

February 20, 2007

**VIA HAND DELIVERY AND ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Docket 3766 – National Grid, Gas Cost Recovery (“GCR”)  
Monthly Filing of GCR Deferred Balances**

Dear Ms. Massaro:

Enclosed please find an original and nine copies of National Grid’s 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, 2007 deferred gas cost balance is currently projected to be an over-collection of \$15 million (see attached Schedule 1, page 2).

This calculation is based on the November 1, 2006 starting balance of a \$20.4 million over-collection, plus actual gas costs and gas cost collections for November 2006 through January 2007, along with projected costs for February through October 2007. The projected gas costs are based on the February 12, 2007 NYMEX strip.

Details 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 2007, the Company incurred actual gas costs of \$47.1 million, working capital of \$201,500 and GCR revenue collections of \$36.4 million, for a net under-collection of \$11.0 million. Schedule 2 provides a breakdown of actual gas costs for November 2006 through January 2007 with projected costs for February through October 2007. 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.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me at (401) 784-7667 or Peter Czekanski at (401) 574-2309.

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket 3766 Service List

Projected Gas Costs using: 2-12-2007 NYMEX	Nov-06 30 actual	Dec-06 31 actual	Jan-07 31 actual	Feb-07 28 forecast	Mar-07 31 forecast	Apr-07 30 forecast	May-07 31 forecast	Jun-07 30 forecast	Jul-07 31 forecast	Aug-07 31 forecast	Sep-07 30 forecast	Oct-07 31 forecast	Nov - Oct
<b>I. Supply Fixed Cost Deferred</b>													
Beginning Balance													
Supply Fixed Costs (net of cap ret)	(\$754,036)	(\$559,437)	(\$609,984)	(\$1,564,447)	(\$3,799,499)	(\$5,642,426)	(\$6,574,555)	(\$6,111,803)	(\$4,989,124)	(\$3,556,914)	(\$1,999,565)	(\$505,082)	(\$25,958,267)
Capacity Release	\$1,839,138	\$2,370,663	\$2,142,756	\$2,180,196	\$2,182,971	\$2,181,846	\$2,182,971	\$2,181,846	\$2,182,971	\$2,192,971	\$2,181,846	\$2,148,096	\$25,958,267
Working Capital	\$7,313	\$10,200	\$9,220	\$9,381	\$9,383	\$9,388	\$9,393	\$9,393	\$9,393	\$9,393	\$9,388	\$9,243	\$11,692
Total Supply Fixed Costs	\$1,847,051	\$2,380,863	\$2,151,976	\$2,189,576	\$2,192,363	\$2,191,233	\$2,192,363	\$2,191,233	\$2,192,363	\$2,192,363	\$2,191,233	\$2,157,338	\$26,069,958
Supply Fixed - Collections	\$1,649,087	\$2,428,315	\$3,100,683	\$4,411,800	\$4,010,297	\$3,092,063	\$1,696,030	\$1,040,115	\$737,531	\$620,306	\$690,333	\$918,268	\$24,394,828
Prelim Ending Balance	(\$556,072)	(\$608,888)	(\$1,558,691)	(\$3,786,671)	(\$5,617,433)	(\$6,543,256)	(\$6,078,221)	(\$4,960,685)	(\$3,534,292)	(\$1,964,857)	(\$498,665)	\$733,989	
Month's Average Balance	(\$655,054)	(\$683,163)	(\$1,084,338)	(\$2,675,558)	(\$4,708,486)	(\$5,092,841)	(\$5,326,388)	(\$5,536,244)	(\$4,261,708)	(\$2,770,885)	(\$1,249,115)	\$114,454	
Interest Rate (Bank of America Prime)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied	(\$3,365)	(\$3,096)	(\$5,756)	(\$12,828)	(\$24,994)	(\$31,299)	(\$33,582)	(\$28,440)	(\$22,822)	(\$14,708)	(\$6,417)	\$608	(\$186,498)
Asset Management Incentive													
Supply Fixed Ending Balance	(\$559,437)	(\$609,984)	(\$1,564,447)	(\$3,799,499)	(\$5,642,426)	(\$6,574,555)	(\$6,111,803)	(\$4,989,124)	(\$3,556,914)	(\$1,999,565)	(\$505,082)	\$734,596	
<b>II. Storage Fixed Cost Deferred</b>													
Beginning Balance													
Storage Fixed Costs	(\$276,493)	(\$84,031)	(\$236,031)	(\$515,016)	(\$1,321,259)	(\$1,980,261)	(\$2,315,272)	(\$2,127,992)	(\$1,688,569)	(\$1,132,708)	(\$528,568)	\$52,798	\$10,309,033
LNG Demand to DAC	\$824,149	\$776,602	\$908,765	\$689,478	\$889,478	\$866,138	\$858,737	\$858,737	\$858,737	\$858,737	\$858,737	\$858,737	(\$673,969)
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	\$3,496	\$3,288	\$3,681	\$3,771	\$3,771	\$3,671	\$3,639	\$3,639	\$3,639	\$3,639	\$3,639	\$3,639	\$43,690
Total Storage Fixed Costs	\$816,018	\$767,340	\$901,093	\$880,208	\$880,208	\$856,768	\$849,335	\$849,335	\$849,335	\$849,335	\$849,335	\$849,335	\$10,197,648
TSS Peaking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Fixed - Collections	\$622,632	\$919,493	\$1,178,091	\$1,682,059	\$1,530,471	\$1,180,774	\$650,294	\$480,195	\$286,006	\$240,798	\$266,750	\$354,371	\$9,310,874
Prelim Ending Balance	(\$83,107)	(\$235,183)	(\$513,028)	(\$1,316,867)	(\$1,971,922)	(\$2,304,267)	(\$2,116,230)	(\$1,678,792)	(\$1,125,240)	(\$524,171)	\$54,017	\$547,763	
Month's Average Balance	(\$179,800)	(\$159,607)	(\$374,529)	(\$945,942)	(\$1,646,390)	(\$2,142,264)	(\$2,215,751)	(\$1,903,392)	(\$1,406,305)	(\$828,439)	(\$237,276)	\$300,280	
Interest Rate (Bank of America Prime)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied	(\$924)	(\$847)	(\$1,988)	(\$4,392)	(\$8,739)	(\$11,005)	(\$11,762)	(\$9,778)	(\$7,468)	(\$4,398)	(\$1,219)	\$1,594	(\$60,925)
Storage Fixed Ending Balance	(\$84,031)	(\$235,031)	(\$515,016)	(\$1,321,259)	(\$1,980,261)	(\$2,315,272)	(\$2,127,992)	(\$1,688,569)	(\$1,132,708)	(\$528,568)	(\$52,798)	\$549,357	
<b>III. Variable Supply Cost Deferred</b>													
Beginning Balance													
Variable Supply Costs	(\$15,287,962)	(\$10,120,067)	(\$2,904,538)	\$4,367,953	(\$1,578,313)	(\$2,693,786)	(\$12,615,464)	(\$16,988,448)	(\$19,095,192)	(\$19,446,562)	(\$18,544,890)	(\$17,535,521)	\$217,197,109
Variable Delivery Storage	\$20,222,094	\$29,222,584	\$35,556,237	\$31,904,591	\$33,024,824	\$16,525,347	\$10,267,209	\$7,012,045	\$6,210,651	\$6,470,476	\$7,164,796	\$13,616,255	\$217,197,109
Variable Injections Storage	(\$8,728)	(\$22,310)	(\$54,918)	(\$71,069)	(\$22,008)	(\$5,766)	\$0	\$0	\$0	\$0	\$0	\$0	(\$185,699)
Fuel Cost Allocated to Storage	(\$46,256)	(\$159,983)	(\$332,752)	(\$393,112)	(\$106,206)	(\$106,460)	(\$78,112)	(\$78,571)	(\$80,561)	(\$82,254)	(\$79,415)	(\$60,829)	(\$1,624,511)
Working Capital	\$86,764	\$124,949	\$151,318	\$135,290	\$141,542	\$70,575	\$43,793	\$29,786	\$26,328	\$27,439	\$30,440	\$58,191	\$925,404
Total Supply Variable Costs	\$20,251,956	\$29,164,365	\$35,319,164	\$31,575,690	\$33,037,256	\$16,472,863	\$10,221,692	\$6,952,424	\$6,145,220	\$6,404,463	\$7,104,961	\$13,582,419	\$216,232,099
Supply Variable - Collections	\$15,018,578	\$22,031,121	\$28,065,602	\$37,528,628	\$34,141,416	\$26,355,320	\$14,516,312	\$8,956,725	\$6,394,567	\$5,492,225	\$6,003,177	\$7,936,285	\$212,359,956
Deferred Responsibility	\$0	(\$116,762)	(\$15,056)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prelim Ending Balance	(\$10,054,974)	(\$2,870,061)	\$4,364,080	(\$1,584,985)	(\$2,682,477)	(\$12,576,243)	(\$16,910,084)	(\$19,002,749)	(\$19,344,539)	(\$18,444,324)	(\$17,443,086)	(\$11,889,367)	
Month's Average Balance	(\$12,671,468)	(\$6,465,064)	\$729,771	(\$1,391,484)	(\$2,130,395)	(\$7,635,014)	(\$14,762,774)	(\$17,995,598)	(\$19,219,865)	(\$18,945,443)	(\$17,993,988)	(\$14,712,454)	
Interest Rate (Bank of America Prime)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied	(\$65,093)	(\$34,477)	\$3,874	\$6,672	(\$11,309)	(\$39,221)	(\$78,364)	(\$92,443)	(\$102,023)	(\$100,567)	(\$92,435)	(\$78,087)	(\$683,483)
Gas Procurement Incentive/penalty													
Supply Variable Ending Balance	(\$10,120,067)	(\$2,904,538)	\$4,367,953	(\$1,578,313)	(\$2,693,786)	(\$12,615,464)	(\$16,988,448)	(\$19,095,192)	(\$19,446,562)	(\$18,544,890)	(\$17,535,521)	(\$11,967,484)	

Projected Gas Costs using: 2-12-2007 NYMEX	Nov-06 30 actual	Dec-06 31 actual	Jan-07 31 actual	Feb-07 28 forecast	Mar-07 31 forecast	Apr-07 30 forecast	May-07 31 forecast	Jun-07 30 forecast	Jul-07 31 forecast	Aug-07 31 forecast	Sep-07 30 forecast	Oct-07 31 forecast	Nov - Oct
<b>IVA Storage Variable Product Cost Deferred</b>													
Beginning Balance	(\$3,434,487)	(\$3,951,525)	(\$3,447,516)	\$1,108,122	\$4,702,109	\$3,113,225	\$844,531	(\$479,940)	(\$1,017,792)	(\$1,645,097)	(\$2,142,192)	(\$2,726,841)	\$3,944,801
Storage Variable Prod Costs - LNG	\$159,553	\$206,217	\$1,573,115	\$573,209	\$187,300	\$174,692	\$180,503	\$174,337	\$180,269	\$180,347	\$174,647	\$180,611	\$4,052
Storage Variable Prod Costs - LP	\$0	\$0	\$4,052	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,106,002
Storage Variable Prod Costs - UG	\$881,593	\$2,781,177	\$6,520,787	\$7,793,413	\$2,435,399	\$693,634	\$0	\$0	\$0	\$0	\$0	\$0	(\$770,507)
Supply Related LNG to DAC	(\$32,533)	(\$42,048)	(\$286,920)	(\$116,877)	(\$38,190)	(\$35,620)	(\$36,804)	(\$35,547)	(\$36,757)	(\$36,773)	(\$35,611)	(\$36,827)	\$365,465
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	\$639,578
Inventory Financing - LNG	\$58,212	\$57,358	\$45,628	\$43,043	\$42,633	\$41,425	\$53,545	\$59,490	\$59,516	\$59,566	\$59,603	\$59,669	\$2,556,311
Inventory Financing - UG	\$317,531	\$292,132	\$228,296	\$251,096	\$297,196	\$344,289	\$389,811	\$435,961	\$0	\$0	\$0	\$0	\$37,167
Inventory Financing - LP	\$3,149	\$3,145	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$106,062
Working Capital	\$4,471	\$12,804	\$33,740	\$35,628	\$11,252	\$3,714	\$749	\$728	\$749	\$749	\$729	\$750	\$27,988,932
Total Storage Variable Product Costs	\$1,422,431	\$3,341,241	\$8,152,139	\$8,613,054	\$2,969,132	\$1,255,678	\$621,346	\$668,512	\$237,320	\$237,422	\$232,912	\$237,746	\$28,075,476
Storage Variable Product Collections	\$1,920,547	\$2,817,646	\$3,590,308	\$5,032,963	\$4,578,704	\$3,534,511	\$1,946,782	\$1,202,527	\$857,575	\$724,492	\$605,086	\$1,064,335	\$27,988,932
Prelim. Ending Balance	(\$3,932,603)	(\$3,427,931)	\$1,114,315	\$4,688,214	\$3,092,537	\$834,392	(\$480,905)	(\$1,013,955)	(\$1,638,048)	(\$2,132,167)	(\$2,714,367)	(\$3,553,430)	\$28,075,476
Month's Average Balance	(\$3,683,645)	(\$3,689,728)	(\$1,166,601)	\$2,898,158	\$3,897,323	\$1,973,808	\$181,813	(\$746,948)	(\$1,327,920)	(\$1,888,632)	(\$2,428,279)	(\$3,140,135)	
Interest Rate (Bank of America Prime)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied	(\$18,922)	(\$19,586)	(\$6,193)	\$13,895	\$20,688	\$10,139	\$3,937	(\$7,049)	(\$10,025)	(\$12,474)	(\$12,474)	(\$16,668)	(\$49,067)
Storage Variable Product Ending Bal.	(\$3,951,525)	(\$3,447,516)	\$1,108,122	\$4,702,109	\$3,113,225	\$844,531	(\$479,940)	(\$1,017,792)	(\$1,645,097)	(\$2,142,192)	(\$2,726,841)	(\$3,570,998)	

IVb. Stor. Var. Non-Prod. Cost Deferred	Nov-06 30 actual	Dec-06 31 actual	Jan-07 31 actual	Feb-07 28 forecast	Mar-07 31 forecast	Apr-07 30 forecast	May-07 31 forecast	Jun-07 30 forecast	Jul-07 31 forecast	Aug-07 31 forecast	Sep-07 30 forecast	Oct-07 31 forecast	Nov - Oct
Beginning Balance	(\$611,753)	(\$781,024)	(\$766,754)	(\$421,334)	(\$196,600)	(\$475,814)	(\$709,896)	(\$836,283)	(\$882,234)	(\$889,209)	(\$879,902)	(\$882,104)	\$995,519
Storage Variable Non-prod. Costs	\$8,457	\$174,287	\$392,921	\$303,245	\$68,413	\$26,185	\$0	\$0	\$0	\$0	\$0	\$0	\$185,699
Variable Delivery Storage Costs	\$8,728	\$22,310	\$54,918	\$71,059	\$22,908	\$5,766	\$0	\$0	\$0	\$0	\$0	\$0	\$81,204
Fuel Costs Allocated to Storage	\$46,256	\$159,983	\$332,752	\$393,112	\$106,206	\$106,480	\$78,112	\$78,571	\$60,561	\$52,254	\$79,415	\$60,829	\$1,624,511
Working Capital	\$283	\$1,538	\$3,352	\$3,352	\$935	\$651	\$384	\$385	\$295	\$402	\$398	\$396	\$12,422
Total Storage Var Non-product Costs	\$66,032	\$358,983	\$784,674	\$770,729	\$218,463	\$151,904	\$89,635	\$89,792	\$92,154	\$93,853	\$90,644	\$92,423	\$2,899,354
Storage Var Non-Product Collections	\$231,735	\$340,625	\$436,109	\$544,516	\$495,897	\$383,049	\$211,888	\$131,340	\$94,440	\$79,863	\$88,332	\$116,623	\$3,154,417
Prelim. Ending Balance	(\$777,456)	(\$762,657)	(\$418,189)	(\$195,122)	(\$474,034)	(\$706,958)	(\$832,190)	(\$877,831)	(\$884,520)	(\$875,219)	(\$877,590)	(\$896,304)	
Month's Average Balance	(\$694,605)	(\$711,840)	(\$592,471)	(\$308,228)	(\$335,317)	(\$591,386)	(\$771,093)	(\$857,057)	(\$883,377)	(\$862,214)	(\$878,746)	(\$894,204)	
Interest Rate (Bank of America Prime)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied	(\$4,097)	(\$4,097)	(\$3,145)	(\$1,478)	(\$1,780)	(\$3,038)	(\$4,093)	(\$4,403)	(\$4,689)	(\$4,683)	(\$4,514)	(\$4,747)	(\$44,235)
Storage Var Non-Product Ending Bal.	(\$781,024)	(\$766,754)	(\$421,334)	(\$196,600)	(\$475,814)	(\$709,996)	(\$836,283)	(\$892,234)	(\$889,209)	(\$879,902)	(\$882,104)	(\$911,051)	

GCR Deferred Summary	Nov-06 30 actual	Dec-06 31 actual	Jan-07 31 actual	Feb-07 28 forecast	Mar-07 31 forecast	Apr-07 30 forecast	May-07 31 forecast	Jun-07 30 forecast	Jul-07 31 forecast	Aug-07 31 forecast	Sep-07 30 forecast	Oct-07 31 forecast	Nov - Oct
Beginning Balance	(\$20,364,731)	(\$15,496,084)	(\$7,848,061)	\$3,107,097	(\$2,061,743)	(\$7,547,244)	(\$21,238,937)	(\$26,412,648)	(\$27,541,094)	(\$26,538,672)	(\$23,963,300)	(\$21,464,931)	\$282,319,540
Gas Costs	\$24,300,171	\$35,976,795	\$47,122,602	\$43,841,895	\$39,130,525	\$20,840,449	\$13,916,473	\$10,707,370	\$9,475,989	\$9,735,816	\$10,424,521	\$16,847,043	\$1,200,269
Working Capital	\$102,927	\$152,779	\$201,500	\$187,381	\$166,893	\$87,998	\$57,958	\$43,926	\$40,503	\$41,621	\$44,584	\$72,218	\$283,519,809
Total Costs	\$24,407,658	\$36,129,564	\$47,324,102	\$44,029,276	\$39,297,418	\$20,928,447	\$13,974,431	\$10,751,296	\$9,516,392	\$9,777,437	\$10,469,105	\$16,919,262	\$277,163,733
Collections	\$19,442,579	\$28,419,438	\$36,355,732	\$49,199,966	\$44,756,778	\$34,545,717	\$19,021,306	\$11,740,842	\$8,370,119	\$7,067,884	\$7,853,678	\$10,389,882	
Prelim. Ending Balance	(\$15,404,212)	(\$7,795,958)	\$3,120,304	(\$2,063,613)	(\$7,521,110)	(\$21,164,514)	(\$26,266,612)	(\$27,402,193)	(\$26,384,821)	(\$23,828,919)	(\$21,347,873)	(\$14,395,552)	
Month's Average Balance	(\$17,884,471)	(\$11,641,021)	(\$2,363,878)	\$521,742	(\$4,791,427)	(\$14,355,879)	(\$23,762,375)	(\$26,907,421)	(\$26,967,957)	(\$25,183,796)	(\$22,655,586)	(\$18,200,241)	
Interest Rate (Bank of America Prime)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied	(\$91,872)	(\$62,103)	(\$13,208)	\$1,889	(\$26,134)	(\$74,423)	(\$126,836)	(\$138,900)	(\$143,852)	(\$134,381)	(\$117,059)	(\$97,311)	(\$1,024,208)
Gas Purchase Plan Incentives/(Penalties)	(\$91,872)	(\$62,103)	(\$13,208)	\$1,889	(\$26,134)	(\$74,423)	(\$126,836)	(\$138,900)	(\$143,852)	(\$134,381)	(\$117,059)	(\$97,311)	
Ending Bal. W/ Interest	(\$15,496,084)	(\$7,848,061)	\$3,107,097	(\$2,061,743)	(\$7,547,244)	(\$21,238,937)	(\$26,412,648)	(\$27,541,094)	(\$26,538,672)	(\$23,963,300)	(\$21,464,931)	(\$15,032,862)	
Under/(Over)-collection	\$4,960,519	\$7,710,126	\$10,968,365	(\$5,170,709)	(\$5,459,367)	(\$13,617,270)	(\$5,046,875)	(\$889,546)	\$1,146,273	\$2,709,753	\$2,615,427	\$6,529,380	

	Nov-06 Actual	Dec-06 Actual	Jan-07 Actual	Feb-07 Forecast	Mar-07 Forecast	Apr-07 Forecast	May-07 Forecast	Jun-07 Forecast	Jul-07 Forecast	Aug-07 Forecast	Sep-07 Forecast	Oct-07 Forecast	Nov-Oct
<b>SUPPLY FIXED COSTS - Pipeline Delivery</b>													
Conoco	\$2,049,724	\$2,233,428	\$2,107,684	\$657,917	\$657,917	\$657,917	\$657,917	\$657,917	\$657,917	\$657,917	\$657,917	\$657,917	\$5,852,343
Algonquin	(\$37,732)	\$31,618	(\$62,798)	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$1,912,933
Texas Eastern				\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$4,716,386
TETCO				\$510,668	\$510,668	\$510,668	\$510,668	\$510,668	\$510,668	\$510,668	\$510,668	\$510,668	\$4,596,009
Tennessee				\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$95,480
NETNE				\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$63,379
IROQUOIS				\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$21,115
Dominion				\$5,290	\$5,290	\$5,290	\$5,290	\$5,290	\$5,290	\$5,290	\$5,290	\$5,290	\$47,608
Transco				\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$37,679
National Fuel				\$283,971	\$283,971	\$283,971	\$283,971	\$283,971	\$283,971	\$283,971	\$283,971	\$283,971	\$2,555,736
Columbia				\$74,215	\$74,215	\$74,215	\$74,215	\$74,215	\$74,215	\$74,215	\$74,215	\$74,215	\$667,937
HUBLINE				\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$752,788
WESTERLY LATERAL	\$63,387	\$63,438	\$63,463	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$752,788
Less Credits from Mktr Releases	\$565,648	\$295,028	\$302,822	\$509,242	\$509,242	\$509,242	\$509,242	\$509,242	\$509,242	\$509,242	\$509,242	\$509,242	\$5,746,676
<b>TOTAL SUPPLY FIXED COSTS - Pipeline</b>	<b>\$1,509,731</b>	<b>\$2,033,456</b>	<b>\$1,805,527</b>	<b>\$1,846,096</b>	<b>\$1,846,096</b>	<b>\$1,846,096</b>	<b>\$1,846,096</b>	<b>\$1,846,096</b>	<b>\$1,846,096</b>	<b>\$1,846,096</b>	<b>\$1,846,096</b>	<b>\$1,846,096</b>	<b>\$15,572,738</b>
<b>Supply Fixed - Supplier</b>													
<b>Total</b>	\$329,407	\$337,207	\$337,229	\$334,100	\$335,875	\$335,750	\$336,875	\$335,750	\$336,875	\$336,875	\$335,750	\$302,000	\$3,694,693
<b>Total Supply Fixed (Pipeline &amp; Supplier)</b>	<b>\$1,839,138</b>	<b>\$2,370,663</b>	<b>\$2,142,756</b>	<b>\$2,180,196</b>	<b>\$2,182,971</b>	<b>\$2,181,846</b>	<b>\$2,182,971</b>	<b>\$2,181,846</b>	<b>\$2,182,971</b>	<b>\$2,182,971</b>	<b>\$2,181,846</b>	<b>\$2,146,096</b>	<b>\$25,958,267</b>
<b>STORAGE FIXED COSTS - Facilities</b>													
CONOCO	\$219,139	\$218,795	\$218,941	\$94,417	\$94,417	\$94,417	\$94,417	\$94,417	\$94,417	\$94,417	\$94,417	\$94,417	\$849,754
TEXAS EASTERN SS-1				\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$13,097
TEXAS EASTERN FSS-1				\$83,289	\$83,289	\$83,289	\$83,289	\$83,289	\$83,289	\$83,289	\$83,289	\$83,289	\$749,602
DOMINION				\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$354,854
TENNESSEE				\$9,745	\$9,745	\$9,745	\$9,745	\$9,745	\$9,745	\$9,745	\$9,745	\$9,745	\$87,705
COLUMBIA				\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$1,890,000
KEYSPAN TANK LEASE PAYMENTS	\$376,639	\$376,295	\$376,441	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$3,945,011
<b>TOTAL FIXED STORAGE COSTS</b>	<b>\$447,510</b>	<b>\$402,307</b>	<b>\$632,324</b>	<b>\$503,643</b>	<b>\$503,643</b>	<b>\$480,304</b>	<b>\$472,903</b>	<b>\$472,903</b>	<b>\$472,903</b>	<b>\$472,903</b>	<b>\$472,903</b>	<b>\$472,903</b>	<b>\$4,631,398</b>
<b>STORAGE FIXED COSTS - Delivery</b>													
CONOCO	\$824,149	\$778,602	\$808,765	\$889,478	\$885,478	\$866,138	\$858,737	\$858,737	\$858,737	\$858,737	\$858,737	\$858,737	\$8,576,409
ALGONQUIN FOR TETCO SS-1, FSS-1				\$509,643	\$509,643	\$480,304	\$472,903	\$472,903	\$472,903	\$472,903	\$472,903	\$472,903	\$4,631,398
TETCO DELIVERY FOR FSS-1				\$889,478	\$889,478	\$866,138	\$858,737	\$858,737	\$858,737	\$858,737	\$858,737	\$858,737	\$8,576,409
ALGONQUIN SCT FOR SS-1, GSS				\$3,069,673	\$3,069,673	\$3,047,984	\$3,041,708	\$3,040,583	\$3,041,708	\$3,041,708	\$3,040,583	\$3,006,833	\$28,143,839
TENNESSEE DELIVERY FOR GSS				\$3,051,521	\$3,051,521	\$3,047,984	\$3,041,708	\$3,040,583	\$3,041,708	\$3,041,708	\$3,040,583	\$3,006,833	\$28,143,839
TENNESSEE DELIVERY FOR FSMA				\$3,051,521	\$3,051,521	\$3,047,984	\$3,041,708	\$3,040,583	\$3,041,708	\$3,041,708	\$3,040,583	\$3,006,833	\$28,143,839
TETCO DELIVERY FOR GSS				\$3,051,521	\$3,051,521	\$3,047,984	\$3,041,708	\$3,040,583	\$3,041,708	\$3,041,708	\$3,040,583	\$3,006,833	\$28,143,839
DOMINION DELIVERY FOR GSS				\$3,051,521	\$3,051,521	\$3,047,984	\$3,041,708	\$3,040,583	\$3,041,708	\$3,041,708	\$3,040,583	\$3,006,833	\$28,143,839
ALGONQUIN DELIVERY FOR FSS				\$3,051,521	\$3,051,521	\$3,047,984	\$3,041,708	\$3,040,583	\$3,041,708	\$3,041,708	\$3,040,583	\$3,006,833	\$28,143,839
COLUMBIA DELIVERY FOR FSS				\$3,051,521	\$3,051,521	\$3,047,984	\$3,041,708	\$3,040,583	\$3,041,708	\$3,041,708	\$3,040,583	\$3,006,833	\$28,143,839
DISTRIGAS FLS CALL PAYMENT				\$3,051,521	\$3,051,521	\$3,047,984	\$3,041,708	\$3,040,583	\$3,041,708	\$3,041,708	\$3,040,583	\$3,006,833	\$28,143,839
<b>STORAGE DELIVERY FIXED COST \$</b>	<b>\$447,510</b>	<b>\$402,307</b>	<b>\$632,324</b>	<b>\$503,643</b>	<b>\$503,643</b>	<b>\$480,304</b>	<b>\$472,903</b>	<b>\$472,903</b>	<b>\$472,903</b>	<b>\$472,903</b>	<b>\$472,903</b>	<b>\$472,903</b>	<b>\$4,631,398</b>
<b>TOTAL STORAGE FIXED</b>	<b>\$824,149</b>	<b>\$778,602</b>	<b>\$808,765</b>	<b>\$889,478</b>	<b>\$885,478</b>	<b>\$866,138</b>	<b>\$858,737</b>	<b>\$858,737</b>	<b>\$858,737</b>	<b>\$858,737</b>	<b>\$858,737</b>	<b>\$858,737</b>	<b>\$8,576,409</b>
<b>TOTAL FIXED COSTS</b>	<b>\$2,663,287</b>	<b>\$3,149,265</b>	<b>\$3,051,521</b>	<b>\$3,069,673</b>	<b>\$3,072,448</b>	<b>\$3,047,984</b>	<b>\$3,041,708</b>	<b>\$3,040,583</b>	<b>\$3,041,708</b>	<b>\$3,041,708</b>	<b>\$3,040,583</b>	<b>\$3,006,833</b>	<b>\$28,143,839</b>

	Nov-06 Actual	Dec-06 Actual	Jan-07 Actual	Feb-07 Forecast	Mar-07 Forecast	Apr-07 Forecast	May-07 Forecast	Jun-07 Forecast	Jul-07 Forecast	Aug-07 Forecast	Sep-07 Forecast	Oct-07 Forecast	Nov-Oct
<b>VARIABLE SUPPLY COSTS</b>													
Tennessee				\$9,199,590	\$9,402,461	\$4,348,194	\$3,800,788	\$3,750,441	\$3,854,927	\$3,252,490	\$3,835,167	\$4,055,514	\$45,499,573
TETCO				\$10,233,647	\$11,813,203	\$4,919,618	\$5,375,313	\$2,739,709	\$1,823,818	\$2,674,596	\$2,792,498	\$5,708,660	\$48,081,062
Hubline				\$363,018	\$0	\$1,137,197	\$562,638	\$0	\$0	\$0	\$0	\$0	\$2,062,653
M3 Delivered	\$282,602	\$68,501	(\$196,641)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$154,462
Maumee Supplemental				\$8,563,336	\$7,820,190	\$5,568,165	\$0	\$0	\$0	\$0	\$0	\$2,600,722	\$24,952,413
Broadrun Col				\$1,411,642	\$1,625,759	\$0	\$0	\$0	\$0	\$0	\$0	\$715,890	\$3,753,291
Columbia AGT				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dominion				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco				\$68,952	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$68,952
ANE	\$313,825	\$323,950	\$323,950	\$292,290	\$325,884	\$255,249	\$260,875	\$257,423	\$264,591	\$270,303	\$265,160	\$278,359	\$3,431,658
Tetco to B&W	\$20,101,888	\$29,701,037	\$35,799,089	\$297,080	\$331,297	\$261,731	\$267,595	\$264,472	\$267,315	\$273,086	\$271,971	\$257,111	\$2,491,657
DIST FCS	\$20,698,315	\$30,093,488	\$35,826,408	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Suppliers				\$1,475,036	\$1,706,030	\$35,194	\$0	\$0	\$0	\$0	\$0	\$0	\$3,216,260
Total Pipeline Commodity Charges	\$20,698,315	\$30,093,488	\$35,826,408	\$31,904,591	\$33,024,824	\$16,525,347	\$10,267,209	\$7,012,045	\$6,210,651	\$6,470,476	\$7,164,796	\$13,616,255	\$133,312,381
<b>TOTAL VARIABLE SUPPLY COSTS</b>	\$20,698,315	\$30,093,488	\$35,826,408	\$31,904,591	\$33,024,824	\$16,525,347	\$10,267,209	\$7,012,045	\$6,210,651	\$6,470,476	\$7,164,796	\$13,616,255	\$218,914,405
<b>VARIABLE STORAGE COSTS</b>													
Underground Storage	\$890,050	\$2,955,464	\$6,913,708	\$8,096,658	\$2,523,813	\$721,829	\$0	\$0	\$0	\$0	\$0	\$0	\$22,101,521
LNG Withdrawals/Westerly Trucking	\$159,553	\$206,217	\$1,573,115	\$573,209	\$187,300	\$174,692	\$180,503	\$174,837	\$180,269	\$180,347	\$174,647	\$180,611	\$3,944,801
LP	\$0	\$0	\$4,052	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,052
<b>TOTAL VARIABLE STORAGE COSTS</b>	\$1,049,603	\$3,161,681	\$8,490,875	\$8,669,867	\$2,711,112	\$896,521	\$180,503	\$174,837	\$180,269	\$180,347	\$174,647	\$180,611	\$26,050,374
<b>TOTAL VARIABLE COSTS</b>	\$21,747,918	\$33,255,169	\$44,417,283	\$40,574,458	\$35,735,936	\$17,421,868	\$10,447,712	\$7,186,882	\$6,390,921	\$6,650,823	\$7,339,444	\$13,796,866	\$244,964,779
<b>TOTAL SUPPLY COSTS</b>	\$24,411,205	\$36,404,434	\$47,468,804	\$43,644,131	\$38,808,384	\$20,469,852	\$13,489,420	\$10,226,965	\$9,432,628	\$8,692,531	\$10,380,026	\$16,803,699	\$273,108,619
<b>TOTAL CAPACITY RELEASE CREDITS</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL SUPPLY COSTS AFTER CREDITS</b>	\$24,411,205	\$36,404,434	\$47,468,804	\$43,644,131	\$38,808,384	\$20,469,852	\$13,489,420	\$10,226,965	\$9,432,628	\$8,692,531	\$10,380,026	\$16,803,699	\$273,108,619
<b>Storage Costs for FT-2 Calculation</b>													
Storage Fixed Costs - Facilities	\$376,639	\$376,295	\$376,441	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$4,601,886
Storage Fixed Costs - Deliveries	\$447,510	\$402,307	\$532,324	\$503,643	\$503,643	\$480,304	\$472,903	\$472,903	\$472,903	\$472,903	\$472,903	\$472,903	\$5,707,147
Variable Delivery Costs	\$6,728	\$22,310	\$54,918	\$71,099	\$22,908	\$5,766	\$0	\$0	\$0	\$0	\$0	\$0	\$185,699
Variable Injection Costs	\$2,307	\$875	\$721	\$0	\$0	\$10,832	\$11,198	\$10,837	\$11,198	\$11,198	\$10,841	\$11,198	\$81,204
Fuel Costs Allocated to Storage	\$46,256	\$159,983	\$332,752	\$393,112	\$108,206	\$106,460	\$78,112	\$78,571	\$80,561	\$82,254	\$79,415	\$80,823	\$1,624,511
Total Storage Costs	\$881,441	\$961,770	\$1,297,156	\$1,353,659	\$1,016,591	\$389,197	\$948,047	\$948,144	\$950,496	\$952,189	\$948,992	\$950,764	\$12,200,446
Pipeline Variable	\$20,698,315	\$30,093,488	\$35,826,408	\$31,904,591	\$33,024,824	\$16,525,347	\$10,267,209	\$7,012,045	\$6,210,651	\$6,470,476	\$7,164,796	\$13,616,255	
Less Non-firm Gas Costs	\$737,349	\$934,307	\$486,044	\$486,044									
Less Company Use	\$66,607	\$91,706	\$107,489	\$107,489									
Less Manchester ST Balancing	\$9,737	\$3,537	\$4,756	\$4,756									
Plus Cashout	\$13,219	\$62,626	\$2,092	\$2,092									
Less Mktkr Over-takes													
Less Mktkr Withdrawals													
Plus Mktkr Undertakes	\$23,764	-\$2,096	\$177,821	\$177,821									
Plus Mktkr Injections	\$80,038	\$125,681	-\$23,255	-\$23,255									
Storage Service Charge													
Plus Pipeline Strchg/Credit	\$246,889	\$97,687	\$75,644	\$75,644									
<b>TOTAL FIRM COMMODITY COSTS</b>	\$20,222,094	\$29,222,584	\$35,556,237	\$31,904,591	\$33,024,824	\$16,525,347	\$10,267,209	\$7,012,045	\$6,210,651	\$6,470,476	\$7,164,796	\$13,616,255	\$217,197,109

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

	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Total
	actual	actual	actual	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	Nov-Oct
(a) Resid. & Small C & I dth	1,290,484	1,998,040	2,598,682	3,538,113	3,193,281	2,491,760	1,338,387	812,950	567,738	470,765	519,980	682,743	19,502,924
Supply Fixed Cost Factor	\$0.9776	\$0.9336	\$0.9338	\$0.9780	\$0.9780	\$0.9780	\$0.9780	\$0.9780	\$0.9780	\$0.9780	\$0.9780	\$0.9780	\$0.9780
Res & Small C & I collections	\$1,261,628	\$1,866,314	\$2,426,577	\$3,460,275	\$3,123,029	\$2,436,941	\$1,308,942	\$795,065	\$555,248	\$460,408	\$508,541	\$667,722	\$18,869,690
(b) C & I Medium dth	259,918	383,505	482,485	648,591	600,561	456,693	265,927	170,842	129,590	112,818	127,265	160,683	3,798,877
Supply Fixed Cost Factor	\$0.9375	\$0.9004	\$0.8989	\$0.9363	\$0.9363	\$0.9363	\$0.9363	\$0.9363	\$0.9363	\$0.9363	\$0.9363	\$0.9363	\$0.9363
C & I Medium collections	\$243,669	\$345,297	\$433,686	\$607,276	\$562,305	\$427,601	\$248,987	\$159,959	\$121,335	\$105,632	\$119,158	\$150,447	\$3,525,352
(c) C & I Large LLF dth	89,406	156,155	181,517	256,341	237,312	162,045	90,849	44,617	26,097	20,240	25,111	52,822	1,342,511
Supply Fixed Cost Factor	\$1.0137	\$0.9871	\$0.9726	\$1.0361	\$1.0361	\$1.0361	\$1.0361	\$1.0361	\$1.0361	\$1.0361	\$1.0361	\$1.0361	\$1.0361
C & I Large LLF collections	\$90,630	\$154,146	\$176,549	\$265,595	\$245,879	\$167,895	\$94,128	\$46,228	\$27,039	\$20,971	\$26,018	\$54,729	\$1,369,807
(d) C & I Large HLF dth	35,498	39,981	40,463	43,055	47,676	41,944	31,696	30,128	24,271	22,591	23,825	25,411	465,540
Supply Fixed Cost Factor	\$0.7105	\$0.6758	\$0.7175	\$0.7175	\$0.7050	\$0.7050	\$0.7050	\$0.7050	\$0.7050	\$0.7050	\$0.7050	\$0.7050	\$0.7050
C & I Large HLF collections	\$25,220	\$26,344	\$29,032	\$30,354	\$33,611	\$29,571	\$22,346	\$21,240	\$17,111	\$15,927	\$16,797	\$17,915	\$285,468
(e) C & I Extra Large LLF dth	8,767	15,068	14,275	27,119	24,978	12,165	5,215	1,708	1,070	1,026	2,597	8,625	122,613
Supply Fixed Cost Factor	\$0.9602	\$0.9352	\$0.9351	\$0.9652	\$0.9652	\$0.9652	\$0.9652	\$0.9652	\$0.9652	\$0.9652	\$0.9652	\$0.9652	\$0.9652
C & I XL LLF collections	\$8,418	\$14,092	\$13,348	\$26,753	\$24,841	\$12,001	\$5,144	\$1,685	\$1,056	\$1,012	\$2,562	\$8,509	\$119,221
(f) C & I Extra Large HLF dth	33,471	40,865	38,011	36,146	34,947	30,287	27,651	26,736	26,408	27,438	28,950	31,784	382,693
Supply Fixed Cost Factor	\$0.5833	\$0.5658	\$0.5654	\$0.5961	\$0.5961	\$0.5961	\$0.5961	\$0.5961	\$0.5961	\$0.5961	\$0.5961	\$0.5961	\$0.5961
C & I XL HLF collections	\$19,522	\$23,122	\$21,547	\$21,547	\$20,832	\$18,054	\$16,483	\$15,938	\$15,742	\$16,356	\$17,257	\$18,946	\$225,290
sub-total Dth	1,717,544	2,632,614	3,355,433	4,549,366	4,138,755	3,194,894	1,769,724	1,086,981	775,174	654,879	727,728	982,067	25,555,169
sub-total Supply Fixed Collections	<b>\$1,649,087</b>	<b>\$2,428,315</b>	<b>\$3,100,683</b>	<b>\$4,411,800</b>	<b>\$4,010,297</b>	<b>\$3,092,063</b>	<b>\$1,696,030</b>	<b>\$1,040,115</b>	<b>\$737,531</b>	<b>\$620,306</b>	<b>\$690,333</b>	<b>\$918,268</b>	<b>\$24,394,828</b>

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

(a) Resid. & Small C & I dth	1,290,484	1,986,040	2,588,682	3,538,113	3,193,281	2,491,760	1,338,387	812,950	567,738	470,765	519,980	682,743	19,502,924
Storage Fixed Cost Factor	\$0.3698	\$0.3436	\$0.3436	\$0.3652	\$0.3652	\$0.3652	\$0.3652	\$0.3652	\$0.3652	\$0.3652	\$0.3652	\$0.3652	\$0.3652
Res & Small C & I collections	\$464,291	\$686,454	\$893,005	\$1,292,119	\$1,166,186	\$909,991	\$488,779	\$296,889	\$207,338	\$171,923	\$189,697	\$249,338	\$7,016,210
(b) C & I Medium dth	259,918	383,505	482,485	648,591	600,561	456,693	265,927	170,842	129,590	112,818	127,265	160,683	3,798,877
Storage Fixed Cost Factor	\$0.3414	\$0.3279	\$0.3273	\$0.3456	\$0.3456	\$0.3456	\$0.3456	\$0.3456	\$0.3456	\$0.3456	\$0.3456	\$0.3456	\$0.3456
C & I Medium collections	\$88,728	\$125,733	\$157,918	\$224,153	\$207,554	\$157,833	\$91,904	\$59,043	\$44,786	\$38,990	\$43,983	\$55,532	\$1,296,157
(c) C & I Large LLF dth	89,406	156,155	181,517	256,341	237,312	162,045	90,849	44,617	26,097	20,240	25,111	52,822	1,342,511
Storage Fixed Cost Factor	\$0.3736	\$0.3638	\$0.3584	\$0.3878	\$0.3878	\$0.3878	\$0.3878	\$0.3878	\$0.3878	\$0.3878	\$0.3878	\$0.3878	\$0.3878
C & I Large LLF collections	\$33,398	\$56,803	\$65,060	\$99,409	\$92,029	\$62,841	\$35,231	\$17,302	\$10,120	\$7,849	\$9,738	\$20,484	\$510,264
(d) C & I Large HLF dth	35,498	38,981	40,463	43,055	47,676	41,944	31,696	30,128	24,271	22,591	23,825	25,411	465,540
Storage Fixed Cost Factor	\$0.2589	\$0.2463	\$0.2465	\$0.2582	\$0.2582	\$0.2582	\$0.2582	\$0.2582	\$0.2582	\$0.2582	\$0.2582	\$0.2582	\$0.2582
C & I Large HLF collections	\$9,192	\$9,601	\$10,581	\$11,117	\$12,310	\$10,830	\$8,184	\$7,779	\$6,257	\$5,833	\$6,152	\$6,561	\$104,407
(e) C & I XL LLF dth	8,767	15,068	14,275	27,119	24,978	12,165	5,215	1,708	1,070	1,026	2,597	8,625	122,613
Storage Fixed Cost Factor	\$0.3530	\$0.3438	\$0.3438	\$0.3680	\$0.3680	\$0.3680	\$0.3680	\$0.3680	\$0.3680	\$0.3680	\$0.3680	\$0.3680	\$0.3680
C & I XL LLF collections	\$3,095	\$5,181	\$4,908	\$9,980	\$9,192	\$4,477	\$1,919	\$628	\$394	\$378	\$956	\$3,174	\$44,262
(f) C & I XL HLF dth	33,471	40,865	38,011	36,146	34,947	30,287	27,651	26,736	26,408	27,438	28,950	31,784	382,693
Storage Fixed Cost Factor	\$0.2151	\$0.2087	\$0.2085	\$0.2234	\$0.2234	\$0.2234	\$0.2234	\$0.2234	\$0.2234	\$0.2234	\$0.2234	\$0.2234	\$0.2234
C & I XL HLF collections	\$7,199	\$8,527	\$7,925	\$8,075	\$7,807	\$6,766	\$6,177	\$5,973	\$5,899	\$6,130	\$6,467	\$7,100	\$94,045
(g) FT-2 dth	50,095	78,436	115,868	108,598	103,308	81,832	52,833	36,546	32,698	28,298	27,895	35,558	751,965
Storage Fixed Cost Factor	\$0.3339	\$0.3340	\$0.3339	\$0.3426	\$0.3426	\$0.3426	\$0.3426	\$0.3426	\$0.3426	\$0.3426	\$0.3426	\$0.3426	\$0.3426
FT-2 collection	\$16,729	\$26,194	\$38,694	\$37,206	\$35,383	\$28,036	\$18,100	\$12,521	\$11,202	\$9,695	\$9,557	\$12,182	\$255,509

	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Total
	actual	actual	actual	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	Nov-Oct
sub-total Dth	1,767,639	2,711,050	3,471,301	4,657,964	4,242,063	3,276,726	1,812,556	1,123,528	807,872	683,177	755,624	997,625	26,307,124
sub-total Storage Fixed Collections	<b>\$622,632</b>	<b>\$918,493</b>	<b>\$1,178,091</b>	<b>\$1,682,059</b>	<b>\$1,530,471</b>	<b>\$1,180,774</b>	<b>\$650,294</b>	<b>\$400,135</b>	<b>\$286,006</b>	<b>\$240,798</b>	<b>\$266,750</b>	<b>\$354,371</b>	<b>\$9,310,874</b>
<b>III. Variable Supply Cost Collections --</b>													
(a) Firm Sales dth	1,717,544	2,632,614	3,355,433	4,549,366	4,138,755	3,194,894	1,759,724	1,086,981	775,174	654,879	727,728	962,067	25,555,159
Variable Supply Cost Factor	\$8,7384	\$8,3640	\$8,3618	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492
Variable Supply collections	<b>\$15,008,671</b>	<b>\$22,019,300</b>	<b>\$28,057,485</b>	<b>\$37,828,628</b>	<b>\$34,141,416</b>	<b>\$26,355,320</b>	<b>\$14,516,312</b>	<b>\$8,966,725</b>	<b>\$6,394,567</b>	<b>\$5,402,225</b>	<b>\$6,003,177</b>	<b>\$7,936,285</b>	<b>\$212,330,111</b>
(b) TSS Sales dth	1,172	5,123	6,326										
TSS Variable Supply Cost F.	\$0.0000	\$0.0000	\$0.0000										
TSS Surcharge collections	<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>\$0</b>	<b>\$0</b>	<b>\$0</b>
(c) NGV Sales dth	1,201	1,433	984	0	0	0	0	0	0	0	0	0	1,728
Variable Supply Cost Factor	\$8,2490	\$8,2491	\$8,2490	\$8,2482	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492
Variable Supply collections	<b>\$9,907</b>	<b>\$11,821</b>	<b>\$8,117</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>
(d) Default Sales dth	0	0	0	0	0	0	0	0	0	0	0	0	0
Variable Supply Cost Factor	\$0.0000	\$0.0000	\$0.0000										
Variable Supply collections	<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>\$0</b>	<b>\$0</b>	<b>\$0</b>
TOTAL Variable Supply Collections	<b>\$15,018,578</b>	<b>\$22,031,121</b>	<b>\$28,065,602</b>	<b>\$37,528,628</b>	<b>\$34,141,416</b>	<b>\$26,355,320</b>	<b>\$14,516,312</b>	<b>\$8,966,725</b>	<b>\$6,394,567</b>	<b>\$5,402,225</b>	<b>\$6,003,177</b>	<b>\$7,936,285</b>	<b>\$212,359,956</b>

<b>IV. Storage Variable Product Cost Collections --</b>													
(a) Firm Sales dth	1,717,544	2,632,614	3,355,433	4,549,366	4,138,755	3,194,894	1,759,724	1,086,981	775,174	654,879	727,728	962,067	25,555,159
Variable Supply Cost Factor	\$1,1182	\$1,0703	\$1,0700	\$1,1063	\$1,1063	\$1,1063	\$1,1063	\$1,1063	\$1,1063	\$1,1063	\$1,1063	\$1,1063	\$1,1063
Stor Var Product collections	<b>\$1,920,547</b>	<b>\$2,817,646</b>	<b>\$3,590,308</b>	<b>\$5,032,963</b>	<b>\$4,578,704</b>	<b>\$3,534,511</b>	<b>\$1,946,782</b>	<b>\$1,202,527</b>	<b>\$857,575</b>	<b>\$724,492</b>	<b>\$805,086</b>	<b>\$1,064,335</b>	<b>\$28,075,476</b>

<b>IVb. Storage Variable Non-product Cost Collections --</b>													
(a) Firm Sales dth	1,717,544	2,632,614	3,355,433	4,549,366	4,138,755	3,194,894	1,759,724	1,086,981	775,174	654,879	727,728	962,067	25,555,159
Variable Supply Cost Factor	\$0.1311	\$0.1255	\$0.1255	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169
Stor Var Non-Product collec	<b>\$225,200</b>	<b>\$330,393</b>	<b>\$420,994</b>	<b>\$531,821</b>	<b>\$483,820</b>	<b>\$373,483</b>	<b>\$205,712</b>	<b>\$127,068</b>	<b>\$90,618</b>	<b>\$76,555</b>	<b>\$85,071</b>	<b>\$112,466</b>	<b>\$3,063,201</b>
(b) FT-2 dth	50,095	78,436	115,888	108,588	103,308	81,832	52,833	36,546	32,686	28,298	27,895	35,558	
Variable Supply Cost Factor	\$0.1305	\$0.1305	\$0.1305	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169	
Stor Var Non-Product collec	<b>\$6,535</b>	<b>\$10,232</b>	<b>\$15,115</b>	<b>\$12,685</b>	<b>\$12,077</b>	<b>\$9,566</b>	<b>\$6,176</b>	<b>\$4,272</b>	<b>\$3,822</b>	<b>\$3,308</b>	<b>\$3,261</b>	<b>\$4,157</b>	<b>\$91,216</b>
(c) Total Firm Sales/FT-2 dth	1,767,639	2,711,050	3,471,301	4,657,954	4,242,063	3,276,726	1,812,556	1,123,528	807,872	683,177	755,624	997,625	
Stor Var Non-Product collec	<b>\$231,735</b>	<b>\$340,625</b>	<b>\$436,109</b>	<b>\$544,516</b>	<b>\$495,897</b>	<b>\$383,049</b>	<b>\$211,888</b>	<b>\$131,340</b>	<b>\$94,440</b>	<b>\$79,863</b>	<b>\$88,332</b>	<b>\$116,623</b>	<b>\$3,154,417</b>

<b>Total Gas Cost Collections</b>	<b>\$19,442,579</b>	<b>\$28,536,200</b>	<b>\$36,370,793</b>	<b>\$49,199,966</b>	<b>\$44,756,785</b>	<b>\$34,545,717</b>	<b>\$19,021,306</b>	<b>\$11,740,842</b>	<b>\$8,370,119</b>	<b>\$7,067,684</b>	<b>\$7,853,678</b>	<b>\$10,389,882</b>	<b>\$277,295,551</b>
-----------------------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	--------------------	--------------------	--------------------	---------------------	----------------------

National Grid  
Rhode Island Service Area  
Gas Cost Inventory Financing Calculation

Line No.	Description (a)	Reference (b)	Nov-06 (c)	Dec-06 (d)	Jan-07 (e)	Feb-07 (f)	Mar-07 (g)	Apr-07 (h)	May-07 (i)	Jun-07 (j)	Jul-07 (k)	Aug-07 (l)	Sep-07 (m)	Oct-07 (n)	Total (p)
1	<b>Storage Inventory Balance</b>		\$32,511,261	\$29,910,743	\$23,374,696	\$25,709,205	\$30,429,278	\$35,250,996	\$39,911,897	\$44,637,067	\$7,654,432	\$7,659,610	\$7,665,641	\$7,674,148	\$7,665,641
2	Cost of Capital	Rate Case (1) * (2)	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%
3	Return on Working Capital Requirement		\$2,951,694	\$2,715,593	\$2,122,186	\$2,334,136	\$2,762,671	\$3,200,434	\$3,623,597	\$4,052,595	\$694,945	\$695,415	\$696,735	\$696,735	\$696,735
4	Weighted Cost of Debt	Rate Case (1) * (4)	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
5	Interest Charges Financed		\$1,357,017	\$1,248,471	\$975,657	\$1,073,100	\$1,270,115	\$1,471,373	\$1,665,919	\$1,863,147	\$319,495	\$319,711	\$319,963	\$320,318	\$319,963
6	Taxable Income	(3) - (5)	\$1,594,677	\$1,467,122	\$1,146,529	\$1,261,036	\$1,492,556	\$1,729,061	\$1,957,679	\$2,189,448	\$375,450	\$375,704	\$376,000	\$376,417	\$375,704
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	0.6500
8	Return and Tax Requirement		\$2,453,350	\$2,257,111	\$1,753,891	\$1,940,056	\$2,296,240	\$2,660,094	\$3,011,813	\$3,368,382	\$577,367	\$578,006	\$578,461	\$579,103	\$578,006
9	Working Capital Requirement	(5) + (8)	\$3,810,367	\$3,505,582	\$2,739,548	\$3,013,156	\$3,566,355	\$4,131,467	\$4,677,732	\$5,231,528	\$897,110	\$897,717	\$898,424	\$899,421	\$898,424
10	Monthly Average	(9) / 12	\$317,531	\$292,132	\$228,296	\$251,096	\$297,196	\$344,289	\$389,811	\$435,961	\$74,759	\$74,810	\$74,869	\$74,952	\$74,869
11	<b>LNG Inventory Balance</b>		\$7,486,795	\$7,376,897	\$5,855,390	\$5,535,854	\$5,483,115	\$5,327,799	\$6,886,459	\$7,651,144	\$7,654,432	\$7,659,610	\$7,665,641	\$7,674,148	\$7,665,641
12	Cost of Capital	Rate Case (11) * (12)	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%
13	Return on Working Capital Requirement		\$678,725	\$668,748	\$531,610	\$602,600	\$697,811	\$843,710	\$925,221	\$994,647	\$169,495	\$169,711	\$169,963	\$170,318	\$169,963
14	Weighted Cost of Debt	Rate Case (11) * (14)	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
15	Interest Charges Financed		\$312,498	\$307,911	\$244,403	\$231,066	\$228,865	\$222,382	\$287,440	\$319,358	\$319,495	\$319,711	\$319,963	\$320,318	\$319,963
16	Taxable Income	(13) - (15)	\$367,227	\$361,837	\$287,207	\$271,534	\$288,947	\$281,329	\$337,781	\$375,289	\$375,450	\$375,704	\$376,000	\$376,417	\$375,704
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	0.6500
18	Return and Tax Requirement		\$564,965	\$556,672	\$441,857	\$417,744	\$413,784	\$402,044	\$519,663	\$577,367	\$577,367	\$578,006	\$578,461	\$579,103	\$578,006
19	Working Capital Requirement	(15) + (18)	\$877,463	\$864,583	\$686,260	\$648,810	\$642,629	\$624,426	\$807,103	\$896,725	\$897,110	\$897,717	\$898,424	\$899,421	\$898,424
20	Monthly Average	(19) / 12	\$73,122	\$72,049	\$57,188	\$54,068	\$53,552	\$52,035	\$67,259	\$74,727	\$74,759	\$74,810	\$74,869	\$74,952	\$74,869
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%	20.39%
22	Balancing Related Inventory Costs		\$14,910	\$14,691	\$11,661	\$11,024	\$10,919	\$10,610	\$13,714	\$15,237	\$15,243	\$15,254	\$15,266	\$15,283	\$15,266
23	Supply Related Inventory Costs	(21) - (22)	\$58,212	\$57,358	\$45,528	\$43,043	\$42,633	\$41,425	\$53,545	\$59,490	\$59,516	\$59,556	\$59,603	\$59,669	\$59,603
24	<b>Propane Inventory Balance</b>		\$322,392	\$322,030	\$316,099	\$316,099	\$316,099	\$316,099	\$316,099	\$316,099	\$316,099	\$316,099	\$316,099	\$316,099	\$316,099
25	Cost of Capital	Rate Case (24) * (25)	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%
26	Return on Working Capital Requirement		\$29,270	\$29,237	\$28,699	\$28,699	\$28,699	\$28,699	\$28,699	\$28,699	\$28,699	\$28,699	\$28,699	\$28,699	\$28,699
27	Weighted Cost of Debt	Rate Case (24) * (27)	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
28	Interest Charges Financed		\$13,457	\$13,441	\$13,194	\$13,194	\$13,194	\$13,194	\$13,194	\$13,194	\$13,194	\$13,194	\$13,194	\$13,194	\$13,194
29	Taxable Income	(26) - (28)	\$15,813	\$15,796	\$15,505	\$15,505	\$15,505	\$15,505	\$15,505	\$15,505	\$15,505	\$15,505	\$15,505	\$15,505	\$15,505
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	0.6500
31	Return and Tax Requirement		\$24,328	\$24,301	\$23,853	\$23,853	\$23,853	\$23,853	\$23,853	\$23,853	\$23,853	\$23,853	\$23,853	\$23,853	\$23,853
32	Working Capital Requirement	(28) + (31)	\$37,785	\$37,742	\$37,047	\$37,047	\$37,047	\$37,047	\$37,047	\$37,047	\$37,047	\$37,047	\$37,047	\$37,047	\$37,047
33	Monthly Average	(32) / 12	\$3,149	\$3,145	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087



Line No.	Description (a)	Reference (b)	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Total
1	Supply Fixed Costs		\$1,839,138	\$2,370,663	\$2,142,756	\$2,180,196	\$2,182,971	\$2,181,846	\$2,182,971	\$2,181,846	\$2,182,971	\$2,182,971	\$2,181,846	\$2,148,086	\$25,958,267
2	Capacity Release Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$1,839,138	\$2,370,663	\$2,142,756	\$2,180,196	\$2,182,971	\$2,181,846	\$2,182,971	\$2,181,846	\$2,182,971	\$2,182,971	\$2,181,846	\$2,148,086	\$25,958,267
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	\$67,519	\$87,033	\$78,666	\$80,340	\$80,142	\$80,101	\$80,142	\$80,101	\$80,142	\$80,142	\$80,101	\$78,962	\$78,962
6	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%
7	Return on Working Capital Requirement	(5) * (6)	\$6,130	\$7,902	\$7,142	\$7,267	\$7,276	\$7,272	\$7,272	\$7,272	\$7,276	\$7,276	\$7,272	\$7,160	\$7,160
8	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
9	Interest Expense	(5) * (8)	\$2,818	\$3,633	\$3,283	\$3,341	\$3,345	\$3,343	\$3,345	\$3,343	\$3,345	\$3,345	\$3,343	\$3,292	\$3,292
10	Taxable Income	(7) - (9)	\$3,342	\$4,269	\$3,859	\$3,926	\$3,931	\$3,929	\$3,931	\$3,929	\$3,931	\$3,931	\$3,929	\$3,968	\$3,968
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)	\$5,095	\$6,568	\$5,930	\$6,040	\$6,048	\$6,045	\$6,048	\$6,045	\$6,048	\$6,048	\$6,045	\$5,951	\$5,951
13	Supply Fixed Working Capital Requirement	(9) + (12)	\$7,913	\$10,200	\$9,220	\$9,381	\$9,393	\$9,388	\$9,393	\$9,388	\$9,393	\$9,393	\$9,388	\$9,243	\$9,243
14	Storage Fixed Costs		\$824,149	\$779,602	\$908,765	\$889,478	\$886,198	\$888,737	\$888,737	\$888,737	\$888,737	\$888,737	\$888,737	\$888,737	\$10,309,033
15	Less: LNG Demand to DAC		\$54,869	\$57,780	\$54,773	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$673,969
16	Less: Credits		\$0	\$0	\$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	\$43,241	\$43,241	\$43,241
18	Allowable Working Capital Costs	(14) - (15) + (16)	\$812,522	\$897,233	\$897,233	\$876,437	\$883,698	\$885,697	\$885,697	\$885,697	\$885,697	\$885,697	\$885,697	\$885,697	\$10,153,958
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	13.40
20	Working Capital Requirement	[(17) - (18)] / 365	\$29,830	\$28,060	\$32,940	\$32,176	\$31,310	\$31,047	\$31,047	\$31,047	\$31,047	\$31,047	\$31,047	\$31,047	\$31,047
21	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%
22	Return on Working Capital Requirement	(19) * (20)	\$2,708	\$2,547	\$2,991	\$2,921	\$2,843	\$2,819	\$2,819	\$2,819	\$2,819	\$2,819	\$2,819	\$2,819	\$2,819
23	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
24	Interest Expense	(19) * (22)	\$1,245	\$1,171	\$1,375	\$1,343	\$1,307	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296
25	Taxable Income	(19) - (23)	\$1,463	\$1,376	\$1,516	\$1,578	\$1,596	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523
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	(24) / (25)	\$2,251	\$2,147	\$2,486	\$2,428	\$2,363	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343
28	Storage Fixed Working Capital Requirement	(23) + (26)	\$3,496	\$3,288	\$3,861	\$3,771	\$3,671	\$3,639	\$3,639	\$3,639	\$3,639	\$3,639	\$3,639	\$3,639	\$3,639
1	Supply Variable Costs		\$20,222,094	\$29,222,584	\$35,556,237	\$31,904,591	\$33,024,824	\$16,525,347	\$10,257,209	\$7,012,045	\$6,210,651	\$6,470,476	\$7,164,786	\$13,616,255	\$217,197,109
2a	Less: Non-firm Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2b	Less: Variable Delivery Storage Costs		\$8,728	\$22,310	\$54,918	\$71,969	\$22,988	\$6,766	\$0	\$0	\$0	\$0	\$0	\$0	\$185,699
2c	Less: Variable Injection Storage Costs		\$2,307	\$875	\$721	\$0	\$0	\$10,832	\$11,198	\$10,837	\$11,198	\$11,198	\$10,841	\$11,198	\$81,204
2d	Less: Fuel Costs Allocated to Storage		\$46,256	\$159,983	\$332,752	\$393,112	\$106,206	\$106,460	\$78,112	\$78,571	\$80,561	\$82,254	\$79,415	\$80,829	\$1,624,511
2e	Less: Supply Refunds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Total Credits		\$57,292	\$183,165	\$385,291	\$464,191	\$129,113	\$123,058	\$89,310	\$89,407	\$91,759	\$93,451	\$90,255	\$92,027	\$1,893,414
3	Allowable Working Capital Costs	(1) - (2)	\$20,164,802	\$28,039,419	\$35,170,946	\$31,440,400	\$32,895,710	\$16,402,289	\$10,177,899	\$6,922,038	\$6,118,892	\$6,377,025	\$7,074,531	\$13,524,228	\$215,305,695
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	\$740,297	\$1,066,105	\$1,294,094	\$1,154,251	\$1,207,678	\$602,166	\$373,654	\$254,146	\$224,630	\$234,115	\$259,723	\$496,506	\$496,506
6	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%
7	Return on Working Capital Requirement	(5) * (6)	\$67,211	\$96,792	\$117,218	\$104,794	\$109,645	\$54,671	\$33,924	\$23,395	\$20,395	\$21,255	\$23,590	\$45,078	\$45,078
8	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
9	Interest Expense	(5) * (8)	\$30,900	\$44,490	\$53,890	\$48,178	\$60,408	\$25,134	\$15,596	\$10,508	\$9,376	\$10,772	\$10,841	\$20,724	\$20,724
10	Taxable Income	(7) - (9)	\$36,312	\$52,292	\$63,328	\$56,616	\$49,237	\$29,536	\$18,328	\$12,466	\$11,019	\$11,483	\$12,739	\$24,364	\$24,364
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)	\$55,864	\$80,450	\$97,428	\$87,102	\$81,133	\$46,440	\$28,197	\$19,178	\$16,952	\$17,667	\$19,590	\$37,467	\$37,467
13	Supply Variable Working Capital Requirement	(9) + (12)	\$86,764	\$124,940	\$151,318	\$135,280	\$141,542	\$70,575	\$43,793	\$29,786	\$26,328	\$27,439	\$30,440	\$68,191	\$68,191

Line No.	Description (a)	Reference (b)	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Total
14	<b>Storage Variable Product Costs</b>		\$1,041,146	\$2,067,364	\$8,007,864	\$8,366,022	\$2,622,699	\$866,326	\$180,603	\$174,337	\$180,269	\$180,347	\$174,647	\$180,611	\$25,054,856
15	Less: Balancing Related LNG Commodity (to DAC)		(\$32,533)	(\$42,048)	(\$286,920)	(\$116,877)	(\$38,190)	(\$35,620)	(\$36,804)	(\$35,547)	(\$36,757)	(\$36,611)	(\$35,611)	(\$36,827)	(\$770,507)
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	\$365,465
17	Allowable Working Capital Costs	(14) + (15) + (16)	\$1,039,068	\$2,975,812	\$7,841,489	\$8,286,200	\$2,614,964	\$863,162	\$174,154	\$169,245	\$173,968	\$174,030	\$169,492	\$174,240	\$24,649,814
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	\$38,147	\$109,249	\$287,870	\$303,985	\$96,001	\$31,689	\$6,364	\$6,213	\$6,387	\$6,389	\$6,222	\$6,397	\$6,397
20	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%
21	Return on Working Capital Requirement	(19) * (20)	\$3,463	\$9,919	\$26,137	\$27,599	\$8,716	\$2,877	\$580	\$564	\$580	\$580	\$565	\$581	\$581
22	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
23	Interest Expense	(19) * (22)	\$1,592	\$4,560	\$12,016	\$12,688	\$4,007	\$1,323	\$267	\$259	\$267	\$267	\$260	\$267	\$267
24	Taxable Income	(19) - (23)	\$1,871	\$5,359	\$14,120	\$14,910	\$4,709	\$1,554	\$314	\$305	\$313	\$313	\$305	\$314	\$314
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)	\$2,879	\$8,244	\$21,724	\$22,339	\$7,244	\$2,391	\$482	\$469	\$482	\$482	\$470	\$483	\$483
27	<b>Storage Var. Product Working Capital Requir.</b>	(23) + (26)	\$4,471	\$12,804	\$33,740	\$35,628	\$11,252	\$3,714	\$749	\$728	\$749	\$749	\$729	\$750	\$106,062
1	<b>Storage Variable Non-Product Costs</b>		\$65,749	\$357,455	\$761,312	\$767,426	\$217,527	\$161,253	\$88,310	\$80,497	\$91,759	\$93,451	\$90,255	\$92,027	\$2,886,932
2	Credits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$65,749	\$357,455	\$761,312	\$767,426	\$217,527	\$161,253	\$88,310	\$80,497	\$91,759	\$93,451	\$90,255	\$92,027	\$2,886,932
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	<b>Working Capital Requirement</b>	[(3) * (4)] / 365	\$2,414	\$13,123	\$28,684	\$28,174	\$7,986	\$5,563	\$3,279	\$3,282	\$3,369	\$3,431	\$3,313	\$3,379	\$3,379
6	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%	9.08%
7	Return on Working Capital Requirement	(5) * (6)	\$219	\$1,191	\$2,604	\$2,558	\$725	\$504	\$298	\$298	\$306	\$311	\$301	\$307	\$307
8	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
9	Interest Expense	(5) * (8)	\$101	\$548	\$1,197	\$1,176	\$333	\$232	\$137	\$137	\$141	\$143	\$138	\$141	\$141
10	Taxable Income	(7) - (9)	\$118	\$644	\$1,407	\$1,382	\$392	\$272	\$161	\$161	\$165	\$168	\$163	\$166	\$166
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)	\$182	\$960	\$2,165	\$2,126	\$603	\$419	\$247	\$248	\$254	\$259	\$250	\$255	\$255
13	<b>Storage Variable Non-product WC Requir.</b>	(9) + (12)	\$283	\$1,538	\$3,562	\$3,302	\$936	\$651	\$384	\$385	\$395	\$402	\$388	\$396	\$12,422

Line No.	Rate Class (a)	Nov-06 (b)	Dec-06 (c)	Jan-07 (d)	Feb-07 (e)	Mar-07 (f)	Apr-07 (g)	May-07 (h)	Jun-07 (i)	Jul-07 (j)	Aug-07 (k)	Sep-07 (l)	Oct-07 (m)	Nov-07 (n)
		Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>SALES (dth)</b>														
1	Residential Non-Heating	47,556	57,487	63,806	64,930	62,455	60,896	53,870	45,639	40,881	33,529	37,142	38,286	606,697
2	Residential Heating	1,127,890	1,722,327	2,247,893	3,045,936	2,761,287	2,156,153	1,460,958	692,887	476,003	393,643	432,925	575,726	16,783,637
3	Small C&I	115,038	218,216	296,793	427,248	379,619	274,712	123,459	74,424	50,854	43,593	49,913	68,721	2,112,589
4	Medium C&I	259,918	383,505	482,485	648,591	600,581	456,693	265,927	170,842	129,500	112,818	127,266	169,683	3,798,877
5	Large LLF	89,406	156,165	181,517	250,341	237,312	162,045	90,849	44,617	26,987	20,240	25,111	52,822	1,342,511
6	Large HLF	39,496	38,981	40,463	43,055	47,576	41,944	31,696	30,128	24,271	22,591	23,825	25,411	405,540
7	Extra Large LLF	8,767	15,008	14,275	27,119	24,978	12,165	5,215	1,708	1,070	1,026	2,597	8,625	122,613
8	Extra Large HLF	39,471	40,995	39,011	36,146	34,947	30,287	27,651	26,736	26,408	27,438	28,950	31,784	382,693
9	Extra Large LLF	1,717,544	2,632,614	3,355,433	4,549,366	4,138,755	3,194,894	1,759,724	1,086,981	775,174	664,879	727,728	962,067	25,555,159
10	<b>Total Sales</b>													
<b>TSS</b>														
11	Medium	839	3,240	3,474										
12	Large LLF	333	1,883	321										
13	Large HLF	0	0	2,631										
14	Extra Large LLF	0	0	0										
15	Extra Large HLF	0	0	0										
16	Extra Large LLF	0	0	0										
17	<b>Total TSS</b>	1,172	5,123	6,326										
<b>FT-2 TRANSPORTATION</b>														
18	FT-2 Medium	32,740	42,252	59,229	63,817	62,256	50,711	34,257	24,996	21,018	19,324	19,189	23,298	453,088
19	FT-2 Large LLF	26,082	26,082	43,298	31,463	27,419	19,938	10,469	4,607	4,221	1,342	821	4,475	184,153
20	FT-2 Large HLF	5,136	7,688	7,656	7,726	8,579	7,624	5,800	5,614	6,135	6,161	6,017	4,948	78,976
21	FT-2 Extra Large LLF	964	1,899	2,121	3,354	2,929	1,747	760	139	4	4	336	1,260	15,515
22	FT-2 Extra Large HLF	1,537	544	3,564	2,238	2,125	1,812	1,544	1,190	1,321	1,447	1,432	1,677	20,232
23	FT-2 Extra Large LLF	50,095	78,436	115,868	109,598	103,366	81,832	52,833	36,546	32,698	29,298	27,695	35,558	751,965
24	<b>Total Transportation</b>													
<b>Sales &amp; FT-2 THROUGHPUT</b>														
25	Residential Non-Heating	47,556	57,487	63,806	64,930	62,455	60,896	53,870	45,639	40,881	33,529	37,142	38,286	606,697
26	Residential Heating	1,127,890	1,722,327	2,247,893	3,045,936	2,761,287	2,156,153	1,460,958	692,887	476,003	393,643	432,925	575,726	16,783,637
27	Small C&I	115,038	218,216	296,793	427,248	379,619	274,712	123,459	74,424	50,854	43,593	49,913	68,721	2,112,589
28	Medium C&I	259,918	383,505	482,485	648,591	600,581	456,693	265,927	170,842	129,500	112,818	127,266	169,683	3,798,877
29	Large LLF	89,406	156,165	181,517	250,341	237,312	162,045	90,849	44,617	26,987	20,240	25,111	52,822	1,342,511
30	Large HLF	39,496	38,981	40,463	43,055	47,576	41,944	31,696	30,128	24,271	22,591	23,825	25,411	405,540
31	Extra Large LLF	8,767	15,008	14,275	27,119	24,978	12,165	5,215	1,708	1,070	1,026	2,597	8,625	122,613
32	Extra Large HLF	39,471	40,995	39,011	36,146	34,947	30,287	27,651	26,736	26,408	27,438	28,950	31,784	382,693
33	Extra Large LLF	34,808	41,402	41,875	39,384	37,072	32,102	29,195	27,926	27,728	28,065	30,362	33,460	402,925
34	<b>Total Throughput</b>	1,767,630	2,711,950	3,471,301	4,657,964	4,242,063	3,276,726	1,812,556	1,123,528	807,872	683,177	755,624	997,625	26,307,124
<b>FT-1 TRANSPORTATION</b>														
35	FT-1 Medium	64,460	82,608	79,480	89,625	76,239	43,052	33,443	24,606	23,981	23,338	42,305	104,576	667,803
36	FT-1 Large LLF	111,405	149,552	150,864	166,349	162,975	90,791	48,449	20,363	17,624	17,142	18,879	55,387	999,762
37	FT-1 Large HLF	40,428	44,612	39,160	42,308	43,662	30,890	28,577	26,940	22,723	25,196	31,185	26,768	402,650
38	FT-1 Extra Large LLF	60,527	77,239	81,746	97,284	86,368	55,890	31,528	18,549	13,880	14,970	19,032	42,436	597,739
39	FT-1 Extra Large HLF	350,895	354,985	291,357	333,798	337,450	299,052	267,363	248,507	229,460	236,706	254,209	274,157	3,480,859
40	Default	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Default	0	0	0	0	0	0	0	0	0	0	0	0	0
42	<b>Total Transportation</b>	627,625	708,966	642,607	729,365	696,884	519,895	409,860	337,055	307,669	320,362	365,611	503,323	6,168,632
<b>Total THROUGHPUT</b>														
43	Residential Non-Heating	47,556	57,487	63,806	64,930	62,455	60,896	53,870	45,639	40,881	33,529	37,142	38,286	606,697
44	Residential Heating	1,127,890	1,722,327	2,247,893	3,045,936	2,761,287	2,156,153	1,460,958	692,887	476,003	393,643	432,925	575,726	16,783,637
45	Small C&I	115,038	218,216	296,793	427,248	379,619	274,712	123,459	74,424	50,854	43,593	49,913	68,721	2,112,589
46	Medium C&I	259,918	383,505	482,485	648,591	600,581	456,693	265,927	170,842	129,500	112,818	127,266	169,683	3,798,877
47	Large LLF	89,406	156,165	181,517	250,341	237,312	162,045	90,849	44,617	26,987	20,240	25,111	52,822	1,342,511
48	Large HLF	39,496	38,981	40,463	43,055	47,576	41,944	31,696	30,128	24,271	22,591	23,825	25,411	405,540
49	Extra Large LLF	8,767	15,008	14,275	27,119	24,978	12,165	5,215	1,708	1,070	1,026	2,597	8,625	122,613
50	Extra Large HLF	39,471	40,995	39,011	36,146	34,947	30,287	27,651	26,736	26,408	27,438	28,950	31,784	382,693
51	Extra Large LLF	34,808	41,402	41,875	39,384	37,072	32,102	29,195	27,926	27,728	28,065	30,362	33,460	402,925
52	<b>Total Throughput</b>	2,395,264	3,420,046	4,113,908	5,387,929	4,938,947	3,796,411	2,222,216	1,460,582	1,115,541	1,003,528	1,121,234	1,503,948	32,475,956