

May 21, 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 are ten (10) copies of National Grid’s monthly filing of gas costs and gas cost revenue collections data. Based on six months of actual data and six months of forecasted data, the October 31, 2007 deferred gas cost balance is currently projected to be an over-collection of \$7.8 million (see attached Schedule 1, page 2).

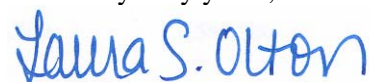
This calculation is based on the November 1, 2006 starting balance of a \$20.4 million over-collection, plus actual gas costs and gas cost collections for November 2006 through April 2007, along with projected costs for May through October 2007. The projected gas costs are based on the May 15, 2007 NYMEX 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 April 2007, the Company incurred actual gas costs of \$25.8 million, working capital of \$110,332 and GCR revenue collections of \$34.9 million, for a net over-collection of \$8.9 million. Schedule 2 provides a breakdown of actual gas costs for November 2006 through April 2007 with projected costs for May 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.

An adjustment has been made to the storage variable costs shown in Schedule 1, page 2, Sections IV. a. and b. for the month of March. Although there is no change to total cost, last month’s reported storage variable costs-underground of \$3,496,906 has been corrected to \$3,251,688. Storage variable non-product costs previously reported as (\$156,805) is now \$88,413.

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: 5-15-2007 NYMEX	Nov-06 30 actual	Dec-06 31 actual	Jan-07 31 actual	Feb-07 28 actual	Mar-07 31 actual	Apr-07 30 actual	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 365
<b>I. Supply Fixed Cost Deferred</b>													
Beginning Balance	(\$754,036)	(\$559,437)	(\$609,984)	(\$1,564,447)	(\$3,956,713)	(\$6,162,009)	(\$6,995,945)	(\$6,535,430)	(\$5,414,927)	(\$3,984,977)	(\$2,429,901)	(\$937,628)	
Supply Fixed Costs (net of cap rel)	\$1,839,138	\$2,370,663	\$2,142,756	\$2,097,250	\$2,181,752	\$2,162,736	\$2,182,971	\$2,181,846	\$2,182,971	\$2,182,971	\$2,181,846	\$2,148,096	\$25,854,993
Capacity Release	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	<u>\$7,913</u>	<u>\$10,200</u>	<u>\$9,220</u>	<u>\$9,024</u>	<u>\$9,388</u>	<u>\$9,306</u>	<u>\$9,393</u>	<u>\$9,388</u>	<u>\$9,393</u>	<u>\$9,393</u>	<u>\$9,388</u>	<u>\$9,243</u>	\$111,247
Total Supply Fixed Costs	\$1,847,051	\$2,380,863	\$2,151,976	\$2,106,274	\$2,191,140	\$2,172,042	\$2,192,363	\$2,191,233	\$2,192,363	\$2,192,363	\$2,191,233	\$2,157,338	\$25,966,240
Supply Fixed - Collections	\$1,649,087	\$2,428,315	\$3,100,683	\$4,485,336	\$4,369,650	\$2,972,268	\$1,696,030	\$1,040,115	\$737,531	\$620,306	\$690,333	\$918,268	\$24,707,922
Prelim. Ending Balance	(\$556,072)	(\$606,888)	(\$1,558,691)	(\$3,943,509)	(\$6,135,224)	(\$6,962,235)	(\$6,499,611)	(\$5,384,312)	(\$3,960,095)	(\$2,412,920)	(\$929,001)	\$301,442	
Month's Average Balance	(\$655,054)	(\$583,163)	(\$1,084,338)	(\$2,753,978)	(\$5,045,968)	(\$6,562,122)	(\$6,747,778)	(\$5,959,871)	(\$4,687,511)	(\$3,198,949)	(\$1,679,451)	(\$318,093)	
Interest Rate (BOA Prime minus 200 bps)	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)	(\$13,204)	(\$26,785)	(\$33,710)	(\$35,819)	(\$30,616)	(\$24,882)	(\$16,981)	(\$8,627)	(\$1,689)	(\$204,528)
Asset Management Incentive													
Supply Fixed Ending Balance	(\$559,437)	(\$609,984)	(\$1,564,447)	(\$3,956,713)	(\$6,162,009)	(\$6,995,945)	(\$6,535,430)	(\$5,414,927)	(\$3,984,977)	(\$2,429,901)	(\$937,628)	\$299,754	
<b>II. Storage Fixed Cost Deferred</b>													
Beginning Balance	(\$276,493)	(\$84,031)	(\$236,031)	(\$515,016)	(\$1,407,679)	(\$2,234,609)	(\$2,536,408)	(\$2,350,302)	(\$1,912,022)	(\$1,357,346)	(\$754,399)	(\$174,193)	
Storage Fixed Costs	\$824,149	\$778,602	\$908,765	\$815,793	\$846,269	\$847,830	\$858,737	\$858,737	\$858,737	\$858,737	\$858,737	\$858,737	\$10,173,831
LNG Demand to DAC	(\$54,869)	(\$57,790)	(\$54,773)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$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	<u>\$3,496</u>	<u>\$3,288</u>	<u>\$3,861</u>	<u>\$3,454</u>	<u>\$3,585</u>	<u>\$3,592</u>	<u>\$3,639</u>	<u>\$3,639</u>	<u>\$3,639</u>	<u>\$3,639</u>	<u>\$3,639</u>	<u>\$3,639</u>	\$43,108
Total Storage Fixed Costs	\$816,018	\$767,340	\$901,093	\$806,206	\$836,813	\$838,381	\$849,335	\$849,335	\$849,335	\$849,335	\$849,335	\$849,335	\$10,061,864
TSS Peaking	\$0	\$0	\$0	\$0	(\$38)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Storage Fixed - Collections	\$622,632	\$918,493	\$1,178,091	\$1,694,271	\$1,654,140	\$1,127,957	\$650,294	\$400,135	\$286,006	\$240,798	\$266,750	\$354,371	\$9,393,938
Prelim. Ending Balance	(\$83,107)	(\$235,183)	(\$513,028)	(\$1,403,081)	(\$2,224,968)	(\$2,524,185)	(\$2,337,367)	(\$1,901,102)	(\$1,348,692)	(\$748,809)	(\$171,814)	\$320,772	
Month's Average Balance	(\$179,800)	(\$159,607)	(\$374,529)	(\$959,049)	(\$1,816,324)	(\$2,379,397)	(\$2,436,887)	(\$2,125,702)	(\$1,630,357)	(\$1,053,078)	(\$463,106)	\$73,290	
Interest Rate (BOA Prime minus 200 bps)	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)	(\$4,598)	(\$9,641)	(\$12,223)	(\$12,936)	(\$10,920)	(\$8,654)	(\$5,590)	(\$2,379)	\$389	(\$70,311)
Storage Fixed Ending Balance	(\$84,031)	(\$236,031)	(\$515,016)	(\$1,407,679)	(\$2,234,609)	(\$2,536,408)	(\$2,350,302)	(\$1,912,022)	(\$1,357,346)	(\$754,399)	(\$174,193)	\$321,161	
<b>III. Variable Supply Cost Deferred</b>													
Beginning Balance	(\$15,287,962)	(\$10,120,067)	(\$2,904,538)	\$4,367,953	\$1,882,085	(\$4,882,800)	(\$9,327,195)	(\$13,672,151)	(\$15,762,218)	(\$16,076,075)	(\$15,135,109)	(\$14,041,861)	
Variable Supply Costs	\$20,222,094	\$29,222,584	\$35,556,237	\$38,342,160	\$32,760,459	\$22,464,879	\$10,278,077	\$7,012,045	\$6,230,702	\$6,492,099	\$7,231,062	\$13,945,266	\$229,757,664
Variable Delivery Storage	(\$8,728)	(\$22,310)	(\$54,918)	(\$69,421)	(\$28,038)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$183,415)
Variable Injections Storage	(\$2,307)	(\$875)	(\$721)	\$0	\$0	(\$9,116)	(\$11,566)	(\$11,193)	(\$11,566)	(\$11,566)	(\$11,197)	(\$11,566)	(\$81,673)
Fuel Cost Allocated to Storage	(\$46,256)	(\$159,983)	(\$332,752)	(\$378,680)	(\$155,722)	(\$61,271)	(\$78,112)	(\$78,571)	(\$80,561)	(\$82,254)	(\$79,415)	(\$80,829)	(\$1,614,407)
Working Capital	<u>\$86,764</u>	<u>\$124,949</u>	<u>\$151,318</u>	<u>\$163,048</u>	<u>\$140,169</u>	<u>\$96,358</u>	<u>\$43,838</u>	<u>\$29,785</u>	<u>\$26,413</u>	<u>\$27,530</u>	<u>\$30,723</u>	<u>\$59,605</u>	\$980,500
Total Supply Variable Costs	\$20,251,566	\$29,164,365	\$35,319,164	\$38,057,107	\$32,716,867	\$22,490,849	\$10,232,237	\$6,952,066	\$6,164,988	\$6,425,810	\$7,171,174	\$13,912,476	\$228,858,669
Supply Variable - Collections	\$15,018,578	\$22,031,121	\$28,065,602	\$40,557,922	\$39,496,667	\$26,910,989	\$14,516,312	\$8,966,725	\$6,394,567	\$5,402,225	\$6,003,177	\$7,936,285	\$221,300,170
Deferred Responsibility	\$0	(\$116,762)	(\$15,056)	\$0	(\$22,858)	(\$12,150)	\$0	\$0	\$0	\$0	\$0	\$0	
Prelim. Ending Balance	(\$10,054,974)	(\$2,870,061)	\$4,364,080	\$1,867,138	(\$4,874,857)	(\$9,290,790)	(\$13,611,270)	(\$15,686,809)	(\$15,991,797)	(\$15,052,491)	(\$13,967,113)	(\$8,065,670)	
Month's Average Balance	(\$12,671,468)	(\$6,495,064)	\$729,771	\$3,117,546	(\$1,496,386)	(\$7,086,795)	(\$11,469,232)	(\$14,679,480)	(\$15,877,007)	(\$15,564,283)	(\$14,551,111)	(\$11,053,766)	
Interest Rate (BOA Prime minus 200 bps)	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	\$14,947	(\$7,943)	(\$36,405)	(\$60,881)	(\$75,408)	(\$84,279)	(\$82,619)	(\$74,749)	(\$58,676)	(\$561,709)
Gas Procurement Incentive/(penalty)													
Supply Variable Ending Balance	(\$10,120,067)	(\$2,904,538)	\$4,367,953	\$1,882,085	(\$4,882,800)	(\$9,327,195)	(\$13,672,151)	(\$15,762,218)	(\$16,076,075)	(\$15,135,109)	(\$14,041,861)	(\$8,124,346)	

Projected Gas Costs using: 5-15-2007 NYMEX	Nov-06 30 actual	Dec-06 31 actual	Jan-07 31 actual	Feb-07 28 actual	Mar-07 31 actual	Apr-07 30 actual	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 365
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I/va. Storage Variable Product Cost Deferred

Beginning Balance	(\$3,434,487)	(\$3,951,525)	(\$3,447,516)	\$1,104,726	\$7,018,917	\$6,983,333	\$3,925,597	\$2,434,264	\$1,727,493	\$1,414,933	\$1,281,659	\$1,108,209	
Storage Variable Prod. Costs - LNG	\$159,553	\$206,217	\$1,573,115	\$3,175,105	\$1,772,712	\$184,168	\$180,691	\$174,926	\$181,710	\$181,951	\$176,364	\$182,549	\$8,149,061
Storage Variable Prod. Costs - LP	\$0	\$0	\$4,052	\$281,161	\$77,916	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$363,129
Storage Variable Prod. Costs - UG	\$881,593	\$2,781,177	\$6,517,414	\$7,995,010	\$3,251,688	\$2,718	\$0	\$0	\$0	\$0	\$0	\$0	\$21,429,599
Supply Related LNG to DAC	(\$32,533)	(\$42,048)	(\$286,920)	(\$621,514)	(\$309,697)	(\$37,552)	(\$36,843)	(\$35,667)	(\$37,051)	(\$37,100)	(\$35,961)	(\$37,222)	(\$1,550,107)
Supply Related LNG O & M	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$365,465
Inventory Financing - LNG	\$58,212	\$57,358	\$45,528	\$28,617	\$18,977	\$27,712	\$53,725	\$59,966	\$60,045	\$60,142	\$60,243	\$60,363	\$590,886
Inventory Financing - UG	\$317,531	\$292,132	\$228,296	\$148,319	\$116,021	\$148,203	\$206,747	\$251,597	\$297,697	\$344,790	\$390,589	\$437,770	\$3,179,690
Inventory Financing - LP	\$3,149	\$3,145	\$3,087	\$778	\$17	\$17	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$28,717
Working Capital	<u>\$4,471</u>	<u>\$12,804</u>	<u>\$33,725</u>	<u>\$46,729</u>	<u>\$20,752</u>	<u>\$774</u>	<u>\$750</u>	<u>\$730</u>	<u>\$753</u>	<u>\$754</u>	<u>\$735</u>	<u>\$756</u>	<u>\$123,734</u>
Total Storage Variable Product Costs	\$1,422,431	\$3,341,241	\$8,148,752	\$11,084,659	\$4,978,841	\$356,495	\$438,614	\$485,094	\$536,697	\$584,079	\$625,513	\$677,759	\$32,680,175
Storage Variable Product Collections	\$1,920,547	\$2,817,646	\$3,590,308	\$5,189,896	\$5,051,490	\$3,442,179	\$1,946,782	\$1,202,527	\$857,575	\$724,492	\$805,086	\$1,064,335	\$28,612,863
Prelim. Ending Balance	(\$3,932,603)	(\$3,427,931)	\$1,110,927	\$6,999,489	\$6,946,268	\$3,897,649	\$2,417,429	\$1,716,831	\$1,406,615	\$1,274,521	\$1,102,086	\$721,633	
Month's Average Balance	(\$3,683,545)	(\$3,689,728)	(\$1,168,295)	\$4,052,107	\$6,982,593	\$5,440,491	\$3,171,513	\$2,075,547	\$1,567,054	\$1,344,727	\$1,191,873	\$914,921	
Interest Rate (BOA Prime minus 200 bps)	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)	(\$6,202)	\$19,428	\$37,065	\$27,948	\$16,835	\$10,662	\$8,318	\$7,138	\$6,123	\$4,857	\$93,664
Storage Variable Product Ending Bal.	(\$3,951,525)	(\$3,447,516)	\$1,104,726	\$7,018,917	\$6,983,333	\$3,925,597	\$2,434,264	\$1,727,493	\$1,414,933	\$1,281,659	\$1,108,209	\$726,489	

I/vb. Stor Var Non-Prod Cost Deferred

Beginning Balance	(\$611,753)	(\$781,024)	(\$766,754)	(\$417,937)	(\$291,596)	(\$631,924)	(\$982,773)	(\$1,110,137)	(\$1,157,136)	(\$1,165,200)	(\$1,156,987)	(\$1,160,254)	
Storage Variable Non-prod. Costs	\$8,457	\$174,287	\$396,294	\$303,245	\$88,413	\$173	\$0	\$0	\$0	\$0	\$0	\$0	\$970,870
Variable Delivery Storage Costs	\$8,728	\$22,310	\$54,918	\$69,421	\$28,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$183,415
Variable Injection Storage Costs	\$2,307	\$875	\$721	\$0	\$0	\$9,116	\$11,566	\$11,193	\$11,566	\$11,566	\$11,197	\$11,566	\$81,673
Fuel Costs Allocated to Storage	\$46,256	\$159,983	\$332,752	\$378,680	\$155,722	\$61,271	\$78,112	\$78,571	\$80,561	\$82,254	\$79,415	\$80,829	\$1,614,407
Working Capital	<u>\$283</u>	<u>\$1,538</u>	<u>\$3,376</u>	<u>\$3,233</u>	<u>\$1,171</u>	<u>\$304</u>	<u>\$386</u>	<u>\$386</u>	<u>\$396</u>	<u>\$404</u>	<u>\$390</u>	<u>\$398</u>	<u>\$12,264</u>
Total Storage Var Non-product Costs	\$66,032	\$358,993	\$788,062	\$754,579	\$273,345	\$70,864	\$90,064	\$90,150	\$92,523	\$94,223	\$91,001	\$92,793	\$2,862,630
Storage Var Non-Product Collections	\$231,735	\$340,625	\$436,109	\$626,541	\$611,229	\$417,577	\$211,888	\$131,340	\$94,440	\$79,863	\$88,332	\$116,623	\$3,386,302
Prelim. Ending Balance	(\$777,456)	(\$762,657)	(\$414,801)	(\$289,899)	(\$629,479)	(\$978,637)	(\$1,104,597)	(\$1,151,328)	(\$1,159,053)	(\$1,150,840)	(\$1,154,318)	(\$1,184,085)	
Month's Average Balance	(\$694,605)	(\$771,840)	(\$590,777)	(\$353,918)	(\$460,537)	(\$805,280)	(\$1,043,685)	(\$1,130,732)	(\$1,158,094)	(\$1,158,020)	(\$1,155,652)	(\$1,172,170)	
Interest Rate (BOA Prime minus 200 bps)	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	(\$3,568)	(\$4,097)	(\$3,136)	(\$1,697)	(\$2,445)	(\$4,137)	(\$5,540)	(\$5,809)	(\$6,147)	(\$6,147)	(\$5,937)	(\$6,222)	(\$54,881)
Storage Var Non-Product Ending Bal.	(\$781,024)	(\$766,754)	(\$417,937)	(\$291,596)	(\$631,924)	(\$982,773)	(\$1,110,137)	(\$1,157,136)	(\$1,165,200)	(\$1,156,987)	(\$1,160,254)	(\$1,190,307)	

GCR Deferred Summary

Beginning Balance	(\$20,364,731)	(\$15,496,084)	(\$7,848,061)	\$3,107,097	\$3,376,832	(\$6,773,370)	(\$15,749,936)	(\$21,066,968)	(\$22,352,022)	(\$21,001,878)	(\$18,027,950)	(\$15,038,939)	
Gas Costs	\$24,300,171	\$35,976,785	\$47,122,602	\$52,583,338	\$40,844,800	\$25,830,449	\$13,744,608	\$10,523,951	\$9,795,313	\$10,104,091	\$10,883,382	\$17,616,060	\$299,325,550
Working Capital	\$102,927	\$152,779	\$201,500	\$225,488	\$175,065	\$110,332	\$58,005	\$43,928	\$40,594	\$41,720	\$44,875	\$73,641	\$1,270,854
Total Costs	\$24,403,098	\$36,129,564	\$47,324,102	\$52,808,826	\$41,019,865	\$25,940,781	\$13,802,614	\$10,567,879	\$9,835,907	\$10,145,811	\$10,928,257	\$17,689,701	\$300,596,404
Collections	\$19,442,579	\$28,419,438	\$36,355,737	\$52,553,966	\$51,160,318	\$34,858,820	\$19,021,306	\$11,740,842	\$8,370,119	\$7,067,684	\$7,853,678	\$10,389,882	\$287,234,369
Prelim. Ending Balance	(\$15,404,212)	(\$7,785,958)	\$3,120,304	\$3,361,956	(\$6,763,621)	(\$15,691,409)	(\$20,968,628)	(\$22,239,932)	(\$20,886,234)	(\$17,923,751)	(\$14,953,370)	(\$7,739,120)	
Month's Average Balance	(\$17,884,471)	(\$11,641,021)	(\$2,363,878)	\$3,234,526	(\$1,693,394)	(\$11,232,390)	(\$18,359,282)	(\$21,653,450)	(\$21,619,128)	(\$19,462,815)	(\$16,490,660)	(\$11,389,030)	
Interest Rate (BOA Prime minus 200 bps)	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)	\$14,876	(\$9,749)	(\$58,526)	(\$98,340)	(\$112,090)	(\$115,644)	(\$104,198)	(\$85,569)	(\$61,341)	(\$797,766)
Gas Purchase Plan Incentives/(Penalties)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Ending Bal. W/ Interest</b>	<b>(\$15,496,084)</b>	<b>(\$7,848,061)</b>	<b>\$3,107,097</b>	<b>\$3,376,832</b>	<b>(\$6,773,370)</b>	<b>(\$15,749,936)</b>	<b>(\$21,066,968)</b>	<b>(\$22,352,022)</b>	<b>(\$21,001,878)</b>	<b>(\$18,027,950)</b>	<b>(\$15,038,939)</b>	<b>(\$7,800,461)</b>	

Under/(Over)-collection	\$4,960,519	\$7,710,126	\$10,968,365	\$254,860	(\$10,140,453)	(\$8,918,039)	(\$5,218,692)	(\$1,172,963)	\$1,465,788	\$3,078,127	\$3,074,579	\$7,299,819	
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	Nov-06 Actual	Dec-06 Actual	Jan-07 Actual	Feb-07 Actual	Mar-07 Actual	Apr-07 Actual	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	\$2,029,588	\$2,118,865	\$2,100,522	\$0	\$0	\$0	\$0	\$0	\$0	\$12,639,811
Algonquin	(\$37,732)	\$31,618	(\$62,798)	\$11,398	(\$57,863)	(\$39,746)	\$657,917	\$657,917	\$657,917	\$657,917	\$657,917	\$657,917	\$3,792,380
Texas Eastern							\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$1,275,289
TETCO							\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$3,144,264
Tennessee							\$510,668	\$510,668	\$510,668	\$510,668	\$510,668	\$510,668	\$3,064,006
NETNE							\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$63,660
IROQUOIS							\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$7,042	\$42,253
Dominion							\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$14,077
Transco							\$5,290	\$5,290	\$5,290	\$5,290	\$5,290	\$5,290	\$31,738
National Fuel							\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$4,187	\$25,120
Columbia							\$283,971	\$283,971	\$283,971	\$283,971	\$283,971	\$283,971	\$1,703,824
HUBLINE							\$74,215	\$74,215	\$74,215	\$74,215	\$74,215	\$74,215	\$445,291
WESTERLY LATERAL	\$63,387	\$63,438	\$63,463	\$63,783	\$61,216	\$62,498	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$752,785
Less Credits from Mkter Releases	\$565,648	\$295,028	\$302,822	\$310,458	\$285,622	\$296,618	\$509,242	\$509,242	\$509,242	\$509,242	\$509,242	\$509,242	\$5,111,648
<b>TOTAL SUPPLY FIXED COSTS - Pipeline</b>	<b>\$1,509,731</b>	<b>\$2,033,456</b>	<b>\$1,805,527</b>	<b>\$1,794,311</b>	<b>\$1,836,596</b>	<b>\$1,826,656</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>\$21,882,850</b>
<b>Supply Fixed - Supplier</b>													
<b>Total</b>	<b>\$329,407</b>	<b>\$337,207</b>	<b>\$337,229</b>	<b>\$302,939</b>	<b>\$345,156</b>	<b>\$336,080</b>	<b>\$336,875</b>	<b>\$335,750</b>	<b>\$336,875</b>	<b>\$336,875</b>	<b>\$335,750</b>	<b>\$302,000</b>	<b>\$3,972,143</b>
<b>Total Supply Fixed (Pipeline &amp; Supplier)</b>	<b>\$1,839,138</b>	<b>\$2,370,663</b>	<b>\$2,142,756</b>	<b>\$2,097,250</b>	<b>\$2,181,752</b>	<b>\$2,162,736</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>\$2,148,096</b>	<b>\$25,854,993</b>
<b>STORAGE FIXED COSTS - Facilities</b>													
CONOCO	\$219,139	\$218,795	\$218,941	\$218,761	\$220,066	\$218,828	\$0	\$0	\$0	\$0	\$0	\$0	\$1,314,530
TEXAS EASTERN SS-1							\$94,417	\$94,417	\$94,417	\$94,417	\$94,417	\$94,417	\$566,503
TEXAS EASTERN FSS-1							\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$8,731
DOMINION							\$83,289	\$83,289	\$83,289	\$83,289	\$83,289	\$83,289	\$499,735
TENNESSEE							\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$236,569
COLUMBIA							\$9,745	\$9,745	\$9,745	\$9,745	\$9,745	\$9,745	\$58,470
KEYSPAN TANK LEASE PAYMENTS	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$1,890,000
<b>TOTAL FIXED STORAGE COSTS</b>	<b>\$376,639</b>	<b>\$376,295</b>	<b>\$376,441</b>	<b>\$376,261</b>	<b>\$377,566</b>	<b>\$376,328</b>	<b>\$385,835</b>	<b>\$385,835</b>	<b>\$385,835</b>	<b>\$385,835</b>	<b>\$385,835</b>	<b>\$385,835</b>	<b>\$4,574,537</b>
<b>STORAGE FIXED COSTS - Delivery</b>													
CONOCO	\$357,016	\$277,618	\$441,115	\$343,016	\$364,328	\$357,757							\$2,140,850
ALGONQUIN FOR TETCO SS-1, FSS-1	(\$14,822)	(\$5,149)	(\$21,797)	(\$872)	(\$20,097)	(\$9,260)	\$89,113	\$89,113	\$89,113	\$89,113	\$89,113	\$89,113	\$462,679
TETCO DELIVERY FOR FSS-1	\$0	\$0	\$0	\$0	\$0	\$0	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$29,283
ALGONQUIN SCT FOR SS-1, GSS	\$0	\$0	\$0	\$0	\$0	\$0	\$87,201	\$87,201	\$87,201	\$87,201	\$87,201	\$87,201	\$523,204
TENNESSEE DELIVERY FOR GSS	(\$6,280)	\$3,913	\$1,877	(\$21,139)	\$5,945	\$4,478	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$221,367
TENNESSEE DELIVERY FOR FSMA	\$0	\$0	\$0	\$0	\$0	\$0	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$150,372
TETCO DELIVERY FOR GSS	\$0	\$0	\$0	\$0	\$0	\$0	\$77,920	\$77,920	\$77,920	\$77,920	\$77,920	\$77,920	\$467,520
DOMINION DELIVERY FOR GSS	\$0	\$0	\$0	\$0	\$0	\$0	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$54,027
ALGONQUIN DELIVERY FOR FSS	\$0	\$0	\$0	\$0	\$0	\$0	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$90,230
COLUMBIA DELIVERY FOR FSS	\$0	\$0	\$0	\$0	\$0	\$0	\$7,395	\$7,395	\$7,395	\$7,395	\$7,395	\$7,395	\$44,372
DISTRIGAS FLS CALL PAYMENT	\$111,596	\$125,925	\$111,129	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$1,415,391
<b>STORAGE DELIVERY FIXED COST \$</b>	<b>\$447,510</b>	<b>\$402,307</b>	<b>\$532,324</b>	<b>\$439,532</b>	<b>\$468,703</b>	<b>\$471,502</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>\$5,599,294</b>
<b>TOTAL STORAGE FIXED</b>	<b>\$824,149</b>	<b>\$778,602</b>	<b>\$908,765</b>	<b>\$815,793</b>	<b>\$846,269</b>	<b>\$847,830</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>\$10,173,831</b>
<b>TOTAL FIXED COSTS</b>	<b>\$2,663,287</b>	<b>\$3,149,265</b>	<b>\$3,051,521</b>	<b>\$2,913,043</b>	<b>\$3,028,021</b>	<b>\$3,010,566</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>\$36,028,824</b>

	Nov-06 Actual	Dec-06 Actual	Jan-07 Actual	Feb-07 Actual	Mar-07 Actual	Apr-07 Actual	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							\$3,800,788	\$3,750,441	\$3,854,927	\$3,252,490	\$3,878,756	\$4,055,514	\$22,592,917
TETCO							\$5,380,045	\$2,739,709	\$1,823,818	\$2,674,596	\$2,792,498	\$5,848,417	\$21,259,084
Hubline							\$568,729	\$0	\$0	\$0	\$0	\$0	\$568,729
M3 Delivered	\$282,602	\$68,501	(\$196,641)	\$268,366	(\$113,243)	(\$316,283)	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,698)
Maumee Supplemental							\$0	\$0	\$0	\$0	\$0	\$2,716,561	\$2,716,561
Broadrun Col							\$0	\$0	\$0	\$0	\$0	\$752,041	\$752,041
Columbia AGT							\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dominion							\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco							\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANE	\$313,825	\$323,950	\$323,950	\$292,600	\$334,646	\$285,622	\$260,875	\$257,423	\$264,591	\$270,303	\$265,160	\$278,359	\$3,471,304
Niagara							\$267,640	\$264,472	\$267,315	\$273,086	\$272,184	\$270,193	\$1,614,890
Tetco to B&W							\$0	\$0	\$0	\$0	\$0	\$0	\$0
DIST FCS							\$0	\$0	\$0	\$0	\$0	\$0	\$0
Suppliers	\$20,101,888	\$29,701,037	\$35,799,099	\$38,315,764	\$33,220,683	\$23,040,844			\$20,051	\$21,623	\$22,464	\$24,180	\$180,267,633
Total Pipeline Commodity Charges	\$20,698,315	\$30,093,488	\$35,926,408	\$38,876,730	\$33,442,086	\$23,010,183	\$10,278,077	\$7,012,045	\$6,230,702	\$6,492,099	\$7,231,062	\$13,945,266	\$233,236,462
<b>TOTAL VARIABLE SUPPLY COSTS</b>	\$20,698,315	\$30,093,488	\$35,926,408	\$38,876,730	\$33,442,086	\$23,010,183	\$10,278,077	\$7,012,045	\$6,230,702	\$6,492,099	\$7,231,062	\$13,945,266	\$233,236,462
<b>VARIABLE STORAGE COSTS</b>													
Underground Storage	\$890,050	\$2,955,464	\$6,913,708	\$8,298,255	\$3,340,101	\$2,891	\$0	\$0	\$0	\$0	\$0	\$0	\$22,400,469
LNG Withdrawals/Westerly Trucking	\$159,553	\$206,217	\$1,573,115	\$3,175,105	\$1,772,712	\$184,168	\$180,691	\$174,926	\$181,710	\$181,951	\$176,364	\$182,549	\$8,149,061
LP	\$0	\$0	\$4,052	\$281,161	\$77,916	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$363,129
<b>TOTAL VARIABLE STORAGE COSTS</b>	\$1,049,603	\$3,161,681	\$8,490,875	\$11,754,521	\$5,190,729	\$187,059	\$180,691	\$174,926	\$181,710	\$181,951	\$176,364	\$182,549	\$30,912,659
<b>TOTAL VARIABLE COSTS</b>	\$21,747,918	\$33,255,169	\$44,417,283	\$50,631,251	\$38,632,815	\$23,197,242	\$10,458,769	\$7,186,971	\$6,412,412	\$6,674,050	\$7,407,426	\$14,127,815	\$264,149,121
<b>TOTAL SUPPLY COSTS</b>	\$24,411,205	\$36,404,434	\$47,468,804	\$53,544,294	\$41,660,836	\$26,207,808	\$13,500,477	\$10,227,553	\$9,454,120	\$9,715,758	\$10,448,009	\$17,134,648	\$300,177,945
<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	\$53,544,294	\$41,660,836	\$26,207,808	\$13,500,477	\$10,227,553	\$9,454,120	\$9,715,758	\$10,448,009	\$17,134,648	\$300,177,945
<b>Storage Costs for FT-2 Calculation</b>													
Storage Fixed Costs - Facilities	\$376,639	\$376,295	\$376,441	\$376,261	\$377,566	\$376,328	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$4,574,537
Storage Fixed Costs - Deliveries	\$447,510	\$402,307	\$532,324	\$439,532	\$468,703	\$471,502	\$472,903	\$472,903	\$472,903	\$472,903	\$472,903	\$472,903	\$5,599,294
Variable Delivery Costs	\$8,728	\$22,310	\$54,918	\$69,421	\$28,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$183,415
Variable Injection Costs	\$2,307	\$875	\$721	\$0	\$0	\$9,116	\$11,566	\$11,193	\$11,566	\$11,566	\$11,197	\$11,566	\$81,673
Fuel Costs Allocated to Storage	<u>\$46,256</u>	<u>\$159,983</u>	<u>\$332,752</u>	<u>\$378,680</u>	<u>\$155,722</u>	<u>\$61,271</u>	<u>\$78,112</u>	<u>\$78,571</u>	<u>\$80,561</u>	<u>\$82,254</u>	<u>\$79,415</u>	<u>\$80,829</u>	<u>\$1,614,407</u>
Total Storage Costs	\$881,441	\$961,770	\$1,297,156	\$1,263,895	\$1,030,030	\$918,218	\$948,416	\$948,501	\$950,864	\$952,557	\$949,349	\$951,132	\$12,053,327
Pipeline Variable	\$20,698,315	\$30,093,488	\$35,926,408	\$38,876,730	\$33,442,086	\$23,010,183	\$10,278,077	\$7,012,045	\$6,230,702	\$6,492,099	\$7,231,062	\$13,945,266	
Less Non-firm Gas Costs	\$737,349	\$934,307	\$486,044	\$145,982	\$584,816	\$691,014							
Less Company Use	\$66,607	\$91,706	\$107,489	\$137,512	\$100,455	\$74,778							
Less Manchester St Balancing	\$9,737	\$3,537	\$4,756	\$4,422	\$5,659	\$9,007							
Plus Cashout													
Less Mkter Over-takes	\$13,219	\$62,626	\$2,092	\$194,897	\$23,284	\$1,762							
Less Mkter W/drawals													
Plus Mkter Undertakes	\$23,764	-\$2,096	\$177,821	-\$14,274	\$59,667	\$47,747							
Plus Mkter Injections	\$80,038	\$125,681	-\$23,255	-119,054	-129,679	45,874							
Storage Service Charge													
Plus Pipeline Srchg/Credit	\$246,889	\$97,687	\$75,644	\$81,571	\$102,599	\$137,636							
<b>TOTAL FIRM COMMODITY COSTS</b>	\$20,222,094	\$29,222,584	\$35,556,237	\$38,342,160	\$32,760,459	\$22,464,879	\$10,278,077	\$7,012,045	\$6,230,702	\$6,492,099	\$7,231,062	\$13,945,266	\$229,757,664

	Nov-06 actual	Dec-06 actual	Jan-07 actual	Feb-07 actual	Mar-07 actual	Apr-07 actual	May-07 fcst	Jun-07 fcst	Jul-07 fcst	Aug-07 fcst	Sep-07 fcst	Oct-07 fcst	Total Nov-Oct
<b><u>I. Supply Fixed Cost Collections --</u></b>													
(a) Resid. & Small C & I dth	1,290,484	1,998,040	2,598,682	3,783,251	3,693,690	2,503,898	1,338,387	812,950	567,738	470,765	519,980	682,743	20,260,608
Supply Fixed Cost Factor	\$0.9776	\$0.9336	\$0.9338	\$0.9336	\$0.9337	\$0.9336	\$0.9780	\$0.9780	\$0.9780	\$0.9780	\$0.9780	\$0.9780	
Res & Small C & I collections	\$1,261,628	\$1,865,314	\$2,426,577	\$3,531,892	\$3,448,695	\$2,337,551	\$1,308,942	\$795,065	\$555,248	\$460,408	\$508,541	\$667,722	\$19,167,583
(b) C & I Medium dth	259,918	383,505	482,485	698,357	674,297	454,165	265,927	170,842	129,590	112,818	127,265	160,683	3,919,852
Supply Fixed Cost Factor	\$0.9375	\$0.9004	\$0.8989	\$0.8991	\$0.8971	\$0.9000	\$0.9363	\$0.9363	\$0.9363	\$0.9363	\$0.9363	\$0.9363	
C & I Medium collections	\$243,669	\$345,297	\$433,686	\$627,905	\$604,936	\$408,750	\$248,987	\$159,959	\$121,335	\$105,632	\$119,158	\$150,447	\$3,569,761
(c) C & I Large LLF dth	89,406	156,155	181,517	250,005	234,076	169,363	90,849	44,617	26,097	20,240	25,111	52,822	1,340,258
Supply Fixed Cost Factor	\$1.0137	\$0.9871	\$0.9726	\$0.9745	\$1.0358	\$0.9848	\$1.0361	\$1.0361	\$1.0361	\$1.0361	\$1.0361	\$1.0361	
C & I Large LLF collections	\$90,630	\$154,146	\$176,549	\$243,641	\$242,454	\$166,785	\$94,128	\$46,228	\$27,039	\$20,971	\$26,018	\$54,729	\$1,343,318
(d) C & I Large HLF dth	35,498	38,981	40,463	45,112	45,108	38,951	31,696	30,128	24,271	22,591	23,825	25,411	402,036
Supply Fixed Cost Factor	\$0.7105	\$0.6758	\$0.7175	\$0.7204	\$0.6658	\$0.6748	\$0.7050	\$0.7050	\$0.7050	\$0.7050	\$0.7050	\$0.7050	
C & I Large HLF collections	\$25,220	\$26,344	\$29,032	\$32,500	\$30,033	\$26,286	\$22,346	\$21,240	\$17,111	\$15,927	\$16,797	\$17,915	\$280,751
(e) C & I Extra Large LLF dth	8,767	15,068	14,275	19,722	19,028	10,975	5,215	1,708	1,070	1,026	2,597	8,625	108,076
Supply Fixed Cost Factor	\$0.9602	\$0.9352	\$0.9351	\$0.9350	\$0.9350	\$0.9350	\$0.9865	\$0.9865	\$0.9865	\$0.9865	\$0.9865	\$0.9865	
C & I XL LLF collections	\$8,418	\$14,092	\$13,348	\$18,441	\$17,792	\$10,262	\$5,144	\$1,685	\$1,056	\$1,012	\$2,562	\$8,509	\$102,321
(f) C & I Extra Large HLF dth	33,471	40,865	38,011	54,745	45,519	40,027	27,651	26,736	26,408	27,438	28,950	31,784	421,604
Supply Fixed Cost Factor	\$0.5833	\$0.5658	\$0.5654	\$0.5655	\$0.5655	\$0.5655	\$0.5961	\$0.5961	\$0.5961	\$0.5961	\$0.5961	\$0.5961	
C & I XL HLF collections	\$19,522	\$23,122	\$21,491	\$30,957	\$25,740	\$22,634	\$16,483	\$15,938	\$15,742	\$16,356	\$17,257	\$18,946	\$244,188
sub-total Dth	1,717,544	2,632,614	3,355,433	4,851,192	4,711,718	3,217,379	1,759,724	1,086,981	775,174	654,879	727,728	962,067	26,452,433
sub-total Supply Fixed Collections	<b>\$1,649,087</b>	<b>\$2,428,315</b>	<b>\$3,100,683</b>	<b>\$4,485,336</b>	<b>\$4,369,650</b>	<b>\$2,972,268</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>\$24,707,922</b>
<b><u>II. Storage Fixed Cost Collections --</u></b>													
(a) Resid. & Small C & I dth	1,290,484	1,998,040	2,598,682	3,783,251	3,693,690	2,503,898	1,338,387	812,950	567,738	470,765	519,980	682,743	20,260,608
Storage Fixed Cost Factor	\$0.3598	\$0.3436	\$0.3436	\$0.3436	\$0.3436	\$0.3436	\$0.3652	\$0.3652	\$0.3652	\$0.3652	\$0.3652	\$0.3652	
Res & Small C & I collections	\$464,291	\$686,454	\$893,005	\$1,299,771	\$1,269,154	\$860,241	\$488,779	\$296,889	\$207,338	\$171,923	\$189,897	\$249,338	\$7,077,080
(b) C & I Medium dth	259,918	383,505	482,485	698,357	674,297	454,165	265,927	170,842	129,590	112,818	127,265	160,683	3,919,852
Storage Fixed Cost Factor	\$0.3414	\$0.3279	\$0.3273	\$0.3274	\$0.3267	\$0.3277	\$0.3456	\$0.3456	\$0.3456	\$0.3456	\$0.3456	\$0.3456	
C & I Medium collections	\$88,728	\$125,733	\$157,918	\$228,639	\$220,276	\$148,838	\$91,904	\$59,043	\$44,786	\$38,990	\$43,983	\$55,532	\$1,304,370
(c) C & I Large LLF dth	89,406	156,155	181,517	250,005	234,076	169,363	90,849	44,617	26,097	20,240	25,111	52,822	1,340,258
Storage Fixed Cost Factor	\$0.3736	\$0.3638	\$0.3584	\$0.3591	\$0.3817	\$0.3629	\$0.3878	\$0.3878	\$0.3878	\$0.3878	\$0.3878	\$0.3878	
C & I Large LLF collections	\$33,398	\$56,803	\$65,060	\$89,783	\$89,346	\$61,461	\$35,231	\$17,302	\$10,120	\$7,849	\$9,738	\$20,484	\$496,575
(d) C & I Large HLF dth	35,498	38,981	40,463	45,112	45,108	38,951	31,696	30,128	24,271	22,591	23,825	25,411	402,036
Storage Fixed Cost Factor	\$0.2589	\$0.2463	\$0.2615	\$0.2626	\$0.2427	\$0.2460	\$0.2582	\$0.2582	\$0.2582	\$0.2582	\$0.2582	\$0.2582	
C & I Large HLF collections	\$9,192	\$9,601	\$10,581	\$11,845	\$10,946	\$9,580	\$8,184	\$7,779	\$6,267	\$5,833	\$6,152	\$6,561	\$102,521
(e) C & I XL LLF dth	8,767	15,068	14,275	19,722	19,028	10,975	5,215	1,708	1,070	1,026	2,597	8,625	108,076
Storage Fixed Cost Factor	\$0.3530	\$0.3438	\$0.3438	\$0.3438	\$0.3438	\$0.3438	\$0.3680	\$0.3680	\$0.3680	\$0.3680	\$0.3680	\$0.3680	
C & I XL LLF collections	\$3,095	\$5,181	\$4,908	\$6,780	\$6,542	\$3,773	\$1,919	\$628	\$394	\$378	\$956	\$3,174	\$37,728
(f) C & I XL HLF dth	33,471	40,865	38,011	54,745	45,519	40,027	27,651	26,736	26,408	27,438	28,950	31,784	421,604
Storage Fixed Cost Factor	\$0.2151	\$0.2087	\$0.2085	\$0.2085	\$0.2085	\$0.2085	\$0.2234	\$0.2234	\$0.2234	\$0.2234	\$0.2234	\$0.2234	
C & I XL HLF collections	\$7,199	\$8,527	\$7,925	\$11,416	\$9,492	\$8,347	\$6,177	\$5,973	\$5,899	\$6,130	\$6,467	\$7,100	\$90,652
(g) FT-2 dth	50,095	78,436	115,868	137,856	144,885	106,953	52,833	36,546	32,698	28,298	27,895	35,558	847,921
Storage Fixed Cost Factor	\$0.3339	\$0.3340	\$0.3339	\$0.3339	\$0.3339	\$0.3340	\$0.3426	\$0.3426	\$0.3426	\$0.3426	\$0.3426	\$0.3426	
FT-2 collection	\$16,729	\$26,194	\$38,694	\$46,037	\$48,384	\$35,717	\$18,100	\$12,521	\$11,202	\$9,695	\$9,557	\$12,182	\$285,012

	Nov-06 actual	Dec-06 actual	Jan-07 actual	Feb-07 actual	Mar-07 actual	Apr-07 actual	May-07 fcst	Jun-07 fcst	Jul-07 fcst	Aug-07 fcst	Sep-07 fcst	Oct-07 fcst	Total Nov-Oct
sub-total Dth	1,767,639	2,711,050	3,471,301	4,989,048	4,856,603	3,324,332	1,812,556	1,123,528	807,872	683,177	755,624	997,625	27,300,354
sub-total Storage Fixed Collections	<b>\$622,632</b>	<b>\$918,493</b>	<b>\$1,178,091</b>	<b>\$1,694,271</b>	<b>\$1,654,140</b>	<b>\$1,127,957</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>\$9,393,938</b>

### III. Variable Supply Cost Collections --

(a) Firm Sales dth	1,717,544	2,632,614	3,355,433	4,851,192	4,711,718	3,217,379	1,759,724	1,086,981	775,174	654,879	727,728	962,067	26,452,433
Variable Supply Cost Factor	\$8.7384	\$8.3640	\$8.3618	\$8.3606	\$8.3783	\$8.3608	\$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>\$40,559,011</b>	<b>\$39,476,316</b>	<b>\$26,899,900</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>\$221,239,974</b>
(b) TSS Sales dth	1,172	5,123	6,326	7,873	8,392	5,403							
TSS Variable Supply Cost F.	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.3011							
TSS Surcharge collections	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,627</b>							
(c) NGV Sales dth	1,201	1,433	984	-132	2,467	1,147	0	0	0	0	0	0	7,100
Variable Supply Cost Factor	\$8.2490	\$8.2491	\$8.2490	\$8.2500	\$8.2493	\$8.2493	\$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>(\$1,089)</b>	<b>\$20,351</b>	<b>\$9,462</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							
Variable Supply Cost Factor	\$0.0000	\$0.0000	\$0.0000	\$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>TOTAL Variable Supply Collections</b>	<b>\$15,018,578</b>	<b>\$22,031,121</b>	<b>\$28,065,602</b>	<b>\$40,557,922</b>	<b>\$39,496,667</b>	<b>\$26,910,989</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>\$221,300,170</b>

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

(a) Firm Sales dth	1,717,544	2,632,614	3,355,433	4,851,192	4,711,718	3,217,379	1,759,724	1,086,981	775,174	654,879	727,728	962,067	26,452,433
Variable Supply Cost Factor	\$1.1182	\$1.0703	\$1.0700	\$1.0698	\$1.0721	\$1.0699	\$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>\$5,189,896</b>	<b>\$5,051,490</b>	<b>\$3,442,179</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>\$28,612,863</b>

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

(a) Firm Sales dth	1,717,544	2,632,614	3,355,433	4,851,192	4,711,718	3,217,379	1,759,724	1,086,981	775,174	654,879	727,728	962,067	26,452,433
Variable Supply Cost Factor	\$0.1311	\$0.1255	\$0.1255	\$0.1254	\$0.1257	\$0.1255	\$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>\$608,558</b>	<b>\$592,329</b>	<b>\$403,625</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>\$3,278,589</b>
(b) FT-2 dth	50,095	78,436	115,868	137,856	144,885	106,953	52,833	36,546	32,698	28,298	27,895	35,558	
Variable Supply Cost Factor	\$0.1305	\$0.1305	\$0.1305	\$0.1304	\$0.1304	\$0.1304	\$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>\$17,983</b>	<b>\$18,900</b>	<b>\$13,952</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>\$107,713</b>
(c) Total Firm Sales/FT-2 dth	1,767,639	2,711,050	3,471,301	4,989,048	4,856,603	3,324,332	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>\$626,541</b>	<b>\$611,229</b>	<b>\$417,577</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>\$3,386,302</b>
<b>Total Gas Cost Collections</b>	<b>\$19,442,579</b>	<b>\$28,536,200</b>	<b>\$36,370,793</b>	<b>\$52,553,966</b>	<b>\$51,183,176</b>	<b>\$34,870,970</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>\$287,401,195</b>

National Grid  
Gas Cost Recovery Filing  
Gas Cost Estimate/Actual

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	\$15,186,021	\$11,879,141	\$15,174,195	\$21,168,385	\$25,760,468	\$30,480,542	\$35,302,259	\$39,991,583	\$44,822,266	
2	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%	
3	Return on Working Capital Requirement	(1) * (2)	\$2,951,694	\$2,715,593	\$2,122,186	\$1,378,737	\$1,078,506	\$1,377,664	\$1,921,876	\$2,338,790	\$2,767,325	\$3,205,089	\$3,630,832	\$4,069,409	\$29,557,701
4	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%	
5	Interest Charges Financed	(1) * (4)	\$1,357,017	\$1,248,471	\$975,657	\$633,863	\$495,834	\$633,369	\$883,566	\$1,075,239	\$1,272,255	\$1,473,513	\$1,669,245	\$1,870,877	\$13,588,907
6	Taxable Income	(3) - (5)	\$1,594,677	\$1,467,122	\$1,146,529	\$744,874	\$582,672	\$744,294	\$1,038,309	\$1,263,551	\$1,495,071	\$1,731,576	\$1,961,587	\$2,198,532	
7	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	
8	Return and Tax Requirement	(6) / (7)	\$2,453,350	\$2,257,111	\$1,763,891	\$1,145,960	\$896,418	\$1,145,068	\$1,597,399	\$1,943,925	\$2,300,109	\$2,663,963	\$3,017,826	\$3,382,357	\$24,567,376
9	Working Capital Requirement	(5) + (8)	\$3,810,367	\$3,505,582	\$2,739,548	\$1,779,823	\$1,392,252	\$1,778,437	\$2,480,965	\$3,019,164	\$3,572,363	\$4,137,476	\$4,687,071	\$5,253,234	\$38,156,283
10	Monthly Average	(9) / 12	\$317,531	\$292,132	\$228,296	\$148,319	\$116,021	\$148,203	\$206,747	\$251,597	\$297,697	\$344,790	\$390,589	\$437,770	\$3,179,690
11	<b>LNG Inventory Balance</b>		\$7,486,795	\$7,376,897	\$5,855,390	\$3,680,449	\$2,440,639	\$3,564,058	\$6,909,703	\$7,712,277	\$7,722,509	\$7,734,917	\$7,747,904	\$7,763,350	
12	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%	
13	Return on Working Capital Requirement	(11) * (12)	\$679,725	\$669,748	\$531,610	\$334,148	\$221,585	\$323,580	\$627,331	\$700,197	\$701,126	\$702,252	\$703,431	\$704,834	\$6,899,568
14	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%	
15	Interest Charges Financed	(11) * (14)	\$312,498	\$307,911	\$244,403	\$153,622	\$101,872	\$148,763	\$288,410	\$321,910	\$322,337	\$322,855	\$323,397	\$324,041	\$3,172,019
16	Taxable Income	(13) - (15)	\$367,227	\$361,837	\$287,207	\$180,526	\$119,713	\$174,817	\$338,921	\$378,287	\$378,789	\$379,398	\$380,035	\$380,792	
17	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	
18	Return and Tax Requirement	(16) / (17)	\$564,965	\$556,672	\$441,857	\$277,732	\$184,174	\$268,949	\$521,417	\$581,980	\$582,752	\$583,689	\$584,669	\$585,834	\$5,734,691
19	Working Capital Requirement	(15) + (18)	\$877,463	\$864,583	\$686,260	\$431,354	\$286,046	\$417,713	\$809,827	\$903,890	\$905,089	\$906,543	\$908,066	\$909,876	\$8,906,710
20	Monthly Average	(19) / 12	\$73,122	\$72,049	\$57,188	\$35,946	\$23,837	\$34,809	\$67,486	\$75,324	\$75,424	\$75,545	\$75,672	\$75,823	\$742,226
21	System Balancing Factor	Rate Case	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	
22	Balancing Related Inventory Costs	(20) * (21)	\$14,910	\$14,691	\$11,661	\$7,329	\$4,860	\$7,098	\$13,760	\$15,359	\$15,379	\$15,404	\$15,430	\$15,460	\$151,340
23	Supply Related Inventory Costs	(21) - (22)	\$58,212	\$57,358	\$45,528	\$28,617	\$18,977	\$27,712	\$53,725	\$59,966	\$60,045	\$60,142	\$60,243	\$60,363	\$590,886
24	<b>Propane Inventory Balance</b>		\$322,392	\$322,030	\$316,099	\$79,659	\$1,743	\$1,743	\$316,099	\$316,099	\$316,099	\$316,099	\$316,099	\$316,099	
25	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%	
26	Return on Working Capital Requirement	(24) * (25)	\$29,270	\$29,237	\$28,699	\$7,232	\$158	\$158	\$28,699	\$28,699	\$28,699	\$28,699	\$28,699	\$28,699	\$266,946
27	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%	
28	Interest Charges Financed	(24) * (27)	\$13,457	\$13,441	\$13,194	\$3,325	\$73	\$73	\$13,194	\$13,194	\$13,194	\$13,194	\$13,194	\$13,194	\$122,726
29	Taxable Income	(26) - (28)	\$15,813	\$15,796	\$15,505	\$3,907	\$85	\$85	\$15,505	\$15,505	\$15,505	\$15,505	\$15,505	\$15,505	
30	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	
31	Return and Tax Requirement	(29) / (30)	\$24,328	\$24,301	\$23,853	\$6,011	\$132	\$132	\$23,853	\$23,853	\$23,853	\$23,853	\$23,853	\$23,853	\$221,876
32	Working Capital Requirement	(28) + (31)	\$37,785	\$37,742	\$37,047	\$9,336	\$204	\$204	\$37,047	\$37,047	\$37,047	\$37,047	\$37,047	\$37,047	\$344,603
33	Monthly Average	(32) / 12	\$3,149	\$3,145	\$3,087	\$778	\$17	\$17	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$3,087	\$28,717



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	<b>Supply Fixed Costs</b>		\$1,839,138	\$2,370,663	\$2,142,756	\$2,097,250	\$2,181,752	\$2,162,736	\$2,182,971	\$2,181,846	\$2,182,971	\$2,182,971	\$2,181,846	\$2,148,096	\$25,854,993
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	\$2,097,250	\$2,181,752	\$2,162,736	\$2,182,971	\$2,181,846	\$2,182,971	\$2,182,971	\$2,181,846	\$2,148,096	\$25,854,993
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	
5	Working Capital Requirement	[(3) * (4)] / 365	\$67,519	\$87,033	\$78,666	\$76,995	\$80,097	\$79,399	\$80,142	\$80,101	\$80,142	\$80,142	\$80,101	\$78,862	
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%	
7	Return on Working Capital Requirement	(5) * (6)	\$6,130	\$7,902	\$7,142	\$6,990	\$7,272	\$7,209	\$7,276	\$7,272	\$7,276	\$7,276	\$7,272	\$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%	
9	Interest Expense	(5) * (8)	\$2,818	\$3,633	\$3,283	\$3,214	\$3,343	\$3,314	\$3,345	\$3,343	\$3,345	\$3,345	\$3,343	\$3,292	
10	Taxable Income	(7) - (9)	\$3,312	\$4,269	\$3,859	\$3,777	\$3,929	\$3,895	\$3,931	\$3,929	\$3,931	\$3,931	\$3,929	\$3,868	
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	
12	Return and Tax Requirement	(10) / (11)	\$5,095	\$6,568	\$5,936	\$5,810	\$6,044	\$5,992	\$6,048	\$6,045	\$6,048	\$6,048	\$6,045	\$5,951	
13	<b>Supply Fixed Working Capital Requirement</b>	(9) + (12)	<u>\$7,913</u>	<u>\$10,200</u>	<u>\$9,220</u>	<u>\$9,024</u>	<u>\$9,388</u>	<u>\$9,306</u>	<u>\$9,393</u>	<u>\$9,388</u>	<u>\$9,393</u>	<u>\$9,393</u>	<u>\$9,388</u>	<u>\$9,243</u>	<u>\$111,247</u>
14	<b>Storage Fixed Costs</b>		\$824,149	\$778,602	\$908,765	\$815,793	\$846,269	\$847,830	\$858,737	\$858,737	\$858,737	\$858,737	\$858,737	\$858,737	\$10,173,831
15	Less: LNG Demand to DAC		\$54,869	\$57,790	\$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		<u>\$43,241</u>	<u>\$43,241</u>	<u>\$43,241</u>	<u>\$43,241</u>	<u>\$43,241</u>	<u>\$43,241</u>	<u>\$43,241</u>	<u>\$43,241</u>	<u>\$43,241</u>	<u>\$43,241</u>	<u>\$43,241</u>	<u>\$43,241</u>	<u>\$518,894</u>
18	Allowable Working Capital Costs	(14) - (15) + (16)	\$812,522	\$764,053	\$897,233	\$802,752	\$833,228	\$834,789	\$845,697	\$845,697	\$845,697	\$845,697	\$845,697	\$845,697	\$10,018,756
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	
20	Working Capital Requirement	[(17) * (18)] / 365	\$29,830	\$28,050	\$32,940	\$29,471	\$30,590	\$30,647	\$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%	
22	Return on Working Capital Requirement	(19) * (20)	\$2,708	\$2,547	\$2,991	\$2,676	\$2,777	\$2,782	\$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%	
24	Interest Expense	(19) * (22)	\$1,245	\$1,171	\$1,375	\$1,230	\$1,277	\$1,279	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	
25	Taxable Income	(19) - (23)	\$1,463	\$1,376	\$1,616	\$1,446	\$1,500	\$1,503	\$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	
27	Return and Tax Requirement	(24) / (25)	\$2,251	\$2,117	\$2,486	\$2,224	\$2,308	\$2,313	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343	
28	<b>Storage Fixed Working Capital Requirement</b>	(23) + (26)	<u>\$3,496</u>	<u>\$3,288</u>	<u>\$3,861</u>	<u>\$3,454</u>	<u>\$3,585</u>	<u>\$3,592</u>	<u>\$3,639</u>	<u>\$3,639</u>	<u>\$3,639</u>	<u>\$3,639</u>	<u>\$3,639</u>	<u>\$3,639</u>	<u>\$43,108</u>
1	<b>Supply Variable Costs</b>		\$20,222,094	\$29,222,584	\$35,556,237	\$38,342,160	\$32,760,459	\$22,464,879	\$10,278,077	\$7,012,045	\$6,230,702	\$6,492,099	\$7,231,062	\$13,945,266	\$229,757,664
2a	Less: Non-firm Sales														\$0
2b	Less: Variable Delivery Storage Costs		\$8,728	\$22,310	\$54,918	\$69,421	\$28,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$183,415
2c	Less: Variable Injection Storage Costs		\$2,307	\$875	\$721	\$0	\$0	\$9,116	\$11,566	\$11,193	\$11,566	\$11,566	\$11,197	\$11,566	\$81,673
2d	Less: Fuel Costs Allocated to Storage		\$46,256	\$159,983	\$332,752	\$378,680	\$155,722	\$61,271	\$78,112	\$78,571	\$80,561	\$82,254	\$79,415	\$80,829	\$1,614,407
2e	Less: Supply Refunds														\$0
2	Total Credits		<u>\$57,292</u>	<u>\$183,168</u>	<u>\$388,391</u>	<u>\$448,102</u>	<u>\$183,761</u>	<u>\$70,388</u>	<u>\$89,678</u>	<u>\$89,764</u>	<u>\$92,127</u>	<u>\$93,819</u>	<u>\$90,612</u>	<u>\$92,395</u>	<u>\$1,879,495</u>
3	Allowable Working Capital Costs	(1) - (2)	\$20,164,802	\$29,039,416	\$35,167,846	\$37,894,058	\$32,576,698	\$22,394,491	\$10,188,399	\$6,922,282	\$6,138,575	\$6,398,280	\$7,140,450	\$13,852,871	\$227,878,169
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	
5	Working Capital Requirement	[(3) * (4)] / 365	\$740,297	\$1,066,105	\$1,291,094	\$1,391,179	\$1,195,966	\$822,154	\$374,040	\$254,133	\$225,361	\$234,896	\$262,143	\$508,571	
6	Cost of Capital	Rate Case	\$0	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	\$126,305	\$108,582	\$74,643	\$33,959	\$23,073	\$20,461	\$21,326	\$23,800	\$46,173	
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%	
9	Interest Expense	(5) * (8)	\$30,900	\$44,499	\$53,890	\$58,068	\$49,920	\$34,317	\$15,612	\$10,607	\$9,407	\$9,805	\$10,942	\$21,228	
10	Taxable Income	(7) - (9)	\$36,312	\$52,292	\$63,328	\$68,237	\$58,662	\$40,327	\$18,347	\$12,465	\$11,054	\$11,522	\$12,858	\$24,945	
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	
12	Return and Tax Requirement	(10) / (11)	\$55,864	\$80,450	\$97,428	\$104,981	\$90,249	\$62,041	\$28,226	\$19,177	\$17,006	\$17,726	\$19,782	\$38,378	
13	<b>Supply Variable Working Capital Requirement</b>	(9) + (12)	<u>\$86,764</u>	<u>\$124,949</u>	<u>\$151,318</u>	<u>\$163,048</u>	<u>\$140,169</u>	<u>\$96,358</u>	<u>\$43,838</u>	<u>\$29,785</u>	<u>\$26,413</u>	<u>\$27,530</u>	<u>\$30,723</u>	<u>\$59,605</u>	<u>\$980,500</u>

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	\$2,987,394	\$8,094,581	\$11,451,276	\$5,102,316	\$186,886	\$180,691	\$174,926	\$181,710	\$181,951	\$176,364	\$182,549	\$29,941,790
15	Less: Balancing Related LNG Commodity (to DAC)		(\$32,533)	(\$42,048)	(\$286,920)	(\$621,514)	(\$309,697)	(\$37,552)	(\$36,843)	(\$35,667)	(\$37,051)	(\$35,667)	(\$35,961)	(\$37,222)	(\$1,550,107)
16	Plus: Supply Related LNG O&M Costs		<u>\$30,455</u>	<u>\$30,455</u>	<u>\$30,455</u>	<u>\$30,455</u>	<u>\$30,455</u>	<u>\$30,455</u>	<u>\$30,455</u>	<u>\$30,455</u>	<u>\$30,455</u>	<u>\$30,455</u>	<u>\$30,455</u>	<u>\$30,455</u>	<u>\$365,465</u>
17	Allowable Working Capital Costs	(14) + (15) + (16)	\$1,039,068	\$2,975,802	\$7,838,116	\$10,860,217	\$4,823,074	\$179,790	\$174,304	\$169,714	\$175,115	\$175,307	\$170,859	\$175,783	\$28,757,148
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	
19	Working Capital Requirement	[(17) * (18)] / 365	\$38,147	\$109,249	\$287,755	\$398,704	\$177,066	\$6,600	\$6,399	\$6,231	\$6,429	\$6,436	\$6,273	\$6,453	
20	Cost of Capital	Rate Case	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	
21	Return on Working Capital Requirement	(19) * (20)	\$3,463	\$9,919	\$26,125	\$36,198	\$16,076	\$599	\$581	\$566	\$584	\$584	\$569	\$586	
22	Weighted Cost of Debt	Rate Case	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	
23	Interest Expense	(19) * (22)	\$1,592	\$4,560	\$12,011	\$16,642	\$7,391	\$276	\$267	\$260	\$268	\$269	\$262	\$269	
24	Taxable Income	(19) - (23)	\$1,871	\$5,359	\$14,114	\$19,556	\$8,685	\$324	\$314	\$306	\$315	\$316	\$308	\$317	
25	1 - Combined Tax Rate	Rate Case	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	
26	Return and Tax Requirement	(24) / (25)	\$2,879	\$8,244	\$21,714	\$30,087	\$13,362	\$498	\$483	\$470	\$485	\$486	\$473	\$487	
27	<b>Storage Var. Product Working Capital Requir.</b>	(23) + (26)	<u>\$4,471</u>	<u>\$12,804</u>	<u>\$33,725</u>	<u>\$46,729</u>	<u>\$20,752</u>	<u>\$774</u>	<u>\$750</u>	<u>\$730</u>	<u>\$753</u>	<u>\$754</u>	<u>\$735</u>	<u>\$756</u>	<u>\$123,734</u>
1	<b>Storage Variable Non-Product Costs</b>		\$65,749	\$357,455	\$784,685	\$751,347	\$272,174	\$70,561	\$89,678	\$89,764	\$92,127	\$93,819	\$90,612	\$92,395	\$2,850,365
2	Credits		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
3	Allowable Working Capital Costs	(1) - (2)	\$65,749	\$357,455	\$784,685	\$751,347	\$272,174	\$70,561	\$89,678	\$89,764	\$92,127	\$93,819	\$90,612	\$92,395	\$2,850,365
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	
5	<b>Working Capital Requirement</b>	[(3) * (4)] / 365	\$2,414	\$13,123	\$28,808	\$27,584	\$9,992	\$2,590	\$3,292	\$3,295	\$3,382	\$3,444	\$3,327	\$3,392	
6	Cost of Capital	Rate Case	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	<u>9.08%</u>	
7	Return on Working Capital Requirement	(5) * (6)	\$219	\$1,191	\$2,615	\$2,504	\$907	\$235	\$299	\$299	\$307	\$313	\$302	\$308	
8	<b>Weighted Cost of Debt</b>	Rate Case	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	<u>4.17%</u>	
9	Interest Expense	(5) * (8)	\$101	\$548	\$1,202	\$1,151	\$417	\$108	\$137	\$138	\$141	\$144	\$139	\$142	
10	Taxable Income	(7) - (9)	\$118	\$644	\$1,413	\$1,353	\$490	\$127	\$161	\$162	\$166	\$169	\$163	\$166	
11	1 - Combined Tax Rate	Rate Case	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	
12	Return and Tax Requirement	(10) / (11)	\$182	\$990	\$2,174	\$2,082	\$754	\$195	\$248	\$249	\$255	\$260	\$251	\$256	
13	<b>Storage Variable Non-product WC Requir.</b>	(9) + (12)	<u>\$283</u>	<u>\$1,538</u>	<u>\$3,376</u>	<u>\$3,233</u>	<u>\$1,171</u>	<u>\$304</u>	<u>\$386</u>	<u>\$386</u>	<u>\$396</u>	<u>\$404</u>	<u>\$390</u>	<u>\$398</u>	<u>\$12,264</u>

Line No.	Rate Class (a)	Nov-06 (b) Actual	Dec-06 (c) Actual	Jan-07 (d) Actual	Feb-07 (e) Actual	Mar-07 (f) Actual	Apr-07 (g) Actual	May-07 (h) Forecast	Jun-07 (i) Forecast	Jul-07 (j) Forecast	Aug-07 (k) Forecast	Sep-07 (l) Forecast	Oct-07 (m) Forecast	Nov-Oct (p)
1	<b>SALES (dth)</b>													
2	Residential Non-Heating	47,556	57,497	63,906	68,533	70,165	60,621	53,970	45,639	40,881	33,529	37,142	38,296	617,735
3	Residential Heating	1,127,890	1,722,327	2,247,983	3,240,734	3,167,787	2,160,256	1,160,958	692,887	476,003	393,643	432,925	575,726	17,399,119
4	Small C&I	115,038	218,216	286,793	473,984	455,738	283,021	123,459	74,424	50,854	43,593	49,913	68,721	2,243,754
5	Medium C&I	259,918	383,505	482,485	698,357	674,297	454,165	265,927	170,842	129,590	112,818	127,265	160,683	3,919,852
6	Large LLF	89,406	156,155	181,517	250,005	234,076	169,363	90,849	44,617	26,097	20,240	25,111	52,822	1,340,258
7	Large HLF	35,498	38,981	40,463	45,112	45,108	38,951	31,696	30,128	24,271	22,591	23,825	25,411	402,036
8	Extra Large LLF	8,767	15,068	14,275	19,722	19,028	10,975	5,215	1,708	1,070	1,026	2,597	8,625	108,076
9	Extra Large HLF	33,471	40,865	38,011	54,745	45,519	40,027	27,651	26,736	26,408	27,438	28,950	31,784	421,604
10	<b>Total Sales</b>	1,717,544	2,632,614	3,355,433	4,851,192	4,711,718	3,217,379	1,759,724	1,086,981	775,174	654,879	727,728	962,067	26,452,433
11	<b>TSS</b>													
12	Medium	839	3,240	3,474	5,402	4,827	3,680							
13	Large LLF	333	1,883	321	935	4,195	1,723							
14	Large HLF	0	0	2,531	1,536	(630)	0							
15	Extra Large LLF	0	0	0	0	0	0							
16	Extra Large HLF	0	0	0	0	0	0							
17	<b>Total TSS</b>	1,172	5,123	6,326	7,873	8,392	5,403							
18	<b>FT-2 TRANSPORTATION</b>													
19	FT-2 Medium	32,740	42,252	59,229	76,895	80,228	59,951	34,257	24,996	21,018	19,324	19,189	23,298	493,378
20	FT-2 Large LLF	9,918	26,082	43,298	48,318	48,543	35,890	10,469	4,607	4,221	1,342	921	4,475	238,085
21	FT-2 Large HLF	5,136	7,659	7,656	7,702	10,812	7,573	5,802	5,614	6,135	6,181	6,017	4,848	81,135
22	FT-2 Extra Large LLF	964	1,899	2,121	3,293	3,084	1,501	760	139	4	4	336	1,260	15,364
23	FT-2 Extra Large HLF	1,337	544	3,564	1,648	2,218	2,038	1,544	1,190	1,321	1,447	1,432	1,677	19,960
24	<b>Total Transportation</b>	50,095	78,436	115,868	137,856	144,885	106,953	52,833	36,546	32,698	28,298	27,895	35,558	847,921
25	<b>Sales &amp; FT-2 THROUGHPUT</b>													
26	Residential Non-Heating	47,556	57,497	63,906	68,533	70,165	60,621	53,970	45,639	40,881	33,529	37,142	38,296	617,735
27	Residential Heating	1,127,890	1,722,327	2,247,983	3,240,734	3,167,787	2,160,256	1,160,958	692,887	476,003	393,643	432,925	575,726	17,399,119
28	Small C&I	115,038	218,216	286,793	473,984	455,738	283,021	123,459	74,424	50,854	43,593	49,913	68,721	2,243,754
29	Medium C&I	292,658	425,757	541,714	775,252	754,525	514,116	300,184	195,838	150,608	132,142	146,454	183,981	4,413,230
30	Large LLF	99,324	182,237	224,815	298,323	282,619	205,253	101,318	49,224	30,318	21,582	26,032	57,297	1,578,342
31	Large HLF	40,634	46,640	48,119	52,814	55,920	46,524	37,498	35,742	30,406	28,772	29,842	30,259	483,171
32	Extra Large LLF	9,731	16,967	16,396	23,015	22,112	12,476	5,974	1,847	1,074	1,030	2,933	9,885	123,440
33	Extra Large HLF	34,808	41,409	41,575	56,393	47,737	42,065	29,195	27,926	27,728	28,885	30,382	33,460	441,564
34	<b>Total Throughput</b>	1,767,639	2,711,050	3,471,301	4,989,048	4,856,603	3,324,332	1,812,556	1,123,528	807,872	683,177	755,624	997,625	27,300,354
35	<b>FT-1 TRANSPORTATION</b>													
36	FT-1 Medium	64,460	82,608	79,480	111,998	95,770	63,273	33,443	24,696	23,981	23,338	42,305	104,576	749,928
37	FT-1 Large LLF	111,405	149,552	150,864	211,573	185,507	122,070	48,449	20,363	17,624	17,142	18,879	55,387	1,108,816
38	FT-1 Large HLF	40,428	44,612	39,160	47,070	49,324	37,818	28,577	26,940	22,723	25,196	31,185	26,768	419,802
39	FT-1 Extra Large LLF	60,527	77,239	81,746	117,032	111,368	62,367	31,828	16,549	13,880	14,970	19,032	42,436	648,974
40	FT-1 Extra Large HLF	350,805	354,985	291,357	353,590	375,650	294,038	267,363	248,507	229,460	239,706	254,209	274,157	3,533,826
41	Default	0	0	0	0	0	0	0	0	0	0	0	0	0
42	<b>Total Transportation</b>	627,625	708,996	642,607	841,263	817,619	579,566	409,660	337,055	307,669	320,352	365,611	503,323	6,461,346
43	<b>Total THROUGHPUT</b>													
44	Residential Non-Heating	47,556	57,497	63,906	68,533	70,165	60,621	53,970	45,639	40,881	33,529	37,142	38,296	617,735
45	Residential Heating	1,127,890	1,722,327	2,247,983	3,240,734	3,167,787	2,160,256	1,160,958	692,887	476,003	393,643	432,925	575,726	17,399,119
46	Small C&I	115,038	218,216	286,793	473,984	455,738	283,021	123,459	74,424	50,854	43,593	49,913	68,721	2,243,754
47	Medium C&I	357,118	508,365	621,194	887,250	850,295	577,389	333,627	220,534	174,589	155,480	188,760	288,557	5,163,158
48	Large LLF	210,729	331,789	375,679	509,896	468,126	327,323	149,767	69,588	47,942	38,725	44,911	112,684	2,687,158
49	Large HLF	81,062	91,252	87,279	99,884	105,244	84,342	66,076	62,682	53,129	53,968	61,027	57,027	902,972
50	Extra Large LLF	70,258	94,206	98,142	140,047	133,480	74,843	37,802	18,395	14,954	16,000	21,966	52,321	772,414
51	Extra Large HLF	385,613	396,394	332,932	409,983	423,387	336,103	296,558	276,433	257,189	268,591	284,591	307,617	3,975,390
52	<b>Total Throughput</b>	2,395,264	3,420,046	4,113,908	5,830,311	5,674,222	3,903,898	2,222,216	1,460,582	1,115,541	1,003,529	1,121,234	1,500,948	33,761,700

## Certificate of Service

I certify that a copy of the cover letter and materials accompanying this certificate were mailed or hand-delivered to the parties listed below.



Date: May 21, 2007

**Joanne M. Scanlon**  
National Grid

### **Docket 3766 – National Grid – Annual Gas Cost Recovery (GCR) Service List as of 9/13/06**

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