

# New England Gas Company

February 22, 2006

Ms. Luly Massaro  
Commission Clerk  
Public Utility Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: Monthly Filing of Gas Cost Recovery ("GCR") Deferred Balances

Dear Ms. Massaro:

Enclosed please find an original and nine copies of New England Gas Company's ("Company") monthly filing of gas costs and gas cost revenue collections data. Based on three months of actual data and nine months of forecasted data, the October 31, 2006 deferred gas cost balance is projected to be an over-collection of \$15.8 million (see attached Schedule 1, page 2).

The \$15.8 million over-collection is based on a November 1, 2005 starting balance of \$13.1 million plus actual gas costs and gas cost collections for November 2005 through January 2006 along with projected costs for February through October 2006. These projected gas costs are based on the February 21, 2006 NYMEX strip.

Details by month are provided on the attached schedules. Schedule 1, pages 1 and 2 summarizes the deferred gas cost activity by GCR category and by month. This schedule shows that for the month of January 2006, actual gas costs were \$37.7 million, working capital was \$160 thousand and GCR revenue collections were \$51.4 million for a net over-collection of \$ 13.5 million. Schedule 2 presents actual gas costs for November through January and forecasted gas costs for February through October 2006. Schedule 3 summarizes gas cost revenue collections. Schedule 4 presents the calculation of inventory finance charges. The calculation of working capital is presented on pages 1 and 2 of Schedule 5. Schedule 6 presents customer class specific throughput.

If you have any questions, please feel free to contact me. I can be reached at (401) 574-2309.

Yours truly,



Peter Czekański  
Director - Pricing

cc: Stephen Scialabba  
Bruce Oliver

100 Weybosset Street  
Providence, RI 02903

[www.negasco.com](http://www.negasco.com)

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F:\p\sharadk\9896 - GCR Nov 2005\Deferred Gas Costs\Jan 06 alternate\GCR\_Recon\_0506\_Jan.xls\GCR Collections

	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
	actual	actual	actual	fcst	fcst	forecast	forecast	forecast	forecast	forecast	forecast	forecast	
<b>I. Supply Fixed Cost Deferred</b>													
Beginning Balance	(\$1,748,842)	(\$1,015,334)	(\$2,147,370)	(\$4,147,587)	(\$5,743,916)	(\$6,994,380)	(\$7,459,037)	(\$4,771,784)	(\$4,771,784)	(\$2,727,663)	(\$673,700)	\$1,409,500	\$1,409,500
Supply Fixed Costs (net of cap rel)	\$2,196,146	\$2,173,666	\$2,192,742	\$2,229,538	\$2,226,475	\$2,226,475	\$2,226,475	\$2,226,475	\$2,226,475	\$2,226,475	\$2,225,350	\$2,226,475	\$2,226,475
Capacity Release	\$0	\$0	\$0	\$484,507	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345
Working Capital	\$9,500	\$9,507	\$9,488	\$9,476	\$9,488	\$9,488	\$9,488	\$9,488	\$9,488	\$9,488	\$9,488	\$9,488	\$9,488
Total Supply Fixed Costs	\$2,205,646	\$2,183,173	\$2,202,230	\$2,723,521	\$2,726,308	\$2,726,308	\$2,726,308	\$2,726,308	\$2,726,308	\$2,726,308	\$2,725,178	\$2,726,308	\$2,726,308
Supply Fixed - Collections	\$1,487,711	\$3,308,294	\$4,188,417	\$4,299,026	\$3,947,089	\$3,157,240	\$1,767,424	\$938,711	\$664,712	\$664,419	\$643,637	\$984,469	\$984,469
Prelim. Ending Balance	(\$1,030,907)	(\$2,140,455)	(\$4,133,568)	(\$5,723,093)	(\$6,994,697)	(\$7,428,442)	(\$6,500,153)	(\$4,746,290)	(\$2,710,188)	(\$664,712)	\$1,407,841	\$3,151,338	\$3,151,338
Month's Average Balance	(\$1,389,875)	(\$1,577,995)	(\$3,140,464)	(\$4,935,340)	(\$6,354,340)	(\$7,210,411)	(\$6,979,595)	(\$5,639,523)	(\$3,740,986)	(\$1,696,714)	\$367,070	\$2,280,419	\$2,280,419
Interest Rate (Bank of America Prime)	5.00%	5.16%	5.26%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Interest Applied	(\$5,712)	(\$6,915)	(\$14,030)	(\$20,823)	(\$29,682)	(\$32,595)	(\$32,603)	(\$25,494)	(\$17,475)	(\$7,926)	\$1,659	\$10,652	(\$180,943)
Asset Management Incentive	\$21,285												
Supply Fixed Ending Balance	(\$1,015,334)	(\$2,147,370)	(\$4,147,587)	(\$5,743,916)	(\$6,994,380)	(\$7,459,037)	(\$6,532,757)	(\$4,771,784)	(\$4,771,784)	(\$2,727,663)	(\$673,700)	\$1,409,500	\$3,161,991
<b>II. Storage Fixed Cost Deferred</b>													
Beginning Balance	(\$692,184)	(\$375,590)	(\$759,027)	(\$1,509,143)	(\$2,232,559)	(\$2,829,170)	(\$3,185,197)	(\$3,038,163)	(\$2,544,035)	(\$1,964,106)	(\$1,363,790)	(\$771,326)	(\$771,326)
Storage Fixed Costs	\$818,500	\$847,401	\$811,714	\$879,865	\$876,886	\$826,141	\$819,992	\$865,992	\$844,142	\$865,992	\$843,078	\$819,992	\$819,992
LNG Demand to DAC	(\$50,764)	(\$56,454)	(\$54,201)	(\$54,294)	(\$53,687)	(\$48,158)	(\$48,411)	(\$53,395)	(\$48,411)	(\$57,790)	(\$53,118)	(\$48,411)	(\$48,411)
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	\$43,241
Working Capital	\$3,448	\$3,548	\$3,404	\$3,693	\$3,693	\$3,491	\$3,454	\$3,620	\$3,546	\$3,620	\$3,542	\$3,464	\$3,464
Total Storage Fixed Costs	\$814,425	\$837,734	\$804,158	\$872,505	\$870,124	\$824,716	\$818,287	\$855,063	\$857,594	\$855,063	\$836,743	\$818,287	\$818,287
TSS Peaking Collections	\$2,734	\$1,845	\$3,857	\$4,588,044	\$1,454,940	\$1,167,180	\$656,751	\$346,346	\$247,160	\$246,993	\$239,463	\$366,135	\$366,135
Storage Fixed - Collections	\$583,091	\$1,216,846	\$1,545,862	\$1,588,044	\$1,454,940	\$1,167,180	\$656,751	\$346,346	\$247,160	\$246,993	\$239,463	(\$319,174)	(\$319,174)
Prelim. Ending Balance	(\$373,585)	(\$756,546)	(\$1,504,088)	(\$2,224,682)	(\$2,817,375)	(\$3,171,634)	(\$3,023,662)	(\$2,531,446)	(\$1,953,601)	(\$1,356,036)	(\$766,511)	(\$545,250)	(\$545,250)
Month's Average Balance	(\$487,885)	(\$566,068)	(\$1,131,558)	(\$1,866,913)	(\$2,524,967)	(\$3,000,402)	(\$3,104,429)	(\$2,784,805)	(\$2,248,818)	(\$1,660,071)	(\$1,065,151)	(\$50,500)	(\$50,500)
Interest Rate (Bank of America Prime)	5.00%	5.16%	5.26%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Interest Applied	(\$2,005)	(\$2,481)	(\$5,055)	(\$7,877)	(\$11,795)	(\$13,563)	(\$14,502)	(\$12,589)	(\$10,505)	(\$7,755)	(\$4,815)	(\$2,547)	(\$2,547)
Storage Fixed Ending Balance	(\$375,590)	(\$759,027)	(\$1,509,143)	(\$2,232,559)	(\$2,829,170)	(\$3,185,197)	(\$3,038,163)	(\$2,544,035)	(\$1,964,106)	(\$1,363,790)	(\$771,326)	(\$321,721)	(\$321,721)
<b>III. Variable Supply Cost Deferred</b>													
Beginning Balance	\$16,218,264	\$20,538,572	\$30,305,194	\$18,063,167	\$6,650,249	\$6,650,249	\$6,650,249	\$15,779,558	\$15,779,558	\$11,972,963	\$21,083,403	\$20,230,006	\$20,230,006
Variable Supply Costs	\$18,411,770	\$41,490,502	\$27,982,570	\$30,045,739	\$32,006,196	\$32,006,196	\$32,006,196	\$15,779,558	\$15,779,558	\$11,972,963	\$6,599,079	\$7,479,644	\$14,639,268
Variable Delivery Storage	(\$2,682)	(\$21,445)	(\$27,455)	(\$46,756)	(\$14,749)	(\$14,749)	(\$14,749)	(\$4,551)	(\$4,551)	\$0	\$0	\$0	\$0
Variable Injections Storage	(\$2,804)	(\$528)	(\$432)	\$0	\$0	\$0	\$0	(\$11,974)	(\$11,974)	(\$11,974)	(\$11,974)	(\$11,974)	(\$11,974)
Fuel Cost Allocated to Storage	(\$54,924)	(\$234,737)	(\$338,369)	(\$497,152)	(\$148,792)	(\$174,896)	(\$142,287)	(\$145,363)	(\$147,531)	(\$151,449)	(\$152,847)	(\$153,508)	(\$153,508)
Working Capital	\$78,014	\$175,290	\$117,401	\$125,416	\$135,388	\$69,287	\$50,243	\$29,922	\$27,325	\$27,858	\$31,096	\$61,530	\$61,530
Total Supply Variable Costs	\$18,429,374	\$41,408,982	\$27,733,715	\$29,627,248	\$31,978,022	\$15,654,405	\$11,868,946	\$7,069,511	\$6,466,944	\$6,580,896	\$7,345,919	\$14,535,316	\$14,535,316
Supply Variable - Collections	\$14,017,516	\$31,753,454	\$40,081,531	\$41,092,191	\$37,772,765	\$30,237,607	\$17,010,421	\$9,104,779	\$6,476,881	\$6,476,881	\$6,294,177	\$9,552,577	\$249,872,530
Deferred Responsibility	\$18,741	\$73	\$2,011	\$6,598,224	\$855,507	\$13,170,165	\$18,880,655	\$20,993,111	\$21,083,346	\$21,083,589	\$20,136,600	\$15,247,267	\$15,247,267
Prelim. Ending Balance	\$20,611,381	\$30,194,028	\$17,955,357	\$12,330,695	\$3,752,878	\$6,418,565	\$16,309,918	\$19,979,377	\$21,088,377	\$21,140,722	\$20,662,472	\$17,739,636	\$17,739,636
Month's Average Balance	\$18,414,822	\$25,366,300	\$24,130,281	\$12,330,695	\$3,752,878	\$6,418,565	\$16,309,918	\$19,979,377	\$21,088,377	\$21,140,722	\$20,662,472	\$17,739,636	\$17,739,636
Interest Rate (Bank of America Prime)	5.00%	5.16%	5.26%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Interest Applied	\$75,677	\$111,167	\$107,800	\$52,025	\$17,531	(\$29,015)	(\$76,187)	(\$90,298)	(\$98,509)	(\$98,753)	(\$93,406)	(\$82,861)	(\$82,861)
Gas Procurement Incentive/penalty	(\$148,486)												
Supply Variable Ending Balance	\$20,538,572	\$30,305,194	\$18,063,167	\$6,650,249	\$6,650,249	\$6,650,249	\$6,650,249	\$15,779,558	\$15,779,558	\$11,972,963	\$21,083,403	\$20,230,006	\$20,230,006

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**2-21-06 NYMEX**

	Nov-05	Dec-05	Jan-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov - Oct
	30	actual	31	31	forecast	forecast	forecast	forecast	forecast	forecast	forecast	
<b>I.Va. Storage Variable Product Cost Deferred</b>												
Beginning Balance	(\$716,944)	(\$1,468,934)	(\$634,322)	\$4,930,416	\$3,347,778	\$749,554	(\$949,292)	(\$1,658,500)	(\$2,009,994)	(\$2,326,775)	(\$2,688,106)	
Storage Variable Prod. Costs - LNG	\$191,786	\$463,460	\$1,206,460	\$390,891	\$191,538	\$197,923	\$191,470	\$197,744	\$197,699	\$191,417	\$197,931	\$4,580,397
Storage Variable Prod. Costs - LP	\$3,916	\$0	\$6,768	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,684
Storage Variable Prod. Costs - UG	\$416,975	\$3,986,792	\$5,178,087	\$2,475,208	\$735,658	(\$40,356)	(\$39,041)	(\$40,320)	(\$40,311)	(\$39,030)	(\$40,358)	\$20,713,505
Supply Related LNG to DAC	(\$39,105)	(\$84,499)	(\$245,997)	(\$79,691)	(\$39,055)	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	(\$933,943)
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	\$395,465
Inventory Financing - LNG	\$56,642	\$61,159	\$54,688	\$54,337	\$55,107	\$52,689	\$52,689	\$52,651	\$55,086	\$59,063	\$60,955	\$672,898
Inventory Financing - UG	\$289,793	\$255,209	\$206,947	\$135,154	\$112,719	\$137,771	\$171,173	\$204,684	\$238,970	\$273,866	\$308,948	\$2,542,180
Inventory Financing - LP	\$3,729	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697	\$44,367
Working Capital	\$2,568	\$18,646	\$26,254	\$11,975	\$3,905	\$799	\$777	\$799	\$799	\$777	\$799	\$105,157
Total Storage Variable Product Costs	\$958,758	\$4,724,919	\$6,467,306	\$3,021,967	\$1,094,026	\$383,925	\$411,221	\$449,911	\$486,396	\$520,246	\$562,427	\$28,100,710
Storage Variable Product Collections	\$1,706,266	\$3,985,709	\$4,904,928	\$4,623,895	\$3,701,490	\$2,082,305	\$1,114,548	\$792,857	\$793,072	\$770,492	\$1,169,364	\$30,575,164
Prelim. Ending Balance	(\$1,464,452)	(\$829,724)	\$928,055	\$4,918,082	\$740,314	(\$948,826)	(\$1,652,619)	(\$2,001,446)	(\$2,316,670)	(\$2,577,022)	(\$3,195,042)	
Month's Average Balance	(\$1,090,698)	(\$1,049,329)	\$146,866	\$4,129,452	\$2,044,046	(\$99,636)	(\$1,300,955)	(\$1,829,973)	(\$2,163,332)	(\$2,451,899)	(\$2,891,574)	
Interest Rate (Bank of America Prime)	5.00%	5.16%	5.26%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
Interest Applied	(\$4,482)	(\$4,599)	\$656	\$19,290	\$9,240	(\$465)	(\$5,881)	(\$8,548)	(\$10,105)	(\$11,084)	(\$13,507)	(\$17,152)
Storage Variable Product Ending Bal.	(\$1,468,934)	(\$634,322)	\$928,711	\$4,930,416	\$749,554	(\$949,292)	(\$1,658,500)	(\$2,009,994)	(\$2,326,775)	(\$2,568,106)	(\$3,208,550)	

**I.Vb. Stor Var Non-Prod Cost Deferred**

Beginning Balance	(\$93,281)	(\$200,164)	(\$97,636)	\$332,509	\$42,177	(\$179,696)	(\$301,210)	(\$291,693)	(\$237,629)	(\$179,372)	(\$116,494)	
Storage Variable Non-prod. Costs	\$31,724	\$352,408	\$334,677	\$150,269	\$72,716	\$0	\$0	\$0	\$0	\$0	\$0	\$1,422,665
Variable Delivery Storage Costs	\$2,662	\$21,445	\$27,455	\$45,756	\$4,551	\$4,551	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974	\$117,638
Variable Injection Storage Costs	\$2,804	\$628	\$432	\$0	\$11,974	\$11,974	\$145,363	\$147,531	\$151,449	\$152,847	\$153,508	\$87,679
Fuel Costs Allocated to Storage	\$54,924	\$234,737	\$338,369	\$148,792	\$174,866	\$142,287	\$158,006	\$160,182	\$164,117	\$165,522	\$166,185	\$2,341,856
Working Capital	\$392	\$2,590	\$2,980	\$1,334	\$1,123	\$656	\$659	\$678	\$695	\$701	\$703	\$16,876
Total Storage Var Non-product Costs	\$92,526	\$611,808	\$703,913	\$1029,134	\$115,145	\$154,916	\$159,006	\$160,182	\$164,117	\$165,522	\$166,185	\$3,986,714
Storage Var Non-Product Collections	\$198,807	\$508,628	\$644,165	\$606,351	\$486,822	\$275,310	\$147,151	\$104,885	\$104,889	\$101,976	\$164,720	\$3,992,758
Prelim. Ending Balance	(\$199,563)	(\$96,985)	(\$37,907)	\$41,304	(\$179,386)	(\$300,090)	(\$290,355)	(\$236,395)	(\$178,401)	(\$115,927)	(\$105,029)	
Month's Average Balance	(\$146,422)	(\$148,575)	\$67,772	\$146,840	(\$88,604)	(\$239,893)	(\$295,783)	(\$264,044)	(\$208,015)	(\$147,600)	(\$110,761)	
Interest Rate (Bank of America Prime)	5.00%	5.16%	5.26%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
Interest Applied	(\$602)	(\$651)	(\$303)	\$873	(\$310)	(\$1,121)	(\$1,337)	(\$1,233)	(\$972)	(\$667)	(\$517)	(\$6,221)
Storage Var Non-Product Ending Bal.	(\$200,164)	(\$97,636)	\$38,210	\$42,177	(\$179,696)	(\$301,210)	(\$291,693)	(\$237,629)	(\$179,372)	(\$116,494)	(\$105,546)	

**GCR Deferred Summary**

Beginning Balance	\$13,057,012	\$17,478,550	\$26,666,839	\$3,936,700	(\$5,560,557)	(\$23,813,556)	(\$29,778,264)	(\$30,349,420)	(\$28,131,246)	(\$25,731,981)	(\$22,296,432)	
Gas Costs	\$22,388,066	\$49,556,964	\$37,749,784	\$38,749,719	\$20,479,315	\$15,887,731	\$11,173,508	\$10,899,054	\$10,770,321	\$11,548,008	\$18,732,539	\$290,727,026
Working Capital	\$93,921	\$209,580	\$159,526	\$161,847	\$84,289	\$64,649	\$44,471	\$41,885	\$42,458	\$41,885	\$45,599	\$75,984
Total Costs	\$22,481,987	\$49,766,540	\$37,909,310	\$38,911,566	\$20,563,594	\$15,952,381	\$11,217,979	\$10,640,939	\$10,812,779	\$11,593,607	\$18,808,523	\$291,931,216
Collections	\$17,996,125	\$40,674,776	\$51,368,280	\$48,405,040	\$38,750,339	\$21,792,211	\$11,653,595	\$8,286,495	\$8,288,004	\$8,049,745	\$12,227,265	\$320,160,348
Prelim. Ending Balance	\$17,542,875	\$26,570,318	\$13,207,869	\$3,900,421	(\$5,556,774)	(\$23,747,312)	(\$30,213,821)	(\$27,994,978)	(\$25,606,470)	(\$22,188,119)	(\$15,715,174)	
Month's Average Balance	\$15,299,843	\$22,024,434	\$19,337,354	\$19,937,354	\$14,653,935	(\$26,733,471)	(\$29,996,043)	(\$29,172,198)	(\$26,868,858)	(\$23,960,050)	(\$19,005,803)	
Interest Rate (Bank of America Prime)	5.00%	5.16%	5.26%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
Interest Applied	\$62,876	\$96,521	\$89,068	\$3,764	(\$26,244)	(\$124,878)	(\$135,599)	(\$136,270)	(\$125,511)	(\$108,313)	(\$88,781)	(\$504,633)
Gas Purchase Plan Incentives/(Penalties)	(\$127,201)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Bal. W/ Interest	\$17,478,550	\$26,666,839	\$13,296,837	\$3,936,700	(\$5,560,557)	(\$23,813,556)	(\$29,778,264)	(\$30,349,420)	(\$28,131,246)	(\$25,731,981)	(\$22,296,432)	(\$15,803,954)

Under/(Over)-collection

	\$4,485,862	\$9,091,768	(\$13,458,970)	(\$9,393,474)	(\$18,186,755)	(\$5,839,830)	(\$435,557)	\$2,354,444	\$2,524,775	\$3,543,862	\$6,581,258	
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**NEW ENGLAND GAS COMPANY**  
**GCR Gas Costs Actual/Estimate**

**SUPPLY FIXED COSTS - Pipeline Delivery**

	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Sep-06	Oct-06	Nov-Oct
	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Conoco	\$2,068,532	\$2,145,522	\$2,117,812	\$529,948	\$529,948	\$529,948	\$529,948	\$529,948	\$529,948	\$529,948	\$529,948	\$6,331,866
Algonquin	(\$37,252)	(\$99,311)	(\$62,798)	\$118,987	\$118,987	\$118,987	\$118,987	\$118,987	\$118,987	\$118,987	\$118,987	\$4,570,168
Texas Eastern	\$0	\$0	\$0	\$8,983	\$8,983	\$8,983	\$8,983	\$8,983	\$8,983	\$8,983	\$8,983	\$1,070,883
				\$94,208	\$94,208	\$94,208	\$94,208	\$94,208	\$94,208	\$94,208	\$94,208	\$80,844
				\$44,413	\$44,413	\$44,413	\$44,413	\$44,413	\$44,413	\$44,413	\$44,413	\$847,876
				\$56,425	\$56,425	\$56,425	\$56,425	\$56,425	\$56,425	\$56,425	\$56,425	\$399,721
				\$17,501	\$17,501	\$17,501	\$17,501	\$17,501	\$17,501	\$17,501	\$17,501	\$507,827
TEECO	\$0	\$0	\$0	\$492,734	\$492,734	\$492,734	\$492,734	\$492,734	\$492,734	\$492,734	\$492,734	\$157,509
				\$7,677	\$7,677	\$7,677	\$7,677	\$7,677	\$7,677	\$7,677	\$7,677	\$4,434,606
				\$1,554	\$1,554	\$1,554	\$1,554	\$1,554	\$1,554	\$1,554	\$1,554	\$69,095
				\$732	\$732	\$732	\$732	\$732	\$732	\$732	\$732	\$13,988
				\$1,124	\$1,124	\$1,124	\$1,124	\$1,124	\$1,124	\$1,124	\$1,124	\$6,590
				\$288	\$288	\$288	\$288	\$288	\$288	\$288	\$288	\$10,115
				\$9,001	\$9,001	\$9,001	\$9,001	\$9,001	\$9,001	\$9,001	\$9,001	\$2,594
				\$1,092	\$1,092	\$1,092	\$1,092	\$1,092	\$1,092	\$1,092	\$1,092	\$81,005
				\$939	\$939	\$939	\$939	\$939	\$939	\$939	\$939	\$9,824
				\$432	\$432	\$432	\$432	\$432	\$432	\$432	\$432	\$8,451
				\$202	\$202	\$202	\$202	\$202	\$202	\$202	\$202	\$3,890
				\$4,823	\$4,823	\$4,823	\$4,823	\$4,823	\$4,823	\$4,823	\$4,823	\$43,406
Tennessee	\$0	\$0	\$0	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477	\$1,406,292
				\$301,530	\$301,530	\$301,530	\$301,530	\$301,530	\$301,530	\$301,530	\$301,530	\$2,713,774
				\$47,400	\$47,400	\$47,400	\$47,400	\$47,400	\$47,400	\$47,400	\$47,400	\$426,600
				\$5,260	\$5,260	\$5,260	\$5,260	\$5,260	\$5,260	\$5,260	\$5,260	\$47,343
				\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$95,490
NETNE	\$0	\$0	\$0	\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$63,379
IROQUOIS	\$0	\$0	\$0	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$2,375	\$21,376
Dominion	\$0	\$0	\$0	\$1,655	\$1,655	\$1,655	\$1,655	\$1,655	\$1,655	\$1,655	\$1,655	\$14,891
Transco	\$0	\$0	\$0	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$302
				\$3,605	\$3,605	\$3,605	\$3,605	\$3,605	\$3,605	\$3,605	\$3,605	\$32,441
National Fuel	\$0	\$0	\$0	\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$37,679
Columbia	\$0	\$0	\$0	\$283,591	\$283,591	\$283,591	\$283,591	\$283,591	\$283,591	\$283,591	\$283,591	\$2,552,320
Texas Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HUBLINE	\$0	\$0	\$0	\$46,232	\$46,232	\$46,232	\$46,232	\$46,232	\$46,232	\$46,232	\$46,232	\$416,088
				\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$251,849
WESTERLY LATERAL	\$59,862	\$59,862	\$60,096	\$59,862	\$59,862	\$59,862	\$59,862	\$59,862	\$59,862	\$59,862	\$59,862	\$718,574
Less Credits from Mktgr Releases	\$271,655	\$283,817	\$291,940	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$847,412
<b>TOTAL SUPPLY FIXED COSTS - Pipeline</b>	<b>\$1,819,487</b>	<b>\$1,822,256</b>	<b>\$1,823,170</b>	<b>\$2,348,906</b>	<b>\$2,348,906</b>	<b>\$2,348,906</b>	<b>\$2,348,906</b>	<b>\$2,348,906</b>	<b>\$2,348,906</b>	<b>\$2,348,906</b>	<b>\$2,348,906</b>	<b>\$26,605,065</b>
<b>Supply Fixed - Supplier</b>	<b>\$31,375</b>	<b>\$31,410</b>	<b>\$32,697</b>	<b>\$31,000</b>	<b>\$31,000</b>	<b>\$31,000</b>	<b>\$31,000</b>	<b>\$31,000</b>	<b>\$31,000</b>	<b>\$31,000</b>	<b>\$31,000</b>	<b>\$374,482</b>
ANE	\$0	\$0	\$0	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$354
ANE OPS Demand	\$45,284	\$18,000	\$34,875	\$34,875	\$34,875	\$34,875	\$34,875	\$34,875	\$34,875	\$34,875	\$34,875	\$403,884
BP	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$3,624,000
Distrigas FCS	\$376,659	\$351,410	\$369,572	\$366,789	\$366,789	\$366,789	\$366,789	\$366,789	\$366,789	\$366,789	\$366,789	\$4,402,720
<b>Total</b>	<b>\$2,196,145</b>	<b>\$2,173,666</b>	<b>\$2,192,742</b>	<b>\$2,714,045</b>	<b>\$2,716,820</b>	<b>\$2,715,695</b>	<b>\$2,716,820</b>	<b>\$2,716,820</b>	<b>\$2,716,820</b>	<b>\$2,715,695</b>	<b>\$2,716,820</b>	<b>\$31,007,784</b>

**NEW ENGLAND GAS COMPANY**  
**GCR Gas Costs Actual/Estimate**

	Nov-05 Actual	Dec-05 Actual	Jan-06 Actual	Feb-06 Forecast	Mar-06 Forecast	Apr-06 Forecast	May-06 Forecast	Jun-06 Forecast	Jul-06 Forecast	Aug-06 Forecast	Sep-06 Forecast	Oct-06 Forecast	Nov-Oct
<b>STORAGE FIXED COSTS - Facilities</b>													
CONOCO	\$220,877	\$228,301	\$200,766	\$80,775 \$13,361 \$845 \$610	\$80,775 \$13,361 \$845 \$610	\$80,775 \$13,361 \$845 \$610	\$80,775 \$13,361 \$845 \$610	\$80,775 \$13,361 \$845 \$610	\$80,775 \$13,361 \$845 \$610	\$80,775 \$13,361 \$845 \$610	\$80,775 \$13,361 \$845 \$610	\$80,775 \$13,361 \$845 \$610	\$726,971 \$120,252 \$7,604 \$5,493
TEXAS EASTERN SS-1 DEMAND				\$21,466	\$21,466	\$21,466	\$21,466	\$21,466	\$21,466	\$21,466	\$21,466	\$21,466	\$193,195
TEXAS EASTERN SS-1 CAPACITY				\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$135,629
TEXAS EASTERN FSS-1 DEMAND				\$26,863	\$26,863	\$26,863	\$26,863	\$26,863	\$26,863	\$26,863	\$26,863	\$26,863	\$241,769
TEXAS EASTERN FSS-1 CAPACITY				\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$179,610
DOMINION GSS DEMAND				\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$219,099
DOMINION GSS CAPACITY				\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$135,755
DOMINION GSS-TE DEMAND				\$3,818	\$3,818	\$3,818	\$3,818	\$3,818	\$3,818	\$3,818	\$3,818	\$3,818	\$34,358
DOMINION GSS-TE CAPACITY				\$5,874	\$5,874	\$5,874	\$5,874	\$5,874	\$5,874	\$5,874	\$5,874	\$5,874	\$52,866
TENNESSEE FSMA DEMAND				\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$1,890,000
TENNESSEE FSMA CAPACITY				\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$3,942,600
COLUMBIA FSS DEMAND													
COLUMBIA FSS CAPACITY													
ALGONQUIN TANK LEASE PAYMENTS													
<b>TOTAL FIXED STORAGE COSTS</b>	\$378,377	\$385,801	\$358,266	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$3,942,600
<b>STORAGE FIXED COSTS - Delivery</b>													
CONOCO	\$364,568 (\$14,822)	\$364,179 (\$21,797)	\$364,151 (\$21,797)	\$83,536 \$5,577	\$83,536 \$5,577	\$83,536 \$5,577	\$83,536 \$5,577	\$83,536 \$5,577	\$83,536 \$5,577	\$83,536 \$5,577	\$83,536 \$5,577	\$83,536 \$5,577	\$1,092,898 \$693,408 \$60,190
ALGONQUIN FOR TETCO SS-1				\$4,904	\$4,904	\$4,904	\$4,904	\$4,904	\$4,904	\$4,904	\$4,904	\$4,904	\$44,137
ALGONQUIN DELIVERY FOR FSS-1				\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$14,137
TETCO DELIVERY FOR FSS-1				\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$587,160
ALGONQUIN DELIVERY FOR GSS, GSS-TE,				\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$4,024
ALGONQUIN SCT DELIVERY FOR GSS-TE				\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$179,484
ALGONQUIN DELIVERY FOR GSS CONV				\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$350,388
TENNESSEE DELIVERY FOR GSS				\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$228,558
TENNESSEE DELIVERY FOR FSMA				\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$263,814
TETCO DELIVERY FOR GSS				\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$31,841
TETCO DELIVERY FOR GSS-TE				\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$309,560
TETCO DELIVERY FOR GSS CONV				\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$96,065
DOMINION DELIVERY FOR GSS				\$23,628	\$23,628	\$23,628	\$23,628	\$23,628	\$23,628	\$23,628	\$23,628	\$23,628	\$47,255
DOMINION DELIVERY FOR GSS CONV				\$9,116	\$9,116	\$9,116	\$9,116	\$9,116	\$9,116	\$9,116	\$9,116	\$9,116	\$82,042
ALGONQUIN DELIVERY FOR GSS CONV				\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$135,345
COLUMBIA DELIVERY FOR FSS				\$14,776	\$14,776	\$14,776	\$14,776	\$14,776	\$14,776	\$14,776	\$14,776	\$14,776	\$89,640
DISTRIGAS FLS	\$91,466	\$119,371	\$108,323	\$108,779	\$105,800	\$78,683	\$79,925	\$125,925	\$104,075	\$125,925	\$103,010	\$79,925	\$1,231,207
<b>STORAGE DELIVERY FIXED COST \$</b>	\$440,123	\$461,600	\$453,448	\$494,298	\$491,319	\$440,575	\$434,426	\$480,426	\$458,576	\$480,426	\$457,511	\$434,426	\$5,527,152
<b>TOTAL STORAGE FIXED</b>	\$818,500	\$847,401	\$811,714	\$879,865	\$876,886	\$826,141	\$819,992	\$865,992	\$844,142	\$865,992	\$843,078	\$819,992	\$9,469,753
<b>TOTAL FIXED COSTS</b>	\$3,014,646	\$3,021,067	\$3,004,456	\$3,593,910	\$3,593,706	\$3,541,836	\$3,536,812	\$3,581,687	\$3,560,962	\$3,582,812	\$3,558,773	\$3,536,812	\$40,477,537

**NEW ENGLAND GAS COMPANY**  
**GCR Gas Costs Actual/Estimate**

	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
	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>VARIABLE SUPPLY COSTS</b>													
Tennessee Zone 0				\$2,369,549	\$2,652,812	\$2,219,651	\$2,516,706	\$2,426,127	\$2,562,066	\$2,635,877	\$2,556,204	\$2,610,359	\$22,549,340
Tennessee Zone 1				\$4,749,966	\$5,486,831	\$1,110,885	\$1,259,558	\$1,224,739	\$1,301,483	\$1,327,314	\$1,284,148	\$1,306,429	\$19,051,353
Tennessee Dracut				\$1,487,165	\$954,270	\$614,014	\$746,339	\$507,240	\$135,218	\$297,954	\$1,050,922	\$0	\$5,793,122
TETCO STX				\$2,233,332	\$2,598,084	\$386,376	\$1,072,366	\$631,551	\$311,381	\$21,923	\$43,580	\$2,534,030	\$9,832,623
TETCO ELA				\$1,934,466	\$2,652,208	\$1,764,990	\$2,001,197	\$652,064	\$1,036,813	\$623,625	\$1,056,558	\$1,199,405	\$12,921,326
TETCO WLA				\$2,526,079	\$2,845,395	\$945,925	\$348,637	\$0	\$0	\$0	\$0	\$0	\$6,666,037
TETCO ETX				\$2,408,342	\$2,859,170	\$1,247,390	\$1,628,321	\$842,968	\$418,182	\$511,435	\$0	\$1,708,593	\$11,625,401
TETCO NF				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
M3 Delivered			(\$642,131)	\$1,465,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,001,944
Maumee Supplemental				\$7,481,441	\$8,280,989	\$5,047,487	\$747,163	\$183,903	\$186,068	\$118,098	\$113,864	\$2,785,842	\$24,944,864
Broadrun Col				\$241,579	\$698,405	\$0	\$0	\$0	\$0	\$107,604	\$75,891	\$1,963,184	\$3,086,664
Columbia AGT				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trans Wharton				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco to Dominion				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Texas Gas to Dominion				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANE to Tennessee				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Niagara to Tennessee	\$295,131	\$334,258	\$257,649	\$216,904	\$212,878	\$223,342	\$235,638	\$232,051	\$243,776	\$246,265	\$240,482	\$251,530	\$2,989,905
TETCO to B & W	\$0	\$0	\$0	\$270,416	\$313,422	\$235,032	\$266,271	\$258,280	\$272,235	\$274,694	\$267,969	\$279,896	\$2,438,214
Tenn Zone 0 VG				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tenn Zone 1 VG				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DistrGas FCS				\$1,823,332	\$1,876,777	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,700,109
Hubline				\$838,101	\$574,945	\$1,984,467	\$1,149,768	\$237,002	\$131,863	\$551,671	\$790,026	\$0	\$6,257,843
Suppliers	\$19,637,351	\$41,274,216	\$28,890,510	\$30,045,739	\$32,006,196	\$15,779,558	\$11,972,963	\$7,195,926	\$6,599,073	\$6,716,460	\$7,479,644	\$14,639,268	\$132,858,743
Total Pipeline Commodity Charges	\$19,500,993	\$42,218,971	\$27,908,805										

**NEW ENGLAND GAS COMPANY**  
**GCR Gas Costs Actual/Estimate**

**VARIABLE STORAGE COSTS**

	Nov-05 Actual	Dec-05 Actual	Jan-06 Actual	Feb-06 Forecast	Mar-06 Forecast	Apr-06 Forecast	May-06 Forecast	Jun-06 Forecast	Jul-06 Forecast	Aug-06 Forecast	Sep-06 Forecast	Oct-06 Forecast	Nov-Oct
Underground Storage	\$416,975	\$3,986,792	\$5,178,067	\$7,920,805	\$2,475,208	\$735,658	\$0	\$0	\$0	\$0	\$0	\$0	\$20,713,505
LNG Withdrawals/Westerly Trucking	\$191,786	\$641,431	\$1,028,489	\$962,138	\$390,831	\$191,538	\$197,923	\$191,470	\$197,744	\$197,699	\$191,417	\$197,931	\$4,580,397
LP	\$3,916	\$3,237	\$3,531	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,684
<b>TOTAL VARIABLE STORAGE COSTS</b>	\$612,677	\$4,631,460	\$6,210,087	\$8,882,942	\$2,866,040	\$927,197	\$197,923	\$191,470	\$197,744	\$197,699	\$191,417	\$197,931	\$25,304,586
<b>TOTAL VARIABLE COSTS</b>	\$20,113,670	\$46,850,431	\$34,118,892	\$38,928,682	\$34,872,236	\$16,706,755	\$12,170,886	\$7,387,396	\$6,796,817	\$6,914,160	\$7,671,060	\$14,837,199	\$247,368,184
<b>TOTAL SUPPLY COSTS</b>	\$23,128,316	\$49,871,498	\$37,123,348	\$42,522,591	\$38,465,942	\$20,248,591	\$15,707,699	\$10,969,083	\$10,357,779	\$10,496,972	\$11,229,833	\$18,374,012	\$287,845,721
<b>TOTAL CAPACITY RELEASE CREDITS</b>	\$0	\$0	\$0	\$484,507	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$4,407,268
<b>TOTAL SUPPLY COSTS AFTER CREDITS</b>	\$23,128,316	\$49,871,498	\$37,123,348	\$42,038,084	\$37,975,597	\$19,758,246	\$15,217,354	\$10,478,738	\$9,867,434	\$10,006,627	\$10,739,488	\$17,883,667	\$283,438,453

**Storage Costs for FT-2 Calculation**

Storage Fixed Costs - Facilities	\$378,377	\$385,801	\$358,266	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$385,567	\$4,592,544
Storage Fixed Costs - Deliveries	\$440,123	\$461,600	\$453,448	\$494,298	\$491,319	\$440,575	\$434,426	\$480,426	\$458,576	\$480,426	\$457,511	\$434,426	\$5,527,152
Variable Delivery Costs	\$2,682	\$21,445	\$27,455	\$48,756	\$14,749	\$4,551	\$0	\$0	\$0	\$0	\$0	\$0	\$117,638
Variable Injection Costs	\$2,804	\$628	\$432	\$0	\$0	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974	\$87,679
Fuel Costs Allocated to Storage	\$54,524	\$234,737	\$338,369	\$497,152	\$148,792	\$174,898	\$142,287	\$145,363	\$147,531	\$151,449	\$152,847	\$153,508	\$2,341,896
<b>Total Storage Costs</b>	\$878,910	\$1,104,211	\$1,177,970	\$1,423,772	\$1,040,428	\$1,017,562	\$974,253	\$1,023,329	\$1,003,646	\$1,029,415	\$1,007,898	\$985,474	\$12,666,869

**Pipeline Variable**

Pipeline Variable	\$19,500,993	\$42,218,971	\$27,908,805	\$30,045,739	\$32,006,196	\$15,779,558	\$11,972,963	\$7,195,926	\$6,599,073	\$6,716,460	\$7,479,644	\$14,639,268	\$132,858,743
Less Non-firm Gas Costs	\$1,041,674	\$888,566	\$112,869										
Less Company Use	\$19,890	\$26,860	\$44,281										
Less Manchester St Balancing	\$9,126	\$2,826	\$4,122										
Plus Cashout													
Less Mktgr Over-takes	\$165,019	\$38,001	\$5,944										
Less Mktgr Withdrawals	\$12,299	\$56,153	\$83,875										
Plus Mktgr Undertakes	\$23,060	\$10,536	\$108,662										
Plus Mktgr Injections	\$974	\$0	\$6,694										
Storage Service Charge													
Plus Pipeline Strchg/Credit	\$134,751	\$273,421	\$209,500										
<b>TOTAL FIRM COMMODITY COSTS</b>	\$18,411,770	\$41,490,502	\$27,982,570	\$30,045,739	\$32,006,196	\$15,779,558	\$11,972,963	\$7,195,926	\$6,599,073	\$6,716,460	\$7,479,644	\$14,639,268	

**I. Supply Fixed Cost Collections --**

	Nov-05 actual	Dec-05 actual	Jan-06 actual	Feb-06 fcst	Mar-06 fcst	Apr-06 fcst	May-06 fcst	Jun-06 fcst	Jul-06 fcst	Aug-06 fcst	Sep-06 fcst	Oct-06 fcst	Total Nov-Oct
(a) Resid. & Small C & I dth	1,284,429	2,644,081	3,396,687	3,515,120	3,184,741	2,551,059	1,404,579	724,001	509,028	506,409	487,537	743,578	20,951,249
Supply Fixed Cost Factor	\$0.8678	\$0.9673	\$0.9671	\$0.9676	\$0.9676	\$0.9676	\$0.9676	\$0.9676	\$0.9676	\$0.9676	\$0.9676	\$0.9676	\$0.9676
Res & Small C & I collections	\$1,114,678	\$2,557,640	\$3,284,895	\$3,401,230	\$3,081,556	\$2,468,405	\$1,359,071	\$700,544	\$492,535	\$490,001	\$471,741	\$719,486	\$20,141,782
(b) C & I Medium dth	264,163	504,773	631,499	641,511	609,764	474,008	284,639	168,493	125,207	126,309	120,195	164,159	4,114,719
Supply Fixed Cost Factor	\$0.8345	\$0.9343	\$0.9381	\$0.9232	\$0.9232	\$0.9232	\$0.9232	\$0.9232	\$0.9232	\$0.9232	\$0.9232	\$0.9232	\$0.9232
C & I Medium collections	\$220,443	\$471,807	\$592,379	\$592,243	\$562,934	\$437,604	\$262,778	\$155,552	\$115,592	\$116,608	\$110,964	\$151,551	\$3,790,255
(c) C & I Large LLF dth	98,871	180,342	219,689	218,748	213,422	177,820	92,517	42,246	23,257	23,588	22,757	64,428	1,377,665
Supply Fixed Cost Factor	\$0.9297	\$1.0157	\$1.0144	\$0.9807	\$0.9807	\$0.9807	\$0.9807	\$0.9807	\$0.9807	\$0.9807	\$0.9807	\$0.9807	\$0.9807
C & I Large LLF collections	\$91,923	\$183,177	\$222,847	\$214,526	\$209,303	\$174,368	\$90,731	\$41,431	\$22,808	\$23,114	\$22,318	\$63,185	\$1,359,751
(d) C & I Extra HLF dth	38,648	55,552	55,399	57,588	58,672	55,090	46,027	36,304	27,216	28,649	30,769	37,253	527,167
Supply Fixed Cost Factor	\$0.7011	\$0.7073	\$0.7207	\$0.7056	\$0.7056	\$0.7056	\$0.7056	\$0.7056	\$0.7056	\$0.7056	\$0.7056	\$0.7056	\$0.7056
C & I Large HLF collections	\$27,095	\$39,293	\$39,928	\$40,634	\$41,399	\$38,872	\$32,477	\$25,616	\$19,203	\$20,215	\$21,711	\$26,286	\$372,729
(e) C & I Extra Large LLF dth	13,712	31,134	29,003	35,311	34,431	22,104	7,262	2,159	1,412	1,219	2,230	7,973	187,950
Supply Fixed Cost Factor	\$0.9862	\$0.9586	\$0.9598	\$0.9598	\$0.9598	\$0.9598	\$0.9598	\$0.9598	\$0.9598	\$0.9598	\$0.9598	\$0.9598	\$0.9598
C & I XL LLF collections	\$13,523	\$29,844	\$27,837	\$33,892	\$33,047	\$21,215	\$6,970	\$2,072	\$1,355	\$1,170	\$2,141	\$7,652	\$180,718
(f) C & I Extra Large HLF dth	35,348	46,029	34,594	28,225	32,244	28,662	26,338	23,085	22,611	22,769	25,251	27,897	353,054
Supply Fixed Cost Factor	\$0.5672	\$0.5808	\$0.5935	\$0.5846	\$0.5846	\$0.5846	\$0.5846	\$0.5846	\$0.5846	\$0.5846	\$0.5846	\$0.5846	\$0.5846
C & I XL HLF collections	\$20,049	\$26,733	\$20,531	\$16,501	\$18,850	\$16,756	\$15,397	\$13,496	\$13,219	\$13,311	\$14,762	\$16,309	\$205,914
sub-total Dth	1,795,171	3,461,911	4,366,871	4,496,503	4,133,276	3,308,743	1,861,361	996,288	708,731	708,923	688,739	1,045,288	27,511,804
sub-total Supply Fixed Collections	\$1,487,711	\$3,308,294	\$4,188,417	\$4,299,026	\$3,947,089	\$3,157,240	\$1,767,424	\$938,711	\$664,712	\$664,419	\$643,637	\$964,469	\$26,051,149

**II. Storage Fixed Cost Collections --**

(a) Resid. & Small C & I dth	1,284,429	2,644,081	3,396,687	3,515,120	3,184,741	2,551,059	1,404,579	724,001	509,028	506,409	487,537	743,578	20,951,249
Storage Fixed Cost Factor	\$0.3337	\$0.3507	\$0.3506	\$0.3508	\$0.3508	\$0.3508	\$0.3508	\$0.3508	\$0.3508	\$0.3508	\$0.3508	\$0.3508	\$0.3508
Res & Small C & I collections	\$428,636	\$927,263	\$1,190,927	\$1,233,104	\$1,117,207	\$894,912	\$492,726	\$253,980	\$178,567	\$177,648	\$171,028	\$260,847	\$7,326,845
(b) C & I Medium dth	264,163	504,773	631,499	641,511	609,764	474,008	284,639	168,493	125,207	126,309	120,195	164,159	4,114,719
Storage Fixed Cost Factor	\$0.3188	\$0.3355	\$0.3368	\$0.3315	\$0.3315	\$0.3315	\$0.3315	\$0.3315	\$0.3315	\$0.3315	\$0.3315	\$0.3315	\$0.3315
C & I Medium collections	\$84,213	\$169,343	\$212,710	\$212,661	\$202,137	\$157,134	\$94,358	\$55,855	\$41,506	\$41,871	\$39,845	\$54,419	\$1,366,052
(c) C & I Large LLF dth	98,871	180,342	219,689	218,748	213,422	177,820	92,517	42,246	23,257	23,588	22,757	64,428	1,377,665
Storage Fixed Cost Factor	\$0.3541	\$0.3681	\$0.3676	\$0.3554	\$0.3554	\$0.3554	\$0.3554	\$0.3554	\$0.3554	\$0.3554	\$0.3554	\$0.3554	\$0.3554
C & I Large LLF collections	\$35,013	\$66,383	\$80,759	\$77,743	\$75,850	\$63,197	\$32,880	\$15,014	\$8,265	\$8,376	\$8,088	\$22,898	\$494,466
(d) C & I Extra HLF dth	38,648	55,552	55,399	57,588	58,672	55,090	46,027	36,304	27,216	28,649	30,769	37,253	527,167
Storage Fixed Cost Factor	\$0.2710	\$0.2565	\$0.2614	\$0.2559	\$0.2559	\$0.2559	\$0.2559	\$0.2559	\$0.2559	\$0.2559	\$0.2559	\$0.2559	\$0.2559
C & I Extra HLF collections	\$10,474	\$14,250	\$14,481	\$14,737	\$15,014	\$14,098	\$11,778	\$9,290	\$6,965	\$7,331	\$7,874	\$9,533	\$135,825
(e) C & I XL LLF dth	13,712	31,134	29,003	35,311	34,431	22,104	7,262	2,159	1,412	1,219	2,230	7,973	187,950
Storage Fixed Cost Factor	\$0.3471	\$0.3471	\$0.3476	\$0.3476	\$0.3476	\$0.3476	\$0.3476	\$0.3476	\$0.3476	\$0.3476	\$0.3476	\$0.3476	\$0.3476
C & I XL LLF collections	\$5,229	\$10,808	\$10,081	\$12,274	\$11,968	\$7,863	\$2,524	\$751	\$491	\$424	\$775	\$2,771	\$65,779
(f) C & I XL HLF dth	35,348	46,029	34,594	28,225	32,244	28,662	26,338	23,085	22,611	22,769	25,251	27,897	353,054
Storage Fixed Cost Factor	\$0.2187	\$0.2106	\$0.2152	\$0.2120	\$0.2120	\$0.2120	\$0.2120	\$0.2120	\$0.2120	\$0.2120	\$0.2120	\$0.2120	\$0.2120
C & I XL HLF collections	\$7,729	\$9,695	\$7,445	\$5,984	\$6,836	\$6,076	\$5,584	\$4,894	\$4,794	\$4,827	\$5,353	\$5,914	\$75,131
(g) FT-2 dth	41,049	70,543	89,021	96,959	79,705	74,023	51,956	26,321	20,203	20,032	19,983	29,883	619,777
Storage Fixed Cost Factor	\$0.2874	\$0.2708	\$0.3253	\$0.3253	\$0.3253	\$0.3253	\$0.3253	\$0.3253	\$0.3253	\$0.3253	\$0.3253	\$0.3253	\$0.3253



	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Total
	actual	actual	actual	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	Nov-Oct

FT-2 collection	\$11,797	\$19,104	\$28,959	\$31,541	\$25,928	\$24,080	\$16,901	\$8,562	\$6,572	\$6,516	\$6,500	\$9,753	\$196,213
sub-total Dth	1,776,220	3,532,454	4,455,892	4,593,462	4,212,980	3,382,766	1,913,317	1,022,609	728,934	728,955	708,721	1,075,271	28,131,582
sub-total Storage Fixed Collections	<b>\$583,091</b>	<b>\$1,216,846</b>	<b>\$1,545,362</b>	<b>\$1,588,044</b>	<b>\$1,454,940</b>	<b>\$1,167,180</b>	<b>\$656,751</b>	<b>\$348,346</b>	<b>\$247,160</b>	<b>\$246,993</b>	<b>\$239,463</b>	<b>\$366,135</b>	<b>\$9,660,311</b>

**III. Variable Supply Cost Collections --**

(a) Firm Sales dth	1,729,275	3,450,106	4,366,871	4,496,503	4,133,276	3,308,743	1,861,361	996,288	708,731	708,923	688,739	1,045,288	27,494,103
Variable Supply Cost Factor	\$8,0879	\$9,1892	\$9,1679	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387
Variable Supply collections	<b>\$13,986,278</b>	<b>\$31,703,829</b>	<b>\$40,034,850</b>	<b>\$41,092,191</b>	<b>\$37,772,765</b>	<b>\$30,237,607</b>	<b>\$17,010,421</b>	<b>\$9,104,779</b>	<b>\$6,476,881</b>	<b>\$6,478,631</b>	<b>\$6,294,177</b>	<b>\$9,552,577</b>	<b>\$249,744,886</b>
(b) TSS Sales dth	4,499	10,318	14,139	0	0	0	0	0	0	0	0	0	1,728
TSS Variable Supply Cost F.	\$4,6548	\$3,7474	\$2,3826	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387
TSS surcharge collections	\$20,942	\$38,666	\$33,687	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(c) NGV Sales dth	1,397	1,487	1,408	0	0	0	0	0	0	0	0	0	1,728
Variable Supply Cost Factor	\$7,3701	\$7,3699	\$9,2287	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387	\$9,1387
Variable Supply collections	<b>\$10,296</b>	<b>\$10,959</b>	<b>\$12,994</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL Variable Supply Collections</b>	<b>\$14,017,516</b>	<b>\$31,753,454</b>	<b>\$40,081,531</b>	<b>\$41,092,191</b>	<b>\$37,772,765</b>	<b>\$30,237,607</b>	<b>\$17,010,421</b>	<b>\$9,104,779</b>	<b>\$6,476,881</b>	<b>\$6,478,631</b>	<b>\$6,294,177</b>	<b>\$9,552,577</b>	<b>\$249,744,886</b>

**IVa. Storage Variable Product Cost Collections --**

(a) Firm Sales dth	1,729,275	3,450,106	4,366,871	4,496,503	4,133,276	3,308,743	1,861,361	996,288	708,731	708,923	688,739	1,045,288	27,494,103
Variable Supply Cost Factor	\$0,9887	\$1,1263	\$1,1232	\$1,1187	\$1,1187	\$1,1187	\$1,1187	\$1,1187	\$1,1187	\$1,1187	\$1,1187	\$1,1187	\$1,1187
Stor Var Product collections	<b>\$1,796,266</b>	<b>\$3,885,709</b>	<b>\$4,904,928</b>	<b>\$5,030,238</b>	<b>\$4,623,895</b>	<b>\$3,701,490</b>	<b>\$2,082,305</b>	<b>\$1,114,548</b>	<b>\$792,857</b>	<b>\$793,072</b>	<b>\$770,492</b>	<b>\$1,169,364</b>	<b>\$30,575,164</b>

**IVb. Storage Variable Non-product Cost Collections --**

(a) Firm Sales dth	1,735,171	3,461,911	4,366,871	4,496,503	4,133,276	3,308,743	1,861,361	996,288	708,731	708,923	688,739	1,045,288	27,511,804
Variable Supply Cost Factor	\$0,1121	\$0,1445	\$0,1446	\$0,1440	\$0,1440	\$0,1440	\$0,1440	\$0,1440	\$0,1440	\$0,1440	\$0,1440	\$0,1440	\$0,1440
Stor Var Non-Product collec	<b>\$194,566</b>	<b>\$500,171</b>	<b>\$631,366</b>	<b>\$647,496</b>	<b>\$595,192</b>	<b>\$476,459</b>	<b>\$268,036</b>	<b>\$143,466</b>	<b>\$102,057</b>	<b>\$102,085</b>	<b>\$99,178</b>	<b>\$150,522</b>	<b>\$3,910,594</b>
(b) FT-2 dth	41,049	70,543	89,021	82,415	79,705	74,023	51,956	26,321	20,203	20,032	19,983	29,983	\$82,164
Variable Supply Cost Factor	\$0,1033	\$0,1199	\$0,1440	\$0,1400	\$0,1400	\$0,1400	\$0,1400	\$0,1400	\$0,1400	\$0,1400	\$0,1400	\$0,1400	\$0,1400
Stor Var Non-Product collec	<b>\$4,241</b>	<b>\$8,457</b>	<b>\$12,819</b>	<b>\$11,538</b>	<b>\$11,159</b>	<b>\$10,363</b>	<b>\$7,274</b>	<b>\$3,685</b>	<b>\$2,828</b>	<b>\$2,804</b>	<b>\$2,798</b>	<b>\$4,198</b>	<b>\$82,164</b>
(c) Total Firm Sales/FT-2 dth	1,776,220	3,532,454	4,455,892	4,578,918	4,212,980	3,382,766	1,913,317	1,022,609	728,934	728,955	708,721	1,075,271	\$3,992,758
Stor Var Non-Product collec	<b>\$198,807</b>	<b>\$508,628</b>	<b>\$644,185</b>	<b>\$659,034</b>	<b>\$606,351</b>	<b>\$486,822</b>	<b>\$275,310</b>	<b>\$147,151</b>	<b>\$104,885</b>	<b>\$104,889</b>	<b>\$101,976</b>	<b>\$154,720</b>	<b>\$3,992,758</b>
<b>Total Gas Cost Collections</b>	<b>\$17,993,391</b>	<b>\$40,672,931</b>	<b>\$51,364,423</b>	<b>\$52,668,533</b>	<b>\$48,405,040</b>	<b>\$33,750,339</b>	<b>\$21,792,211</b>	<b>\$11,653,535</b>	<b>\$8,286,495</b>	<b>\$8,288,004</b>	<b>\$8,049,745</b>	<b>\$12,227,265</b>	<b>\$320,024,368</b>

New England Gas Company  
 Rhode Island Service Area  
 Gas Cost Inventory Financing 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)
1	<b>Storage Inventory Balance</b>		\$30,031,411	\$28,447,451	\$21,446,006	\$21,446,006	\$14,006,072	\$11,681,133	\$14,277,285	\$17,738,743	\$21,211,575	\$24,784,631	\$28,380,892	\$32,016,429
2	Cost of Capital	Rate Case (1) * (2)	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%
3	Return on Working Capital Requirement		\$2,684,339	\$2,363,989	\$1,916,938	\$1,916,938	\$1,251,924	\$1,044,111	\$1,276,166	\$1,585,567	\$1,895,984	\$2,213,571	\$2,636,809	\$2,861,769
4	Weighted Cost of Debt	Rate Case (1) * (4)	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
5	Interest Charges Financed		\$1,211,298	\$1,066,742	\$865,011	\$865,011	\$564,926	\$471,151	\$575,865	\$715,481	\$859,556	\$998,866	\$1,144,726	\$1,291,363
6	Taxable Income	(3) - (5)	\$1,473,041	\$1,297,247	\$1,051,927	\$1,051,927	\$686,998	\$572,960	\$700,301	\$870,085	\$1,040,428	\$1,214,705	\$1,392,083	\$1,570,406
7	1 - Combined Tax Rate	Rate Case (6) / (7)	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
8	Return and Tax Requirement		\$2,266,216	\$1,995,765	\$1,618,349	\$1,618,349	\$1,056,920	\$881,476	\$1,077,386	\$1,338,593	\$1,600,658	\$1,868,777	\$2,141,666	\$2,416,009
9	Working Capital Requirement	(5) + (8)	\$3,477,515	\$3,062,507	\$2,483,360	\$2,483,360	\$1,621,846	\$1,352,628	\$1,653,251	\$2,054,074	\$2,456,214	\$2,867,643	\$3,286,392	\$3,707,372
10	Monthly Average	(9) / 12	\$289,793	\$255,209	\$206,947	\$206,947	\$135,154	\$112,719	\$137,771	\$171,173	\$204,684	\$238,970	\$273,866	\$308,948
11	<b>LNG Inventory Balance</b>		\$7,633,531	\$7,961,207	\$7,118,934	\$7,118,934	\$7,073,186	\$7,173,397	\$6,981,859	\$6,858,618	\$6,879,722	\$7,170,670	\$7,688,352	\$7,934,637
12	Cost of Capital	Rate Case (11) * (12)	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%
13	Return on Working Capital Requirement		\$682,318	\$711,608	\$636,322	\$636,322	\$632,232	\$641,190	\$624,069	\$613,053	\$614,940	\$640,946	\$667,219	\$708,233
14	Weighted Cost of Debt	Rate Case (11) * (14)	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
15	Interest Charges Financed		\$307,894	\$321,110	\$287,138	\$287,138	\$285,293	\$289,335	\$281,609	\$276,638	\$277,489	\$289,225	\$310,105	\$320,039
16	Taxable Income	(13) - (15)	\$374,425	\$390,497	\$349,184	\$349,184	\$346,940	\$351,855	\$342,460	\$336,415	\$337,450	\$351,721	\$377,114	\$389,194
17	1 - Combined Tax Rate	Rate Case (16) / (17)	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		\$576,038	\$600,765	\$537,206	\$537,206	\$533,754	\$541,316	\$526,862	\$517,562	\$519,154	\$541,110	\$580,175	\$598,760
19	Working Capital Requirement	(15) + (18)	\$883,932	\$921,875	\$824,344	\$824,344	\$819,046	\$830,650	\$808,471	\$794,200	\$796,644	\$830,334	\$890,280	\$918,799
20	Monthly Average	(19) / 12	\$73,661	\$76,823	\$68,695	\$68,695	\$68,254	\$69,221	\$67,373	\$66,183	\$66,387	\$69,195	\$74,190	\$76,567
21	System Balancing Factor	Rate Case (20) * (21)	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		\$15,019	\$15,664	\$14,007	\$14,007	\$13,917	\$14,114	\$13,737	\$13,495	\$13,536	\$14,109	\$15,127	\$15,612
23	Supply Related Inventory Costs	(21) * (22)	\$58,642	\$61,159	\$54,688	\$54,688	\$54,337	\$55,107	\$53,635	\$52,689	\$52,851	\$55,086	\$59,063	\$60,955
24	<b>Propane Inventory Balance</b>		\$386,409	\$383,172	\$379,641	\$383,172	\$363,172	\$383,172	\$383,172	\$383,172	\$383,172	\$383,172	\$383,172	\$383,172
25	Cost of Capital	Rate Case (24) * (25)	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%
26	Return on Working Capital Requirement		\$34,539	\$34,250	\$33,934	\$34,250	\$34,250	\$34,250	\$34,250	\$34,250	\$34,250	\$34,250	\$34,250	\$34,250
27	Weighted Cost of Debt	Rate Case (24) * (27)	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
28	Interest Charges Financed		\$15,586	\$15,455	\$15,313	\$15,455	\$15,455	\$15,455	\$15,455	\$15,455	\$15,455	\$15,455	\$15,455	\$15,455
29	Taxable Income	(26) - (28)	\$18,953	\$18,795	\$18,621	\$18,795	\$18,795	\$18,795	\$18,795	\$18,795	\$18,795	\$18,795	\$18,795	\$18,795
30	1 - Combined Tax Rate	Rate Case (29) / (30)	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
31	Return and Tax Requirement		\$29,159	\$28,915	\$28,648	\$28,915	\$28,915	\$28,915	\$28,915	\$28,915	\$28,915	\$28,915	\$28,915	\$28,915
32	Working Capital Requirement	(28) + (31)	\$44,745	\$44,370	\$43,961	\$44,370	\$44,370	\$44,370	\$44,370	\$44,370	\$44,370	\$44,370	\$44,370	\$44,370
33	Monthly Average	(32) / 12	\$3,729	\$3,697	\$3,663	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697	\$3,697

NEW ENGLAND GAS COMPANY  
Gas Cost Recovery Filing  
Costs Working Capital Calculation

Line No.	Description (a)	Reference (b)	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Total
1	<b>Supply Fixed Costs</b>		\$2,722,105	\$2,719,330	\$2,722,105	\$2,720,980	\$2,722,105	\$2,720,980	\$2,722,105	\$2,722,105	\$2,720,980	\$2,722,105	\$32,658,947
2	Capacity Release Revenue		\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$490,345	\$5,876,525
3	Allowable Working Capital Costs	(1) - (2)	\$2,231,760	\$2,228,985	\$2,231,760	\$2,230,635	\$2,231,760	\$2,230,635	\$2,231,760	\$2,231,760	\$2,230,635	\$2,231,760	\$26,782,422
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	
5	Working Capital Requirement	(3) * (4) / 365	\$61,933	\$61,933	\$61,933	\$61,892	\$61,933	\$61,892	\$61,933	\$61,933	\$61,892	\$61,933	\$81,933
6	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%
7	Return on Working Capital Requirement	(5) * (6)	\$7,324	\$7,314	\$7,324	\$7,320	\$7,324	\$7,320	\$7,324	\$7,324	\$7,320	\$7,324	\$9,324
8	Weighted Cost of Debt	Rate Case	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
9	Interest Expense	(5) * (8)	\$3,305	\$3,301	\$3,305	\$3,303	\$3,305	\$3,303	\$3,305	\$3,305	\$3,303	\$3,305	\$3,305
10	Taxable Income	(7) - (9)	\$4,019	\$4,014	\$4,019	\$4,017	\$4,019	\$4,017	\$4,019	\$4,019	\$4,017	\$4,019	\$4,019
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
12	Return and Tax Requirement	(10) / (11)	\$6,183	\$6,175	\$6,183	\$6,180	\$6,183	\$6,180	\$6,183	\$6,183	\$6,180	\$6,183	\$6,183
13	<b>Supply Fixed Working Capital Requirement</b>	(9) + (12)	\$9,488	\$9,476	\$9,488	\$9,483	\$9,488	\$9,483	\$9,488	\$9,488	\$9,483	\$9,488	\$113,856
14	<b>Storage Fixed Costs</b>		\$811,714	\$879,865	\$876,886	\$826,141	\$819,992	\$865,992	\$844,142	\$865,992	\$843,078	\$819,992	\$10,119,697
15	Less: LNG Demand to DAC		\$54,201	\$54,294	\$53,687	\$46,158	\$48,411	\$57,790	\$53,335	\$57,790	\$53,118	\$48,411	\$636,414
16	Less: Credits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$518,894
18	Allowable Working Capital Costs	(14) - (15) + (16)	\$800,754	\$868,812	\$866,440	\$821,225	\$814,823	\$851,443	\$834,048	\$851,443	\$833,201	\$814,823	\$10,002,177
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	
20	Working Capital Requirement	[(17) * (18)] / 365	\$29,398	\$31,996	\$31,809	\$30,148	\$29,914	\$31,258	\$30,620	\$31,258	\$30,589	\$29,914	\$369,914
21	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%
22	Return on Working Capital Requirement	(19) * (20)	\$2,628	\$2,851	\$2,843	\$2,695	\$2,674	\$2,794	\$2,737	\$2,794	\$2,734	\$2,674	\$33,674
23	Weighted Cost of Debt	Rate Case	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
24	Interest Expense	(19) * (22)	\$1,186	\$1,287	\$1,283	\$1,216	\$1,207	\$1,261	\$1,235	\$1,261	\$1,234	\$1,207	\$15,207
25	Taxable Income	(19) - (23)	\$1,442	\$1,565	\$1,580	\$1,479	\$1,467	\$1,533	\$1,502	\$1,533	\$1,500	\$1,467	\$18,467
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
27	Return and Tax Requirement	(24) / (25)	\$2,218	\$2,407	\$2,400	\$2,275	\$2,257	\$2,359	\$2,311	\$2,359	\$2,308	\$2,257	\$28,257
28	<b>Storage Fixed Working Capital Requirement</b>	(23) + (26)	\$3,404	\$3,693	\$3,683	\$3,491	\$3,464	\$3,620	\$3,546	\$3,620	\$3,542	\$3,464	\$42,521

NEW ENGLAND GAS COMPANY  
Gas Cost Recovery Filing  
Costs Working Capital Calculation

Line No.	Description (a)	Reference (b)	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Total
1	<b>Supply Variable Costs</b>		\$18,411,770	\$41,490,502	\$27,982,570	\$30,045,739	\$32,006,196	\$15,779,558	\$11,972,963	\$7,195,926	\$6,599,073	\$6,716,460	\$7,479,544	\$14,639,268	\$220,319,670
2a	Less: Non-firm Sales														\$0
2b	Less: Variable Delivery Storage Costs		\$2,682	\$21,445	\$27,455	\$46,756	\$14,749	\$4,551	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2c	Less: Variable Injection Storage Costs		\$2,804	\$628	\$432	\$0	\$0	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974	\$11,974
2d	Less: Fuel Costs Allocated to Storage		\$64,924	\$234,737	\$338,369	\$497,152	\$148,792	\$174,896	\$142,287	\$145,363	\$147,531	\$151,449	\$152,847	\$153,508	\$2,341,856
2e	Less: Supply Refunds														\$0
2	Total Credits		\$60,410	\$255,610	\$366,255	\$543,907	\$163,542	\$191,421	\$154,260	\$157,337	\$159,504	\$163,422	\$164,821	\$165,482	\$2,547,172
3	Allowable Working Capital Costs	(1) - (2)	\$18,351,360	\$41,233,692	\$27,616,314	\$29,501,832	\$31,842,655	\$15,588,136	\$11,818,703	\$7,038,589	\$6,439,569	\$6,553,038	\$7,314,823	\$14,473,786	\$217,772,488
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	13.40
5	Working Capital Requirement	{(3) * (4)} / 365	\$673,721	\$1,513,785	\$1,013,859	\$1,083,081	\$1,169,018	\$572,277	\$433,892	\$258,403	\$236,412	\$240,577	\$268,544	\$531,366	\$5,304,586
6	Cost of Capital	Rate Case	\$0	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%	8.94%
7	Return on Working Capital Requirement	(5) * (6)	\$60,220	\$135,309	\$90,623	\$96,811	\$104,492	\$51,153	\$38,783	\$23,097	\$21,132	\$21,504	\$24,004	\$47,496	\$474,555
8	Weighted Cost of Debt	Rate Case	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
9	Interest Expense	(5) * (8)	\$27,174	\$61,058	\$40,893	\$43,685	\$47,162	\$23,082	\$17,501	\$10,423	\$9,536	\$9,704	\$10,832	\$21,432	\$181,530
10	Taxable Income	(7) - (9)	\$33,046	\$74,251	\$49,730	\$53,125	\$57,340	\$28,070	\$21,282	\$12,675	\$11,596	\$11,800	\$13,172	\$26,064	\$26,064
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)	\$50,840	\$114,233	\$76,507	\$81,731	\$88,216	\$43,185	\$32,742	\$19,499	\$17,840	\$18,154	\$20,265	\$40,098	\$40,098
13	<b>Supply Variable Working Capital Requirement</b>	(9) * (12)	\$76,014	\$175,290	\$117,401	\$125,416	\$135,368	\$66,267	\$50,243	\$29,922	\$27,375	\$27,858	\$31,096	\$61,530	\$625,781
14	<b>Storage Variable Product Costs</b>		\$612,677	\$4,450,252	\$6,391,295	\$8,882,942	\$2,866,040	\$927,197	\$197,923	\$191,470	\$197,744	\$197,699	\$191,417	\$197,931	\$25,304,586
15	Less: Balancing Related LNG Commodity (to DAC)		(\$39,105)	(\$94,499)	(\$245,907)	(\$196,180)	(\$79,691)	(\$39,055)	(\$40,320)	(\$39,041)	(\$40,358)	(\$40,311)	(\$39,030)	(\$40,358)	(\$933,943)
16	Plus: Supply Related LNG O&M Costs		\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$385,465
17	Allowable Working Capital Costs	(14) * (15) + (16)	\$604,027	\$4,386,208	\$6,175,753	\$8,717,218	\$2,816,805	\$916,597	\$186,022	\$182,865	\$187,860	\$187,844	\$182,842	\$188,026	\$24,736,109
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	13.40
19	Working Capital Requirement	{(17) * (18)} / 365	\$22,175	\$161,028	\$226,726	\$220,029	\$103,411	\$33,724	\$6,903	\$6,714	\$6,897	\$6,896	\$6,713	\$6,903	\$6,903
20	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%	8.94%
21	Return on Working Capital Requirement	(19) * (20)	\$1,982	\$14,393	\$20,266	\$28,606	\$9,243	\$3,014	\$617	\$600	\$617	\$616	\$600	\$617	\$617
22	Weighted Cost of Debt	Rate Case	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
23	Interest Expense	(19) * (22)	\$884	\$6,465	\$8,145	\$12,908	\$4,171	\$1,360	\$278	\$271	\$278	\$278	\$271	\$278	\$278
24	Taxable Income	(19) - (23)	\$1,088	\$7,898	\$11,121	\$15,697	\$5,072	\$1,654	\$339	\$329	\$338	\$338	\$329	\$339	\$339
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)	\$1,673	\$12,151	\$17,109	\$24,150	\$7,804	\$2,545	\$521	\$507	\$520	\$520	\$507	\$521	\$521
27	<b>Storage Var. Product Working Capital Requirement</b>	(23) * (26)	\$2,568	\$18,646	\$26,254	\$37,058	\$11,975	\$3,905	\$799	\$777	\$799	\$799	\$777	\$799	\$105,157
1	<b>Storage Variable Non-Product Costs</b>		\$92,134	\$609,218	\$700,934	\$1,024,777	\$313,811	\$264,137	\$154,260	\$157,337	\$159,504	\$163,422	\$164,821	\$165,482	\$3,969,837
2	Credits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$92,134	\$609,218	\$700,934	\$1,024,777	\$313,811	\$264,137	\$154,260	\$157,337	\$159,504	\$163,422	\$164,821	\$165,482	\$3,969,837
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	13.40
5	Working Capital Requirement	{(3) * (4)} / 365	\$3,362	\$22,366	\$25,733	\$37,622	\$11,521	\$9,697	\$5,663	\$5,776	\$5,856	\$6,000	\$6,051	\$6,075	\$6,075
6	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%	8.94%
7	Return on Working Capital Requirement	(5) * (6)	\$302	\$1,999	\$2,300	\$3,363	\$1,030	\$867	\$506	\$516	\$523	\$536	\$541	\$543	\$543
8	Weighted Cost of Debt	Rate Case	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
9	Interest Expense	(5) * (8)	\$136	\$992	\$1,038	\$1,517	\$465	\$391	\$228	\$233	\$236	\$242	\$244	\$245	\$245
10	Taxable Income	(7) - (9)	\$166	\$1,097	\$1,262	\$1,845	\$476	\$278	\$278	\$283	\$287	\$294	\$297	\$298	\$298
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)	\$255	\$1,688	\$1,942	\$2,839	\$869	\$732	\$427	\$436	\$442	\$453	\$457	\$458	\$458
13	<b>Storage Variable Non-product WC Requirement</b>	(9) * (12)	\$392	\$2,590	\$2,980	\$4,356	\$1,334	\$1,123	\$656	\$669	\$678	\$695	\$701	\$703	\$16,876

Line No.	Rate Class (a)	Nov-05 (b) Actual	Dec-05 (c) Actual	Jan-06 (d) Actual	Feb-06 (e) Forecast	Mar-06 (f) Forecast	Apr-06 (g) Forecast	May-06 (h) Forecast	Jun-06 (i) Forecast	Jul-06 (j) Forecast	Aug-06 (k) Forecast	Sep-06 (l) Forecast	Oct-06 (m) Forecast	Nov-Oct (p)
<b>1 SALES (dth)</b>														
1	Residential Non-Heating	48,719	63,222	73,064	72,308	61,152	62,309	56,567	45,471	36,960	37,027	34,366	42,331	633,495
2	Residential Heating	1,110,436	2,283,820	2,916,973	3,549,501	2,746,026	2,212,310	1,209,381	617,205	424,029	423,990	411,545	636,913	18,544,129
3	Small C&I	125,274	297,039	406,650	513,627	276,441	276,441	138,631	61,325	48,308	45,392	41,626	62,334	2,393,940
4	Medium C&I	204,733	504,773	631,499	754,719	609,764	474,008	284,639	168,493	125,207	126,309	120,195	164,159	4,227,927
5	Large LLF	98,871	180,342	219,689	287,350	213,422	177,820	92,517	42,246	23,257	23,568	22,757	64,428	1,416,267
6	Large HLF	38,848	55,552	55,389	67,750	56,672	55,090	46,027	36,304	27,216	28,649	30,769	37,253	537,330
7	Extra Large LLF	13,712	31,134	29,003	41,543	34,431	22,104	12,129	7,262	1,412	1,219	1,230	1,941	194,181
8	Extra Large HLF	35,348	46,029	34,584	33,206	32,244	29,562	26,338	23,085	22,611	22,769	25,251	27,897	358,035
9	Total Sales	1,735,171	3,461,911	4,386,871	5,290,003	4,133,276	3,308,743	1,861,361	966,288	708,731	708,923	688,739	1,045,288	28,954,038
<b>11 ISS</b>														
12	Medium	1,778	5,149	7,110										
13	Large LLF	2,043	5,028	6,043										
14	Large HLF	678	141	986										
15	Extra Large LLF	0	0	0										
16	Extra Large HLF	0	0	0										
17	Total ISS	4,499	10,318	14,139										
<b>18 FT-2 TRANSPORTATION</b>														
19	FT-2 Medium	24,800	40,403	48,051	57,281	49,954	45,485	35,504	17,182	14,327	14,509	11,803	19,978	380,277
20	FT-2 Large LLF	10,335	20,850	28,544	28,854	26,006	20,853	11,480	4,762	2,504	1,877	3,649	5,175	158,901
21	FT-2 Large HLF	4,959	5,917	6,900	7,459	6,816	5,928	4,208	4,237	3,369	3,642	4,192	3,584	61,203
22	FT-2 Extra Large LLF	954	3,373	4,526	3,354	2,928	1,747	763	139	4	4	338	1,266	19,396
23	FT-2 Extra Large HLF	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Total Transportation	41,049	70,543	89,021	96,959	79,705	74,023	51,956	26,321	20,203	20,032	19,983	29,983	619,777
<b>25 Sales &amp; FT-2 THROUGHPUT</b>														
26	Residential Non-Heating	48,719	63,222	73,064	72,308	61,152	62,309	56,567	45,471	36,960	37,027	34,366	42,331	633,495
27	Residential Heating	1,110,436	2,283,820	2,916,973	3,549,501	2,746,026	2,212,310	1,209,381	617,205	424,029	423,990	411,545	636,913	18,544,129
28	Small C&I	125,274	297,039	406,650	513,627	276,441	276,441	138,631	61,325	48,308	45,392	41,626	62,334	2,393,940
29	Medium C&I	290,741	550,325	687,660	812,000	659,718	519,493	320,143	185,675	139,534	140,818	131,959	184,136	4,822,242
30	Large LLF	111,250	208,220	254,276	286,205	233,429	198,682	103,997	47,009	25,761	25,445	26,406	66,603	1,588,282
31	Large HLF	44,285	61,610	63,285	75,219	65,468	61,019	50,235	40,541	30,565	32,292	34,961	40,817	600,338
32	Extra Large LLF	14,666	34,507	33,529	44,897	37,360	23,850	9,025	2,299	1,415	1,222	1,268	1,941	213,578
33	Extra Large HLF	35,348	46,029	34,584	33,206	32,244	29,562	26,338	23,085	22,611	22,769	25,251	27,897	359,035
34	Total Throughput	1,780,719	3,542,772	4,470,031	5,386,962	4,212,980	3,382,766	1,913,317	1,022,609	728,934	728,955	708,721	1,075,271	28,954,038
<b>35 FT-4 TRANSPORTATION</b>														
36	FT-4 Medium	57,290	102,967	90,411	103,455	90,392	61,321	37,963	28,680	27,512	27,642	49,109	43,229	719,992
37	FT-4 Large LLF	(64,540)	163,661	155,859	161,987	144,667	90,843	39,548	21,407	16,343	16,966	26,438	57,160	830,340
38	FT-4 Large HLF	43,263	38,052	37,731	50,910	45,410	34,221	29,876	28,851	27,334	27,926	36,865	32,852	432,292
39	FT-4 Extra Large LLF	58,653	95,281	107,807	107,807	93,870	62,516	33,675	18,283	15,164	15,578	20,672	44,820	656,338
40	FT-4 Extra Large HLF	244,448	285,153	286,590	319,106	314,954	271,699	258,666	228,917	215,754	227,915	233,269	252,042	3,138,512
41	Total Transportation	339,114	685,114	660,612	743,265	688,293	520,600	399,747	326,139	302,107	316,027	366,352	430,104	7,778,473
<b>42 Total THROUGHPUT</b>														
43	Residential Non-Heating	48,719	63,222	73,064	72,308	61,152	62,309	56,567	45,471	36,960	37,027	34,366	42,331	633,495
44	Residential Heating	1,110,436	2,283,820	2,916,973	3,549,501	2,746,026	2,212,310	1,209,381	617,205	424,029	423,990	411,545	636,913	18,544,129
45	Small C&I	125,274	297,039	406,650	513,627	276,441	276,441	138,631	61,325	48,308	45,392	41,626	62,334	2,393,940
46	Medium C&I	348,031	653,292	778,071	915,455	750,110	580,814	358,126	214,355	167,046	168,460	181,107	227,965	5,342,524
47	Large LLF	46,710	369,881	410,135	448,192	378,096	289,526	143,545	68,416	42,104	42,411	52,844	126,764	2,418,622
48	Large HLF	87,548	99,662	101,016	126,129	110,699	95,240	80,111	69,392	57,919	60,218	71,827	73,069	1,033,629
49	Extra Large LLF	73,319	129,788	123,990	152,704	131,230	86,966	41,700	20,581	16,579	16,900	23,240	54,059	869,916
50	Extra Large HLF	279,796	331,182	321,184	352,312	347,195	300,361	285,002	252,002	238,365	250,694	259,519	279,939	3,496,548
51	Total Throughput	2,119,833	4,227,866	5,130,643	6,130,227	4,902,274	3,803,366	2,313,064	1,348,748	1,031,042	1,044,981	1,075,073	1,505,375	34,732,511