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PUBLIC UTILITIES COMMISSION

July 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 eight months of actual data and four months of forecasted data, the October 31, 2007 deferred gas cost balance is currently projected to be an over-collection of \$10.3 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 June 2007, along with projected costs for July through October 2007. The projected gas costs are based on the July 17, 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 June 2007, the Company incurred actual gas costs of \$11.3 million, working capital of \$47,369 and GCR revenue collections of \$10.3 million, for a net under-collection of \$1.0 million. Schedule 2 provides a breakdown of actual gas costs for November 2006 through June 2007 with projected costs for July 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) 574-2309.

Very truly yours,



Peter C. Czekanski
Principle Analyst

Enclosures

cc: Docket 3766 Service List

National Grid
Rhode Island Service Area
Deferred Gas Cost Balance

Projected Gas Costs using: 7-17-2007 NYMEX	Nov-06		Jan-07		Feb-07		Mar-07		Apr-07		May-07		Jun-07		Jul-07		Aug-07		Sep-07		Oct-07		Nov - Oct	
	30	31	31	31	28	31	31	31	30	31	31	31	30	31	30	31	31	31	30	31	forecast	forecast	forecast	forecast
I. Supply Fixed Cost/Deferred																								
Beginning Balance																								
Supply Fixed Costs (net of cap rel)																								
Capacity Release																								
Working Capital																								
Total Supply Fixed Costs																								
Supply Fixed - Collections																								
Prelim. Ending Balance																								
Month's Average Balance																								
Interest Rate (BOA Prime minus 200 bps)																								
Interest Applied																								
Asset Management Incentive																								
Supply Fixed Ending Balance																								

II. Storage Fixed Cost/Deferred

Beginning Balance																								
Storage Fixed Costs																								
LNG Demand to DAC																								
Supply Related LNG O & M																								
Working Capital																								
Total Storage Fixed Costs																								
TSS Peaking																								
Storage Fixed - Collections																								
Prelim. Ending Balance																								
Month's Average Balance																								
Interest Rate (BOA Prime minus 200 bps)																								
Interest Applied																								
Storage Fixed Ending Balance																								

III. Variable Supply Cost/Deferred

Beginning Balance																								
Variable Supply Costs																								
Variable Delivery Storage																								
Variable Injections Storage																								
Fuel Cost Allocated to Storage																								
Working Capital																								
Total Supply Variable Costs																								
Supply Variable - Collections																								
Deferred Responsibility																								
Prelim. Ending Balance																								
Month's Average Balance																								
Interest Rate (BOA Prime minus 200 bps)																								
Interest Applied																								
Gas Procurement Incentive (penalty)																								
Supply Variable Ending Balance																								

National Grid
Rhode Island Service Area
Deferred Gas Cost Balance

Projected Gas Costs using: 7-17-2007 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 actual	Jun-07 30 actual	Jul-07 31 forecast	Aug-07 31 forecast	Sep-07 30 forecast	Oct-07 31 forecast	Nov - Oct
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IVa. Storage Variable Product Cost Deferred	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 actual	Jun-07 30 actual	Jul-07 31 forecast	Aug-07 31 forecast	Sep-07 30 forecast	Oct-07 31 forecast	Nov - Oct
Beginning Balance													
Storage Variable Prod. Costs - LNG	(\$3,434,487)	(\$3,951,525)	(\$3,447,516)	\$1,104,726	\$7,018,917	\$6,983,333	\$3,925,597	\$2,555,832	\$2,070,076	\$1,758,351	\$1,625,192	\$1,449,674	\$8,220,174
Storage Variable Prod. Costs - LP	\$159,553	\$206,217	\$1,573,115	\$3,175,105	\$1,772,712	\$184,168	\$2,193,388	\$214,338	\$180,997	\$180,704	\$174,294	\$179,564	\$363,129
Storage Variable Prod. Costs - UG	\$881,593	\$2,781,177	\$6,517,414	\$7,995,010	\$3,251,688	\$2,718	\$279,776	\$0	\$0	\$0	\$0	\$0	\$21,709,375
Supply Related LNG to DAC	(\$32,533)	(\$42,048)	(\$286,920)	(\$621,514)	(\$309,697)	(\$37,552)	(\$44,733)	(\$43,704)	(\$36,905)	(\$36,845)	(\$35,539)	(\$36,617)	(\$1,564,607)
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	\$37,646	\$42,886	\$59,634	\$59,436	\$59,264	\$59,118	\$654,396
Inventory Financing - UG	\$317,531	\$292,132	\$228,296	\$148,319	\$116,021	\$148,203	\$181,962	\$216,430	\$297,697	\$344,790	\$389,401	\$432,265	\$3,113,045
Inventory Financing - LP	\$3,149	\$3,145	\$3,087	\$778	\$17	\$17	\$17	\$17	\$3,087	\$3,087	\$3,087	\$3,087	\$22,576
Working Capital	\$4,471	\$12,804	\$33,725	\$46,729	\$20,752	\$774	\$2,086	\$865	\$751	\$750	\$728	\$746	\$125,182
Total Storage Variable Product Costs	\$1,422,431	\$3,341,241	\$8,148,752	\$11,084,659	\$4,978,841	\$356,495	\$706,597	\$461,297	\$535,716	\$582,376	\$621,691	\$746	\$25,182
Storage Variable Product Collections	\$1,920,547	\$2,817,646	\$3,590,308	\$5,189,998	\$5,051,490	\$3,442,179	\$2,093,459	\$959,965	\$857,575	\$724,492	\$805,086	\$1,064,335	\$32,908,736
Prelim. Ending Balance	(\$3,932,603)	(\$3,427,931)	\$1,110,927	\$6,999,489	\$6,946,268	\$3,897,649	\$2,538,735	\$2,068,225	\$1,748,217	\$1,616,235	\$1,441,797	\$1,053,978	\$28,515,978
Month's Average Balance	(\$3,683,545)	(\$3,689,728)	(\$1,168,295)	\$4,052,107	\$6,982,593	\$5,440,491	\$3,232,166	\$2,307,959	\$1,909,147	\$1,687,293	\$1,533,494	\$1,251,826	
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	\$17,157	\$11,851	\$10,134	\$8,957	\$7,878	\$6,645	\$102,353
Storage Variable Product Ending Bal.	(\$3,951,525)	(\$3,447,516)	\$1,104,726	\$7,018,917	\$6,983,333	\$3,925,597	\$2,555,892	\$2,070,076	\$1,758,351	\$1,625,192	\$1,449,674	\$1,060,623	

IVb. Stor. Var. Non-Prod. Cost Deferred	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 actual	Jun-07 30 actual	Jul-07 31 forecast	Aug-07 31 forecast	Sep-07 30 forecast	Oct-07 31 forecast	Nov - Oct
Beginning Balance													
Storage Variable Non-Prod. Costs	(\$611,753)	(\$781,024)	(\$766,754)	(\$417,537)	(\$291,596)	(\$631,924)	(\$982,773)	(\$1,114,026)	(\$1,172,572)	(\$1,180,716)	(\$1,172,587)	(\$1,175,935)	\$988,728
Variable Delivery Storage Costs	\$9,457	\$174,287	\$396,294	\$303,245	\$88,413	\$173	\$17,858	\$0	\$0	\$0	\$0	\$0	\$187,136
Variable Injection Storage Costs	\$2,307	\$22,310	\$54,918	\$69,421	\$28,038	\$0	\$9,655	\$9,301	\$11,566	\$11,566	\$11,197	\$11,566	\$77,870
Fuel Costs Allocated to Storage	\$46,256	\$159,983	\$332,752	\$378,680	\$195,722	\$61,271	\$89,219	\$63,839	\$80,561	\$82,254	\$79,415	\$80,829	\$1,610,781
Working Capital	\$283	\$1,538	\$3,378	\$3,233	\$1,171	\$304	\$518	\$315	\$396	\$404	\$390	\$398	\$12,325
Total Storage Var Non-Product Costs	\$66,032	\$358,993	\$788,062	\$754,579	\$473,345	\$70,864	\$120,971	\$73,454	\$92,523	\$94,223	\$91,001	\$92,793	\$2,876,840
Storage Var Non-Product Collections	\$231,735	\$340,825	\$436,109	\$626,541	\$611,229	\$417,577	\$246,673	\$126,142	\$94,440	\$79,863	\$98,332	\$116,623	\$3,415,889
Prelim. Ending Balance	(\$77,456)	(\$762,857)	(\$414,801)	(\$289,899)	(\$629,479)	(\$978,637)	(\$1,108,476)	(\$1,166,714)	(\$1,174,489)	(\$1,166,358)	(\$1,169,918)	(\$1,199,765)	
Month's Average Balance	(\$694,605)	(\$771,840)	(\$590,771)	(\$353,918)	(\$460,537)	(\$805,280)	(\$1,045,625)	(\$1,140,370)	(\$1,173,530)	(\$1,171,253)	(\$1,171,253)	(\$1,187,850)	
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)	(\$1,897)	(\$2,445)	(\$4,137)	(\$5,560)	(\$5,858)	(\$6,229)	(\$6,229)	(\$6,017)	(\$6,305)	(\$55,269)
Storage Var Non-Product Ending Bal.	(\$781,024)	(\$766,754)	(\$417,937)	(\$291,596)	(\$631,924)	(\$982,773)	(\$1,114,026)	(\$1,172,572)	(\$1,180,716)	(\$1,172,587)	(\$1,175,935)	(\$1,206,070)	

GCR Deferred Summary	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 actual	Jun-07 30 actual	Jul-07 31 forecast	Aug-07 31 forecast	Sep-07 30 forecast	Oct-07 31 forecast	Nov - Oct
Beginning Balance													
Gas Costs	(\$20,364,731)	(\$15,496,084)	(\$7,848,061)	\$3,107,097	\$3,376,832	(\$6,773,370)	(\$15,749,936)	(\$24,256,014)	(\$23,361,887)	(\$22,018,158)	(\$19,051,401)	(\$16,260,379)	\$296,996,261
Working Capital	\$24,300,171	\$35,976,785	\$47,122,602	\$52,583,338	\$40,844,800	\$25,830,449	\$12,140,482	\$11,278,550	\$9,794,334	\$10,102,392	\$10,692,026	\$16,330,332	\$1,261,246
Total Costs	\$102,927	\$152,779	\$201,500	\$225,488	\$175,065	\$110,332	\$51,280	\$47,369	\$40,592	\$41,715	\$44,061	\$68,138	\$298,257,507
Collections	\$24,403,098	\$36,129,564	\$47,324,102	\$52,808,826	\$41,019,865	\$25,940,781	\$12,191,762	\$11,325,919	\$9,834,925	\$10,144,108	\$10,736,087	\$16,398,470	\$287,372,176
Prelim. Ending Balance	\$19,442,579	\$28,419,438	\$36,355,737	\$52,553,966	\$51,160,318	\$34,858,820	\$20,591,051	\$10,306,904	\$8,370,119	\$7,067,684	\$7,853,678	\$10,389,882	
Month's Average Balance	(\$15,404,212)	(\$17,785,958)	(\$3,120,304)	\$3,361,956	(\$6,763,621)	(\$15,691,409)	(\$24,149,224)	(\$23,238,999)	(\$21,897,081)	(\$18,941,734)	(\$16,168,992)	(\$10,251,791)	
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)	(\$106,790)	(\$122,888)	(\$121,077)	(\$109,667)	(\$91,387)	(\$71,321)	(\$843,713)
Gas Purchase Plan Incentives (Penalties)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Bal. W/ Interest	(\$15,496,084)	(\$7,848,061)	(\$3,107,097)	\$3,376,832	(\$6,773,370)	(\$15,749,936)	(\$24,256,014)	(\$23,361,887)	(\$22,018,158)	(\$19,051,401)	(\$16,260,379)	(\$10,323,172)	
Under/(Over)-collection	\$4,960,519	\$7,710,126	\$10,988,365	\$254,860	(\$10,140,453)	(\$8,918,039)	(\$8,399,289)	\$1,017,015	\$1,464,806	\$3,076,424	\$2,882,409	\$6,008,588	

National Grid
Rhode Island Service Area
GCR Gas Costs
Actual/Estimate

SUPPLY FIXED COSTS - Pipeline Delivery

	Nov-06 Actual	Dec-06 Actual	Jan-07 Actual	Feb-07 Actual	Mar-07 Actual	Apr-07 Actual	May-07 Actual	Jun-07 Actual	Jul-07 Forecast	Aug-07 Forecast	Sep-07 Forecast	Oct-07 Forecast	Nov-Oct
Conoco	\$2,049,724 (\$37,732)	\$2,233,428 \$31,618	\$2,107,684 (\$62,798)	\$2,029,588 \$11,398	\$2,118,865 (\$57,863)	\$2,100,522 (\$39,746)	\$1,777,084	\$1,659,091	\$657,917	\$657,917	\$657,917	\$657,917	\$0
Algonquin													\$16,275,986
Texas Eastern													\$2,813,897
TETCO													\$212,548
Tennessee													\$850,193
NETNE													\$2,096,176
IROQUOIS													\$2,042,671
Dominion													\$10,610
National Fuel													\$10,610
Columbia													\$7,042
HUBLINE													\$7,042
WESTERLY LATERAL													\$28,168
Less Credits from Mktg Releases	\$63,387	\$63,438	\$63,463	\$63,783	\$61,216	\$62,498	\$62,635	\$63,370	\$62,500	\$62,500	\$62,500	\$62,500	\$2,346
	\$665,648	\$295,028	\$302,822	\$310,458	\$285,622	\$296,618	\$292,604	\$306,945	\$509,242	\$509,242	\$509,242	\$509,242	\$9,385
TOTAL SUPPLY FIXED COSTS - Pipeline	\$1,509,731	\$2,033,456	\$1,805,527	\$1,794,311	\$1,836,596	\$1,826,656	\$1,752,011	\$1,747,971	\$1,846,096	\$1,846,096	\$1,846,096	\$1,846,096	\$21,690,641

Supply Fixed - Supplier

Total	\$329,407	\$337,207	\$337,229	\$302,939	\$345,156	\$336,080	\$337,783	\$336,597	\$336,875	\$336,875	\$335,750	\$302,000	\$3,973,898
Total Supply Fixed (Pipeline & Supplier)	\$1,839,138	\$2,370,663	\$2,142,756	\$2,097,250	\$2,181,752	\$2,162,736	\$2,089,794	\$2,084,568	\$2,182,971	\$2,182,971	\$2,181,846	\$2,148,096	\$25,664,539

STORAGE FIXED COSTS - Facilities

CONOCO	\$219,139	\$218,795	\$218,941	\$218,761	\$220,066	\$218,828	\$219,706	\$219,631	\$0	\$0	\$0	\$0	\$1,753,867
TEXAS EASTERN SS-1									\$94,417	\$94,417	\$94,417	\$94,417	\$377,668
TEXAS EASTERN FSS-1									\$1,455	\$1,455	\$1,455	\$1,455	\$5,821
DOMINION									\$83,289	\$83,289	\$83,289	\$83,289	\$333,156
TENNESSEE									\$39,428	\$39,428	\$39,428	\$39,428	\$157,713
COLUMBIA									\$9,745	\$9,745	\$9,745	\$9,745	\$36,980
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
TOTAL FIXED STORAGE COSTS	\$376,639	\$376,295	\$376,441	\$376,261	\$377,566	\$376,328	\$377,206	\$377,131	\$385,835	\$385,835	\$385,835	\$385,835	\$4,557,205

STORAGE FIXED COSTS - Delivery

CONOCO	\$447,510	\$402,307	\$532,324	\$439,532	\$468,703	\$471,502	\$435,083	\$456,512	\$472,903	\$472,903	\$472,903	\$472,903	\$5,545,084
ALGONQUIN FOR TETCO SS-1, FSS-1													\$283,943
TETCO DELIVERY FOR FSS-1													\$19,522
ALGONQUIN SCT FOR SS-1, GSS													\$348,802
TENNESSEE DELIVERY FOR GSS													\$144,556
TENNESSEE DELIVERY FOR FSMA													\$100,248
TETCO DELIVERY FOR GSS													\$311,680
DOMINION DELIVERY FOR GSS													\$36,018
ALGONQUIN DELIVERY FOR FSS													\$60,154
COLUMBIA DELIVERY FOR FSS													\$29,582
DISTRIGAS FLS CALL PAYMENT													\$1,415,392
STORAGE DELIVERY FIXED COST \$	\$447,510	\$402,307	\$532,324	\$439,532	\$468,703	\$471,502	\$435,083	\$456,512	\$472,903	\$472,903	\$472,903	\$472,903	\$5,545,084

TOTAL STORAGE FIXED

	\$824,149	\$778,602	\$908,765	\$815,793	\$846,269	\$847,830	\$812,289	\$833,643	\$858,737	\$858,737	\$858,737	\$858,737	\$10,102,289
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TOTAL FIXED COSTS

	\$2,663,287	\$3,149,265	\$3,051,521	\$2,913,043	\$3,028,021	\$3,010,566	\$2,902,083	\$2,918,211	\$3,041,708	\$3,041,708	\$3,040,583	\$3,006,833	\$35,766,828
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	Nov-06 Actual	Dec-06 Actual	Jan-07 Actual	Feb-07 Actual	Mar-07 Actual	Apr-07 Actual	May-07 Actual	Jun-07 Actual	Jul-07 Forecast	Aug-07 Forecast	Sep-07 Forecast	Oct-07 Forecast	Nov-Oct
VARIABLE SUPPLY COSTS													
Tennessee													
TETCO													
Hubline													
M3 Delivered	\$282,602	\$68,501	(\$196,641)	\$268,366	(\$113,243)	(\$316,283)	(\$174,790)	\$18,132	\$0	\$0	\$0	\$0	\$14,855,057
Maumee Supplemental													\$12,554,031
Broadrun Col													\$0
Columbia AGT													\$0
Dominion													\$0
Transco													\$0
ANE													\$0
Niagara													\$0
Telco to B&W													\$0
DIST FCS													\$0
Suppliers	\$20,101,888	\$29,701,037	\$35,799,099	\$38,315,764	\$33,220,683	\$23,040,844	\$8,729,913	\$7,632,628	\$20,051	\$21,623	\$22,464	\$24,180	\$196,630,174
Total Pipeline Commodity Charges	\$20,698,315	\$30,093,488	\$35,926,408	\$38,876,730	\$33,442,086	\$23,010,183	\$8,849,623	\$7,935,760	\$6,230,702	\$6,492,099	\$7,043,521	\$12,668,648	\$231,267,563
TOTAL VARIABLE SUPPLY COSTS	\$20,698,315	\$30,093,488	\$35,926,408	\$38,876,730	\$33,442,086	\$23,010,183	\$8,849,623	\$7,935,760	\$6,230,702	\$6,492,099	\$7,043,521	\$12,668,648	\$231,267,563
VARIABLE STORAGE COSTS													
Underground Storage	\$890,050	\$2,955,464	\$6,913,708	\$8,298,255	\$3,340,101	\$2,891	\$297,634	\$0	\$0	\$0	\$0	\$0	\$22,698,103
LNG Withdrawals/Westerly Trucking	\$159,553	\$206,217	\$1,573,115	\$3,175,105	\$1,772,712	\$184,168	\$219,388	\$214,338	\$180,997	\$180,704	\$174,294	\$179,584	\$8,220,174
LP	\$0	\$0	\$4,052	\$281,161	\$77,916	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$363,129
TOTAL VARIABLE STORAGE COSTS	\$1,049,603	\$3,161,681	\$8,490,875	\$11,754,521	\$5,190,729	\$187,059	\$517,022	\$214,338	\$180,997	\$180,704	\$174,294	\$179,584	\$31,281,406
TOTAL VARIABLE COSTS	\$21,747,918	\$33,255,169	\$44,417,283	\$50,631,251	\$38,632,815	\$23,197,242	\$9,366,645	\$8,150,098	\$6,411,699	\$6,672,803	\$7,217,815	\$12,848,232	\$262,548,969
TOTAL SUPPLY COSTS	\$24,411,205	\$36,404,434	\$47,468,804	\$53,544,294	\$41,660,836	\$26,207,808	\$12,268,728	\$11,068,309	\$9,453,406	\$9,714,510	\$10,258,398	\$15,855,064	\$298,315,797
TOTAL CAPACITY RELEASE CREDITS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SUPPLY COSTS AFTER CREDITS	\$24,411,205	\$36,404,434	\$47,468,804	\$53,544,294	\$41,660,836	\$26,207,808	\$12,268,728	\$11,068,309	\$9,453,406	\$9,714,510	\$10,258,398	\$15,855,064	\$298,315,797
Storage Costs for FT-2 Calculation													
Storage Fixed Costs - Facilities	\$376,639	\$376,295	\$376,441	\$376,261	\$377,566	\$376,328	\$377,206	\$377,131	\$385,835	\$385,835	\$385,835	\$385,835	\$4,557,205
Storage Fixed Costs - Deliveries	\$447,510	\$402,307	\$532,324	\$439,532	\$468,703	\$471,502	\$435,083	\$456,512	\$472,903	\$472,903	\$472,903	\$472,903	\$5,545,084
Variable Delivery Costs	\$9,728	\$22,310	\$54,918	\$69,421	\$28,038	\$0	\$3,721	\$9,301	\$0	\$0	\$0	\$0	\$187,136
Variable Injection Costs	\$2,307	\$875	\$721	\$0	\$0	\$9,116	\$9,655	\$0	\$11,566	\$11,566	\$11,197	\$11,566	\$77,870
Fuel Costs Allocated to Storage	\$48,256	\$159,983	\$332,752	\$378,680	\$155,722	\$61,271	\$89,219	\$63,839	\$80,561	\$82,254	\$78,415	\$80,829	\$1,610,781
Total Storage Costs	\$881,441	\$961,770	\$1,297,156	\$1,263,895	\$1,030,030	\$918,218	\$914,884	\$906,782	\$950,864	\$952,557	\$949,349	\$951,132	\$11,978,076
Pipeline Variable	\$20,698,315	\$30,093,488	\$35,926,408	\$38,876,730	\$33,442,086	\$23,010,183	\$8,849,623	\$7,935,760	\$6,230,702	\$6,492,099	\$7,043,521	\$12,668,648	
Less Non-firm Gas Costs	\$737,349	\$934,307	\$486,044	\$145,982	\$584,816	\$691,014	\$694,817	\$579,796	\$472,903	\$472,903	\$472,903	\$472,903	
Less Company Use	\$66,607	\$91,706	\$107,489	\$137,512	\$100,455	\$74,778	\$38,587	\$24,405	\$0	\$0	\$0	\$0	
Less Manchester St Balancing	\$9,737	\$3,537	\$4,756	\$4,422	\$5,659	\$9,007	\$11,600	\$4,435	\$0	\$0	\$0	\$0	
Plus Cashout													
Less Mkttr Over-takes	\$13,219	\$62,626	\$2,092	\$194,897	\$23,284	\$1,762	\$22,613	\$36,613	\$0	\$0	\$0	\$0	
Less Mkttr Withdrawals													
Plus Mkttr Undertakes	\$23,764	-\$2,096	\$177,821	-\$14,274	\$59,667	\$47,747	\$228,915	\$161,847	\$0	\$0	\$0	\$0	
Plus Mkttr Injections	\$80,038	\$125,681	-\$23,255	-\$119,054	-\$129,679	45,874	80,792	281,635	\$0	\$0	\$0	\$0	
Storage Service Charge													
Plus Pipeline Strchg/Credit	\$246,889	\$97,687	\$75,644	\$81,571	\$102,599	\$137,636	\$134,574	\$168,791	\$0	\$0	\$0	\$0	
TOTAL FIRM COMMODITY COSTS	\$20,222,094	\$29,222,584	\$35,556,237	\$38,342,160	\$32,760,459	\$22,464,879	\$8,526,287	\$7,902,785	\$6,230,702	\$6,492,099	\$7,043,521	\$12,668,648	\$227,432,454

I. Supply Fixed Cost Collections

	Nov-06 actual	Dec-06 actual	Jan-07 actual	Feb-07 actual	Mar-07 actual	Apr-07 actual	May-07 actual	Jun-07 actual	Jul-07 fcsst	Aug-07 fcsst	Sep-07 fcsst	Oct-07 fcsst	Total Nov-Oct
(a) Resid. & Small C & I dth Supply Fixed Cost Factor	1,290,484 \$0.9776	1,998,040 \$0.9336	2,598,682 \$0.9338	3,783,251 \$0.9336	3,693,690 \$0.9337	2,503,898 \$0.9336	1,459,786 \$0.9344	718,622 \$0.9339	567,738 \$0.9780	470,765 \$0.9780	519,980 \$0.9780	682,743 \$0.9780	20,287,679
Res & Small C & I collections	\$1,261,628	\$1,865,314	\$2,426,577	\$3,553,892	\$3,448,695	\$2,337,551	\$1,362,778	\$666,080	\$555,248	\$460,408	\$508,541	\$667,722	\$19,092,434
(b) C & I Medium dth Supply Fixed Cost Factor	259,918 \$0.9375	383,505 \$0.9004	482,485 \$0.8989	698,357 \$0.8991	674,297 \$0.8971	454,165 \$0.9000	277,468 \$0.9044	162,474 \$0.8823	129,590 \$0.9363	112,818 \$0.9363	127,265 \$0.9363	160,683 \$0.9363	3,923,025
C & I Medium collections	\$243,669	\$345,297	\$433,686	\$627,905	\$604,936	\$408,750	\$250,944	\$143,353	\$121,335	\$105,632	\$119,158	\$150,447	\$3,555,112
(c) C & I Large HLF dth Supply Fixed Cost Factor	89,408 \$0.10137	156,155 \$0.9871	181,517 \$0.9726	250,005 \$0.9745	234,076 \$0.9758	169,363 \$0.9848	85,980 \$0.9883	30,337 \$0.9439	26,097 \$1.0361	20,240 \$1.0361	25,111 \$1.0361	52,822 \$1.0361	1,321,089
C & I Large HLF collections	\$90,630	\$154,146	\$176,549	\$243,641	\$242,454	\$166,785	\$84,957	\$28,635	\$27,039	\$20,971	\$26,018	\$54,729	\$1,316,554
(d) C & I Extra Large HLF dth Supply Fixed Cost Factor	35,498 \$0.7105	38,981 \$0.6758	40,463 \$0.7175	45,112 \$0.7204	45,108 \$0.6658	38,951 \$0.6748	31,011 \$0.6753	27,219 \$0.6753	24,271 \$0.7050	22,591 \$0.7050	23,825 \$0.7050	25,411 \$0.7050	398,441
C & I Extra Large HLF collections	\$25,220	\$26,344	\$29,032	\$32,500	\$30,033	\$26,286	\$20,941	\$18,380	\$17,111	\$15,927	\$16,797	\$17,915	\$276,486
(e) C & I Extra Large LLF dth Supply Fixed Cost Factor	8,767 \$0.9602	15,068 \$0.9352	14,275 \$0.9351	19,722 \$0.9350	19,028 \$0.9350	10,975 \$0.9350	4,282 \$0.9351	1,633 \$0.9345	1,070 \$0.9865	1,026 \$0.9865	2,597 \$0.9865	8,625 \$0.9865	107,069
C & I XL LLF collections	\$8,418	\$14,092	\$13,348	\$18,441	\$17,792	\$10,262	\$4,004	\$1,526	\$1,056	\$1,012	\$2,562	\$8,509	\$101,022
(f) C & I Extra Large HLF dth Supply Fixed Cost Factor	33,471 \$0.5833	40,865 \$0.5658	38,011 \$0.5654	54,745 \$0.5655	45,519 \$0.5655	40,027 \$0.5655	33,800 \$0.5655	28,836 \$0.5655	26,408 \$0.5961	27,438 \$0.5961	28,950 \$0.5961	31,784 \$0.5961	429,853
C & I XL HLF collections	\$19,522	\$23,122	\$21,491	\$30,957	\$25,740	\$22,634	\$19,113	\$16,306	\$15,742	\$16,356	\$17,257	\$18,946	\$247,186
sub-total Dth	1,717,544	2,632,614	3,355,433	4,851,192	4,711,718	3,217,379	1,892,307	969,121	775,174	654,879	727,728	962,067	26,467,166
sub-total Supply Fixed Collections	\$1,649,087	\$2,428,315	\$3,100,683	\$4,485,336	\$4,369,650	\$2,972,268	\$1,742,737	\$874,280	\$737,531	\$620,306	\$690,333	\$918,268	\$24,588,794

II. Storage Fixed Cost Collections

(a) Resid. & Small C & I dth Storage Fixed Cost Factor	1,290,484 \$0.3598	1,998,040 \$0.3436	2,598,682 \$0.3436	3,783,251 \$0.3436	3,693,690 \$0.3436	2,503,898 \$0.3436	1,459,786 \$0.3411	718,622 \$0.3411	567,738 \$0.3652	470,765 \$0.3652	519,980 \$0.3652	682,743 \$0.3652	20,287,679
Res & Small C & I collections	\$464,291	\$686,454	\$893,005	\$1,299,771	\$1,269,154	\$860,241	\$501,516	\$245,124	\$207,338	\$171,923	\$189,897	\$249,338	\$7,038,052
(b) C & I Medium dth Storage Fixed Cost Factor	259,918 \$0.3414	383,505 \$0.3279	482,485 \$0.3273	698,357 \$0.3274	674,297 \$0.3267	454,165 \$0.3277	277,468 \$0.3293	162,474 \$0.3213	129,590 \$0.3456	112,818 \$0.3456	127,265 \$0.3456	160,683 \$0.3456	3,923,025
C & I Medium collections	\$88,728	\$125,733	\$157,918	\$228,639	\$220,276	\$148,838	\$91,376	\$52,199	\$44,786	\$38,990	\$43,983	\$55,532	\$1,296,998
(c) C & I Large HLF dth Storage Fixed Cost Factor	89,408 \$0.3736	156,155 \$0.3638	181,517 \$0.3584	250,005 \$0.3591	234,076 \$0.3817	169,363 \$0.3629	85,980 \$0.3642	30,337 \$0.3478	26,097 \$0.3878	20,240 \$0.3878	25,111 \$0.3878	52,822 \$0.3878	1,321,089
C & I Large HLF collections	\$33,398	\$56,803	\$65,060	\$89,783	\$89,346	\$61,461	\$31,307	\$10,552	\$10,120	\$7,849	\$9,738	\$20,484	\$485,901
(d) C & I Extra Large HLF dth Storage Fixed Cost Factor	35,498 \$0.2589	38,981 \$0.2463	40,463 \$0.2615	45,112 \$0.2626	45,108 \$0.2427	38,951 \$0.2460	31,011 \$0.2461	27,219 \$0.2461	24,271 \$0.2582	22,591 \$0.2582	23,825 \$0.2582	25,411 \$0.2582	398,441
C & I Extra Large HLF collections	\$9,192	\$9,601	\$10,581	\$11,845	\$10,946	\$9,580	\$7,632	\$6,699	\$6,267	\$5,833	\$6,152	\$6,561	\$100,889
(e) C & I XL LLF dth Storage Fixed Cost Factor	8,767 \$0.3530	15,068 \$0.3438	14,275 \$0.3438	19,722 \$0.3438	19,028 \$0.3438	10,975 \$0.3438	4,282 \$0.3438	1,633 \$0.3438	1,070 \$0.3680	1,026 \$0.3680	2,597 \$0.3680	8,625 \$0.3680	107,069
C & I XL LLF collections	\$3,095	\$5,181	\$4,908	\$6,780	\$6,542	\$3,773	\$1,472	\$561	\$394	\$378	\$956	\$3,174	\$37,214
(f) C & I XL HLF dth Storage Fixed Cost Factor	33,471 \$0.2151	40,865 \$0.2087	38,011 \$0.2085	54,745 \$0.2085	45,519 \$0.2085	40,027 \$0.2085	33,800 \$0.2085	28,836 \$0.2085	26,408 \$0.2234	27,438 \$0.2234	28,950 \$0.2234	31,784 \$0.2234	429,853
C & I XL HLF collections	\$7,199	\$8,527	\$7,925	\$11,416	\$9,492	\$6,347	\$7,048	\$6,013	\$5,899	\$6,130	\$6,467	\$7,100	\$91,563
(g) FT-2 dth Storage Fixed Cost Factor	50,095 \$0.3339	78,436 \$0.3340	115,868 \$0.3339	137,856 \$0.3339	144,885 \$0.3339	106,953 \$0.3340	69,721 \$0.3339	44,447 \$0.3339	32,698 \$0.3426	28,298 \$0.3426	27,895 \$0.3426	35,588 \$0.3426	872,710
FT-2 collection	\$16,729	\$26,194	\$38,694	\$46,037	\$48,384	\$35,717	\$23,283	\$14,843	\$11,202	\$9,695	\$9,557	\$12,182	\$292,517

	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	actual	actual	actual	actual	actual	fest	fest	fest	fest	Nov-Oct

sub-total Dth	1,767,639	2,711,050	3,471,301	4,989,048	4,856,603	3,324,332	1,962,028	1,013,568	807,872	683,177	755,624	997,625	27,339,866
sub-total Storage Fixed Collections	\$622,632	\$918,493	\$1,178,091	\$1,694,271	\$1,654,140	\$1,127,957	\$663,634	\$335,991	\$286,006	\$240,798	\$266,750	\$354,371	\$9,343,134

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	1,892,307	969,121	775,174	654,879	727,728	962,067	26,467,156
Variable Supply Cost Factor	\$8,7384	\$8,3640	\$8,3618	\$8,3606	\$8,3783	\$8,3608	\$8,3673	\$8,2515	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492
Variable supply collections	\$15,008,671	\$22,019,300	\$28,057,485	\$40,559,011	\$39,476,316	\$26,899,900	\$15,833,568	\$7,996,894	\$6,394,567	\$5,402,225	\$6,003,177	\$7,936,285	\$221,587,189
(b) TSS Sales dth	1,172	5,123	6,326	7,873	8,392	5,403	4,939	(597)					
TSS Variable Supply Cost F.	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.3011	\$0.2330	\$0.1508					
TSS Surcharge collections	\$0	\$0	\$0	\$0	\$0	\$1,627	\$1,151	-\$90					
(c) NGV Sales dth	1,201	1,433	984	-132	2,467	1,147	1,529	401	0	0	0	0	9,030
Variable Supply Cost Factor	\$8,2490	\$8,2491	\$8,2490	(\$1,089)	\$8,2493	\$8,2493	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492	\$8,2492
Variable supply collections	\$9,907	\$11,821	\$8,117	(\$1,089)	\$20,351	\$9,462	\$12,613	\$3,308	\$0	\$0	\$0	\$0	\$0
(d) Default Sales dth	0	0	0	0	0	0	0	2,431					
Variable Supply Cost Factor	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$9,7849					
Variable supply collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,787					
TOTAL Variable Supply Collections	\$15,018,578	\$22,031,121	\$28,065,602	\$40,557,922	\$39,490,667	\$26,910,989	\$15,847,332	\$8,023,689	\$6,394,567	\$5,402,225	\$6,003,177	\$7,936,285	\$221,688,154

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	1,892,307	969,121	775,174	654,879	727,728	962,067	26,467,156
Variable Supply Cost Factor	\$1,1182	\$1,0763	\$1,0700	\$1,0698	\$1,0721	\$1,0699	\$1,1063	\$0,9695	\$1,1063	\$1,1063	\$1,1063	\$1,1063	\$1,1063
Stor Var Product collections	\$1,920,547	\$2,817,646	\$3,590,308	\$5,189,896	\$5,051,490	\$3,442,179	\$2,093,459	\$958,965	\$957,575	\$724,492	\$805,086	\$1,064,335	\$28,515,978

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	1,892,307	969,121	775,174	654,879	727,728	962,067	26,467,156
Variable Supply Cost Factor	\$0.1311	\$0.1255	\$0.1255	\$0.1254	\$0.1257	\$0.1255	\$0.1255	\$0.1242	\$0.1169	\$0.1169	\$0.1169	\$0.1169	\$0.1169
Stor Var Non-Product collec	\$225,200	\$330,393	\$420,994	\$608,558	\$592,329	\$403,625	\$237,578	\$120,344	\$90,618	\$76,555	\$85,071	\$112,466	\$3,303,731
(b) FT-2 dth	50,095	78,436	115,868	137,856	144,885	106,963	69,721	44,447	32,698	28,298	27,895	35,558	
Variable Supply Cost Factor	\$0.1305	\$0.1305	\$0.1305	\$0.1304	\$0.1304	\$0.1304	\$0.1304	\$0.1304	\$0.1169	\$0.1169	\$0.1169	\$0.1169	
Stor Var Non-Product collec	\$6,535	\$10,232	\$15,115	\$17,983	\$18,900	\$13,952	\$9,095	\$5,798	\$3,822	\$3,308	\$3,261	\$4,157	\$112,158
(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	1,962,028	1,013,568	807,872	683,177	755,624	997,625	
Stor Var Non-Product collec	\$231,735	\$340,625	\$436,109	\$626,541	\$611,229	\$417,577	\$246,673	\$126,142	\$94,440	\$79,863	\$88,332	\$116,623	\$3,415,889

Total Gas Cost Collections

	\$19,442,579	\$28,536,200	\$36,370,793	\$52,553,966	\$51,183,176	\$34,870,970	\$20,593,835	\$10,319,067	\$8,370,119	\$7,067,684	\$7,853,678	\$10,389,882	\$287,551,949
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National Grid
Rhode Island Service Area
Gas Cost Inventory Financing Calculation

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	Storage Inventory Balance	Rate Case (1) - (2)	\$32,511,261	\$29,910,743	\$23,374,696	\$15,186,021	\$11,879,141	\$15,174,195	\$18,630,668	\$22,159,758	\$30,480,542	\$35,302,259	\$39,869,888	\$44,258,688	\$28,938,178
2	Cost of Capital		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	\$2,122,186	\$1,378,737	\$1,078,506	\$1,377,664	\$1,691,476	\$2,011,882	\$2,767,325	\$3,205,089	\$3,205,089	\$3,619,783	\$4,018,242	\$28,938,178
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%	
5	Interest Charges Financed		\$1,357,017	\$1,248,471	\$975,657	\$633,863	\$495,834	\$633,369	\$777,642	\$924,946	\$1,272,255	\$1,473,513	\$1,664,165	\$1,847,353	\$13,304,086
6	Taxable Income	(3) - (5)	\$1,594,677	\$1,467,122	\$1,146,529	\$744,874	\$582,672	\$744,284	\$913,834	\$1,086,936	\$1,495,071	\$1,731,576	\$1,955,618	\$2,170,889	\$24,052,449
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	\$24,052,449
8	Return and Tax Requirement		\$2,453,350	\$2,257,111	\$1,763,891	\$1,145,960	\$896,418	\$1,145,068	\$1,406,899	\$1,672,209	\$2,300,109	\$2,663,963	\$3,008,643	\$3,339,829	\$24,052,449
9	Working Capital Requirement	(5) + (8)	\$3,810,367	\$3,505,582	\$2,739,548	\$1,779,823	\$1,392,252	\$1,778,437	\$2,183,541	\$2,597,156	\$3,572,363	\$4,137,476	\$4,672,808	\$5,187,182	\$37,356,535
10	Monthly Average	(9) / 12	\$317,531	\$292,132	\$228,296	\$148,319	\$116,021	\$148,203	\$181,962	\$216,430	\$297,697	\$344,790	\$389,401	\$432,265	\$3,113,045
11	LNG Inventory Balance	Rate Case (11) * (12)	\$7,486,795	\$7,376,897	\$5,855,390	\$3,680,449	\$2,440,639	\$3,564,058	\$4,841,694	\$5,516,889	\$7,669,571	\$7,644,125	\$7,622,047	\$7,603,283	\$6,473,487
12	Cost of Capital		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		\$679,725	\$669,748	\$531,610	\$334,148	\$221,585	\$323,580	\$439,577	\$500,878	\$696,320	\$694,009	\$692,005	\$690,301	\$6,473,487
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%	
15	Interest Charges Financed		\$312,498	\$307,911	\$244,403	\$153,822	\$101,872	\$148,763	\$202,092	\$230,274	\$320,127	\$319,065	\$318,143	\$317,360	\$2,976,132
16	Taxable Income	(13) - (15)	\$367,227	\$361,837	\$287,207	\$180,626	\$119,713	\$174,817	\$237,485	\$270,603	\$376,192	\$374,944	\$373,861	\$372,941	\$5,380,546
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	\$5,380,546
18	Return and Tax Requirement		\$564,965	\$556,672	\$441,857	\$277,732	\$184,174	\$268,949	\$365,362	\$416,313	\$578,758	\$576,837	\$575,171	\$573,755	\$5,380,546
19	Working Capital Requirement	(15) + (18)	\$877,463	\$864,583	\$686,260	\$431,354	\$286,046	\$417,713	\$567,454	\$646,587	\$898,885	\$895,902	\$893,315	\$891,116	\$8,356,678
20	Monthly Average	(19) / 12	\$73,122	\$72,049	\$57,188	\$35,946	\$23,837	\$34,809	\$47,288	\$53,882	\$74,907	\$74,659	\$74,443	\$74,260	\$696,390
21	System Balancing Factor	Rate Case (20) * (21)	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	
22	Balancing Related Inventory Costs		\$14,910	\$14,691	\$11,661	\$7,329	\$4,860	\$7,098	\$9,642	\$10,987	\$15,274	\$15,223	\$15,179	\$15,142	\$141,994
23	Supply Related Inventory Costs	(21) - (22)	\$58,212	\$57,358	\$49,528	\$28,617	\$18,977	\$27,712	\$37,646	\$42,896	\$59,634	\$59,436	\$59,264	\$59,118	\$554,396
24	Propane Inventory Balance	Rate Case (24) * (25)	\$322,392	\$322,030	\$316,099	\$79,659	\$1,743	\$1,743	\$1,743	\$1,743	\$316,099	\$316,099	\$316,099	\$316,099	\$209,865
25	Cost of Capital		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	\$7,232	\$158	\$158	\$158	\$158	\$28,699	\$28,699	\$28,699	\$28,699	\$209,865
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%	
28	Interest Charges Financed		\$13,457	\$13,441	\$13,194	\$3,325	\$73	\$73	\$73	\$73	\$13,194	\$13,194	\$13,194	\$13,194	\$96,484
29	Taxable Income	(26) - (28)	\$15,813	\$15,796	\$15,505	\$3,907	\$85	\$85	\$85	\$85	\$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	\$174,433
31	Return and Tax Requirement		\$24,328	\$24,301	\$23,853	\$6,011	\$132	\$132	\$132	\$132	\$23,853	\$23,853	\$23,853	\$23,853	\$174,433
32	Working Capital Requirement	(28) + (31)	\$37,785	\$37,742	\$37,047	\$9,336	\$204	\$204	\$204	\$204	\$37,047	\$37,047	\$37,047	\$37,047	\$270,917
33	Monthly Average	(32) / 12	\$3,149	\$3,145	\$3,087	\$778	\$17	\$17	\$17	\$17	\$3,087	\$3,087	\$3,087	\$3,087	\$22,576

National Grid
Rhode Island Service Area
Gas Cost Working Capital Calculation

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	\$2,097,250	\$2,181,752	\$2,162,736	\$2,089,794	\$2,084,568	\$2,182,971	\$2,182,971	\$2,181,846	\$2,148,096	\$25,664,539
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	\$2,089,794	\$2,084,568	\$2,182,971	\$2,182,971	\$2,181,846	\$2,148,096	\$25,664,539
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	\$76,995	\$80,097	\$79,399	\$76,721	\$76,529	\$80,142	\$80,142	\$80,101	\$78,862	\$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%	9.08%
7	Return on Working Capital Requirement	(5) * (6)	\$6,130	\$7,902	\$7,142	\$6,990	\$7,272	\$7,209	\$6,966	\$6,948	\$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	(8) * (7)	\$2,818	\$3,633	\$3,283	\$3,214	\$3,343	\$3,314	\$3,202	\$3,194	\$3,345	\$3,345	\$3,343	\$3,292	\$3,292
10	Taxable Income	(7) - (9)	\$3,312	\$4,269	\$3,859	\$3,777	\$3,929	\$3,895	\$3,763	\$3,754	\$3,931	\$3,931	\$3,929	\$3,868	\$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	0.6500
12	Return and Tax Requirement	(10) / (11)	\$5,095	\$6,568	\$5,936	\$5,810	\$6,044	\$5,992	\$5,790	\$5,775	\$6,048	\$6,048	\$6,045	\$5,951	\$5,951
13	Supply Fixed Working Capital Requirement	(9) + (12)	\$7,913	\$10,200	\$9,220	\$9,024	\$9,388	\$9,306	\$8,992	\$8,969	\$9,393	\$9,393	\$9,388	\$9,243	\$9,243
14	Storage Fixed Costs		\$824,149	\$778,602	\$908,785	\$815,793	\$846,269	\$847,830	\$812,289	\$833,643	\$858,737	\$858,737	\$858,737	\$856,737	\$10,102,289
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		\$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	\$764,053	\$897,253	\$802,752	\$833,228	\$834,789	\$799,248	\$820,602	\$845,697	\$845,697	\$845,697	\$845,697	\$9,947,214
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	\$28,050	\$32,940	\$29,471	\$30,590	\$30,647	\$29,342	\$30,126	\$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	\$2,676	\$2,777	\$2,782	\$2,664	\$2,735	\$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	(23) * (22)	\$1,245	\$1,171	\$1,375	\$1,230	\$1,277	\$1,279	\$1,225	\$1,257	\$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	\$1,439	\$1,478	\$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	\$2,117	\$2,486	\$2,224	\$2,308	\$2,313	\$2,214	\$2,273	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343
28	Storage Fixed Working Capital Requirement	(23) + (26)	\$3,496	\$3,288	\$3,861	\$3,454	\$3,685	\$3,592	\$3,438	\$3,531	\$3,639	\$3,639	\$3,639	\$3,639	\$3,639
1	Supply Variable Costs		\$20,222,094	\$29,222,584	\$35,556,237	\$38,342,160	\$32,760,459	\$22,464,879	\$8,526,287	\$7,902,785	\$6,230,702	\$6,492,099	\$7,043,521	\$12,668,648	\$227,432,454
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	\$89,421	\$28,038	\$0	\$3,721	\$0	\$0	\$0	\$0	\$0	\$187,136
2c	Less: Variable Injection Storage Costs		\$2,307	\$875	\$721	\$0	\$9,116	\$9,655	\$9,655	\$6,301	\$11,566	\$11,566	\$11,197	\$11,566	\$77,870
2d	Less: Fuel Costs Allocated to Storage		\$46,256	\$159,983	\$332,752	\$378,960	\$155,722	\$61,271	\$89,219	\$63,839	\$80,561	\$82,254	\$79,415	\$80,829	\$1,610,781
2e	Less: Supply Refunds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Total Credits		\$57,292	\$183,168	\$388,391	\$448,102	\$183,761	\$70,988	\$102,595	\$73,139	\$92,127	\$93,819	\$90,612	\$92,395	\$1,875,782
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	\$8,423,692	\$7,829,645	\$6,138,575	\$6,398,280	\$6,952,909	\$12,576,253	\$225,556,666
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	\$1,291,094	\$1,391,179	\$1,195,966	\$822,154	\$309,253	\$287,445	\$225,361	\$234,896	\$255,257	\$461,704	\$461,704
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	\$126,305	\$108,552	\$74,643	\$28,077	\$26,097	\$20,461	\$21,326	\$23,175	\$41,918	\$41,918
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	(8) * (7)	\$30,900	\$44,489	\$53,890	\$58,068	\$49,920	\$34,317	\$12,908	\$11,998	\$9,407	\$9,805	\$10,654	\$19,271	\$19,271
10	Taxable Income	(7) - (9)	\$36,312	\$52,292	\$63,328	\$68,237	\$58,662	\$40,327	\$15,169	\$14,099	\$11,054	\$11,522	\$12,520	\$22,647	\$22,647
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	\$104,961	\$90,249	\$62,041	\$23,337	\$21,691	\$17,006	\$17,726	\$19,282	\$34,841	\$34,841
13	Supply Variable Working Capital Requirement	(9) + (12)	\$86,764	\$124,949	\$151,318	\$163,048	\$140,169	\$96,368	\$36,245	\$33,689	\$26,413	\$27,530	\$29,917	\$54,112	\$970,511

Line No.	Description (a)	Reference (b)	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Total
14	Storage Variable Product Costs												
15	Less: Balancing Related LNG Commodity (to DAC)		\$8,094,561	\$11,451,276	\$5,102,316	\$186,886	\$499,164	\$214,336	\$180,997	\$190,704	\$174,294	\$179,584	\$30,292,678
16	Plus: Supply Related LNG O&M Costs		(\$286,920)	(\$621,514)	(\$309,897)	(\$37,952)	(\$44,733)	(\$43,704)	(\$36,617)	(\$36,845)	(\$35,539)	(\$36,617)	(\$1,564,607)
17	Allowable Working Capital Costs	(14) + (15) + (16)	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$365,465
18	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	\$23,083,537
19	Working Capital Requirement	(17) + (18) / 365	\$287,755	\$398,704	\$177,066	\$6,600	\$17,801	\$7,382	\$6,408	\$6,399	\$6,212	\$6,367	\$9,08%
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%
21	Return on Working Capital Requirement	(19) * (20)	\$9,919	\$36,198	\$16,076	\$599	\$1,616	\$670	\$582	\$581	\$564	\$578	\$578
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%
23	Interest Expense	(19) * (22)	\$4,560	\$16,642	\$7,391	\$276	\$743	\$308	\$267	\$267	\$259	\$266	\$266
24	Taxable Income	(19) - (23)	\$5,359	\$19,556	\$8,685	\$324	\$873	\$362	\$314	\$314	\$305	\$312	\$312
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
26	Return and Tax Requirement	(24) / (25)	\$8,244	\$30,087	\$13,362	\$498	\$1,343	\$557	\$484	\$483	\$469	\$480	\$480
27	Storage Var. Product Working Capital Requir.	(23) + (26)	\$12,804	\$46,729	\$20,752	\$774	\$2,086	\$865	\$751	\$750	\$728	\$746	\$125,182
1	Storage Variable Non-Product Costs												
2	Credits		\$65,749	\$751,347	\$272,174	\$70,561	\$120,453	\$73,139	\$92,127	\$93,819	\$90,612	\$92,395	\$2,864,515
3	Allowable Working Capital Costs	(1) - (2)	\$65,749	\$751,347	\$272,174	\$70,561	\$120,453	\$73,139	\$92,127	\$93,819	\$90,612	\$92,395	\$2,864,515
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	\$12,325
5	Working Capital Requirement	(3) + (4) / 365	\$2,414	\$27,584	\$9,992	\$2,590	\$4,422	\$2,685	\$3,382	\$3,444	\$3,327	\$3,392	\$3,392
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%
7	Return on Working Capital Requirement	(5) * (6)	\$219	\$2,504	\$907	\$235	\$401	\$244	\$307	\$313	\$302	\$308	\$308
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%
9	Interest Expense	(5) * (8)	\$101	\$1,151	\$417	\$108	\$185	\$112	\$141	\$144	\$139	\$142	\$142
10	Taxable Income	(7) - (9)	\$118	\$1,353	\$490	\$127	\$217	\$132	\$166	\$169	\$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
12	Return and Tax Requirement	(10) / (11)	\$182	\$2,082	\$764	\$195	\$334	\$203	\$255	\$260	\$251	\$256	\$256
13	Storage Variable Non-product WC Requir.	(9) + (12)	\$283	\$3,233	\$1,171	\$304	\$518	\$315	\$396	\$404	\$390	\$398	\$12,325

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) Actual	Jun-07 (i) Actual	Jul-07 (j) Forecast	Aug-07 (k) Forecast	Sep-07 (l) Forecast	Oct-07 (m) Forecast	Nov-07 (p)
1 SALES (dth)														
1	Residential Non-Heating	47,556	57,497	63,906	68,533	70,165	60,621	54,387	44,481	40,881	33,529	37,142	38,296	616,994
2	Residential Heating	1,127,890	1,722,327	2,247,983	3,240,734	3,167,787	2,160,256	1,260,805	608,465	476,003	393,643	432,925	575,726	17,414,544
3	Small C&I	115,038	238,216	286,793	473,984	455,738	283,021	144,594	65,676	50,854	43,593	49,913	68,721	2,256,141
4	Medium C&I	259,918	383,505	482,485	694,357	674,297	454,165	277,468	129,590	129,590	112,818	127,265	160,683	3,923,025
5	Large LLF	89,406	181,157	181,517	250,003	234,076	169,363	85,960	30,337	26,097	20,240	25,111	52,822	1,321,089
6	Large HLF	35,498	38,981	40,463	45,112	45,108	38,951	27,219	27,219	24,271	22,591	23,825	25,411	398,441
7	Extra Large LLF	8,767	15,068	14,275	19,722	19,028	16,975	4,282	1,633	1,070	1,026	2,597	8,625	107,069
8	Extra Large HLF	33,471	40,865	38,011	54,745	45,519	40,027	33,800	28,836	26,408	27,438	28,950	31,784	429,553
9	Total Sales	1,717,544	2,632,614	3,355,433	4,851,192	4,711,718	3,217,379	1,892,307	969,121	775,174	654,879	727,728	962,067	26,467,156
11 ISS														
11	Medium	839	3,240	3,474	5,402	4,827	3,660	3,551	228	228	228	228	228	228
12	Large LLF	333	1,883	2,531	1,536	(630)	0	0	0	0	0	0	0	0
13	Large HLF	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Extra Large LLF	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Extra Large HLF	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Total ISS	1,172	5,123	6,326	7,873	8,392	5,403	4,939	(597)	32,688	28,296	27,895	35,558	872,710
18 EL-2 TRANSPORTATION														
18	FT-2 Medium	32,740	42,252	59,229	76,895	80,228	59,951	39,614	26,743	21,018	19,324	19,189	23,298	500,481
19	FT-2 Large LLF	9,918	26,082	43,298	48,318	48,543	35,890	20,623	10,672	1,342	1,342	921	4,475	254,303
20	FT-2 Large HLF	5,136	7,659	7,656	7,702	10,812	7,573	6,730	5,567	6,135	6,181	6,017	4,848	82,016
21	FT-2 Extra Large LLF	964	1,859	2,121	3,293	3,084	1,501	853	72	4	4	336	1,260	15,390
22	FT-2 Extra Large HLF	1,337	544	3,554	1,648	2,218	2,038	1,901	1,393	1,321	1,447	1,432	1,677	20,520
23	Total Transportation	50,095	78,436	115,868	137,856	144,885	106,953	69,721	44,447	32,688	28,296	27,895	35,558	872,710
25 Sales & FT-2 THROUGHPUT														
25	Residential Non-Heating	47,556	57,497	63,906	68,533	70,165	60,621	54,387	44,481	40,881	33,529	37,142	38,296	616,994
26	Residential Heating	1,127,890	1,722,327	2,247,983	3,240,734	3,167,787	2,160,256	1,260,805	608,465	476,003	393,643	432,925	575,726	17,414,544
27	Small C&I	115,038	238,216	286,793	473,984	455,738	283,021	144,594	65,676	50,854	43,593	49,913	68,721	2,256,141
28	Medium C&I	292,658	425,757	541,714	775,252	754,525	514,116	317,082	189,217	150,608	132,142	146,454	183,981	4,423,506
29	Large LLF	89,324	182,237	224,815	298,323	282,619	205,253	106,583	41,009	30,318	21,582	26,032	57,297	1,575,392
30	Large HLF	40,634	46,640	48,119	52,614	55,920	48,524	37,741	32,766	30,406	28,772	29,842	30,259	480,457
31	Extra Large LLF	9,731	16,967	16,396	23,015	22,112	12,476	5,135	1,705	1,074	1,030	2,933	9,885	122,460
32	Extra Large HLF	34,808	41,408	41,575	56,393	47,737	42,065	35,201	30,229	27,728	28,885	30,382	33,460	450,373
33	Total Throughput	1,787,639	2,711,050	3,471,301	4,989,048	4,856,603	3,324,332	1,962,028	1,013,568	807,872	683,177	755,624	997,625	27,339,866
35 EL-1 TRANSPORTATION														
35	FT-1 Medium	64,460	82,608	79,480	111,998	95,770	63,273	137,352	(89,309)	23,981	23,338	42,305	104,576	739,832
36	FT-1 Large LLF	111,405	149,552	150,864	211,573	185,507	122,070	253,324	(197,905)	17,624	17,142	18,879	55,387	1,095,423
37	FT-1 Large HLF	40,428	44,612	39,160	47,070	49,324	37,818	62,914	(6,389)	22,723	25,196	31,185	26,768	420,809
38	FT-1 Extra Large LLF	60,527	77,239	81,746	117,032	111,368	62,367	153,146	(123,878)	13,880	14,970	19,032	42,436	629,865
39	FT-1 Extra Large HLF	350,805	354,985	291,357	353,590	375,650	294,038	473,657	44,245	229,460	239,706	254,209	274,157	3,535,859
40	Default	0	0	0	0	0	0	0	2,431	0	0	0	0	0
41	Total Transportation	627,625	708,996	642,607	841,263	817,619	579,566	1,080,393	(370,805)	307,669	320,352	365,611	503,323	6,421,788
42	Total Throughput	2,395,264	3,420,046	4,113,908	5,830,311	5,674,222	3,903,898	3,042,420	640,332	1,115,541	1,003,529	1,121,234	1,500,948	33,761,694
43 Total THROUGHPUT														
43	Residential Non-Heating	47,556	57,497	63,906	68,533	70,165	60,621	54,387	44,481	40,881	33,529	37,142	38,296	616,994
44	Residential Heating	1,127,890	1,722,327	2,247,983	3,240,734	3,167,787	2,160,256	1,260,805	608,465	476,003	393,643	432,925	575,726	17,414,544
45	Small C&I	115,038	238,216	286,793	473,984	455,738	283,021	144,594	65,676	50,854	43,593	49,913	68,721	2,256,141
46	Medium C&I	357,119	508,365	621,194	850,295	824,525	514,116	317,082	189,217	150,608	132,142	146,454	183,981	4,423,506
47	Large LLF	210,729	331,789	375,679	509,898	468,126	327,323	158,907	53,907	47,942	38,725	44,911	112,684	2,670,815
48	Large HLF	87,279	91,252	95,884	105,244	105,244	84,342	100,655	26,397	24,271	22,591	23,825	25,411	398,441
49	Extra Large LLF	8,767	15,068	14,275	19,722	19,028	16,975	4,282	1,633	1,070	1,026	2,597	8,625	107,069
50	Extra Large HLF	33,471	40,865	38,011	54,745	45,519	40,027	33,800	28,836	26,408	27,438	28,950	31,784	429,553
51	Total Throughput	2,395,264	3,420,046	4,113,908	5,830,311	5,674,222	3,903,898	3,042,420	640,332	1,115,541	1,003,529	1,121,234	1,500,948	33,761,694