,018
TOTAL SUPPLIER DEMANDS	\$367,428	\$368,924	\$368,924	\$366,149	\$368,924	\$367,799	\$368,924	\$367,799	\$368,924	\$368,924	\$367,799	\$368,924	\$4,419,445
TOTAL STORAGE FACILITIES	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$4,632,256
TOTAL STORAGE DELIVERY	\$512,141	\$498,957	\$497,283	\$494,994	\$492,016	\$440,739	\$434,636	\$480,636	\$480,636	\$443,836	\$434,636	\$434,636	\$5,645,146
Total All Fixed Costs	\$3,619,092	\$3,607,404	\$3,605,730	\$3,600,667	\$3,600,463	\$3,548,061	\$3,543,083	\$3,587,958	\$3,589,083	\$3,552,283	\$3,541,958	\$3,543,083	\$42,938,867
Capacity Release Credits	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$5,205,384
Net Fixed Costs	\$3,185,310	\$3,173,622	\$3,171,948	\$3,166,885	\$3,166,681	\$3,114,279	\$3,109,301	\$3,154,176	\$3,155,301	\$3,118,501	\$3,108,176	\$3,109,301	\$37,733,482
Total All Gas Costs	\$28,217,193	\$42,752,398	\$53,918,649	\$45,244,312	\$41,287,450	\$20,902,250	\$15,522,035	\$10,816,955	\$10,179,054	\$10,254,600	\$11,000,710	\$18,369,523	\$308,465,129

Natural Gas Supply VS. Requirements		Units: MDT											
	NOV 2005	DEC 2005	JAN 2006	FEB 2006	MAR 2006	APR 2006	MAY 2006	JUN 2006	JUL 2006	AUG 2006	SEP 2006	OCT 2006	GCR Total
Forecast Demand	2,922,056	4,403,871	5,547,155	4,513,745	3,910,922	2,072,759	1,419,454	858,205	772,088	772,088	852,266	1,651,080	29,695,688
RI FIRM NORM	2,922,056	4,403,871	5,547,155	4,513,745	3,910,922	2,072,759	1,419,454	858,205	772,088	772,088	852,266	1,651,080	29,695,688
Total Demand													
Storage Injections													
TENN_8995	0	0	0	0	0	20,432	20,432	20,432	20,432	20,432	20,432	20,432	143,024
TENN_501	0	0	0	0	0	72,168	72,168	72,168	72,168	72,168	72,168	72,168	505,176
GSS 600045	0	0	0	0	0	123,968	123,968	123,968	123,968	123,968	123,968	123,968	867,776
GSS 300171	0	0	0	0	0	23,682	23,682	23,682	23,682	23,682	23,682	23,682	165,774
GSS 300169	0	0	0	0	0	22,972	22,972	22,972	22,972	22,972	22,972	22,972	160,804
GSS 300168	0	0	0	0	0	16,870	16,870	16,870	16,870	16,870	16,870	16,870	118,090
GSS 300170	0	0	0	0	0	54,519	54,519	54,519	54,519	54,519	54,519	54,519	381,633
TETCO_400221	0	0	0	0	0	129,139	129,139	129,139	129,139	129,139	129,139	129,139	903,973
TETCO_400515	0	0	0	0	0	6,021	6,021	6,021	6,021	6,021	6,021	6,021	42,147
TETCO_400185	0	0	0	0	0	5,934	5,934	5,934	5,934	5,934	5,934	5,934	41,538
COL FS 38010	0	0	0	0	0	26,992	26,992	26,992	26,992	26,992	26,992	26,992	188,944
LNG EXETER	0	7,630	0	0	0	0	23,126	23,388	5,400	13,207	30,090	15,610	118,451
LNG PROV	15,000	18,056	23,904	66,755	52,583	45,588	78,453	16,332	45,276	57,161	10,050	48,300	477,458
LNG VALLEY	3,051	2,790	9,667	29,667	2,790	0	0	0	0	9,445	9,437	9,790	76,637
VGC PROPANE	0	0	0	0	0	0	0	0	0	0	0	0	0
Total non-peaking Injection	0	0	0	0	0	502,697	502,697	502,697	502,697	502,697	502,697	502,697	3,518,879
Total Peaking Injection	18,051	28,476	33,571	96,422	55,373	45,588	101,579	39,720	50,676	79,813	49,577	73,700	672,546

Delivered Firm Sales Supply

Sources of Supply	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	GCR Total
TENN_ZONE_0	282,716	292,392	292,392	264,096	292,392	282,960	292,392	282,960	292,392	292,392	282,960	292,392	3,442,436
TENN_ZONE_1	491,678	585,342	566,460	528,696	585,342	141,615	146,336	141,615	146,336	146,336	146,336	146,336	3,767,707
TENN_DRACUT	29,733	182,659	209,968	153,869	103,635	72,691	223,737	155,817	47,772	33,343	116,682	0	1,329,806
TETCO_STX	244,887	283,774	283,774	252,080	283,774	27,280	24,588	73,214	2,505	2,506	4,938	283,774	1,767,094
TETCO_ELA	235,262	293,806	293,806	214,379	288,278	225,000	232,500	75,592	116,577	68,744	116,008	134,348	2,294,300
TETCO_WLA	115,437	283,288	311,707	281,542	311,707	120,586	0	0	0	0	0	0	1,424,267
TETCO_ETX	296,580	306,466	306,466	276,808	306,466	158,700	55,225	0	47,231	58,028	0	191,115	2,003,085
TETCO_NF	0	0	892	0	0	0	0	0	0	0	0	0	892
HUBLINE	29,733	61,448	223,155	85,502	65,766	236,940	244,838	27,370	15,010	62,241	88,430	0	1,140,433
M3 DELIVERED	0	0	47,464	157,808	0	0	0	0	0	0	0	0	205,272
MAUMEE_SUPP	720,815	908,941	811,760	832,494	920,929	631,251	116,509	20,997	20,937	13,170	12,597	304,914	5,315,314
BROADRUN_COL	174,053	179,855	179,855	27,075	79,967	0	0	0	0	12,000	8,386	214,873	876,074
COLUMBIA_AGT	0	0	7,377	0	0	0	0	0	0	0	0	0	7,377
TRANSCO WHARTON	0	0	10,354	0	0	0	0	0	0	0	0	0	10,354
TETCO B&W	0	0	2,969	0	0	0	0	0	0	0	0	0	2,969
DOMINION B&W	0	0	1,253	0	0	0	0	0	0	0	0	0	1,253
ANE	30,000	31,000	31,000	28,000	31,000	30,000	31,000	30,000	31,000	31,000	30,000	31,000	365,000
NEWPORT_LNG	29,625	30,613	30,613	27,650	30,613	29,940	30,938	29,940	30,938	30,938	29,940	30,938	362,686
PROP_REFILL	0	620	2,575	560	520	0	0	0	0	0	0	0	4,275
DIST FCS VAP	226,080	236,096	276,429	213,248	236,096	0	0	0	0	0	0	0	1,187,949
DIST FCS LIQ	0	28,476	33,571	66,755	40,626	0	73,904	39,720	5,400	13,207	0	0	301,659
DISTRIFLS	18,051	0	0	29,667	14,747	45,588	27,675	0	45,276	66,606	49,577	73,700	370,887
Non LNG Liquid take	2,906,599	3,675,680	3,887,694	3,343,247	3,535,865	1,956,963	1,398,064	837,505	750,698	750,698	831,566	1,629,690	25,504,269
LNG Liquid take	18,051	29,096	36,146	96,962	55,893	45,588	101,579	39,720	50,676	79,813	49,577	73,700	0
Storage Withdrawals													
TENN_8995	0	5,889	86,046	37,859	13,229	0	0	0	0	0	0	0	143,023
TENN_501	0	112,858	139,560	130,256	99,506	22,998	0	0	0	0	0	0	505,178
GSS 600045	0	129,073	387,074	241,752	83,887	25,990	0	0	0	0	0	0	867,776
GSS 300171	0	53,998	52,886	45,889	12,998	0	0	0	0	0	0	0	165,771
GSS 300169	0	26,838	61,830	57,708	14,427	0	0	0	0	0	0	0	160,803
GSS 300168	0	26,732	42,030	39,228	10,100	0	0	0	0	0	0	0	118,090
GSS 300170	0	36,095	163,440	152,544	29,554	0	0	0	0	0	0	0	381,633
TETCO_400221	0	237,607	308,889	297,009	30,801	29,665	0	0	0	0	0	0	903,971
TETCO_400515	0	11,328	14,726	14,160	1,933	0	0	0	0	0	0	0	42,147
TETCO_400185	0	10,398	13,517	12,998	4,622	0	0	0	0	0	0	0	41,535
COL FS 38010	0	25,887	76,350	37,822	32,445	16,443	0	0	0	0	0	0	188,947
LNG EXETER	3,000	9,345	58,445	23,161	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	118,451
LNG PROV	8,460	38,554	230,445	57,334	35,665	15,000	15,500	15,000	15,500	15,000	15,000	15,500	477,458
LNG VALLEY	3,997	3,569	24,223	22,778	2,790	2,700	2,790	2,700	2,790	2,790	2,700	2,790	76,637
PROPANE	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Withdrawal	15,457	728,191	1,659,461	1,170,498	375,057	115,796	21,390	20,700	21,390	21,390	20,700	21,390	4,191,420
Total Storage withdrawal	0	676,703	1,346,348	1,067,225	333,502	95,096	0	0	0	0	0	0	3,518,874
Total Peaking withdrawal	15,457	51,488	313,113	103,273	41,555	20,700	21,390	20,700	21,390	21,390	20,700	21,390	672,546
Total Supply	2,922,056	4,403,871	5,547,155	4,513,745	3,910,922	2,072,759	1,419,454	858,205	772,088	772,088	852,266	1,651,080	29,695,689

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	Total
NYMEX strip (8/25/05)	\$10.242	\$10.642	\$10.922	\$10.902	\$10.677	\$9.077	\$8.827	\$8.857	\$8.900	\$8.940	\$8.920	\$8.950	
TENNESSEE ZN 0													
Basis	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.086)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)
usage	\$0.1627	\$0.1627	\$0.1627	\$0.1522	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627
fuel	8.71%	8.71%	8.71%	7.82%	8.71%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%
Total Delivered	\$11.1492	\$11.5874	\$11.8941	\$11.8722	\$11.6257	\$9.7355	\$9.4655	\$9.4979	\$9.5443	\$9.5875	\$9.5659	\$9.5983	\$9.5983
TENNESSEE ZN 1													
Basis	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)
usage to Zn 6	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522
fuel to Zn 6	7.82%	7.82%	7.82%	7.82%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Total Delivered	\$11.1824	\$11.6163	\$11.9201	\$11.8984	\$11.6543	\$9.7963	\$9.5285	\$9.5606	\$9.6067	\$9.6495	\$9.6281	\$9.6603	\$9.6603
TENNESSEE DRACUT													
Basis (Historical)	\$1.483	\$1.483	\$1.483	\$1.483	\$1.483	\$0.475	\$0.475	\$0.475	\$0.475	\$0.475	\$0.475	\$0.475	\$0.475
Basis (5 month)	\$2.120	\$2.120	\$2.120	\$2.120	\$2.120	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Basis (3 month)	\$0.000	\$3.050	\$3.050	\$3.050	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Basis (1 month)	\$0.000	\$0.000	\$4.300	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
usage	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661
fuel	0.89%	0.89%	0.89%	0.89%	0.89%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
Total Delivered (Historical)	\$11.8966	\$12.3002	\$12.5827	\$12.5625	\$12.3355	\$9.7008	\$9.4487	\$9.4790	\$9.5223	\$9.5627	\$9.5425	\$9.5728	\$9.5728
Total Delivered (5 Month)	\$9.1370	\$9.9340	\$10.1880	\$9.9430	\$10.0390	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Total Delivered (3 Month)	\$0.0000	\$13.8816	\$14.1642	\$14.1440	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Total Delivered (1 Month)	\$0.0000	\$0.0000	\$15.4254	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Delivered Locked	7.5710	8.1735	8.4228	8.5375	8.2928	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
TETCO STX													
Basis	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)
Usage to M3	\$0.0855	\$0.0855	\$0.0855	\$0.0855	\$0.0855	\$0.0855	\$0.0855	\$0.0855	\$0.0855	\$0.0855	\$0.0855	\$0.0855	\$0.0855
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	8.87%	11.18%	11.18%	11.18%	11.18%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%
Fuel on AGT	0.63%	1.27%	1.27%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.1382	\$11.9704	\$12.2902	\$12.2674	\$12.0104	\$9.8509	\$9.5747	\$9.6078	\$9.6554	\$9.6996	\$9.6775	\$9.7106	\$9.7106
TETCO WLA													
Basis	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)
Usage to M3	\$0.0806	\$0.0806	\$0.0806	\$0.0806	\$0.0806	\$0.0806	\$0.0806	\$0.0806	\$0.0806	\$0.0806	\$0.0806	\$0.0806	\$0.0806
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	8.20%	10.22%	10.22%	10.22%	10.22%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%
Fuel on AGT	0.63%	1.27%	1.27%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.2603	\$12.0507	\$12.3670	\$12.3444	\$12.0902	\$9.9625	\$9.7083	\$9.7412	\$9.7883	\$9.8322	\$9.8103	\$9.8432	\$9.8432

TETCO ELA

Basis	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)
Usage to M3	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	7.91%	9.79%	9.79%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.2410	\$12.0093	\$12.3241	\$12.3016	\$12.0486	\$9.9673	\$9.6939	\$9.7267	\$9.7737	\$9.8175	\$9.7956	\$9.8284	\$9.8284

TETCO ETX

Basis	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)
Usage to M3	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784	\$0.0784
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	7.91%	9.79%	9.79%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.0881	\$11.8520	\$12.1668	\$12.1444	\$11.8914	\$9.8143	\$9.5410	\$9.5738	\$9.6208	\$9.6645	\$9.6427	\$9.6755	\$9.6755

TETCO TO NF

Basis	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)
Usage to M2	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112
Usage on NF	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088
Usage on Transco	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M2	4.16%	5.19%	5.19%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%
Fuel on NF	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Fuel on Transco	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.3929	\$12.0434	\$12.3519	\$12.3299	\$12.0819	\$10.1322	\$9.8617	\$9.8941	\$9.9407	\$9.9639	\$9.9623	\$9.9948	\$9.9948

M3 DELIVERED

Basis	\$1.316	\$1.316	\$1.316	\$1.316	\$1.316	\$1.316	\$1.316	\$1.316	\$1.316	\$1.316	\$1.316	\$1.316	\$1.316
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.6446	\$12.1252	\$12.4088	\$12.3886	\$12.1607	\$9.6466	\$9.3950	\$9.4252	\$9.4685	\$9.5087	\$9.4886	\$9.5188	\$9.5188

MAUMEE SUPPLY

Basis	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260
Usage on Columbia	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$10.8824	\$11.3708	\$11.6620	\$11.6412	\$11.4072	\$9.6790	\$9.4207	\$9.4517	\$9.4961	\$9.5374	\$9.5168	\$9.5478	\$9.5478

BROADRUN COLUMBIA

Basis	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26
Usage on Columbia	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$10.8824	\$11.3708	\$11.6620	\$11.6412	\$11.4072	\$9.6790	\$9.4207	\$9.4517	\$9.4961	\$9.5374	\$9.5168	\$9.5478	\$9.5478

COLUMBIA TO AGT

Basis	\$1,316	\$1,316	\$0,496	\$0,496	\$0,496	\$0,496
Usage on Columbia	\$0,0199	\$0,0199	\$0,0199	\$0,0199	\$0,0199	\$0,0199
Usage on AGT	\$0,0131	\$0,0131	\$0,0131	\$0,0131	\$0,0131	\$0,0131
Fuel on Columbia	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%
Fuel on AGT	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11,9737	\$12,4693	\$9,9227	\$9,6845	\$9,7399	\$9,7916

DOMINION TO B & W

Basis	(\$0,052)	(\$0,052)	(\$0,052)	(\$0,052)	(\$0,052)	(\$0,052)
Usage on Dominion	\$0,0233	\$0,0233	\$0,0233	\$0,0233	\$0,0233	\$0,0233
Usage to M2	\$0,3112	\$0,3112	\$0,3112	\$0,3112	\$0,3112	\$0,3112
Usage on Telco	\$0,0019	\$0,0019	\$0,0019	\$0,0019	\$0,0019	\$0,0019
Usage on AGT	\$0,2176	\$0,2176	\$0,2176	\$0,2176	\$0,2176	\$0,2176
Fuel to M2	4.16%	5.19%	4.16%	4.16%	4.16%	4.16%
Fuel on Dominion	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
Fuel on Telco	1.29%	1.76%	1.29%	1.29%	1.29%	1.29%
Fuel on AGT	0.63%	1.27%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11,8230	\$12,8745	\$10,5409	\$10,2988	\$10,3462	\$10,3682

TRANSCO AT WHARTON

Basis	\$0,5041	\$0,5041	\$0,2390	\$0,2390	\$0,2390	\$0,2390
Usage on Transco	\$0,0055	\$0,0055	\$0,0055	\$0,0055	\$0,0055	\$0,0055
Usage on AGT	\$0,0131	\$0,0131	\$0,0131	\$0,0131	\$0,0131	\$0,0131
Fuel on Transco	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
Fuel on AGT	0.63%	1.27%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$10,745	\$11,418	\$9,315	\$9,095	\$9,158	\$9,188

ANE TO TENNESSEE

Basis	(\$0,971)	(\$0,971)	(\$0,706)	(\$0,706)	(\$0,706)	(\$0,706)
Iroquois usage	\$0,006	\$0,006	\$0,006	\$0,006	\$0,006	\$0,006
NETNE usage	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002
Fuel on Iroquois	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Fuel on NETNE	2.09%	2.09%	1.86%	1.86%	1.86%	1.86%
Total Delivered	\$9,5739	\$10,2756	\$8,6247	\$8,3982	\$8,4425	\$8,4939

NIAGARA TO TENNESSEE

Basis	\$0,504	\$0,504	\$0,239	\$0,239	\$0,239	\$0,239
Tenn usage	\$0,085	\$0,085	\$0,085	\$0,085	\$0,085	\$0,085
Tenn Fuel	2.09%	2.09%	1.86%	1.86%	1.86%	1.86%
Total Delivered	\$11,0626	\$11,7571	\$9,5795	\$9,3554	\$9,4196	\$9,4501

Tetco to B&W

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Basis	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)	(\$0.052)
usage	\$0.414	\$0.414	\$0.414	\$0.414	\$0.414	\$0.414	\$0.414	\$0.414	\$0.414	\$0.414	\$0.414	\$0.414
Usage to Zn2	\$0.311	\$0.311	\$0.311	\$0.311	\$0.311	\$0.311	\$0.311	\$0.311	\$0.311	\$0.311	\$0.311	\$0.311
usage on AGT	\$0.2176	\$0.2176	\$0.2176	\$0.2176	\$0.2176	\$0.2176	\$0.2176	\$0.2176	\$0.2176	\$0.2176	\$0.2176	\$0.2176
fuel to Zn 3	7.91%	9.79%	9.79%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%
Fuel on AGT	0.63%	1.27%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
fuel to Zn2	4.16%	5.19%	5.19%	5.19%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%
Total Delivered	\$11.6312	\$12.6162	\$12.9310	\$12.9085	\$12.6556	\$10.5575	\$10.2841	\$10.3169	\$10.3639	\$10.4077	\$10.3858	\$10.4186

DISTRIGAS FCS

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Total Delivered	\$10.242	\$10.642	\$10.922	\$10.902	\$10.677	\$9.077	\$8.827	\$8.857	\$8.900	\$8.940	\$8.920	\$8.950
Hubline												
Basis (Historical)	\$1.4826	\$1.4826	\$1.4826	\$1.4826	\$1.4826	\$0.4753	\$0.4753	\$0.4753	\$0.4753	\$0.4753	\$0.4753	\$0.4753
Basis (5 month)	\$2.2000	\$2.2000	\$2.2000	\$2.2000	\$2.2000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Basis (3 month)	\$0.0000	\$3.1000	\$3.1000	\$3.1000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
usage	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
fuel	0.63%	1.27%	1.27%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered (Historical)	\$11.812	\$12.294	\$12.577	\$12.557	\$12.329	\$9.626	\$9.374	\$9.405	\$9.448	\$9.468	\$9.468	\$9.498
Total Delivered (5 Month)	\$12.534	\$13.020	\$13.304	\$13.284	\$13.056	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Total Delivered (3 Month)	\$0.000	\$13.020	\$13.304	\$13.284	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

Total delivered to the City Gas Supply Costs

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Tennessee Zn 0	282,716	292,392	292,392	264,096	292,392	282,960	292,392	282,960	292,392	292,392	282,960	292,392
Delivered Mmbtu	282,716	292,392	284,802	264,096	292,392	282,960	292,392	282,960	292,392	292,392	282,960	292,392
Locked Volumes	0	0	7,590	0	0	99,207	162,891	82,444	85,202	36,402	50,207	85,192
NYMEX Volumes	0	0	0	0	208,413	183,753	129,501	200,516	207,190	255,990	232,753	207,200
Locked \$/Mmbtu	\$7.563	\$8.251	\$8.504	\$8.618	\$8.406	\$7.258	\$7.341	\$7.341	\$7.610	\$7.672	\$7.627	\$7.604
NYMEX \$/Mmbtu Del	\$11.149	\$11.587	\$11.894	\$11.872	\$11.626	\$9.736	\$9.465	\$9.498	\$9.544	\$9.588	\$9.566	\$9.598
Delivered Cost Locked	\$2,138,209	\$2,412,614	\$2,421,928	\$2,275,900	\$2,059,927	\$2,005,230	\$1,177,409	\$605,230	\$648,362	\$279,280	\$382,934	\$647,826
Delivered Cost Nymex	\$0	\$0	\$0	\$0	\$2,422,953	\$1,788,928	\$1,225,787	\$1,904,475	\$1,977,487	\$2,454,310	\$2,226,497	\$1,988,773
Total Delivered Cost	\$2,138,209	\$2,412,614	\$2,512,204	\$2,275,900	\$3,128,881	\$2,508,982	\$2,403,196	\$2,509,705	\$2,625,849	\$2,733,590	\$2,609,430	\$2,636,598

TENN ZONE 1

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Delivered Mmbtu	491,678	585,342	566,460	528,696	585,342	141,615	146,336	141,615	146,336	146,336	141,615	146,336
Locked Volumes	491,678	430,688	403,849	350,368	459,101	141,615	131,161	126,930	131,161	131,161	106,396	131,161
NYMEX Volumes	0	154,654	162,611	178,328	126,241	0	15,175	14,685	15,175	15,175	35,219	15,175
Locked \$/Mmbtu	\$7.563	\$8.251	\$8.504	\$8.618	\$8.406	\$7.258	\$7.228	\$7.341	\$7.610	\$7.672	\$7.627	\$7.604
NYMEX \$/Mmbtu Del	\$11.182	\$11.616	\$11.920	\$11.898	\$11.654	\$9.796	\$9.528	\$9.561	\$9.607	\$9.650	\$9.628	\$9.660
Delivered Cost Locked	\$3,718,610	\$3,553,736	\$3,434,292	\$3,019,366	\$3,859,203	\$1,027,856	\$948,058	\$931,806	\$998,096	\$1,006,280	\$811,493	\$997,388
Delivered Cost Nymex	\$0	\$1,796,509	\$1,938,333	\$2,121,812	\$1,471,248	\$0	\$144,594	\$140,398	\$145,781	\$146,432	\$339,092	\$146,594
Total Delivered Cost	\$3,718,610	\$5,350,245	\$5,372,625	\$5,141,178	\$5,330,451	\$1,027,856	\$1,092,652	\$1,072,203	\$1,143,877	\$1,152,712	\$1,150,585	\$1,143,982

TENN DRACUT												
Delivered Mmbtu	29,733	182,659	209,968	153,869	103,535	72,691	223,737	155,917	47,772	33,343	116,682	0
Delivered Mmbtu Locked	0	0	0	0	0	0	0	0	0	0	0	0
Delivered Mmbtu at 5 month	29,733	30,724	30,724	27,751	30,724	0	0	0	0	0	0	0
Delivered Mmbtu at 3 month	0	122,896	122,896	111,004	0	0	0	0	0	0	0	0
Delivered Mmbtu at 1 month	0	0	0	0	0	0	0	0	0	0	0	0
Delivered at Nymex	0	29,039	25,624	15,114	72,811	72,691	223,737	155,917	47,772	33,343	116,682	0
Deliverd Cost Locked	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Five Month basis Delivered	\$271,670	\$305,212	\$313,016	\$275,928	\$308,438	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Three Month basis Delivered	\$0	\$1,705,999	\$1,740,719	\$1,570,039	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
One Month basis Delivered	\$0	\$0	\$473,930	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Delivered Cost Nymex	\$0	\$357,185	\$322,419	\$168,870	\$898,162	\$705,160	\$2,114,028	\$1,476,987	\$454,898	\$318,845	\$1,113,439	\$0
Total Delivered Cost	\$271,670	\$2,368,396	\$2,850,083	\$2,035,836	\$1,206,600	\$705,160	\$2,114,028	\$1,476,987	\$454,898	\$318,845	\$1,113,439	\$0
			\$13.57									

TETCO STX												
Delivered Mmbtu	244,887	283,774	283,774	252,080	283,774	27,280	24,588	73,214	2,505	2,506	4,938	283,774
Locked Volumes	224,779	283,774	83,322	221,682	14,213	27,280	24,588	7,914	0	0	0	51,064
NYMEX Volumes	20,108	0	200,452	30,398	269,561	0	0	65,300	2,505	2,506	4,938	232,710
Locked \$/Mmbtu	\$7,563	\$8,251	\$8,504	\$8,618	\$8,406	\$7,258	\$7,228	\$7,341	\$7,610	\$7,672	\$7,627	\$7,604
NYMEX \$/Mmbtu Del	\$11,138	\$11,970	\$12,290	\$12,267	\$12,010	\$9,851	\$9,575	\$9,608	\$9,655	\$9,700	\$9,677	\$9,711
Deliverd Cost Locked	\$1,700,026	\$2,341,504	\$708,662	\$1,910,389	\$119,474	\$198,001	\$177,727	\$58,097	\$0	\$0	\$0	\$388,306
Delivered Cost Nymex	\$223,968	\$0	\$2,463,602	\$372,904	\$3,237,534	\$0	\$0	\$627,392	\$24,187	\$24,307	\$47,787	\$2,259,756
Total Delivered Cost	\$1,923,994	\$2,341,504	\$3,172,164	\$2,283,293	\$3,357,003	\$198,001	\$177,727	\$685,490	\$24,187	\$24,307	\$47,787	\$2,648,062

TETCO ELA												
Delivered Mmbtu	235,262	293,806	293,806	214,379	288,273	225,000	232,500	75,592	116,577	68,744	116,008	134,348
Locked Volumes	235,262	232,500	293,806	186,597	206,595	202,386	67,562	75,592	70,773	68,744	76,772	134,348
NYMEX Volumes	0	61,306	0	27,782	81,683	22,614	164,938	0	45,804	0	39,236	0
Locked \$/Mmbtu	\$7,5631	\$8,2513	\$8,5039	\$8,6177	\$8,4060	\$7,2581	\$7,2282	\$7,3411	\$7,6097	\$7,6721	\$7,6271	\$7,6043
NYMEX \$/Mmbtu Del	\$11,2410	\$12,0093	\$12,3241	\$12,3016	\$12,0486	\$9,9673	\$9,6939	\$9,7267	\$9,7737	\$9,8175	\$9,7956	\$9,8284
Deliverd Cost Locked	\$1,779,310	\$1,918,427	\$2,498,497	\$1,608,037	\$1,736,642	\$1,468,938	\$488,352	\$554,928	\$538,561	\$527,411	\$585,548	\$1,021,622
Delivered Cost Nymex	\$0	\$736,241	\$0	\$341,763	\$984,163	\$225,400	\$1,598,895	\$0	\$447,676	\$0	\$384,340	\$0
Total Delivered Cost	\$1,779,310	\$2,654,668	\$2,498,497	\$1,949,800	\$2,720,804	\$1,694,337	\$2,087,247	\$554,928	\$986,237	\$527,411	\$969,888	\$1,021,622

TETCO WLA

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Delivered Mmbtu	115,437	283,288	311,707	281,542	311,707	120,586	0	0	0	0	0	0
Locked Volumes	115,437	14,729	110,156	281,542	189,883	120,586	0	0	0	0	0	0
Daily priced volumes	0	268,559	201,551	0	122,024	0	0	0	0	0	0	0
Locked \$/Mmbtu	\$7,5631	\$8,2513	\$8,5039	\$8,6177	\$8,4060	\$7,2581	\$7,2282	\$7,3411	\$7,6097	\$7,6721	\$7,6271	\$7,6043
NYMEX \$/Mmbtu Del	\$11,2803	\$12,0507	\$12,3670	\$12,3444	\$12,0902	\$9,9825	\$9,7083	\$9,7412	\$9,7883	\$9,8322	\$9,8103	\$9,8432
Deliver Cost Locked	\$873,062	\$121,533	\$936,756	\$2,426,244	\$1,594,475	\$875,225	\$0	\$0	\$0	\$0	\$0	\$0
Delivered Cost Daily	\$0	\$3,236,311	\$2,492,582	\$0	\$1,475,294	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Delivered Cost	\$873,062	\$3,357,845	\$3,429,337	\$2,426,244	\$3,069,769	\$875,225	\$0	\$0	\$0	\$0	\$0	\$0

TETCO ETX

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Delivered Mmbtu	296,580	306,466	306,466	276,808	306,466	158,700	55,225	0	47,231	58,028	0	191,115
Locked Volumes	223,637	306,466	243,572	26,364	288,974	113,450	55,225	0	0	5,385	0	0
NYMEX Volumes	72,943	0	62,894	250,444	17,492	45,250	0	0	47,231	52,643	0	191,115
Locked \$/Mmbtu	\$7,5631	\$8,2513	\$8,5039	\$8,6177	\$8,4060	\$7,2581	\$7,2282	\$7,3411	\$7,6097	\$7,6721	\$7,6271	\$7,6043
NYMEX \$/Mmbtu Del	\$11,0881	\$11,8520	\$12,1668	\$12,1444	\$11,8914	\$9,8143	\$9,5410	\$9,5738	\$9,6208	\$9,6645	\$9,6427	\$9,6755
Deliver Cost Locked	\$1,691,389	\$2,528,743	\$2,071,312	\$227,197	\$2,429,115	\$823,431	\$399,177	\$0	\$0	\$41,314	\$0	\$0
Delivered Cost Nymex	\$808,801	\$0	\$765,222	\$3,041,482	\$208,004	\$444,099	\$0	\$0	\$454,401	\$508,771	\$0	\$1,849,132
Total Delivered Cost	\$2,500,190	\$2,528,743	\$2,836,534	\$3,268,679	\$2,637,119	\$1,267,530	\$399,177	\$0	\$454,401	\$550,085	\$0	\$1,849,132

TETCO - NF

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Delivered Mmbtu	0	0	892	0	0	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$11,3929	\$12,0434	\$12,3519	\$12,3299	\$12,0819	\$10,1322	\$9,8617	\$9,8941	\$9,9407	\$9,9839	\$9,9623	\$9,9948
Delivered Cost	\$0	\$0	\$11,018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

M3 DELIVERED

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Delivered Mmbtu	0	0	47,464	157,808	0	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$11,6446	\$12,1252	\$12,4088	\$12,3886	\$12,1607	\$9,6466	\$9,3950	\$9,4252	\$9,4685	\$9,5087	\$9,4886	\$9,5188
Delivered Cost	\$0	\$0	\$588,972	\$1,955,015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

MAUMEE_SUPP

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Delivered Mmbtu	720,815	908,941	811,760	832,494	920,929	631,251	116,509	20,997	20,937	13,170	12,597	304,914
Locked Volumes	203,467	769,088	807,874	562,728	450,125	241,032	105,028	20,396	0	0	0	0
Basis Locks	0	0	0	0	0	0	0	0	0	0	0	0
NYMEX Volumes	517,348	139,853	3,886	269,766	470,804	390,219	11,481	601	20,937	13,170	12,597	304,914
Locked \$/Mmbtu	\$7,5631	\$8,2513	\$8,5039	\$8,6177	\$8,4060	\$7,2581	\$7,2282	\$7,3411	\$7,6097	\$7,6721	\$7,6271	\$7,6043
Basis Locks \$/Mmbtu	\$7,5050	\$7,9930	\$8,2450	\$8,3320	\$8,0980	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000
NYMEX \$/Mmbtu Del	\$10,8824	\$11,3708	\$11,6620	\$11,6412	\$11,4072	\$9,6790	\$9,4207	\$9,4517	\$9,4961	\$9,5374	\$9,5168	\$9,5478
Deliver Cost Locked	\$1,538,841	\$6,345,976	\$6,870,080	\$4,849,421	\$3,783,751	\$1,749,434	\$759,163	\$149,729	\$0	\$0	\$0	\$0
Deliver cost Basis locked	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Delivered Cost Nymex	\$5,629,993	\$1,590,234	\$45,316	\$3,140,389	\$5,370,548	\$3,776,920	\$108,163	\$5,680	\$198,822	\$125,610	\$119,884	\$2,911,249
Total Delivered Cost	\$7,168,834	\$7,936,210	\$6,915,396	\$7,989,810	\$9,154,299	\$5,526,354	\$867,326	\$155,409	\$198,822	\$125,610	\$119,884	\$2,911,249

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
BROADRUN, COL												
Delivered Mmbtu	174,053	179,855	179,855	27,075	79,967	0	0	0	0	12,000	8,396	214,873
Locked Volumes	0	0	0	0	0	0	0	0	0	0	0	0
Basis locked volumes	174,053	179,855	179,855	27,075	29,976	0	0	0	0	0	0	0
NYMEX Volumes	0	0	0	0	49,991	0	0	0	0	12,000	8,396	214,873
Locked \$/Mmbtu	\$7,5631	\$8,2513	\$8,5039	\$8,6177	\$8,4060	\$7,2581	\$7,2282	\$7,3411	\$7,6097	\$7,621	\$7,621	\$7,6043
Basis locked \$/Mmbtu	\$7,6350	\$8,1400	\$8,3920	\$8,4950	\$8,2810	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000
NYMEX \$/Mmbtu Del	\$10,8824	\$11,3708	\$11,6620	\$11,6412	\$11,4072	\$9,6790	\$9,4207	\$9,4517	\$9,4961	\$9,5374	\$9,5168	\$9,5478
Delivered Cost Locked	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deliver cost Basis locked	\$1,328,895	\$1,464,020	\$1,509,343	\$230,002	\$247,632	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Delivered Cost Nymex	\$0	\$0	\$0	\$0	\$570,257	\$0	\$0	\$0	\$0	\$114,449	\$79,903	\$2,051,559
Total Delivered Cost	\$1,328,895	\$1,464,020	\$1,509,343	\$230,002	\$817,888	\$0	\$0	\$0	\$0	\$114,449	\$79,903	\$2,051,559

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
COLUMBIA, AGT												
Delivered Mmbtu	0	0	7,377	0	0	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$11,9737	\$12,4693	\$12,7605	\$12,7397	\$12,5057	\$9,9227	\$9,6645	\$9,6955	\$9,7399	\$9,7812	\$9,7606	\$9,7916
Delivered Cost	\$0	\$0	\$94,134	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
TRANSCO AT WHARTON												
Delivered Mmbtu	0	0	10,354	0	0	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$10,7449	\$11,1385	\$11,4185	\$11,3985	\$11,1735	\$9,3148	\$9,0648	\$9,0948	\$9,1378	\$9,1778	\$9,1578	\$9,1878
Delivered Cost	\$0	\$0	\$118,227	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
ANE TO TENNESSEE												
Delivered Mmbtu	30,000	31,000	31,000	28,000	31,000	30,000	31,000	30,000	31,000	31,000	30,000	31,000
Delivered \$/Mmbtu	\$9,5739	\$9,9866	\$10,2756	\$10,2549	\$10,0227	\$8,6247	\$8,3673	\$8,3982	\$8,4425	\$8,4836	\$8,4631	\$8,4939
Delivered Cost	\$287,216	\$309,585	\$318,542	\$287,138	\$310,705	\$258,740	\$259,387	\$251,946	\$261,716	\$262,993	\$253,692	\$263,312

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
NIAGARA TO TENNESSEE												
Delivered Mmbtu	29,625	30,613	30,613	27,650	30,613	29,940	30,938	29,940	30,938	30,938	29,940	30,938
Locked Volumes	29,625	30,613	30,613	27,650	30,613	0	0	0	0	0	0	0
NYMEX Volumes	0	0	0	0	0	29,940	30,938	29,940	30,938	30,938	29,940	30,938
Locked \$/Mmbtu	\$7,5631	\$8,2513	\$8,5039	\$8,6177	\$8,4060	\$7,2581	\$7,2282	\$7,3411	\$7,6097	\$7,621	\$7,621	\$7,6043
NYMEX \$/Mmbtu Del	\$11,0626	\$11,4711	\$11,7571	\$11,7367	\$11,5089	\$9,5795	\$9,3248	\$9,3554	\$9,3992	\$9,4399	\$9,4196	\$9,4501
Delivered Cost Locked	\$224,057	\$252,597	\$260,330	\$238,279	\$257,333	\$217,308	\$223,626	\$219,793	\$235,429	\$237,359	\$228,355	\$235,262
Delivered Cost Nymex	\$0	\$0	\$0	\$0	\$0	\$286,811	\$288,490	\$280,099	\$290,792	\$292,053	\$282,021	\$292,368
Total Delivered Cost	\$224,057	\$252,597	\$260,330	\$238,279	\$257,333	\$504,119	\$512,116	\$499,892	\$526,220	\$529,412	\$510,377	\$527,630

TETCO TO B&W

Delivered Mmbtu	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Locked Volumes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NYMEX Volumes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delivered locked \$/Mmbtu																					
NYMEX \$/Mmbtu Del	\$5,2313	\$5,3777	\$5,3646	\$5,3981	\$5,1660	\$4,8270	\$4,8050	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000
Delivered Cost Locked	\$11,8312	\$12,6162	\$12,9310	\$12,9085	\$12,6556	\$10,5575	\$10,2841	\$10,3169	\$10,3639	\$10,4077	\$10,4077	\$10,3658	\$10,4186	\$10,3658	\$10,4077	\$10,3658	\$10,4186	\$10,3658	\$10,4186	\$10,3658	\$10,4186
Delivered Cost Nymex	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Delivered Cost	\$0	\$0	\$38,392	\$38,392	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

DISTRIGAS FCS

Delivered Mmbtu	226,080	236,096	276,429	213,248	236,096	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$10,242	\$10,642	\$10,922	\$10,902	\$10,677	\$9,077	\$8,827	\$8,857	\$8,900	\$8,940	\$8,940	\$8,920	\$8,950	\$8,920	\$8,940	\$8,920	\$8,950	\$8,920	\$8,950	\$8,920	\$8,950
Delivered Cost	\$2,315,511	\$2,512,534	\$3,019,158	\$2,324,830	\$2,520,797	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

HUPLINE

Delivered Mmbtu at Historical	0	0	161,707	30,000	35,042	236,940	244,838	27,370	15,010	62,241	88,430	0	0	0	0	0	0	0	0	0	0
Delivered Mmbtu at 5 month	29,733	30,724	30,724	27,751	30,724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delivered Mmbtu at 3 month	0	30,724	30,724	27,751	30,724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Delivered Vol	29,733	61,448	223,155	85,502	65,766	236,940	244,838	27,370	15,010	62,241	88,430	0	0	0	0	0	0	0	0	0	0
Delivered Historical	\$0	\$0	\$2,033,859	\$376,715	\$432,043	\$2,280,791	\$2,295,220	\$257,405	\$141,813	\$590,553	\$837,258	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Five Month basis Delivered	\$372,675	\$400,041	\$408,754	\$368,639	\$401,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Three Month basis Delivered	\$0	\$400,041	\$408,754	\$368,639	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Delivered Cost	\$372,675	\$800,081	\$2,851,367	\$1,113,993	\$833,172	\$2,280,791	\$2,295,220	\$257,405	\$141,813	\$590,553	\$837,258	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Pipeline Costs	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Total Pipeline Volumes	\$24,902,233	\$34,289,042	\$38,396,323	\$33,519,989	\$35,344,828	\$16,847,097	\$12,208,078	\$7,463,965	\$6,818,020	\$6,929,967	\$7,692,443	\$15,053,146
WACOG	2,906,589	3,675,680	3,886,441	3,343,247	3,535,865	1,956,963	1,398,064	837,505	750,698	750,698	831,566	1,629,690
Total Delivered Locked volumes	\$8,567	\$9,329	\$9,880	\$10,026	\$9,996	\$8,609	\$8,732	\$8,912	\$9,082	\$9,231	\$9,251	\$9,237
Delivered Locked \$/Dth	2,040,120	2,755,173	2,683,641	2,142,359	1,814,708	945,556	546,455	313,276	287,136	241,692	233,375	401,765
Locked Delivered Cost	\$7,6646	\$8,6203	\$8,9640	\$9,0405	\$8,5100	\$7,4879	\$7,6374	\$8,0427	\$8,4296	\$8,6542	\$8,6056	\$8,1899
Volumes not locked	\$15,636,744	\$23,750,443	\$24,056,271	\$19,368,081	\$15,443,121	\$7,080,248	\$4,173,512	\$2,519,563	\$2,420,448	\$2,091,645	\$2,008,330	\$3,290,403
Cost of unlocked volumes	866,479	920,507	1,202,800	1,200,888	1,721,158	1,011,407	851,609	524,229	463,562	509,006	598,191	1,227,925
	\$9,265,488	\$10,538,599	\$14,340,052	\$14,151,918	\$19,901,707	\$9,766,849	\$8,034,566	\$4,944,382	\$4,397,572	\$4,838,322	\$5,684,113	\$11,762,743
	\$10,6933	\$11,4487	\$11,9222	\$11,7845	\$11,5630	\$9,6567	\$9,4346	\$9,4317	\$9,4865	\$9,5054	\$9,5022	\$9,5794

SUPPLIER FIXED COST BILLING UNITS

	NOV	DEC	JAN-06	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
ANE	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ANE OPS DEMAND	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
BP	450,000	465,000	428,000	465,000	465,000	450,000	465,000	465,000	465,000	465,000	450,000	465,000
STORAGE FIXED COST BILLING UNITS												
TEXAS EASTERN SS-1 DEMAND	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802
TEXAS EASTERN SS-1 CAPACITY	103,336	103,336	103,336	103,336	103,336	103,336	103,336	103,336	103,336	103,336	103,336	103,336
TEXAS EASTERN FSS-1 DEMAND	944	944	944	944	944	944	944	944	944	944	944	944
TEXAS EASTERN FSS-1 CAPACITY	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720
DOMINION GSS DEMAND	11,403	11,403	11,403	11,403	11,403	11,403	11,403	11,403	11,403	11,403	11,403	11,403
DOMINION GSS CAPACITY	1,039,304	1,039,304	1,039,304	1,039,304	1,039,304	1,039,304	1,039,304	1,039,304	1,039,304	1,039,304	1,039,304	1,039,304
DOMINION GSS-TE DEMAND	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270
DOMINION GSS-TE CAPACITY	1,376,324	1,376,324	1,376,324	1,376,324	1,376,324	1,376,324	1,376,324	1,376,324	1,376,324	1,376,324	1,376,324	1,376,324
TENNESSEE FSMA DEMAND	21,169	21,169	21,169	21,169	21,169	21,169	21,169	21,169	21,169	21,169	21,169	21,169
TENNESSEE FSMA CAPACITY	815,343	815,343	815,343	815,343	815,343	815,343	815,343	815,343	815,343	815,343	815,343	815,343
COLUMBIA FSS DEMAND	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545
COLUMBIA FSS CAPACITY	203,957	203,957	203,957	203,957	203,957	203,957	203,957	203,957	203,957	203,957	203,957	203,957

STORAGE DELIVERY BILLING UNITS (DTH)

	NOV	DEC	JAN-06	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
ALGONQUIN FOR TETCO SS-1	13,976	13,976	13,976	13,976	13,976	13,976	13,976	13,976	13,976	13,976	13,976	13,976
ALGONQUIN DELIVERY FOR FSS-1	933	933	933	933	933	933	933	933	933	933	933	933
TETCO DELIVERY FOR FSS-1	944	944	944	944	944	944	944	944	944	944	944	944
ALGONQUIN SCT FOR SS-1	657	657	657	657	657	657	657	657	657	657	657	657
ALGONQUIN DELIVERY FOR GSS, GSS-TE, ALGONQUIN SCT DELIVERY FOR GSS-TE	10,915	10,915	10,915	10,915	10,915	10,915	10,915	10,915	10,915	10,915	10,915	10,915
ALGONQUIN DELIVERY FOR GSS CONY	187	187	187	187	187	187	187	187	187	187	187	187
TENNESSEE DELIVERY FOR GSS	2,038	2,038	2,038	2,038	2,038	2,038	2,038	2,038	2,038	2,038	2,038	2,038
TENNESSEE DELIVERY FOR FSMA	6,581	6,581	6,581	6,581	6,581	6,581	6,581	6,581	6,581	6,581	6,581	6,581
TETCO DELIVERY FOR GSS-TE	4,255	4,255	4,255	4,255	4,255	4,255	4,255	4,255	4,255	4,255	4,255	4,255
TETCO DELIVERY FOR GSS	5,479	5,479	5,479	5,479	5,479	5,479	5,479	5,479	5,479	5,479	5,479	5,479
TETCO DELIVERY FOR GSS-TE	538	538	538	538	538	538	538	538	538	538	538	538
TETCO DELIVERY FOR GSS CONY	5,011	5,011	5,011	5,011	5,011	5,011	5,011	5,011	5,011	5,011	5,011	5,011
DOMINION DELIVERY FOR GSS	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061
DOMINION DELIVERY FOR GSS CONY	5,342	5,342	5,342	5,342	5,342	5,342	5,342	5,342	5,342	5,342	5,342	5,342
ALGONQUIN DELIVERY FOR FSS	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061
COLUMBIA DELIVERY FOR FSS	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516
COLUMBIA FLS CALL PAYMENT	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545
DISTRIGAS FLS CALL PAYMENT	54,750	49,018	48,290	47,295	48,000	34,210	34,750	34,750	38,750	38,750	34,750	34,750

Demand Costs Net of Releases to Marketers	\$	\$3,336,867	\$3,325,180	\$3,323,505	\$3,316,442	\$3,316,238	\$3,285,837	\$3,260,859	\$3,305,734	\$3,306,859	\$3,270,059	\$3,259,734	\$3,260,859
TOTAL PIPELINE DEMANDS	\$	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502	\$2,353,502
TOTAL SUPPLIER DEMANDS	\$	\$387,428	\$388,149	\$388,924	\$388,149	\$388,924	\$387,799	\$388,924	\$387,799	\$388,924	\$388,924	\$387,799	\$388,924
TOTAL STORAGE FACILITIES	\$	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021	\$386,021
TOTAL STORAGE DELIVERY DEMANDS	\$	\$512,141	\$488,957	\$487,283	\$494,894	\$492,016	\$440,739	\$434,836	\$480,636	\$480,636	\$443,836	\$434,836	\$434,836
Total All Demands	\$	\$3,619,092	\$3,607,404	\$3,605,730	\$3,600,667	\$3,600,463	\$3,548,061	\$3,543,083	\$3,587,958	\$3,589,083	\$3,552,283	\$3,541,958	\$3,543,083
Capacity Release Revenues	\$	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782	\$433,782
Demand Net of Releases to Marketers	\$	\$3,185,310	\$3,173,622	\$3,171,948	\$3,166,885	\$3,166,681	\$3,114,279	\$3,109,301	\$3,154,176	\$3,155,301	\$3,118,501	\$3,108,176	\$3,109,301

NEW ENGLAND GAS COMPANY - RHODE ISLAND COMPANIES
NOVEMBER 2005 - OCTOBER 2006

Storage Inventory

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
WACOG INJECTIONS	\$8,567	\$9,329	\$9,880	\$10,026	\$9,996	\$8,609	\$8,732	\$8,912	\$9,082	\$9,231	\$9,251	\$9,237
COMBINED STORAGE												
Beginning Inv Vol	4,495,142	4,495,142	3,818,439	2,472,091	1,404,866	1,071,364	1,478,965	1,981,662	2,484,359	2,987,056	3,489,753	3,992,450
Vol Withdrawn	0	676,703	1,346,348	1,067,225	333,502	95,096	0	0	0	0	0	0
Vol Injected	0	0	0	0	0	502,697	502,697	502,697	502,697	502,697	502,697	502,697
Beginning Inv \$	\$30,342,879	\$30,342,879	\$25,775,033	\$16,686,983	\$9,483,055	\$7,231,867	\$10,917,571	\$15,307,187	\$19,787,293	\$24,352,909	\$28,993,489	\$33,643,711
\$ Withdrawn	\$0	\$4,567,846	\$9,088,050	\$7,203,928	\$2,251,188	\$641,912	\$0	\$0	\$0	\$0	\$0	\$0
\$ Injected	\$0	\$0	\$0	\$0	\$0	\$4,327,616	\$4,389,616	\$4,480,106	\$4,565,616	\$4,640,580	\$4,650,223	\$4,643,319
Ending Vol	4,495,142	3,818,439	2,472,091	1,404,866	1,071,364	1,478,965	1,981,662	2,484,359	2,987,056	3,489,753	3,992,450	4,495,147
Ending \$	\$30,342,879	\$25,775,033	\$16,686,983	\$9,483,055	\$7,231,867	\$10,917,571	\$15,307,187	\$19,787,293	\$24,352,909	\$28,993,489	\$33,643,711	\$38,287,030
Avg \$/Mmbtu	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$7,382	\$7,724	\$7,965	\$8,153	\$8,308	\$8,427	\$8,517
	\$0.015	\$0.015	\$0.015	\$0.015	\$0.015							
Total Storage Delivered Cost	0	4,849,429	9,648,279	7,648,012	2,384,733	743,633	0	0	0	0	0	0
Variable non-product costs	0	281,583	560,230	444,084	133,545	101,720	0	0	0	0	0	0
Storage product costs	0	4,567,846	9,088,050	7,203,928	2,251,188	641,912	0	0	0	0	0	0

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
NYMEX strip (8/25/05)	\$10,242	\$10,642	\$10,922	\$10,902	\$10,677	\$9,077	\$8,827	\$8,857	\$8,900	\$8,940	\$8,920	\$8,950
Trucking	\$10,242	\$10,642	\$10,922	\$10,902	\$10,677	\$9,077	\$8,827	\$8,857	\$8,900	\$8,940	\$8,920	\$8,950
	\$1,20	\$1,20	\$1,20	\$1,20	\$1,20	\$1,00	\$1,00	\$1,00	\$1,00	\$1,00	\$1,00	\$1,00
	\$11,442	\$11,842	\$12,122	\$12,102	\$11,877	\$10,077	\$9,827	\$9,857	\$9,900	\$9,940	\$9,920	\$9,950

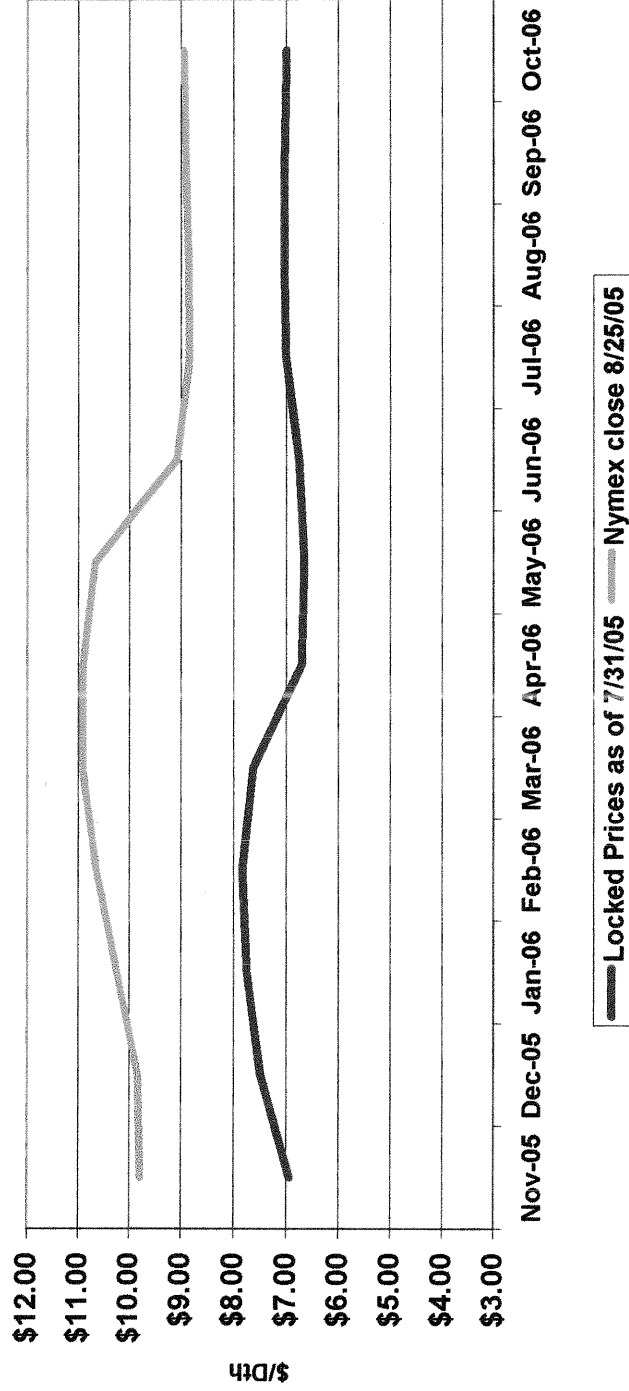
NEW ENGLAND GAS COMPANY - RHODE ISLAND COMPANIES
NOVEMBER 2005 - OCTOBER 2006

LNG Est for 2006

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Combined LNG Inv	904,997	907,591	884,579	605,037	598,186	612,004	636,892	717,081	736,101	765,387	823,810	852,687
Beginning Inv Vol	15,457	51,488	313,113	103,273	41,555	20,700	21,390	20,700	21,390	21,390	20,700	21,390
Vol Withdrawn	18,051	28,476	33,571	96,422	55,373	45,588	101,579	39,720	50,676	79,813	49,577	73,700
Vol Injected -												
Beginning Inv \$	\$7,590,932	\$7,667,821	\$7,570,035	\$5,297,430	\$5,560,117	\$5,831,530	\$6,093,679	\$6,887,240	\$7,079,945	\$7,375,905	\$7,963,115	\$8,254,828
\$ Withdrawn	\$129,650	\$434,999	\$2,679,553	\$904,212	\$386,252	\$197,242	\$204,656	\$198,814	\$205,733	\$206,132	\$200,090	\$207,076
\$ Injected	\$206,540	\$337,213	\$406,948	\$1,166,899	\$657,665	\$459,390	\$998,217	\$391,520	\$501,692	\$793,341	\$491,804	\$733,315
Ending Vol	907,591	884,579	605,037	598,186	612,004	636,892	717,081	736,101	765,387	823,810	852,687	904,997
Ending \$	\$7,667,821	\$7,570,035	\$5,297,430	\$5,560,117	\$5,831,530	\$6,093,679	\$6,887,240	\$7,079,945	\$7,375,905	\$7,963,115	\$8,254,828	\$8,781,067
Avg \$/Dth	8.449	8.558	8.756	9.295	9.529	9.568	9.605	9.618	9.637	9.666	9.681	9.703
Newport												
Newport LNG Vol Vapor	0	620	2,575	560	520	0	0	0	0	0	0	0
Avg \$/Dth	\$8.4485	\$8.5578	\$8.7555	\$9.2950	\$9.5286	\$10.4678	\$10.5045	\$10.5182	\$10.5368	\$10.5662	\$10.5810	\$10.6029
Total cost	0	\$5,306	\$22,546	\$5,205	\$4,955	0	0	0	0	0	0	0
Total All LNG Costs	\$129,650	\$440,304	\$2,702,099	\$909,417	\$391,207	\$197,242	\$204,656	\$198,814	\$205,733	\$206,132	\$200,090	\$207,076

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PROPANE												
Cumberland												
Beginning Inv Vol	37,022	37,022	37,022	37,022	37,022	37,022	37,022	37,022	37,022	37,022	37,022	37,022
Vol Withdrawn	0	0	0	0	0	0	0	0	0	0	0	0
Vol Injected -	0	0	0	0	0	0	0	0	0	0	0	0
Beginning Inv \$	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219
\$ Withdrawn	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$ Injected	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Vol	37,022	37,022	37,022	37,022	37,022	37,022	37,022	37,022	37,022	37,022	37,022	37,022
Ending \$	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219
Avg \$/Dth	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65
Total All LNG and Propane	129,650	440,304	2,702,099	909,417	391,207	197,242	204,656	198,814	205,733	206,132	200,090	207,076

COMPARISON OF LOCKED PRICES WITH 8/25/05 NYMEX STRIP



Gas Purchasing and Incentive Plan - Locked Volumes Ending July 31, 2005
New England Gas Company - Rhode Island

<u>Month</u>	#Monthly Forecasted <u>Volumes-Dth</u>	Mandatory <u>Purchases-Dth</u>	Discretionary <u>Purchases-Dth</u>	Monthly "Locked" <u>Volumes-Dth</u>	Percent "Locked"	Average Wellhead/ NYMEX		Total Cost of <u>Purchases</u>
						<u>Price</u>	<u>Price</u>	
Nov-05	2,906,599	2,091,360	77,640	2,169,000	75%	\$6.9357	\$15,043,575	
Dec-05	3,675,680	2,505,265	89,435	2,594,700	71%	\$7.4899	\$19,433,931	
Jan-06	3,887,694	2,398,346	205,654	2,604,000	67%	\$7.7435	\$20,164,167	
Feb-06	3,343,247	1,925,728	163,072	2,088,800	62%	\$7.8296	\$16,354,436	
Mar-06	3,535,865	1,765,295	144,305	1,909,600	54%	\$7.6270	\$14,564,606	
Apr-06	2,496,220	1,206,720	35,280	1,242,000	50%	\$6.7029	\$8,325,045	
May-06	1,937,321	789,074	20,026	809,100	42%	\$6.6562	\$5,385,537	
Jun-06	1,376,763	580,890	19,110	600,000	44%	\$6.7503	\$4,050,180	
Jul-06	1,289,955	474,145	15,655	489,800	38%	\$6.9918	\$3,424,570	
Aug-06	1,289,955	398,567	13,733	412,300	32%	\$7.0389	\$2,902,158	
Sep-06	1,370,824	384,330	8,670	393,000	29%	\$7.0174	\$2,757,825	
Oct-06	2,168,948	552,699	14,601	567,300	26%	\$6.9779	\$3,958,561	
	<u>29,279,071</u>	<u>15,072,419</u>	<u>807,181</u>	<u>15,879,600</u>	<u>54%</u>	<u>\$7.3279</u>	<u>\$116,364,591</u>	

New forecast volumes for GCR effective for November 2005 forward.

New England Gas Company - RI Companies
Preliminary Summary of Transportation Capacity Release
Pipeline Path Availability and Pricing
Nov 2005 - October 2006

Path to City Gate	As of 8/1/05 Existing Releases	Total Available	Remaining Available	Cost /Dth	New Credit/ Surcharge	Old Credit Surcharge
Company Weighted Average				\$1.308		
Tennessee Zone 1 to ProvGas	1,021	5,000	3,979	\$1.336	(\$0.028)	\$0.067
Algonquin @ Lambertville, NJ	682	2,714	2,032	\$1.139	\$0.169	\$0.075
Texas Eastern - South Texas Algonquin @ Lambertville, NJ	4,044	4,044	0	\$1.910	(\$0.602)	(\$0.490)
Texas Eastern - West La Algonquin @ Lambertville, NJ	1,615	3,000	1,385	\$1.782	(\$0.474)	(\$0.348)
Texas Eastern - East La Algonquin @ Lambertville, NJ	5,442	5,442	0	\$1.680	(\$0.372)	(\$0.236)
Columbia (Maumee/Downington) at 5:1 ratio**	0	3,000	3,000	\$0.859	\$0.448	\$0.302
Totals	12,804	23,200	10,396			

** Note: Marketers selecting this path are assigned 5/6 of the amount selected at the Maumee, Ohio receipt point into Columbia and 1/5 at the Downington, Pa. Receipt into Columbia.

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
DTH	88,663	88,663	88,663	88,663	88,663	88,663	88,663	88,663	88,663	88,663	88,663	88,663
DTH	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063
DTH	3,757	3,757	3,757	3,757	3,757	3,757	3,757	3,757	3,757	3,757	3,757	3,757
DTH	13,844	13,844	13,844	13,844	13,844	13,844	13,844	13,844	13,844	13,844	13,844	13,844
DTH	15,716	15,716	15,716	15,716	15,716	15,716	15,716	15,716	15,716	15,716	15,716	15,716
DTH	23,758	23,758	23,758	23,758	23,758	23,758	23,758	23,758	23,758	23,758	23,758	23,758
DTH	7,995	7,995	7,995	7,995	7,995	7,995	7,995	7,995	7,995	7,995	7,995	7,995
DTH	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435
DTH	45,934	45,934	45,934	45,934	45,934	45,934	45,934	45,934	45,934	45,934	45,934	45,934
DTH	571	571	571	571	571	571	571	571	571	571	571	571
DTH	648	648	648	648	648	648	648	648	648	648	648	648
DTH	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183
DTH	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299
DTH	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099
DTH	401	401	401	401	401	401	401	401	401	401	401	401
DTH	831	831	831	831	831	831	831	831	831	831	831	831
DTH	455	455	455	455	455	455	455	455	455	455	455	455
DTH	231	231	231	231	231	231	231	231	231	231	231	231
DTH	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474
DTH	9,432	9,432	9,432	9,432	9,432	9,432	9,432	9,432	9,432	9,432	9,432	9,432
DTH	19,903	19,903	19,903	19,903	19,903	19,903	19,903	19,903	19,903	19,903	19,903	19,903
DTH	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
DTH	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067
DTH	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
DTH	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012
DTH	537	537	537	537	537	537	537	537	537	537	537	537
DTH	138	138	138	138	138	138	138	138	138	138	138	138
DTH	3	3	3	3	3	3	3	3	3	3	3	3
DTH	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
DTH	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177
DTH	47,455	47,455	47,455	47,455	47,455	47,455	47,455	47,455	47,455	47,455	47,455	47,455
DTH	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
DTH	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
DTH	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
DTH	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
DTH	450,000	465,000	465,000	420,000	465,000	450,000	465,000	450,000	465,000	450,000	465,000	465,000

PIPELINE FIXED COST BILLING UNITS

- ALGONQUIN AFT-1 DEMAND
- ALGONQUIN AFT-3 DEMAND
- ALGONQUIN AFT-5 DEMAND
- TEXAS EASTERN WLA DEMAND Z3
- TEXAS EASTERN WLA CDS DEMAND Z3
- TEXAS EASTERN ELA DEMAND Z3
- TEXAS EASTERN ELA CDS DEMAND Z3
- TEXAS EASTERN ETX DEMAND Z3
- TEXAS EASTERN ETX CDS DEMAND Z3
- TEPCO FTB DEMAND
- TEPCO FTB DEMAND Z3
- TEPCO M1 TO M3 DEMAND Z3
- TEPCO SCT STX DEMAND
- TEPCO SCT WLA DEMAND
- TEPCO SCT ELA DEMAND
- TEPCO SCT DEMAND
- TEPCO SCT STX DEMAND Z2
- TEPCO SCT ELA DEMAND Z2
- TEPCO SCT ETX DEMAND Z2
- TEPCO SCT DEMAND 1-2
- TENNESSEE FT-A DEMAND ZONE 0 TO 6
- TENNESSEE FT-A DEMAND ZONE 1 TO 6
- TENNESSEE DRAGUT
- TENNESSEE FT-A DEMAND ZONE 5 TO 6
- NETNE
- IRCOUOIS
- DOMINION FTNN DEMAND
- TRANSICO DEMAND ZONE 2 TO 6
- TRANSICO DEMAND ZONE 3 TO 6
- TRANSICO DEMAND ZONE 6
- NATIONAL FUE DEMAND
- COLUMBIA FTS DEMAND
- HUBLINE
- HUBLINE

SUPPLIER FIXED COST BILLING UNITS

- ANE OFS DEMAND
- BP

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
PIPELINE FIXED COST DOLLARS												
ALGONQUIN AFT-EA/FT-1 DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ALGONQUIN AFT-3 DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ALGONQUIN AFT-ES/IS DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TEXAS EASTERN STX CDS DEMAND Z3	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TEXAS EASTERN WLA CDS DEMAND Z3	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TEXAS EASTERN ELA CDS DEMAND Z3	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TEXAS EASTERN ETX CDS DEMAND Z3	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO FT5 DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO MI TO R3 DEMAND Z3	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO SCT STX DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO SCT WLA DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO SCT ELA DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO SCT ETX DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO SCT ELA DEMAND 1-3	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO SCT STX DEMAND Z2	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO SCT WLA DEMAND Z2	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO SCT ETX DEMAND Z2	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TETCO SCT DEMAND 1-2	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TENNESSEE FT-A DEMAND ZONE 0 TO 6	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TENNESSEE FT-A DEMAND ZONE 1 TO 6	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TENNESSEE DRACUT	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TENNESSEE FT-A DEMAND ZONE 5 TO 6	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
NETNE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
IROQUOIS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
DOMINION FTNN DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TRANSCO DEMAND ZONE 2 TO 6	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TRANSCO DEMAND ZONE 3 TO 6	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TRANSCO DEMAND ZONE 6	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
NATIONAL FUEL DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COLUMBIA FT5 DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
HUBLINE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
HUBLINE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
WESTERLY LATERAL	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
SUPPLIER FIXED COST DOLLARS												
ANE OPS DEMAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
BP	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL SUPPLIER DEMAND COSTS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL PIPELINE FIXED DEMAND CHARGES	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL DEMAND UNITS BPTH												
100% LOAD FACTOR UNIT VALUE \$/DTH												
Average rate per unit per month												
AVERAGE SYSTEM VARIABLE UNIT VALUE \$/DTH												
TOTAL AVERAGE SYSTEM UNIT VALUE \$/DTH												

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NEW ENGLAND GAS COMPANY - RI REQUIREMENTS
2006 ESTIMATED PATH PRICES
NORMAL WEATHER SCENARIO

SENDOUT® Version 9.0.2 REP013 16-Aug-2005
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New Energy Associates, LLC

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Natural Gas Supply Vs. Requirements

Units: MDT

	NOV 2005	DEC 2005	JAN 2006	FEB 2006	MAR 2006	APR 2006	MAY 2006	JUN 2006	JUL 2006	AUG 2006	SEP 2006	OCT 2006	Total
Forecast Demand													
RI FIRM NORM	2,922,056	4,403,871	5,547,155	4,513,745	3,910,922	2,072,759	1,419,454	858,205	772,088	772,088	852,266	1,651,080	29,695,688
FT-1 NORMAL (non exempt)	189,597	309,275	387,993	311,500	273,254	178,190	91,085	66,766	63,450	63,671	72,293	188,359	2,195,433
FT-2 NORMAL	57,119	72,490	97,207	82,629	79,662	71,986	36,638	28,769	25,640	25,640	31,349	37,154	646,283
Total Demand	3,168,772	4,785,636	6,032,355	4,907,874	4,263,838	2,322,935	1,547,177	953,740	861,178	861,399	955,908	1,876,593	32,537,404
Storage Injections													
TENN_8995	0	0	0	0	0	26,146	26,146	26,146	26,146	26,146	26,146	26,146	183,023
TENN_501	0	0	0	0	0	72,168	72,168	72,168	72,168	72,168	72,168	72,168	505,178
GSS 600045	0	0	0	0	0	152,373	152,373	152,373	152,373	152,373	152,373	152,373	1,066,610
GSS 300171	0	0	0	0	0	30,009	30,009	30,009	30,009	30,009	30,009	30,009	210,065
GSS 300169	0	0	0	0	0	22,972	22,972	22,972	22,972	22,972	22,972	22,972	160,803
GSS 300168	0	0	0	0	0	16,870	16,870	16,870	16,870	16,870	16,870	16,870	118,090
GSS 300170	0	0	0	0	0	54,519	54,519	54,519	54,519	54,519	54,519	54,519	381,633
TETCO_400221	0	0	0	0	0	129,139	129,139	129,139	129,139	129,139	129,139	129,139	903,971
TETCO_400515	0	0	0	0	0	6,021	6,021	6,021	6,021	6,021	6,021	6,021	42,147
TETCO_400185	0	0	0	0	0	5,934	5,934	5,934	5,934	5,934	5,934	5,934	41,535
COL FS 38010	0	0	0	0	0	26,992	26,992	26,992	26,992	26,992	26,992	26,992	188,947
LNG EXETER	0	0	0	0	0	32,107	32,107	32,107	32,107	32,107	32,107	32,107	96,321
LNG PROV	0	0	0	0	0	104,352	104,352	104,352	104,352	104,352	104,352	104,352	313,056
LNG VALLEY	43,000	0	0	0	0	16,728	16,728	16,728	16,728	16,728	16,728	16,728	93,184
B&W PROPANE	0	0	0	0	0	0	0	0	0	0	0	0	0
VGC PROPANE	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Inj	0	0	0	0	0	543,143	543,143	543,143	543,143	543,143	543,143	543,143	3,802,002
Total Req less LNG and Propane Inj	3,168,772	4,785,636	6,032,355	4,907,874	4,263,838	2,866,078	2,090,320	1,496,884	1,404,321	1,404,542	1,489,051	2,419,736	36,339,406

Sources of Supply	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	Total
TENN_ZONE_0	245,157	292,392	292,392	264,096	292,392	282,960	236,812	226,927	246,736	265,468	228,929	292,392	3,166,653
TENN_ZONE_1	592,862	616,993	616,993	557,284	616,993	597,090	365,122	252,526	245,364	245,365	237,449	616,993	5,561,034
TENN_DRACUT	0	50,036	47,274	157,549	62,000	0	0	0	0	0	0	0	316,859
TETCO_STX	281,269	283,774	283,774	256,312	283,774	242,714	74,135	200,063	62,861	56,000	95,308	105,514	2,225,498
TETCO_WLA	205,733	232,500	232,500	210,000	232,500	224,416	0	0	0	0	0	0	1,337,649
TETCO_ELA	339,162	422,189	422,189	381,332	414,598	114,383	0	0	0	0	0	0	2,093,853
TETCO_ETX	296,580	306,466	306,466	276,808	306,466	286,022	192,535	286,022	306,466	306,466	286,022	203,649	3,359,968
TETCO_NF	0	22,302	27,342	24,696	22,537	0	0	0	0	0	0	0	96,877
HUBLINE	0	62,000	62,000	109,446	25,477	0	0	0	0	0	0	0	258,923
M3_DELIVERED	0	6,327	9,965	37,680	10,660	0	0	0	0	0	0	0	64,632
MAJUMEE_SUPP	888,570	918,189	918,189	829,332	918,189	888,570	824,108	425,016	412,630	351,392	409,098	918,189	8,701,472
BROADRUN_COL	211,036	306,063	306,063	294,296	306,063	23,987	25,690	25,689	46,936	96,523	161,605	199,671	2,003,622
COLUMBIA_AGT	0	13,526	36,332	39,667	92,301	0	0	0	0	0	0	0	181,826
TRAN_WHART	0	10,354	10,354	9,352	10,354	0	0	0	0	0	0	0	40,414
TETCO_B&W	0	0	10,884	23,619	10,884	0	0	0	0	0	0	0	34,503
TETCO_DOM	0	0	13,224	12,264	0	0	0	0	0	0	0	0	25,488
ANE	30,000	31,000	31,000	28,000	31,000	30,000	31,000	30,000	31,000	31,000	30,000	31,000	365,000
NIAGARA	29,940	30,938	29,940	27,944	30,938	29,940	30,938	29,940	30,938	30,938	29,940	30,938	363,272
DISTR_FCS	5,739	297,693	263,445	84,432	249,148	30,200	288,590	0	0	0	0	0	1,219,247
WESTERLY_LNG	0	0	0	0	0	0	0	0	0	0	0	0	0
NEWPORT_LNG	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Take	3,126,048	3,902,742	3,920,326	3,624,109	3,905,390	2,750,282	2,068,930	1,476,183	1,382,931	1,383,152	1,478,351	2,398,346	31,416,790
Storage Withdrawals													
TENN_8995	0	45,889	86,046	37,859	13,229	0	0	0	0	0	0	0	183,023
TENN_501	0	112,858	139,560	130,256	99,506	22,998	0	0	0	0	0	0	505,178
GSS 600045	19,267	158,111	428,100	399,560	83,887	25,990	0	0	0	0	0	0	1,114,915
GSS 300171	0	53,998	78,510	61,003	16,554	0	0	0	0	0	0	0	210,065
GSS 300169	0	26,838	61,830	57,708	14,427	0	0	0	0	0	0	0	160,803
GSS 300168	0	26,732	42,030	39,228	10,100	0	0	0	0	0	0	0	118,090
GSS 300170	0	36,095	163,440	152,544	29,554	0	0	0	0	0	0	0	381,633
TETCO_400221	0	237,607	308,889	297,009	30,801	29,665	0	0	0	0	0	0	903,971
TETCO_400515	0	11,328	14,726	14,160	1,933	0	0	0	0	0	0	0	42,147
TETCO_400185	0	10,398	13,517	12,998	4,622	0	0	0	0	0	0	0	41,535
COL FS 38010	0	25,887	76,350	37,822	32,445	16,443	0	0	0	0	0	0	188,947
LNG EXETER	3,000	13,936	160,151	23,161	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	224,750
LNG PROV	16,460	110,332	483,234	17,937	15,500	15,000	15,500	15,000	15,500	15,500	15,000	15,500	730,463
LNG VALLEY	3,997	12,883	75,646	2,520	2,790	2,700	2,790	2,700	2,790	2,790	2,700	2,790	117,096
PROPANE	0	0	0	0	0	0	0	0	0	0	0	0	0
Total With	42,724	882,894	2,112,029	1,283,765	358,448	115,796	21,390	20,700	21,390	21,390	20,700	21,390	4,922,616
Total Supply	3,168,772	4,785,636	6,032,355	4,907,874	4,263,838	2,866,078	2,090,320	1,496,883	1,404,321	1,404,542	1,499,051	2,419,736	36,339,406

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	Total
NYMEX strip (8/25/05)	\$10,242	\$10,642	\$10,922	\$10,902	\$10,677	\$9,077	\$8,827	\$8,857	\$8,900	\$8,940	\$8,920	\$8,950	
TENNESSEE ZN 0													
Basis	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)	(\$0.227)
usage	\$0.1629	\$0.1629	\$0.1629	\$0.1629	\$0.1629	\$0.1629	\$0.1629	\$0.1629	\$0.1629	\$0.1629	\$0.1629	\$0.1629	\$0.1629
fuel	8.71%	8.71%	8.71%	8.71%	8.71%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%
Total Delivered	\$11.1494	\$11.5876	\$11.8943	\$11.8724	\$11.6259	\$9.7357	\$9.4657	\$9.4981	\$9.5445	\$9.5877	\$9.5661	\$9.5985	\$9.5985
TENNESSEE ZN 1													
Basis	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)
usage to Zn 6	\$0.1524	\$0.1524	\$0.1524	\$0.1524	\$0.1524	\$0.1524	\$0.1524	\$0.1524	\$0.1524	\$0.1524	\$0.1524	\$0.1524	\$0.1524
fuel to Zn 6	7.82%	7.82%	7.82%	7.82%	7.82%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Total Delivered	\$11.2006	\$11.6346	\$11.9383	\$11.9166	\$11.6725	\$9.8144	\$9.5465	\$9.5786	\$9.6247	\$9.6676	\$9.6461	\$9.6783	\$9.6783
TENNESSEE DRACUT													
Basis	\$1.040	\$1.040	\$1.040	\$1.040	\$1.040	\$0.496	\$0.496	\$0.496	\$0.496	\$0.496	\$0.496	\$0.496	\$0.496
usage	\$0.0663	\$0.0663	\$0.0663	\$0.0663	\$0.0663	\$0.0663	\$0.0663	\$0.0663	\$0.0663	\$0.0663	\$0.0663	\$0.0663	\$0.0663
fuel	0.89%	0.89%	0.89%	0.89%	0.89%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
Total Delivered	\$11.4502	\$11.8558	\$12.1363	\$12.1161	\$11.8891	\$9.7216	\$9.4695	\$9.4998	\$9.5431	\$9.5835	\$9.5633	\$9.5936	\$9.5936
TETCO STX													
Basis	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)	(\$0.261)
Usage to M3	\$0.0841	\$0.0841	\$0.0841	\$0.0841	\$0.0841	\$0.0841	\$0.0841	\$0.0841	\$0.0841	\$0.0841	\$0.0841	\$0.0841	\$0.0841
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	8.87%	11.18%	11.18%	11.18%	11.18%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%	8.87%
Fuel on AGT	0.63%	1.27%	1.27%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.1367	\$11.9688	\$12.2886	\$12.2658	\$12.0088	\$9.8494	\$9.5731	\$9.6063	\$9.6538	\$9.6960	\$9.6759	\$9.7091	\$9.7091
TETCO WLA													
Basis	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)	(\$0.086)
Usage to M3	\$0.0792	\$0.0792	\$0.0792	\$0.0792	\$0.0792	\$0.0792	\$0.0792	\$0.0792	\$0.0792	\$0.0792	\$0.0792	\$0.0792	\$0.0792
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	8.20%	10.22%	10.22%	10.22%	10.22%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%
Fuel on AGT	0.63%	1.27%	1.27%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.2406	\$12.0303	\$12.3466	\$12.3240	\$12.0698	\$9.9627	\$9.6885	\$9.7214	\$9.7696	\$9.8125	\$9.7905	\$9.8234	\$9.8234
TETCO ELA													
Basis	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)
Usage to M3	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	7.91%	9.79%	9.79%	9.79%	9.79%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%
Fuel on AGT	0.63%	1.27%	1.27%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.2364	\$12.0046	\$12.3194	\$12.2969	\$12.0439	\$9.9627	\$9.6883	\$9.7221	\$9.7691	\$9.8129	\$9.7910	\$9.8238	\$9.8238

TETCO ETX

Basis	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)	(\$0.192)
Usage to M3	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770	\$0.0770
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	7.91%	9.79%	9.79%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.0866	\$11.8505	\$12.1653	\$9.8128	\$9.5395	\$9.5723	\$9.6193	\$9.6630	\$9.6411	\$9.6330	\$9.6330	\$9.6739

TETCO TO NF

Basis	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)	(\$0.055)
Usage to M2	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112	\$0.3112
Usage on NF	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088
Usage on Transco	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M2	4.16%	5.19%	5.19%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%	4.16%
Fuel on NF	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Fuel on Transco	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.3898	\$12.0403	\$12.3268	\$10.1292	\$9.8586	\$9.8911	\$9.9376	\$9.9809	\$9.9593	\$9.9809	\$9.9809	\$9.9917

M3 DELIVERED

Basis	\$1.316	\$1.316	\$1.316	\$0.478	\$0.478	\$0.478	\$0.478	\$0.478	\$0.478	\$0.478	\$0.478	\$0.478
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.6446	\$12.1252	\$12.4088	\$9.6283	\$9.3767	\$9.4069	\$9.4502	\$9.4905	\$9.4703	\$9.4905	\$9.4905	\$9.5005

MAUMEE SUPPLY

Basis	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260	\$0.260
Usage on Columbia	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$10.8824	\$11.3708	\$11.6620	\$9.6790	\$9.4207	\$9.4517	\$9.4961	\$9.5374	\$9.5168	\$9.5374	\$9.5374	\$9.5478

BROADRUN COLUMBIA

Basis	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26
Usage on Columbia	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$10.8824	\$11.3708	\$11.6620	\$9.6790	\$9.4207	\$9.4517	\$9.4961	\$9.5374	\$9.5168	\$9.5374	\$9.5374	\$9.5478

COLUMBIA TO AGT

Basis	\$1.316	\$1.316	\$1.316	\$0.478	\$0.478	\$0.478	\$0.478	\$0.478	\$0.478	\$0.478	\$0.478	\$0.478
Usage on Columbia	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199	\$0.0199
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%
Fuel on AGT	0.63%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered	\$11.9757	\$12.4693	\$12.7397	\$9.9040	\$9.6468	\$9.6767	\$9.7212	\$9.7625	\$9.7418	\$9.7625	\$9.7625	\$9.7728

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Tennessee Zone 1 to VGC												
Basis	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)	(\$0.070)
usage	\$0.152	\$0.152	\$0.152	\$0.152	\$0.152	\$0.152	\$0.152	\$0.152	\$0.152	\$0.152	\$0.152	\$0.152
fuel	7.82%	7.82%	7.82%	7.82%	7.82%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Total Delivered	\$11,201	\$11,635	\$11,938	\$11,917	\$11,573	\$9,814	\$9,546	\$9,579	\$9,668	\$9,646	\$9,646	\$9,678
DISTRIGAS FCS												
Total Delivered	\$10,242	\$10,842	\$10,922	\$10,902	\$10,677	\$9,077	\$8,827	\$8,857	\$8,940	\$8,920	\$8,920	\$8,950
Hubline												
Basis (Historical)	\$1.0400	\$1.0400	\$1.0400	\$1.0400	\$1.0400	\$0.4957	\$0.4957	\$0.4957	\$0.4957	\$0.4957	\$0.4957	\$0.4957
usage	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
fuel	0.63%	1.27%	1.27%	1.27%	1.27%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Total Delivered (Historical)	\$11,367	\$11,846	\$12,129	\$12,109	\$11,881	\$9,647	\$9,395	\$9,425	\$9,489	\$9,489	\$9,489	\$9,519
Total delivered to the City Gas Supply Costs												
Tennessee Zn 0												
Delivered Mmbtu	245,157	292,392	292,392	264,096	292,392	282,960	236,812	226,927	246,736	265,468	228,929	292,392
NYMEX \$/Mmbtu Del	\$11,1494	\$11,5876	\$11,8943	\$11,8724	\$11,6259	\$9,7357	\$9,4657	\$9,4881	\$9,5445	\$9,5877	\$9,5661	\$9,5985
Total Delivered Cost	\$2,733,365	\$3,388,124	\$3,477,805	\$3,135,458	\$3,399,334	\$2,754,819	\$2,241,587	\$2,155,372	\$2,354,980	\$2,545,238	\$2,189,966	\$2,806,536
TENN ZONE 1												
Delivered Mmbtu	592,862	616,993	616,993	557,284	616,993	597,090	365,122	252,526	245,364	245,365	237,449	616,993
NYMEX \$/Mmbtu Del	\$11,201	\$11,635	\$11,938	\$11,917	\$11,673	\$9,814	\$9,546	\$9,579	\$9,625	\$9,668	\$9,646	\$9,678
Total Delivered Cost	\$6,640,423	\$7,178,439	\$7,365,853	\$6,640,937	\$7,201,866	\$5,860,051	\$3,485,631	\$2,418,853	\$2,361,555	\$2,372,081	\$2,290,464	\$5,971,427
TENN DRACUT												
Delivered Mmbtu at Historical	60,000	186,000	217,000	168,000	62,000	85,009	0	0	0	0	0	0
NYMEX \$/Mmbtu Del	\$11,450	\$11,854	\$12,136	\$12,116	\$11,889	\$9,722	\$9,470	\$9,500	\$9,543	\$9,583	\$9,563	\$9,594
Total Delivered Cost	\$687,012	\$2,204,807	\$2,633,580	\$2,035,510	\$737,125	\$826,428	\$0	\$0	\$0	\$0	\$0	\$0
TETCO STX												
Delivered Mmbtu	281,269	283,774	283,774	256,312	283,774	242,714	74,135	200,063	62,861	56,000	95,308	105,514
NYMEX \$/Mmbtu Del	\$11,1367	\$11,9688	\$12,2866	\$12,2658	\$12,0088	\$9,8494	\$9,5731	\$9,6063	\$9,6538	\$9,6980	\$9,6759	\$9,7091
Delivered Cost	\$3,132,404	\$3,396,439	\$3,487,195	\$3,143,869	\$3,407,784	\$2,390,585	\$709,705	\$1,921,865	\$606,848	\$543,089	\$922,192	\$1,024,442
TETCO ELA												
Delivered Mmbtu	205,733	232,500	232,500	210,000	232,500	224,416	0	0	0	0	0	0
NYMEX \$/Mmbtu Del	\$11,2364	\$12,0046	\$12,3194	\$12,2969	\$12,0439	\$9,9627	\$9,6893	\$9,7221	\$9,7691	\$9,8129	\$9,7910	\$9,8238
Delivered Cost	\$2,311,707	\$2,791,059	\$2,864,254	\$2,582,346	\$2,800,208	\$2,235,781	\$0	\$0	\$0	\$0	\$0	\$0
TETCO WLA												
Delivered Mmbtu	339,162	422,189	422,189	381,332	414,588	114,383	0	0	0	0	0	0
NYMEX \$/Mmbtu Del	\$11,2406	\$12,0303	\$12,3466	\$12,3240	\$12,0698	\$9,9627	\$9,6885	\$9,7214	\$9,7686	\$9,8125	\$9,7905	\$9,8234
Delivered Cost	\$3,812,369	\$5,079,058	\$5,212,617	\$4,699,554	\$5,004,131	\$1,139,566	\$0	\$0	\$0	\$0	\$0	\$0

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
TETCO ETX												
Delivered Mmbtu	296,580	306,466	306,466	276,808	306,466	286,022	192,535	286,022	306,466	306,466	286,022	203,649
NYMEX \$/Mmbtu Del	\$11,0866	\$11,8505	\$12,1653	\$12,1428	\$11,8898	\$9,8128	\$9,5395	\$9,5723	\$9,6193	\$9,6630	\$9,6411	\$9,6739
Delivered Cost	\$3,288,061	\$3,631,761	\$3,728,243	\$3,361,220	\$3,643,822	\$2,806,679	\$1,836,681	\$2,737,879	\$2,947,983	\$2,961,386	\$2,757,581	\$1,970,090
TETCO - NF												
Delivered Mmbtu	0	22,302	27,342	24,696	22,537	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$11,3898	\$12,0403	\$12,3489	\$12,3268	\$12,0789	\$10,1292	\$9,8586	\$9,8911	\$9,9376	\$9,9809	\$9,9593	\$9,9917
Delivered Cost	\$0	\$268,522	\$337,642	\$304,423	\$272,221	\$0	\$0	\$0	\$0	\$0	\$0	\$0
M3 DELIVERED												
Delivered Mmbtu	0	6,327	9,965	37,680	10,660	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$11,6446	\$12,1252	\$12,4088	\$12,3886	\$12,1607	\$12,1607	\$9,6283	\$0	\$0	\$0	\$0	\$0
Delivered Cost	\$0	\$76,716	\$123,654	\$466,801	\$129,633	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco at Wharton												
Delivered Mmbtu	0	10,354	10,354	9,352	10,354	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$10,745	\$11,138	\$11,418	\$11,398	\$11,173	\$9,315	\$9,065	\$9,095	\$9,138	\$9,178	\$9,158	\$9,188
Delivered Cost	\$0	\$115,328	\$118,227	\$106,599	\$115,690	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MAUMEE_SUPP												
Delivered Mmbtu	888,570	918,189	918,189	829,332	918,189	888,570	824,108	425,016	412,630	351,392	409,098	918,189
NYMEX \$/Mmbtu Del	\$10,882	\$11,371	\$11,662	\$11,641	\$11,407	\$9,679	\$9,421	\$9,452	\$9,496	\$9,537	\$9,517	\$9,548
Delivered Cost	\$9,669,788	\$10,440,536	\$10,707,882	\$9,654,387	\$10,473,954	\$8,600,438	\$7,763,686	\$4,017,125	\$3,918,385	\$3,351,381	\$3,893,297	\$8,766,661
BROADRUN_COL												
Delivered Mmbtu	211,036	306,063	306,063	294,286	306,063	23,987	25,690	25,689	46,936	96,523	161,605	199,671
Daily pricing wacog	\$10,882	\$11,371	\$11,662	\$11,641	\$11,407	\$9,679	\$9,421	\$9,452	\$9,496	\$9,537	\$9,517	\$9,548
Delivered Cost	\$2,296,381	\$3,480,179	\$3,569,294	\$3,425,947	\$3,491,318	\$232,169	\$242,014	\$242,806	\$445,710	\$920,583	\$1,537,960	\$1,906,414
COLUMBIA_AGT												
Delivered Mmbtu	0	13,526	36,332	39,667	92,301	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$11,974	\$12,469	\$12,760	\$12,740	\$12,506	\$9,904	\$9,646	\$9,677	\$9,721	\$9,762	\$9,742	\$9,773
Delivered Cost	\$0	\$168,660	\$463,614	\$505,346	\$1,154,291	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANE TO TENNESSEE												
Delivered Mmbtu	30,000	31,000	31,000	28,000	31,000	30,000	31,000	30,000	31,000	31,000	30,000	31,000
Delivered \$/Mmbtu	\$5,054	\$5,229	\$5,357	\$5,307	\$5,112	\$4,492	\$4,363	\$4,378	\$4,404	\$4,409	\$4,379	\$4,406
Delivered Cost	\$151,614	\$162,093	\$166,061	\$148,590	\$158,466	\$134,754	\$135,247	\$131,334	\$136,518	\$136,673	\$131,364	\$136,580
NIAGARA TO TENNESSEE												
Delivered Mmbtu Niagara	29,940	30,938	29,940	27,944	30,938	29,940	30,938	29,940	30,938	30,938	29,940	30,938
Delivered \$/Mmbtu Niagara	\$11,063	\$11,471	\$11,757	\$11,737	\$11,507	\$9,580	\$9,325	\$9,356	\$9,399	\$9,440	\$9,420	\$9,450
Total Delivered cost	\$331,220	\$354,900	\$352,014	\$327,975	\$356,006	\$268,817	\$288,497	\$280,105	\$290,798	\$292,059	\$282,027	\$292,374

Operational Parameters
Non-Daily Metered FT-2 Storage and Peaking Resources

The following Operational Parameters are pursuant to RIPUC NEGC No. 101, Section 5, Schedule E:

Effective Period: November 1, 2005 through October 31, 2006

Underground Storage:

Maximum Inventory Level at any time is 100% of Aggregation Pool's MSQ-U

Minimum Inventory Levels:

November 1st	98%
December 1st	90%
January 1st	73%
February 1st	48%
March 1st	27%
April 1st	10%

Maximum Monthly Withdrawals expressed as percentage of MSQ-U:

November	10%
December	23%
January	25%
February	23%
March	22%

Maximum Daily Withdrawals:

Level of Storage Inventory Expressed as % of MSQ-U	Allowable Daily Withdrawal Expressed as % of MDQ-U
>35% to 100%	100%
>25% to 35%	85%
>10% to 25%	68%
>0% to 10%	50%

Maximum Daily Injections expressed as percentage of MDQ-U:

April - September	55%
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Peaking Inventory:

Injections are not allowed.

Inventory Level allocated on November 1, 2005 = MSQ-P

Minimum Inventory Levels:

	<u>Minimum</u>
November 1st	100%
January 1st	81%
February 1st	42%
March 1st	14%
April 1st	8%

Maximum Daily Withdrawals = MDQ-P

MSQ-U Maximum Storage Quantity - Underground
MDQ-U Maximum Daily Quantity - Underground
MSQ-P Maximum Storage Quantity - Peaking
MDQ-P Maximum Daily Quantity - Peaking

NEW ENGLAND GAS COMPANY
TRANSPORTATION DEFAULT SERVICE

Price Sheet

As indicated in Item 2.04.0 of Section 5, Schedule E of the Company's Transportation Terms and Conditions, two Default Transportation Services are available in the event that a marketer stops delivering gas on behalf of Large and Extra Large FT-1 customers who have elected to forgo the Company's assignment of pipeline capacity:

Short-Notice Service:

The commodity charge for Short-Notice service shall be the higher of:

OR

- a. The Company's applicable firm sales rate
- b. Winter (November – March) – 135% of the Daily Algonquin Citygates average price or 135% of the Daily Tennessee Zone 6 (delivered) average price published in Gas Daily. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Summer (April – October) – 115% of the Daily Algonquin Citygates average price or 115% of the Daily Tennessee Zone 6 (delivered) average price published in Gas Daily. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

NEW ENGLAND GAS COMPANY
TRANSPORTATION DEFAULT SERVICE

Advance-Notice Service: The commodity charge for Advance-Notice service shall be the higher of:

OR

- a. The Company's applicable firm sales rate
- b. Winter (November – March) – 135% of the Algonquin Citygates Monthly Contract Index price or 135% of the Tennessee Zone 6 (delivered) Monthly Contract Index price published in the Gas Daily Price Guide. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Summer (April – October) – 115% of the Algonquin Citygates Monthly Contract Index price or 115% of the Tennessee Zone 6 (delivered) Monthly Contract Index price published in the Gas Daily Price Guide. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

The Company and Default Transportation Service supplier shall review the pricing of these services annually and file any necessary revisions with the Commission concurrent with the Company's annual Gas Charge Clause filing.

**Gas Procurement and Asset
Management Incentive Plan for NEG**

Revised Effective April 7, 2005

I. Objectives

- A. To encourage the New England Gas Company (“NEG” or “Company”) to achieve lower overall gas commodity costs for its customers; and
- B. To encourage the Company to minimize fixed costs and obtain the maximum value from its pipeline, storage and supply resources.

II. Structure of the Incentive Plan

- A. The Incentive Plan (“Plan”) has two components
 - 1. A Gas Procurement Incentive Program (“GPIP”); and
 - 2. An Asset Management Incentive Program (“AMIP”).
- B. This Plan became effective June 1, 2003. It will be reviewed with each gas cost recovery (“GCR”) filing. The Company will file Plan results semi-annually at the end of January and July. These reports shall include reporting all Plan activity and results through the end of the month prior to the filing.
 - 1. Gas Procurement Incentives apply only to discretionary purchases made on or after June 1, 2003. The first month for which the incentive will be calculated under the Plan will be November 2003.
 - 2. Beginning in 2005, the AMIP applies to fixed gas supply expenditures for the 12-months ended June 30th of each year except for the 2004/2005 year, which will include the period from November 1, 2004 to June 30, 2005.
- C. Limits on Incentives – Both the GPIP and the AMIP, will be subject to limits on the magnitude of incentives applicable to the Company in each fiscal year.

1. For the Gas Procurement Incentive Program limitations are placed on the maximum amount of incentives that can be earned or penalties paid by NEG for each fiscal year. For at least the first two years of the program (i.e., through June 30, 2005):
 - a. NEG may not earn more than \$1,000,000 in Gas Procurement Incentives in any fiscal year; and
 - b. NEG may not be exposed to penalties of more than \$500,000 in any fiscal year.
 2. For the AMIP the maximum amount of incentive for the Company for a one-year period will be \$400,000. Since the Rhode Island Public Utilities Commission ("Commission") annually reviews and can exercise control over the amount of fixed gas supply costs projected for the coming GCR period, no specific penalty structure is proposed to address unanticipated increases in Asset Management costs.
- D. The Company will file its forecasted normal weather natural gas purchase requirements with its annual GCR filing. In addition, whenever the Company updates its annual forecast of projected purchases at the time of the annual update or in the event that an adjustment based on migration is warranted, it will file support for the revised purchase forecast with the Commission and Division.

III. The Gas Procurement Incentive Program

- A. The Company will make purchases of natural gas incorporating the lock of the NYMEX Henry Hub portion of the variable cost. For any future gas supply month the Company will make three types of gas purchases:
1. Mandatory Purchases
 - a. Are defined as mandatory monthly purchases of gas volumes made in uniform monthly increments. (Mandatory purchases will vary as the forecast of purchases is updated periodically.)
 - b. Will equal 60% of forecasted normal weather gas purchase requirements for the April and October gas supply months and 70% of forecasted normal weather gas purchase requirements for the remaining ten months. Purchases will be based on the forecast of requirements in place when the purchases are made.

- c. Will be purchased in uniform monthly increments on a mandatory basis starting 24 months prior to the month of delivery and ending 4 months prior to the start of deliveries.
- d. The first purchases made each month will be deemed the Company's mandatory purchases up to the amount of the Company's uniform monthly purchase requirement unless such purchases are made under the recommended purchase guidelines ("RPG") as defined below.

2. Discretionary Purchases

- a. Are defined as the physical volume purchased at least 6 business days prior to the start of the delivery month for delivery to the system or storage in excess of the Mandatory Purchase requirements in a month and which, in aggregate, do not exceed 45% of forecasted normal weather gas purchase requirements for a given gas supply month.
- b. The cost and benefit of any financial hedges will be included in the calculation of the average unit price.

3. Other Discretionary Purchases Not Subject To Incentives

- a. LNG and propane supplies.
- b. Supplies that lock in price but are not part of the program i.e., the Distrigas FCS contract.
- c. Purchases made less than 6 business days prior to the beginning of the month, during the month or under a contract which does not allow for the locking of the price.
- d. Purchases made due to updated levels of forecasted migration of throughput volumes from transportation service to sales service.

B. Computation of Gas Procurement Incentives

Gas Procurement Incentives will be determined on the basis of comparisons of the volume-weighted average cost per dekatherm of Discretionary Purchases made after June 1, 2003, and the volume

weighted average cost per dekatherm of mandatory gas purchases made after June 1, 2003 for the same gas supply month. All comparisons will be based on the NYMEX portion of the variable cost per dekatherm of the purchased gas supply.

- C. Any purchases made for a future gas supply month, excluding other Discretionary Purchases not subject to incentives as shown in III.A.3, that are in excess of the mandatory purchase requirement for the month, will be deemed discretionary purchases.
- D. The timing of discretionary purchases is left solely to the discretion of the Company. However, beginning in November 2005 the Company will make sufficient Discretionary Purchases by November 1st of each year, such that a minimum of 80% of supply needed for December, January and February and 75% of supply needed for a normal November and March will be at a fixed or capped price. The fixed and capped supplies will include all forward purchases, financially based hedges, DOMAC FCS contract purchases, LNG purchases and storage supplies.
- F. After all purchases for forecasted gas requirements for a given gas supply month are completed, the volume-weighted average cost of Discretionary Purchases is computed.
 - 1. If the weighted average cost of Discretionary Purchases is less than that for Mandatory Purchases, NEG earns a positive incentive equal to 10% of the difference between the weighted average cost of Discretionary Purchases and the weighted average cost of Mandatory Purchases in dollars per dekatherm multiplied by the actual volume of Discretionary Purchases.
 - 2. If the weighted average cost of discretionary purchases is greater than that for mandatory purchases the Company will be assessed a penalty (i.e., negative incentive) equal to 10% of the difference in dollars per dekatherm between the weighted average cost of Discretionary Purchases and the weighted average cost of Mandatory Purchases for the same gas supply month multiplied by the actual volume of Discretionary Purchases.
 - 3. If the weighted average cost of Discretionary Purchases is more than \$0.50 below the weighted average cost of Mandatory purchases then NEG will receive a Meritorious Performance Bonus equal to 10% of the difference between the weighted average cost of Discretionary Purchases and the weighted average cost of Mandatory Purchases multiplied by the actual volumes of Discretionary Purchases.

IV. The Asset Management Incentive

- A. For each gas supply year during the effective period of this incentive program, NEG will earn a dollar incentive based on reductions achieved in fixed gas supply and fixed storage costs from the amounts projected as accepted by the Commission for each gas supply year. The net effect of fixed costs recovered from marketers under the capacity assignment feature of the Company's transportation program will not be counted in the calculation of the incentive. The calculation will include all fixed costs associated with gas supply, asset management fees or credits, capacity release credits and off-system sales margins.
- B. To discourage achievement of fixed costs savings through the manipulation of gas commodity purchases, the amount of the Asset Management Incentive shall be dependent upon the Company's success in its Gas Procurement activities.
1. If the Company's actual gas procurement costs at the time of the Company's last annual GCR filing are **below** its projected gas procurement costs on a dollars per dekatherm basis, then NEG shall be provided an Asset Management incentive equal to 20% of the amount by which the sum of the Company's actual fixed gas supply costs and fixed storage costs are below the projected fixed gas supply and fixed storage costs accepted by the Commission for the gas supply year.
 2. If the Company's actual gas procurement costs at the time of the Company's last annual GCR filing are **above** its projected gas procurement costs on a dollars per dekatherm basis, then NEG shall be provided an Asset Management incentive equal 10% of the amount by which the sum of the Company's actual fixed gas supply costs and fixed storage costs are below the projected fixed gas supply and fixed storage costs accepted by the Commission for the gas supply year.

**Gas Purchasing and Incentive Plan
Calculation of Company Incentive
New England Gas Company - Rhode Island**

Month	Mandatory		Discretionary		Difference	Discretionary Volumes (Dth)	Gain/ (Loss)	Incentive* Level	Company Incentive
	NYMEX		NYMEX						
July-04	\$5.102		\$4.809	\$0.293	48,081	\$14,096.55	10%	\$1,409.66	
August-04	\$5.216		\$4.879	\$0.337	31,124	\$10,482.84	10%	\$1,048.28	
September-04	\$5.310		\$5.221	\$0.089	101,520	\$9,054.28	10%	\$905.43	
October-04	\$5.378		\$5.084	\$0.294	553,722	\$162,654.24	10%	\$16,265.42	
November-04	\$5.603		\$6.359	(\$0.757)	663,510	(\$502,050.58)	10%	(\$50,205.06)	
December-04	\$5.837		\$8.124	(\$2.286)	447,206	(\$1,022,536.41)	10%	(\$102,253.64)	
January-05	\$6.140		\$6.232	(\$0.092)	19,654	(\$1,808.38)	10%	(\$180.84)	
February-05	\$6.350		\$6.104	\$0.246	182,504	\$44,915.67	10%	\$4,491.57	
March-05	\$6.264		\$6.752	(\$0.488)	385,454	(\$188,243.97)	10%	(\$18,824.40)	
April-05	\$5.683		\$6.010	(\$0.327)	26,070	(\$8,522.29)	10%	(\$852.23)	
May-05	\$5.697		\$6.190	(\$0.493)	8,804	(\$4,337.37)	10%	(\$433.74)	
June-05	\$5.910		\$5.878	\$0.032	44,580	\$1,439.52	10%	\$143.95	
Total								(\$148,485.59)	

* = Months where savings exceed 50 cents per Dth are subject to a 20% incentive.

Gas Purchasing and Incentive Plan
Mandatory Purchases
New England Gas Company - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cumulative	Source Date
July, 2004	1,627	50,437	\$5.156	\$260,043.81	Jun-03
July, 2004	1,627	50,437	\$4.750	\$239,565.83	Jul-03
July, 2004	1,627	50,437	\$4.790	\$241,593.23	Aug-03
July, 2004	1,546	47,926	\$4.761	\$228,154.42	Sep-03
July, 2004	1,546	47,926	\$4.770	\$228,607.02	Oct-03
July, 2004	1,546	47,926	\$4.633	\$222,052.38	Nov-03
July, 2004	1,546	47,926	\$4.950	\$237,233.70	Dec-03
July, 2004	1,546	47,926	\$5.473	\$262,321.07	Jan-04
July, 2004	1,546	47,926	\$5.295	\$253,768.17	Feb-04
July, 2004	1,546	47,926	\$5.690	\$272,698.94	Mar-04
July, 2004	1,546	47,926	\$5.885	\$282,044.51	Apr-04
	17,249	534,719	\$5.102	\$2,728,083.08	
August, 2004	1,425	44,175	\$5.055	\$223,285.25	Jun-03
August, 2004	1,425	44,175	\$4.720	\$208,506.00	Jul-03
August, 2004	1,425	44,175	\$4.900	\$216,457.50	Aug-03
August, 2004	1,469	45,539	\$4.756	\$216,570.96	Sep-03
August, 2004	1,469	45,539	\$4.770	\$217,221.03	Oct-03
August, 2004	1,469	45,539	\$4.640	\$211,300.96	Nov-03
August, 2004	1,469	45,539	\$5.127	\$233,464.41	Dec-03
August, 2004	1,469	45,539	\$5.420	\$246,821.38	Jan-04
August, 2004	1,469	45,539	\$5.200	\$236,802.80	Feb-04
August, 2004	1,469	45,539	\$5.635	\$256,612.27	Mar-04
August, 2004	1,469	45,539	\$5.990	\$272,778.61	Apr-04
August, 2004	1,469	45,539	\$6.350	\$289,172.65	May-04
	17,496	542,376	\$5.216	\$2,828,993.82	
September, 2004	1,312	39,360	\$5.157	\$202,982.40	Jun-03
September, 2004	1,312	39,360	\$4.990	\$196,406.40	Jul-03
September, 2004	1,312	39,360	\$4.750	\$186,960.00	Aug-03
September, 2004	1,528	45,840	\$4.749	\$217,672.80	Sep-03
September, 2004	1,528	45,840	\$4.890	\$224,157.60	Oct-03
September, 2004	1,528	45,840	\$4.610	\$211,322.40	Nov-03
September, 2004	1,528	45,840	\$4.917	\$225,381.60	Dec-03
September, 2004	1,528	45,840	\$5.326	\$244,144.80	Jan-04
September, 2004	1,528	45,840	\$5.110	\$234,242.40	Feb-04
September, 2004	1,528	45,840	\$5.565	\$255,099.60	Mar-04
September, 2004	1,528	45,840	\$5.920	\$271,372.80	Apr-04
September, 2004	1,528	45,840	\$6.305	\$289,021.20	May-04
September, 2004	1,528	45,840	\$6.600	\$302,544.00	Jun-04
	19,216	576,480	\$5.310	\$3,061,308.00	

Gas Purchasing and Incentive Plan
Mandatory Purchases
New England Gas Company - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cumulative	Source Date
October, 2004	2,041	63,271	\$5.143	\$325,422.50	Jun-03
October, 2004	2,041	63,271	\$4.797	\$303,517.75	Jul-03
October, 2004	2,041	63,271	\$4.860	\$307,497.06	Aug-03
October, 2004	1,939	60,109	\$4.763	\$286,289.03	Sep-03
October, 2004	1,939	60,109	\$4.745	\$285,188.84	Oct-03
October, 2004	1,939	60,109	\$4.655	\$279,816.85	Nov-03
October, 2004	1,939	60,109	\$4.992	\$300,045.90	Dec-03
October, 2004	1,939	60,109	\$5.453	\$327,796.33	Jan-04
October, 2004	1,939	60,109	\$5.267	\$316,615.71	Feb-04
October, 2004	1,939	60,109	\$5.502	\$330,694.05	Mar-04
October, 2004	1,939	60,109	\$5.820	\$349,834.38	Apr-04
October, 2004	1,939	60,109	\$6.445	\$387,402.51	May-04
October, 2004	1,939	60,109	\$6.489	\$390,028.05	Jun-04
October, 2004	2,225	68,975	\$6.290	\$433,852.75	Jul-04
	27,738	859,878	\$5.378	\$4,624,001.70	
November, 2004	3,002	90,060	\$5.265	\$474,188.40	Jun-03
November, 2004	3,002	90,060	\$4.930	\$443,995.80	Jul-03
November, 2004	3,002	90,060	\$5.065	\$456,109.20	Aug-03
November, 2004	3,041	91,230	\$4.954	\$451,940.10	Sep-03
November, 2004	3,041	91,230	\$4.936	\$450,277.80	Oct-03
November, 2004	3,041	91,230	\$4.834	\$440,972.85	Nov-03
November, 2004	3,041	91,230	\$5.198	\$474,199.80	Dec-03
November, 2004	3,041	91,230	\$5.513	\$502,938.90	Jan-04
November, 2004	3,041	91,230	\$5.400	\$492,642.00	Feb-04
November, 2004	3,041	91,230	\$5.744	\$524,007.90	Mar-04
November, 2004	3,041	91,230	\$6.107	\$557,163.15	Apr-04
November, 2004	3,041	91,230	\$6.643	\$606,054.90	May-04
November, 2004	3,041	91,230	\$6.456	\$588,947.40	Jun-04
November, 2004	3,154	94,620	\$6.494	\$614,498.40	Jul-04
November, 2004	3,154	94,620	\$6.417	\$607,137.00	Aug-04
	45,724	1,371,720	\$5.603	\$7,685,073.60	
December, 2004	3,584	111,104	\$5.488	\$609,727.84	Jun-03
December, 2004	3,584	111,104	\$5.065	\$562,700.84	Jul-03
December, 2004	3,584	111,104	\$5.280	\$586,614.24	Aug-03
December, 2004	3,584	111,104	\$5.034	\$559,264.80	Sep-03
December, 2004	3,584	111,104	\$5.167	\$574,082.80	Oct-03
December, 2004	3,584	111,104	\$5.012	\$556,822.00	Nov-03
December, 2004	3,584	111,104	\$5.446	\$605,077.84	Dec-03
December, 2004	3,584	111,104	\$5.688	\$631,953.60	Jan-04
December, 2004	3,584	111,104	\$5.554	\$617,066.16	Feb-04
December, 2004	3,584	111,104	\$6.036	\$670,678.80	Mar-04
December, 2004	3,584	111,104	\$6.180	\$686,673.56	Apr-04
December, 2004	3,584	111,104	\$6.761	\$751,192.00	May-04
December, 2004	3,584	111,104	\$6.742	\$749,084.00	Jun-04
December, 2004	3,894	120,714	\$6.702	\$808,966.70	Jul-04
December, 2004	3,894	120,714	\$6.712	\$810,230.26	Aug-04
December, 2004	3,894	120,714	\$6.334	\$764,659.64	Sep-04
	58,274	1,806,494	\$5.837	\$10,544,795.08	

Gas Purchasing and Incentive Plan
Mandatory Purchases
New England Gas Company - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cumulative	Source Date
January, 2005	3,962	122,822	\$5.196	\$638,242.88	Jul-03
January, 2005	3,962	122,822	\$5.315	\$652,781.26	Aug-03
January, 2005	3,963	122,853	\$5.075	\$623,507.65	Sep-03
January, 2005	3,963	122,853	\$5.176	\$635,947.95	Oct-03
January, 2005	3,963	122,853	\$5.090	\$625,321.77	Nov-03
January, 2005	3,963	122,853	\$5.587	\$686,357.98	Dec-03
January, 2005	3,963	122,853	\$5.871	\$721,215.93	Jan-04
January, 2005	3,963	122,853	\$5.816	\$714,533.88	Feb-04
January, 2005	3,963	122,853	\$6.131	\$753,181.89	Mar-04
January, 2005	3,963	122,853	\$6.285	\$772,091.12	Apr-04
January, 2005	3,963	122,853	\$6.829	\$838,902.47	May-04
January, 2005	3,963	122,853	\$6.837	\$839,958.33	Jun-04
January, 2005	4,153	128,743	\$6.861	\$883,289.82	Jul-04
January, 2005	4,153	128,743	\$6.815	\$877,326.66	Aug-04
January, 2005	4,153	128,743	\$6.859	\$883,058.25	Sep-04
January, 2005	4,153	128,743	\$8.296	\$1,068,016.03	Oct-04
	64,166	1,989,146	\$6.140	\$12,213,733.87	
February, 2005	3,828	107,184	\$5.228	\$560,403.20	Aug-03
February, 2005	3,878	108,584	\$5.047	\$547,994.16	Sep-03
February, 2005	3,878	108,584	\$5.166	\$560,918.40	Oct-03
February, 2005	3,878	108,584	\$5.071	\$550,673.20	Nov-03
February, 2005	3,878	108,584	\$5.622	\$610,432.48	Dec-03
February, 2005	3,878	108,584	\$5.745	\$623,859.88	Jan-04
February, 2005	3,878	108,584	\$5.726	\$621,757.92	Feb-04
February, 2005	3,878	108,584	\$6.177	\$670,707.52	Mar-04
February, 2005	3,878	108,584	\$6.321	\$686,354.48	Apr-04
February, 2005	3,878	108,584	\$6.782	\$736,383.76	May-04
February, 2005	3,878	108,584	\$6.821	\$740,640.32	Jun-04
February, 2005	3,963	110,964	\$6.783	\$752,709.16	Jul-04
February, 2005	3,963	110,964	\$6.795	\$754,041.68	Aug-04
February, 2005	3,963	110,964	\$6.822	\$756,982.80	Sep-04
February, 2005	3,963	110,964	\$8.447	\$937,365.80	Oct-04
February, 2005	3,922	109,816	\$8.925	\$980,070.00	Nov-04
	62,382	1,746,696	\$6.350	\$11,091,294.76	
March, 2005	3,781	117,211	\$4.995	\$585,464.45	Sep-03
March, 2005	3,781	117,211	\$4.998	\$585,774.45	Oct-03
March, 2005	3,781	117,211	\$4.915	\$576,069.90	Nov-03
March, 2005	3,781	117,211	\$5.343	\$626,266.96	Dec-03
March, 2005	3,781	117,211	\$5.600	\$656,422.83	Jan-04
March, 2005	3,781	117,211	\$5.596	\$655,944.81	Feb-04
March, 2005	3,781	117,211	\$5.854	\$686,178.80	Mar-04
March, 2005	3,781	117,211	\$6.167	\$722,883.42	Apr-04
March, 2005	3,781	117,211	\$6.616	\$775,517.70	May-04
March, 2005	3,781	117,211	\$6.788	\$795,614.69	Jun-04
March, 2005	3,671	113,801	\$6.736	\$766,536.69	Jul-04
March, 2005	3,671	113,801	\$6.689	\$761,240.65	Aug-05
March, 2005	3,671	113,801	\$6.561	\$746,635.93	Sep-04
March, 2005	3,671	113,801	\$8.041	\$915,123.10	Oct-04
March, 2005	3,636	112,716	\$8.557	\$964,460.84	Nov-04
March, 2005	3,636	112,716	\$6.966	\$785,230.00	Dec-04
	59,766	1,852,746	\$6.264	\$11,605,365.22	

Gas Purchasing and Incentive Plan
Mandatory Purchases
New England Gas Company - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cumulative	Source Date
April, 2005	2,666	79,980	\$4.594	\$367,458.00	Oct-03
April, 2005	2,666	79,980	\$4.600	\$367,908.00	Nov-03
April, 2005	2,666	79,980	\$4.677	\$374,074.80	Dec-03
April, 2005	2,666	79,980	\$4.990	\$399,100.20	Jan-04
April, 2005	2,666	79,980	\$4.981	\$398,400.60	Feb-04
April, 2005	2,666	79,980	\$5.276	\$421,935.00	Mar-04
April, 2005	2,666	79,980	\$5.464	\$436,991.40	Apr-04
April, 2005	2,666	79,980	\$5.768	\$461,288.40	May-04
April, 2005	2,666	79,980	\$5.986	\$478,790.40	Jun-04
April, 2005	2,617	78,510	\$6.126	\$480,947.10	Jul-04
April, 2005	2,617	78,510	\$6.109	\$479,625.90	Aug-04
April, 2005	2,617	78,510	\$6.122	\$480,640.50	Sep-04
April, 2005	2,617	78,510	\$6.830	\$536,248.50	Oct-04
April, 2005	3,023	90,690	\$6.833	\$619,657.50	Nov-04
April, 2005	3,023	90,690	\$6.492	\$588,749.10	Dec-04
April, 2005	3,023	90,690	\$5.840	\$529,629.60	Jan-05
	43,531	1,305,930	\$5.683	\$7,421,445.00	
May, 2005	1,799	55,769	\$4.510	\$251,518.19	Nov-03
May, 2005	1,799	55,769	\$4.530	\$252,633.57	Dec-03
May, 2005	1,799	55,769	\$4.820	\$268,806.58	Jan-04
May, 2005	1,799	55,769	\$4.885	\$272,431.57	Feb-04
May, 2005	1,799	55,769	\$5.160	\$287,768.04	Mar-04
May, 2005	1,799	55,769	\$5.295	\$295,296.86	Apr-04
May, 2005	1,799	55,769	\$5.420	\$302,267.98	May-04
May, 2005	1,799	55,769	\$5.960	\$332,383.24	Jun-04
May, 2005	2,156	66,836	\$5.956	\$398,046.20	Jul-04
May, 2005	2,156	66,836	\$5.965	\$398,697.20	Aug-04
May, 2005	2,156	66,836	\$5.966	\$398,710.84	Sep-04
May, 2005	2,156	66,836	\$6.690	\$447,132.84	Oct-04
May, 2005	1,875	58,125	\$6.990	\$406,293.75	Nov-04
May, 2005	1,875	58,125	\$6.557	\$381,137.25	Dec-04
May, 2005	3,750	116,250	\$5.990	\$696,337.50	Jan-05
	30,516	945,996	\$5.697	\$5,389,461.60	
June, 2005	1,710	51,300	\$4.560	\$233,928.00	Dec-03
June, 2005	1,710	51,300	\$4.860	\$249,318.00	Jan-04
June, 2005	1,710	51,300	\$4.905	\$251,626.50	Feb-04
June, 2005	1,710	51,300	\$5.100	\$261,630.00	Mar-04
June, 2005	1,710	51,300	\$5.300	\$271,890.00	Apr-04
June, 2005	1,710	51,300	\$5.455	\$279,841.50	May-04
June, 2005	1,710	51,300	\$5.880	\$301,644.00	Jun-04
June, 2005	1,750	52,500	\$5.990	\$314,475.00	Jul-04
June, 2005	1,750	52,500	\$6.077	\$319,050.00	Aug-04
June, 2005	1,750	52,500	\$5.917	\$310,665.00	Sep-04
June, 2005	1,750	52,500	\$6.630	\$348,075.00	Oct-04
June, 2005	1,496	44,880	\$6.740	\$302,491.20	Nov-04
June, 2005	1,496	44,880	\$6.690	\$300,247.20	Dec-04
June, 2005	4,488	134,640	\$6.090	\$819,957.60	Jan-05
June, 2005	7,064	211,920	\$6.500	\$1,377,480.00	May-05
	33,514	1,005,420	\$5.910	\$5,942,319.00	

Gas Purchasing and Incentive Plan Worksheet - July 2005
Discretionary Purchases
New England Gas Company - Rhode Island

LOCK #	Month	Daily Purchased		Monthly Volumes	NYMEX Price	Weighted Average NYMEX Price	Cumulative
		Volume	Days				
7	July, 2004	73	31	2,263	\$5.130		\$11,609.19
9	July, 2004	73	31	2,263	\$4.590		\$10,387.17
10	July, 2004	73	31	2,263	\$4.790		\$10,839.77
12	July, 2004	54	31	1,674	\$4.670		\$7,817.58
13	July, 2004	54	31	1,674	\$4.770		\$7,984.98
15	July, 2004	954	31	29,574	\$4.630		\$136,927.62
17	July, 2004	54	31	1,674	\$4.950		\$8,286.30
19	July, 2004	54	31	1,674	\$5.445		\$9,114.93
20	July, 2004	54	31	1,674	\$5.295		\$8,863.83
21	July, 2004	54	31	1,674	\$5.690		\$9,525.06
22	July, 2004	54	31	1,674	\$5.885		\$9,851.49
		1,551		48,081		\$4.809	\$231,207.92
6	August, 2004	75	31	2,325	\$4.990		\$11,601.75
7	August, 2004	75	31	2,325	\$4.720		\$10,974.00
8	August, 2004	75	31	2,325	\$4.900		\$11,392.50
10	August, 2004	31	31	961	\$4.640		\$4,459.04
11	August, 2004	31	31	961	\$4.770		\$4,583.97
12	August, 2004	531	31	16,461	\$4.640		\$76,379.04
14	August, 2004	31	31	961	\$5.190		\$4,987.59
15	August, 2004	31	31	961	\$5.420		\$5,208.62
16	August, 2004	31	31	961	\$5.200		\$4,997.20
17	August, 2004	31	31	961	\$5.635		\$5,415.24
18	August, 2004	31	31	961	\$5.990		\$5,756.39
19	August, 2004	31	31	961	\$6.350		\$6,102.35
		1,004		31,124		\$4.879	\$151,857.69
5	September, 2004	88	30	2,640	\$5.090		\$13,437.60
6	September, 2004	88	30	2,640	\$4.990		\$13,173.60
7	September, 2004	88	30	2,640	\$4.750		\$12,540.00
9	September, 2004	72	30	2,160	\$4.670		\$10,087.20
10	September, 2004	72	30	2,160	\$4.890		\$10,562.40
11	September, 2004	472	30	14,160	\$4.610		\$65,277.60
13	September, 2004	72	30	2,160	\$4.990		\$10,778.40
15	September, 2004	72	30	2,160	\$5.220		\$11,275.20
16	September, 2004	72	30	2,160	\$5.110		\$11,037.60
17	September, 2004	72	30	2,160	\$5.565		\$12,020.40
18	September, 2004	72	30	2,160	\$5.920		\$12,787.20
19	September, 2004	72	30	2,160	\$6.305		\$13,618.80
20	September, 2004	72	30	2,160	\$6.600		\$14,256.00
21	September, 2004	2,000	30	60,000	\$5.320		\$319,200.00
		3,384		101,520		\$5.221	\$530,052.00

Gas Purchasing and Incentive Plan Worksheet - July 2005
Discretionary Purchases
New England Gas Company - Rhode Island

LOCK #	Month	Daily Purchased		Monthly Volumes	NYMEX Price	Weighted Average NYMEX Price	Cumulative
		Volume	Days				
6	October, 2004	59	31	1,829	\$5.000		\$9,145.00
8	October, 2004	59	31	1,829	\$4.595		\$8,404.26
9	October, 2004	59	31	1,829	\$4.860		\$8,888.94
11	October, 2004	61	31	1,891	\$4.670		\$8,830.97
13	October, 2004	61	31	1,891	\$4.760		\$9,001.16
15	October, 2004	1,061	31	32,891	\$4.650		\$152,943.15
17	October, 2004	61	31	1,891	\$5.100		\$9,644.10
19	October, 2004	61	31	1,891	\$5.425		\$10,258.68
21	October, 2004	61	31	1,891	\$5.190		\$9,814.29
23	October, 2004	61	31	1,891	\$5.450		\$10,305.95
24	October, 2004	61	31	1,891	\$5.820		\$11,005.62
25	October, 2004	61	31	1,891	\$6.445		\$12,187.50
27	October, 2004	61	31	1,891	\$6.450		\$12,196.95
28	October, 2004	75	31	2,325	\$6.290		\$14,624.25
29	October, 2004	4,000	31	124,000	\$5.350		\$663,400.00
30	October, 2004	2,000	31	62,000	\$5.290		\$327,980.00
31	October, 2004	1,000	31	31,000	\$5.250		\$162,750.00
32	October, 2004	1,000	31	31,000	\$5.190		\$160,890.00
33	October, 2004	1,000	31	31,000	\$5.090		\$157,790.00
34	October, 2004	2,000	31	62,000	\$4.990		\$309,380.00
35	October, 2004	2,000	31	62,000	\$4.890		\$303,180.00
36	October, 2004	2,000	31	62,000	\$4.790		\$296,980.00
37	October, 2004	1,000	31	31,000	\$4.690		\$145,390.00
		17,862		553,722		\$5.084	\$2,814,990.81
5	November, 2004	98	30	2,940	\$5.140		\$15,111.60
6	November, 2004	98	30	2,940	\$4.930		\$14,494.20
8	November, 2004	98	30	2,940	\$5.070		\$14,905.80
11	November, 2004	59	30	1,770	\$4.870		\$8,619.90
13	November, 2004	59	30	1,770	\$4.860		\$8,602.20
16	November, 2004	59	30	1,770	\$4.795		\$8,487.15
19	November, 2004	59	30	1,770	\$5.260		\$9,310.20
21	November, 2004	59	30	1,770	\$5.430		\$9,611.10
23	November, 2004	59	30	1,770	\$5.400		\$9,558.00
25	November, 2004	59	30	1,770	\$5.730		\$10,142.10
28	November, 2004	59	30	1,770	\$5.905		\$10,451.85
32	November, 2004	59	30	1,770	\$6.380		\$11,292.60
35	November, 2004	46	30	1,380	\$6.320		\$8,721.60
38	November, 2004	46	30	1,380	\$6.350		\$8,763.00
39	November, 2004	5,000	30	150,000	\$5.590		\$838,500.00
40	November, 2004	1,000	30	30,000	\$5.550		\$166,500.00
41	November, 2004	1,000	30	30,000	\$5.490		\$164,700.00
42	November, 2004	1,000	30	30,000	\$5.390		\$161,700.00
43	November, 2004	1,200	30	36,000	\$5.350		\$192,600.00
44	November, 2004	5,000	30	150,000	\$6.580		\$987,000.00
45	November, 2004	2,000	30	60,000	\$6.780		\$406,800.00
46	November, 2004	5,000	30	150,000	\$7.690		\$1,153,500.00
		22,117		663,510		\$6.359	\$4,219,371.30

Gas Purchasing and Incentive Plan Worksheet - July 2005
Discretionary Purchases
New England Gas Company - Rhode Island

LOCK #	Month	Daily Purchased Volume	Days	Monthly Volumes	NYMEX Price	Weighted Average NYMEX Price	Cumulative
3	December, 2004	16	31	496	\$5.460		\$2,708.16
5	December, 2004	16	31	496	\$4.960		\$2,460.16
8	December, 2004	16	31	496	\$5.310		\$2,633.76
11	December, 2004	16	31	496	\$4.950		\$2,455.20
15	December, 2004	16	31	496	\$5.075		\$2,517.20
18	December, 2004	16	31	496	\$5.100		\$2,529.60
21	December, 2004	16	31	496	\$5.460		\$2,708.16
23	December, 2004	16	31	496	\$5.650		\$2,802.40
25	December, 2004	16	31	496	\$5.540		\$2,747.84
28	December, 2004	16	31	496	\$5.950		\$2,951.20
31	December, 2004	16	31	496	\$6.140		\$3,045.44
34	December, 2004	16	31	496	\$6.750		\$3,348.00
38	December, 2004	16	31	496	\$6.750		\$3,348.00
42	December, 2004	6	31	186	\$6.550		\$1,218.30
46	December, 2004	6	31	186	\$6.590		\$1,225.74
50	December, 2004	6	31	186	\$6.260		\$1,164.36
51	December, 2004	1,200	31	37,200	\$8.030		\$298,716.00
52	December, 2004	5,000	31	155,000	\$7.990		\$1,238,450.00
53	December, 2004	4,000	31	124,000	\$8.110		\$1,005,640.00
54	December, 2004	4,000	31	124,000	\$8.470		\$1,050,280.00
		14,426		447,206		\$8.124	\$3,632,949.52
2	January, 2005	38	31	1,178	\$5.040		\$5,937.12
5	January, 2005	38	31	1,178	\$5.330		\$6,278.74
8	January, 2005	37	31	1,147	\$5.050		\$5,792.35
12	January, 2005	37	31	1,147	\$5.150		\$5,907.05
15	January, 2005	37	31	1,147	\$5.090		\$5,838.23
19	January, 2005	37	31	1,147	\$5.660		\$6,492.02
21	January, 2005	37	31	1,147	\$5.810		\$6,664.07
24	January, 2005	37	31	1,147	\$5.960		\$6,836.12
28	January, 2005	37	31	1,147	\$6.130		\$7,031.11
32	January, 2005	37	31	1,147	\$6.445		\$7,392.42
36	January, 2005	37	31	1,147	\$6.990		\$8,017.53
40	January, 2005	37	31	1,147	\$6.610		\$7,581.67
44	January, 2005	47	31	1,457	\$6.740		\$9,820.18
48	January, 2005	47	31	1,457	\$6.620		\$9,645.34
52	January, 2005	47	31	1,457	\$7.750		\$11,291.75
56	January, 2005	47	31	1,457	\$8.210		\$11,961.97
		634		19,654		\$6.232	\$122,487.67
3	February, 2005	72	28	2,016	\$5.300		\$10,684.80
6	February, 2005	22	28	616	\$4.990		\$3,073.84
10	February, 2005	22	28	616	\$5.100		\$3,141.60
13	February, 2005	22	28	616	\$5.050		\$3,110.80
17	February, 2005	22	28	616	\$5.720		\$3,523.52
20	February, 2005	22	28	616	\$5.695		\$3,508.12
23	February, 2005	22	28	616	\$5.880		\$3,622.08
26	February, 2005	22	28	616	\$6.280		\$3,868.48
30	February, 2005	22	28	616	\$6.470		\$3,985.52
34	February, 2005	22	28	616	\$6.890		\$4,244.24
38	February, 2005	22	28	616	\$6.980		\$4,299.68
42	February, 2005	37	28	1,036	\$6.690		\$6,930.84
46	February, 2005	37	28	1,036	\$6.620		\$6,858.32
50	February, 2005	37	28	1,036	\$7.700		\$7,977.20
54	February, 2005	37	28	1,036	\$8.450		\$8,754.20
58	February, 2005	78	28	2,184	\$8.250		\$18,018.00
60	February, 2005	1,000	28	28,000	\$6.350		\$177,800.00
61	February, 2005	1,000	28	28,000	\$6.250		\$175,000.00
62	February, 2005	1,000	28	28,000	\$6.190		\$173,320.00
63	February, 2005	1,000	28	28,000	\$5.970		\$167,160.00
64	February, 2005	1,000	28	28,000	\$5.820		\$162,960.00
65	February, 2005	1,000	28	28,000	\$5.790		\$162,120.00
		6,518		182,504		\$6.104	\$1,113,961.24

Gas Purchasing and Incentive Plan Worksheet - July 2005
Discretionary Purchases
New England Gas Company - Rhode Island

LOCK #	Month	Daily Purchased Volume	Days	Monthly Volumes	NYMEX Price	Weighted Average NYMEX Price	Cumulative
3	March, 2005	19	31	589	\$4.950		\$2,915.55
6	March, 2005	19	31	589	\$4.950		\$2,915.55
8	March, 2005	19	31	589	\$4.900		\$2,886.10
11	March, 2005	19	31	589	\$5.360		\$3,157.04
14	March, 2005	19	31	589	\$5.530		\$3,257.17
17	March, 2005	19	31	589	\$5.710		\$3,363.19
20	March, 2005	19	31	589	\$5.800		\$3,416.20
24	March, 2005	19	31	589	\$6.220		\$3,663.58
28	March, 2005	19	31	589	\$6.700		\$3,946.30
32	March, 2005	19	31	589	\$6.790		\$3,999.31
36	March, 2005	29	31	899	\$6.690		\$6,014.31
40	March, 2005	29	31	899	\$6.650		\$5,978.35
41	March, 2005	29	31	899	\$6.930		\$6,230.07
48	March, 2005	29	31	899	\$8.100		\$7,281.90
49	March, 2005	2,000	31	62,000	\$8.090		\$501,580.00
50	March, 2005	2,000	31	62,000	\$8.190		\$507,780.00
54	March, 2005	64	31	1,984	\$7.990		\$15,852.16
58	March, 2005	64	31	1,984	\$6.750		\$13,392.00
59	March, 2005	1,000	31	31,000	\$6.250		\$193,750.00
60	March, 2005	1,000	31	31,000	\$6.070		\$188,170.00
61	March, 2005	1,000	31	31,000	\$5.890		\$182,590.00
62	March, 2005	1,000	31	31,000	\$6.190		\$191,890.00
63	March, 2005	1,000	31	31,000	\$6.120		\$189,720.00
64	March, 2005	1,000	31	31,000	\$6.090		\$188,790.00
65	March, 2005	1,000	31	31,000	\$5.990		\$185,690.00
66	March, 2005	1,000	31	31,000	\$5.950		\$184,450.00
		12,434		385,454		\$6.752	\$2,602,678.78
2	April, 2005	34	30	1,020	\$4.600		\$4,692.00
3	April, 2005	34	30	1,020	\$4.600		\$4,692.00
5	April, 2005	34	30	1,020	\$4.760		\$4,855.20
7	April, 2005	34	30	1,020	\$4.990		\$5,089.80
9	April, 2005	34	30	1,020	\$4.970		\$5,069.40
11	April, 2005	34	30	1,020	\$5.250		\$5,355.00
13	April, 2005	34	30	1,020	\$5.430		\$5,538.60
15	April, 2005	34	30	1,020	\$6.080		\$6,201.60
17	April, 2005	34	30	1,020	\$5.980		\$6,099.60
19	April, 2005	83	30	2,490	\$6.210		\$15,462.90
21	April, 2005	83	30	2,490	\$6.090		\$15,164.10
24	April, 2005	83	30	2,490	\$6.550		\$16,309.50
27	April, 2005	83	30	2,490	\$7.350		\$18,301.50
30	April, 2005	77	30	2,310	\$6.750		\$15,592.50
33	April, 2005	77	30	2,310	\$6.390		\$14,760.90
34	April, 2005	77	30	2,310	\$5.840		\$13,490.40
		869		26,070		\$6.010	\$156,675.00
1	May, 2005	1	31	31	\$4.510		\$139.81
2	May, 2005	1	31	31	\$4.530		\$140.43
3	May, 2005	1	31	31	\$4.820		\$149.42
4	May, 2005	1	31	31	\$4.885		\$151.44
5	May, 2005	1	31	31	\$5.160		\$159.96
6	May, 2005	1	31	31	\$5.295		\$164.15
7	May, 2005	1	31	31	\$5.420		\$168.02
8	May, 2005	1	31	31	\$5.960		\$184.76
10	May, 2005	44	31	1,364	\$5.950		\$8,115.80
12	May, 2005	44	31	1,364	\$5.950		\$8,115.80
14	May, 2005	44	31	1,364	\$5.940		\$8,102.16
15	May, 2005	44	31	1,364	\$6.690		\$9,125.16
16	May, 2005	25	31	775	\$6.990		\$5,417.25
18	May, 2005	25	31	775	\$6.550		\$5,076.25
19	May, 2005	50	31	1,550	\$5.990		\$9,284.50
		284		8,804		\$6.190	\$54,494.90
1	June, 2005	90	30	2,700	\$4.560		\$12,312.00
2	June, 2005	90	30	2,700	\$4.860		\$13,122.00
3	June, 2005	90	30	2,700	\$4.905		\$13,243.50
4	June, 2005	90	30	2,700	\$5.100		\$13,770.00
5	June, 2005	90	30	2,700	\$5.300		\$14,310.00
6	June, 2005	90	30	2,700	\$5.455		\$14,728.50
7	June, 2005	90	30	2,700	\$5.880		\$15,876.00
8	June, 2005	50	30	1,500	\$5.990		\$8,985.00
10	June, 2005	50	30	1,500	\$6.060		\$9,090.00
12	June, 2005	50	30	1,500	\$5.890		\$8,835.00
13	June, 2005	50	30	1,500	\$6.630		\$9,945.00
14	June, 2005	4	30	120	\$6.740		\$808.80
15	June, 2005	4	30	120	\$6.690		\$802.80
16	June, 2005	12	30	360	\$6.090		\$2,192.40
17	June, 2005	636	30	19,080	\$6.500		\$124,020.00
		1,486		44,580		\$5.878	\$262,041.00

SUMMARY OF 8 MONTHS ACTUAL FIXED COSTS

November 2004 - June 2005

	GCR Filing Nov - Jun	Actual Nov - Jun	GPIP Incentive Difference Nov - Jun
Transportation Fixed (b)	\$21,580,357	\$21,357,248	-\$223,109
Storage Fixed	\$3,090,568	\$3,036,140	-\$54,428
Supplier Fixed	\$1,704,154	\$1,768,843	\$64,689
Total Fixed	\$26,375,079	\$26,162,230	-\$212,849
Net Eligible Costs	\$26,375,079	\$26,162,230	(\$212,849)
Marketer Releases	(\$1,203,744)	(\$1,644,660)	(a)
Net Fixed Costs	\$25,171,335	\$24,517,571	

(a) Marketer releases are not included in the calculation of the asset management incentive under the "Gas purchasing Incentive Program". They may vary based on the changes in the assignment percentage, path selections and migration to or from transportation.

(b) Transportation Fixed costs are net of Capacity release credits

ACTUAL FIXED CHARGES

November 2004 - February 2005

	GCR Filing			Actual			GIP Incentive Difference		
	NOV	DEC	JAN	NOV	DEC	JAN	NOV	DEC	JAN
Transportation Fixed (a)	\$2,544,760	\$2,725,486	\$2,727,318	\$2,518,825	\$2,748,728	\$23,242	\$2,727,318	\$2,739,869	\$12,551
Storage Fixed	\$386,321	\$386,321	\$386,321	\$386,278	\$386,295	-\$26	\$386,321	\$377,377	-\$8,944
Supplier Fixed	\$212,663	\$213,788	\$213,788	\$226,030	\$225,412	\$11,624	\$213,788	\$225,917	\$12,129
Total Fixed	\$3,143,744	\$3,325,595	\$3,327,427	\$3,131,133	\$3,360,436	\$34,841	\$3,327,427	\$3,343,164	\$15,737
Marketer Releases	\$200,624	\$200,624	\$200,624	\$282,735	\$295,150	(b)	\$200,624	\$295,325	(b)
Net Fixed Costs	\$2,943,120	\$3,124,971	\$3,126,803	\$2,848,398	\$3,065,286		\$3,126,803	\$3,047,839	

(a) Transportation Fixed costs are net of Capacity release credits

(b) Marketer releases are not included in the calculation of the asset management incentive under the "Gas Purchasing Incentive Program". They may vary based on the changes in the assignment percentage, path selections and migration to or from transportation.

ACTUAL FIXED CHARGES

March 2005 - June 2005

	GCR Filing			Actual			GIP Incentive Difference		
	MAR	APR	MAY	MAR	APR	MAY	MAR	APR	MAY
Transportation Fixed (a)	\$2,727,318	\$2,714,585	\$2,707,126	\$2,731,247	\$2,658,621	-\$55,964	\$2,707,126	\$2,664,399	-\$42,727
Storage Fixed	\$386,321	\$386,321	\$386,321	\$377,287	\$377,284	-\$9,034	\$386,321	\$377,383	-\$8,938
Supplier Fixed	\$213,788	\$212,663	\$213,788	\$207,713	\$220,416	-\$6,075	\$213,788	\$221,049	\$7,261
Total Fixed	\$3,327,427	\$3,313,569	\$3,307,235	\$3,316,247	\$3,256,322	-\$57,247	\$3,307,235	\$3,262,831	-\$44,404
Marketer Releases	\$200,624	\$200,624	\$200,624	\$277,641	\$268,854	(b)	\$200,624	\$271,316	(b)
Net Fixed Costs	\$3,126,803	\$3,112,945	\$3,106,611	\$3,038,606	\$2,987,467		\$3,106,611	\$2,991,515	

(a) Transportation Fixed costs are net of Capacity release credits

(b) Marketer releases are not included in the calculation of the asset management incentive under the "Gas Purchasing Incentive Program". They may vary based on the changes in the assignment percentage, path selections and migration to or from transportation.

REDACTED

Discussion of Asset Management Incentive

The fixed cost comparison in GLB-10 shows savings of \$212,849 from the level approved in the September 2004 GCR filing. Because actual gas procurement costs are higher than projected in the 2003 GCR filing, the incentive would be at the 10% level, or \$21,285.

The reduction in fixed costs is primarily attributable to the reduction in fixed costs from the negotiated rate reductions on Algonquin Pipeline that became effective on April 1, 2005. This GCR filing includes an estimated asset management fee of \$[REDACTED] per month, the same level received in each of the last two years. It does not include the fee paid last year by the supplier for the option to extend the contract for one year beyond the October 31, 2004 initial contract end date. No such fee is being paid in 2005.

RECEIVED

July 29, 2005

2005 JUL 29 PM 3:17

New England Gas Company

PUBLIC UTILITIES COMMISSION

VIA HAND DELIVERY

Luly Massaro, Commission Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket No. 3458, LNG System Pressure Report

Dear Ms. Massaro:

In the annual Distribution Adjustment Charge ("DAC") for New England Gas Company ("NEGC" or "Company") for the 2004-2005 season (Docket No. 3548), Mr. Bruce Oliver, witness for the Rhode Island Division of Public Utilities & Carriers ("Division"), recommended that the Company track its LNG use over the winter and provide an assessment of the impacts of changes in its LNG dispatch on the System Balancing Factor. Mr. Oliver's concern stemmed from what he saw as a large increase in forecasted LNG use, which he believed could have resulted from the dispatch of LNG based on its economic value rather than to maintain system pressures. If so, the underlying allocation of 20.39% of LNG costs for system-pressure maintenance would be inappropriate. The Rhode Island Public Utilities Commission ("Commission"), concurred with Mr. Oliver's recommendation, and at its October 21, 2004 Open Meeting directed the Company to make such a filing prior to its next DAC filing. As directed by the Commission, the Company's response is set forth herein.

Mr. Oliver is correct in his assertion that part of the *forecasted* increase in LNG this past winter season was associated with economic dispatch. However, as a result of Mr. Oliver's observations, the Company monitored its use of LNG during the 2004-2005 winter season to determine if its LNG use was consistent with the assumptions underlying the allocation of 20.39 percent for system pressure. Through this monitoring effort, the Company confirmed that, during the past heating season, the Company's LNG use was in compliance with the allocation factor of 20.39 percent. On a going forward basis, however, the Company anticipates that the situation may be different in light of current market conditions and prevailing LNG prices, and as a result LNG may be used in the future for economic dispatch purposes. Thus, for the reasons detailed below, the Company will prepare its forecasts for System Balancing to exclude any LNG forecasted to be dispatched for economic reasons. When the reconciliation is performed following a winter season, any dispatch for economic reasons would be excluded to derive the appropriate level of cost allocation to the System Balancing factor.

By way of background, the Company has historically purchased spot market supplies on colder days to reduce the use of LNG, which would reduce the cost of overall gas purchases at times when LNG was more expensive than spot market supplies. Over the last three winters, however, gas prices on the colder days have increased, creating opportunities to use LNG for economic reasons. As Mr. Oliver observed, the modeling of normal weather sendout for the 2004/2005 winter called for a significant amount of LNG to be used for purely economic reasons in January 2005. This was the result of an unusually large spread between summer prices and the January monthly price that projected an economical advantage to using LNG even after incorporating the premium paid for LNG supplies and trucking costs.

The actual experience this past winter, however, was quite different from the projected results. January, February and March 2005 spot prices were, on average, lower than earlier months and, excluding a brief cold spell in January when daily prices spiked, prices were generally lower than the LNG replacement cost. The Company did not use LNG as a substitute at that time because it was relatively early in the winter and the real possibility existed that a future cold spell could result in much higher prices (as it had the previous winter) and there was a need to conserve LNG at that point because there is a limited ability to restock LNG supplies mid-winter. Therefore, the Company found no instance this past winter season when the dispatch of LNG was inconsistent with the assumptions built into the current factor. LNG use was higher than forecast because of colder-than-normal weather, an above average number of spikes of very cold weather and the one severe cold spell mentioned above.

However, notwithstanding the fact that the Company's use of LNG this past winter was in compliance with the assumptions underlying the allocation, the Company recognizes Mr. Oliver's point that market conditions and the opportunities presented with the costs associated for LNG use could, in future years, create a situation where the Company would achieve a price advantage by dispatching LNG, requiring a change in the System Balancing Factor. Therefore, the Company believes it is advisable to prepare its forecast for System Balancing by excluding LNG dispatched for economic reasons. This will allow for a more proper allocation for calculating the factor. When the time comes to reconcile the results of the winter, any dispatch for economic reasons could be excluded, resulting in an appropriate level of cost allocation to the System Balancing factor in the Company's annual DAC proceeding.

Thank you for your attention to this filing. Should you have any questions relative to the information provided herein, please contact me directly to discuss them.

Sincerely,

Handwritten signature of Gary L. Beland in black ink, with the initials (RFP) written in parentheses to the right of the signature.

Gary L. Beland
Director, Gas Supply

Cc: Bruce Oliver
Steve Scialabba
Paul Roberti, Esq.
Cheryl Kimball
Sharon Partridge