

December 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 3868 – 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 one month of actual data and eleven months of forecasted data, the October 31, 2008 deferred gas cost balance is an under-collection of \$754 thousand (see attached Schedule 1, page 2).

This calculation is based on the November 1, 2007 starting balance of a \$9.3 million over-collection, plus actual gas costs and gas cost collections for November 2007, along with projected costs for December 2007 through October 2008. The projected gas costs are based on the December 6, 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 November 2007, the Company incurred actual gas costs of \$29.9 million, working capital of \$127 thousand and GCR revenue collections of \$16.5 million, for a net under-collection of \$13.5 million. Schedule 2 provides a breakdown of actual gas costs for November 2007 and projected gas costs for December 2007 through October 2008. Schedule 3 summarizes gas cost revenue collections. Schedule 4 presents the calculation of inventory finance charges. The calculation of working capital is presented on pages 1 and 2 of Schedule 5. Schedule 6 presents customer class specific throughput.

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

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket 3868 Service List

**Docket No. 3868 – National Grid – Annual Gas Cost Recovery Filing
 (“GCR”) - Service List as of 9/12/07**

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Projected Gas costs using
12-06-2007 NYMEX

	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov - Oct
	30	31	31	28	31	30	31	30	31	31	30	31	365
	actual	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	
I. Supply Fixed Cost Deferred													
Beginning Balance	\$295,859	\$1,182,898	\$120,892	(\$2,197,827)	(\$4,634,211)	(\$6,660,923)	(\$7,633,515)	(\$7,489,078)	(\$5,850,118)	(\$4,286,115)	(\$2,593,809)	(\$1,009,064)	
Supply Fixed Costs (net of cap ret)	\$2,055,771	\$2,277,391	\$2,276,020	\$2,274,249	\$2,276,317	\$2,365,209	\$2,366,317	\$2,365,209	\$2,366,317	\$2,366,317	\$2,365,209	\$2,366,317	\$27,720,645
Capacity Release	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	\$5,887	\$9,845	\$9,939	\$9,831	\$9,940	\$10,224	\$10,229	\$10,224	\$10,229	\$10,229	\$10,224	\$10,229	\$119,833
Total Supply Fixed Costs	\$2,064,558	\$2,287,236	\$2,286,859	\$2,284,081	\$2,286,157	\$2,375,434	\$2,376,546	\$2,375,434	\$2,376,546	\$2,376,546	\$2,375,434	\$2,376,546	\$27,840,478
Supply Fixed - Collections	\$1,544,521	\$3,352,396	\$4,599,757	\$4,706,735	\$4,287,744	\$3,317,251	\$1,899,137	\$1,008,401	\$789,996	\$668,936	\$782,932	\$986,434	\$27,944,230
Prelim. Ending Balance	\$815,996	\$117,748	(\$2,193,206)	(\$4,620,481)	(\$6,635,797)	(\$7,602,741)	(\$7,158,106)	(\$5,822,046)	(\$4,263,567)	(\$2,578,505)	(\$1,001,308)	\$381,048	
Month's Average Balance	\$655,927	\$650,323	(\$1,036,257)	(\$3,409,154)	(\$5,635,004)	(\$7,131,832)	(\$7,394,810)	(\$6,505,562)	(\$5,056,843)	(\$3,432,310)	(\$1,179,568)	(\$314,008)	
Interest Rate (BOA Prime minus 200 bps)	5.50%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	
Interest Applied	\$2,513	\$2,944	(\$4,621)	(\$13,730)	(\$25,126)	(\$30,774)	(\$32,973)	(\$28,072)	(\$22,548)	(\$15,304)	(\$7,757)	(\$1,400)	(\$176,848)
Asset Management Incentive	\$364,389	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$364,389
Supply Fixed Ending Balance	\$1,182,898	\$120,692	(\$2,197,827)	(\$4,634,211)	(\$6,660,923)	(\$7,633,515)	(\$7,189,078)	(\$5,950,118)	(\$4,286,115)	(\$2,593,809)	(\$1,009,064)	\$379,648	

II. Storage Fixed Cost Deferred

Beginning Balance	\$504,051	\$529,197	\$148,557	(\$701,526)	(\$1,595,061)	(\$2,336,937)	(\$2,736,617)	(\$2,615,320)	(\$2,158,034)	(\$1,617,180)	(\$1,027,337)	(\$477,722)	
Storage Fixed Costs	\$822,379	\$869,434	\$889,434	\$869,434	\$889,434	\$866,095	\$868,716	\$858,716	\$868,716	\$858,716	\$858,716	\$858,716	\$10,398,505
LNG Demand to DAC	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$675,382)
Supply Related LNG O & M	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$518,894
Working Capital	\$3,499	\$3,789	\$3,789	\$3,789	\$3,789	\$3,688	\$3,656	\$3,656	\$3,656	\$3,656	\$3,656	\$3,656	\$44,275
Total Storage Fixed Costs	\$612,837	\$880,182	\$880,182	\$880,182	\$880,182	\$856,742	\$849,331	\$849,331	\$849,331	\$849,331	\$849,331	\$849,331	\$10,286,292
TSS Peaking Collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Fixed - Collections	\$589,570	\$1,262,353	\$1,729,035	\$1,769,102	\$1,613,311	\$1,245,500	\$716,128	\$381,768	\$300,079	\$253,695	\$296,475	\$375,994	\$10,532,920
Prelim. Ending Balance	\$527,318	\$147,026	(\$700,296)	(\$1,590,446)	(\$2,328,190)	(\$2,725,694)	(\$2,603,414)	(\$2,147,757)	(\$1,506,762)	(\$1,021,454)	(\$474,461)	(\$4,385)	
Month's Average Balance	\$415,684	\$338,112	(\$275,869)	(\$1,145,896)	(\$1,961,625)	(\$2,531,315)	(\$2,670,016)	(\$2,381,539)	(\$1,863,408)	(\$1,319,317)	(\$750,909)	(\$241,053)	
Interest Rate (BOA Prime minus 200 bps)	5.50%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	
Interest Applied	\$1,879	\$1,531	(\$1,230)	(\$4,615)	(\$8,747)	(\$10,923)	(\$11,905)	(\$10,277)	(\$8,398)	(\$5,883)	(\$3,240)	(\$1,076)	(\$62,883)
Storage Fixed Ending Balance	\$529,197	\$148,557	(\$701,526)	(\$1,595,061)	(\$2,336,937)	(\$2,736,617)	(\$2,615,320)	(\$2,158,034)	(\$1,617,180)	(\$1,027,337)	(\$477,722)	(\$5,460)	

III. Variable Supply Cost Deferred

Beginning Balance	(\$10,199,803)	\$4,145,573	\$13,635,310	\$17,580,275	\$14,232,885	\$11,319,478	\$3,348,668	(\$1,561,637)	(\$2,834,947)	(\$3,070,973)	(\$2,331,247)	(\$1,641,555)	
Variable Supply Costs	\$26,465,907	\$33,920,105	\$67,168,916	\$30,656,383	\$28,300,204	\$16,290,696	\$8,966,442	\$6,113,326	\$5,535,065	\$5,634,281	\$6,424,089	\$12,365,851	\$217,751,266
Variable Delivery Storage	\$8,786	\$21,008	\$54,918	\$69,421	\$28,038	\$0	\$3,721	\$0	\$1,461	\$440	\$173	\$867	\$188,834
Fuel Cost Allocated to Storage	\$46,256	\$154,596	\$332,752	\$378,680	\$155,722	\$9,116	\$9,165	\$9,301	\$9,157	\$9,165	\$9,161	\$9,619	\$68,873
Working Capital	\$114,657	\$145,951	\$162,355	\$134,504	\$123,132	\$70,727	\$39,204	\$26,743	\$24,277	\$24,657	\$28,072	\$53,800	\$1,544,342
Total Supply Variable Costs	\$26,637,972	\$34,143,271	\$67,719,662	\$31,248,988	\$28,607,097	\$16,431,811	\$9,108,241	\$6,213,209	\$5,640,144	\$5,730,858	\$6,521,847	\$12,499,314	\$949,099
Supply Variable - Collections	\$42,278,943	\$24,693,689	\$33,844,136	\$34,660,312	\$31,577,344	\$24,434,202	\$14,022,519	\$7,477,053	\$5,863,033	\$4,979,115	\$5,823,601	\$7,323,254	\$206,977,201
Deferred Responsibility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prelim. Ending Balance	\$4,159,226	\$13,635,310	\$17,580,275	\$14,168,851	\$11,232,637	\$3,317,087	(\$1,565,612)	(\$2,825,481)	(\$3,057,835)	(\$2,319,230)	(\$1,633,002)	(\$3,534,505)	
Month's Average Balance	(\$3,020,288)	\$8,870,364	\$15,573,073	\$15,874,613	\$12,477,761	\$7,316,283	\$891,527	(\$2,193,559)	(\$2,946,391)	(\$2,695,102)	(\$1,982,124)	\$946,475	
Interest Rate (BOA Prime minus 200 bps)	5.50%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	
Interest Applied	(\$13,653)	\$40,155	\$69,439	\$63,933	\$66,841	\$31,579	\$8,975	(\$9,465)	(\$13,138)	(\$12,017)	(\$8,553)	\$4,220	\$213,316
Gas Procurement Incentive/penalty	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supply Variable Ending Balance	\$4,145,573	\$13,635,310	\$17,580,275	\$14,232,885	\$11,319,478	\$3,348,666	(\$1,561,637)	(\$2,834,947)	(\$3,070,973)	(\$3,070,973)	(\$2,331,247)	(\$1,641,555)	\$3,538,725

Projected Gas costs using 12-06-2007 NYMEX	Nov-07 actual	Dec-07 forecast	Jan-08 forecast	Feb-08 forecast	Mar-08 forecast	Apr-08 forecast	May-08 forecast	Jun-08 forecast	Jul-08 forecast	Aug-08 forecast	Sep-08 forecast	Oct-08 forecast	Nov - Oct 365
IVA. Storage Variable Product Cost Deferred													
Beginning Balance	\$1,505,767	\$167,252	\$997,785	\$6,044,131	\$9,771,189	\$9,941,399	\$6,132,767	\$4,034,366	\$3,113,283	\$2,516,118	\$2,112,176	\$1,594,821	\$2,857,918
Storage Variable Prod. Costs - LNG	\$161,309	\$188,544	\$850,816	\$273,128	\$175,958	\$170,389	\$176,088	\$170,672	\$176,471	\$176,030	\$171,097	\$176,817	\$0
Storage Variable Prod. Costs - LP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Variable Prod. Costs - UG	\$0	\$4,553,826	\$9,858,916	\$9,236,239	\$5,313,057	\$171,222	\$0	\$0	\$0	\$0	\$0	\$0	\$29,133,259
Supply Related LNG to DAC	(\$30,852)	(\$38,444)	(\$173,481)	(\$55,691)	(\$35,878)	(\$34,742)	(\$35,904)	(\$34,800)	(\$35,962)	(\$36,015)	(\$34,887)	(\$36,053)	(\$582,730)
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	\$55,170	\$57,805	\$56,452	\$53,205	\$56,072	\$55,660	\$55,035	\$59,437	\$59,545	\$59,660	\$59,567	\$58,325	\$685,933
Inventory Financing - UG	\$344,162	\$350,726	\$303,865	\$202,256	\$107,030	\$52,236	\$114,507	\$149,793	\$188,458	\$228,476	\$269,961	\$303,564	\$2,621,034
Inventory Financing - LP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	\$552	\$20,456	\$45,678	\$40,999	\$23,705	\$1,458	\$738	\$719	\$739	\$740	\$720	\$740	\$137,354
Total Storage Variable Product Costs	\$550,897	\$5,163,378	\$10,972,700	\$9,780,591	\$5,670,339	\$446,678	\$340,919	\$276,276	\$419,686	\$459,947	\$496,914	\$539,849	\$35,216,234
Storage Variable Product Collections	\$1,693,165	\$4,335,475	\$5,942,020	\$6,085,316	\$5,544,039	\$4,289,917	\$2,461,936	\$1,312,747	\$1,029,374	\$674,184	\$1,022,450	\$1,285,745	\$36,076,388
Prelim. Ending Balance	\$163,479	\$995,154	\$6,028,466	\$9,739,406	\$9,897,549	\$6,089,161	\$4,011,749	\$3,097,895	\$2,503,595	\$2,101,881	\$1,586,640	\$948,725	\$848,725
Month's Average Balance	\$634,623	\$581,203	\$3,513,126	\$7,891,768	\$9,834,369	\$8,019,780	\$5,072,258	\$3,566,131	\$2,808,439	\$2,308,999	\$1,849,408	\$1,221,673	\$1,221,673
Interest Rate (BOA Prime minus 200 bps)	5.50%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Interest Applied	\$3,773	\$2,631	\$15,665	\$31,783	\$43,851	\$34,606	\$22,617	\$15,388	\$12,523	\$10,296	\$7,980	\$5,447	\$206,559
Storage Variable Product Ending Bal.	\$167,252	\$997,785	\$6,044,131	\$9,771,189	\$9,941,399	\$6,132,767	\$4,034,366	\$3,113,283	\$2,516,118	\$2,112,176	\$1,594,621	\$894,172	\$894,172

IVA. Stor Var Non-Prod Cost Deferred	Nov-07 actual	Dec-07 forecast	Jan-08 forecast	Feb-08 forecast	Mar-08 forecast	Apr-08 forecast	May-08 forecast	Jun-08 forecast	Jul-08 forecast	Aug-08 forecast	Sep-08 forecast	Oct-08 forecast	Nov - Oct 365
Beginning Balance	(\$1,243,643)	(\$1,465,604)	(\$1,627,547)	(\$1,911,547)	(\$2,182,034)	(\$2,602,752)	(\$2,920,482)	(\$3,196,480)	(\$3,368,579)	(\$3,533,359)	(\$3,678,696)	(\$3,831,402)	\$0
Storage Variable Non-prod. Costs	\$2,284	\$300,429	\$594,288	\$477,455	\$131,279	\$41,262	\$0	\$0	\$0	\$0	\$0	\$0	\$1,546,996
Variable Delivery Storage Costs	(\$8,786)	(\$21,008)	(\$54,918)	(\$69,421)	(\$28,038)	(\$9,116)	(\$3,721)	(\$1,461)	(\$1,461)	(\$440)	(\$173)	(\$867)	(\$186,834)
Variable Injection Storage Costs	(\$2,367)	(\$611)	(\$721)	\$0	(\$9,116)	(\$9,655)	(\$9,655)	(\$9,301)	(\$9,157)	(\$9,165)	(\$9,161)	(\$9,619)	(\$68,873)
Fuel Costs Allocated to Storage	(\$46,256)	(\$154,586)	(\$332,752)	(\$378,680)	(\$155,722)	(\$61,271)	(\$69,219)	(\$63,839)	(\$70,185)	(\$82,305)	(\$60,352)	(\$69,175)	(\$1,544,342)
Working Capital	(\$238)	\$537	\$890	\$127	(\$227)	(\$126)	(\$444)	(\$316)	(\$349)	(\$311)	(\$69,987)	(\$344)	(\$1,103)
Total Storage Var Non-product Costs	(\$55,363)	\$124,762	\$206,787	\$29,480	(\$52,709)	(\$25,252)	(\$103,038)	(\$73,456)	(\$81,152)	(\$72,221)	(\$69,987)	(\$80,006)	(\$256,155)
Storage Var Non-Product Collections	\$160,488	\$279,720	\$383,196	\$391,941	\$357,366	\$276,587	\$159,353	\$65,507	\$67,272	\$57,073	\$66,551	\$83,823	\$2,368,817
Prelim. Ending Balance	(\$1,459,494)	(\$1,620,562)	(\$1,803,897)	(\$2,174,008)	(\$2,592,109)	(\$2,908,991)	(\$3,182,873)	(\$3,355,443)	(\$3,518,003)	(\$3,662,652)	(\$3,815,233)	(\$3,995,231)	\$0
Month's Average Balance	(\$1,351,568)	(\$1,543,083)	(\$1,715,722)	(\$1,992,778)	(\$2,387,071)	(\$2,755,672)	(\$3,051,678)	(\$3,275,961)	(\$3,443,791)	(\$3,598,005)	(\$3,746,964)	(\$3,913,317)	\$0
Interest Rate (BOA Prime minus 200 bps)	5.50%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Interest Applied	(\$6,110)	(\$6,986)	(\$7,660)	(\$8,026)	(\$10,644)	(\$11,891)	(\$13,607)	(\$14,136)	(\$15,356)	(\$16,043)	(\$16,168)	(\$17,449)	(\$144,065)
Storage Var Non-Product Ending Bal.	(\$1,465,604)	(\$1,627,547)	(\$1,811,547)	(\$2,182,034)	(\$2,602,752)	(\$2,920,482)	(\$3,196,480)	(\$3,369,579)	(\$3,533,359)	(\$3,678,696)	(\$3,831,402)	(\$4,012,690)	\$0

GCR Deferred Summary	Nov-07 actual	Dec-07 forecast	Jan-08 forecast	Feb-08 forecast	Mar-08 forecast	Apr-08 forecast	May-08 forecast	Jun-08 forecast	Jul-08 forecast	Aug-08 forecast	Sep-08 forecast	Oct-08 forecast	Nov - Oct 365
Beginning Balance	\$9,337,769	\$4,559,316	\$13,274,797	\$18,913,506	\$15,592,768	\$9,660,266	\$3,809,182	(\$10,528,150)	(\$11,099,394)	(\$9,981,509)	(\$7,518,913)	(\$5,365,122)	\$22,341,804
Gas Costs	\$29,893,545	\$42,417,231	\$51,842,640	\$44,034,073	\$37,230,858	\$19,995,442	\$12,518,615	\$9,699,767	\$9,166,004	\$9,305,481	\$10,131,167	\$16,116,952	\$1,249,458
Working Capital	\$127,456	\$181,598	\$222,551	\$189,249	\$160,239	\$85,971	\$53,383	\$41,026	\$38,551	\$38,981	\$42,371	\$68,081	\$1,249,458
Total Costs	\$30,011,001	\$42,599,829	\$52,065,191	\$44,223,322	\$37,391,127	\$20,081,413	\$12,571,998	\$9,740,794	\$9,204,555	\$9,344,461	\$10,173,538	\$16,185,033	\$2,499,916
Collections	\$16,466,707	\$33,323,623	\$46,498,084	\$47,613,406	\$43,379,804	\$33,563,457	\$19,259,073	\$10,265,476	\$8,049,754	\$6,832,913	\$7,992,009	\$10,055,250	\$283,591,262
Prelim. Ending Balance	\$4,206,525	\$13,234,522	\$18,841,904	\$15,523,422	\$9,604,990	(\$3,821,778)	(\$10,496,256)	(\$11,052,832)	(\$9,944,593)	(\$7,479,961)	(\$5,337,384)	(\$2,300,230)	\$283,899,566
Month's Average Balance	(\$2,565,622)	\$9,895,919	\$16,058,350	\$17,218,464	\$12,598,429	\$2,919,244	(\$7,152,719)	(\$10,740,491)	(\$10,521,993)	(\$8,735,735)	(\$6,428,148)	(\$2,300,230)	\$0
Interest Rate (BOA Prime minus 200 bps)	5.50%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Interest Applied	(\$11,598)	\$40,275	\$71,603	\$69,346	\$56,175	\$42,597	(\$31,993)	(\$46,562)	(\$46,917)	(\$38,952)	(\$27,738)	(\$10,257)	\$36,079
Gas Purchase Plan Incentives/(Penalties)	\$364,389	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Bal. W/ Interest	\$4,559,316	\$13,274,797	\$18,913,506	\$15,592,768	\$9,660,266	(\$3,809,182)	(\$10,528,150)	(\$11,099,394)	(\$9,981,509)	(\$7,518,913)	(\$5,365,122)	(\$754,405)	\$0

Under/(Over)-collection	Nov-07 actual	Dec-07 forecast	Jan-08 forecast	Feb-08 forecast	Mar-08 forecast	Apr-08 forecast	May-08 forecast	Jun-08 forecast	Jul-08 forecast	Aug-08 forecast	Sep-08 forecast	Oct-08 forecast	Nov - Oct 365
	\$13,544,294	\$8,675,206	\$5,567,107	(\$3,390,084)	(\$5,988,677)	(\$13,482,044)	(\$6,687,075)	(\$524,662)	\$1,154,801	\$2,511,548	\$2,181,529	\$6,129,783	\$6,129,783

Projected Gas costs using 12-06-2007 NYMEX	Nov-07 actual	Dec-07 forecast	Jan-08 forecast	Feb-08 forecast	Mar-08 forecast	Apr-08 forecast	May-08 forecast	Jun-08 forecast	Jul-08 forecast	Aug-08 forecast	Sep-08 forecast	Oct-08 forecast	Nov-Oct
SUPPLY FIXED COSTS - Pipeline Delivery													
Conoco	\$1,880,261	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$1,880,261
Algonquin	\$115,543	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$6,846,173
Texas Eastern		\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$2,338,030
TETCO		\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$6,784,485
Tennessee		\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$6,513,943
NETNE		\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$116,710
Ingotis		\$4,603	\$4,603	\$4,603	\$4,603	\$4,603	\$4,603	\$4,603	\$4,603	\$4,603	\$4,603	\$4,603	\$73,439
Nova		\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$49,743
Transcanada		\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$322,445
Dominion		\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$25,808
Transco		\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$78,415
National Fuel		\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$46,051
Columbia		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,114,804
Texas Gas		\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$816,380
Huiline		\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$730,268
Westery Lateral													
Less Credits from Market Releases	\$313,086												\$313,086
TOTAL SUPPLY FIXED COSTS - Pipeline	\$1,745,226	\$2,607,543	\$2,606,172	\$2,604,401	\$2,605,469	\$2,605,361	\$2,605,469	\$2,605,361	\$2,605,469	\$2,605,361	\$2,605,361	\$2,605,469	\$30,411,788
SUPPLY Fixed - Supplier	\$310,545	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$3,632,545
Total Supply Fixed (Pipeline & Supplier)	\$2,055,771	\$2,909,543	\$2,908,172	\$2,906,401	\$2,907,469	\$2,907,361	\$2,907,469	\$2,907,361	\$2,907,469	\$2,907,361	\$2,907,361	\$2,907,469	\$34,044,313
STORAGE FIXED COSTS - Facilities	\$220,082	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$220,082
Conoco		\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$881,613
Texas Eastern SS-1 Demand		\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$149,975
Texas Eastern SS-1 Capacity		\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$9,294
Texas Eastern FSS-1 Demand		\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$6,713
Texas Eastern FSS-1 Capacity		\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$6,713
Dominion GSS Demand		\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$235,187
Dominion GSS Capacity		\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$165,760
Dominion GSS-TE Demand		\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$295,701
Dominion GSS-TE Capacity		\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$219,524
Tennessee FSMA Demand		\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$267,788
Tennessee FSMA Capacity		\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$185,922
Columbia FSS Demand		\$3,830	\$3,830	\$3,830	\$3,830	\$3,830	\$3,830	\$3,830	\$3,830	\$3,830	\$3,830	\$3,830	\$42,132
Columbia FSS Capacity		\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$65,062
Keyspan LNG Tank Lease Payment		\$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	\$377,582	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$4,621,762
STORAGE FIXED COSTS - Delivery													
Algonquin for TETCO SS-1		\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$5,776,743
Algonquin delivery for FSS		\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$10,398,505
TETCO delivery for FSS		\$3,797,903	\$3,795,835	\$3,797,903	\$3,795,835	\$3,797,903	\$3,795,835	\$3,797,903	\$3,795,835	\$3,797,903	\$3,795,835	\$3,797,903	\$44,442,818
Algonquin SCT for SS-1		\$444,797	\$444,797	\$444,797	\$444,797	\$444,797	\$444,797	\$444,797	\$444,797	\$444,797	\$444,797	\$444,797	\$4,422,320
Algonquin SCT delivery for GSS, GSS-TE		\$622,370	\$622,370	\$622,370	\$622,370	\$622,370	\$622,370	\$622,370	\$622,370	\$622,370	\$622,370	\$622,370	\$6,588,505
Algonquin SCT delivery for GSS-TE		\$3,796,977	\$3,796,977	\$3,796,977	\$3,796,977	\$3,796,977	\$3,796,977	\$3,796,977	\$3,796,977	\$3,796,977	\$3,796,977	\$3,796,977	\$44,442,818
Algonquin delivery for GSS Conv		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tennessee delivery for GSS		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tennessee delivery for FSMA		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TETCO delivery for GSS		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TETCO delivery for GSS-TE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TETCO delivery for GSS-TE Conv		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dominion delivery for GSS Conv		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dominion delivery for GSS		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Columbia Delivery for FSS		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distrigas FLS call payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
STORAGE DELIVERY FIXED COST \$	\$444,797	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$5,776,743
TOTAL STORAGE FIXED	\$822,370	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$10,398,505
TOTAL FIXED COSTS	\$2,878,150	\$3,796,977	\$3,796,977	\$3,797,903	\$3,795,835	\$3,797,903	\$3,795,835	\$3,797,903	\$3,795,835	\$3,797,903	\$3,795,835	\$3,797,903	\$44,442,818

Projected Gas costs using 12-06-2007 NYMEX	Nov-07 actual	Dec-07 forecast	Jan-08 forecast	Feb-08 forecast	Mar-08 forecast	Apr-08 forecast	May-08 forecast	Jun-08 forecast	Jul-08 forecast	Aug-08 forecast	Sep-08 forecast	Oct-08 forecast	Nov-Oct
VARIABLE SUPPLY COSTS (Includes Injections)													
Tennessee Zone 0		\$2,937,274	\$2,995,848	\$2,778,160	\$2,009,443	\$2,295,438	\$2,285,791	\$2,166,604	\$1,382,881	\$1,694,897	\$2,224,331	\$2,357,887	\$26,021,853
Tennessee Zone 1		\$4,826,251	\$6,585,823	\$5,308,308	\$5,054,936	\$268,230	\$0	\$0	\$0	\$0	\$0	\$0	\$22,043,549
Tennessee Commission		\$3,594,116	\$3,628,062	\$3,362,116	\$3,519,797	\$2,760,393	\$2,791,337	\$2,734,517	\$2,963,418	\$2,922,958	\$2,934,022	\$2,946,845	\$34,115,100
Tennessee Drawout		\$322,518	\$300,144	\$300,363	\$123,867	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,116,882
TECO STX		\$2,854,341	\$3,022,719	\$2,747,478	\$2,823,690	\$2,022,710	\$2,113,516	\$2,222,560	\$2,284,352	\$2,260,953	\$2,225,430	\$2,311,814	\$27,006,283
TECO ELA		\$226,466	\$561,671	\$215,729	\$29,002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,032,879
TECO WLA		\$2,179,366	\$2,328,814	\$2,096,987	\$290,203	\$1,442,770	\$0	\$0	\$0	\$0	\$0	\$0	\$6,938,140
TECO WTA		\$3,201,385	\$3,254,431	\$2,966,856	\$3,049,496	\$2,400,316	\$2,428,663	\$2,246,993	\$2,355,094	\$2,379,995	\$2,363,470	\$0	\$26,646,690
TECO NF		\$85,630	\$107,067	\$66,049	\$844	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$269,591
M3 Delivered	(\$10,686)	\$56,561	\$126,783	\$62,060	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$234,718
Maumea Supplemental		\$7,917,871	\$8,100,524	\$7,424,072	\$7,345,474	\$7,018,684	\$68,560	\$140,974	\$114,086	\$16,452	\$82,517	\$2,915,937	\$41,148,161
Broadrun Cell		\$2,783,596	\$2,783,713	\$1,979,585	\$1,417,295	\$2,333,941	\$86,532	\$139,973	\$52,121	\$161,326	\$85,784	\$1,219,600	\$13,042,727
Columbia AGT		\$95,986	\$158,114	\$67,239	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$321,338
Dominion to B&W		\$17,971	\$13,702	\$9,235	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,908
Dominion to T&CO FTS		\$22,549	\$162,599	\$104,483	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$279,631
Transco at Wharton		\$2,626	\$6,332	\$2,693	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,651
ANE to Tennessee	\$225,600	\$320,249	\$326,561	\$297,650	\$305,539	\$204,966	\$214,049	\$210,234	\$220,602	\$223,122	\$216,738	\$226,146	\$2,990,856
Niagara to Tennessee		\$319,788	\$326,085	\$296,361	\$304,814	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,246,348
TECO to B & W		\$70,926	\$167,620	\$105,671	\$68,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$412,717
DistGas FCS		\$1,377,876	\$1,315,544	\$1,409,132	\$768,381	\$0	\$1,747,110	\$0	\$0	\$0	\$98,842	\$1,832,105	\$8,548,991
Hobline		\$237,590	\$489,568	\$121,085	\$0	\$1,766,912	\$684,434	\$0	\$0	\$0	\$0	\$0	\$5,317,031
Suppliers		\$299,960	\$343,070	\$345,960	\$299,180	\$105,560	\$40,100	\$86,500	\$68,250	\$72,500	\$87,250	\$101,540	\$1,772,025
Hedging (12/06/07 NYMEX for Projections)		(\$27,025)											\$26,278,018
Total Pipeline Commodity Charges		\$33,820,105	\$37,168,916	\$30,666,383	\$28,300,204	\$22,621,900	\$12,442,202	\$9,940,655	\$9,440,803	\$9,791,803	\$10,298,384	\$15,949,208	\$246,826,559
Costs of Injections		\$0	\$0	\$0	\$0	\$6,331,204	\$5,475,760	\$3,827,328	\$3,905,738	\$4,087,522	\$3,864,295	\$3,583,447	\$29,075,284
TOTAL VARIABLE SUPPLY COSTS		\$33,820,105	\$37,168,916	\$30,666,383	\$28,300,204	\$16,296,696	\$8,966,442	\$6,113,326	\$5,535,065	\$5,634,281	\$6,424,089	\$12,365,651	\$217,751,266
VARIABLE STORAGE COSTS													
Underground Storage		\$0	\$9,858,816	\$9,236,239	\$5,313,057	\$171,222	\$0	\$0	\$0	\$0	\$0	\$0	\$33,133,259
LNG Withdrawals/Westerly Trucking		\$151,309	\$850,816	\$273,128	\$175,958	\$170,389	\$176,088	\$170,672	\$176,471	\$176,630	\$171,997	\$176,817	\$2,867,918
LP		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL VARIABLE STORAGE COSTS		\$151,309	\$10,709,632	\$9,509,367	\$5,489,015	\$341,611	\$176,088	\$170,672	\$176,471	\$176,630	\$171,997	\$176,817	\$31,991,177
TOTAL VARIABLE COSTS		\$26,617,216	\$38,562,475	\$40,175,749	\$33,789,218	\$16,632,307	\$8,142,530	\$6,283,998	\$5,711,536	\$5,810,911	\$6,595,186	\$12,542,668	\$249,742,443
TOTAL SUPPLY COSTS		\$29,495,366	\$42,361,452	\$43,971,585	\$37,987,122	\$20,405,763	\$12,909,714	\$10,050,074	\$9,478,270	\$9,578,086	\$10,361,262	\$16,309,852	\$284,195,261
TOTAL CAPACITY RELEASE CREDITS		\$0	\$632,152	\$632,152	\$632,152	\$542,152	\$542,152	\$542,152	\$542,152	\$542,152	\$542,152	\$542,152	\$6,323,668
TOTAL SUPPLY COSTS AFTER CREDITS		\$29,495,366	\$41,729,300	\$43,339,433	\$36,954,970	\$19,863,612	\$12,367,563	\$9,507,922	\$9,036,569	\$9,035,944	\$9,819,111	\$15,767,701	\$287,861,593
Storage Costs for FT-2 Calculation													
Storage Fixed Costs - Facilities		\$377,562	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$4,621,762
Storage Fixed Costs - Deliveries		\$444,797	\$503,600	\$503,600	\$480,261	\$472,881	\$472,881	\$472,881	\$472,881	\$472,881	\$472,881	\$472,881	\$5,776,743
Variable Delivery Costs		\$9,786	\$21,008	\$54,918	\$69,421	\$28,038	\$0	\$3,721	\$0	\$1,461	\$440	\$173	\$188,834
Variable Injection Costs		\$2,367	\$611	\$721	\$0	\$9,116	\$9,656	\$9,301	\$9,165	\$9,165	\$9,165	\$9,619	\$68,873
Fuel Costs Allocated to Storage		\$48,295	\$154,586	\$332,752	\$155,722	\$61,271	\$89,219	\$63,839	\$70,185	\$62,305	\$60,352	\$69,175	\$1,544,342
Total Storage Costs		\$879,798	\$1,065,639	\$1,277,925	\$1,073,195	\$936,433	\$991,310	\$931,855	\$939,519	\$930,626	\$928,401	\$938,378	\$12,209,564
Pipeline Variable		\$26,465,907											
Less Non-firm Gas Costs		\$464,361											
Less Company Use		\$34,925											
Less Manchester St Balancing		\$9,622											
Plus Cashout													
Less Mkler Over-takes		\$4,316											
Less Mkler Withdrawals													
Plus Mkler Under-takes		-\$64,595											
Plus Mkler Injections		\$164,220											
Storage Service Charge		\$349,859											
Plus Pipeline Strchg/Credit													
TOTAL FIRM COMMODITY COSTS		\$26,423,197											

I. Supply Fixed Cost Collections

	Nov-07 actual	Dec-07 fcst	Jan-08 fcst	Feb-08 fcst	Mar-08 fcst	Apr-08 fcst	May-08 fcst	Jun-08 fcst	Jul-08 fcst	Aug-08 fcst	Sep-08 fcst	Oct-08 fcst	Total Nov-Oct
(a) Resid. & Small C & I dth	1,144,190	2,464,803	3,424,971	3,471,981	3,156,113	2,461,000	1,380,747	716,238	555,863	461,763	537,003	676,915	20,451,567
Supply Fixed Cost Factor	\$1,0236	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644
Res & Small C & I collections	\$1,171,220	\$2,623,536	\$3,645,539	\$3,695,555	\$3,359,367	\$2,619,488	\$1,469,667	\$762,364	\$591,661	\$491,501	\$571,586	\$720,508	\$21,721,992
(b) C & I Medium dth	231,919	458,572	618,691	642,054	587,617	448,212	271,215	149,685	123,770	108,749	129,158	158,635	3,925,277
Supply Fixed Cost Factor	\$0.8921	\$1.0198	\$1.0198	\$1.0198	\$1.0198	\$1.0198	\$1.0198	\$1.0198	\$1.0198	\$1.0198	\$1.0198	\$1.0198	\$1.0198
C & I Medium collections	\$227,758	\$467,652	\$630,941	\$654,767	\$599,252	\$457,087	\$276,585	\$152,649	\$126,221	\$110,902	\$131,715	\$158,717	\$3,984,248
(c) C & I Large LLF dth	89,985	173,239	226,387	244,063	223,000	152,326	87,236	36,827	26,093	19,383	26,903	51,317	1,356,759
Supply Fixed Cost Factor	\$1.0230	\$1.0103	\$1.0103	\$1.0103	\$1.0103	\$1.0103	\$1.0103	\$1.0103	\$1.0103	\$1.0103	\$1.0103	\$1.0103	\$1.0103
C & I Large LLF collections	\$92,051	\$175,023	\$228,719	\$246,577	\$225,297	\$153,895	\$88,135	\$37,206	\$26,362	\$19,583	\$27,180	\$51,846	\$1,371,874
(d) C & I Large HLF dth	39,869	45,989	50,894	45,217	48,325	44,204	33,395	31,392	24,483	22,042	28,804	28,380	443,004
Supply Fixed Cost Factor	\$0.8065	\$0.9069	\$0.9069	\$0.9069	\$0.9069	\$0.9069	\$0.9069	\$0.9069	\$0.9069	\$0.9069	\$0.9069	\$0.9069	\$0.9069
C & I Large HLF collections	\$32,155	\$41,716	\$46,156	\$41,007	\$43,826	\$40,089	\$30,286	\$28,489	\$22,204	\$19,990	\$26,122	\$25,738	\$397,758
(e) C & I Extra Large LLF dth	7,350	15,068	15,017	20,748	20,017	11,546	3,207	1,986	886	1,190	1,197	3,348	101,560
Supply Fixed Cost Factor	\$0.9962	\$1.0024	\$1.0024	\$1.0024	\$1.0024	\$1.0024	\$1.0024	\$1.0024	\$1.0024	\$1.0024	\$1.0024	\$1.0024	\$1.0024
C & I XL LLF collections	\$7,322	\$15,104	\$15,053	\$20,798	\$20,065	\$11,574	\$3,215	\$1,991	\$888	\$1,193	\$1,200	\$3,356	\$101,759
(f) C & I Extra Large HLF dth	20,467	34,863	39,607	57,044	47,431	41,708	37,113	30,549	26,912	30,602	29,844	31,198	427,338
Supply Fixed Cost Factor	\$0.6848	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420
C & I XL HLF collections	\$14,015	\$29,355	\$33,349	\$48,031	\$39,937	\$35,118	\$31,249	\$25,722	\$22,660	\$25,767	\$25,129	\$26,269	\$356,601
sub-total Dth	1,533,780	3,192,544	4,375,567	4,481,087	4,082,503	3,158,996	1,812,913	986,677	758,007	643,729	752,909	946,793	26,706,505
sub-total Supply Fixed Collections	\$1,544,521	\$3,352,386	\$4,599,757	\$4,706,735	\$4,287,744	\$3,317,251	\$1,899,137	\$1,008,401	\$789,996	\$668,936	\$782,932	\$986,434	\$27,944,230

II. Storage Fixed Cost Collections

(a) Resid. & Small C & I dth	1,144,190	2,464,803	3,424,971	3,471,981	3,156,113	2,461,000	1,380,747	716,238	555,863	461,763	537,003	676,915	20,451,567
Storage Fixed Cost Factor	\$0.3708	\$0.3746	\$0.3746	\$0.3746	\$0.3746	\$0.3746	\$0.3746	\$0.3746	\$0.3746	\$0.3746	\$0.3746	\$0.3746	\$0.3746
Res & Small C & I collections	\$424,241	\$923,315	\$1,282,994	\$1,300,597	\$1,182,280	\$921,891	\$517,228	\$268,303	\$208,226	\$172,976	\$201,161	\$253,572	\$7,656,784
(b) C & I Medium dth	231,919	458,572	618,691	642,054	587,617	448,212	271,215	149,685	123,770	108,749	129,158	158,635	3,925,277
Storage Fixed Cost Factor	\$0.3793	\$0.4099	\$0.4099	\$0.4099	\$0.4099	\$0.4099	\$0.4099	\$0.4099	\$0.4099	\$0.4099	\$0.4099	\$0.4099	\$0.4099
C & I Medium collections	\$87,967	\$187,969	\$253,601	\$263,178	\$240,864	\$183,722	\$111,171	\$61,356	\$50,733	\$44,576	\$52,942	\$63,795	\$1,601,874
(c) C & I Large LLF dth	89,985	173,239	226,387	244,063	223,000	152,326	87,236	36,827	26,093	19,383	26,903	51,317	1,356,759
Storage Fixed Cost Factor	\$0.4232	\$0.4589	\$0.4589	\$0.4589	\$0.4589	\$0.4589	\$0.4589	\$0.4589	\$0.4589	\$0.4589	\$0.4589	\$0.4589	\$0.4589
C & I Large LLF collections	\$38,086	\$79,499	\$103,889	\$112,001	\$102,335	\$69,902	\$40,033	\$16,900	\$11,974	\$9,895	\$12,346	\$23,549	\$619,409
(d) C & I Large HLF dth	39,869	45,989	50,894	45,217	48,325	44,204	33,395	31,392	24,483	22,042	28,804	28,380	443,004
Storage Fixed Cost Factor	\$0.2827	\$0.3067	\$0.3067	\$0.3067	\$0.3067	\$0.3067	\$0.3067	\$0.3067	\$0.3067	\$0.3067	\$0.3067	\$0.3067	\$0.3067
C & I Large HLF collections	\$11,269	\$14,108	\$15,809	\$13,868	\$14,821	\$13,557	\$10,242	\$9,628	\$7,509	\$6,760	\$8,834	\$8,704	\$134,909
(e) C & I XL LLF dth	7,350	15,068	15,017	20,748	20,017	11,546	3,207	1,986	886	1,190	1,197	3,348	101,560
Storage Fixed Cost Factor	\$0.4029	\$0.4364	\$0.4364	\$0.4364	\$0.4364	\$0.4364	\$0.4364	\$0.4364	\$0.4364	\$0.4364	\$0.4364	\$0.4364	\$0.4364
C & I XL LLF collections	\$2,961	\$6,576	\$6,553	\$9,054	\$8,735	\$5,039	\$1,400	\$867	\$387	\$519	\$522	\$1,461	\$44,074
(f) C & I XL HLF dth	20,467	34,863	39,607	57,044	47,431	41,708	37,113	30,549	26,912	30,602	29,844	31,198	427,338
Storage Fixed Cost Factor	\$0.2360	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722
C & I XL HLF collections	\$4,830	\$9,490	\$10,781	\$15,527	\$12,911	\$11,353	\$10,102	\$8,315	\$7,325	\$8,330	\$8,124	\$8,482	\$115,680
(g) FT-2 dth	55,279	102,155	137,225	135,423	126,755	98,798	64,043	40,468	34,363	28,499	30,961	40,522	594,491
Storage Fixed Cost Factor	\$0.3657	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052
FT-2 collection	\$20,216	\$41,396	\$55,608	\$54,877	\$51,365	\$40,036	\$25,952	\$16,399	\$13,925	\$11,549	\$12,546	\$16,421	\$360,290

	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Total
	actual	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	Nov-Oct
sub-total Dth	1,589,059	3,294,699	4,512,792	4,616,510	4,209,258	3,257,794	1,876,956	1,007,145	792,370	672,228	783,870	987,315	27,599,996
sub-total Storage Fixed Collections	\$589,570	\$1,262,353	\$1,729,035	\$1,769,102	\$1,613,311	\$1,245,500	\$716,128	\$381,768	\$300,079	\$253,605	\$296,475	\$375,994	\$10,532,920
III. Variable Supply Cost Collections --													
(a) Firm Sales dth	1,533,780	3,192,544	4,375,567	4,481,087	4,082,503	3,158,996	1,812,913	966,677	758,007	643,729	752,909	946,793	26,705,505
Variable Supply Cost Factor	\$8,0040	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	
Variable Supply collections	\$12,276,300	\$24,693,689	\$33,844,136	\$34,660,312	\$31,577,344	\$24,434,202	\$14,022,519	\$7,477,053	\$5,863,033	\$4,979,115	\$5,823,601	\$7,323,254	\$206,974,558
(b) TSS Sales dth	855												
TSS Variable Supply Cost F.	\$0.00												
TSS Surcharge collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(c) NGV Sales dth	-84	0	0	0	0	0	0	0	0	0	0	0	1,728
Variable Supply Cost Factor	\$8.2500	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	
Variable Supply collections	(\$693)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(d) Default Sales dth	303												
Variable Supply Cost Factor	\$11.01												
Variable Supply collections	\$3,336	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL Variable Supply Collections	\$12,278,943	\$24,693,689	\$33,844,136	\$34,660,312	\$31,577,344	\$24,434,202	\$14,022,519	\$7,477,053	\$5,863,033	\$4,979,115	\$5,823,601	\$7,323,254	\$206,977,201
IVa. Storage Variable Product Cost Collections --													
(a) Firm Sales dth	1,533,780	3,192,544	4,375,567	4,481,087	4,082,503	3,158,996	1,812,913	966,677	758,007	643,729	752,909	946,793	26,705,505
Variable Supply Cost Factor	\$0.1011	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	
Stor Var Product collections	\$1,893,185	\$4,335,475	\$5,942,020	\$6,085,316	\$5,544,039	\$4,289,917	\$2,461,936	\$1,312,747	\$1,029,374	\$874,184	\$1,022,450	\$1,285,745	\$36,076,388
IVb. Storage Variable Non-product Cost Collections --													
(a) Firm Sales dth	1,533,780	3,192,544	4,375,567	4,481,087	4,082,503	3,158,996	1,812,913	966,677	758,007	643,729	752,909	946,793	26,705,505
Variable Supply Cost Factor	\$0.1011	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	
Stor Var Non-Product collec	\$155,033	\$271,047	\$371,486	\$380,444	\$346,505	\$268,199	\$153,916	\$62,071	\$64,355	\$54,653	\$63,922	\$80,383	\$2,292,114
(b) FT-2 dth	55,279	102,155	137,225	135,423	126,755	98,798	64,043	40,468	34,363	28,499	30,961	40,522	894,491
Variable Supply Cost Factor	\$0.0987	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	\$0,0849	
Stor Var Non-Product collec	\$5,455	\$8,673	\$11,650	\$11,497	\$10,761	\$8,388	\$5,437	\$3,436	\$2,917	\$2,420	\$2,629	\$3,440	\$76,703
(c) Total Firm Sales/FT-2 dth	1,589,059	3,294,699	4,512,792	4,616,510	4,209,258	3,257,794	1,876,956	1,007,145	792,370	672,228	783,870	987,315	27,599,996
Stor Var Non-Product collec	\$160,488	\$279,720	\$383,136	\$391,941	\$357,366	\$276,587	\$159,353	\$85,507	\$67,272	\$57,073	\$66,551	\$83,823	\$2,368,817
Total Gas Cost Collections	\$16,466,707	\$33,923,623	\$46,498,084	\$47,613,406	\$43,379,804	\$33,563,457	\$19,259,073	\$10,265,476	\$8,049,754	\$6,832,913	\$7,992,009	\$10,055,250	\$283,899,556

National Grid
Rhode Island Service Area
Gas Cost Inventory Financing Calculation

Line No.	Description (a)	Reference (b)	Nov-07 (c)	Dec-07 (d)	Jan-08 (e)	Feb-08 (f)	Mar-08 (g)	Apr-08 (h)	May-08 (i)	Jun-08 (j)	Jul-08 (k)	Aug-08 (l)	Sep-08 (m)	Oct-08 (n)	Total (p)
1	Storage Inventory Balance		\$35,073,963	\$35,742,875	\$30,967,183	\$20,612,137	\$10,007,537	\$5,323,466	\$11,669,490	\$15,265,566	\$19,205,922	\$23,284,298	\$27,512,045	\$31,548,056	\$24,397,552
2	Cost of Capital	Rate Case (1) - (2)	\$3,203,589	\$3,264,686	\$2,828,484	\$1,862,673	\$986,274	\$486,235	\$1,065,869	\$1,394,328	\$1,754,232	\$2,126,744	\$2,512,898	\$2,881,539	\$2,881,539
3	Return on Working Capital Requirement														
4	Weighted Cost of Debt	Rate Case (1) * (4)	\$1,483,211	\$1,511,498	\$1,309,543	\$871,648	\$461,259	\$225,119	\$493,481	\$645,552	\$812,182	\$984,649	\$1,163,432	\$1,334,107	\$1,129,562
5	Interest Charges Financed														
6	Taxable Income	(3) - (5)	\$1,720,378	\$1,753,188	\$1,518,940	\$1,011,025	\$535,015	\$261,116	\$572,388	\$748,776	\$942,050	\$1,142,095	\$1,349,466	\$1,547,432	\$1,156,723
7	1 - Combined Tax Rate	Rate Case (6) / (7)	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
8	Return and Tax Requirement		\$2,646,735	\$2,637,212	\$2,336,831	\$1,555,424	\$923,099	\$401,717	\$880,598	\$1,151,963	\$1,449,308	\$1,757,069	\$2,076,101	\$2,380,665	\$2,015,723
9	Working Capital Requirement	(5) + (6)	\$4,129,946	\$4,208,711	\$3,646,375	\$2,427,072	\$1,284,358	\$626,836	\$1,374,078	\$1,797,515	\$2,261,490	\$2,741,718	\$3,239,533	\$3,714,772	\$3,145,405
10	Monthly Average	(9) / 12	\$344,162	\$350,726	\$303,865	\$202,256	\$107,030	\$52,236	\$114,507	\$149,793	\$188,458	\$228,476	\$269,961	\$309,564	\$2,621,034
11	LNG Inventory Balance		\$7,062,425	\$7,399,802	\$7,226,542	\$6,810,918	\$7,177,954	\$7,125,157	\$7,045,249	\$7,608,713	\$7,622,557	\$7,637,257	\$7,625,332	\$7,466,412	\$8,020,245
12	Cost of Capital	Rate Case (11) * (12)	\$645,068	\$675,884	\$660,959	\$622,096	\$665,621	\$650,798	\$643,500	\$694,966	\$696,230	\$697,573	\$696,483	\$681,968	\$681,968
13	Return on Working Capital Requirement														
14	Weighted Cost of Debt	Rate Case (11) * (14)	\$298,657	\$312,924	\$305,597	\$288,021	\$303,542	\$301,309	\$297,930	\$321,758	\$322,343	\$322,965	\$322,461	\$315,740	\$315,740
15	Interest Charges Financed														
16	Taxable Income	(13) - (15)	\$346,412	\$362,960	\$354,462	\$334,076	\$352,079	\$349,489	\$345,569	\$373,207	\$373,886	\$374,607	\$374,023	\$366,228	\$366,228
17	1 - Combined Tax Rate	Rate Case (16) / (17)	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
18	Return and Tax Requirement		\$532,941	\$558,400	\$545,326	\$513,962	\$541,659	\$537,675	\$531,645	\$574,165	\$575,210	\$576,319	\$575,419	\$563,427	\$563,427
19	Working Capital Requirement	(15) + (18)	\$831,598	\$871,324	\$860,923	\$801,983	\$845,202	\$838,985	\$829,576	\$895,923	\$897,553	\$899,284	\$897,880	\$879,167	\$879,167
20	Monthly Average	(19) / 12	\$69,300	\$72,610	\$70,910	\$66,832	\$70,433	\$69,915	\$68,131	\$74,660	\$74,796	\$74,940	\$74,823	\$73,264	\$73,264
21	System Balancing Factor	Rate Case (20) * (21)	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%
22	Balancing Related Inventory Costs		\$14,130	\$14,805	\$14,459	\$13,827	\$14,361	\$14,256	\$14,096	\$15,223	\$15,251	\$15,280	\$15,256	\$14,939	\$175,684
23	Supply Related Inventory Costs	(21) - (22)	\$55,170	\$57,805	\$55,452	\$53,205	\$56,072	\$55,660	\$55,035	\$59,437	\$59,545	\$59,660	\$59,567	\$58,325	\$685,933
24	Propane Inventory Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Cost of Capital	Rate Case (24) * (25)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Return on Working Capital Requirement														
27	Weighted Cost of Debt	Rate Case (24) * (27)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Interest Charges Financed														
29	Taxable Income	(26) - (28)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	1 - Combined Tax Rate	Rate Case (29) / (30)	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
31	Return and Tax Requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Working Capital Requirement	(28) + (31)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Monthly Average	(32) / 12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line No.	Description (a)	Reference (b)	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Total
1	Supply Fixed Costs		\$2,056,771	\$2,277,391	\$2,276,020	\$2,274,249	\$2,276,317	\$2,365,209	\$2,366,317	\$2,365,209	\$2,366,317	\$2,366,317	\$2,365,209	\$2,366,317	\$27,720,645
2	Capacity Release Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$2,056,771	\$2,277,391	\$2,276,020	\$2,274,249	\$2,276,317	\$2,365,209	\$2,366,317	\$2,365,209	\$2,366,317	\$2,366,317	\$2,365,209	\$2,366,317	\$27,720,645
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	\$5,472	\$6,198	\$6,356	\$6,349	\$6,359	\$6,832	\$6,873	\$6,832	\$6,873	\$6,873	\$6,832	\$6,873	\$68,873
6	Cost of Capital	Rate Case	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
7	Return on Working Capital Requirement	(5) * (6)	\$6,883	\$7,637	\$7,632	\$7,632	\$7,633	\$7,935	\$7,935	\$7,935	\$7,935	\$7,935	\$7,935	\$7,935	\$79,931
8	Weighted Cost of Debt	Rate Case	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
9	Interest Expense	(5) * (8)	\$3,192	\$3,536	\$3,534	\$3,531	\$3,534	\$3,672	\$3,674	\$3,672	\$3,674	\$3,674	\$3,672	\$3,674	\$36,574
10	Taxable Income	(7) - (9)	\$3,702	\$4,101	\$4,099	\$4,098	\$4,099	\$4,261	\$4,261	\$4,261	\$4,261	\$4,261	\$4,259	\$4,261	\$42,611
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)	\$5,695	\$6,309	\$6,306	\$6,306	\$6,306	\$6,553	\$6,556	\$6,553	\$6,556	\$6,556	\$6,553	\$6,556	\$65,556
13	Supply Fixed Working Capital Requirement	(9) + (12)	\$8,887	\$9,845	\$9,839	\$9,831	\$9,840	\$10,224	\$10,229	\$10,224	\$10,229	\$10,229	\$10,224	\$10,229	\$119,833
14	Storage Fixed Costs		\$822,379	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$8,894,340
15	Less: LNG Demand in DAC		\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$562,822
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	\$432,411
18	Allowable Working Capital Costs	(14) - (15) + (16)	\$809,338	\$876,394	\$876,394	\$876,394	\$876,394	\$876,394	\$876,394	\$876,394	\$876,394	\$876,394	\$876,394	\$876,394	\$8,763,944
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	\$29,713	\$32,174	\$32,174	\$32,174	\$32,174	\$31,318	\$31,047	\$31,047	\$31,047	\$31,047	\$31,047	\$31,047	\$310,470
21	Cost of Capital	Rate Case	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
22	Return on Working Capital Requirement	(19) * (20)	\$2,714	\$2,939	\$2,939	\$2,939	\$2,939	\$2,860	\$2,836	\$2,836	\$2,836	\$2,836	\$2,836	\$2,836	\$28,360
23	Weighted Cost of Debt	Rate Case	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
24	Interest Expense	(19) * (22)	\$1,256	\$1,361	\$1,361	\$1,361	\$1,361	\$1,324	\$1,313	\$1,313	\$1,313	\$1,313	\$1,313	\$1,313	\$13,131
25	Taxable Income	(19) - (23)	\$1,457	\$1,578	\$1,578	\$1,578	\$1,578	\$1,536	\$1,536	\$1,536	\$1,536	\$1,536	\$1,536	\$1,536	\$15,360
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)	\$2,242	\$2,428	\$2,428	\$2,428	\$2,428	\$2,363	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343	\$23,430
28	Storage Fixed Working Capital Requirement	(23) + (26)	\$3,499	\$3,789	\$3,789	\$3,789	\$3,789	\$3,688	\$3,656	\$3,656	\$3,656	\$3,656	\$3,656	\$3,656	\$36,556
1	Supply Variable Costs		\$26,465,907	\$33,820,105	\$37,168,916	\$30,686,193	\$28,300,204	\$16,290,696	\$8,966,442	\$6,113,326	\$5,535,065	\$5,534,281	\$6,424,089	\$12,305,951	\$217,751,266
2a	Less: Non-firm Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2b	Less: Variable Delivery Storage Costs		(\$8,766)	(\$21,008)	(\$4,918)	(\$89,421)	(\$28,038)	\$0	(\$3,721)	(\$0)	(\$1,461)	(\$440)	(\$173)	(\$867)	(\$188,834)
2c	Less: Variable Injection Storage Costs		(\$2,867)	(\$611)	(\$721)	\$0	\$0	(\$9,116)	(\$9,655)	(\$9,301)	(\$9,157)	(\$9,165)	(\$9,161)	(\$9,619)	(\$68,873)
2d	Less: Fuel Costs Allocated to Storage		(\$46,256)	(\$154,566)	(\$342,752)	(\$378,980)	(\$155,722)	(\$81,271)	(\$89,219)	(\$63,839)	(\$70,166)	(\$62,395)	(\$66,352)	(\$68,175)	(\$1,544,342)
2e	Less: Supply Refunds		\$57,409	\$176,205	\$389,201	\$448,102	(\$70,388)	(\$183,761)	(\$102,895)	(\$73,139)	(\$80,803)	(\$71,910)	(\$89,686)	(\$79,682)	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$26,523,316	\$33,996,310	\$37,557,307	\$31,114,494	\$28,483,965	\$16,361,984	\$9,069,936	\$6,186,466	\$5,615,867	\$5,706,191	\$6,493,775	\$12,445,513	\$219,553,314
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	\$973,733	\$1,248,984	\$1,378,816	\$1,142,286	\$1,045,713	\$600,653	\$332,945	\$227,120	\$206,172	\$209,488	\$238,402	\$456,904	\$4,569,040
6	Cost of Capital	Rate Case	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
7	Return on Working Capital Requirement	(5) * (6)	\$88,939	\$113,998	\$125,938	\$104,734	\$95,513	\$54,863	\$30,411	\$20,745	\$18,831	\$18,134	\$21,775	\$41,733	\$417,333
8	Weighted Cost of Debt	Rate Case	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
9	Interest Expense	(5) * (8)	\$41,177	\$52,779	\$58,309	\$48,305	\$44,221	\$25,400	\$14,080	\$9,604	\$8,719	\$8,859	\$10,082	\$19,322	\$193,322
10	Taxable Income	(7) - (9)	\$47,762	\$61,219	\$67,631	\$56,428	\$51,292	\$29,462	\$16,331	\$11,140	\$10,113	\$10,275	\$11,694	\$22,411	\$224,111
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)	\$73,479	\$94,182	\$104,048	\$86,199	\$78,911	\$45,326	\$25,125	\$17,139	\$15,566	\$15,808	\$17,990	\$34,479	\$344,790
13	Supply Variable Working Capital Requirement	(9) + (12)	\$114,657	\$148,961	\$162,395	\$134,934	\$123,132	\$70,727	\$39,204	\$26,743	\$24,667	\$24,667	\$28,072	\$53,800	\$549,099

Line No.	Description (a)	Reference (b)	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Total
14	Storage Variable Product Costs														
15	Less: Balancing Related LNG Commodity (to DAC)		\$151,309 (\$30,852)	\$4,742,369 (\$36,444)	\$10,700,732 (\$173,481)	\$9,509,367 (\$85,681)	\$5,489,015 (\$36,878)	\$341,611 (\$34,742)	\$176,088 (\$35,904)	\$170,872 (\$34,806)	\$176,471 (\$35,962)	\$176,630 (\$36,015)	\$171,087 (\$34,887)	\$176,817 (\$36,053)	\$31,991,177 (\$582,730)
16	Plus: Supply Related LNG O&M Costs		\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$365,465
17	Allowable Working Capital Costs	(14) + (15) + (16)	\$150,913	\$4,734,381	\$10,566,706	\$9,484,131	\$5,483,592	\$337,324	\$170,639	\$166,327	\$170,944	\$171,071	\$166,686	\$171,219	\$31,773,913
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	\$5,640	\$173,810	\$387,928	\$348,185	\$201,315	\$12,384	\$6,285	\$6,106	\$6,276	\$6,280	\$6,119	\$6,286	\$6,286
20	Cost of Capital	Rate Case	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	
21	Return on Working Capital Requirement	(19) * (20)	\$506	\$15,875	\$35,433	\$31,303	\$18,388	\$1,131	\$572	\$558	\$573	\$574	\$559	\$574	\$574
22	Weighted Cost of Debt	Rate Case	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	
23	Interest Expense	(19) * (22)	\$234	\$7,350	\$16,405	\$14,724	\$8,513	\$524	\$265	\$256	\$265	\$266	\$259	\$266	\$266
24	Taxable Income	(19) - (23)	\$272	\$8,525	\$19,028	\$17,078	\$9,875	\$607	\$307	\$300	\$308	\$308	\$300	\$308	\$308
25	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	
26	Return and Tax Requirement	(24) * (25)	\$418	\$13,116	\$23,274	\$26,275	\$15,192	\$835	\$473	\$461	\$474	\$474	\$462	\$474	\$474
27	Storage Var. Product Working Capital Requir.	(23) * (26)	\$652	\$20,466	\$45,678	\$40,999	\$23,705	\$1,458	\$738	\$719	\$739	\$740	\$720	\$740	\$740
1	Storage Variable Non-Product Costs														
2	Credits		(\$55,125)	\$124,225	\$205,897	\$239,353	(\$52,482)	(\$29,126)	(\$102,595)	(\$73,139)	(\$80,803)	(\$71,910)	(\$69,686)	(\$79,662)	(\$255,053)
3	Allowable Working Capital Costs	(1) - (2)	(\$55,125)	\$124,225	\$205,897	\$239,353	(\$52,482)	(\$29,126)	(\$102,595)	(\$73,139)	(\$80,803)	(\$71,910)	(\$69,686)	(\$79,662)	(\$255,053)
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	\$4,561	\$1,078	\$7,559	\$1,078	(\$1,927)	(\$1,069)	(\$3,766)	(\$2,885)	(\$2,966)	(\$2,640)	(\$2,568)	(\$2,925)	\$13,400
6	Cost of Capital	Rate Case	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	
7	Return on Working Capital Requirement	(5) * (6)	\$417	\$417	\$690	\$86	(\$176)	(\$96)	(\$344)	(\$245)	(\$271)	(\$241)	(\$234)	(\$267)	\$13,400
8	Weighted Cost of Debt	Rate Case	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	
9	Interest Expense	(5) * (8)	(\$86)	\$193	\$320	\$46	(\$61)	(\$45)	(\$159)	(\$114)	(\$125)	(\$112)	(\$108)	(\$124)	\$13,400
10	Taxable Income	(7) - (9)	(\$99)	\$224	\$371	\$53	(\$6)	(\$52)	(\$165)	(\$132)	(\$146)	(\$129)	(\$125)	(\$143)	\$13,400
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)	\$344	\$344	\$570	\$81	(\$145)	(\$81)	(\$284)	(\$203)	(\$224)	(\$199)	(\$193)	(\$221)	\$13,400
13	Storage Variable Non-product WC Requir.	(9) + (12)	(\$238)	\$537	\$890	\$127	(\$227)	(\$126)	(\$444)	(\$316)	(\$349)	(\$311)	(\$301)	(\$341)	(\$1,103)

