

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

NEW ENGLAND GAS COMPANY
DOCKET NO. 3696

DIRECT TESTIMONY

OF

PETER C. CZEKANSKI

September 1, 2005

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

2 A. My name is Peter C. Czekanski. My business address is 100 Weybosset Street,
3 Providence, RI 02903.

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

5 A. I am Director of Pricing for the New England Gas Company ("NEGC" or the
6 "Company"). My responsibilities include overseeing the design, implementation and
7 administration of rates charged by NEGC. I also direct the development of the
8 Company's sales and revenue forecasts.

9 **Q. WHAT IS YOUR PROFESSIONAL AND EDUCATIONAL BACKGROUND?**

10 A. I was first employed by Providence Gas Company ("ProvGas") in January 1995 as a
11 Pricing Analyst with responsibility for assisting in rate design, tariff administration
12 and other regulatory activities. I was promoted to my current position in March 1998.
13 I have previously testified in numerous proceedings before this Commission,
14 including: (1) Docket No. 3401, the Company's most recent rate case proceeding;
15 (2) Docket No. 3436, the Gas Cost Recovery filing; (3) Docket Nos. 1673 and 1736,
16 the former ProvGas and Valley Gas cost of gas adjustment filings; (4) Docket No.
17 2902, enhancements to the Business Choice Program; and (5) in the Docket Nos. 3459
18 and 3548 in support of the Distribution Adjustment Charge. I have also testified
19 before the Massachusetts Department of Telecommunications and Energy on behalf of

1 North Attleboro Gas Company in Dockets D.T.E. 01-17 and D.T.E. 01-47 and Fall
2 River Gas Company in Docket D.T.E. 04-06.

3 Prior to joining NEGC, I was employed by NYNEX (now Verizon) for 24 years where
4 I held various positions in the Regulatory, Government Relations and Marketing
5 departments. While part of the Regulatory department at NYNEX, I prepared and
6 filed testimony and testified in various dockets before the Rhode Island,
7 Massachusetts and Vermont regulatory commissions on matters related to rate design,
8 pricing and cost issues.

9 My educational background includes a Bachelor of Science degree in Electrical
10 Engineering from Brown University. In addition, during my career at NYNEX, I
11 completed a variety of business and management courses.

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

13 A. The purpose of this testimony is to explain the calculation of the Gas Cost Recovery
14 ("GCR") charges to be effective with consumption on and after November 1, 2005 for
15 the following services: (1) firm sales service customers in the Residential Non-
16 Heating and Heating rate classes as well as Commercial and Industrial ("C&I")
17 customers in the Small, Medium, Large and Extra Large rate classes; and (2) Gas
18 Marketer Charges and factors associated with transportation services billed to Gas
19 Marketers. My testimony will also address the Natural Gas Vehicle ("NGV") rate.

1 **Q. DO YOU HAVE ANY SCHEDULES INCLUDED WITH YOUR TESTIMONY?**

2 A. Yes. I am sponsoring the following Schedules:

3 PCC-1 Gas Cost Recovery Schedules
4 PCC-2 GCR Reconciliation Filing
5 PCC-3 Projected Gas Cost Balances
6 PCC-4 Bill Impacts
7 PCC-5 NGV Tariff
8 PCC-6 Marketer Transportation Factors

9 **Q. PLEASE PROVIDE AN OVERVIEW OF THE DEVELOPMENT OF THE**
10 **PROPOSED GCR RATES.**

11 A. The proposed GCR rates reflect the class-specific factors necessary for the Company
12 to collect sufficient revenues to recover projected gas costs for the period November 1,
13 2005 through October 31, 2006. As shown in the testimony of Mr. Beland on
14 Schedule GLB-1, gas costs for the period are projected to be \$308.5 million for the
15 twelve months ended October 2006. In addition to these projected costs, the GCR
16 factors also reflect Working Capital Costs of \$1.3 million (Schedule PCC-1, pages 8-
17 10), Inventory Financing Costs of \$3.1 million (Schedule PCC-1, page 11), prior
18 period Deferred Balance of \$10.4 million (Schedule PCC-1, pages 6-7; based on
19 actual data through July 2005 and forecast data for the period August 2005 through
20 October 2005), LNG Operation and Maintenance ("O&M") Costs of \$0.9 million
21 (Docket No. 3401), and a credit of \$1.9 million associated with LNG Costs which will
22 be collected via the Distribution Adjustment Clause ("DAC") factor. Thus, the GCR
23 factors are intended to recover \$322.4 million in costs over the period November 2005

1 through October 2006. Schedule PCC-1, page 1 provides a summary of the GCR
2 factors by customer rate class.

3 **Q. SCHEDULE PCC-1, PAGE 1 SHOWS A RESIDENTIAL AND SMALL C&I**
4 **GCR FACTOR OF \$11.3705 PER DEKATHERM. PLEASE EXPLAIN HOW**
5 **THIS FACTOR WAS DERIVED.**

6 A. The \$11.3705/dekatherm (“Dth”) GCR factor consists of five gas cost components and
7 an uncollectible component. The five gas-cost components are Supply Fixed Costs,
8 Storage Fixed Costs, Supply Variable Costs, Storage Variable Product Costs and
9 Storage Variable Non-Product Costs. The associated rate components are
10 \$0.8971/Dth, \$0.3307/Dth, \$8.6956/Dth, \$1.0753/Dth, and \$0.1330/Dth respectively.

11 The derivation of the Supply Fixed Cost component is reflected on Schedule PCC-1,
12 page 2. As shown, Supply Fixed Costs total \$27,456,079 (see also Schedule GLB-1;
13 Pipeline Demand Costs of \$28,242,018, Supplier Demand Costs of \$4,419,445, and
14 Marketer/Capacity Release Revenues of \$5,205,384). Also, Working Capital Costs
15 (PCC-1, page 8) associated with Supply Fixed Costs of \$116,720 are added and the
16 prior period Supply Fixed Gas Cost over-collection of \$1,988,966 is subtracted,
17 resulting in total Supply Fixed Gas Costs of \$25,583,833 to be collected over the
18 period November 2005 through October 2006. Because the Company’s gas-supply
19 resources are planned so that there is sufficient capacity to meet the needs of firm sales
20 customers under severe (design) winter conditions, Supply Fixed Costs (as well as

1 Storage Fixed Costs) are allocated to the various rate classes based on their proportion
2 of design-winter use. As shown, the percentage of Residential and Small C&I design
3 sales to total design sales is 77.53%. Thus, 77.53% of total Supply Fixed Costs, or
4 \$19,835,843 is allocated to the Residential and Small C&I customer class. Dividing
5 \$19,835,843 by the November 2005 through October 2006 forecasted sales to the
6 Residential and Small C&I class results in a Supply Fixed Cost rate component of
7 \$0.8971/Dth.

8 **Q. HOW IS THE STORAGE FIXED COST FACTOR COMPONENT FOR THE**
9 **RESIDENTIAL AND SMALL C&I CLASS DERIVED?**

10 A. The derivation of the Storage Fixed Cost factor is demonstrated on Schedule PCC-1,
11 page 3. As shown, Storage Fixed Costs total \$10,277,403 (see also Schedule GLB-1).
12 Deducted from this amount are \$634,893 of LNG demand costs that have been
13 allocated to the DAC. Added to this amount are \$518,894 of supply related LNG
14 O&M costs and \$43,198 of Working Capital Costs associated with Storage Fixed
15 Costs (Schedule PCC-1, page 8). Also, the prior period over-collection associated
16 with Storage Fixed Costs of \$588,021 is subtracted. Thus, Total Storage Fixed Costs
17 to be collected over the period November 2005 through October 2006 amount to
18 \$9,616,581. As with Supply Fixed Costs, the Storage Fixed Costs are allocated on the
19 basis of design winter throughput. Thus, 76.04%, or \$7,312,869 of total Storage Fixed
20 Costs is allocated to the Residential and Small C&I customer class. Dividing

1 \$7,312,869 by forecasted period sales of 22,110,709 Dths results in the Storage Fixed
2 Cost component of \$0.3307/Dth.

3 **Q. THE PERCENT OF RESIDENTIAL AND SMALL C & I DESIGN SALES**
4 **USED FOR ALLOCATED SUPPLY FIXED COSTS WAS 77.53%. WHY IS**
5 **THE COMPANY USING 76.04% FOR ALLOCATING STORAGE FIXED**
6 **COSTS?**

7 A. A portion of the Storage Fixed Costs are required to meet the needs of FT-2
8 transportation customers. Thus, the projected throughput has been adjusted to
9 incorporate the consumption of this class of customers. Schedule PCC-6, page 2
10 reflects the development of the FT-2 Marketer Charge and the allocation of Storage
11 Fixed Costs to this class of customers.

12 **Q. WHY DOES THE COMPANY ASSIGN A PORTION OF STORAGE FIXED**
13 **COSTS TO FT-2 CUSTOMERS?**

14 A. Consistent with the methodology established and approved by the Commission in
15 Docket No. 2552, the FT-2 rate is based on the development of the storage and
16 peaking costs as described in the GCR tariff. The fixed and variable costs related to
17 the operations, maintenance, and delivery of the Company's storage resources, along
18 with requirements for purchased gas working capital are components of this rate.

1 **Q. HOW IS THE SUPPLY VARIABLE COST COMPONENT FOR THE**
2 **RESIDENTIAL AND SMALL C&I CUSTOMER CLASS DERIVED?**

3 A. The Supply Variable Cost component is \$8.6956/Dth for all customer classes,
4 including the Residential and Small C&I customer class. Schedule PCC-1, page 4
5 reflects the derivation of the \$8.6956/Dth Supply Variable Cost component. As
6 shown, projected Variable Supply Costs are \$239,465,140 (see GLB-1). Deducted
7 from this amount are Variable Delivery Storage Costs of \$149,434, Variable Injection
8 Storage Costs of \$83,815, and Fuel Costs Allocated to Storage of \$2,346,840,
9 resulting in total deductions of \$2,580,088. These costs have been transferred to the
10 Storage Variable Non-Product Cost bucket. Added to this amount are Working
11 Capital Costs associated with Supply Variable Costs of \$1,007,031 (PCC-1, page 9)
12 and the prior period under-collection associated with Supply Variable Costs of
13 \$14,159,304. Thus, total Supply Variable Costs for the period November 2005
14 through October 2006 are \$252,051,387. Dividing \$252,051,387 by projected period
15 sales of 28,985,961 Dths results in the Supply Variable Cost factor of \$8.6956/Dth.

16 **Q. WHY AREN'T THESE COSTS ALLOCATED ON THE BASIS OF DESIGN**
17 **THROUGHPUT, AS WITH THE SUPPLY FIXED AND STORAGE FIXED**
18 **COMPONENTS?**

19 A. Supply Variable Costs vary with the amount of gas actually used, and accordingly, are
20 allocated to the various rate classes based on projected consumption whereas Supply

1 and Storage Fixed Costs are incurred to ensure the Company is able to meet customer
2 requirements during design-winter conditions.

3 **Q. HOW IS THE STORAGE VARIABLE PRODUCT COST FACTOR**
4 **ASSOCIATED WITH THE RESIDENTIAL AND C&I SMALL CUSTOMER**
5 **CLASS DERIVED?**

6 A. The derivation of the Storage Variable Product Cost factor is shown in Schedule PCC-
7 1, page 5. As shown, projected Storage Variable Product Costs are \$29,745,344.
8 Deducted from this amount are \$1,221,854 of Balancing Related LNG costs that have
9 been transferred to the DAC for collection. Added to this amount are \$365,465 of
10 Supply Related LNG O&M Costs (Docket No. 3401), \$122,811 of Working Capital
11 Costs (PCC-1, page 9), Inventory Financing Costs of \$638,940, \$2,440,060 and
12 \$45,649 for LNG, Underground Storage and LP, respectively (PCC-1, page 11). The
13 prior period over-collection of \$969,220 is deducted. Thus, Total Storage Variable
14 Costs to be collected over the period November 2005 through October 2006 are
15 \$31,167,195. Dividing \$31,167,195 by forecasted period sales of 28,985,961 Dths
16 results in the \$1.0753/Dth Storage Variable Product Cost factor.

1 **Q. HOW IS THE STORAGE VARIABLE NON-PRODUCT COST FACTOR**
2 **ASSOCIATED WITH THE RESIDENTIAL AND C&I SMALL CUSTOMER**
3 **CLASS DERIVED?**

4 A. The derivation of the Storage Variable Non-Product Cost factor is shown in Schedule
5 PCC-1, page 5. As shown, projected Storage Variable Non-Product Costs are
6 \$1,521,162. Added to this amount are Variable Delivery Storage Costs of \$149,434,
7 Variable Injection Costs of \$83,815, and Fuel Costs Allocated to Storage of
8 \$2,346,840. Also, Working Capital Costs of \$6,467 are added to the calculation and
9 the prior period over-collection of \$168,453 is subtracted, resulting in total Storage
10 Variable Non-Product Costs of \$3,939,264 to be collected over the period November
11 2005 through October 2006. Dividing \$3,939,264 by forecasted period throughput of
12 29,621,696 Dth's results in the \$0.1330/Dth Storage Variable Non-Product Cost
13 factor.

14 **Q. WHY WERE THE STORAGE VARIABLE NON-PRODUCT COSTS DIVIDED**
15 **BY FORECASTED THROUGHPUT OF 29,621,696 DTH WHILE STORAGE**
16 **VARIABLE PRODUCT COSTS AND SUPPLY VARIABLE COSTS WERE**
17 **DIVIDED BY FORECASTED SALES OF 28,985,961 DTH?**

18 A. Similar to the derivation of the Storage Fixed Cost factor, a portion of Storage
19 Variable Non-Product Costs are associated with the delivery of underground storage

1 for FT-2 Marketers. Thus, a portion of the Storage Variable Non-Product Costs are
2 assigned to FT-2 Marketers (see PCC-6).

3 In summary, the \$11.3705/Dth Residential and Small C&I GCR factor consists of a
4 \$0.8971/Dth Supply Fixed Cost component, \$0.3307 Storage Fixed Cost component,
5 \$8.6956 Supply Variable Cost component, \$1.0753 Storage Variable Product Cost
6 component and \$0.1330 Storage Variable Non-Product Cost component. The sum
7 total of these gas cost components is \$11.1317/Dth. Adjusting this rate by the 2.10
8 uncollectible percent results in the proposed Residential and Small C & I GCR factor
9 of \$11.3705/Dth.

10 **Q. HOW ARE THE GCR FACTORS FOR THE OTHER CUSTOMER CLASSES**
11 **DERIVED?**

12 A. The GCR factors for the remaining customer classes are calculated in a manner that is
13 identical to the calculation for the Residential and Small C&I customer classes.

14 **Q. WHAT IS THE COMPANY'S ESTIMATE OF THE DEFERRED GAS COST**
15 **BALANCE AT THE END OF THE CURRENT GCR PERIOD?**

16 A. The Company's current estimate is an undercollection of approximately \$10,444,644
17 in the deferred gas cost account at the end of October 2005. This estimate is based on
18 the actual deferred balance at the end of June as reflected in the Company's annual

1 GCR reconciliation filed with the Division and Commission on August 2, 2005, actual
2 data for July 2005, and our latest August 2005 through October 2005 projection using
3 the current GCR factors and latest estimate of gas costs. A copy of the annual GCR
4 reconciliation filing is attached here as Schedule PCC-2 and the updated deferred gas
5 cost balance projections for July 2005 through October 2005 are provided in Schedule
6 PCC-1 at pages 6-7.

7 **Q. WHAT IS THE TOTAL DEFERRED BALANCE REFLECTED IN THE GCR**
8 **FACTORS?**

9 A. Based on actual data through July 2005, and updated forecasted data for the period
10 August 2005 through October 2005, the total estimated deferred balance at October
11 31, 2005 is \$10,444,644. The projected gas cost balances for the period November
12 2005 through October 31, 2006 are shown on Schedule PCC-3.

13 **Q. PLEASE DESCRIBE THE DEVELOPMENT OF THE FORECAST**
14 **THROUGHPUT REQUIREMENTS.**

15 A. Development of the forecasted throughput requirements started with the historical
16 actual monthly number of customers and associated gas consumption by rate class.
17 The historical consumption data was weather-normalized to reflect the 10-year
18 average of 5,463 degree days established in the Company's last rate case, Docket No.
19 3401. The Company's marketing group then used the historical data along with their

1 knowledge of any specific projects likely to occur as well as general economic data to
2 develop customer growth projections for each rate class. The rate-class throughput
3 forecast was then calculated for the upcoming GCR period using historic average use
4 per customer for the various rate classes. For the extra-large rate class, the marketing
5 group projected the monthly consumption on a customer-by-customer basis. These
6 customers are the Company's largest customers with each account having annual
7 consumption in excess of 15,000 Dth. Although there are less than 100 customers in
8 this group, these customers account for more than 12 percent of the Company's annual
9 firm throughput. As a result, the Company's marketing group is generally familiar
10 with these customers and their operations.

11 **Q. WHAT LEVEL OF MIGRATION FROM SALES SERVICE TO**
12 **TRANSPORTATION SERVICE IS REFLECTED IN THE FORECAST?**

13 A. The forecast does not include any migration from sales service to transportation
14 service, or from transportation service to sales service. The actual number of
15 transportation customers on July 31, 2005 was held constant throughout the forecast
16 period. However, the Company will adjust its Gas Purchase and Incentive Plan
17 ("GPIP") forecast if the net change in monthly marketer aggregation pool pipeline-
18 capacity assignments is equal to or greater than 1% of the Company's comparable
19 requirements.

1 **Q. WHAT IS THE BILL IMPACT OF THE PROPOSED CHANGES?**

2 A. A residential heating customer using 1,035 therms per year will experience an increase
3 of approximately \$188 (an average \$15.70 per month), or an annual 13.0 percent
4 increase over the currently effective rates. A summary of bill impacts for customers
5 with various levels of usage are provided on Schedule PCC-4. Please note, in addition
6 to the proposed GCR factors, the bill impact analysis also incorporates the proposed
7 decrease in DAC factors that was filed on August 1st and updated on September 1st in
8 Docket No. 3690 for effect November 1, 2005. The annual increase associated with
9 the increased GCR rates for a residential heating customer is \$193 offset by \$5
10 resulting from the decreased DAC rates.

11 **Q. IS THE COMPANY PROPOSING A CHANGE TO THE NGV RATE?**

12 A. Yes. The commodity charge component of the NGV rates is based on the Supply
13 Variable Costs identified in the Company's GCR filing. Accordingly, the NGV
14 commodity charge is being updated to reflect the Supply Variable Costs included in
15 this filing. A revised NGV tariff is provided as Schedule PCC-5

16 **Q. WHAT ARE THE VARIOUS GAS MARKETER CHARGES AND FACTORS**
17 **INCLUDED IN THIS GCR FILING?**

18 A. The gas marketer charges and factors covered under the Company's GCR tariff and
19 included in this GCR filing are: (1) the FT-2 firm transportation marketer gas charges;

1 (2) Pool Balancing Service charges; and (3) the Company's weighted average pipeline
2 cost and the associated credits/surcharges applied to marketers for pipeline capacity
3 assignments. A summary of the proposed charges that would take effect concurrent
4 with the updating of transportation factors and capacity releases on November 1, 2005
5 are shown on Schedule PCC-6, page 1.

6 **Q. PLEASE DESCRIBE THE DEVELOPMENT OF THE FT-2 FIRM**
7 **TRANSPORTATION RATE FOR STORAGE AND PEAKING RESOURCES.**

8 A. Consistent with the methodology established and approved by the Commission in
9 Docket No. 2552, the FT-2 rate is based on the development of the storage and
10 peaking costs as described in the GCR tariff. The fixed and variable costs related to
11 the operations, maintenance and delivery of the Company's storage resources were
12 totaled, along with requirements for purchased gas working capital. The result was
13 then divided by the forecasted firm throughput to arrive at a per therm cost. The
14 proposed rate of \$0.0449 per therm is comparable to the current rate of \$0.0399 per
15 therm. Schedule PCC-6, page 2 demonstrates the calculation of the \$0.0449 per therm
16 FT-2 Marketer Charge.

1 **Q. PLEASE DESCRIBE THE UPDATE OF THE POOL BALANCING SERVICE**
2 **CHARGE.**

3 A. Pursuant to Item 5.04.1 of the Transportation Terms and Conditions and consistent
4 with the methodology established in Item 4.2 of the GCR tariff, the Pool Balancing
5 Charge is being updated to reflect the relevant Fixed and Storage Cost components.
6 As shown on Schedule PCC-6, page 1, the proposed balancing charge is \$0.0023 per
7 percentage of balancing elected per therm of throughput in the Marketer pool.

8 **Q. HAS THE COMPANY UPDATED THE TRANSPORTATION SERVICE**
9 **CHARGES ASSOCIATED WITH PIPELINE CAPACITY ASSIGNMENT?**

10 A. Yes, the updated Company weighted average pipeline cost is shown on Schedule
11 PCC-6, page 1. The testimony of Company witness Mr. Gary Beland describes its
12 calculation as well as the calculation of the associated credits/surcharges applied to
13 marketers for pipeline capacity assignments.

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

15 A. Yes.

Line No.	Description (a)	Reference (b)	Resid & Small C&I (c)	Medium C&I (d)	Large LLF (e)	Large HLF (f)	Extra Large LLF (g)	Extra Large HLF (h)	FT-2 MKter (i)
1	Supply Fixed Cost Factor	pg. 2	\$0.8971	\$0.8560	\$0.9093	\$0.6542	\$0.8899	\$0.5420	n/a
2	Storage Fixed Cost Factor	pg. 3	\$0.3307	\$0.3125	\$0.3351	\$0.2413	\$0.3277	\$0.1998	\$0.3067
3	Supply Variable Cost Factor	pg. 4	\$8.6956	\$8.6956	\$8.6956	\$8.6956	\$8.6956	\$8.6956	n/a
4a	Storage Variable Product Cost Factor	pg. 5	\$1.0753	\$1.0753	\$1.0753	\$1.0753	\$1.0753	\$1.0753	n/a
4b	Storage Variable Non-product Cost Factor	pg. 5	\$0.1330	\$0.1330	\$0.1330	\$0.1330	\$0.1330	\$0.1330	\$0.1330
5	Total Gas Cost Recovery Charge	(1)+(2)+(3)+(4)	\$11.1317	\$11.0724	\$11.1483	\$10.7994	\$11.1215	\$10.6457	\$0.4397
6	Uncollectible %	Docket 3401	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
7	Total GCR Charge adjusted for Uncollectibles	(5) / [(1 - (6))]	\$11.3705	\$11.3099	\$11.3874	\$11.0311	\$11.3601	\$10.8741	\$0.4491

Line No.	Description (a)	Reference (b)	Amount (c)	Resid & Small C&I (d)	Medium C&I (e)	Large LLF (f)	Large HLF (g)	Extra Large LLF (h)	Extra Large HLF (i)	Line No.
1	Supply Fixed Costs (net of Cap Rel)	GLB-1	\$27,456,079							1
2	Less:									2
3	Capacity Release Revenues	GLB-1	\$0							3
4	Interruptible Costs		\$0							4
5	Non-Firm Sales Costs		\$0							5
6	Off-System Sales Margin		\$0							6
7	Refunds		\$0							7
8	Total Credits	sum[(3):(7)]	\$0							8
9	Plus:									9
10	Working Capital Requirement	pg 8	\$116,720							10
11	Reconciliation Amount	pg 6	(\$1,988,966)							11
12	Total Additions	(10) + (11)	(\$1,872,247)							12
13	Total Supply Fixed Costs	(1) - (8) + (12)	\$25,583,833							13
14	Design Winter Sales Percentage	pg 13		77.53%	14.44%	5.10%	1.43%	0.77%	0.73%	14
15	Allocated Supply Fixed Costs	(13) x (14)	\$19,835,843	\$19,835,843	\$3,693,291	\$1,305,692	\$366,536	\$196,060	\$186,411	15
16	Sales (Dth)	pg 12		22,110,709	4,314,796	1,435,995	560,249	220,308	343,903	16
17	Supply Fixed Factor	(15) / (16)	\$0.8971	\$0.8971	\$0.8560	\$0.9093	\$0.6542	\$0.8899	\$0.5420	17

Line No.	Description (a)	Reference (b)	Amount (c)	Resid & Small C&I (d)	Medium C&I (e)	Large LLF (f)	Large HLF (g)	Extra Large LLF (h)	Extra Large C&I (i)	Line No.
1	Storage Fixed Costs	GLB-1	\$10,277,403							1
2	Less:									
3	LNG Demand to DAC	GLB 2/Dkt 3401	\$634,893							2
4	Credits		\$0							3
5	Refunds		\$0							4
6	Total Credits	sum [(3):(5)]	\$634,893							5
7	Plus:									6
8	Supply Related LNG O&M Costs	Docket 3401	\$518,894							7
9	Working Capital Requirement	pg 8	\$43,198							8
10	Reconciliation Amount	pg 6	(\$588,021)							9
11	Total Additions	sum [(8):(10)]	(\$25,929)							10
12	Total Storage Fixed Costs	(1) - (6) + (11)	\$9,616,581							11
13	Design Winter Throughput Percentage	pg 13		76.04%	15.29%	5.57%	1.57%	0.82%	0.71%	12
14	Allocated Storage Fixed Costs	(12) x (13)	\$7,312,869	\$7,312,869	\$1,470,119	\$535,329	\$150,774	\$78,767	\$68,724	13
15	Throughput (Dt)	pg 12		22,110,709	4,704,091	1,597,668	624,969	240,356	343,903	14
16	Storage Fixed Factor	(14) / (15)		\$0.3307	\$0.3125	\$0.3351	\$0.2413	\$0.3277	\$0.1998	15

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>	<u>Line No.</u>
1	Variable Supply Costs	GLB 1	\$239,465,140	1
2	Less:			2
3	Non-Firm Sales		\$0	3
4	Variable Delivery Storage Costs	GLB 2/ PCC 1 p5	\$149,434	4
5	Variable Injection Storage Costs	GLB 2/ PCC 1 p5	\$83,815	5
6	Fuel Costs Allocated to Storage	GLB 2/ PCC 1 p5	\$2,346,840	6
7	Refunds		\$0	7
8	Total Credits	sum [(3):(7)]	<u>\$2,580,088</u>	8
9	Plus:			9
10	Working Capital	pg 9	\$1,007,031	10
11	Reconciliation Amount	pg 6	<u>\$14,159,304</u>	11
12	Total Additions	(10)+(11)	\$15,166,335	12
13	Total Variable Supply Costs	(1)-(8)+(12)	<u>\$252,051,387</u>	13
14	Sales (Dt)	pg 12	28,985,961	14
15	Supply Variable Cost Factor	(13)/(14)	<u>\$8.6956</u>	15

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>	<u>Line No.</u>
1	Storage Variable Product Costs	GLB 1	\$29,745,344	1
2	Less:			2
3	Balancing Related LNG Costs (to DAC)	GLB 2/Dkt 3401	\$1,221,854	3
4	Refunds		\$0	4
5	Total Credits	(3)+(4)	\$1,221,854	5
6	Plus:			6
7	Supply Related LNG O&M	Docket 3401	\$365,465	7
8	Working Capital	pg 9	\$122,811	8
9	Inventory Financing - LNG (Supply)	pg 11	\$638,940	9
10	Inventory Financing - Storage	pg 11	\$2,440,060	10
11	Inventory Financing - LP	pg 11	\$45,649	11
12	Reconciliation Amount	pg 7	(\$969,220)	12
13	Total Additions	sum[(7):(12)]	\$2,643,705	13
14	Total Storage Variable Costs	(1)-(5)+(13)	\$31,167,195	14
15	Sales (Dt)	pg 12	28,985,961	15
16	Storage Variable Product Cost Factor	(14) / (15)	<u>\$1.0753</u>	16
17	Storage Variable Non-Product Costs	GLB 1	\$1,521,162	17
18	Less:			18
19	Refunds		\$0	19
20	Total Credits		\$0	20
21	Plus:			21
22	Variable Delivery Storage Costs	pg 4	\$149,434	22
23	Variable Injection Storage Costs	pg 4	\$83,815	23
24	Fuel Costs Allocated to Storage	pg 4	\$2,346,840	24
25	Working Capital	pg 10	\$6,467	25
26	Inventory Financing - Storage	pg 11	\$0	26
27	Reconciliation Amount	pg 7	(\$168,453)	27
28	Total Additions	sum[(22):(27)]	\$2,418,102	28
29	Total Storage Variable Costs	(17)-(20)+(28)	\$3,939,264	29
30	Throughput (Dt)	pg 12	29,621,696	30
31	Storage Variable Product Cost Factor	(29) / (30)	<u>\$0.1330</u>	31

Line No.	Jul-05 31 Preliminary Actual	Aug-05 31 forecast	Sep-05 30 forecast	Oct-05 31 forecast	Line No.
<u>I. Supply Fixed Cost Deferred</u>					
1	(\$7,714,858)	(\$6,255,683)	(\$4,784,207)	(\$3,228,689)	1
2	\$2,091,324	\$2,077,456	\$2,076,104	\$2,077,456	2
3	\$0	\$0	\$0	\$0	3
4	\$8,815	\$8,757	\$8,751	\$8,757	4
5	\$2,100,139	\$2,086,213	\$2,084,855	\$2,086,213	5
6	\$615,796	\$594,148	\$514,546	\$836,539	6
7	(\$6,230,514)	(\$4,763,618)	(\$3,213,898)	(\$1,979,015)	7
8	(\$6,972,686)	(\$5,509,650)	(\$3,999,052)	(\$2,603,852)	8
9	4.25%	4.40%	4.50%	4.50%	9
10	(\$25,169)	(\$20,589)	(\$14,791)	(\$9,952)	10
11	(\$6,255,683)	(\$4,784,207)	(\$3,228,689)	(\$1,988,966)	11
<u>II. Storage Fixed Cost Deferred</u>					
12	(\$2,864,572)	(\$2,320,855)	(\$1,723,707)	(\$1,089,128)	12
13	\$836,578	\$866,659	\$866,660	\$866,661	13
14	(\$57,790)	(\$57,791)	(\$57,791)	(\$57,791)	14
15	\$43,241	\$43,241	\$43,241	\$43,241	15
16	\$3,465	\$3,592	\$3,592	\$3,592	16
17	\$825,494	\$855,702	\$855,702	\$855,703	17
18	\$0	\$0	\$0	\$0	18
19	\$272,435	\$251,011	\$215,931	\$351,397	19
20	(\$2,311,513)	(\$1,716,164)	(\$1,083,936)	(\$584,822)	20
21	(\$2,588,043)	(\$2,018,510)	(\$1,403,822)	(\$836,975)	21
22	4.25%	4.40%	4.50%	4.50%	22
23	(\$9,342)	(\$7,543)	(\$5,192)	(\$3,199)	23
24	(\$2,320,855)	(\$1,723,707)	(\$1,089,128)	(\$588,021)	24
<u>III. Variable Supply Cost Deferred</u>					
25	\$6,657,808	\$6,339,648	\$5,899,361	\$7,226,132	25
26	\$5,377,111	\$5,034,653	\$6,052,616	\$14,531,288	26
27	\$0	\$0	\$0	\$0	27
28	(\$10,034)	(\$12,123)	(\$6,371)	(\$8,751)	28
29	(\$63,465)	(\$47,724)	(\$30,913)	(\$41,229)	29
30	\$22,356	\$20,970	\$25,356	\$61,042	30
31	\$5,325,968	\$4,995,777	\$6,040,687	\$14,542,351	31
32	\$5,666,692	\$5,458,890	\$4,738,144	\$7,649,968	32
33	\$851	\$0	\$0	\$0	33
34	\$6,316,233	\$5,876,535	\$7,201,904	\$14,118,515	34
35	\$6,487,020	\$6,108,092	\$6,550,632	\$10,672,324	35
36	4.25%	4.40%	4.50%	4.50%	36
37	\$23,415	\$22,826	\$24,228	\$40,789	37
38	\$6,339,648	\$5,899,361	\$7,226,132	\$14,159,304	38

Line No.	Jul-05 31 Preliminary Actual	Aug-05 31 forecast	Sep-05 30 forecast	Oct-05 31 forecast	Line No.	
<u>IVa. Storage Variable Product Cost Deferred</u>						
39	Beginning Balance	\$89,392	(\$213,376)	(\$451,720)	(\$561,342)	39
40	Storage Variable Prod. Costs - LNG	\$147,942	\$164,183	\$162,339	\$176,576	40
41	Storage Variable Prod. Costs - LP	\$4,459	\$0	\$0	\$0	41
42	Storage Variable Prod. Costs - UG	\$3,172	\$0	\$0	\$0	42
43	Supply Related LNG to DAC	(\$30,165)	(\$33,477)	(\$33,101)	(\$36,004)	43
44	Supply Related LNG O & M	\$30,455	\$30,455	\$30,455	\$30,455	44
45	Inventory Financing - LNG	\$42,770	\$46,165	\$52,771	\$59,466	45
46	Inventory Financing - UG	\$180,851	\$214,153	\$247,848	\$284,941	46
47	Inventory Financing - LP	\$3,772	\$3,760	\$6,744	\$8,030	47
48	Working Capital	\$657	\$679	\$673	\$721	48
49	Total Storage Variable Product Costs	\$383,913	\$425,919	\$467,730	\$524,185	49
50	Storage Variable Product Collections	\$686,458	\$663,022	\$575,482	\$929,144	50
51	Prelim. Ending Balance	(\$213,153)	(\$450,479)	(\$559,472)	(\$966,300)	51
52	Month's Average Balance	(\$61,881)	(\$331,928)	(\$505,596)	(\$763,821)	52
53	Interest Rate (Bank of America Prime)	4.25%	4.40%	4.50%	4.50%	53
54	Interest Applied	(\$223)	(\$1,240)	(\$1,870)	(\$2,919)	54
55	Storage Variable Product Ending Bal.	(\$213,376)	(\$451,720)	(\$561,342)	(\$969,220)	55
<u>IVb. Stor Var Non-Prod Cost Deferred</u>						
56	Beginning Balance	(\$108,140)	(\$102,440)	(\$108,003)	(\$127,202)	56
57	Storage Variable Non-prod. Costs	\$0	\$0	\$0	\$0	57
58	Variable Delivery Storage Costs	\$0	\$0	\$0	\$0	58
59	Variable Injection Storage Costs	\$10,034	\$12,123	\$6,371	\$8,751	59
60	Fuel Costs Allocated to Storage	\$63,465	\$47,724	\$30,913	\$41,229	60
61	Working Capital	\$42	\$51	\$27	\$37	61
62	Total Storage Var Non-product Costs	\$73,541	\$59,897	\$37,311	\$50,017	62
63	Storage Var Non-Product Collections	\$67,462	\$65,068	\$56,076	\$90,704	63
64	Prelim. Ending Balance	(\$102,060)	(\$107,610)	(\$126,767)	(\$167,889)	64
65	Month's Average Balance	(\$105,100)	(\$105,025)	(\$117,385)	(\$147,545)	65
66	Interest Rate (Fleet Prime)	4.25%	4.40%	4.50%	4.50%	66
67	Interest Applied	(\$379)	(\$392)	(\$434)	(\$564)	67
68	Storage Var Non-Product Ending Bal.	(\$102,440)	(\$108,003)	(\$127,202)	(\$168,453)	68
<u>GCR Deferred Summary</u>						
69	Beginning Balance	(\$3,940,369)	(\$2,552,705)	(\$1,168,276)	\$2,219,772	69
70	Gas Costs	\$8,673,720	\$8,389,459	\$9,447,887	\$17,984,320	70
71	Working Capital	\$35,336	\$34,049	\$38,399	\$74,148	71
72	Total Costs	\$8,709,056	\$8,423,508	\$9,486,286	\$18,058,469	72
73	Collections	\$7,309,694	\$7,032,139	\$6,100,179	\$9,857,752	73
74	Prelim. Ending Balance	(\$2,541,008)	(\$1,161,336)	\$2,217,831	\$10,420,489	74
75	Month's Average Balance	(\$3,240,688)	(\$1,857,021)	\$524,777	\$6,320,130	75
76	Interest Rate (Fleet Prime)	4.25%	4.40%	4.50%	4.50%	76
77	Interest Applied	(\$11,698)	(\$6,940)	\$1,941	\$24,155	77
78	Ending Bal. W/ Interest	(\$2,552,705)	(\$1,168,276)	\$2,219,772	\$10,444,644	78
	Under/(Over)-collection	\$1,399,362	\$1,391,369	\$3,386,107	\$8,200,717	

Line No.	Description (a)	Reference (b)	Amount (c)	Line No.
1	Supply Fixed Costs (net of Cap Rel)	GLB 1	\$27,456,079	1
2	Capacity Release Revenue		\$0	2
3	Allowable Working Capital Costs	(1) - (2)	\$27,456,079	3
4	Number of Days Lag	Docket 3401	13.40	4
5	Working Capital Requirement	[(3) x (4)] / 365	\$1,007,977	5
6	Cost of Capital	Docket 3401	8.94%	6
7	Return on Working Capital Requirement	(5) x (6)	\$90,097	7
8	Weighted Cost of Debt	Docket 3401	4.03%	8
9	Interest Expense	(5) x (8)	\$40,656	9
10	Taxable Income	(7) - (9)	\$49,441	10
11	1 - Combined Tax Rate	Docket 3401	0.6500	11
12	Return and Tax Requirement	(10) / (11)	\$76,063	12
13	Supply Fixed Working Capital Requirement	(9) + (12)	\$116,720	13
14	Storage Fixed Costs	GLB 1	\$10,277,403	14
15	Less: LNG Demand to DAC		(\$634,893)	15
16	Less: Credits		\$0	16
17	Plus: Supply Related LNG O&M Costs		\$518,894	17
18	Allowable Working Capital Costs	(14) - (15) + (16)	\$10,161,405	18
19	Number of Days Lag	Docket 3401	13.40	19
20	Working Capital Requirement	[(17) x (18)] / 365	\$373,049	20
21	Cost of Capital	Docket 3401	8.94%	21
22	Return on Working Capital Requirement	(19) x (20)	\$33,345	22
23	Weighted Cost of Debt	Docket 3401	4.03%	23
24	Interest Expense	(19) x (22)	\$15,047	24
25	Taxable Income	(19) - (23)	\$18,298	25
26	1 - Combined Tax Rate	Docket 3401	0.6500	26
27	Return and Tax Requirement	(24) / (25)	\$28,151	27
28	Storage Fixed Working Capital Requirement	(23) + (26)	\$43,198	28

Line No.	Description (a)	Reference (b)	Amount (c)	Line No.
1	Supply Variable Costs	GLB 1	\$239,465,140	1
2	Credits		\$2,580,088	2
3	Allowable Working Capital Costs	(1) - (2)	\$236,885,052	3
4	Number of Days Lag	Docket 3401	13.40	4
5	Working Capital Requirement	[(3) x (4)] / 365	\$8,696,602	5
6	Cost of Capital	Docket 3401	8.94%	6
7	Return on Working Capital Requirement	(5) x (6)	\$777,340	7
8	Weighted Cost of Debt	Docket 3401	4.03%	8
9	Interest Expense	(5) x (8)	\$350,772	9
10	Taxable Income	(7) - (9)	\$426,568	10
11	1 - Combined Tax Rate	Rate Case	0.6500	11
12	Return and Tax Requirement	(10) / (11)	\$656,259	12
13	Supply Variable Working Capital Requirement	(9) + (12)	\$1,007,031	13
14	Storage Variable Product Costs	GLB 1	\$29,745,344	14
15	Less: Balancing Related LNG Commodity (to DAC)		(\$1,221,854)	15
16	Plus: Supply Related LNG O&M Costs		\$365,465	16
17	Allowable Working Capital Costs	(14) + (15) + (16)	\$28,888,955	17
18	Number of Days Lag	Docket 3401	13.40	18
19	Working Capital Requirement	[(17) * (18)] / 365	\$1,060,581	19
20	Cost of Capital	Docket 3401	8.94%	20
21	Return on Working Capital Requirement	(19) x (20)	\$94,799	21
22	Weighted Cost of Debt	Docket 3401	4.03%	22
23	Interest Expense	(19) x (22)	\$42,778	23
24	Taxable Income	(19) - (23)	\$52,021	24
25	1 - Combined Tax Rate	Rate Case	0.6500	25
26	Return and Tax Requirement	(24) / (25)	\$80,033	26
27	Storage Var. Product Working Capital Requir.	(23) + (26)	\$122,811	27

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount</u> (c)	<u>Line No.</u>
1	Storage Variable Non-Product Costs	GLB 1	\$1,521,162	1
2	Credits		\$0	2
3	Allowable Working Capital Costs	(1) - (2)	\$1,521,162	3
4	Number of Days Lag	Docket 3401	13.40	4
5	Working Capital Requirement	[(3) x (4)] / 365	\$55,845	5
6	Cost of Capital	Docket 3401	8.94%	6
7	Return on Working Capital Requirement	(5) x (6)	\$4,992	7
8	Weighted Cost of Debt	Docket 3401	4.03%	8
9	Interest Expense	(5) x (8)	\$2,252	9
10	Taxable Income	(7) - (9)	\$2,739	10
11	1 - Combined Tax Rate	Docket 3401	0.6500	11
12	Return and Tax Requirement	(10) / (11)	\$4,214	12
13	Storage Variable Non-product WC Requir.	(9) + (12)	\$6,467	13

Gas Cost Recovery (GCR) Filing
Gas Inventory Financing Cost Calculation

Line No.	Description (a)	Reference (b)	Nov-05 (c)	Dec-05 (d)	Jan-06 (e)	Feb-06 (f)	Mar-06 (g)	Apr-06 (h)	May-06 (i)	Jun-06 (j)	Jul-06 (k)	Aug-06 (l)	Sep-06 (m)	Oct-06 (n)	Total (p)	Line No.
1	Storage Inventory Balance	GLB 2 pg 16	\$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		1
2	Cost of Capital	Docket 3401	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%		2
3	Return on Working Capital Requirement	(1) x (2)	\$2,712,180	\$2,712,180	\$2,303,885	\$1,491,556	\$847,637	\$646,416	\$975,860	\$1,368,224	\$1,768,675	\$2,176,770	\$2,591,565	\$3,007,222	\$22,602,169	3
4	Weighted Cost of Debt	Docket 3401	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%		4
5	Interest Charges Financed	(1) x (4)	\$1,223,861	\$1,223,861	\$1,039,620	\$673,059	\$382,493	\$291,693	\$440,353	\$617,406	\$798,108	\$982,260	\$1,169,435	\$1,356,998	\$10,199,148	5
6	Taxable Income	(3) - (5)	\$1,488,318	\$1,488,318	\$1,264,265	\$818,497	\$465,144	\$354,723	\$535,507	\$750,818	\$970,567	\$1,194,510	\$1,422,131	\$1,650,224		6
7	1 - Combined Tax Rate	Docket 3401	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500		7
8	Return and Tax Requirement	(6) / (7)	\$2,289,720	\$2,289,720	\$1,945,024	\$1,259,225	\$715,606	\$545,728	\$823,857	\$1,155,104	\$1,493,180	\$1,837,708	\$2,187,893	\$2,538,806	\$19,081,571	8
9	Working Capital Requirement	(5) + (8)	\$3,513,562	\$3,513,562	\$2,984,644	\$1,932,285	\$1,098,099	\$837,421	\$1,264,210	\$1,772,510	\$2,291,288	\$2,819,968	\$3,357,328	\$3,895,805	\$29,280,719	9
10	Monthly Average	(9) / 12	\$292,798	\$292,798	\$248,720	\$161,024	\$91,508	\$69,785	\$105,351	\$147,709	\$190,941	\$234,997	\$279,777	\$324,650	\$2,440,060	10
11	LNG Inventory Balance	GLB 2 pg 17	\$7,590,932	\$7,590,932	\$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		11
12	Cost of Capital	Docket 3401	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%		12
13	Return on Working Capital Requirement	(11) x (12)	\$678,511	\$678,511	\$676,643	\$473,508	\$496,988	\$521,248	\$544,680	\$615,612	\$632,837	\$659,291	\$711,778	\$737,853	\$7,434,330	13
14	Weighted Cost of Debt	Docket 3401	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%		14
15	Interest Charges Financed	(11) x (14)	\$306,176	\$309,277	\$305,333	\$213,669	\$224,264	\$235,211	\$245,785	\$277,793	\$285,565	\$297,503	\$321,187	\$332,953	\$3,354,715	15
16	Taxable Income	(13) - (15)	\$372,335	\$376,107	\$371,310	\$259,839	\$272,724	\$286,037	\$298,895	\$337,819	\$347,271	\$361,788	\$390,591	\$404,899		16
17	1 - Combined Tax Rate	Docket 3401	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500		17
18	Return and Tax Requirement	(16) / (17)	\$572,823	\$578,626	\$571,247	\$399,752	\$419,575	\$440,056	\$459,838	\$519,722	\$534,264	\$556,597	\$600,909	\$622,922	\$6,276,331	18
19	Working Capital Requirement	(15) + (18)	\$878,998	\$887,902	\$876,579	\$613,421	\$643,839	\$675,267	\$705,623	\$797,514	\$819,829	\$854,100	\$922,096	\$955,875	\$9,631,045	19
20	Monthly Average	(19) / 12	\$73,250	\$73,982	\$73,048	\$51,118	\$53,653	\$56,272	\$58,802	\$66,460	\$68,319	\$71,175	\$76,841	\$79,656	\$802,687	20
21	System Balancing Factor	Docket 3401	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%		21
22	Balancing Related Inventory Costs	(20) x (21)	\$14,936	\$15,087	\$14,895	\$10,423	\$10,940	\$11,474	\$11,990	\$13,551	\$13,930	\$14,513	\$15,668	\$16,242	\$163,648	22
23	Supply Related Inventory Costs	(21) - (22)	\$58,314	\$58,905	\$58,154	\$40,695	\$42,713	\$44,798	\$46,812	\$52,908	\$54,389	\$56,662	\$61,173	\$63,414	\$638,940	23
24	LP Inventory Balance	GLB 2 pg 18	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219	\$394,219		24
25	Cost of Capital	Rate Case	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%		25
26	Return on Working Capital Requirement	(24) x (25)	\$35,237	\$35,237	\$35,237	\$35,237	\$35,237	\$35,237	\$35,237	\$35,237	\$35,237	\$35,237	\$35,237	\$35,237	\$422,844	26
27	Weighted Cost of Debt	Docket 3401	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%		27
28	Interest Charges Financed	(24) x (27)	\$15,901	\$15,901	\$15,901	\$15,901	\$15,901	\$15,901	\$15,901	\$15,901	\$15,901	\$15,901	\$15,901	\$15,901	\$190,807	28
29	Taxable Income	(26) - (28)	\$19,336	\$19,336	\$19,336	\$19,336	\$19,336	\$19,336	\$19,336	\$19,336	\$19,336	\$19,336	\$19,336	\$19,336		29
30	1 - Combined Tax Rate	Docket 3401	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500		30
31	Return and Tax Requirement	(29) / (30)	\$29,748	\$29,748	\$29,748	\$29,748	\$29,748	\$29,748	\$29,748	\$29,748	\$29,748	\$29,748	\$29,748	\$29,748	\$356,980	31
32	Working Capital Requirement	(27) + (31)	\$45,649	\$45,649	\$45,649	\$45,649	\$45,649	\$45,649	\$45,649	\$45,649	\$45,649	\$45,649	\$45,649	\$45,649	\$547,787	32
33	Monthly Average	(32) / 12	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$45,649	33

Line No.	Rate Class (a)	Nov-05 (b)	Dec-05 (c)	Jan-06 (d)	Feb-06 (e)	Mar-06 (f)	Apr-06 (g)	May-06 (h)	Jun-06 (i)	Jul-06 (j)	Aug-06 (k)	Sep-06 (l)	Oct-06 (m)	Total Nov-Oct (o)	Line No.
1	SALES (dth)														1
2	Residential Non-Heating	54,594	59,957	72,212	72,308	61,152	62,309	56,567	45,471	36,960	37,027	34,366	42,331	635,252	2
3	Residential Heating	1,341,299	2,221,323	3,247,796	3,549,501	2,746,026	2,212,310	1,209,381	617,205	424,029	423,990	411,545	638,913	19,043,319	3
4	Small C&I	143,060	273,065	451,036	513,627	377,563	276,441	138,631	61,325	48,038	45,392	41,626	62,334	2,432,138	4
5	Medium C&I	310,312	474,255	702,737	754,719	609,764	474,008	284,639	168,493	125,207	126,309	120,195	164,159	4,314,796	5
6	Large LLF	93,089	173,095	252,445	257,350	213,422	177,820	92,517	42,246	23,257	23,568	22,757	64,428	1,435,995	6
7	Large HLF	52,988	56,504	63,025	67,750	58,672	55,090	46,027	36,304	27,216	28,649	30,769	37,253	560,249	7
8	Extra Large LLF	22,409	36,346	41,220	41,543	34,431	22,104	7,262	2,159	1,412	1,219	2,230	7,973	220,308	8
9	Extra Large HLF	32,398	33,802	35,640	33,206	32,244	28,662	26,338	23,085	22,611	22,769	25,251	27,897	343,903	9
10	Total Sales	2,050,150	3,328,347	4,866,111	5,290,003	4,133,276	3,308,743	1,861,361	996,288	708,731	708,923	688,739	1,045,288	28,985,961	10
11	FT-2 TRANSPORTATION														11
12	FT-2 Medium	27,121	38,663	57,487	57,281	49,954	45,485	35,504	17,182	14,327	14,509	11,803	19,978	389,295	12
13	FT-2 Large LLF	11,975	21,311	29,216	28,854	20,006	20,863	11,480	4,762	2,504	1,877	3,649	5,175	161,673	13
14	FT-2 Large HLF	6,891	8,008	6,595	7,469	6,816	5,928	4,208	4,237	3,369	3,642	4,192	3,564	64,720	14
15	FT-2 Extra Large LLF	2,294	3,273	3,938	3,354	2,928	1,747	763	139	4	4	338	1,266	20,048	15
16	FT-2 Extra Large HLF	0	0	0	0	0	0	0	0	0	0	0	0	0	16
17	Total Transportation	48,081	71,255	97,236	96,959	79,705	74,023	51,956	26,321	20,203	20,032	19,983	29,983	635,736	17
18	Sales & FT-2 THROUGHPUT														18
19	Residential Non-Heating	54,594	59,957	72,212	72,308	61,152	62,309	56,567	45,471	36,960	37,027	34,366	42,331	635,252	19
20	Residential Heating	1,341,299	2,221,323	3,247,796	3,549,501	2,746,026	2,212,310	1,209,381	617,205	424,029	423,990	411,545	638,913	19,043,319	20
21	Small C&I	143,060	273,065	451,036	513,627	377,563	276,441	138,631	61,325	48,038	45,392	41,626	62,334	2,432,138	21
22	Medium C&I	337,433	512,917	760,224	812,000	659,718	519,493	320,143	185,675	139,534	140,818	131,999	184,136	4,704,091	22
23	Large LLF	105,064	194,406	281,662	286,205	233,429	198,682	103,997	47,009	25,761	25,445	26,406	69,603	1,597,668	23
24	Large HLF	59,679	64,512	69,620	75,219	65,488	61,019	50,235	40,541	30,585	32,292	34,961	40,817	624,969	24
25	Extra Large LLF	24,703	39,620	45,158	44,897	37,360	23,850	8,025	2,299	1,415	1,222	2,568	9,239	240,356	25
26	Extra Large HLF	32,398	33,802	35,640	33,206	32,244	28,662	26,338	23,085	22,611	22,769	25,251	27,897	343,903	26
27	Total Throughput	2,088,231	3,399,602	4,963,347	5,386,962	4,212,980	3,382,766	1,913,317	1,022,609	728,934	728,955	708,721	1,075,271	29,621,696	27

Line No.	Rate Class (a)	Nov-05 (b)	Dec-05 (c)	Jan-06 (d)	Feb-06 (e)	Mar-06 (f)	Total (h)	% (i)	Line No.
1	SALES (dth)								1
2	Residential Non-Heating	54,594	64,541	80,866	78,404	68,733	347,138	1.51%	2
3	Residential Heating	1,341,299	2,575,764	3,963,422	4,056,861	3,438,520	15,375,866	66.97%	3
4	Small C&I	143,060	317,480	553,154	588,990	475,558	2,078,241	9.05%	4
5	Medium C&I	310,312	543,374	848,882	857,347	754,549	3,314,464	14.44%	5
6	Large LLF	93,089	202,630	310,657	295,280	270,108	1,171,765	5.10%	6
7	Large HLF	52,988	62,088	71,564	74,364	67,935	328,940	1.43%	7
8	Extra Large LLF	22,409	36,346	41,220	41,543	34,431	175,950	0.77%	8
9	Extra Large HLF	32,398	33,802	35,640	33,206	32,244	167,290	0.73%	9
10	Total Sales	2,050,150	3,836,026	5,905,405	6,025,995	5,142,078	22,959,654	100.00%	10
11	TRANSPORTATION								11
12	FT-2 Medium	27,121	43,523	68,422	64,362	60,723	264,152		12
13	FT-2 Large LLF	11,975	25,025	36,023	33,118	25,212	131,353		13
14	FT-2 Large HLF	6,691	8,008	7,433	8,133	7,814	38,079		14
15	FT-2 Extra Large LLF	2,294	3,273	3,938	3,354	2,928	15,787		15
16	FT-2 Extra Large HLF	0	0	0	0	0	0		16
17	Total Transportation	48,081	79,829	115,817	108,968	96,677	449,371		17
18	THROUGHPUT								18
19	Residential Non-Heating	54,594	64,541	80,866	78,404	68,733	347,138	1.48%	19
20	Residential Heating	1,341,299	2,575,764	3,963,422	4,056,861	3,438,520	15,375,866	65.68%	20
21	Small C&I	143,060	317,480	553,154	588,990	475,558	2,078,241	8.88%	21
22	Medium C&I	337,433	586,898	917,304	921,709	815,272	3,578,616	15.29%	22
23	Large LLF	105,064	227,654	346,681	328,398	295,320	1,303,118	5.57%	23
24	Large HLF	59,679	70,096	78,998	82,498	75,749	367,019	1.57%	24
25	Extra Large LLF	24,703	39,620	45,158	44,897	37,360	191,737	0.82%	25
26	Extra Large HLF	32,398	33,802	35,640	33,206	32,244	167,290	0.71%	26
27	Total Throughput	2,098,231	3,915,855	6,021,221	6,134,963	5,238,755	23,409,025	100.00%	27

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New England Gas Company

August 2, 2005

Ms. Luly Massaro
Commission Clerk
R.I. Public Utilities Commission
89 Jefferson Blvd.
Warwick, R.I. 02888

Re: Docket 3436: Annual Gas Cost Recovery Reconciliation

Dear Ms. Massaro:

In accordance with the provisions of the Gas Cost Recovery ("GCR") Clause Tariff, RIPUC NEGC No. 101, Section 2, Schedule A, Item 1.2, enclosed please find an original and nine copies of the New England Gas Company's (the "Company") annual GCR reconciliation filing. The filing consists of six (6) schedules.

Schedule 1, pages 1 and 2, presents the gas cost-specific ending deferred balances for the period July 2004 through June 2005, resulting in an end-of-period Balance of (\$3,940,369) through June 30, 2005 (as shown on the bottom of page 2). The (\$3,940,369) balance reflects the amended GCR factors that took effect July 1, 2004 for the period July 1, 2004 through October 31, 2004, updated GCR factors for the period November 1, 2004 through April 30, 2005 and amended GCR factors for May 1, 2005 through the end of June.

The (\$3,940,369) deferred balance is comprised of five distinct cost components: (a) Supply Fixed, (b) Storage Fixed, (c) Supply Variable, (d) Storage Variable Product, and (e) Storage Variable Non-product. Total Supply Fixed costs totaled \$25,563,298, while collections were \$23,815,094. Interest on the monthly ending deferred balances totaled (\$209,979). Adjusting for the (\$9,253,083) beginning deferred balance results in the ending Supply Fixed Cost deferred balance of \$7,714,858. Storage Fixed Costs totaled \$10,198,233 while collections totaled \$9,938,997. Monthly interest on the deferred balances totaled (\$70,503). Adjusting for the (\$3,207,583) beginning deferred balance results in the \$2,864,572 Storage Fixed Cost ending deferred balance. Supply Variable costs totaled \$180,589,277. Supply Variable collections totaled \$189,035,578, resulting in a \$6,657,808 ending deferred balance (adjusting for interest of \$587,522, deferred responsibility credits of \$78,983, and the beginning deferred balance of \$14,434,752. Storage Variable Product Costs totaled \$24,985,446. Storage Variable Product collections were \$25,596,970, resulting in an \$89,392 ending deferred balance

(adjusting for interest of \$39,541 and beginning deferred balance of \$661,375). Lastly, Storage Variable Non-product Costs totaled \$2,512,488, while collections totaled \$2,435,101. Interest on the monthly ending deferred balances totaled (\$1,155). Adjusting for the beginning deferred balance of (\$184,372) results in an ending Storage Variable Non-product deferred balance of \$108,140.

In summary, period gas costs totaled \$243,796,460 while period gas cost collections totaled \$250,854,617. Interest on the monthly ending deferred balances totaled \$345,426. Accounting for the \$2,451,089 beginning deferred balance results in the \$3,940,369 over-collection at June 30, 2005.

Schedule 2, pages 1 through 2 summarize monthly gas costs according to the five components previously mentioned. Gas Cost Collections are summarized in Schedule 3, pages 1 and 2. As previously mentioned, gas cost collections for the period July 2004 through October 2004 are predicated on the GCR factors approved for effect starting July 1, 2004, on updated GCR factors for November 2004 through May 2005 and on amended GCR factors for the months of May and June 2005. As shown, November 2004 and May 2005 gas cost collections have been adjusted to reflect the proration of the GCR factors approved for gas consumption on or after November 1, 2004 and May 1, 2005 respectively.

Schedule 4 presents the calculation of inventory financing costs. For the twelve months ended June 2005, underground storage financing costs totaled \$1,986,857, LNG inventory storage financing costs totaled \$580,203, and LP inventory financing costs totaled \$59,590. Of the \$580,203 of LNG inventory financing costs, \$118,303 is associated with system balancing, and therefore, is allocated to the Distribution Adjustment Clause (DAC) account. Thus, \$461,900 of LNG inventory financing costs is associated with the GCR.

Working Capital costs are calculated and demonstrated in Schedule 5, pages 1 and 2. As shown on page 1 of Schedule 5, working capital costs associated with Supply Fixed costs totaled \$107,321, and \$42,815 associated with Storage Fixed costs. The working capital cost associated with Supply Variable costs totaled \$758,079 while Storage Variable Product Cost working capital totaled \$94,756 (page 2). Storage variable non-product working capital costs totaled \$4,917 and is shown on page 2 of Schedule 5. The inventory financing costs and working capital cost calculations are consistent with the methodology approved in Docket No. 3401.

Monthly firm thru-put is summarized in Schedule 6. Firm sales, including Transitional Sales Service ("TSS"), totaled 29,073,809 dths, FT-2 thru-put totaled 636,625 dths and FT-1 thru-put totaled 6,572,432 dths, resulting in total firm thru-put of 36,282,866 dths.

Luly Massaro, Commission Clerk
August 2, 2005
Page 3

If there are any questions related to this filing, please do not hesitate to contact me at (401) 574 – 2309.

Very truly yours,



Peter Czekański
Director - Pricing

cc: Paul Roberti, Esq.
Steve Scialabba
Bruce Oliver

H¹ Estimate based on 7-18-05 NYMEX strip

I. Supply Fixed Cost Deferred

	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Total
	31	31	30	31	30	31	31	28	31	30	31	30	365
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Beginning Balance													
Supply Fixed Costs (net of cap rel)	(\$9,253,083)	(\$7,580,662)	(\$6,320,815)	(\$4,728,797)	(\$3,505,764)	(\$3,292,278)	(\$3,895,610)	(\$5,521,574)	(\$7,466,927)	(\$8,874,365)	(\$9,423,074)	(\$8,790,970)	
Capacity Release	\$0	\$0	\$0	\$0	\$0	\$1,934,124	\$2,112,492	\$2,179,777	\$2,228,245	\$2,116,814	\$2,050,400	\$2,136,852	\$25,455,977
Working Capital	\$10,092	\$7,988	\$9,441	\$8,861	\$9,738	\$8,153	\$8,905	\$9,188	\$9,393	\$8,923	\$8,643	\$9,007	\$107,321
Total Supply Fixed Costs	\$2,403,120	\$1,901,962	\$2,248,087	\$2,107,502	\$2,081,692	\$1,942,277	\$2,121,397	\$2,188,965	\$2,237,638	\$2,125,737	\$2,059,043	\$2,145,859	\$25,563,298
Supply Fixed - Collections	\$714,674	\$627,906	\$644,736	\$874,950	\$1,860,044	\$2,536,022	\$3,734,361	\$4,116,955	\$3,620,270	\$2,646,291	\$1,396,206	\$1,042,659	\$23,815,094
Prelim. Ending Balance	(\$7,554,637)	(\$6,306,586)	(\$4,717,464)	(\$3,496,185)	(\$3,284,116)	(\$3,886,023)	(\$5,508,595)	(\$7,449,564)	(\$8,849,560)	(\$9,394,919)	(\$9,760,237)	(\$7,687,769)	
Month's Average Balance	(\$5,408,860)	(\$6,943,624)	(\$5,519,139)	(\$4,112,461)	(\$3,394,940)	(\$3,589,103)	(\$4,702,103)	(\$6,485,569)	(\$8,158,243)	(\$9,134,642)	(\$9,091,656)	(\$8,239,369)	
Interest Rate (Bank of America Prime)	2.25%	2.42%	2.49%	2.75%	2.93%	3.15%	3.25%	3.49%	3.58%	3.75%	3.98%	4.00%	
Interest Applied	(\$16,025)	(\$14,229)	(\$11,273)	(\$9,579)	(\$8,162)	(\$9,587)	(\$12,979)	(\$17,364)	(\$24,806)	(\$28,155)	(\$30,732)	(\$27,068)	(\$209,979)
Supply Fixed Ending Balance	(\$7,530,662)	(\$6,320,815)	(\$4,728,737)	(\$3,505,764)	(\$3,292,278)	(\$3,895,610)	(\$5,521,574)	(\$7,466,927)	(\$8,874,365)	(\$9,423,074)	(\$8,790,970)	(\$7,714,858)	

II. Storage Fixed Cost Deferred

Beginning Balance	(\$3,207,583)	(\$2,637,608)	(\$2,049,901)	(\$1,518,623)	(\$1,050,790)	(\$794,935)	(\$866,214)	(\$1,609,688)	(\$2,476,102)	(\$3,162,026)	(\$3,444,829)	(\$3,237,896)	
Storage Fixed Costs	\$932,245	\$865,769	\$816,094	\$843,171	\$853,053	\$999,143	\$844,846	\$868,907	\$846,102	\$846,554	\$811,219	\$833,928	\$10,310,851
LNG Demand to DAC	(\$57,790)	(\$57,790)	(\$57,790)	(\$57,790)	(\$53,686)	(\$54,598)	(\$53,799)	(\$58,157)	(\$55,208)	(\$57,790)	(\$52,136)	(\$57,790)	(\$674,327)
Supply Related LNG O & M	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$518,894
Working Capital	\$3,659	\$3,590	\$3,380	\$3,495	\$3,552	\$4,164	\$3,516	\$3,600	\$3,516	\$3,507	\$3,382	\$3,454	\$42,815
Total Storage Fixed Costs	\$871,355	\$854,830	\$804,925	\$832,116	\$846,160	\$991,950	\$837,604	\$857,591	\$837,651	\$835,512	\$805,706	\$822,833	\$10,198,233
Storage Fixed - Collections	\$295,816	\$262,325	\$270,007	\$361,294	\$759,655	\$1,061,013	\$1,561,270	\$1,716,153	\$1,515,016	\$1,107,457	\$587,497	\$439,494	\$9,936,997
Prelim. Ending Balance	(\$2,632,043)	(\$2,045,103)	(\$1,514,982)	(\$1,047,801)	(\$667,509)	(\$863,999)	(\$1,591,751)	(\$2,470,640)	(\$3,153,467)	(\$3,434,663)	(\$3,226,620)	(\$2,854,557)	
Month's Average Balance	(\$2,919,813)	(\$2,341,355)	(\$1,782,442)	(\$1,263,212)	(\$1,009,149)	(\$829,467)	(\$1,228,982)	(\$2,040,164)	(\$2,814,785)	(\$3,298,344)	(\$3,335,724)	(\$3,046,226)	
Interest Rate (Bank of America Prime)	2.25%	2.42%	2.49%	2.75%	2.93%	3.15%	3.25%	3.49%	3.58%	3.75%	3.98%	4.00%	
Interest Applied	(\$5,564)	(\$4,798)	(\$3,641)	(\$2,989)	(\$2,426)	(\$2,216)	(\$3,392)	(\$5,462)	(\$6,558)	(\$10,166)	(\$11,276)	(\$10,015)	(\$70,503)
Asset Management Incentive					\$175,000	\$0	(\$14,545)	\$0	\$0	\$0	\$0	\$0	
Storage Fixed Ending Balance	(\$2,637,608)	(\$2,049,901)	(\$1,518,623)	(\$1,050,790)	(\$794,935)	(\$866,214)	(\$1,609,688)	(\$2,476,102)	(\$3,162,026)	(\$3,444,829)	(\$3,237,896)	(\$2,864,572)	

III. Variable Supply Cost Deferred

Beginning Balance	\$14,434,752	\$14,214,139	\$14,375,738	\$14,933,978	\$18,798,525	\$23,571,165	\$31,384,604	\$33,587,220	\$23,445,184	\$19,029,914	\$10,511,965	\$10,058,159	
Variable Supply Costs	\$4,571,591	\$4,375,705	\$4,917,422	\$9,680,799	\$17,460,710	\$28,555,365	\$32,809,126	\$23,636,218	\$25,268,404	\$13,127,946	\$11,338,194	\$5,592,932	\$181,334,411
Variable Delivery Storage	\$0	\$0	\$0	\$0	(\$1,084)	(\$14,457)	(\$37,687)	(\$29,698)	(\$47,953)	(\$1,625)	\$0	\$0	(\$132,504)
Variable Injections Storage	(\$6,395)	(\$6,664)	(\$6,666)	(\$6,430)	(\$67)	\$0	\$0	\$0	(\$897)	(\$9,652)	(\$9,269)	(\$9,665)	(\$55,705)
Fuel Cost Allocated to Storage	(\$34,004)	(\$63,851)	(\$60,049)	(\$66,923)	(\$7,587)	(\$142,891)	(\$253,488)	(\$283,171)	(\$193,635)	(\$62,465)	(\$60,301)	(\$56,638)	(\$1,315,004)
Working Capital	\$18,983	\$18,157	\$20,457	\$40,518	\$73,564	\$119,704	\$137,070	\$98,313	\$105,490	\$55,026	\$47,500	\$23,296	\$758,079
Total Supply Variable Costs	\$4,520,175	\$4,323,346	\$4,871,164	\$9,647,964	\$17,525,516	\$28,517,721	\$32,655,021	\$23,421,662	\$25,131,409	\$13,109,250	\$11,316,124	\$5,549,925	\$180,589,277
Supply Variable - Collections	\$4,753,066	\$4,186,028	\$4,311,480	\$5,819,688	\$12,963,480	\$20,769,520	\$30,537,359	\$33,638,777	\$29,608,452	\$21,672,505	\$11,797,199	\$8,976,013	\$189,035,578
Customer Deferred Responsibility	\$14,995	\$2,982	\$31,337	\$2,969	(\$110)	\$9,065	\$4,592	\$1,165	\$2,702	\$151	\$7,439	\$1,696	\$78,983
Prelim. Ending Balance	\$14,136,867	\$14,346,475	\$14,904,075	\$18,759,286	\$23,360,671	\$31,311,301	\$33,497,674	\$23,368,941	\$18,965,438	\$10,466,509	\$10,023,451	\$6,630,375	
Month's Average Balance	\$14,310,810	\$14,280,307	\$14,639,907	\$16,846,632	\$21,079,598	\$27,441,733	\$32,441,139	\$28,478,081	\$21,205,311	\$14,748,211	\$10,267,708	\$8,344,267	
Interest Rate (Bank of America Prime)	2.25%	2.42%	2.49%	2.75%	2.93%	3.15%	3.25%	3.49%	3.58%	3.75%	3.98%	4.00%	
Interest Applied	\$27,273	\$29,263	\$29,903	\$39,240	\$50,678	\$73,303	\$89,546	\$76,243	\$64,476	\$45,457	\$27,433	\$27,433	\$587,522
Gas Procurement Incentive(penalty)					\$160,816	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Supply Variable Ending Balance	\$14,214,139	\$14,375,738	\$14,933,978	\$18,798,525	\$23,572,165	\$31,384,604	\$33,587,220	\$23,445,184	\$19,029,914	\$10,511,965	\$10,058,159	\$6,657,808	

H1
Estimate based on 7-18-05 NYMEX strip

I/va. Storage Variable Product Cost/Deferred

	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Total
	31	31	30	31	30	31	31	28	31	30	31	30	365
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Beginning Balance	\$651,375	\$346,833	\$165,810	(\$26,269)	(\$588,963)	(\$1,695,336)	(\$1,012,703)	\$3,582,455	\$4,407,493	\$4,623,413	\$2,103,098	\$902,831	
Storage Variable Prod. Costs - LNG	\$153,153	\$193,548	\$167,288	\$83,716	\$168,958	\$1,096,487	\$3,822,601	\$301,287	\$550,137	\$137,559	\$147,020	\$145,638	\$6,967,592
Storage Variable Prod. Costs - LP	\$17,750	\$1,093	\$16	\$667	\$2,167	\$6,717	\$483,854	\$0	\$1,313	\$1,132	\$2,264	\$543	\$515,716
Storage Variable Prod. Costs - UG	\$0	\$0	\$0	\$0	\$241,827	\$2,292,534	\$4,921,088	\$4,906,900	\$3,586,279	\$102,216	\$0	\$286	\$16,051,130
Supply Related LNG to DAC	(\$31,228)	(\$39,464)	(\$34,110)	(\$17,070)	(\$34,451)	(\$223,574)	(\$779,428)	(\$61,432)	(\$112,173)	(\$29,977)	(\$29,977)	(\$29,786)	(\$1,420,692)
Supply Related LNG O & M	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$365,465
Inventory Financing - LNG	\$35,126	\$39,816	\$44,439	\$75,927	\$53,315	\$49,559	\$24,910	\$28,416	\$28,626	\$32,260	\$34,600	\$37,498	\$484,491
Inventory Financing - UG	\$176,359	\$205,767	\$228,826	\$107,709	\$226,851	\$203,254	\$153,266	\$104,630	\$75,742	\$101,458	\$128,121	\$153,160	\$1,865,143
Inventory Financing - LP	\$3,952	\$3,952	\$3,952	\$12,693	\$7,364	\$7,300	\$3,543	\$3,760	\$3,852	\$3,841	\$3,820	\$3,815	\$61,844
Working Capital	\$709	\$783	\$690	\$413	\$1,724	\$13,500	\$35,739	\$21,823	\$17,097	\$1,026	\$631	\$621	\$94,756
Total Storage Variable Product Costs	\$334,277	\$435,950	\$441,557	\$294,712	\$698,211	\$3,476,232	\$6,696,029	\$5,335,840	\$4,181,328	\$3,169,934	\$3,169,934	\$3,169,934	\$24,985,446
Storage Variable Product Collections	\$639,778	\$616,499	\$634,779	\$856,690	\$1,801,841	\$2,789,987	\$4,104,412	\$4,521,483	\$3,979,117	\$2,912,564	\$1,522,273	\$1,157,547	\$25,596,970
Prelim. Ending Balance	\$345,873	\$166,284	(\$26,412)	(\$588,247)	(\$1,692,593)	(\$1,009,091)	\$3,578,914	\$4,396,812	\$4,609,705	\$2,902,748	\$897,759	\$87,763	\$25,596,970
Month's Average Balance	\$503,624	\$256,558	\$70,199	(\$307,258)	(\$1,140,778)	(\$1,352,213)	\$1,283,105	\$3,989,634	\$4,508,599	\$3,358,080	\$1,500,429	\$495,297	
Interest Rate (Bank of America Prime)	2.25%	2.42%	2.49%	2.75%	2.93%	3.15%	3.25%	3.49%	3.58%	3.75%	3.98%	4.00%	
Interest Applied	\$960	\$526	\$143	(\$716)	(\$2,743)	(\$3,612)	\$3,542	\$10,681	\$13,709	\$10,350	\$5,072	\$1,628	\$39,541
Storage Variable Product Ending Bal.	\$346,833	\$166,810	(\$26,269)	(\$588,963)	(\$1,695,336)	(\$1,012,703)	\$3,582,455	\$4,407,493	\$4,623,413	\$2,103,098	\$902,831	\$89,392	

I/vb. Stor Var Non-Prod Cost/Deferred

	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Total
	31	31	30	31	30	31	31	28	31	30	31	30	365
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,004,359
Storage Variable Non-Prod. Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$132,504
Variable Delivery Storage Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,705
Variable Injection Storage Costs	\$6,395	\$6,664	\$6,666	\$6,430	\$6,430	\$14,457	\$29,698	\$29,698	\$47,953	\$1,625	\$9,665	\$9,665	\$1,315,004
Fuel Costs Allocated to Storage	\$54,004	\$63,851	\$60,049	\$66,923	\$7,587	\$142,891	\$253,488	\$283,171	\$193,635	\$9,632	\$60,301	\$56,638	\$1,315,004
Working Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,917
Total Storage Var Non-Product Costs	\$70,399	\$70,515	\$66,715	\$73,853	\$14,568	\$378,927	\$673,626	\$613,335	\$335,993	\$79,105	\$39	\$41	\$4,917
Storage Var Non-Product Collections	\$59,930	\$52,425	\$54,106	\$71,952	\$149,595	\$271,256	\$398,749	\$438,431	\$386,980	\$283,273	\$152,888	\$116,516	\$2,512,488
Prelim. Ending Balance	(\$17,903)	(\$155,153)	(\$142,881)	(\$141,785)	(\$277,143)	(\$169,976)	\$104,303	\$279,115	\$228,641	\$25,245	(\$57,641)	(\$107,867)	\$2,435,101
Month's Average Balance	(\$178,638)	(\$164,198)	(\$149,185)	(\$142,485)	(\$209,629)	(\$223,811)	(\$53,135)	\$191,663	\$254,134	\$127,329	(\$16,002)	(\$62,781)	
Interest Rate (Bank of America Prime)	2.25%	2.42%	2.49%	2.75%	2.93%	3.15%	3.25%	3.49%	3.58%	3.75%	3.98%	4.00%	
Interest Applied	(\$340)	(\$336)	(\$305)	(\$332)	(\$504)	(\$598)	\$91	\$513	\$773	\$392	(\$54)	(\$272)	(\$1,155)
Storage Var Non-Product Ending Bal.	(\$173,243)	(\$155,490)	(\$143,166)	(\$142,116)	(\$277,647)	(\$170,574)	\$104,211	\$279,628	\$228,413	\$25,638	(\$57,695)	(\$108,140)	

GCR Deferred Summary

	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Total
	31	31	30	31	30	31	31	28	31	30	31	30	365
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Beginning Balance	\$2,451,089	\$4,169,459	\$6,016,342	\$8,517,164	\$13,510,893	\$17,511,969	\$25,439,502	\$30,142,625	\$18,189,276	\$11,846,350	\$14,507,221	\$9,891,021	\$242,788,573
Gas Costs	\$8,200,887	\$7,553,123	\$8,367,143	\$12,899,401	\$21,078,540	\$35,160,595	\$44,796,683	\$32,283,082	\$32,587,925	\$16,462,951	\$14,507,221	\$8,924,440	\$1,007,887
Working Capital	\$33,414	\$30,517	\$33,969	\$53,277	\$87,697	\$146,511	\$134,310	\$136,093	\$136,093	\$68,552	\$60,195	\$36,419	\$243,796,460
Total Costs	\$8,234,332	\$7,583,640	\$8,401,112	\$12,952,678	\$21,166,147	\$35,307,106	\$44,933,676	\$32,417,392	\$32,724,018	\$16,531,503	\$14,567,416	\$8,924,440	\$1,007,887
Collections	\$6,522,264	\$5,747,183	\$5,915,118	\$7,984,574	\$17,537,730	\$27,436,863	\$40,342,633	\$44,435,354	\$39,112,537	\$28,622,933	\$15,463,502	\$11,733,925	\$250,854,617
Prelim. Ending Balance	\$4,163,157	\$6,005,917	\$8,502,336	\$13,485,268	\$17,139,310	\$25,382,212	\$30,080,545	\$18,124,664	\$11,800,757	(\$245,080)	(\$1,123,288)	(\$3,932,055)	
Month's Average Balance	\$3,307,123	\$5,087,688	\$7,259,339	\$11,001,216	\$15,325,101	\$21,447,091	\$27,760,024	\$24,133,645	\$14,995,016	\$5,800,635	(\$675,245)	(\$2,528,813)	
Interest Rate (Bank of America Prime)	2.25%	2.42%	2.49%	2.75%	2.93%	3.15%	3.25%	3.49%	3.58%	3.75%	3.98%	4.00%	
Interest Applied	\$6,303	\$10,426	\$14,828	\$25,624	\$36,843	\$57,290	\$76,625	\$64,612	\$45,593	\$17,879	(\$2,283)	(\$8,314)	\$345,426
Gas Purchase Plan Incentives/(Penalties)	\$4,169,459	\$6,016,342	\$8,517,164	\$13,510,892	\$17,511,969	\$25,439,502	\$30,142,625	\$18,189,276	\$11,846,350	(\$227,202)	(\$1,125,570)	(\$8,314)	
Ending Bal. W/ Interest	\$1,712,068	\$1,836,457	\$2,465,994	\$4,968,104	\$7,870,243	\$12,017,962	\$16,462,951	\$11,846,350	\$6,388,519	(\$12,091,430)	(\$896,086)	(\$2,806,485)	
Under/(Over)-collection													

NEW ENGLAND GAS COMPANY
Gas Cost Actual / Estimate

	Jul-04 Actual	Aug-04 Actual	Sep-04 Actual	Oct-04 Actual	Nov-04 Actual	Dec-04 Actual	Jan-05 Actual	Feb-05 Actual	Mar-05 Actual	Apr-05 Actual	May-05 Actual	Jun-05 Actual	TOTAL
SUPPLY FIXED COSTS - Pipeline Delivery													
CONOCO PHILIPS	\$2,024,921	\$2,391,137	\$2,355,406	\$2,403,528	\$2,139,297	\$1,972,408	\$2,137,230	\$2,120,033	\$2,210,114	\$2,096,662	\$2,091,488	\$2,185,088	\$26,727,312
ALGONQUIN	\$22,235	(\$25,801)	\$21,978	(\$2,596)	\$21,978	\$2,126	(\$2,447)	\$68,223	(\$8,254)	\$16,764	(\$61,528)	(\$90,283)	(\$37,605)
TEXAS EASTERN	(\$241,304)	(\$303,441)	(\$242,194)	(\$265,421)	(\$232,447)	\$58,290	\$24,017	\$0	\$0	\$228	\$0	\$0	(\$1,226,517)
TETCO Z3													\$24,245
IROQUOIS													(\$67)
DOMINION													\$46,770
TRANSOCO DEMAND ZONE 2 TO 6													(\$3)
COLUMBIA													(\$3)
TEXAS GAS DEMAND Zone SL													\$134,145
WESTERLY LATERAL - YANKEE													(\$173)
Less Credits from Mktgr Releases													\$59,870
TOTAL SUPPLY FIXED COSTS - Pipeline	\$228,343	\$239,151	\$258,337	\$253,134	\$261,375	\$302,735	\$295,150	\$60,312	\$260,000	\$260,000	\$260,000	\$58,740	\$58,740
Supply Fixed - Supplier	\$2,177,506	\$1,822,743	\$1,876,851	\$1,882,308	\$1,848,365	\$1,863,901	\$1,898,695	\$1,958,243	\$2,001,360	\$1,913,524	\$1,828,700	\$1,893,545	\$22,965,741
ANE	\$32,283	\$34,826	\$32,817	\$33,054	\$34,313	\$35,754	\$35,221	\$33,608	\$34,859	\$31,835	\$32,224	\$54,956	\$425,750
BP	\$34,875	\$34,875	\$33,750	\$34,875	\$33,750	\$33,750	\$36,000	\$31,500	\$35,875	\$32,750	\$34,875	\$33,750	\$166,949
Distigas FCS	\$146,864	\$0	\$293,728	\$146,864	\$155,026	(\$14,831)	\$155,026	\$155,026	\$154,601	\$138,705	\$154,601	\$154,601	\$410,625
Duke	\$1,500	\$1,550	\$1,500	\$1,550	\$1,500	\$15,550	(\$12,450)	\$1,400	\$1,550	\$0	\$0	\$0	\$1,640,211
Total	\$215,522	\$71,251	\$361,795	\$216,343	\$224,589	\$70,223	\$213,797	\$221,534	\$226,685	\$203,290	\$221,700	\$243,307	\$13,650
Total Supply Fixed (Pipeline & Supplier)	\$2,393,028	\$1,893,994	\$2,238,646	\$2,098,651	\$2,072,954	\$1,934,124	\$2,112,492	\$2,179,777	\$2,228,245	\$2,116,814	\$2,050,400	\$2,136,852	\$25,455,977
STORAGE FIXED COSTS - Facilities	\$96,007	\$100,327	\$96,480	\$87,478	\$87,746	\$83,475	\$83,474	\$83,474	\$83,474	\$83,474	\$83,474	\$83,474	\$468,038
TEXAS EASTERN SS-1 DEMAND													\$166,949
DOMINION GSS DEMAND													\$1,890,000
ALGONQUIN TANK LEASE PAYMENTS													\$2,106,763
CONOCO PHILIPS	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$468,038
TOTAL FIXED STORAGE COSTS	\$136,791	\$132,578	\$132,578	\$117,188	\$49,181	\$224,017	\$219,981	\$220,855	\$219,490	\$214,456	\$219,785	\$219,883	\$1,890,000
STORAGE FIXED COSTS - Delivery	\$390,298	\$390,405	\$386,558	\$362,166	\$377,901	\$464,992	\$377,481	\$378,335	\$376,990	\$371,956	\$377,285	\$377,383	\$4,631,750
ALGONQUIN FOR TETCO SS-1	\$2,913	(\$11,037)	\$2,913	(\$4,062)	\$2,913	(\$4,062)	(\$4,062)	\$16,862	(\$4,062)	\$2,671	(21,214)	(\$31,328)	(\$51,555)
ETCO DELIVERY FOR FSS-1	\$57,499	\$67,846	\$62,679	\$62,516	\$83,474	\$83,474	\$83,474	\$83,474	\$83,474	\$83,474	\$83,474	\$83,474	\$250,540
ENNESSEE DELIVERY FOR GSS	(\$174)	\$21	\$400	\$2,074	\$973	\$1,004	\$602	\$2,724	(\$3,998)	\$0	\$746	\$1,385	\$12,164
ISTRIGAS FLS CALL PAYMENT	\$125,925	\$125,925	\$125,925	\$125,925	\$105,795	\$110,269	\$106,352	\$127,724	\$113,261	\$125,925	\$98,196	\$125,925	\$1,417,147
CONOCO	\$305,784	\$292,629	\$280,144	\$294,552	\$302,792	\$427,035	\$364,178	\$343,262	\$363,911	\$339,595	\$356,206	\$360,563	\$4,030,651
TORAGE DELIVERY FIXED COST \$	\$491,947	\$475,384	\$429,536	\$481,005	\$475,152	\$534,151	\$467,165	\$490,572	\$469,112	\$474,598	\$433,934	\$456,545	\$5,679,101
TOTAL STORAGE FIXED	\$882,245	\$865,789	\$816,094	\$843,171	\$853,053	\$999,143	\$844,646	\$868,907	\$846,102	\$811,219	\$833,928	\$10,310,851	\$10,310,851
TOTAL FIXED COSTS	\$3,275,273	\$2,759,783	\$3,054,740	\$2,941,822	\$2,926,007	\$2,933,267	\$2,957,138	\$3,048,684	\$3,074,347	\$2,963,368	\$2,861,619	\$2,970,780	\$35,766,828

H\ estimate based on 7-18-05 NYMEX strip

VARIABLE SUPPLY COSTS

	Jul-04 Actual	Aug-04 Actual	Sep-04 Actual	Oct-04 Actual	Nov-04 Actual	Dec-04 Actual	Jan-05 Actual	Feb-05 Actual	Mar-05 Actual	Apr-05 Actual	May-05 Actual	Jun-05 Actual	TOTAL
Tennessee Zone 0						\$212	\$0						
M3 Delivered					(\$424)	(\$485,378)	(\$87,615)	(\$171,793)	(\$257,008)	(\$124,075)	(\$11,928)	(\$149,511)	(\$149,723)
ANE to Tennessee	\$171,698	\$151,274	\$133,165	\$142,713	\$124,224	\$218,953	\$156,588	\$151,625	\$180,646	\$198,318	\$186,725	\$174,648	(\$926,864)
DistrGas					\$813,558	\$755,447	\$832,746	\$512,586	\$877,152	\$168,748	\$0	\$0	\$1,866,353
Suppliers					\$17,773,059	\$28,888,915	\$31,896,537	\$24,347,160	\$25,279,010	\$13,562,417	\$11,682,866	\$6,227,716	\$3,960,237
Total Pipeline Commodity Charges	\$5,418,524	\$5,430,259	\$5,758,700	\$10,790,494	\$18,710,417	\$29,378,149	\$32,798,256	\$24,839,578	\$26,079,800	\$13,805,408	\$11,857,663	\$6,339,562	\$187,055,657
Total Pipeline Commodity Charges locked													\$163,808,833
Total Commodity Charges													\$33,912
TOTAL VARIABLE SUPPLY COSTS	\$5,590,222	\$5,581,533	\$5,891,865	\$10,933,207	\$18,710,417	\$29,378,149	\$32,798,256	\$24,839,578	\$26,079,800	\$13,805,408	\$11,857,663	\$6,339,562	\$191,805,660

VARIABLE STORAGE COSTS

Underground Storage	\$0	\$0	\$0	\$0	\$247,608	\$2,513,122	\$5,301,775	\$5,205,980	\$3,679,189	\$107,529	\$0	\$286	\$17,055,489
LNG Withdrawals/Westerly Trucking	\$153,153	\$193,548	\$167,288	\$83,716	\$168,958	\$1,096,487	\$3,822,601	\$301,287	\$550,137	\$137,559	\$147,020	\$145,838	\$6,967,592
LP	\$15,750	\$1,093	\$16	\$867	\$2,167	\$6,717	\$483,854		\$1,313	\$1,132	\$2,264	\$543	\$515,716
TOTAL VARIABLE STORAGE COSTS	\$168,903	\$194,641	\$167,304	\$84,583	\$418,733	\$3,616,326	\$9,608,230	\$5,507,267	\$4,230,639	\$246,220	\$149,284	\$146,667	\$24,538,797
TOTAL VARIABLE COSTS	\$5,759,125	\$5,776,174	\$6,059,169	\$11,017,790	\$19,129,150	\$32,994,475	\$42,406,486	\$30,346,845	\$30,310,439	\$14,051,628	\$12,006,947	\$6,486,229	\$216,344,457
TOTAL SUPPLY COSTS	\$9,034,398	\$8,535,957	\$9,113,909	\$13,959,612	\$22,055,157	\$35,927,742	\$45,363,624	\$33,395,529	\$33,384,786	\$17,014,996	\$14,868,566	\$9,457,009	\$252,111,285
TOTAL CAPACITY RELEASE CREDITS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SUPPLY COSTS AFTER CREDITS	\$9,034,398	\$8,535,957	\$9,113,909	\$13,959,612	\$22,055,157	\$35,927,742	\$45,363,624	\$33,395,529	\$33,384,786	\$17,014,996	\$14,868,566	\$9,457,009	\$252,111,285

Storage Costs for FT-2 Calculation

Storage Fixed Costs - Facilities	\$390,298	\$390,405	\$386,558	\$362,166	\$377,601	\$464,992	\$377,481	\$376,335	\$376,990	\$371,956	\$377,285	\$377,383	\$4,631,750
Storage Fixed Costs - Deliveries	\$491,947	\$475,384	\$429,536	\$481,005	\$475,152	\$534,151	\$467,165	\$490,572	\$469,112	\$474,598	\$433,934	\$456,545	\$5,679,101
Variable Delivery Costs	\$0	\$0	\$0	\$0	\$1,084	\$14,457	\$37,687	\$29,698	\$47,953	\$1,625	\$0	\$0	\$132,504
Variable Injection Costs	\$6,395	\$6,664	\$6,666	\$6,430	\$87	\$0	\$0	\$0	\$897	\$9,632	\$9,269	\$9,665	\$55,705
Fuel Costs Allocated to Storage	\$64,004	\$63,851	\$60,049	\$66,923	\$7,587	\$142,891	\$253,488	\$283,171	\$193,635	\$62,465	\$60,301	\$56,638	\$1,315,004
Total Storage Costs	\$952,644	\$936,304	\$882,809	\$916,524	\$861,811	\$1,156,491	\$1,135,821	\$1,181,776	\$1,088,587	\$920,276	\$880,789	\$900,231	\$11,814,063

Pipeline Variable

Less Non-firm Gas Costs	5,590,222	5,581,533	5,891,865	10,933,207	18,710,417	29,378,149	32,798,256	24,839,578	26,079,800	13,805,408	11,857,663	6,339,562	163,808,833
Less Company Use	\$875,206	\$1,055,302	\$795,367	\$1,037,005	\$1,257,483	\$941,278	\$162,458	\$327,617	\$797,002	\$874,399	\$658,215	\$949,345	\$9,930,677
Less Manchester St Balancing	\$42,044	\$44,863	\$32,236	\$36,965	\$50,700	\$73,631	\$52,973	\$5,427	\$30,738	\$47,215	\$26,342	(\$45,988)	\$427,146
Plus Cashout	\$5,009	\$3,532	\$3,387	\$3,097	\$3,078	\$4,858	\$3,474	\$2,135	\$2,069	\$3,606	\$5,655	\$7,037	\$46,947
Less Mktgr Over-takes	\$10,659	\$11,477	\$50,601	\$87,801	\$64,302	\$21,385	\$3,347	\$61,428	\$91,866	\$34	(\$8,890)	\$0	\$0
Less Mktgr W/drawals													\$401,147
Plus Mktgr Undertakes	(\$13,853)	(\$15,492)	(\$18,474)	(\$10,602)	\$15,386	\$108,465	\$110,714	\$897,583	\$1,794	\$100,703	\$9,729	\$5,176	\$1,014,985
Plus Mktgr Injections													\$697,650
Storage Service Charge													\$107,158
Plus Pipeline Srchg/Credit	(\$71,860)	(\$75,161)	(\$74,369)	(\$76,938)	\$110,470	\$109,903	\$122,408	\$114,860	\$78,667	\$106,537	\$117,101	\$83,228	\$544,845
TOTAL FIRM COMMODITY COSTS	\$4,571,591	\$4,375,705	\$4,917,422	\$9,680,799	\$17,460,710	\$28,555,365	\$32,809,126	\$23,636,218	\$25,268,404	\$13,127,946	\$11,338,194	\$5,592,932	\$181,334,411

	Jul-04 Actual	Aug-04 Actual	Sep-04 Actual	Oct-04 Actual	Nov-04 Actual	Dec-04 Actual	Jan-05 Actual	Feb-05 Actual	Mar-05 Actual	Apr-05 Actual	May-05 Actual	Jun-05 Actual	Total
I. Supply Fixed Cost Collections --													
(a) Resid. & Small C & I dth Supply Fixed Cost Factor	563,317	477,010	494,874	674,186	1,544,217	2,447,549	3,619,515	4,051,877	3,497,773	2,561,947	1,306,492	934,343	22,173,101
Res & Small C & I collections	\$0,9496	\$0,9609	\$0,9575	\$0,9582	\$0,9249	\$0,8044	\$0,8059	\$0,8055	\$0,8056	\$0,8059	\$0,8159	\$0,8445	\$18,428,444
	\$534,950	\$458,353	\$473,863	\$646,033	\$1,428,198	\$1,968,713	\$2,916,939	\$3,263,944	\$2,817,895	\$2,064,631	\$1,065,918	\$789,007	
(b) C & I Medium dth Supply Fixed Cost Factor	134,617	124,359	115,733	160,703	321,599	462,124	681,459	728,514	666,901	479,415	260,581	196,901	4,332,905
C & I Medium collections	\$0,8843	\$0,8877	\$0,9023	\$0,8874	\$0,8629	\$0,7538	\$0,7549	\$0,7515	\$0,7564	\$0,7543	\$0,7644	\$0,7890	\$3,384,841
	\$119,059	\$110,390	\$104,416	\$142,630	\$277,522	\$348,342	\$514,414	\$547,452	\$504,430	\$361,632	\$199,195	\$155,359	
(c) C & I Large LLF dth Supply Fixed Cost Factor	20,980	23,689	24,307	42,702	97,454	163,139	237,894	254,458	233,288	181,134	92,439	54,147	1,425,631
C & I Large LLF collections	\$0,8990	\$0,8781	\$0,9040	\$0,8742	\$0,8181	\$0,8286	\$0,8181	\$0,8245	\$0,8228	\$0,8226	\$0,8439	\$0,8690	\$1,190,819
	\$18,861	\$20,775	\$21,827	\$38,540	\$85,195	\$135,180	\$194,613	\$209,797	\$191,961	\$149,006	\$78,012	\$47,052	
(d) C & I Large HLF dth Supply Fixed Cost Factor	36,141	32,420	36,233	36,223	42,320	55,628	69,875	59,843	62,045	50,456	40,130	43,809	565,122
C & I Large HLF collections	\$0,7065	\$0,7277	\$0,7079	\$0,7177	\$0,6977	\$0,6829	\$0,6899	\$0,6910	\$0,6754	\$0,6839	\$0,6980	\$0,7174	\$393,695
	\$25,532	\$23,589	\$25,652	\$25,996	\$29,527	\$37,990	\$48,207	\$41,350	\$41,907	\$34,509	\$28,009	\$31,427	
(e) C & I Extra Large LLF dth Supply Fixed Cost Factor	3,124	1,783	1,415	3,639	23,343	30,935	43,034	37,951	45,567	19,787	8,946	4,710	224,234
C & I XL LLF collections	\$0,9630	\$0,9654	\$0,9651	\$0,9654	\$0,9391	\$0,9632	\$0,9713	\$0,9650	\$0,9650	\$0,9650	\$0,9852	\$1,0089	\$216,378
	\$3,008	\$1,721	\$1,366	\$3,513	\$21,921	\$29,797	\$41,799	\$36,622	\$43,971	\$19,094	\$8,814	\$4,752	
(f) C & I Extra Large HLF dth Supply Fixed Cost Factor	20,465	20,166	27,158	28,122	28,113	30,584	35,178	33,994	38,420	30,391	29,934	27,396	349,921
C & I XL HLF collections	\$0,6481	\$0,6485	\$0,6485	\$0,6485	\$0,6289	\$0,6231	\$0,6233	\$0,6233	\$0,6233	\$0,6233	\$0,6233	\$0,6233	\$200,917
	\$13,264	\$13,078	\$17,612	\$18,238	\$17,681	\$16,000	\$18,409	\$17,790	\$20,106	\$17,419	\$16,258	\$15,062	
sub-total Dth	778,643	679,426	699,721	945,575	2,057,046	3,189,959	4,686,955	5,166,637	4,543,994	3,323,130	1,738,522	1,261,306	29,070,914
sub-total Supply Fixed Collections	\$714,674	\$627,906	\$644,736	\$874,950	\$1,860,044	\$2,936,022	\$3,734,381	\$4,116,955	\$3,620,270	\$2,646,291	\$1,396,206	\$1,042,659	\$23,815,094
II. Storage Fixed Cost Collections --													
(a) Resid. & Small C & I dth Storage Fixed Cost Factor	563,317	477,010	494,874	674,186	1,544,217	2,447,549	3,619,515	4,051,877	3,497,773	2,561,947	1,306,492	934,343	22,173,101
Res & Small C & I collections	\$0,3826	\$0,3872	\$0,3858	\$0,3861	\$0,3727	\$0,3305	\$0,3312	\$0,3310	\$0,3311	\$0,3312	\$0,3353	\$0,3470	\$7,544,753
	\$215,552	\$184,687	\$190,997	\$260,312	\$575,476	\$809,037	\$1,196,708	\$1,341,308	\$1,158,006	\$848,453	\$436,036	\$324,241	
(b) C & I Medium dth Storage Fixed Cost Factor	133,171	120,466	114,525	157,865	321,599	462,124	681,459	728,514	666,901	479,415	260,581	196,901	4,332,905
C & I Medium collections	\$0,3549	\$0,3563	\$0,3621	\$0,3562	\$0,3463	\$0,3091	\$0,3096	\$0,3082	\$0,3102	\$0,3093	\$0,3135	\$0,3236	\$160,876
	\$47,265	\$42,920	\$41,474	\$56,228	\$111,383	\$142,857	\$210,963	\$224,512	\$206,869	\$146,306	\$81,690	\$63,714	
(c) C & I Large LLF dth Storage Fixed Cost Factor	20,886	22,815	22,631	40,639	97,454	163,139	237,894	254,458	233,288	181,134	92,439	54,147	1,425,631
C & I Large LLF collections	\$0,3649	\$0,3556	\$0,3669	\$0,3664	\$0,3548	\$0,3339	\$0,3297	\$0,3322	\$0,3316	\$0,3315	\$0,3401	\$0,3502	\$1,420,925
	\$7,622	\$8,114	\$8,304	\$14,890	\$34,581	\$54,473	\$78,423	\$84,542	\$77,354	\$60,044	\$31,436	\$18,961	\$478,744
(d) C & I Large HLF dth Storage Fixed Cost Factor	36,141	32,214	35,941	35,997	42,320	55,628	69,875	59,843	62,045	50,456	40,130	43,809	564,399
C & I Large HLF collections	\$0,2861	\$0,2947	\$0,2867	\$0,2907	\$0,2826	\$0,2808	\$0,2837	\$0,2841	\$0,2778	\$0,2813	\$0,2870	\$0,2950	\$64,399
	\$10,340	\$9,493	\$10,304	\$10,463	\$11,959	\$15,623	\$19,824	\$17,004	\$17,233	\$14,191	\$11,518	\$12,924	
(e) C & I XL LLF dth Storage Fixed Cost Factor	3,124	1,783	1,415	3,639	23,343	30,935	43,034	37,951	45,567	19,787	8,946	4,710	224,234
C & I XL LLF collections	\$0,3880	\$0,3888	\$0,3893	\$0,3888	\$0,3784	\$0,3959	\$0,3992	\$0,3966	\$0,3966	\$0,3966	\$0,4049	\$0,4146	\$88,673
	\$1,212	\$693	\$551	\$1,415	\$8,833	\$12,246	\$17,179	\$15,051	\$18,071	\$7,847	\$3,622	\$1,953	

	Jul-04 Actual	Aug-04 Actual	Sep-04 Actual	Oct-04 Actual	Nov-04 Actual	Dec-04 Actual	Jan-05 Actual	Feb-05 Actual	Mar-05 Actual	Apr-05 Actual	May-05 Actual	Jun-05 Actual	Total
(f) C & IXL HLF dth	20,465	20,166	27,158	28,122	28,113	30,584	35,178	33,994	38,420	30,391	29,934	27,396	349,921
Storage Fixed Cost Factor	\$0.2612	\$0.2613	\$0.2613	\$0.2613	\$0.2534	\$0.2150	\$0.2151	\$0.2151	\$0.2151	\$0.2356	\$0.2233	\$0.2260	\$81,939
C & IXL HLF collections	\$5,345	\$5,270	\$7,097	\$7,349	\$7,124	\$6,577	\$7,567	\$7,312	\$8,264	\$7,160	\$6,683	\$6,191	\$200,605
(g) FT-2 dth	22,616	26,771	29,287	25,112	31,938	65,733	93,088	92,496	95,082	69,822	47,225	37,455	636,625
Storage Fixed Cost Factor	0.3505	\$0.3505	\$0.3505	\$0.3505	\$0.3225	\$0.3073	\$0.3073	\$0.3073	\$0.3073	\$0.3073	\$0.3073	\$0.3073	\$11,510
FT-2 collection	\$7,927	\$9,384	\$10,266	\$8,802	\$10,299	\$20,200	\$28,606	\$28,424	\$29,219	\$21,456	\$14,512	\$11,510	\$29,692,725
sub-total Dth	799,719	701,226	725,833	965,560	2,088,984	3,255,692	4,780,043	5,259,133	4,639,076	3,392,952	1,785,747	1,298,761	29,692,725
sub-total Storage Fixed Collections	\$295,263	\$260,561	\$288,933	\$389,469	\$759,855	\$1,061,013	\$1,561,270	\$1,718,163	\$1,515,016	\$1,107,457	\$687,497	\$439,494	\$9,933,771

III. Variable Supply Cost Collections --

(a) Firm Sales dth	778,643	679,426	699,721	945,575	2,041,003	3,180,176	4,676,466	5,162,540	4,532,070	3,315,561	1,734,279	1,260,764	29,006,224
Variable Supply Cost Factor	\$6.0954	\$6.1542	\$6.1529	\$6.1448	\$6.3463	\$6.5281	\$6.5285	\$6.5147	\$6.5308	\$6.5343	\$6.7964	\$7.1094	\$188,932,135
Variable Supply collections	\$4,746,144	\$4,181,312	\$4,306,300	\$5,810,361	\$12,952,905	\$20,760,362	\$30,530,169	\$33,632,505	\$29,598,176	\$21,664,787	\$11,786,896	\$8,963,248	\$188,932,135
(b) NGV Sales dth	1,102	1,069	986	1,485	1,590	1,377	1,081	1,180	1,308	1,165	1,398	1,732	15,473
Variable Supply Cost Factor	\$6.2808	\$6.2810	\$6.2810	\$6.2808	\$6.6509	\$6.6507	\$6.6512	\$6.5136	\$7.8563	\$6.6506	\$7.3698	\$7.3701	\$103,443
Variable supply collections	\$6,922	\$6,716	\$6,190	\$9,327	\$10,875	\$9,158	\$7,190	\$6,272	\$10,276	\$7,748	\$10,303	\$12,765	\$103,443
TOTAL Variable Supply Collections	\$4,753,066	\$4,188,028	\$4,311,490	\$5,819,688	\$12,963,480	\$20,769,520	\$30,537,359	\$33,638,777	\$29,608,452	\$21,672,505	\$11,797,199	\$8,976,013	\$189,035,578

IVa. Storage Variable Product Cost Collections --

(a) Firm Sales dth	778,643	679,426	699,721	945,575	2,041,003	3,180,176	4,676,466	5,162,540	4,532,070	3,315,561	1,734,279	1,260,764	29,006,224
Variable Supply Cost Factor	\$0.8987	\$0.9074	\$0.9072	\$0.9060	\$0.8828	\$0.8773	\$0.8777	\$0.8758	\$0.8780	\$0.8785	\$0.8778	\$0.9181	\$25,596,970
Storage Variable Product collections	\$699,778	\$616,499	\$634,779	\$856,890	\$1,801,841	\$2,789,987	\$4,104,412	\$4,521,483	\$3,979,117	\$2,912,564	\$1,522,273	\$1,187,547	\$25,596,970

IVb. Storage Variable Non-product Cost Collections --

(a) Firm Sales dth	778,643	679,426	699,721	945,575	2,057,046	3,189,959	4,686,955	5,166,637	4,543,994	3,323,130	1,738,522	1,261,306	29,070,914
Variable Supply Cost Factor	\$0.0735	\$0.0742	\$0.0742	\$0.0741	\$0.0717	\$0.0833	\$0.0834	\$0.0834	\$0.0834	\$0.0835	\$0.0857	\$0.0899	\$2,383,447
Storage Variable Non-Product collections	\$57,252	\$50,439	\$51,934	\$70,089	\$147,416	\$265,774	\$390,985	\$430,717	\$379,050	\$277,450	\$148,949	\$113,392	\$2,383,447
(b) FT-2 dth	22,616	26,771	29,287	25,112	31,938	65,733	93,088	92,496	95,082	69,822	47,225	37,455	636,625
Variable Supply Cost Factor	\$0.0742	\$0.0742	\$0.0742	\$0.0742	\$0.0682	\$0.0834	\$0.0834	\$0.0834	\$0.0834	\$0.0834	\$0.0834	\$0.0834	\$51,654
Storage Variable Non-Product collections	\$1,678	\$1,986	\$2,172	\$1,863	\$2,179	\$5,482	\$7,764	\$7,714	\$7,930	\$5,823	\$3,939	\$3,124	\$51,654
(b) Total Firm Sales/FT-2 dth	801,259	706,197	729,008	970,687	2,088,984	3,255,692	4,780,043	5,259,133	4,639,076	3,392,952	1,785,747	1,298,761	29,707,539
Storage Variable Non-Product collections	\$58,930	\$52,425	\$54,106	\$71,952	\$149,595	\$271,256	\$398,749	\$438,431	\$388,980	\$283,273	\$152,888	\$116,516	\$2,435,101

Total Gas Cost Collections	\$8,521,711	\$5,745,419	\$5,914,044	\$7,982,739	\$17,534,615	\$27,427,798	\$40,336,171	\$44,433,799	\$39,109,835	\$28,622,090	\$17,956,063	\$11,732,229	\$250,816,514
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Line No.	Description	Reference	Jul-04 Actual	Aug-04 Actual	Sep-04 Actual	Oct-04 Actual	Nov-04 Actual	Dec-04 Actual	Jan-05 Actual	Feb-05 Actual	Mar-05 Actual	Apr-05 Actual	May-05 Actual	Jun-05 Actual	Total
1	Storage Inventory Balance														
2	Cost of Capital		18,372,085	21,435,651	23,837,819	23,900,009	\$23,709,029	\$21,242,774	\$16,018,417	\$10,935,271	\$7,916,074	\$10,603,715	\$13,390,363	\$16,007,288	\$18,365,363
3	Return on Working Capital Requirement	(1) * (2)	\$1,631,074	\$1,903,057	\$2,116,322	\$2,121,843	\$2,096,020	\$1,877,989	\$1,416,124	\$966,744	\$699,828	\$937,432	\$1,183,790	\$1,415,140	\$1,415,140
4	Weighted Cost of Debt		3.97%	3.97%	3.97%	3.97%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%
5	Interest Charges Financed	(1) * (4)	\$729,923	\$951,638	\$947,077	\$949,547	\$933,063	\$836,031	\$630,421	\$430,369	\$311,545	\$417,320	\$526,992	\$629,983	\$819,937
6	Taxable Income		\$901,151	\$1,051,419	\$1,169,245	\$1,172,295	\$1,162,928	\$1,041,958	\$785,703	\$536,375	\$388,283	\$520,112	\$656,798	\$785,157	\$969,935
7	1 - Combined Tax Rate	(3) - (5)	0.65	0.65	0.65	0.65	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
8	Return and Tax Requirement	(6) / (7)	\$1,386,386	\$1,617,567	\$1,798,838	\$1,803,531	\$1,789,120	\$1,603,012	\$1,208,774	\$825,192	\$597,359	\$800,173	\$1,010,459	\$1,207,935	\$1,564,837
9	Working Capital Requirement	(5) + (8)	\$2,116,309	\$2,469,206	\$2,745,915	\$2,753,079	\$2,722,212	\$2,439,043	\$1,839,195	\$1,255,561	\$908,904	\$1,217,492	\$1,537,451	\$1,837,917	\$2,384,284
10	Monthly Average	(9) / 12	\$176,359	\$205,767	\$228,826	\$229,423	\$226,851	\$203,254	\$153,266	\$104,630	\$75,742	\$101,458	\$128,121	\$153,160	\$1,986,657
11	LNG Inventory Balance														
12	Cost of Capital		4,596,467	5,210,153	5,815,161	6,979,232	\$6,999,248	\$6,506,168	\$3,270,241	\$3,730,513	\$3,758,021	\$4,235,128	\$4,542,384	\$4,922,766	\$2,392,068
13	Return on Working Capital Requirement	(11) * (12)	\$408,074	\$462,557	\$516,270	\$619,616	\$618,776	\$575,184	\$289,109	\$329,800	\$332,232	\$374,411	\$401,574	\$435,202	\$5,362,805
14	Weighted Cost of Debt		3.97%	3.97%	3.97%	3.97%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%
15	Interest Charges Financed	(11) * (14)	\$182,618	\$206,999	\$231,036	\$277,285	\$275,462	\$256,057	\$128,704	\$146,818	\$147,901	\$166,678	\$176,770	\$193,740	\$2,392,068
16	Taxable Income		\$225,457	\$255,558	\$285,234	\$342,331	\$343,313	\$319,128	\$160,405	\$182,982	\$184,331	\$207,733	\$222,804	\$241,462	\$4,570,364
17	1 - Combined Tax Rate	(13) - (15)	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
18	Return and Tax Requirement	(16) / (17)	\$346,856	\$393,166	\$438,821	\$526,664	\$528,174	\$490,965	\$246,777	\$281,510	\$283,586	\$319,589	\$342,775	\$371,479	\$4,570,364
19	Working Capital Requirement	(15) + (18)	\$529,474	\$600,166	\$669,857	\$803,948	\$803,636	\$747,022	\$375,481	\$428,328	\$431,487	\$486,267	\$521,545	\$565,220	\$6,962,432
20	Monthly Average	(19) / 12	\$44,123	\$50,014	\$55,821	\$66,996	\$66,970	\$62,252	\$31,290	\$35,694	\$35,957	\$40,522	\$43,462	\$47,102	\$580,203
21	System Balancing Factor		20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%
22	Balancing Related Inventory Costs	(20) * (21)	\$8,997	\$10,198	\$11,382	\$13,660	\$13,655	\$12,693	\$6,380	\$7,278	\$7,332	\$8,262	\$8,862	\$9,604	\$118,303
23	Supply Related Inventory Costs	(21) - (22)	\$35,126	\$39,816	\$44,439	\$53,335	\$53,315	\$49,559	\$24,910	\$28,416	\$28,626	\$32,260	\$34,600	\$37,498	\$461,899
24	Propane Inventory Balance														
25	Cost of Capital		\$411,671	\$411,671	\$411,671	\$771,839	\$769,672	\$762,955	\$370,333	\$392,972	\$402,617	\$401,485	\$399,222	\$398,679	\$233,139
26	Return on Working Capital Requirement	(24) * (25)	\$36,548	\$36,548	\$36,548	\$68,524	\$68,044	\$67,450	\$32,740	\$34,741	\$35,594	\$35,494	\$35,294	\$35,246	\$522,769
27	Weighted Cost of Debt		3.97%	3.97%	3.97%	3.97%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%
28	Interest Charges Financed	(24) * (27)	\$16,356	\$16,356	\$16,356	\$30,665	\$30,291	\$30,027	\$14,575	\$15,466	\$15,845	\$15,801	\$15,712	\$15,690	\$233,139
29	Taxable Income		\$20,192	\$20,192	\$20,192	\$37,859	\$37,752	\$37,423	\$18,165	\$19,275	\$19,748	\$19,693	\$19,582	\$19,555	\$469,973
30	1 - Combined Tax Rate	(26) - (28)	0.65	0.65	0.65	0.65	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
31	Return and Tax Requirement	(29) / (30)	\$31,065	\$31,065	\$31,065	\$58,244	\$58,081	\$57,574	\$27,946	\$29,654	\$30,382	\$30,297	\$30,126	\$30,085	\$469,973
32	Working Capital Requirement	(28) + (31)	\$47,421	\$47,421	\$47,421	\$88,909	\$88,372	\$87,601	\$42,521	\$45,120	\$46,227	\$46,098	\$45,838	\$45,775	\$715,082
33	Monthly Average	(32) / 12	\$3,952	\$3,952	\$3,952	\$7,364	\$7,364	\$7,300	\$3,543	\$3,760	\$3,852	\$3,841	\$3,820	\$3,815	\$59,590

Line No.	Description	Reference	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Total
1	Supply Fixed Costs														
2	Capacity Release Revenue		\$2,393,028	\$1,893,994	\$2,238,646	\$2,098,651	\$2,072,954	\$1,934,124	\$2,112,492	\$2,179,777	\$2,228,245	\$2,116,814	\$2,050,400	\$2,136,852	\$25,455,977
3	Allowable Working Capital Costs	(1) - (2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	\$25,455,977
5	Working Capital Requirement	(3) * (4) / 365	\$7,614	\$9,343	\$6,161	\$7,636	\$7,610	\$7,106	\$7,555	\$8,025	\$8,180	\$7,713	\$7,275	\$7,449	13.40
6	Cost of Capital	Rate Case	8.88%	8.88%	8.88%	8.88%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%
7	Return on Working Capital Requirement	(5) * (6)	\$7,778	\$6,156	\$7,277	\$6,821	\$6,277	\$6,277	\$6,856	\$7,075	\$7,232	\$6,870	\$6,655	\$6,935	8.84%
8	Weighted Cost of Debt	Rate Case	3.97%	3.97%	3.97%	3.97%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%
9	Interest Expense	(5) * (8)	\$3,481	\$2,755	\$3,256	\$3,053	\$2,795	\$2,795	\$3,052	\$3,149	\$3,219	\$3,058	\$2,963	\$3,087	3.94%
10	Taxable Income	(7) - (9)	\$4,297	\$3,401	\$4,020	\$3,769	\$3,483	\$3,483	\$3,804	\$3,925	\$4,012	\$3,812	\$3,692	\$3,648	3.94%
11	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
12	Return and Tax Requirement	(10) / (11)	\$6,611	\$5,233	\$6,185	\$5,798	\$5,356	\$5,356	\$5,852	\$6,039	\$6,173	\$5,864	\$5,680	\$5,920	0.6500
13	Supply Fixed Working Capital Requirement	(9) + (12)	\$10,092	\$7,988	\$9,441	\$8,851	\$8,738	\$8,153	\$8,905	\$9,188	\$9,393	\$8,923	\$8,643	\$9,007	\$107,321
14	Storage Fixed Costs														
15	Less: LNG Demand to DAC		\$882,245	\$665,789	\$816,094	\$843,171	\$663,053	\$999,143	\$844,646	\$868,907	\$846,102	\$846,554	\$811,219	\$833,928	\$10,310,851
16	Less: Credits		\$57,790	\$57,790	\$57,790	\$57,790	\$53,686	\$54,598	\$53,799	\$58,157	\$55,208	\$57,790	\$52,136	\$57,790	\$674,327
17	Plus: Supply Related LNG O&M Costs		\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$0
18	Allowable Working Capital Costs	(14)-(15)+(16)+(17)	\$867,696	\$851,240	\$801,545	\$828,622	\$867,786	\$867,786	\$834,068	\$853,691	\$834,135	\$832,005	\$802,324	\$819,379	\$518,894
19	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	\$10,155,418
20	Working Capital Requirement	(18) * (19) / 365	\$31,766	\$31,166	\$29,346	\$30,338	\$30,934	\$36,264	\$30,621	\$31,352	\$30,623	\$30,545	\$29,455	\$30,081	13.40
21	Cost of Capital	Rate Case	8.88%	8.88%	8.88%	8.88%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%
22	Return on Working Capital Requirement	(20) * (21)	\$2,820	\$2,767	\$2,605	\$2,693	\$3,206	\$3,206	\$2,707	\$2,772	\$2,707	\$2,700	\$2,604	\$2,659	8.84%
23	Weighted Cost of Debt	Rate Case	3.97%	3.97%	3.97%	3.97%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%
24	Interest Expense	(20) * (23)	\$1,202	\$1,238	\$1,166	\$1,205	\$1,427	\$1,427	\$1,205	\$1,234	\$1,205	\$1,202	\$1,159	\$1,184	3.94%
25	Taxable Income	(22) - (24)	\$1,558	\$1,529	\$1,439	\$1,488	\$1,517	\$1,779	\$1,502	\$1,538	\$1,502	\$1,498	\$1,445	\$1,475	3.94%
26	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
27	Return and Tax Requirement	(25) / (26)	\$2,397	\$2,352	\$2,215	\$2,289	\$2,737	\$2,737	\$2,311	\$2,366	\$2,311	\$2,305	\$2,223	\$2,270	0.6500
28	Storage Fixed Working Capital Requirement	(24) + (27)	\$3,659	\$3,590	\$3,380	\$3,495	\$4,164	\$4,164	\$3,516	\$3,600	\$3,516	\$3,507	\$3,382	\$3,454	\$42,815

Line No.	Description	Reference	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Total
1	Supply Variable Costs														
2a	Less: Non-firm Sales		\$4,571,591	\$4,375,705	\$4,917,422	\$9,660,799	\$17,460,710	\$28,555,365	\$32,809,126	\$23,636,218	\$25,268,404	\$13,127,946	\$11,338,194	\$5,592,932	\$181,334,411
2b	Less: Variable Delivery Storage Costs		\$0	\$0	\$0	\$0	\$1,084	\$14,457	\$37,687	\$29,698	\$47,953	\$1,625	\$0	\$0	\$0
2c	Less: Variable Injection Storage Costs		\$6,395	\$6,664	\$6,666	\$6,430	\$87	\$0	\$0	\$0	\$897	\$9,632	\$9,269	\$9,665	\$132,504
2d	Less: Fuel Costs Allocated to Storage		\$94,004	\$63,851	\$60,049	\$66,923	\$7,587	\$142,891	\$253,488	\$283,171	\$193,635	\$62,465	\$60,301	\$56,638	\$55,705
2e	Less: Supply Refunds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,315,004
2	Total Credits		\$945,605	\$1,125,817	\$862,082	\$1,110,358	\$8,758	\$157,348	\$291,179	\$312,869	\$242,485	\$13,722	\$69,570	\$66,303	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$4,501,192	\$4,305,190	\$4,850,707	\$9,607,446	\$17,451,952	\$28,398,017	\$32,517,951	\$23,323,349	\$25,025,919	\$13,054,224	\$11,268,624	\$5,526,629	\$5,266,092
4	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	\$179,831,199
5	Working Capital Requirement	(3) * (4) / 365	\$164,798	\$157,622	\$177,594	\$351,748	\$640,702	\$1,042,557	\$1,193,810	\$856,254	\$918,760	\$479,251	\$413,697	\$202,895	\$202,895
6	Cost of Capital	Rate Case	8.88%	8.88%	8.88%	8.88%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%
7	Return on Working Capital Requirement	(5) * (6)	\$14,631	\$13,994	\$15,767	\$31,228	\$56,642	\$92,166	\$105,540	\$75,698	\$81,224	\$42,369	\$36,573	\$17,937	\$17,937
8	Weighted Cost of Debt	Rate Case	3.97%	3.97%	3.97%	3.97%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%
9	Interest Expense	(5) * (8)	\$6,547	\$6,262	\$7,056	\$13,975	\$25,215	\$41,031	\$46,984	\$33,699	\$36,159	\$18,661	\$16,281	\$7,985	\$7,985
10	Taxable Income	(7) - (9)	\$8,083	\$7,731	\$8,711	\$17,253	\$31,426	\$51,137	\$58,556	\$41,999	\$45,065	\$23,507	\$20,292	\$9,952	\$9,952
11	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
12	Return and Tax Requirement	(10) / (11)	\$12,436	\$11,894	\$13,402	\$26,543	\$48,348	\$78,673	\$90,087	\$64,614	\$69,331	\$36,165	\$31,218	\$15,311	\$15,311
13	Supply Variable Working Capital Requirement	(9) + (12)	\$18,983	\$18,157	\$20,457	\$40,518	\$73,564	\$119,704	\$137,070	\$98,313	\$105,490	\$55,026	\$47,500	\$23,296	\$47,500
14	Storage Variable Product Costs														
15	Less: Balancing Related LNG Commodity (to DAC)		\$168,903	\$194,641	\$167,304	\$94,583	\$412,952	\$3,395,738	\$9,227,543	\$5,208,187	\$4,137,729	\$240,907	\$149,284	\$146,667	\$23,534,438
16	Plus: Supply Related LNG O&M Costs		(\$31,228)	(\$39,464)	(\$34,110)	(\$17,070)	\$34,451	\$223,574	\$779,428	\$61,432	\$112,173	\$28,048	\$29,977	\$29,736	\$1,176,948
17	Allowable Working Capital Costs	(14) - (15) + (16)	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$365,465
18	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	\$22,479,212
19	Working Capital Requirement	(17) * (18) / 365	\$6,156	\$6,796	\$5,992	\$3,587	\$15,014	\$117,576	\$311,268	\$190,067	\$148,906	\$8,933	\$5,498	\$5,411	\$5,411
20	Cost of Capital	Rate Case	8.88%	8.88%	8.88%	8.88%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%
21	Return on Working Capital Requirement	(19) * (20)	\$546	\$603	\$532	\$318	\$1,327	\$10,394	\$27,518	\$16,803	\$13,164	\$790	\$486	\$478	\$478
22	Weighted Cost of Debt	Rate Case	3.97%	3.97%	3.97%	3.97%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%
23	Interest Expense	(19) * (22)	\$245	\$270	\$238	\$143	\$591	\$4,627	\$12,250	\$7,480	\$5,860	\$352	\$216	\$213	\$213
24	Taxable Income	(15) - (23)	\$302	\$333	\$294	\$176	\$736	\$5,767	\$15,268	\$9,323	\$7,304	\$438	\$270	\$265	\$265
25	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
26	Return and Tax Requirement	(24) / (25)	\$465	\$513	\$452	\$271	\$1,133	\$8,872	\$23,489	\$14,343	\$11,237	\$674	\$415	\$408	\$408
27	Storage Var. Product Working Capital Requirement	(23) + (26)	\$709	\$783	\$690	\$413	\$1,724	\$13,500	\$35,739	\$21,823	\$17,097	\$1,026	\$631	\$621	\$621
1	Storage Variable Non-Product Costs														
2	Credits		\$0	\$0	\$0	\$0	\$6,952	\$235,045	\$418,374	\$328,778	\$141,760	\$16,570	\$9,269	\$9,665	\$1,166,413
3	Allowable Working Capital Costs	(1) - (2)	\$0	\$0	\$0	\$0	\$0	\$235,045	\$418,374	\$328,778	\$141,760	\$16,570	\$9,269	\$9,665	\$1,166,413
4	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	\$13,400
5	Working Capital Requirement	(3) * (4) / 365	\$0	\$0	\$0	\$0	\$255	\$8,629	\$16,359	\$12,070	\$5,204	\$608	\$340	\$355	\$355
6	Cost of Capital	Rate Case	8.88%	8.88%	8.88%	8.88%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%
7	Return on Working Capital Requirement	(5) * (6)	\$0	\$0	\$0	\$0	\$23	\$763	\$1,358	\$1,067	\$460	\$54	\$30	\$31	\$31
8	Weighted Cost of Debt	Rate Case	3.97%	3.97%	3.97%	3.97%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%
9	Interest Expense	(5) * (8)	\$0	\$0	\$0	\$0	\$10	\$340	\$604	\$475	\$205	\$24	\$13	\$14	\$14
10	Taxable Income	(7) - (9)	\$0	\$0	\$0	\$0	\$13	\$423	\$753	\$592	\$255	\$30	\$17	\$17	\$17
11	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
12	Return and Tax Requirement	(10) / (11)	\$0	\$0	\$0	\$0	\$19	\$651	\$1,159	\$911	\$393	\$46	\$26	\$27	\$27
13	Storage Variable Non-product WC Requirement	(9) + (12)	\$0	\$0	\$0	\$0	\$29	\$991	\$1,764	\$1,386	\$598	\$70	\$39	\$41	\$41

Line No.	Rate Class	Jul-04 Actual	Aug-04 Actual	Sep-04 Actual	Oct-04 Actual	Nov-04 Actual	Dec-04 Actual	Jan-05 Actual	Feb-05 Actual	Mar-05 Actual	Apr-05 Actual	May-05 Actual	Jun-05 Actual	Total
1 SALES (dth)														
2	Residential Non-Heating	44,519	39,016	37,138	43,496	54,361	61,742	73,390	74,399	68,813	65,782	56,158	48,869	667,683
3	Residential Heating	465,274	400,202	410,215	567,414	1,341,269	2,111,280	3,130,420	3,480,195	3,008,844	2,207,944	1,131,290	800,230	19,054,576
4	Small C&I	53,524	37,792	47,521	63,277	148,587	274,527	415,705	497,283	420,116	288,221	119,044	85,244	2,450,842
5	Medium C&I	133,171	120,466	114,525	157,865	308,577	674,517	733,021	730,021	660,137	472,451	258,341	196,798	4,286,675
6	Large LLF	20,886	22,315	22,631	40,639	95,280	162,034	234,347	250,930	229,642	178,447	90,995	53,708	1,402,355
7	Large HLF	36,141	32,214	35,941	35,997	41,473	52,268	69,875	54,767	60,531	49,643	39,571	43,809	562,230
8	Extra Large LLF	3,124	1,783	1,415	3,639	23,343	30,935	43,034	37,951	45,567	19,787	8,946	4,710	224,234
9	Extra Large HLF	20,465	20,166	27,158	28,122	28,113	30,584	35,178	33,984	38,420	33,286	29,934	27,396	352,816
10	Total Sales	777,103	674,454	696,545	940,448	2,041,003	3,180,176	4,676,466	5,162,540	4,532,070	3,315,561	1,734,279	1,260,764	28,991,410
11 TSS														
12	Medium	1,446	3,392	1,208	2,838	13,022	5,318	6,942	(4,507)	6,764	6,964	2,240	103	46,230
13	Large LLF	94	374	1,676	2,063	2,174	1,105	3,547	3,528	3,646	2,687	1,444	439	23,276
14	Extra Large LLF	0	206	292	226	847	3,360	0	5,076	1,514	813	559	0	12,892
15	Extra Large HLF	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Extra Large HLF	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Total TSS	1,540	4,972	3,176	5,127	16,043	9,783	10,489	4,097	11,924	10,464	4,243	542	82,399
18 FT-2 TRANSPORTATION														
19	FT-2 Medium	16,389	15,397	14,896	19,387	28,799	40,249	55,252	57,364	56,904	45,373	29,620	24,525	404,154
20	FT-2 Large LLF	2,831	7,395	2,142	2,922	10,315	21,645	33,502	29,831	32,778	19,770	12,268	7,213	183,112
21	FT-2 Large HLF	3,396	3,479	12,250	2,803	(7,176)	3,839	4,334	5,301	5,400	4,679	3,250	5,236	46,791
22	FT-2 Extra Large LLF	0	0	0	0	0	0	0	0	0	0	2,087	481	2,568
23	FT-2 Extra Large HLF	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Total Transportation	22,616	26,771	29,287	25,112	31,938	65,733	93,088	92,496	95,082	69,822	47,225	37,455	636,625
25 Sales & FT-2 THROUGHPUT														
26	Residential Non-Heating	44,519	39,016	37,138	43,496	54,361	61,742	73,390	74,399	68,813	65,782	56,158	48,869	667,683
27	Residential Heating	465,274	400,202	410,215	567,414	1,341,269	2,111,280	3,130,420	3,480,195	3,008,844	2,207,944	1,131,290	800,230	19,054,576
28	Small C&I	53,524	37,792	47,521	63,277	148,587	274,527	415,705	497,283	420,116	288,221	119,044	85,244	2,450,842
29	Medium C&I	151,006	139,752	130,629	180,090	350,398	502,373	736,711	785,878	723,805	524,788	290,201	221,426	4,737,060
30	Large LLF	23,811	31,584	26,449	45,624	107,769	184,784	271,396	284,289	266,066	200,904	104,707	61,360	1,608,743
31	Large HLF	39,536	35,899	48,483	39,026	35,144	59,467	74,209	65,144	67,445	55,135	43,380	49,045	611,913
32	Extra Large LLF	3,124	1,783	1,415	3,639	23,343	30,935	43,034	37,951	45,567	19,787	11,033	5,191	226,802
33	Extra Large HLF	20,465	20,166	27,158	28,122	28,113	30,584	35,178	33,994	38,420	33,286	29,934	27,396	352,816
34	Total Throughput	801,259	706,197	729,008	970,687	2,088,984	3,255,692	4,780,043	5,259,133	4,639,076	3,395,847	1,785,747	1,298,761	29,710,434
35 FT-1 TRANSPORTATION														
36	FT-1 Medium	30,624	28,946	28,548	65,362	50,637	94,339	113,086	93,212	95,322	55,375	48,697	28,606	732,753
37	FT-1 Large LLF	15,903	17,723	21,086	31,329	101,976	152,511	192,304	154,920	155,739	75,685	58,197	19,870	1,027,244
38	FT-1 Large HLF	26,301	26,731	32,538	33,695	41,089	51,479	56,870	46,951	48,597	33,800	32,997	30,018	461,066
39	FT-1 Extra Large LLF	27,345	16,568	15,901	39,727	66,041	98,255	124,842	111,639	101,744	58,217	41,666	16,988	718,933
40	FT-1 Extra Large HLF	200,222	205,239	224,191	181,164	450,990	170,103	418,049	382,010	381,543	525,340	264,670	229,915	3,632,439
41	Total Transportation	300,395	295,207	322,264	381,277	710,733	566,687	905,151	788,732	782,945	748,417	446,227	324,397	6,572,432
42 Total THROUGHPUT														
43	Residential Non-Heating	44,519	39,016	37,138	43,496	54,361	61,742	73,390	74,399	68,813	65,782	56,158	48,869	667,683
44	Residential Heating	465,274	400,202	410,215	567,414	1,341,269	2,111,280	3,130,420	3,480,195	3,008,844	2,207,944	1,131,290	800,230	19,054,576
45	Small C&I	53,524	37,792	47,521	63,277	148,587	274,527	415,705	497,283	420,116	288,221	119,044	85,244	2,450,842
46	Medium C&I	181,629	168,701	159,177	245,452	401,035	596,712	849,797	879,090	819,127	580,163	338,898	250,032	5,469,813
47	Large LLF	39,714	49,308	47,535	106,953	209,745	337,295	463,700	439,209	421,805	276,589	162,904	81,230	2,635,987
48	Large HLF	65,837	62,030	81,021	72,721	76,233	110,946	131,079	112,095	116,042	88,985	76,377	79,063	1,072,979
49	Extra Large LLF	30,469	18,350	17,316	43,366	89,384	129,190	167,876	149,590	147,311	78,004	52,669	22,179	945,734
50	Extra Large HLF	220,687	225,405	251,349	209,286	479,103	200,687	453,227	416,004	419,963	558,626	294,604	256,311	3,985,652
51	Total Throughput	1,101,653	1,001,404	1,051,272	1,351,964	2,799,717	3,822,379	5,685,194	6,047,865	5,422,021	4,144,264	2,231,974	1,623,156	36,262,866

Gas Cost Recovery (GCR) Filing
Projected Gas Cost Balances

I. Supply Fixed Cost Deferred

	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov - Oct
	30	31	31	28	31	30	31	30	31	31	30	31	31
	fcst	fcst	fcst	fcst	fcst	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast
Beginning Balance	(\$1,988,966)	(\$1,501,575)	(\$2,152,662)	(\$4,177,687)	(\$6,589,890)	(\$7,978,857)	(\$8,639,532)	(\$8,011,590)	(\$6,611,668)	(\$4,951,640)	(\$3,284,995)	(\$1,593,506)	
Supply Fixed Costs (net of cap rel)	\$2,287,148	\$2,288,644	\$2,288,644	\$2,285,869	\$2,288,644	\$2,287,519	\$2,288,644	\$2,287,519	\$2,288,644	\$2,288,644	\$2,287,519	\$2,288,644	\$27,456,079
Capacity Release	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	\$9,723	\$9,723	\$9,729	\$9,718	\$9,729	\$9,725	\$9,729	\$9,725	\$9,729	\$9,729	\$9,725	\$9,729	\$116,720
Total Supply Fixed Costs	\$2,298,671	\$2,298,373	\$2,298,373	\$2,295,586	\$2,298,373	\$2,297,243	\$2,298,373	\$2,297,243	\$2,298,373	\$2,298,373	\$2,297,243	\$2,298,373	\$27,572,799
Supply Fixed - Collections	\$1,803,036	\$2,942,490	\$4,311,325	\$4,689,236	\$3,659,553	\$2,927,242	\$1,638,672	\$870,329	\$616,018	\$616,018	\$596,749	\$912,754	\$25,583,694
Prelim. Ending Balance	(\$1,495,132)	(\$2,145,692)	(\$4,165,692)	(\$6,571,337)	(\$6,589,856)	(\$7,979,831)	(\$8,639,285)	(\$8,011,590)	(\$6,589,856)	(\$4,929,585)	(\$3,284,995)	(\$1,593,506)	
Month's Average Balance	(\$1,742,049)	(\$1,823,633)	(\$3,159,138)	(\$5,374,512)	(\$7,270,480)	(\$8,293,857)	(\$8,309,681)	(\$7,298,132)	(\$5,770,627)	(\$4,110,463)	(\$2,434,748)	(\$900,696)	
Interest Rate (Bank of America Prime)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
Interest Applied	(\$6,443)	(\$6,970)	(\$12,074)	(\$18,553)	(\$27,787)	(\$30,676)	(\$31,759)	(\$26,993)	(\$22,055)	(\$15,710)	(\$9,005)	(\$3,442)	(\$211,467)
Supply Fixed Ending Balance	(\$1,501,575)	(\$2,152,662)	(\$4,177,687)	(\$6,589,890)	(\$7,978,857)	(\$8,639,532)	(\$8,011,590)	(\$6,611,668)	(\$4,951,640)	(\$3,284,995)	(\$1,593,506)	(\$211,329)	

II. Storage Fixed Cost Deferred

Beginning Balance	(\$588,021)	(\$380,888)	(\$611,036)	(\$1,356,241)	(\$2,244,796)	(\$2,754,643)	(\$3,040,318)	(\$2,851,731)	(\$2,333,964)	(\$1,718,963)	(\$1,130,932)	(\$540,809)	
Storage Fixed Costs	\$698,162	\$884,979	\$883,304	\$881,016	\$878,037	\$826,761	\$820,657	\$866,657	\$866,657	\$829,857	\$820,657	\$820,657	\$10,277,403
LNG Demand to DAC	(\$57,790)	(\$55,102)	(\$54,761)	(\$54,294)	(\$53,687)	(\$48,158)	(\$48,411)	(\$57,790)	(\$57,790)	(\$50,287)	(\$48,411)	(\$48,411)	(\$634,893)
Supply Related LNG O & M	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$518,894
Working Capital	\$3,756	\$3,712	\$3,706	\$3,698	\$3,688	\$3,494	\$3,467	\$3,622	\$3,622	\$3,498	\$3,467	\$3,467	\$43,198
Total Storage Fixed Costs	\$687,369	\$876,829	\$875,491	\$873,661	\$871,280	\$825,338	\$818,954	\$865,731	\$865,731	\$826,310	\$818,954	\$818,954	\$10,204,602
Storage Fixed - Collections	\$678,448	\$1,105,086	\$1,616,943	\$1,756,011	\$1,371,592	\$1,100,316	\$619,129	\$328,391	\$233,000	\$232,843	\$225,745	\$345,163	\$9,612,667
Prelim. Ending Balance	(\$379,099)	(\$809,145)	(\$1,352,489)	(\$2,238,591)	(\$2,745,108)	(\$3,029,621)	(\$2,840,493)	(\$2,324,391)	(\$1,711,233)	(\$1,125,497)	(\$537,723)	(\$67,018)	
Month's Average Balance	(\$483,560)	(\$495,016)	(\$981,763)	(\$1,797,416)	(\$2,494,952)	(\$2,892,132)	(\$2,840,406)	(\$2,588,061)	(\$2,022,598)	(\$1,422,230)	(\$834,328)	(\$303,913)	
Interest Rate (Bank of America Prime)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
Interest Applied	(\$1,789)	(\$1,892)	(\$3,752)	(\$6,205)	(\$9,556)	(\$10,697)	(\$11,238)	(\$9,572)	(\$7,730)	(\$5,436)	(\$3,086)	(\$1,162)	(\$72,093)
Storage Fixed Ending Balance	(\$380,888)	(\$611,036)	(\$1,356,241)	(\$2,244,796)	(\$2,754,643)	(\$3,040,318)	(\$2,851,731)	(\$2,333,964)	(\$1,718,963)	(\$1,130,932)	(\$540,809)	(\$88,179)	

III. Variable Supply Cost Deferred

Beginning Balance	\$14,159,304	\$21,405,761	\$26,712,918	\$22,436,735	\$9,597,190	\$9,018,860	(\$2,990,052)	(\$7,064,131)	(\$8,392,042)	(\$7,874,036)	(\$7,244,775)	(\$5,669,024)	
Variable 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	\$7,982,443	\$15,053,146	\$239,465,140
Variable Delivery Storage	\$0	(\$32,093)	(\$51,285)	(\$46,756)	(\$14,749)	(\$4,551)	\$0	\$0	\$0	\$0	\$0	\$0	(\$149,434)
Variable Injections Storage	\$0	\$0	\$0	\$0	\$0	(\$11,974)	(\$11,974)	(\$11,974)	(\$11,974)	(\$11,974)	(\$11,974)	(\$11,974)	(\$83,815)
Fuel Cost Allocated to Storage	\$105,863	\$144,593	\$160,622	\$140,138	\$149,546	(\$150,022)	(\$116,705)	(\$119,220)	(\$122,587)	(\$124,269)	(\$124,007)	(\$123,494)	(\$2,346,840)
Working Capital	\$25,008,096	\$34,157,352	\$37,943,833	\$33,105,012	\$35,327,475	\$16,751,462	\$12,130,750	\$7,363,944	\$6,711,872	\$6,822,605	\$7,588,586	\$14,981,096	\$1,007,031
Total Supply Variable Costs	\$17,827,288	\$28,941,973	\$42,313,759	\$45,999,754	\$35,941,311	\$28,771,503	\$16,185,652	\$8,663,324	\$6,162,842	\$6,164,508	\$5,988,997	\$9,089,410	\$252,050,321
Deferred Responsibility													
Prelim. Ending Balance	\$21,340,111	\$26,621,140	\$22,342,991	\$9,541,993	\$8,963,353	(\$3,001,181)	(\$7,044,954)	(\$8,363,511)	(\$7,843,012)	(\$7,215,939)	(\$5,645,186)	(\$222,662)	
Month's Average Balance	\$17,749,707	\$24,013,450	\$24,527,954	\$15,989,364	\$9,290,272	\$3,008,840	(\$5,017,503)	(\$7,713,821)	(\$8,117,527)	(\$7,544,988)	(\$6,444,981)	(\$2,723,181)	
Interest Rate (Bank of America Prime)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
Interest Applied	\$65,650	\$91,777	\$93,744	\$55,196	\$35,507	\$11,129	(\$19,176)	(\$28,531)	(\$31,025)	(\$28,836)	(\$23,838)	(\$10,408)	\$211,189
Supply Variable Ending Balance	\$21,405,761	\$26,712,918	\$22,436,735	\$9,597,190	\$9,018,860	(\$2,990,052)	(\$7,064,131)	(\$8,392,042)	(\$7,874,036)	(\$7,244,775)	(\$5,669,024)	(\$88,179)	

Gas Cost Recovery (GCR) Filing
Projected Gas Cost Balances

	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov - Oct
	30	31	31	28	31	30	31	30	31	31	30	31	forecast
	fcst	fcst	fcst	fcst	fcst	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast
IVa. Storage Variable Product Cost Deferred													
Beginning Balance	(\$969,220)	(\$2,691,349)	(\$951,895)	\$5,452,392	\$7,984,930	\$6,309,816	\$3,721,747	\$2,081,465	\$1,410,558	\$1,097,441	\$929,859	\$627,056	
Storage Variable Prod. Costs - LNG	\$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	\$5,992,420
Storage Variable Prod. Costs - LP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Variable Prod. Costs - UG	\$0	\$4,567,846	\$9,088,050	\$7,203,928	\$2,251,188	\$641,912	(\$41,729)	(\$40,536)	(\$41,949)	(\$40,030)	(\$40,798)	(\$42,223)	\$23,752,925
Supply Related LNG to DAC	(\$26,436)	(\$89,778)	(\$550,958)	(\$185,430)	\$79,767	(\$30,216)	(\$30,455)	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	(\$1,221,854)
Supply Related LNG O & M	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$366,465
Inventory Financing - LNG	\$58,314	\$58,905	\$58,154	\$40,695	\$42,713	\$44,798	\$46,812	\$52,908	\$54,389	\$56,662	\$61,173	\$63,414	\$638,940
Inventory Financing - UG	\$292,798	\$292,798	\$248,720	\$161,024	\$91,508	\$69,785	\$105,351	\$147,709	\$190,941	\$234,997	\$279,777	\$324,650	\$2,440,060
Inventory Financing - LP	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$3,804	\$45,649
Working Capital	\$568	\$21,038	\$47,909	\$33,832	\$11,024	\$3,526	\$822	\$502	\$826	\$827	\$807	\$830	\$122,811
Total Storage Variable Product Costs	\$489,155	\$5,325,374	\$11,628,233	\$8,197,725	\$2,742,133	\$951,305	\$350,171	\$393,955	\$444,199	\$490,848	\$535,309	\$588,008	\$3,136,415
Storage Variable Product Collections	\$2,204,527	\$3,578,971	\$5,232,530	\$5,688,341	\$4,444,511	\$3,557,891	\$2,001,522	\$1,071,309	\$762,099	\$762,305	\$740,601	\$1,123,999	\$31,168,606
Prelim. Ending Balance	(\$2,684,592)	(\$944,946)	\$5,443,808	\$7,961,776	\$6,282,552	\$3,703,230	\$2,070,397	\$1,404,112	\$1,092,657	\$825,984	\$624,367	\$91,065	
Month's Average Balance	(\$1,826,906)	(\$1,818,147)	\$2,245,957	\$6,707,084	\$7,133,741	\$5,006,523	\$2,896,072	\$1,742,789	\$1,251,607	\$961,712	\$727,013	\$359,060	
Interest Rate (Bank of America Prime)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
Interest Applied	(\$6,757)	(\$6,949)	\$8,584	\$23,153	\$27,265	\$18,517	\$11,069	\$6,446	\$4,784	\$3,676	\$2,689	\$1,372	\$93,848
Storage Variable Product Ending Bal.	(\$2,691,349)	(\$951,895)	\$5,452,392	\$7,984,930	\$6,309,816	\$3,721,747	\$2,081,465	\$1,410,558	\$1,097,441	\$829,659	\$627,056	\$92,437	

	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov - Oct
	30	31	31	28	31	30	31	30	31	31	30	31	forecast
	fcst	fcst	fcst	fcst	fcst	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast
IVb. Stor. Var. Non-Prod. Cost Deferred													
Beginning Balance	(\$168,453)	(\$448,657)	(\$342,075)	\$175,812	\$463,905	\$206,579	\$26,508	(\$98,875)	(\$103,505)	(\$65,642)	(\$25,947)	\$16,334	
Storage Variable Non-prod. Costs	\$0	\$281,583	\$560,230	\$444,084	\$133,545	\$101,720	\$0	\$0	\$0	\$0	\$0	\$0	\$1,521,162
Variable Delivery Storage Costs	\$0	\$32,093	\$51,285	\$46,756	\$14,749	\$4,551	\$0	\$0	\$0	\$0	\$0	\$0	\$149,434
Variable Injection Storage Costs	\$0	\$0	\$0	\$0	\$0	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974	\$83,815
Fuel Costs Allocated to Storage	\$0	\$244,189	\$561,827	\$508,370	\$152,150	\$150,022	\$116,705	\$119,220	\$122,587	\$124,269	\$124,007	\$123,494	\$2,346,840
Working Capital	\$0	\$2,372	\$4,988	\$4,248	\$1,277	\$1,140	\$547	\$558	\$572	\$579	\$578	\$576	\$17,435
Total Storage Var Non-product Costs	\$0	\$560,237	\$1,178,329	\$1,003,457	\$301,722	\$269,407	\$129,226	\$131,751	\$135,133	\$136,821	\$136,559	\$136,043	\$4,118,685
Storage Var Non-Product Collections	\$279,065	\$452,147	\$660,125	\$716,466	\$560,327	\$449,908	\$254,471	\$136,007	\$96,948	\$96,951	\$94,260	\$143,011	\$3,939,696
Prelim. Ending Balance	(\$447,518)	(\$340,567)	\$176,129	\$462,803	\$205,300	\$26,078	(\$98,737)	(\$103,131)	(\$65,320)	(\$25,772)	\$16,352	\$9,366	
Month's Average Balance	(\$307,985)	(\$394,612)	(\$82,973)	\$319,307	\$334,602	\$116,328	(\$36,115)	(\$101,003)	(\$84,412)	(\$45,707)	(\$4,797)	\$12,850	
Interest Rate (Bank of America Prime)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
Interest Applied	(\$1,139)	(\$1,508)	(\$317)	\$1,102	\$1,279	\$430	(\$138)	\$374	(\$323)	(\$175)	\$49	\$49	(\$1,131)
Storage Var Non-Product Ending Bal.	(\$448,657)	(\$342,075)	\$175,812	\$463,905	\$206,579	\$26,508	(\$98,875)	(\$103,505)	(\$65,642)	(\$25,947)	\$16,334	\$9,416	

	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov - Oct
	30	31	31	28	31	30	31	30	31	31	30	31	forecast
	fcst	fcst	fcst	fcst	fcst	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast
GCR Deferred Summary													
Beginning Balance	\$10,444,644	\$16,383,292	\$22,655,249	\$22,531,011	\$9,211,338	\$4,801,754	(\$10,921,647)	(\$15,944,861)	(\$16,030,621)	(\$13,512,841)	(\$10,856,990)	(\$7,159,948)	
Gas Costs	\$28,561,580	\$43,036,722	\$53,697,305	\$45,283,808	\$41,365,718	\$21,005,959	\$15,861,558	\$10,996,745	\$10,402,145	\$10,531,443	\$11,329,952	\$18,744,455	\$310,617,390
Working Capital	\$119,910	\$181,444	\$226,954	\$191,634	\$175,265	\$98,796	\$65,916	\$45,880	\$43,162	\$43,515	\$46,700	\$78,019	\$1,307,194
Total Costs	\$28,664,454	\$43,218,166	\$53,924,259	\$45,475,442	\$41,540,982	\$21,094,755	\$15,727,475	\$11,042,624	\$10,445,307	\$10,574,957	\$11,376,651	\$18,822,474	\$311,924,584
Collections	\$22,792,364	\$37,020,667	\$54,134,682	\$58,849,808	\$45,877,294	\$36,806,860	\$20,699,446	\$11,069,360	\$7,871,179	\$7,872,625	\$7,646,352	\$11,614,337	\$322,354,974
Prelim. Ending Balance	\$16,333,770	\$22,580,791	\$22,444,826	\$9,156,645	\$4,775,027	(\$10,910,351)	(\$15,893,619)	(\$15,971,597)	(\$13,456,493)	(\$10,810,509)	(\$7,126,691)	(\$48,189)	
Month's Average Balance	\$13,389,207	\$19,482,041	\$22,550,038	\$15,843,828	\$6,993,183	(\$3,054,298)	(\$13,407,633)	(\$15,958,229)	(\$14,743,557)	(\$12,161,675)	(\$6,991,840)	(\$3,555,879)	
Interest Rate (Bank of America Prime)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
Interest Applied	\$49,522	\$74,459	\$86,184	\$64,694	\$26,727	(\$11,297)	(\$51,243)	(\$59,024)	(\$56,349)	(\$46,481)	(\$33,257)	(\$13,590)	\$20,345
Ending Bal. W/ Interest	\$16,383,292	\$22,655,249	\$22,531,011	\$9,211,338	\$4,801,754	(\$10,921,647)	(\$15,944,861)	(\$16,030,621)	(\$13,512,841)	(\$10,856,990)	(\$7,159,948)	\$34,599	
Under/(Over)-collection	\$5,889,127	\$6,197,499	(\$2,102,423)	(\$13,374,366)	(\$4,436,312)	(\$15,712,105)	(\$4,971,971)	(\$26,736)	\$2,574,128	\$2,702,332	\$3,730,299	\$7,208,137	

Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, Current GCR and DAC Rates vs. 2005-2006 Proposed GCR and Proposed DAC

Residential Heating:

Nov - Oct Consumption (Therms)	Proposed November-05	Current Rates	Difference	% Chg	Base Rates	Difference due to:	
						GCR	DAC
776	\$1,265	\$1,124	\$141	12.6%	\$0	\$145	(\$4)
828	\$1,341	\$1,190	\$151	12.7%	\$0	\$155	(\$4)
880	\$1,415	\$1,255	\$160	12.7%	\$0	\$164	(\$4)
932	\$1,490	\$1,321	\$169	12.8%	\$0	\$174	(\$4)
983	\$1,565	\$1,386	\$179	12.9%	\$0	\$184	(\$5)
Typical	\$1,639	\$1,451	\$188	13.0%	\$0	\$193	(\$5)
1,087	\$1,713	\$1,516	\$198	13.0%	\$0	\$203	(\$5)
1,139	\$1,788	\$1,581	\$207	13.1%	\$0	\$213	(\$5)
1,190	\$1,862	\$1,645	\$216	13.2%	\$0	\$222	(\$6)
1,242	\$1,935	\$1,709	\$226	13.2%	\$0	\$232	(\$6)
1,294	\$2,009	\$1,773	\$235	13.3%	\$0	\$242	(\$6)

Residential Non-Heating:

Nov - Oct Consumption (Therms)	Proposed November-05	Current Rates	Difference	% Chg	Base Rates	Difference due to:	
						GCR	DAC
115	\$269	\$248	\$21	8.4%	\$0	\$21	(\$1)
122	\$281	\$258	\$22	8.6%	\$0	\$23	(\$1)
130	\$292	\$269	\$24	8.8%	\$0	\$24	(\$1)
138	\$304	\$279	\$25	9.0%	\$0	\$26	(\$1)
145	\$316	\$290	\$26	9.1%	\$0	\$27	(\$1)
Typical	\$328	\$300	\$28	9.3%	\$0	\$29	(\$1)
161	\$340	\$311	\$29	9.4%	\$0	\$30	(\$1)
168	\$352	\$321	\$31	9.5%	\$0	\$31	(\$1)
176	\$364	\$332	\$32	9.7%	\$0	\$33	(\$1)
184	\$376	\$342	\$33	9.7%	\$0	\$34	(\$1)
191	\$388	\$353	\$35	9.9%	\$0	\$36	(\$1)

Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, Current GCR and DAC Rates vs. 2005-2006 Proposed GCR and Proposed DAC

C & I Small:

Consumption (Therms)	Nov - Oct	Proposed November-05	Current Rates	Difference	% Chg	Base Rates	Difference due to:		
							GCR	DAC	DAC
932		\$1,733	\$1,564	\$169	10.8%	\$0	\$174		(\$4)
994		\$1,822	\$1,641	\$181	11.0%	\$0	\$185		(\$5)
1,056		\$1,911	\$1,719	\$192	11.2%	\$0	\$197		(\$5)
1,118		\$1,999	\$1,796	\$203	11.3%	\$0	\$209		(\$5)
1,180		\$2,087	\$1,873	\$215	11.5%	\$0	\$220		(\$6)
1,242		\$2,175	\$1,949	\$226	11.6%	\$0	\$232		(\$6)
1,304		\$2,262	\$2,025	\$237	11.7%	\$0	\$243		(\$6)
1,366		\$2,349	\$2,101	\$249	11.8%	\$0	\$255		(\$7)
1,428		\$2,436	\$2,176	\$260	11.9%	\$0	\$267		(\$7)
1,490		\$2,523	\$2,252	\$271	12.0%	\$0	\$278		(\$7)
1,553		\$2,610	\$2,328	\$282	12.1%	\$0	\$290		(\$7)

C & I Medium:

Consumption (Therms)	Nov - Oct	Proposed November-05	Current Rates	Difference	% Chg	Base Rates	Difference due to:		
							GCR	DAC	DAC
7,761		\$11,096	\$9,673	\$1,423	14.7%	\$0	\$1,460		(\$37)
8,278		\$11,799	\$10,282	\$1,518	14.8%	\$0	\$1,557		(\$40)
8,796		\$12,503	\$10,891	\$1,612	14.8%	\$0	\$1,655		(\$42)
9,313		\$13,207	\$11,499	\$1,707	14.8%	\$0	\$1,752		(\$45)
9,831		\$13,910	\$12,108	\$1,802	14.9%	\$0	\$1,849		(\$47)
10,348		\$14,614	\$12,717	\$1,897	14.9%	\$0	\$1,947		(\$50)
10,865		\$15,318	\$13,326	\$1,992	14.9%	\$0	\$2,044		(\$52)
11,383		\$16,022	\$13,935	\$2,087	15.0%	\$0	\$2,141		(\$55)
11,900		\$16,725	\$14,544	\$2,182	15.0%	\$0	\$2,239		(\$57)
12,418		\$17,429	\$15,153	\$2,276	15.0%	\$0	\$2,336		(\$60)
12,935		\$18,133	\$15,761	\$2,371	15.0%	\$0	\$2,433		(\$62)

Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, Current GCR and DAC Rates vs. 2005-2006 Proposed GCR and Proposed DAC

C & I L L F Large:

Consumption (Therms)	Nov - Oct	Proposed November-05	Current Rates	Difference	% Chg	Base Rates	Difference due to:	
							GCR	DAC
50,456		\$70,072	\$60,897	\$9,175	15.1%	\$0	\$9,417	(\$242)
53,819		\$74,671	\$64,884	\$9,787	15.1%	\$0	\$10,045	(\$258)
57,183		\$79,271	\$68,872	\$10,399	15.1%	\$0	\$10,673	(\$274)
60,547		\$83,870	\$72,860	\$11,010	15.1%	\$0	\$11,301	(\$291)
63,910		\$88,470	\$76,848	\$11,622	15.1%	\$0	\$11,929	(\$307)
67,274		\$93,069	\$80,835	\$12,234	15.1%	\$0	\$12,557	(\$323)
70,638		\$97,669	\$84,823	\$12,845	15.1%	\$0	\$13,185	(\$339)
74,001		\$102,268	\$88,811	\$13,457	15.2%	\$0	\$13,812	(\$355)
77,365		\$106,867	\$92,799	\$14,069	15.2%	\$0	\$14,440	(\$371)
80,729		\$111,467	\$96,786	\$14,681	15.2%	\$0	\$15,068	(\$388)
84,093		\$116,066	\$100,774	\$15,292	15.2%	\$0	\$15,696	(\$404)

C & I H L F Large:

Consumption (Therms)	Nov - Oct	Proposed November-05	Current Rates	Difference	% Chg	Base Rates	Difference due to:	
							GCR	DAC
50,456		\$64,490	\$56,139	\$8,350	14.9%	\$0	\$8,593	(\$242)
53,820		\$68,717	\$59,810	\$8,907	14.9%	\$0	\$9,165	(\$258)
57,184		\$72,944	\$63,481	\$9,464	14.9%	\$0	\$9,738	(\$274)
60,548		\$77,172	\$67,151	\$10,020	14.9%	\$0	\$10,311	(\$291)
63,911		\$81,399	\$70,822	\$10,577	14.9%	\$0	\$10,884	(\$307)
67,275		\$85,626	\$74,493	\$11,134	14.9%	\$0	\$11,457	(\$323)
70,639		\$89,854	\$78,163	\$11,690	15.0%	\$0	\$12,030	(\$339)
74,003		\$94,081	\$81,834	\$12,247	15.0%	\$0	\$12,602	(\$355)
77,366		\$98,308	\$85,504	\$12,804	15.0%	\$0	\$13,175	(\$371)
80,730		\$102,536	\$89,175	\$13,361	15.0%	\$0	\$13,748	(\$388)
84,094		\$106,763	\$92,846	\$13,917	15.0%	\$0	\$14,321	(\$404)

Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, Current GCR and DAC Rates vs. 2005-2006 Proposed GCR and Proposed DAC

C & I LLF Extra-Large:

Consumption (Therms)	Nov - Oct	Proposed November-05	Current Rates	Difference	% Chg	Base Rates	Difference due to:	
							GCR	DAC
213,468		\$265,593	\$231,889	\$33,704	14.5%	\$0	\$34,728	(\$1,025)
227,699		\$283,059	\$247,108	\$35,951	14.5%	\$0	\$37,044	(\$1,093)
241,930		\$300,525	\$262,327	\$38,198	14.6%	\$0	\$39,359	(\$1,161)
256,162		\$317,991	\$277,547	\$40,444	14.6%	\$0	\$41,674	(\$1,230)
270,393		\$335,457	\$292,766	\$42,691	14.6%	\$0	\$43,989	(\$1,298)
284,624		\$352,923	\$307,985	\$44,938	14.6%	\$0	\$46,304	(\$1,366)
298,855		\$370,390	\$323,204	\$47,185	14.6%	\$0	\$48,620	(\$1,435)
313,086		\$387,856	\$338,424	\$49,432	14.6%	\$0	\$50,935	(\$1,503)
327,318		\$405,322	\$353,643	\$51,679	14.6%	\$0	\$53,250	(\$1,571)
341,549		\$422,788	\$368,862	\$53,926	14.6%	\$0	\$55,565	(\$1,639)
355,780		\$440,254	\$384,081	\$56,173	14.6%	\$0	\$57,881	(\$1,708)

C & I HLF Extra-Large:

Consumption (Therms)	Nov - Oct	Proposed November-05	Current Rates	Difference	% Chg	Base Rates	Difference due to:	
							GCR	DAC
205,969		\$244,666	\$209,045	\$35,621	17.0%	\$0	\$36,609	(\$989)
219,700		\$260,737	\$222,741	\$37,995	17.1%	\$0	\$39,050	(\$1,055)
233,431		\$276,808	\$236,438	\$40,370	17.1%	\$0	\$41,491	(\$1,120)
247,163		\$292,879	\$250,134	\$42,745	17.1%	\$0	\$43,931	(\$1,186)
260,894		\$308,950	\$263,830	\$45,120	17.1%	\$0	\$46,372	(\$1,252)
274,625		\$325,021	\$277,527	\$47,494	17.1%	\$0	\$48,813	(\$1,318)
288,356		\$341,092	\$291,223	\$49,869	17.1%	\$0	\$51,253	(\$1,384)
302,088		\$357,163	\$304,919	\$52,244	17.1%	\$0	\$53,694	(\$1,450)
315,819		\$373,234	\$318,616	\$54,619	17.1%	\$0	\$56,134	(\$1,516)
329,550		\$389,305	\$332,312	\$56,993	17.2%	\$0	\$58,575	(\$1,582)
343,281		\$405,376	\$346,008	\$59,368	17.2%	\$0	\$61,016	(\$1,648)

New England Gas Company
A Division of Southern Union Company
RIPUC NEGC No. 101

Section 7
Miscellaneous Services
Schedule A, Sheet 1
Fourth Revision

NATURAL GAS VEHICLE SERVICE
RATE 70

1.0 NATURAL GAS VEHICLE SERVICE

1.1 AVAILABILITY: This rate is available for compressed natural gas dispensed at Company-owned fueling stations for the purpose of fueling natural gas vehicles.

No other use of gas will be included in this rate for billing purposes.

1.2 RATES:

Customer Charge:	\$5.00 per month
Energy Charge:	
Distribution Charge:	\$0.1697 per Therm
Commodity Charge:	\$0.8882 per Therm

1.3 MINIMUM RATE: Customer Charge

1.4 GENERAL RULES AND REGULATIONS: The Company's General Rules and Regulations in Section 1 of RIPUC NEGC No. 101, as in effect from time-to-time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

1.5 RHODE ISLAND GROSS EARNINGS TAX: The application of the above rates are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule D.

2.0 INTERRUPTIBLE NATURAL GAS VEHICLE SERVICE

2.1 AVAILABILITY: Gas service is available under this rate to any customer requiring natural gas as a motor fuel for motor vehicle operations.

Customer must have dual-fuel capability for the use of an alternate fuel which may be substituted for gas when gas is

NATURAL GAS VEHICLE SERVICE
RATE 70

not available under this tariff, or customer must have use of a vehicle powered by an alternate fuel which may be substituted for the NGV vehicle when gas is not available under this tariff.

2.2 RATES:

The interruptible rate shall be set for the upcoming month after 10:30 a.m. five (5) business days prior to the commencement of that month. Upon setting the non-firm service rate, if the Company obtains a new, lower gas supply, the rate may be reduced prior to the first calendar day of the month. The customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of the intention to take Interruptible Natural Gas Vehicle Service.

Customer Charge: \$5.00 per month

Energy Charge:

The rate for interruptible service will be equal to the Company's incremental gas cost, \$.085/Therm margin, plus \$.15/Therm for the cost of compression.

2.3 MINIMUM RATE: Customer Charge

2.4 GENERAL RULES AND REGULATIONS:

The Company's General Rules and Regulations in Section 1 of RIPUC NEGC No. 101, as in effect from time-to-time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

2.5 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule D.

2.6 NOTIFICATION OF INTERRUPTION/

New England Gas Company
A Division of Southern Union Company
RIPUC NEGC No. 101

Section 7
Miscellaneous Services
Schedule A, Sheet 3
Fourth Revision

NATURAL GAS VEHICLE SERVICE
RATE 70

CURTAILMENT: Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for it to continue to supply the gas requirements of its firm customers at such time.

**2.7 FAILURE TO
CURTAIL:**

For any period that a customer fails to curtail the use of gas as requested by the Company, the rate for gas consumption will be equal to the highest cost gas required to meet demand during the curtailment period, plus \$1.55 per Therm.

Summary of Marketer Transportation Factors

Item	Reference	Proposed	Billing Units
FT-2 Firm Transportation Marketer Gas Charge	pg 2	\$0.0449	Therms throughput of Marketer Pool
Pool Balancing Charge	pg 3	\$0.0023	Per % of balancing elected per Therm throughput of Marketer Pool
Weighted Average Upstream Pipeline Transportation Cost	GLB - 5	\$0.1308	Per Therm of capacity

Calculation of FT-2 Marketer Gas Charge

I. Determination of FT-2 Storage Fixed Cost Factor

1	Allocated Storage Fixed Costs	reference	
2	C & I Medium	PCC 1, pg 3	\$1,470,119
3	C & I Large LLF	PCC 1, pg 3	\$535,329
4	C & I Large HLF	PCC 1, pg 3	\$150,774
5	C & I Extra Large LLF	PCC 1, pg 3	\$78,767
6	C & I Extra Large HLF	PCC 1, pg 3	<u>\$68,724</u>
7	sub-total	sum ([1]:[6])	\$2,303,713
8	Through-put (dth)	PCC 1, pg 12	7,510,987
9	Storage Fixed Factor	[7] / [8]	\$0.3067

II. Storage Variable Cost Factor

PCC 1, pg 1 \$0.1330

TOTAL FT-2 Gas Marketer Charge (per Dth)

\$0.4397

Uncollectible %

Dkt 3401

2.10%

TOTAL FT-2 Gas Marketer Charge adj for uncollectible (\$/dth)

\$0.4491

Calculation of Pool Balancing Charge

	reference	Medium C&I	Large LLE	Large HLF	Extra Large LLE	Extra Large HLF	Total	
1	Throughput (dth)	PCC - 1, pg 12	4,704,091	1,597,668	624,969	240,356	343,903	7,510,987
2	% allocation		62.63%	21.27%	8.32%	3.20%	4.58%	100.00%
3	Supply Fixed Cost Factor	PCC - 1, pg 1	\$0.8560	\$0.9093	\$0.6542	\$0.8899	\$0.5420	
4	Storage Fixed Cost Factor	PCC - 1, pg 1	\$0.3125	\$0.3351	\$0.2413	\$0.3277	\$0.1998	
5	Storage Variable Cost Factor	PCC - 1, pg 1	\$1.0753	\$1.0753	\$1.0753	\$1.0753	\$1.0753	
6	Class Specific Pool Balancing Charge	$([1]+[2]+[3]) \times 1\%$	\$0.0224	\$0.0232	\$0.0197	\$0.0229	\$0.0182	
7	Class Specific Weighted Average (\$/dth)	$[6] \times [2]$	\$0.0141	\$0.0049	\$0.0016	\$0.0007	\$0.0008	\$0.0222
8	Uncollectible %	Docket 3401	2.10%	2.10%	2.10%	2.10%	2.10%	
9	Pool Balancing Charge adjusted for Uncollectible	$([7] / (1-[8]))$	\$0.0144	\$0.0050	\$0.0017	\$0.0007	\$0.0008	\$0.0226