

September 2, 2008

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Docket 3982 – National Grid, Annual Gas Cost Recovery Filing

Dear Ms. Massaro:

Enclosed please find ten (10) copies of the pre-filed testimony and schedules of Peter Czekanski and Gary Beland in support of National Grid's¹ Annual Gas Cost Recovery ("GCR") filing. The proposed rates contained in this GCR filing reflect the customer class-specific factors necessary for the Company to collect sufficient revenues to recover projected gas costs for the period November 1, 2008 through October 31, 2009. As described in this filing, an average residential heating customer using 922 therms per year will experience a decrease of approximately \$72, or an annual 4.6% decrease over the currently effective rates, which contains the rate impacts of this filing as well as the Distribution Adjustment Charge, Docket 3977.

This filing also contains a Motion for Protective Treatment in accordance with Rule 1.2(g) of the Commission's Rules of Practice and Procedure and R.I.G.L. § 38-2-2(4)(B). The Company seeks protection from public disclosure certain pricing terms contained in the Distrigas contract, which contains a confidentiality provision, as well as the portfolio-management fee established in the Merrill Lynch contract, which is also confidential, commercially sensitive and proprietary. Accordingly, National Grid requests that the Commission protect the price terms and related calculations set forth in Attachments GLB-2, GLB-5 and GLB-12. To that end, the Company has provided the Commission with the confidential materials for its review, and has included redacted copies of these attachments in the filing.

Thank you for your attention to this filing. If you have any questions, please do not hesitate to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Paul Roberti, Esq. (w/confidential enc.)
Steve Scialabba (w/confidential enc.)
Bruce Oliver (w/confidential enc.)

¹ The Narragansett Electric Company, d/b/a National Grid ("National Grid" or the "Company").

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODE ISLAND PUBLIC UTILITIES COMMISSION

NATIONAL GRID
ANNUAL GAS COST RECOVERY

Docket No. 3982

NATIONAL GRID'S REQUEST
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION

National Grid ¹ hereby requests that the Rhode Island Public Utilities Commission (“Commission”) provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(i)(B). National Grid also hereby requests that, pending entry of that finding, the Commission preliminarily grant National Grid’s request for confidential treatment pursuant to Rule 1.2 (g)(2).

I. BACKGROUND

On September 2, 2008, National Grid filed with the Commission its gas cost recovery filing including the testimony of Gary L Beland. That testimony contains, among other things, schedules of Gary L. Beland, including Attachment GLB-2, GLB-5, and GLB-12, which contain specific volume requirements and/or gas cost details under contracts with Distrigas and Merrill Lynch.

¹ The Narragansett Electric Company d/b/a National Grid (“National Grid or “the Company”).

The Company has filed redacted copies those attachments to Mr. Beland's testimony, deleting the above-referenced confidential information. For the reasons stated below, the Company requests that these confidential and proprietary terms be protected from public disclosure.

II. LEGAL STANDARD

The Commission's Rule 1.2(g) provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I.G.L. §38-2-1, *et seq.* Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Commission falls within one of the designated exceptions to the public records law, the Commission has the authority under the terms of APRA to deem such information to be confidential and to protect that information from public disclosure.

In that regard, R.I.G.L. §38-2-2(4)(i)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would be likely either (1) to impair the Government's ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information

was obtained. Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I.2001).

The first prong of the test is satisfied when information is voluntarily provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. Providence Journal, 774 A.2d at 47.

In addition, the Court has held that the agencies making determinations as to the disclosure of information under APRA may apply the balancing test established in Providence Journal v. Kane, 577 A.2d 661 (R.I.1990). Under that balancing test, the Commission may protect information from public disclosure if the benefit of such protection outweighs the public interest inherent in disclosure of information pending before regulatory agencies.

III. BASIS FOR CONFIDENTIALITY

With respect to the Distrigas contract, the Company seeks protection from public disclosure for information describing the pricing terms and Company estimates of future pricing terms and volumes. With respect to the Merrill contract, the Company seeks to protect information regarding the management fee. The information for which the Company seeks confidential treatment is confidential, commercially sensitive, and proprietary, as described below. Distrigas, Merrill, and the Company are active participants in the gas marketplace, and they require confidential treatment of the price terms set forth in their contracts in order to protect their competitive position, bargaining latitude, and negotiating leverage in that marketplace.

Consistent with the Commission's rules and precedent, the key element of the Company's request for confidentiality under the Merrill contract is the price as reflected in the portfolio-management fee to be paid by Merrill to the Company. Public disclosure of this price term would be commercially harmful to Merrill because their other customers and potential customers could use this information to seek similar terms. Also, if the fee is disclosed, competitors of Merrill would have important, competitively sensitive information regarding its willingness to pay a certain fee or contract charges, which would give those competitors an unfair competitive advantage. Moreover, disclosure of the fee, or any computations that are based on the fee, would potentially impede the Company's ability to obtain a similar or better fee from other potential portfolio managers in the future to the detriment of customers.

Similarly, the price terms contained in the Distrigas contracts have been negotiated between the parties and are subject to a confidentiality provision in the contract. The Company's projections of future volumes and charges under the LNG liquid contract are also proprietary and confidential because they impact the Company's ability to renegotiate a new contract upon the expiration of the existing contract on October 2008. Public disclosure of these price terms would be commercially harmful to Distrigas and the Company.

In short, pricing and related financial terms bid by Merrill and Distrigas must remain confidential to preserve the Company's future negotiating leverage and its ability to function effectively in a competitive gas-supply marketplace. Disclosure of these contract terms may dissuade wholesale gas marketers, who must protect their competitive position in the national market, from offering these services in Rhode Island.

Moreover, a lack of confidentiality may discourage such potential portfolio managers from making concessions or agreeing to specific provisions more favorable to the buyer, because public knowledge of such information would decrease the managers' bargaining leverage in other negotiations.

V. CONCLUSION

The pricing terms of the Distrigas contract, the Company's projections of volumes and costs, and the portfolio-management fee agreed to by Merrill under the terms of the portfolio-management contract are confidential, commercially sensitive, and proprietary. Disclosure on the public record of such pricing information would be detrimental to the public interest in that it would negatively affect the parties' future bargaining position and have a negative impact on the marketplace by dissuading potential portfolio managers from providing these services in Rhode Island. Accordingly, the Company requests that the Commission protect the price terms and related calculations set forth in Exhibits GLB-2, GLB-5, and GLB-12.

WHEREFORE, the Company respectfully requests that the Commission grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

NATIONAL GRID

By its attorney,

A handwritten signature in blue ink, appearing to read "T. Teehan".

Thomas R. Teehan, Esq. (RI Bar #4698)
National Grid
280 Melrose Street
Providence, RI 02907
(401) 784-7667

Dated: September 2, 2008

TESTIMONY

OF

PETER C. CZEKANSKI

September 2, 2008

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I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Peter C. Czekanski. My business address is 280 Melrose Street,
3 Providence, RI 02907.

4 **Q. WHAT IS YOUR POSITION AND RESPONSIBILITIES?**

5 A. I am Manager of Pricing for National Grid Rhode Island – Gas ("National Grid" or the
6 "Company"). My responsibilities include overseeing the design, implementation and
7 administration of rates charged by National Grid for natural gas service in Rhode
8 Island. I also direct the development of the Company's throughput and revenue
9 forecasts.

10 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

11 A. Yes. I have testified before this Commission in numerous proceedings including
12 previous Gas Cost Recovery ("GCR") filings; Distribution Adjustment Charge
13 ("DAC") filings, and other matters related to rate design, pricing and cost matters.

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 A. The purpose of this testimony is to explain the calculation of the Gas Cost Recovery
16 ("GCR") charges to be effective with consumption on and after November 1, 2008 for
17 the following services: (1) firm sales service customers in the Residential Non-

1 Heating and Heating rate classes as well as Commercial and Industrial ("C&I")
2 customers in the Small, Medium, Large and Extra Large rate classes; and (2) Gas
3 Marketer Charges and factors associated with transportation services billed to Gas
4 Marketers. My testimony will also address the Natural Gas Vehicle ("NGV") rate and
5 discuss how tariff changes before the Commission in Docket No. 3943 would impact
6 the proposed GCR rates.

7 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

8 A. My testimony is composed of seven (7) general sections: *I.* the Introduction; *II.* a GCR
9 Rate Development Overview; *III.* GCR Rate Development Details; *IV.* Bill Impacts;
10 *V.* Natural Gas Vehicles; *VI.* Marketer Factors; and *VII.* Rate Case GCR Implications.

11 **Q. DO YOU HAVE ANY ATTACHMENTS INCLUDED WITH YOUR**
12 **TESTIMONY?**

13 A. Yes. I am sponsoring the following Attachments:

14 PCC-1 Gas Cost Recovery Factors
15 PCC-2 GCR Reconciliation Filing
16 PCC-3 Projected Gas Cost Balances
17 PCC-4 Bill Impacts
18 PCC-5 NGV Tariff
19 PCC-6 Marketer Transportation Factors
20 PCC-7 GCR Rate Case Factors

II. GCR RATE DEVELOPOMENT OVERVIEW

1 **Q. PLEASE PROVIDE AN OVERVIEW OF THE DEVELOPMENT OF THE**
2 **PROPOSED GCR RATES.**

3 A. The proposed GCR rates reflect the class-specific factors necessary for the Company
4 to collect sufficient revenues to recover projected gas costs for the period November 1,
5 2008 through October 31, 2009. As shown in the testimony of Mr. Beland on
6 Attachment GLB-1, gas costs for the period are projected to be \$301.1 million for the
7 twelve months ended October 2009. In addition to these projected costs, the GCR
8 factors also reflect Working Capital Costs of \$1.3 million (Attachment PCC-1, pages
9 8-10), Inventory Financing Costs of \$2.8 million (Attachment PCC-1, page 11), a
10 prior period Deferred Balance of \$1.4 million (Attachment PCC-1, pages 6-7; based
11 on actual data through July 2008 and forecast data for the period August 2008 through
12 October 2008), LNG Operation and Maintenance (“O&M”) Costs of \$0.9 million
13 (Docket No. 3401), and a credit of \$1.7 million associated with LNG Costs which will
14 be collected via the Distribution Adjustment Clause (“DAC”) factor. Thus, the GCR
15 factors are intended to recover \$306.7 million in costs over the period November 2008
16 through October 2009. Attachment PCC-1, page 1 provides a summary of the GCR
17 factors by customer rate class.

III. GCR RATE DEVELOPOMENT DETAILS

1 **Q. ATTACHMENT PCC-1, PAGE 1 SHOWS A RESIDENTIAL AND SMALL**
2 **C&I GCR FACTOR OF \$11.47 PER DEKATHERM. PLEASE EXPLAIN**
3 **HOW THIS FACTOR WAS DERIVED.**

4 A. The \$11.47 per dekatherm (“Dth”) GCR factor consists of five gas cost components
5 and an uncollectible component. The five gas-cost components are Supply Fixed
6 Costs, Storage Fixed Costs, Supply Variable Costs, Storage Variable Product Costs
7 and Storage Variable Non-Product Costs. The associated rate components are \$0.80
8 per Dth, \$0.34 per Dth, \$8.64 per Dth, \$1.33 per Dth, and \$0.11 per Dth respectively.

9 The derivation of the Supply Fixed Cost component is reflected on Attachment PCC-
10 1, page 2. As shown, Supply Fixed Costs total \$23,566,240 (see also Attachment
11 GLB-1; Pipeline Demand Costs of \$31,354,926, Supplier Demand Costs of
12 \$3,624,000, and Marketer/Capacity Release Revenues of \$11,412,686). Also,
13 Working Capital Costs (Attachment PCC-1, page 8) associated with Supply Fixed
14 Costs of \$101,672 is added and the prior period Supply Fixed Gas Cost over-
15 collection of \$2,176,351 (Attachment PCC-1, page 6) is subtracted, resulting in total
16 Supply Fixed Gas Costs of \$21,491,561 to be collected over the period November
17 2008 through October 2009. Because the Company’s gas-supply resources are
18 planned so that there is sufficient capacity to meet the needs of firm sales customers
19 under severe (design) winter conditions, Supply Fixed Costs (as well as Storage Fixed

1 Costs) are allocated to the various rate classes based on their proportion of design-
2 winter use. As shown, the percentage of Residential and Small C&I design sales to
3 total design sales is 77.93%. Thus, 77.93% of total Supply Fixed Costs, or
4 \$16,748,850 is allocated to the Residential and Small C&I customer class. Dividing
5 \$16,748,850 by the November 2008 through October 2009 forecasted sales to the
6 Residential and Small C&I class results in a Supply Fixed Cost rate component of
7 \$0.7994 per Dth.

8 **Q. HOW IS THE STORAGE FIXED COST FACTOR COMPONENT FOR THE**
9 **RESIDENTIAL AND SMALL C&I CLASS DERIVED?**

10 A. The derivation of the Storage Fixed Cost factor is demonstrated on Attachment PCC-
11 1, page 3. As shown, Storage Fixed Costs total \$10,475,436 (see also Attachment
12 GLB-1). Deducted from this amount are \$675,382 of LNG demand costs that have
13 been allocated to the DAC. Added to this amount are \$518,894 of supply related LNG
14 O&M costs and \$44,519 of Working Capital Costs associated with Storage Fixed
15 Costs (Attachment PCC-1, page 8). Also, the prior period over-collection associated
16 with Storage Fixed Costs of \$862,283 is subtracted. Thus, Total Storage Fixed Costs
17 to be collected over the period November 2008 through October 2009 amount to
18 \$9,501,185. As with Supply Fixed Costs, the Storage Fixed Costs are allocated on the
19 basis of design winter throughput. Thus, 75.51%, or \$7,174,569 of total Storage Fixed
20 Costs is allocated to the Residential and Small C&I customer class. Dividing

1 \$7,174,569 by forecasted period sales of 20,951,464 Dths results in the Storage Fixed
2 Cost component of \$0.3424 per Dth.

3 **Q. THE PERCENT OF RESIDENTIAL AND SMALL C & I DESIGN SALES**
4 **USED FOR ALLOCATED SUPPLY FIXED COSTS WAS 77.93%. WHY IS**
5 **THE COMPANY USING 75.51% FOR ALLOCATING STORAGE FIXED**
6 **COSTS?**

7 A. A portion of the Storage Fixed Costs are required to meet the needs of FT-2
8 transportation customers. Thus, the projected throughput has been adjusted to
9 incorporate the consumption of this class of customers. Attachment PCC-6, page 2,
10 reflects the development of the FT-2 Marketer Charge and the allocation of Storage
11 Fixed Costs to this class of customers.

12 **Q. WHY DOES THE COMPANY ASSIGN A PORTION OF STORAGE FIXED**
13 **COSTS TO FT-2 CUSTOMERS?**

14 A. Consistent with the methodology established and approved by the Commission in
15 Docket No. 2552, the FT-2 rate is based on the development of the storage and
16 peaking costs as described in the GCR tariff. The fixed and variable costs related to
17 the operations, maintenance, and delivery of the Company's storage resources, along
18 with requirements for purchased gas working capital are components of this rate.

1 **Q. HOW IS THE SUPPLY VARIABLE COST COMPONENT FOR THE**
2 **RESIDENTIAL AND SMALL C&I CUSTOMER CLASS DERIVED?**

3 A. The Supply Variable Cost component is \$8.6443 per Dth for all customer classes,
4 including the Residential and Small C&I customer class. Attachment PCC-1, page 4
5 reflects the derivation of the \$8.6443 per Dth Supply Variable Cost component. As
6 shown, projected Variable Supply Costs are \$225,711,939 (see Attachment GLB-1).
7 Deducted from this amount are Variable Delivery Storage Costs of \$223,546, Variable
8 Injection Storage Costs of \$72,665, and Fuel Costs Allocated to Storage of
9 \$2,285,512, resulting in total deductions of \$2,581,723. These costs have been
10 transferred to the Storage Variable Non-Product Cost bucket. Added to this amount
11 are Working Capital Costs associated with Supply Variable Costs of \$962,654
12 (Attachment PCC-1, page 9) and the prior period under-collection associated with
13 Supply Variable Costs of \$11,192,136. Thus, total Supply Variable Costs for the
14 period November 2008 through October 2009 are \$235,285,006. Dividing
15 \$235,285,006 by projected period sales of 27,218,367 Dths results in the Supply
16 Variable Cost factor of \$8.6443 per Dth.

17 **Q. WHY AREN'T THESE COSTS ALLOCATED ON THE BASIS OF DESIGN**
18 **THROUGHPUT, AS WITH THE SUPPLY FIXED AND STORAGE FIXED**
19 **COMPONENTS?**

20 A. Supply Variable Costs vary with the amount of gas actually used, and accordingly, are
21 allocated to the various rate classes based on projected consumption whereas Supply

1 and Storage Fixed Costs are incurred to ensure the Company is able to meet customer
2 requirements during design-winter conditions.

3 **Q. HOW IS THE STORAGE VARIABLE PRODUCT COST FACTOR**
4 **ASSOCIATED WITH THE RESIDENTIAL AND C&I SMALL CUSTOMER**
5 **CLASS DERIVED?**

6 A. The derivation of the Storage Variable Product Cost factor is shown on Attachment
7 PCC-1, page 5. As shown, projected Storage Variable Product Costs are \$39,428,364.
8 Deducted from this amount are \$993,490 of Balancing Related LNG costs that have
9 been transferred to the DAC for collection. Added to this amount are \$365,465 of
10 Supply Related LNG O&M Costs (Docket No. 3401), \$167,397 of Working Capital
11 Costs (Attachment PCC-1, page 9), Inventory Financing Costs of \$689,207, and
12 \$2,063,298 for LNG and Underground Storage, respectively (Attachment PCC-1, page
13 11). The prior period over-collection of \$5,496,522 is subtracted. Thus, Total Storage
14 Variable Costs to be collected over the period November 2008 through October 2009
15 are \$36,223,719. Dividing \$36,223,719 by forecasted period sales of 27,218,367 Dths
16 results in the \$1.3309 per Dth Storage Variable Product Cost factor.

17 **Q. HOW IS THE STORAGE VARIABLE NON-PRODUCT COST FACTOR**
18 **ASSOCIATED WITH THE RESIDENTIAL AND C&I SMALL CUSTOMER**
19 **CLASS DERIVED?**

1 A. The derivation of the Storage Variable Non-Product Cost factor is shown in
2 Attachment PCC-1, page 5. As shown, projected Storage Variable Non-Product Costs
3 are \$1,916,187. Added to this amount are Variable Delivery Storage Costs of
4 \$223,546, Variable Injection Costs of \$72,665, and Fuel Costs Allocated to Storage of
5 \$2,285,512. Also, Working Capital Costs of \$8,267 are added to the calculation and
6 the prior period over-collection of \$1,272,009 is subtracted, resulting in total Storage
7 Variable Non-Product Costs of \$3,234,169 to be collected over the period November
8 2008 through October 2009. Dividing \$3,234,169 by forecasted period throughput of
9 28,154,415 Dth's results in the \$0.1149 per Dth Storage Variable Non-Product Cost
10 factor.

11 **Q. WHY WERE THE STORAGE VARIABLE NON-PRODUCT COSTS DIVIDED**
12 **BY FORECASTED THROUGHPUT OF 27,218,367 DTH WHILE STORAGE**
13 **VARIABLE PRODUCT COSTS AND SUPPLY VARIABLE COSTS WERE**
14 **DIVIDED BY FORECASTED SALES OF 28,154,415 DTH?**

15 A. Similar to the derivation of the Storage Fixed Cost factor, a portion of Storage
16 Variable Non-Product Costs are associated with the delivery of underground storage
17 for FT-2 Marketers. Thus, a portion of the Storage Variable Non-Product Costs are
18 assigned to FT-2 Marketers (see Attachment PCC-6).

19 In summary, the \$11.5072 per Dth Residential and Small C&I GCR factor consists of
20 a \$0.7994 per Dth Supply Fixed Cost component, \$0.3424 Storage Fixed Cost

1 component, \$8.6443 Supply Variable Cost component, \$1.3309 Storage Variable
2 Product Cost component and \$0.1149 Storage Variable Non-Product Cost component.
3 The sum total of these gas cost components is \$11.2319 per Dth. Adjusting this rate
4 by the 2.10 uncollectible percent results in the proposed Residential and Small C & I
5 GCR factor of \$11.4728 per Dth or \$1.1473 per therm.

6 **Q. HOW ARE THE GCR FACTORS FOR THE OTHER CUSTOMER CLASSES**
7 **DERIVED?**

8 A. The GCR factors for the remaining customer classes are calculated in a manner that is
9 identical to the calculation for the Residential and Small C&I customer classes.

10 **Q. WHAT IS THE COMPANY'S ESTIMATE OF THE DEFERRED GAS COST**
11 **BALANCE AT THE END OF THE CURRENT GCR PERIOD?**

12 A. The Company's current estimate is an undercollection of approximately \$1.4 million
13 in the deferred gas cost account at the end of October 2008. This estimate is based on
14 the actual deferred balance at the end of June as reflected in the Company's annual
15 GCR reconciliation filed with the Division and Commission on August 1, 2008, actual
16 data for July 2008, and our latest August 2008 through October 2008 projection using
17 the current GCR factors and latest estimate of gas costs. A copy of the annual GCR
18 reconciliation filing is attached here as Attachment PCC-2 and the updated deferred
19 gas cost balance projections for July 2008 through October 2008 are provided in
20 Attachment PCC-1 at pages 6-7.

1 **Q. WHAT IS THE TOTAL DEFERRED BALANCE REFLECTED IN THE GCR**
2 **FACTORS?**

3 A. Based on actual data through July 2008, and updated forecasted data for the period
4 August 2008 through October 2008, the total estimated deferred balance at October
5 31, 2008 is \$1.4 million. The projected gas cost balances for the period November
6 2008 through October 31, 2009 are shown on Attachment PCC-3.

7 **Q. PLEASE DESCRIBE THE DEVELOPMENT OF THE FORECAST**
8 **THROUGHPUT REQUIREMENTS.**

9 A. The forecast throughput requirements incorporated in this GCR filing are the same as
10 those included in the Company's Base Gas Distribution Rate Case, Docket No. 3943.
11 Both proposals cover a forecast period November 2008 through October 2009.

IV. BILL IMPACTS

12 **Q. WHAT IS THE BILL IMPACT OF THE PROPOSED CHANGES?**

13 A. A residential heating customer using 922 therms per year will experience a decrease of
14 approximately \$72 (an average \$6 per month), or an annual 4.6 percent decrease over
15 the currently effective rates. A summary of annual bill impacts for customers with
16 various levels of usage is provided on Attachment PCC-4. Please note, in addition to
17 the proposed GCR factors, the bill impact analysis also incorporates the proposed
18 decrease in DAC factors that was filed on August 1st and updated on September 2nd in

1 Docket No. 3977 for effect November 1, 2008. The annual decrease associated with
2 the decreased GCR rates for a residential heating customer is \$70.27 with an
3 additional decrease of \$1.37 associated with the proposed DAC rates.

V. NATURAL GAS VEHICLES

4 **Q. IS THE COMPANY PROPOSING A CHANGE TO THE NGV RATE?**

5 A. Yes. The commodity charge component of the NGV rates is based on the Supply
6 Variable Costs identified in the Company's GCR filing. Accordingly, the NGV
7 commodity charge is being updated to reflect the Supply Variable Costs included in
8 this filing. A revised NGV tariff is provided as Attachment PCC-5

VI. MARKETER FACTORS

9 **Q. WHAT ARE THE VARIOUS GAS MARKETER CHARGES AND FACTORS**
10 **INCLUDED IN THIS GCR FILING?**

11 A. The gas marketer charges and factors covered under the Company's GCR tariff and
12 included in this GCR filing are: (1) the FT-2 firm transportation marketer gas charges;
13 (2) Pool Balancing Service charges; and (3) the Company's weighted average pipeline
14 cost and the associated credits/surcharges applied to marketers for pipeline capacity
15 assignments. A summary of the proposed charges that would take effect concurrent

1 with the updating of transportation factors and capacity releases on November 1, 2008
2 are shown on Attachment PCC-6, page 1.

3 **Q. PLEASE DESCRIBE THE DEVELOPMENT OF THE FT-2 FIRM**
4 **TRANSPORTATION RATE FOR STORAGE AND PEAKING RESOURCES.**

5 A. Consistent with the methodology established and approved by the Commission in
6 Docket No. 2552, the FT-2 rate is based on the development of the storage and
7 peaking costs as described in the GCR tariff. The fixed and variable costs related to
8 the operations, maintenance and delivery of the Company's storage resources were
9 totaled, along with requirements for purchased gas working capital. The result was
10 then divided by the forecasted firm throughput to arrive at a per therm cost. The
11 proposed rate of \$0.0447 per therm is comparable to the current rate of \$0.0501 per
12 therm. Attachment PCC-6, page 2 demonstrates the calculation of the \$0.0447 per
13 therm FT-2 Marketer Charge.

14 **Q. PLEASE DESCRIBE THE UPDATE OF THE POOL BALANCING SERVICE**
15 **CHARGE.**

16 A. Pursuant to Item 5.04.1 of the Transportation Terms and Conditions and consistent
17 with the methodology established in Item 4.2 of the GCR tariff, the Pool Balancing
18 Charge is being updated to reflect the relevant Fixed and Storage Cost components.
19 As shown on Attachment PCC-6, page 3, the proposed balancing charge is \$0.0025
20 per percentage of balancing elected per therm of throughput in the Marketer pool.

1 **Q. HAS THE COMPANY UPDATED THE TRANSPORTATION SERVICE**
2 **CHARGES ASSOCIATED WITH PIPELINE CAPACITY ASSIGNMENT?**

3 A. Yes, the updated Company weighted average pipeline cost is shown on Attachment
4 PCC-6, page 1. The testimony of Company witness Mr. Gary Beland describes its
5 calculation as well as the calculation of the associated credits/surcharges applied to
6 marketers for pipeline capacity assignments.

VII. RATE CASE GCR IMPLICATIONS

7 **Q. THE COMPANY'S BASE GAS DISTRIBUTION RATE CASE FILING IN**
8 **DOCKET NO. 3943 INCULDES PROPOSED CHANGES TO THE GCR**
9 **TARIFF. WHAT ARE THOSE CHANGES?**

10 A. The primary change reflected in the Docket No. 3943 proposed GCR tariff is the
11 consolidation of the six gas cost factors into just two. A second change is reconciling
12 the estimated uncollectibles billed through the GCR to actual gas-related net write-
13 offs. Additional changes that would become effective with approval of the
14 Company's filing in Docket No. 3943 are the percentage of LNG costs associated with
15 maintaining system pressure, LNG operating and maintenance costs, as well as the
16 capital structure and days lag incorporated in the working capital calculations.

17 **Q. HOW WOULD THOSE CHANGES AFFECT THE GCR RATES PROPOSED**
18 **IN THIS FILING?**

1 A. The calculation of the GCR rates incorporating the factors and proposed changes in
2 the base rate case Docket No. 3943 is provided in Attachment PCC-7 and the impact
3 of the various changes ranges from a decrease of \$0.0301 per therm for a residential
4 non-heating customer to an increase of \$0.0168 per therm for the extra large high load
5 customer. A comparison of the proposed GCR rates under the rate case proposed
6 GCR tariff with the GCR rates proposed in this filing is provided at the bottom of
7 Attachment 7, page 1.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 A. Yes.

Gas Cost Recovery (GCR) Filing
(\$ per Dth)

Line No.	Description (a)	Reference (b)	Resid & Small C&I (c)	Medium C&I (d)	Large LLF (e)	Large HLF (f)	Extra Large LLF (g)	Extra Large HLF (h)	FT-2 Mkter (i)	NGV
1	Supply Fixed Cost Factor	pg. 2	\$0.7994	\$0.7668	\$0.8529	\$0.5690	\$0.7734	\$0.4768	n/a	
2	Storage Fixed Cost Factor	pg. 3	\$0.3424	\$0.3253	\$0.3653	\$0.2437	\$0.3367	\$0.2058	\$0.3230	
3	Supply Variable Cost Factor	pg. 4	\$8.6443	\$8.6443	\$8.6443	\$8.6443	\$8.6443	\$8.6443	n/a	\$8.6443
4a	Storage Variable Product Cost Factor	pg. 5	\$1.3309	\$1.3309	\$1.3309	\$1.3309	\$1.3309	\$1.3309	n/a	
4b	Storage Variable Non-product Cost Factor	pg. 5	\$0.1149	\$0.1149	\$0.1149	\$0.1149	\$0.1149	\$0.1149	\$0.1149	
5	Total Gas Cost Recovery Charge	(1)+(2)+(3)+(4)	\$11.2319	\$11.1822	\$11.3083	\$10.9028	\$11.2002	\$10.7727	\$0.4379	\$8.6443
6	Uncollectible %	Docket 3401	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
7	Total GCR Charge adjusted for Uncollectibles	(5) / [(1 - (6))]	\$11.4728	\$11.4221	\$11.5509	\$11.1367	\$11.4404	\$11.0038	\$0.4473	\$8.8297
8	GCR Charge on a per therm basis	(7) / 10	\$1.1473	\$1.1422	\$1.1551	\$1.1137	\$1.1440	\$1.1004	\$0.0447	\$0.8830
	Current rate effective 7/15/08		\$1.2269	\$1.2260	\$1.2300	\$1.2039	\$1.2269	\$1.1938	\$0.0501	\$0.9326

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount</u> (c)	<u>Resid & Small C&I</u> (d)	<u>Medium C&I</u> (e)	<u>Large LLF</u> (f)	<u>Large HLF</u> (g)	<u>Extra Large LLF</u> (h)	<u>Extra Large HLF</u> (i)	<u>Line No.</u>
1	Supply Fixed Costs (net of Cap Rel)	GLB-1	\$23,566,240							1
2	Less:									2
3	Capacity Release Revenues	GLB-1	\$0							3
4	Interruptible Costs		\$0							4
5	Non-Firm Sales Costs		\$0							5
6	Off-System Sales Margin		\$0							6
7	Refunds		\$0							7
8	Total Credits	sum[(3):(7)]	\$0							8
9	Plus:									9
10	Working Capital Requirement	pg 8	\$101,672							10
11	Reconciliation Amount	pg 6	(\$2,176,351)							11
12	Total Additions	(10) + (11)	(\$2,074,679)							12
13	Total Supply Fixed Costs	(1) - (8) + (12)	\$21,491,561							13
14	Design Winter Sales Percentage	pg 13		77.93%	14.58%	5.12%	1.28%	0.48%	0.61%	14
15	Allocated Supply Fixed Costs	(13) x (14)		\$16,748,850	\$3,134,348	\$1,100,372	\$274,931	\$102,927	\$130,133	15
16	Sales (Dt)	pg 12	27,218,367	20,951,464	4,087,667	1,290,082	483,166	133,086	272,903	16
17	Supply Fixed Factor	(15) / (16)		\$0.7994	\$0.7668	\$0.8529	\$0.5690	\$0.7734	\$0.4768	17

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount</u> (c)	<u>Resid & Small C&I</u> (d)	<u>Medium C&I</u> (e)	<u>Large LLF</u> (f)	<u>Large HLF</u> (g)	<u>Extra Large LLF</u> (h)	<u>Extra Large C&I</u> (i)	<u>Line No.</u>
1	Storage Fixed Costs	GLB-1	\$10,475,436							1
2	Less:									2
3	LNG Demand to DAC	GLB 2/Dkt 3401	\$675,382							3
4	Credits		\$0							4
5	Refunds		\$0							5
6	Total Credits	sum [(3):(5)]	\$675,382							6
7	Plus:									7
8	Supply Related LNG O&M Costs	Docket 3401	\$518,894							8
9	Working Capital Requirement	pg 8	\$44,519							9
10	Reconciliation Amount	pg 6	(\$862,283)							10
11	Total Additions	sum [(8):(10)]	(\$298,870)							11
12	Total Storage Fixed Costs	(1) - (6) + (11)	\$9,501,185							12
13	Design Winter Throughput Percentage	pg 13		75.51%	15.81%	6.07%	1.46%	0.52%	0.63%	13
14	Allocated Storage Fixed Costs	(12) x (13)		\$7,174,569	\$1,502,022	\$576,417	\$138,972	\$49,539	\$59,666	14
15	Throughput (Dt)	pg 12	28,154,415	20,951,464	4,617,928	1,577,785	570,179	147,117	289,943	15
16	Storage Fixed Factor	(14) / (15)		\$0.3424	\$0.3253	\$0.3653	\$0.2437	\$0.3367	\$0.2058	16

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>	<u>Line No.</u>
1	Variable Supply Costs	GLB 1	\$225,711,939	1
2	Less:			2
3	Non-Firm Sales		\$0	3
4	Variable Delivery Storage Costs	GLB 2/ PCC 1 p5	\$223,546	4
5	Variable Injection Storage Costs	GLB 2/ PCC 1 p5	\$72,665	5
6	Fuel Costs Allocated to Storage	GLB 2/ PCC 1 p5	\$2,285,512	6
7	Refunds		\$0	7
8	Total Credits	sum [(3):(7)]	<u>\$2,581,723</u>	8
9	Plus:			9
10	Working Capital	pg 9	\$962,654	10
11	Reconciliation Amount	pg 6	<u>\$11,192,136</u>	11
12	Total Additions	(10)+(11)	\$12,154,790	12
13	Total Variable Supply Costs	(1)-(8)+(12)	<u>\$235,285,006</u>	13
14	Sales (Dt)	pg 12	27,218,367	14
15	Supply Variable Cost Factor	(13)/(14)	<u>\$8.6443</u>	15

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>	<u>Line No.</u>
1	Storage Variable Product Costs	GLB 1	\$39,428,364	1
2	Less:			2
3	Balancing Related LNG Costs (to DAC)	GLB 2/Dkt 3401	\$993,490	3
4	Refunds		\$0	4
5	Total Credits	(3)+(4)	<u>\$993,490</u>	5
6	Plus:			6
7	Supply Related LNG O&M	Docket 3401	\$365,465	7
8	Working Capital	pg 9	\$167,397	8
9	Inventory Financing - LNG (Supply)	pg 11	\$689,207	9
10	Inventory Financing - Storage	pg 11	\$2,063,298	10
11	Inventory Financing - LP	pg 11	\$0	11
12	Reconciliation Amount	pg 7	<u>(\$5,496,522)</u>	12
13	Total Additions	sum[(7):(12)]	<u>(\$2,211,154)</u>	13
14	Total Storage Variable Costs	(1)-(5)+(13)	<u>\$36,223,719</u>	14
15	Sales (Dt)	pg 12	27,218,367	15
16	Storage Variable Product Cost Factor	(14) / (15)	<u>\$1.3309</u>	16
17	Storage Variable Non-Product Costs	GLB 1	\$1,916,187	17
18	Less:			18
19	Refunds		\$0	19
20	Total Credits		<u>\$0</u>	20
21	Plus:			21
22	Variable Delivery Storage Costs	pg 4	\$223,546	22
23	Variable Injection Storage Costs	pg 4	\$72,665	23
24	Fuel Costs Allocated to Storage	pg 4	\$2,285,512	24
25	Working Capital	pg 10	\$8,267	25
26	Inventory Financing - Storage	pg 11	\$0	26
27	Reconciliation Amount	pg 7	<u>(\$1,272,009)</u>	27
28	Total Additions	sum[(22):(27)]	<u>\$1,317,981</u>	28
29	Total Storage Variable Costs	(17)-(20)+(28)	<u>\$3,234,169</u>	29
30	Throughput (Dt)	pg 12	28,154,415	30
31	Storage Variable Product Cost Factor	(29) / (30)	<u>\$0.1149</u>	31

Line No.		Jul-08 31 actual	Aug-08 31 forecast	Sep-08 30 forecast	Oct-08 31 forecast	Line No.
<u>I. Supply Fixed Cost Deferred</u>						
1	Beginning Balance	(\$7,977,817)	(\$5,887,819)	(\$4,509,799)	(\$3,243,206)	1
2	Supply Fixed Costs (net of cap rel)	\$2,885,908	\$2,051,317	\$2,050,209	\$2,051,317	2
3	Capacity Release	\$0	\$0	\$0	\$0	3
4	Working Capital	\$12,475	\$8,868	\$8,863	\$8,868	4
5	Total Supply Fixed Costs	\$2,898,383	\$2,060,185	\$2,059,072	\$2,060,185	5
6	Supply Fixed - Collections	\$790,743	\$668,936	\$782,932	\$986,434	6
7	Prelim. Ending Balance	(\$5,870,177)	(\$4,496,570)	(\$3,233,659)	(\$2,169,455)	7
8	Month's Average Balance	(\$6,923,997)	(\$5,192,194)	(\$3,871,729)	(\$2,706,331)	8
9	Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	9
10	Interest Applied	(\$17,642)	(\$13,229)	(\$9,547)	(\$6,896)	10
11	Asset Management Incentive	\$0	\$0	\$0	\$0	
12	Supply Fixed Ending Balance	(\$5,887,819)	(\$4,509,799)	(\$3,243,206)	(\$2,176,351)	12
<u>II. Storage Fixed Cost Deferred</u>						
13	Beginning Balance	(\$2,909,401)	(\$2,471,911)	(\$1,881,725)	(\$1,332,827)	13
14	Storage Fixed Costs	\$743,858	\$858,716	\$858,716	\$858,716	14
15	LNG Demand to DAC	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	15
16	Supply Related LNG O & M	\$43,241	\$43,241	\$43,241	\$43,241	16
17	Working Capital	\$3,159	\$3,656	\$3,656	\$3,656	17
18	Total Storage Fixed Costs	\$733,977	\$849,331	\$849,331	\$849,331	18
19	TSS Peaking Collections	\$0	\$0	\$0	\$0	19
20	Storage Fixed - Collections	\$289,639	\$253,605	\$296,475	\$375,994	20
21	Prelim. Ending Balance	(\$2,465,064)	(\$1,876,185)	(\$1,328,869)	(\$859,490)	21
22	Month's Average Balance	(\$2,687,233)	(\$2,174,048)	(\$1,605,297)	(\$1,096,159)	22
23	Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	23
24	Interest Applied	(\$6,847)	(\$5,539)	(\$3,958)	(\$2,793)	24
25	Storage Fixed Ending Balance	(\$2,471,911)	(\$1,881,725)	(\$1,332,827)	(\$862,283)	25
<u>III. Variable Supply Cost Deferred</u>						
26	Beginning Balance	\$7,791,754	\$7,280,749	\$7,306,572	\$7,067,559	26
27	Variable Supply Costs	\$5,322,469	\$5,859,052	\$6,588,714	\$12,690,516	27
28	Variable Delivery Storage	\$0	\$0	\$0	\$0	28
29	Variable Injections Storage	\$0	\$0	\$0	\$0	29
30	Fuel Cost Allocated to Storage	\$0	\$0	\$0	\$0	30
31	Working Capital	\$23,008	\$25,328	\$28,482	\$54,859	31
32	Total Supply Variable Costs	\$5,345,477	\$5,884,380	\$6,617,197	\$12,745,375	32
33	Supply Variable - Collections	\$5,871,095	\$5,877,117	\$6,873,909	\$8,644,031	33
34	Customer Deferred Responsibility	\$4,565	\$0	\$0	\$0	34
35	Prelim. Ending Balance	\$7,261,571	\$7,288,012	\$7,049,859	\$11,168,903	35
36	Month's Average Balance	\$7,526,663	\$7,284,380	\$7,178,216	\$9,118,231	36
37	Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	37
38	Interest Applied	\$19,178	\$18,560	\$17,700	\$23,233	38
39	Gas Procurement Incentive/(penalty)	\$0	\$0	\$0	\$0	
40	Supply Variable Ending Balance	\$7,280,749	\$7,306,572	\$7,067,559	\$11,192,136	40

Line No.		Jul-08 31 actual	Aug-08 31 forecast	Sep-08 30 forecast	Oct-08 31 forecast	Line No.
<u>Iva. Storage Variable Product Cost Deferred</u>						
41	Beginning Balance	(\$2,405,878)	(\$3,192,369)	(\$3,775,929)	(\$4,508,387)	41
42	Storage Variable Prod. Costs - LNG	\$138,890	\$190,778	\$185,167	\$191,336	42
43	Storage Variable Prod. Costs - LP	\$0	\$0	\$0	\$0	43
44	Storage Variable Prod. Costs - UG	\$0	\$0	\$0	\$0	44
45	Supply Related LNG to DAC	(\$28,320)	(\$38,900)	(\$37,756)	(\$39,013)	45
46	Supply Related LNG O & M	\$30,455	\$30,455	\$30,455	\$30,455	46
47	Inventory Financing - LNG	\$52,996	\$61,130	\$66,318	\$71,533	47
48	Inventory Financing - UG	\$55,239	\$55,239	\$55,239	\$55,239	48
49	Inventory Financing - LP	\$0	\$0	\$0	\$0	49
50	Working Capital	\$610	\$788	\$769	\$790	50
51	Total Storage Variable Product Costs	\$249,871	\$299,491	\$300,193	\$310,340	51
52	Storage Variable Product Collections	\$1,029,239	\$874,184	\$1,022,450	\$1,285,745	52
53	Prelim. Ending Balance	(\$3,185,246)	(\$3,767,063)	(\$4,498,186)	(\$5,483,792)	53
54	Month's Average Balance	(\$2,795,562)	(\$3,479,716)	(\$4,137,057)	(\$4,996,089)	54
55	Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	55
56	Interest Applied	(\$7,123)	(\$8,866)	(\$10,201)	(\$12,730)	56
57	Storage Variable Product Ending Bal.	(\$3,192,369)	(\$3,775,929)	(\$4,508,387)	(\$5,496,522)	57
<u>Ivb. Stor Var Non-Prod Cost Deferred</u>						
58	Beginning Balance	(\$988,320)	(\$1,055,840)	(\$1,115,676)	(\$1,185,060)	58
59	Storage Variable Non-prod. Costs	\$0	\$0	\$0	\$0	59
60	Variable Delivery Storage Costs	\$0	\$0	\$0	\$0	60
61	Variable Injection Storage Costs	\$0	\$0	\$0	\$0	61
62	Fuel Costs Allocated to Storage	\$0	\$0	\$0	\$0	62
63	Working Capital	\$0	\$0	\$0	\$0	63
64	Total Storage Var Non-product Costs	\$0	\$0	\$0	\$0	64
65	Storage Var Non-Product Collections	\$64,919	\$57,073	\$66,551	\$83,823	65
66	Prelim. Ending Balance	(\$1,053,239)	(\$1,112,913)	(\$1,182,227)	(\$1,268,883)	66
67	Month's Average Balance	(\$1,020,779)	(\$1,084,376)	(\$1,148,951)	(\$1,226,971)	67
68	Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	68
69	Interest Applied	(\$2,601)	(\$2,763)	(\$2,833)	(\$3,126)	69
70	Storage Var Non-Product Ending Bal.	(\$1,055,840)	(\$1,115,676)	(\$1,185,060)	(\$1,272,009)	70
<u>GCR Deferred Summary</u>						
71	Beginning Balance	(\$6,489,662)	(\$5,327,190)	(\$3,976,557)	(\$3,201,921)	71
72	Gas Costs	\$9,188,455	\$9,054,746	\$9,784,023	\$15,897,057	72
73	Working Capital	\$39,253	\$38,639	\$41,770	\$68,173	73
74	Total Costs	\$9,227,708	\$9,093,386	\$9,825,792	\$15,965,230	74
75	Collections	\$8,050,200	\$7,730,915	\$9,042,317	\$11,376,027	75
76	Prelim. Ending Balance	(\$5,312,155)	(\$3,964,719)	(\$3,193,082)	\$1,387,282	76
77	Month's Average Balance	(\$5,900,908)	(\$4,645,954)	(\$3,584,819)	(\$907,319)	77
78	Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	78
79	Interest Applied	(\$15,035)	(\$11,838)	(\$8,839)	(\$2,312)	79
80	Gas Purchase Plan Incentives/(Penalties)	\$0	\$0	\$0	\$0	80
81	Ending Bal. W/ Interest	(\$5,327,190)	(\$3,976,557)	(\$3,201,921)	\$1,384,971	81
82	Under/(Over)-collection	\$1,177,508	\$1,362,471	\$783,475	\$4,589,203	82

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount</u> (c)	<u>Line No.</u>
1	Supply Fixed Costs (net of Cap Rel)	GLB 1	\$23,566,240	1
2	Capacity Release Revenue		\$0	2
3	Allowable Working Capital Costs	(1) - (2)	\$23,566,240	3
4	Number of Days Lag	Docket 3401	13.40	4
5	Working Capital Requirement	[(3) x (4)] / 365	\$865,172	5
6	Cost of Capital	Docket 3401	9.11%	6
7	Return on Working Capital Requirement	(5) x (6)	\$78,822	7
8	Weighted Cost of Debt	Docket 3401	4.21%	8
9	Interest Expense	(5) x (8)	\$36,385	9
10	Taxable Income	(7) - (9)	\$42,437	10
11	1 - Combined Tax Rate	Docket 3401	0.6500	11
12	Return and Tax Requirement	(10) / (11)	\$65,287	12
13	Supply Fixed Working Capital Requirement	(9) + (12)	\$101,672	13
14	Storage Fixed Costs	GLB 1	\$10,475,436	14
15	Less: LNG Demand to DAC		(\$675,382)	15
16	Less: Credits		\$0	16
17	Plus: Supply Related LNG O&M Costs		\$518,894	17
18	Allowable Working Capital Costs	(14)-(15)+(16)+(17)	\$10,318,949	18
19	Number of Days Lag	Docket 3401	13.40	19
20	Working Capital Requirement	[(18) x (19)] / 365	\$378,833	20
21	Cost of Capital	Docket 3401	9.11%	21
22	Return on Working Capital Requirement	(20) x (21)	\$34,514	22
23	Weighted Cost of Debt	Docket 3401	4.21%	23
24	Interest Expense	(20) x (23)	\$15,932	24
25	Taxable Income	(22) - (24)	\$18,582	25
26	1 - Combined Tax Rate	Docket 3401	0.6500	26
27	Return and Tax Requirement	(25) / (26)	\$28,587	27
28	Storage Fixed Working Capital Requirement	(24) + (27)	\$44,519	28

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount</u> (c)	<u>Line No.</u>
1	Supply Variable Costs	GLB 1	\$225,711,939	1
2	Credits		<u>\$2,581,723</u>	2
3	Allowable Working Capital Costs	(1) - (2)	\$223,130,216	3
4	Number of Days Lag	Docket 3401	13.40	4
5	Working Capital Requirement	[(3) x (4)] / 365	\$8,191,630	5
6	Cost of Capital	Docket 3401	<u>9.11%</u>	6
7	Return on Working Capital Requirement	(5) x (6)	\$746,301	7
8	Weighted Cost of Debt	Docket 3401	<u>4.21%</u>	8
9	Interest Expense	(5) x (8)	\$344,501	9
10	Taxable Income	(7) - (9)	\$401,799	10
11	1 - Combined Tax Rate	Rate Case	<u>0.6500</u>	11
12	Return and Tax Requirement	(10) / (11)	\$618,153	12
13	Supply Variable Working Capital Requirement	(9) + (12)	\$962,654	13
14	Storage Variable Product Costs	GLB 1	\$39,428,364	14
15	Less: Balancing Related LNG Commodity (to DAC)		(\$993,490)	15
16	Plus: Supply Related LNG O&M Costs		<u>\$365,465</u>	16
17	Allowable Working Capital Costs	(14) + (15) + (16)	\$38,800,339	17
18	Number of Days Lag	Docket 3401	13.40	18
19	Working Capital Requirement	[(17) * (18)] / 365	\$1,424,451	19
20	Cost of Capital	Docket 3401	<u>9.11%</u>	20
21	Return on Working Capital Requirement	(19) x (20)	\$129,775	21
22	Weighted Cost of Debt	Docket 3401	<u>4.21%</u>	22
23	Interest Expense	(19) x (22)	\$59,906	23
24	Taxable Income	(21) - (23)	\$69,869	24
25	1 - Combined Tax Rate	Rate Case	<u>0.6500</u>	25
26	Return and Tax Requirement	(24) / (25)	\$107,491	26
27	Storage Var. Product Working Capital Requir.	(23) + (26)	\$167,397	27

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount</u> (c)	<u>Line No.</u>
1	Storage Variable Non-Product Costs	GLB 1	\$1,916,187	1
2	Credits		<u>\$0</u>	2
3	Allowable Working Capital Costs	(1) - (2)	\$1,916,187	3
4	Number of Days Lag	Docket 3401	13.40	4
5	Working Capital Requirement	[(3) x (4)] / 365	\$70,348	5
6	Cost of Capital	Docket 3401	<u>9.11%</u>	6
7	Return on Working Capital Requirement	(5) x (6)	\$6,409	7
8	Weighted Cost of Debt	Docket 3401	<u>4.21%</u>	8
9	Interest Expense	(5) x (8)	\$2,958	9
10	Taxable Income	(7) - (9)	\$3,451	10
11	1 - Combined Tax Rate	Docket 3401	<u>0.6500</u>	11
12	Return and Tax Requirement	(10) / (11)	\$5,309	12
13	Storage Variable Non-product WC Requir.	(9) + (12)	\$8,267	13

Line No.	Description (a)	Reference (b)	Nov-08 (c)	Dec-08 (d)	Jan-09 (e)	Feb-09 (f)	Mar-09 (g)	Apr-09 (h)	May-09 (i)	Jun-09 (j)	Jul-09 (k)	Aug-09 (l)	Sep-09 (m)	Oct-09 (n)	Total (p)	Line No.
1	Storage Inventory Balance	GLB 2 pg 16	\$5,629,465	\$5,629,465	\$5,629,465	\$5,629,465	\$7,078,653	\$11,769,402	\$16,587,405	\$21,386,487	\$26,328,155	\$30,771,455	\$35,123,120	\$39,127,168		1
2	Cost of Capital	Docket 3401	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%		2
3	Return on Working Capital Requirement	(1) x (2)	\$512,874	\$512,874	\$512,874	\$512,874	\$644,903	\$1,072,255	\$1,511,200	\$1,948,422	\$2,398,634	\$2,803,442	\$3,199,901	\$3,564,691	\$19,194,942	3
4	Weighted Cost of Debt	Docket 3401	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%		4
5	Interest Charges Financed	(1) x (4)	\$236,749	\$236,749	\$236,749	\$236,749	\$297,695	\$494,965	\$697,588	\$899,414	\$1,107,238	\$1,294,102	\$1,477,112	\$1,645,504	\$8,860,612	5
6	Taxable Income	(3) - (5)	\$276,125	\$276,125	\$276,125	\$276,125	\$347,208	\$577,289	\$813,612	\$1,049,007	\$1,291,396	\$1,509,340	\$1,722,789	\$1,919,188		6
7	1 - Combined Tax Rate	Docket 3401	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500		7
8	Return and Tax Requirement	(6) / (7)	\$424,808	\$424,808	\$424,808	\$424,808	\$534,166	\$888,137	\$1,251,711	\$1,613,857	\$1,986,763	\$2,322,061	\$2,650,445	\$2,952,596	\$15,898,969	8
9	Working Capital Requirement	(5) + (8)	\$661,557	\$661,557	\$661,557	\$661,557	\$831,861	\$1,383,103	\$1,949,299	\$2,513,272	\$3,094,001	\$3,616,163	\$4,127,557	\$4,598,100	\$24,759,582	9
10	Monthly Average	(9) / 12	\$55,130	\$55,130	\$55,130	\$55,130	\$69,322	\$115,259	\$162,442	\$209,439	\$257,833	\$301,347	\$343,963	\$383,175	\$2,063,298	10
11	LNG Inventory Balance	GLB 2 pg 17	\$8,610,478	\$8,272,062	\$7,178,328	\$5,670,180	\$5,415,283	\$5,989,736	\$6,582,457	\$7,163,742	\$7,773,382	\$8,388,447	\$8,675,622	\$8,682,472		11
12	Cost of Capital	Docket 3401	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%	9.11%		12
13	Return on Working Capital Requirement	(11) x (12)	\$784,460	\$753,628	\$653,984	\$516,583	\$493,361	\$545,697	\$599,697	\$652,655	\$708,196	\$764,232	\$790,395	\$791,019	\$8,053,905	13
14	Weighted Cost of Debt	Docket 3401	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%		14
15	Interest Charges Financed	(11) x (14)	\$362,116	\$347,884	\$301,887	\$238,461	\$227,741	\$251,900	\$276,827	\$301,273	\$326,912	\$352,778	\$364,856	\$365,144	\$3,717,778	15
16	Taxable Income	(13) - (15)	\$422,344	\$405,745	\$352,097	\$278,122	\$265,620	\$293,797	\$322,870	\$351,382	\$381,284	\$411,453	\$425,539	\$425,875		16
17	1 - Combined Tax Rate	Docket 3401	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500		17
18	Return and Tax Requirement	(16) / (17)	\$649,760	\$624,223	\$541,688	\$427,880	\$408,646	\$451,995	\$496,722	\$540,587	\$586,591	\$633,005	\$654,676	\$655,193	\$6,670,965	18
19	Working Capital Requirement	(15) + (18)	\$1,011,876	\$972,106	\$843,574	\$666,341	\$636,387	\$703,895	\$773,549	\$841,860	\$913,503	\$985,784	\$1,019,531	\$1,020,336	\$10,388,743	19
20	Monthly Average	(19) / 12	\$84,323	\$81,009	\$70,298	\$55,528	\$53,032	\$58,658	\$64,462	\$70,155	\$76,125	\$82,149	\$84,961	\$85,028	\$865,729	20
21	System Balancing Factor	Docket 3401	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%		21
22	Balancing Related Inventory Costs	(20) x (21)	\$17,193	\$16,518	\$14,334	\$11,322	\$10,813	\$11,960	\$13,144	\$14,305	\$15,522	\$16,750	\$17,324	\$17,337	\$176,522	22
23	Supply Related Inventory Costs	(21) - (22)	\$67,130	\$64,491	\$55,964	\$44,206	\$42,219	\$46,698	\$51,319	\$55,850	\$60,603	\$65,399	\$67,637	\$67,691	\$689,207	23

Line No.	Rate Class (a)	Nov-08 (b)	Dec-08 (c)	Jan-09 (d)	Feb-09 (e)	Mar-09 (f)	Apr-09 (g)	May-09 (h)	Jun-09 (i)	Jul-09 (j)	Aug-09 (k)	Sep-09 (l)	Oct-09 (m)	Total Nov-Oct (o)	Line No.
1	SALES (dth)														1
2	Residential Non-Heating	46,372	56,687	64,564	60,105	57,950	55,372	49,800	44,033	36,650	30,092	34,613	33,466	569,703	2
3	Residential Heating	1,142,336	2,161,773	2,914,739	3,070,998	2,808,834	2,148,904	1,211,919	734,882	469,333	378,980	444,060	528,984	18,015,743	3
4	Small C&I	131,132	282,121	396,526	444,457	401,070	280,876	135,298	81,371	51,712	46,472	51,801	63,181	2,366,018	4
5	Medium C&I	268,394	472,365	619,681	671,008	618,530	460,648	279,414	185,397	122,539	111,145	127,788	150,757	4,087,667	5
6	Large LLF	91,605	169,793	209,138	232,216	215,097	140,996	84,686	38,956	25,178	18,855	23,437	40,125	1,290,082	6
7	Large HLF	39,231	48,942	54,171	50,012	52,677	48,279	38,190	35,790	28,262	22,706	32,740	32,166	483,166	7
8	Extra Large LLF	7,874	22,393	24,636	22,118	21,583	11,875	8,039	3,071	1,219	1,803	2,303	6,172	133,086	8
9	Extra Large HLF	22,991	23,490	23,745	28,677	25,765	26,264	23,255	18,702	18,472	23,167	17,762	20,614	272,903	9
10	Total Sales	<u>1,749,934</u>	<u>3,237,563</u>	<u>4,307,201</u>	<u>4,579,592</u>	<u>4,201,508</u>	<u>3,173,214</u>	<u>1,830,600</u>	<u>1,142,202</u>	<u>753,365</u>	<u>633,220</u>	<u>734,503</u>	<u>875,466</u>	<u>27,218,367</u>	10
11	FT-2 TRANSPORTATION														11
12	FT-2 Medium	35,318	55,521	77,418	75,928	74,002	58,092	40,443	29,827	21,960	18,443	21,389	21,920	530,260	12
13	FT-2 Large LLF	16,003	34,439	54,435	52,059	44,823	32,688	20,161	12,984	3,728	3,424	4,444	8,515	287,704	13
14	FT-2 Large HLF	6,453	8,926	10,155	8,445	10,479	8,460	7,213	6,145	4,855	4,340	6,129	5,414	87,013	14
15	FT-2 Extra Large LLF	1,735	2,607	3,722	2,667	1,456	753	90	24	6	6	7	957	14,031	15
16	FT-2 Extra Large HLF	544	2,322	1,648	2,218	2,038	1,910	1,393	993	893	811	934	1,336	17,040	16
17	Total Transportation	<u>60,053</u>	<u>103,814</u>	<u>147,377</u>	<u>141,316</u>	<u>132,799</u>	<u>101,904</u>	<u>69,299</u>	<u>49,972</u>	<u>31,443</u>	<u>27,024</u>	<u>32,903</u>	<u>38,143</u>	<u>936,048</u>	17
18	Sales & FT-2 THROUGHPUT														18
19	Residential Non-Heating	46,372	56,687	64,564	60,105	57,950	55,372	49,800	44,033	36,650	30,092	34,613	33,466	569,703	19
20	Residential Heating	1,142,336	2,161,773	2,914,739	3,070,998	2,808,834	2,148,904	1,211,919	734,882	469,333	378,980	444,060	528,984	18,015,743	20
21	Small C&I	131,132	282,121	396,526	444,457	401,070	280,876	135,298	81,371	51,712	46,472	51,801	63,181	2,366,018	21
22	Medium C&I	303,712	527,886	697,099	746,935	692,533	518,741	319,856	215,223	144,500	129,588	149,177	172,678	4,617,928	22
23	Large LLF	107,608	204,231	263,573	284,275	259,921	173,684	104,847	51,940	28,906	22,279	27,881	48,641	1,577,785	23
24	Large HLF	45,684	57,868	64,326	58,457	63,156	56,738	45,402	41,935	33,117	27,045	38,869	37,580	570,179	24
25	Extra Large LLF	9,609	25,000	28,358	24,785	23,039	12,629	8,129	3,095	1,226	1,810	2,309	7,129	147,117	25
26	Extra Large HLF	23,535	25,812	25,393	30,895	27,803	28,174	24,648	19,695	19,364	23,978	18,696	21,950	289,943	26
27	Total Throughput	<u>1,809,987</u>	<u>3,341,377</u>	<u>4,454,578</u>	<u>4,720,908</u>	<u>4,334,306</u>	<u>3,275,117</u>	<u>1,899,899</u>	<u>1,192,174</u>	<u>784,808</u>	<u>660,245</u>	<u>767,406</u>	<u>913,609</u>	<u>28,154,415</u>	27
28	FT-1 TRANSPORTATION														28
29	FT-1 Medium	62,593	103,742	91,696	100,390	83,737	55,538	32,113	28,661	21,618	21,065	26,819	31,520	659,492	29
30	FT-1 Large LLF	110,476	169,977	184,530	172,315	164,311	99,864	43,799	27,007	18,071	17,338	24,053	46,119	1,077,861	30
31	FT-1 Large HLF	43,592	45,360	43,504	46,133	49,882	39,937	36,236	38,929	29,900	30,746	33,276	26,727	464,221	31
32	FT-1 Extra Large LLF	91,632	139,238	170,985	169,585	154,078	100,128	56,768	32,333	28,528	29,989	31,050	55,225	1,059,540	32
33	FT-1 Extra Large HLF	380,058	410,726	449,955	431,337	442,530	405,570	360,300	338,079	346,006	357,328	369,273	367,053	4,658,215	33
34	Total Transportation	<u>688,350</u>	<u>869,044</u>	<u>940,670</u>	<u>919,760</u>	<u>894,538</u>	<u>701,037</u>	<u>529,217</u>	<u>465,009</u>	<u>444,124</u>	<u>456,466</u>	<u>484,472</u>	<u>526,644</u>	<u>7,919,329</u>	34
35	Total THROUGHPUT														35
36	Residential Non-Heating	46,372	56,687	64,564	60,105	57,950	55,372	49,800	44,033	36,650	30,092	34,613	33,466	569,703	36
37	Residential Heating	1,142,336	2,161,773	2,914,739	3,070,998	2,808,834	2,148,904	1,211,919	734,882	469,333	378,980	444,060	528,984	18,015,743	37
38	Small C&I	131,132	282,121	396,526	444,457	401,070	280,876	135,298	81,371	51,712	46,472	51,801	63,181	2,366,018	38
39	Medium C&I	366,305	631,629	788,795	847,326	776,269	574,278	351,970	243,885	166,117	150,652	175,996	204,197	5,277,419	39
40	Large LLF	218,084	374,209	448,103	456,590	424,232	273,548	148,646	78,946	46,977	39,617	51,935	94,760	2,655,646	40
41	Large HLF	89,276	103,228	107,830	104,590	113,038	96,675	81,639	80,864	63,018	57,791	72,145	64,307	1,034,400	41
42	Extra Large LLF	101,241	164,238	199,344	194,370	177,116	112,756	64,897	35,429	29,754	31,799	33,359	62,354	1,206,657	42
43	Extra Large HLF	403,593	436,538	475,348	462,232	470,334	433,744	384,949	357,774	365,370	381,306	387,969	389,003	4,948,158	43
44	Total Throughput	<u>2,498,337</u>	<u>4,210,421</u>	<u>5,395,248</u>	<u>5,640,668</u>	<u>5,228,844</u>	<u>3,976,154</u>	<u>2,429,116</u>	<u>1,657,183</u>	<u>1,228,932</u>	<u>1,116,710</u>	<u>1,251,878</u>	<u>1,440,252</u>	36,073,744	44

Gas Cost Recovery (GCR) Filing
Design Winter Period Throughput (Dth)

Line No.	Rate Class (a)	Nov-08 (b)	Dec-08 (c)	Jan-09 (d)	Feb-09 (e)	Mar-09 (f)	Total (h)	% (i)	Line No.
1	<u>SALES (dth)</u>								1
2	Residential Non-Heating	46,372	58,250	72,994	64,276	64,050	305,942	1.49%	2
3	Residential Heating	1,142,336	2,289,716	3,594,591	3,453,404	3,354,765	13,834,811	67.20%	3
4	Small C&I	131,132	299,292	491,413	501,383	481,389	1,904,609	9.25%	4
5	Medium C&I	268,394	497,928	754,608	750,283	731,485	3,002,699	14.58%	5
6	Large LLF	91,605	180,660	259,794	262,663	259,434	1,054,154	5.12%	6
7	Large HLF	39,231	50,456	61,414	53,524	58,758	263,383	1.28%	7
8	Extra Large LLF	7,874	22,393	24,636	22,118	21,583	98,603	0.48%	8
9	Extra Large HLF	22,991	23,490	23,745	28,677	25,765	124,667	0.61%	9
10	Total Sales	1,749,934	3,422,185	5,283,194	5,136,327	4,997,229	20,588,869	100.00%	10
11	<u>TRANSPORTATION</u>								11
12	FT-2 Medium	35,318	57,993	92,782	84,077	86,285	356,455		12
13	FT-2 Large LLF	16,003	36,780	68,621	59,070	54,482	234,957		13
14	FT-2 Large HLF	6,453	9,146	11,301	8,910	11,607	47,417		14
15	FT-2 Extra Large LLF	1,735	2,607	3,722	2,667	1,456	12,187		15
16	FT-2 Extra Large HLF	544	2,322	1,648	2,218	2,038	8,770		16
17	Total Transportation	60,053	108,848	178,075	156,942	155,868	659,786		17
18	<u>Sales & FT-2 THROUGHPUT</u>								18
19	Residential Non-Heating	46,372	58,250	72,994	64,276	64,050	305,942	1.44%	19
20	Residential Heating	1,142,336	2,289,716	3,594,591	3,453,404	3,354,765	13,834,811	65.11%	20
21	Small C&I	131,132	299,292	491,413	501,383	481,389	1,904,609	8.96%	21
22	Medium C&I	303,712	555,922	847,390	834,360	817,770	3,359,154	15.81%	22
23	Large LLF	107,608	217,440	328,414	321,733	313,916	1,289,111	6.07%	23
24	Large HLF	45,684	59,601	72,716	62,434	70,365	310,800	1.46%	24
25	Extra Large LLF	9,609	25,000	28,358	24,785	23,039	110,790	0.52%	25
26	Extra Large HLF	23,535	25,812	25,393	30,895	27,803	133,438	0.63%	26
27	Total Throughput	1,809,987	3,531,033	5,461,269	5,293,269	5,153,097	21,248,655	100.00%	27



Thomas R. Teehan
Senior Counsel

August 1, 2008

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Annual Gas Cost Recovery Reconciliation

Dear Ms. Massaro:

In accordance with the provisions of the Gas Cost Recovery ("GCR") Clause Tariff, RIPUC NG No. 101, Section 2, Schedule A, Item 1.2, enclosed please find an original and nine copies of The Narragansett Electric Company's d/b/a National Grid (the "Company") annual GCR reconciliation filing. The filing contains actual data for the twelve months ending June 30, 2008 and consists of six (6) schedules.

Schedule 1, pages 1 and 2, presents the monthly gas cost-specific ending deferred balances for the period July 2007 through June 2008, resulting in an end-of-period balance of (\$6,489,662) as shown on the bottom of page 2.

The (\$6,489,662) deferred balance is comprised of five distinct cost components: (a) Supply Fixed, (b) Storage Fixed, (c) Supply Variable, (d) Storage Variable Product, and (e) Storage Variable Non-Product. Total Supply Fixed costs totaled \$24,698,275, while collections were \$27,051,504. Interest on the monthly ending deferred balances totaled (\$136,595). Adjusting for the (\$5,487,993) beginning deferred balance results in the ending Supply Fixed Cost deferred balance of (\$7,977,817). Storage Fixed Costs totaled \$9,377,553 while collections totaled \$10,304,289. Monthly interest on the deferred balances totaled (\$49,065). Adjusting for the (\$1,933,562) beginning deferred balance results in the (\$2,909,401) Storage Fixed Cost ending deferred balance. Supply Variable costs totaled \$229,032,871. Supply Variable collections totaled \$204,697,357, resulting in a \$7,791,754 ending deferred balance (adjusting for interest of \$89,387), deferred responsibility credits of (\$20,161), and the beginning deferred balance of (\$17,017,697). Storage Variable Product Costs totaled \$30,009,557. Storage Variable Product collections were \$34,560,137, resulting in a (\$2,405,878) ending deferred balance (adjusting for interest of \$74,625 and beginning deferred balance of \$2,070,076). Lastly, Storage Variable Non-product Costs totaled \$2,697,109, while collections totaled \$2,463,552. Interest on the monthly ending deferred balances totaled (\$49,305). Adjusting for the beginning deferred balance of (\$1,172,572) results in an ending Storage Variable Non-product deferred balance of (\$988,320).

In summary, period gas costs and working capital totaled \$295,815,366 while period gas cost collections totaled \$279,056,717. Interest on the monthly ending deferred balances totaled (\$70,953). Accounting for the (\$23,541,747) beginning deferred balance results in the (\$6,489,662) over-collection at June 30, 2008.

Luly E. Massaro, Commission Clerk
Annual Cost Recovery Reconciliation
August 1, 2008
Page 2 of 2

Schedule 2, pages 1 and 2 summarizes monthly gas costs according to the five components described above. Gas Cost Collections are summarized in Schedule 3, pages 1 and 2.

Schedule 4 presents the calculation of inventory financing costs. For the twelve months ended June 2008, underground storage financing costs totaled \$2,562,930, LNG inventory storage financing costs totaled \$582,454. Of the \$582,454 of LNG inventory financing costs, \$149,180 is associated with system balancing. This amount is allocated to the Distribution Adjustment Clause (DAC) account. Thus, \$433,274 of LNG inventory financing costs is associated with the GCR. There were no LP inventory financing costs for the period.

Working Capital costs are calculated in Schedule 5, pages 1 and 2. As shown on page 1 of Schedule 5, working capital costs associated with Supply Fixed costs totaled \$106,141, and \$40,299 was associated with Storage Fixed costs. The working capital cost associated with Supply Variable costs totaled \$985,212. On page 2, Storage Variable Product Cost working capital totaled \$115,611, while Storage Variable Non-Product working capital costs totaled \$11,603. The inventory financing and working capital cost calculations are consistent with the methodology approved in Docket No. 3401.

Monthly firm thru-put is summarized in Schedule 6. Firm sales, including Transitional Sales Service ("TSS"), totaled 26,171,344 dths, FT-2 thru-put totaled 1,156,240 dths and FT-1 thru-put totaled 7,382,189 dths, resulting in total firm thru-put of 34,709,773 dths.

If you have any questions related to this filing, please do not hesitate to contact me or Peter Czekanski at (401) 784-7501.

Very truly yours,



Thomas R. Teehan

Enclosure

cc: Paul Roberti, Esq.
Steve Scialabba
Bruce Oliver

National Grid
Rhode Island Service Area
Deferred Gas Cost Balance

Schedule 1
Page 1 of 2

	Jul-07 31 actual	Aug-07 31 actual	Sep-07 30 actual	Oct-07 31 actual	Nov-07 30 actual	Dec-07 31 actual	Jan-08 31 actual	Feb-08 29 actual	Mar-08 31 actual	Apr-08 30 actual	May-08 31 actual	Jun-08 30 actual	Total 366
I. Supply Fixed Cost Deferred													
Beginning Balance	(\$5,487,993)	(\$4,046,852)	(\$2,526,274)	(\$1,092,312)	\$295,859	\$1,182,898	\$28,090	(\$1,716,004)	(\$4,496,012)	(\$6,703,094)	(\$7,823,785)	(\$7,543,330)	
Supply Fixed Costs (net of cap rel)	\$2,096,287	\$2,086,210	\$2,081,443	\$2,050,228	\$2,055,771	\$2,106,370	\$2,953,934	\$2,007,929	\$2,165,288	\$1,706,100	\$2,247,541	\$1,035,033	\$24,592,134
Capacity Release	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	<u>\$9,020</u>	<u>\$8,976</u>	<u>\$8,956</u>	<u>\$8,822</u>	<u>\$8,887</u>	<u>\$9,106</u>	<u>\$12,769</u>	<u>\$8,680</u>	<u>\$9,360</u>	<u>\$7,375</u>	<u>\$9,716</u>	<u>\$4,474</u>	<u>\$106,141</u>
Total Supply Fixed Costs	\$2,105,307	\$2,095,186	\$2,090,399	\$2,059,050	\$2,064,658	\$2,115,476	\$2,966,703	\$2,016,609	\$2,174,648	\$1,713,475	\$2,257,257	\$1,039,507	\$24,698,275
Supply Fixed - Collections	\$638,926	\$557,209	\$647,492	\$668,942	\$1,544,521	\$3,273,018	\$4,707,243	\$4,786,761	\$4,364,351	\$2,814,850	\$1,957,249	\$1,090,942	\$27,051,504
Prelim. Ending Balance	(\$4,021,612)	(\$2,508,874)	(\$1,083,367)	\$297,796	\$815,996	\$25,355	(\$1,712,449)	(\$4,486,156)	(\$6,685,714)	(\$7,804,468)	(\$7,523,777)	(\$7,594,765)	
Month's Average Balance	(\$4,754,802)	(\$3,277,863)	(\$1,804,820)	(\$397,258)	\$555,927	\$604,127	(\$842,180)	(\$3,101,080)	(\$5,590,863)	(\$7,253,781)	(\$7,673,781)	(\$7,569,047)	
Interest Rate (BOA Prime minus 200 bps)	6.25%	6.25%	6.03%	5.74%	5.50%	5.33%	4.97%	4.00%	3.66%	3.24%	3.00%	3.00%	
Interest Applied	(\$25,240)	(\$17,400)	(\$8,945)	(\$1,937)	\$2,513	\$2,735	(\$3,555)	(\$9,855)	(\$17,379)	(\$19,317)	(\$19,552)	(\$18,663)	(\$136,595)
Asset Management Incentive					\$364,389	\$0	\$0	\$0	\$0	\$0	\$0	(\$364,389)	
Supply Fixed Ending Balance	(\$4,046,852)	(\$2,526,274)	(\$1,092,312)	\$295,859	\$1,182,898	\$28,090	(\$1,716,004)	(\$4,496,012)	(\$6,703,094)	(\$7,823,785)	(\$7,543,330)	(\$7,977,817)	
II. Storage Fixed Cost Deferred													
Beginning Balance	(\$1,933,562)	(\$1,365,295)	(\$804,969)	(\$245,866)	\$304,051	\$529,197	\$114,943	(\$857,361)	(\$1,868,504)	(\$2,718,191)	(\$2,961,659)	(\$3,017,705)	
Storage Fixed Costs	\$830,515	\$789,440	\$819,694	\$815,318	\$822,379	\$829,574	\$822,412	\$825,801	\$832,407	\$837,085	\$701,091	\$568,026	\$9,493,742
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)	(\$675,383)
Supply Related LNG O & M	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$518,894
Working Capital	<u>\$3,517</u>	<u>\$3,341</u>	<u>\$3,471</u>	<u>\$3,452</u>	<u>\$3,499</u>	<u>\$3,530</u>	<u>\$3,499</u>	<u>\$3,513</u>	<u>\$3,542</u>	<u>\$3,562</u>	<u>\$2,974</u>	<u>\$2,399</u>	<u>\$40,299</u>
Total Storage Fixed Costs	\$820,992	\$779,740	\$810,124	\$805,729	\$812,837	\$820,063	\$812,870	\$816,274	\$822,908	\$827,607	\$691,025	\$557,384	\$9,377,553
TSS Peaking	\$39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Fixed - Collections	\$243,953	\$213,669	\$248,424	\$255,954	\$589,570	\$1,235,772	\$1,783,610	\$1,823,092	\$1,665,478	\$1,063,522	\$739,463	\$441,782	\$10,304,289
Prelim. Ending Balance	(\$1,356,562)	(\$799,224)	(\$243,269)	\$303,909	\$527,318	\$113,488	(\$855,797)	(\$1,864,179)	(\$2,711,073)	(\$2,954,107)	(\$3,010,098)	(\$2,902,103)	
Month's Average Balance	(\$1,645,062)	(\$1,082,259)	(\$524,119)	\$29,021	\$415,684	\$321,343	(\$370,427)	(\$1,360,770)	(\$2,289,788)	(\$2,836,149)	(\$2,985,878)	(\$2,959,904)	
Interest Rate (BOA Prime minus 200 bps)	6.25%	6.25%	6.03%	5.74%	5.50%	5.33%	4.97%	4.00%	3.66%	3.24%	3.00%	3.00%	
Interest Applied	(\$8,732)	(\$5,745)	(\$2,598)	\$141	\$1,879	\$1,455	(\$1,564)	(\$4,325)	(\$7,118)	(\$7,553)	(\$7,608)	(\$7,298)	(\$49,065)
Storage Fixed Ending Balance	(\$1,365,295)	(\$804,969)	(\$245,866)	\$304,051	\$529,197	\$114,943	(\$857,361)	(\$1,868,504)	(\$2,718,191)	(\$2,961,659)	(\$3,017,705)	(\$2,909,401)	
III. Variable Supply Cost Deferred													
Beginning Balance	(\$17,017,697)	(\$16,361,934)	(\$14,867,594)	(\$13,808,081)	(\$10,199,803)	\$4,029,999	\$21,434,992	\$25,872,982	\$24,845,894	\$20,465,201	\$13,748,091	\$9,398,594	
Variable Supply Costs	\$6,670,384	\$6,744,347	\$7,147,828	\$9,872,471	\$26,465,907	\$41,431,894	\$39,349,107	\$34,407,127	\$27,595,393	\$13,921,666	\$9,995,473	\$6,048,720	\$229,650,317
Variable Delivery Storage	(\$1,461)	(\$440)	(\$173)	(\$867)	(\$8,786)	(\$21,008)	(\$654,889)	(\$69,421)	\$584,978	\$0	\$0	\$0	(\$172,068)
Variable Injections Storage	(\$9,157)	(\$9,165)	(\$9,161)	(\$9,619)	(\$2,367)	(\$611)	\$2,978	\$0	(\$589)	(\$8,503)	\$0	\$0	(\$46,194)
Fuel Cost Allocated to Storage	(\$70,185)	(\$62,305)	(\$60,352)	(\$69,175)	(\$46,256)	(\$154,586)	\$95,543	(\$378,680)	(\$581,710)	(\$56,690)	\$0	\$0	(\$1,384,396)
Working Capital	<u>\$28,353</u>	<u>\$28,710</u>	<u>\$30,455</u>	<u>\$42,136</u>	<u>\$114,160</u>	<u>\$178,343</u>	<u>\$167,696</u>	<u>\$146,800</u>	<u>\$119,303</u>	<u>\$59,900</u>	<u>\$43,209</u>	<u>\$26,148</u>	<u>\$985,212</u>
Total Supply Variable Costs	\$6,617,935	\$6,701,147	\$7,108,598	\$9,834,945	\$26,522,659	\$41,434,032	\$38,960,435	\$34,105,826	\$27,717,374	\$13,916,373	\$10,038,682	\$6,074,868	\$229,032,871
Supply Variable - Collections	\$5,868,399	\$5,139,087	\$5,978,200	\$6,171,139	\$12,278,943	\$24,086,547	\$34,622,080	\$35,213,380	\$32,176,160	\$20,678,977	\$14,417,630	\$8,066,815	\$204,697,357
Deferred Responsibility	\$5,414	(\$14,947)	\$0	(\$2,850)	\$0	\$0	\$0	\$0	(\$7,778)	\$0	\$0	\$0	(\$20,161)
Prelim. Ending Balance	(\$16,273,575)	(\$14,784,927)	(\$13,737,196)	(\$10,141,425)	\$4,043,913	\$21,377,484	\$25,773,346	\$24,765,427	\$20,394,886	\$13,702,597	\$9,369,143	\$7,406,647	
Month's Average Balance	(\$16,645,636)	(\$15,573,430)	(\$14,302,395)	(\$11,974,753)	(\$3,077,945)	\$12,703,741	\$23,604,169	\$25,319,204	\$22,620,390	\$17,083,899	\$11,558,617	\$8,402,620	
Interest Rate (BOA Prime minus 200 bps)	6.25%	6.25%	6.03%	5.74%	5.50%	5.33%	4.97%	4.00%	3.66%	3.24%	3.00%	3.00%	
Interest Applied	(\$88,359)	(\$82,667)	(\$70,885)	(\$58,378)	(\$13,914)	\$57,508	\$99,635	\$80,467	\$70,315	\$45,495	\$29,451	\$20,719	\$89,387
Gas Procurement Incentive/(penalty)					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$364,389	
Supply Variable Ending Balance	(\$16,361,934)	(\$14,867,594)	(\$13,808,081)	(\$10,199,803)	\$4,029,999	\$21,434,992	\$25,872,982	\$24,845,894	\$20,465,201	\$13,748,091	\$9,398,594	\$7,791,754	

National Grid
Rhode Island Service Area
Deferred Gas Cost Balance

Schedule 1
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	Jul-07 31 actual	Aug-07 31 actual	Sep-07 30 actual	Oct-07 31 actual	Nov-07 30 actual	Dec-07 31 actual	Jan-08 31 actual	Feb-08 29 actual	Mar-08 31 actual	Apr-08 30 actual	May-08 31 actual	Jun-08 30 actual	Total 366
<u>IVa. Storage Variable Product Cost Deferred</u>													
Beginning Balance	\$2,070,076	\$2,005,603	\$1,873,812	\$1,648,525	\$1,505,767	\$167,252	\$874,625	\$1,823,732	\$4,085,480	\$4,491,396	\$1,066,882	(\$1,233,923)	
Storage Variable Prod. Costs - LNG	\$192,327	\$188,853	\$152,865	\$179,820	\$151,309	\$1,266,603	\$1,468,842	\$1,613,565	\$136,366	\$123,704	\$127,231	\$140,942	\$5,742,427
Storage Variable Prod. Costs - LP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Variable Prod. Costs - UG	\$112,156	\$0	\$14,144	\$66,162	\$0	\$3,512,805	\$5,429,467	\$6,739,579	\$5,707,180	(\$28,615)	(\$957)	\$0	\$21,551,921
Supply Related LNG to DAC	\$43,816	(\$38,507)	(\$31,169)	(\$36,665)	(\$30,852)	(\$258,260)	(\$242,872)	(\$209,032)	(\$27,805)	(\$25,223)	(\$25,942)	(\$28,738)	(\$911,251)
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	\$48,014	\$53,394	\$54,453	\$55,090	\$55,170	\$53,364	\$52,170	\$39,444	\$39,702	\$40,429	\$42,530	\$48,695	\$582,454
Inventory Financing - UG	\$247,153	\$278,032	\$309,403	\$341,799	\$344,162	\$307,083	\$253,532	\$185,441	\$130,608	\$55,239	\$55,239	\$55,239	\$2,562,930
Inventory Financing - LP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	<u>\$1,630</u>	<u>\$778</u>	<u>\$716</u>	<u>\$1,032</u>	<u>\$652</u>	<u>\$19,676</u>	<u>\$28,902</u>	<u>\$35,338</u>	<u>\$25,272</u>	<u>\$434</u>	<u>\$565</u>	<u>\$617</u>	<u>\$115,611</u>
Total Storage Variable Product Costs	\$675,551	\$513,005	\$530,866	\$637,693	\$550,897	\$4,931,726	\$7,020,497	\$8,434,790	\$6,041,778	\$196,423	\$229,122	\$247,210	\$30,009,557
Storage Variable Product Collections	\$750,812	\$655,066	\$764,860	\$788,121	\$1,893,185	\$4,226,705	\$6,077,073	\$6,182,417	\$5,649,172	\$3,628,328	\$2,529,715	\$1,414,683	\$34,560,137
Prelim. Ending Balance	\$1,994,815	\$1,863,543	\$1,639,818	\$1,498,097	\$163,479	\$872,272	\$1,818,049	\$4,076,105	\$4,478,086	\$1,059,491	(\$1,233,711)	(\$2,401,396)	
Month's Average Balance	\$2,032,446	\$1,934,573	\$1,756,815	\$1,573,311	\$834,623	\$519,762	\$1,346,337	\$2,949,918	\$4,281,783	\$2,775,444	(\$83,414)	(\$1,817,660)	
Interest Rate (BOA Prime minus 200 bps)	6.25%	6.25%	6.03%	5.74%	5.50%	5.33%	4.97%	4.00%	3.66%	3.24%	3.00%	3.00%	
Interest Applied	\$10,789	\$10,269	\$8,707	\$7,670	\$3,773	\$2,353	\$5,683	\$9,375	\$13,310	\$7,391	(\$213)	(\$4,482)	\$74,625
Storage Variable Product Ending Bal.	\$2,005,603	\$1,873,812	\$1,648,525	\$1,505,767	\$167,252	\$874,625	\$1,823,732	\$4,085,480	\$4,491,396	\$1,066,882	(\$1,233,923)	(\$2,405,878)	
<u>IVb. Stor Var Non-Prod Cost Deferred</u>													
Beginning Balance	(\$1,172,572)	(\$1,182,118)	(\$1,196,528)	(\$1,226,362)	(\$1,243,643)	(\$1,350,029)	(\$1,163,547)	(\$713,686)	(\$378,285)	(\$577,661)	(\$721,275)	(\$887,901)	
Storage Variable Non-prod. Costs	\$7,158	\$0	\$0	\$5,125	\$2,284	\$288,559	\$289,107	\$289,584	\$171,459	\$29,572	\$0	\$0	\$1,082,849
Variable Delivery Storage Costs	\$1,461	\$440	\$173	\$867	\$8,786	\$21,008	\$654,889	\$69,421	(\$584,978)	\$0	\$0	\$0	\$172,068
Variable Injection Storage Costs	\$9,157	\$9,165	\$9,161	\$9,619	\$2,367	\$611	(\$2,978)	\$0	\$589	\$8,503	\$0	\$0	\$46,194
Fuel Costs Allocated to Storage	\$70,185	\$62,305	\$60,352	\$69,175	\$46,256	\$154,586	(\$95,543)	\$378,680	\$581,710	\$56,690	\$0	\$0	\$1,384,396
Working Capital	<u>\$378</u>	<u>\$309</u>	<u>\$300</u>	<u>\$365</u>	<u>\$258</u>	<u>\$2,009</u>	<u>\$3,655</u>	<u>\$3,189</u>	<u>\$730</u>	<u>\$410</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11,603</u>
Total Storage Var Non-product Costs	\$88,339	\$72,219	\$69,985	\$85,152	\$59,951	\$466,773	\$849,130	\$740,874	\$169,511	\$95,174	\$0	\$0	\$2,697,109
Storage Var Non-Product Collections	\$91,652	\$80,333	\$93,830	\$96,427	\$160,488	\$274,614	\$395,316	\$403,740	\$367,404	\$237,061	\$164,578	\$98,109	\$2,463,552
Prelim. Ending Balance	(\$1,175,885)	(\$1,190,231)	(\$1,220,372)	(\$1,237,637)	(\$1,344,180)	(\$1,157,870)	(\$709,733)	(\$376,552)	(\$576,178)	(\$719,548)	(\$885,853)	(\$986,010)	
Month's Average Balance	(\$1,174,228)	(\$1,186,174)	(\$1,208,450)	(\$1,231,999)	(\$1,293,912)	(\$1,253,950)	(\$936,640)	(\$545,119)	(\$477,231)	(\$648,605)	(\$803,564)	(\$936,955)	
Interest Rate (BOA Prime minus 200 bps)	6.25%	6.25%	6.03%	5.74%	5.50%	5.33%	4.97%	4.00%	3.66%	3.24%	3.00%	3.00%	
Interest Applied	(\$6,233)	(\$6,296)	(\$5,989)	(\$6,006)	(\$5,849)	(\$5,676)	(\$3,954)	(\$1,732)	(\$1,483)	(\$1,727)	(\$2,047)	(\$2,310)	(\$49,305)
Storage Var Non-Product Ending Bal.	(\$1,182,118)	(\$1,196,528)	(\$1,226,362)	(\$1,243,643)	(\$1,350,029)	(\$1,163,547)	(\$713,686)	(\$378,285)	(\$577,661)	(\$721,275)	(\$887,901)	(\$988,320)	
<u>GCR Deferred Summary</u>													
Beginning Balance	(\$23,541,747)	(\$20,950,594)	(\$17,521,552)	(\$14,724,096)	(\$9,337,769)	\$4,559,316	\$21,289,103	\$24,409,662	\$22,188,574	\$14,957,651	\$3,308,254	(\$3,284,265)	
Gas Costs	\$10,265,224	\$10,119,184	\$10,566,075	\$13,366,763	\$29,883,545	\$49,555,406	\$50,393,114	\$45,916,852	\$36,768,013	\$16,677,371	\$13,159,621	\$7,885,331	\$294,556,500
Working Capital	\$42,899	\$42,114	\$43,897	\$55,806	\$127,456	\$212,663	\$216,521	\$197,520	\$158,207	\$71,680	\$56,465	\$33,638	\$1,258,866
Total Costs	\$10,308,123	\$10,161,298	\$10,609,973	\$13,422,569	\$30,011,001	\$49,768,069	\$50,609,635	\$46,114,373	\$36,926,219	\$16,749,052	\$13,216,085	\$7,918,969	\$295,815,366
Collections	\$7,599,195	\$6,630,417	\$7,732,806	\$7,977,733	\$16,466,707	\$33,096,656	\$47,585,322	\$48,409,390	\$44,214,787	\$28,422,738	\$19,808,635	\$11,112,331	\$279,056,717
Prelim. Ending Balance	(\$20,832,819)	(\$17,419,713)	(\$14,644,386)	(\$9,279,260)	\$4,206,525	\$21,230,729	\$24,313,416	\$22,114,645	\$14,900,007	\$3,283,965	(\$3,284,296)	(\$6,477,627)	
Month's Average Balance	(\$22,187,283)	(\$19,185,154)	(\$16,082,969)	(\$12,001,678)	(\$2,565,622)	\$12,895,023	\$22,801,260	\$23,262,154	\$18,544,290	\$9,120,808	\$11,979	(\$4,880,946)	
Interest Rate (BOA Prime minus 200 bps)	6.25%	6.25%	6.03%	5.74%	5.50%	5.33%	4.97%	4.00%	3.66%	3.24%	3.00%	3.00%	
Interest Applied	(\$117,775)	(\$101,839)	(\$79,710)	(\$58,509)	(\$11,598)	\$58,374	\$96,246	\$73,929	\$57,645	\$24,289	\$31	(\$12,035)	(\$70,953)
Gas Purchase Plan Incentives/(Penalties)	\$0	\$0	\$0	\$0	\$364,389	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Bal. W/ Interest	(\$20,950,594)	(\$17,521,552)	(\$14,724,096)	(\$9,337,769)	\$4,559,316	\$21,289,103	\$24,409,662	\$22,188,574	\$14,957,651	\$3,308,254	(\$3,284,265)	(\$6,489,662)	
Under/(Over)-collection	\$2,708,928	\$3,530,881	\$2,877,167	\$5,444,836	\$13,544,294	\$16,671,413	\$3,024,313	(\$2,295,017)	(\$7,288,568)	(\$11,673,686)	(\$6,592,550)	(\$3,193,362)	

	Jul-07 actual	Aug-07 actual	Sep-07 actual	Oct-07 actual	Nov-07 actual	Dec-07 actual	Jan-08 actual	Feb-08 actual	Mar-08 actual	Apr-08 actual	May-08 actual	Jun-08 actual	Total
SUPPLY FIXED COSTS - Pipeline Delivery													
Conoco	\$1,809,490	\$1,835,609	\$1,818,810	\$1,839,433	\$1,880,261	\$2,454,119	\$3,105,832	\$2,115,015	\$2,361,166	(\$624,967)	(\$509,252)	(\$539,566)	\$17,545,950
Algonquin	\$186,506	\$158,634	\$177,014	\$155,495	\$115,543	(\$322,821)	(\$108,931)	(\$57,855)	(\$108,930)	\$707,131	\$640,830	\$542,547	\$2,085,163
Texas Eastern													
TETCO										\$759,742	\$595,393	(\$244,017)	\$1,111,118
Tennessee										\$772,937	\$470,365	\$140,813	\$1,384,115
NETNE													
IROQUOIS													
Dominion													
Transco													
National Fuel													
Columbia												\$282,500	\$282,500
HUBLINE													
WESTERLY LATERAL	\$61,866	\$62,510	\$62,501	\$62,516	\$62,508	\$63,370	\$63,370	\$59,908	\$58,477	\$62,644	\$36,086	\$61,831	\$717,587
Less Credits from Mkter Releases	\$299,344	\$308,352	\$313,613	\$304,340	\$313,086	\$392,302	\$414,399	\$412,543	\$451,058	\$611,549	(\$400,000)	\$0	\$3,420,586
TOTAL SUPPLY FIXED COSTS - Pipeline	\$1,758,518	\$1,748,401	\$1,744,712	\$1,753,104	\$1,745,226	\$1,802,366	\$2,645,872	\$1,704,525	\$1,859,655	\$1,065,938	\$1,633,422	\$244,108	\$19,705,847
Supply Fixed - Supplier													
Total	\$337,769	\$337,809	\$336,731	\$297,124	\$310,545	\$304,004	\$308,062	\$303,404	\$305,633	\$640,162	\$614,119	\$790,925	\$4,886,287
Total Supply Fixed (Pipeline & Supplier)	\$2,096,287	\$2,086,210	\$2,081,443	\$2,050,228	\$2,055,771	\$2,106,370	\$2,953,934	\$2,007,929	\$2,165,288	\$1,706,100	\$2,247,541	\$1,035,033	\$24,592,134
STORAGE FIXED COSTS - Facilities													
CONOCO	\$219,456	\$219,369	\$219,594	\$219,783	\$220,082	\$220,426	\$220,046	\$221,220	\$233,082	(\$319)	\$0	\$0	\$1,992,739
TEXAS EASTERN SS-1										\$88,236	\$97,075	\$112,017	\$297,328
TEXAS EASTERN FSS-1													
DOMINION										\$83,367	\$36,485	(\$10,397)	\$109,455
TENNESSEE										\$51,642	\$51,645	\$59,183	\$162,470
COLUMBIA										\$9,750	\$9,750	\$9,750	\$29,250
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	\$376,956	\$376,869	\$377,094	\$377,283	\$377,582	\$377,926	\$377,546	\$378,720	\$390,582	\$390,176	\$352,455	\$328,053	\$4,481,242
STORAGE FIXED COSTS - Delivery													
CONOCO	\$227,271	\$282,203	\$277,607	\$282,237									\$1,069,318
ALGONQUIN FOR TETCO SS-1, FSS-1	\$83,286	\$35,484	\$40,612	\$37,157									\$196,539
TETCO DELIVERY FOR FSS-1													\$0
ALGONQUIN SCT FOR SS-1, GSS													\$0
TENNESSEE DELIVERY FOR GSS	(\$587)	\$1,419	\$5,854	\$114									\$6,800
TENNESSEE DELIVERY FOR FSMA	\$25,062	(\$25,062)											(\$0)
TETCO DELIVERY FOR GSS													\$0
DOMINION DELIVERY FOR GSS													\$0
ALGONQUIN DELIVERY FOR FSS													\$0
COLUMBIA DELIVERY FOR FSS													\$0
DISTRIGAS FLS CALL PAYMENT	\$118,527	\$118,527	\$118,527	\$118,527									\$474,108
STORAGE DELIVERY FIXED COST \$	\$453,559	\$412,571	\$442,600	\$438,035	\$444,797	\$451,648	\$444,866	\$447,081	\$441,825	\$446,909	\$348,636	\$239,973	\$5,012,500
TOTAL STORAGE FIXED	\$830,515	\$789,440	\$819,694	\$815,318	\$822,379	\$829,574	\$822,412	\$825,801	\$832,407	\$837,085	\$701,091	\$568,026	\$9,493,742
TOTAL FIXED COSTS	\$2,926,802	\$2,875,650	\$2,901,137	\$2,865,546	\$2,878,150	\$2,935,944	\$3,776,346	\$2,833,730	\$2,997,695	\$2,543,185	\$2,948,632	\$1,603,059	\$34,085,876
VARIABLE SUPPLY COSTS													

	Jul-07 actual	Aug-07 actual	Sep-07 actual	Oct-07 actual	Nov-07 actual	Dec-07 actual	Jan-08 actual	Feb-08 actual	Mar-08 actual	Apr-08 actual	May-08 actual	Jun-08 actual	Total
Tennessee													\$0
TETCO													
Hubline													
M3 Delivered	\$2,441	(\$2,587)	\$10,305	\$38,962	(\$10,686)	\$194,368	\$48,569		\$740,195	(\$519,766)	\$91,785	\$280,571	\$874,157
Maumee Supplemental													
Broadrun Col													
Columbia AGT													
Dominion													
Transco													
ANE	\$294,500	\$294,500	\$285,000	\$294,500	\$225,600	(\$225,600)	\$0	\$0	(\$395)	\$0	\$0	\$0	\$1,168,105
Niagara													
Tetco to B&W													
DIST FCS													
Hedging		\$29,604	\$121,287	(\$107,562)	(\$27,025)	\$285,078	\$375,465	\$112,235	(\$429,422)	(\$1,183,818)	(\$1,759,798)	(\$1,441,716)	(\$4,025,672)
Suppliers	\$6,764,455	\$6,783,821	\$6,970,814	\$9,815,169	\$26,278,018	\$41,493,119	\$40,793,739	\$35,323,653	\$29,263,463	\$18,195,272	\$12,009,978	\$7,339,217	\$241,030,718
Total Pipeline Commodity Charges	\$7,061,396	\$7,105,338	\$7,387,406	\$10,041,069	\$26,465,907	\$41,746,965	\$41,217,773	\$35,435,888	\$28,927,648	\$16,491,688	\$10,341,965	\$6,178,072	\$238,401,115
TOTAL VARIABLE SUPPLY COSTS	\$7,061,396	\$7,105,338	\$7,387,406	\$10,041,069	\$26,465,907	\$41,746,965	\$41,217,773	\$35,435,888	\$28,927,648	\$16,491,688	\$10,341,965	\$6,178,072	\$238,401,115
VARIABLE STORAGE COSTS													
Underground Storage	\$119,314	\$0	\$14,144	\$71,287	\$0	\$3,801,364	\$5,718,574	\$7,029,163	\$5,878,639	\$957	(\$957)	\$0	\$22,632,485
LNG Withdrawals/Westerly Trucking	\$192,327	\$188,853	\$152,865	\$179,820	\$151,309	\$1,266,603	\$1,468,842	\$1,613,565	\$136,366	\$123,704	\$127,231	\$140,942	\$5,742,427
LP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL VARIABLE STORAGE COSTS	\$311,641	\$188,853	\$167,009	\$251,107	\$151,309	\$5,067,967	\$7,187,416	\$8,642,728	\$6,015,005	\$124,661	\$126,274	\$140,942	\$28,374,912
TOTAL VARIABLE COSTS	\$7,373,037	\$7,294,191	\$7,554,415	\$10,292,176	\$26,617,216	\$46,814,932	\$48,405,189	\$44,078,616	\$34,942,653	\$16,616,349	\$10,468,239	\$6,319,014	\$266,776,027
TOTAL SUPPLY COSTS	\$10,299,839	\$10,169,841	\$10,455,552	\$13,157,722	\$29,495,366	\$49,750,876	\$52,181,535	\$46,912,346	\$37,940,348	\$19,159,534	\$13,416,871	\$7,922,073	\$300,861,903
TOTAL CAPACITY RELEASE CREDITS	\$0	\$0	\$0										
TOTAL SUPPLY COSTS AFTER CREDITS	\$10,299,839	\$10,169,841	\$10,455,552	\$13,157,722	\$29,495,366	\$49,750,876	\$52,181,535	\$46,912,346	\$37,940,348	\$19,159,534	\$13,416,871	\$7,922,073	\$300,861,903
Storage Costs for FT-2 Calculation													
Storage Fixed Costs - Facilities	\$376,956	\$376,869	\$377,094	\$377,283	\$377,582	\$377,926	\$377,546	\$378,720	\$390,582	\$390,176	\$352,455	\$328,053	\$4,481,242
Storage Fixed Costs - Deliveries	\$453,559	\$412,571	\$442,600	\$438,035	\$444,797	\$451,648	\$444,866	\$447,081	\$441,825	\$446,909	\$348,636	\$239,973	\$5,012,500
Variable Delivery Costs	\$1,461	\$440	\$173	\$867	\$8,786	\$21,008	\$654,889	\$69,421	(\$584,978)	\$0	\$0	\$0	\$172,068
Variable Injection Costs	\$9,157	\$9,165	\$9,161	\$9,619	\$2,367	\$611	(\$2,978)	\$0	\$589	\$8,503	\$0	\$0	\$46,194
Fuel Costs Allocated to Storage	\$70,185	\$62,305	\$60,352	\$69,175	\$46,256	\$154,586	(\$95,543)	\$378,680	\$581,710	\$56,690	\$0	\$0	\$1,384,396
Total Storage Costs	\$911,318	\$861,350	\$889,380	\$894,980	\$879,788	\$1,005,779	\$1,378,780	\$1,273,902	\$829,729	\$902,278	\$701,091	\$568,026	\$11,096,400
Pipeline Variable	\$7,061,396	\$7,105,338	\$7,387,406	\$10,041,069	\$26,465,907	\$41,746,965	\$41,217,773	\$35,435,888	\$28,927,648	\$16,491,688	\$10,341,965	\$6,178,072	\$238,401,115
Less Non-firm Gas Costs	\$808,659	\$689,282	\$682,966	\$562,887	\$464,361	\$566,905	\$2,062,107	\$984,576	\$1,395,373	\$1,562,095	\$165,863	\$599,062	\$10,544,136
Less Company Use	\$34,350	\$35,181	\$30,741	\$14,214	\$34,925	\$73,628	\$101,607	\$104,481	\$166,476	\$133,673	(\$27,579)	\$53,128	\$754,825
Less Manchester St Balancing	\$8,359	\$6,259	\$11,564	\$9,462	\$8,622	\$7,151	\$8,878	\$5,682	\$8,404	\$9,558	\$13,781	\$12,153	\$109,873
Plus Cashout													\$0
Less Mkter Over-takes	\$55,027	\$46,865	\$11,961	\$825	\$4,316	(\$33,418)	\$90,133	\$51,519	\$281,953	\$452,357	\$910,697	\$2,000	\$1,874,235
Less Mkter W/drawals							\$409,586	\$134,009	\$271,518	\$580,067	(\$114,481)	\$40,693	\$1,321,392
Plus Mkter Undertakes	\$71,848	\$4,366	\$85,169	\$40,248	(\$64,595)	\$84,927	\$496,633	(\$68,097)	\$471,754	\$42,995	\$121,223	\$335,230	\$1,621,701
Plus Mkter Injections	\$285,972	\$240,917	\$235,663	\$205,073	\$184,220	\$58,506		\$61,154	\$33,079	\$36,474	\$59,714	\$0	\$1,400,771
Storage Service Charge													\$0
Plus Pipeline Srchg/Credit	\$157,563	\$171,313	\$176,822	\$173,469	\$349,889	\$198,472	\$307,012	\$258,449	\$286,636	\$88,259	\$420,852	\$242,454	\$2,831,190
TOTAL FIRM COMMODITY COSTS	\$6,670,384	\$6,744,347	\$7,147,828	\$9,872,471	\$26,423,197	\$41,474,604	\$39,349,107	\$34,407,127	\$27,595,393	\$13,921,666	\$9,995,473	\$6,048,720	\$229,650,317

	Jul-07 actual	Aug-07 actual	Sep-07 actual	Oct-07 actual	Nov-07 actual	Dec-07 actual	Jan-08 actual	Feb-08 actual	Mar-08 actual	Apr-08 actual	May-08 actual	Jun-08 actual	Total actual
<u>I. Supply Fixed Cost Collections --</u>													
(a) Resid. & Small C & I dth	517,455	448,737	519,235	532,404	1,144,190	2,471,389	3,534,425	3,567,078	3,036,330	2,256,169	1,494,401	797,068	20,318,881
Supply Fixed Cost Factor	\$0.9424	\$0.9333	\$0.9348	\$0.9337	\$1.0236	\$1.0648	\$1.0644	\$1.0640	\$1.0644	\$1.0649	\$1.0656	\$1.0634	
Res & Small C & I collections	\$487,666	\$418,809	\$485,364	\$497,106	\$1,171,220	\$2,631,538	\$3,761,937	\$3,795,387	\$3,232,002	\$2,402,614	\$1,592,431	\$847,571	\$21,323,645
(b) C & I Medium dth	110,586	105,890	116,777	128,670	231,919	432,716	625,294	653,334	839,266	196,035	201,058	151,210	3,792,755
Supply Fixed Cost Factor	\$0.9081	\$0.8936	\$0.8945	\$0.8948	\$0.9821	\$1.0200	\$1.0198	\$1.0198	\$1.0192	\$1.0276	\$1.0198	\$1.0194	
C & I Medium collections	\$100,427	\$94,623	\$104,453	\$115,137	\$227,758	\$441,365	\$637,654	\$666,274	\$855,395	\$201,446	\$205,039	\$154,151	\$3,803,722
(c) C & I Large LLF dth	22,810	19,519	20,617	22,112	89,985	118,894	203,254	214,986	170,693	127,292	92,754	38,000	1,140,916
Supply Fixed Cost Factor	\$0.9728	\$0.9709	\$0.9709	\$0.9709	\$1.0230	\$1.0108	\$1.0105	\$1.0103	\$1.0103	\$1.0108	\$1.0146	\$1.0111	
C & I Large LLF collections	\$22,190	\$18,951	\$20,017	\$21,468	\$92,051	\$120,173	\$205,392	\$217,194	\$172,447	\$128,670	\$94,112	\$38,421	\$1,151,086
(d) C & I Large HLF dth	24,011	21,621	32,961	29,168	39,869	48,246	60,897	58,631	56,053	44,662	38,472	26,949	481,540
Supply Fixed Cost Factor	\$0.6753	\$0.6753	\$0.6753	\$0.6753	\$0.8065	\$0.9069	\$0.9069	\$0.9069	\$0.9069	\$0.9069	\$0.9095	\$0.9151	
C & I Large HLF collections	\$16,214	\$14,600	\$22,258	\$19,696	\$32,155	\$43,756	\$55,226	\$53,171	\$50,833	\$40,503	\$34,991	\$24,662	\$408,065
(e) C & I Extra Large LLF dth	767	453	2,019	3,131	7,350	14,901	24,378	26,850	30,481	23,149	13,052	10,351	156,882
Supply Fixed Cost Factor	\$0.9348	\$0.9360	\$0.9351	\$0.9352	\$0.9962	\$1.0024	\$1.0011	\$1.0024	\$1.0024	\$1.0024	\$1.0024	\$1.0024	
C & I XL LLF collections	\$717	\$424	\$1,888	\$2,928	\$7,322	\$14,937	\$24,405	\$26,914	\$30,553	\$23,204	\$13,083	\$10,376	\$156,751
(f) C & I Extra Large HLF dth	20,712	17,335	23,894	22,295	20,467	25,235	26,874	33,041	27,459	21,867	20,894	18,718	278,791
Supply Fixed Cost Factor	\$0.5655	\$0.5654	\$0.5655	\$0.5655	\$0.6848	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420	\$0.8420	
C & I XL HLF collections	\$11,712	\$9,802	\$13,512	\$12,607	\$14,015	\$21,249	\$22,629	\$27,821	\$23,121	\$18,413	\$17,593	\$15,761	\$208,235
sub-total Dth	696,341	613,555	715,503	737,780	1,533,780	3,111,381	4,475,122	4,553,920	4,160,282	2,669,174	1,860,631	1,042,296	26,169,765
sub-total Supply Fixed Collections	\$638,926	\$557,209	\$647,492	\$668,942	\$1,544,521	\$3,273,018	\$4,707,243	\$4,786,761	\$4,364,351	\$2,814,850	\$1,957,249	\$1,090,942	\$27,051,504
<u>II. Storage Fixed Cost Collections --</u>													
(a) Resid. & Small C & I dth	517,455	448,737	519,235	532,404	1,144,190	2,471,389	3,534,425	3,567,078	3,036,330	2,256,169	1,494,401	797,068	20,318,881
Storage Fixed Cost Factor	\$0.3468	\$0.3435	\$0.3440	\$0.3436	\$0.3708	\$0.3747	\$0.3746	\$0.3745	\$0.3746	\$0.3748	\$0.3750	\$0.3742	
Res & Small C & I collections	\$179,467	\$154,125	\$178,618	\$182,940	\$424,241	\$926,131	\$1,323,958	\$1,335,731	\$1,137,456	\$845,565	\$560,432	\$298,291	\$7,546,955
(b) C & I Medium dth	110,586	105,890	116,777	128,670	231,919	432,716	625,294	653,334	839,266	196,035	201,058	151,210	3,792,755
Storage Fixed Cost Factor	\$0.3307	\$0.3254	\$0.3257	\$0.3258	\$0.3793	\$0.4100	\$0.4099	\$0.4099	\$0.4097	\$0.4130	\$0.4099	\$0.4098	
C & I Medium collections	\$36,569	\$34,455	\$38,035	\$41,924	\$87,967	\$177,403	\$256,300	\$267,803	\$343,819	\$80,969	\$82,414	\$61,960	\$1,509,618
(c) C & I Large LLF dth	22,810	19,519	20,617	22,112	89,985	118,894	203,254	214,986	170,693	127,292	92,754	38,000	1,140,916
Storage Fixed Cost Factor	\$0.3585	\$0.3578	\$0.3578	\$0.3578	\$0.4232	\$0.4591	\$0.4590	\$0.4589	\$0.4589	\$0.4591	\$0.4609	\$0.4593	
C & I Large LLF collections	\$8,177	\$6,983	\$7,376	\$7,911	\$38,086	\$54,585	\$93,294	\$98,654	\$78,329	\$58,445	\$42,747	\$17,452	\$512,039
(d) C & I Large HLF dth	24,011	21,621	32,961	29,168	39,869	48,246	60,897	58,631	56,053	44,662	38,472	26,949	481,540
Storage Fixed Cost Factor	\$0.2461	\$0.2461	\$0.2461	\$0.2461	\$0.2827	\$0.3067	\$0.3067	\$0.3067	\$0.3067	\$0.3067	\$0.3076	\$0.3095	
C & I Large HLF collections	\$5,909	\$5,321	\$8,112	\$7,178	\$11,269	\$14,798	\$18,677	\$17,982	\$17,191	\$13,697	\$11,833	\$8,340	\$140,307
(e) C & I XL LLF dth	767	453	2,019	3,131	7,350	14,901	24,378	26,850	30,481	23,149	13,052	10,351	156,882
Storage Fixed Cost Factor	\$0.3442	\$0.3444	\$0.3437	\$0.3437	\$0.4029	\$0.4364	\$0.4358	\$0.4364	\$0.4364	\$0.4364	\$0.4364	\$0.4364	
C & I XL LLF collections	\$264	\$156	\$694	\$1,076	\$2,961	\$6,503	\$10,625	\$11,717	\$13,302	\$10,102	\$5,696	\$4,517	\$67,613
(f) C & I XL HLF dth	20,712	17,335	23,894	22,295	20,467	25,235	26,874	33,041	27,459	21,867	20,894	18,718	278,791
Storage Fixed Cost Factor	\$0.2085	\$0.2085	\$0.2085	\$0.2085	\$0.2360	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722	\$0.2722	
C & I XL HLF collections	\$4,319	\$3,615	\$4,983	\$4,649	\$4,830	\$6,869	\$7,315	\$8,994	\$7,475	\$5,952	\$5,688	\$5,095	\$69,784
(g) FT-2 dth	27,694	26,993	31,760	30,771	55,279	122,119	181,247	202,891	167,586	120,414	75,649	113,837	1,156,240
Storage Fixed Cost Factor	\$0.3339	\$0.3339	\$0.3339	\$0.3340	\$0.3657	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052	\$0.4052	
FT-2 collection	\$9,248	\$9,014	\$10,606	\$10,276	\$20,216	\$49,483	\$73,441	\$82,211	\$67,906	\$48,792	\$30,653	\$46,127	\$457,973

	Jul-07 actual	Aug-07 actual	Sep-07 actual	Oct-07 actual	Nov-07 actual	Dec-07 actual	Jan-08 actual	Feb-08 actual	Mar-08 actual	Apr-08 actual	May-08 actual	Jun-08 actual	Total actual
sub-total Dth	724,035	640,548	747,263	768,551	1,589,059	3,233,500	4,656,369	4,756,811	4,327,868	2,789,588	1,936,280	1,156,133	27,326,005
sub-total Storage Fixed Collections	\$243,953	\$213,669	\$248,424	\$255,954	\$589,570	\$1,235,772	\$1,783,610	\$1,823,092	\$1,665,478	\$1,063,522	\$739,463	\$441,782	\$10,304,289
III. Variable Supply Cost Collections --													
(a) Firm Sales dth	696,341	613,568	715,482	737,762	1,533,780	3,111,381	4,475,122	4,553,920	4,160,282	2,669,174	1,812,913	966,677	26,046,402
Variable Supply Cost Factor	\$8.2492	\$8.2492	\$8.3538	\$8.3462	\$8.0040	\$7.7380	\$7.7348	\$7.7093	\$7.6800	\$7.8173	\$7.9352	\$8.2407	
Variable Supply collections	\$5,866,904	\$5,092,433	\$5,977,006	\$6,157,487	\$12,276,300	\$24,075,963	\$34,614,284	\$35,107,440	\$31,951,025	\$20,865,672	\$14,385,820	\$7,966,140	\$204,336,474
(b) TSS Sales dth	(55)	136	287	382	855	2,673	3,207	10,487	8,194	7,758	4,800	608	39,332
TSS Variable Supply Cost F.	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.2653	\$3.2185	\$3.7747	
TSS Surcharge collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,058	\$15,449	\$2,295	\$19,802
(c) NGV Sales dth	117	2,410	118	1,474	-84	1,601	1,127	0	0	1,681	1,171	1,185	10,800
Variable Supply Cost Factor	\$8.2479	\$8.2494	\$8.2458	\$8.2490	\$8.2500	\$7.7345	\$7.7347	#DIV/0!	#DIV/0!	\$7.7347	\$7.7344	\$7.7350	
Variable Supply collections	\$965	\$19,881	\$973	\$12,159	(\$693)	\$12,383	\$8,717	\$0	\$0	\$13,002	\$9,057	\$9,166	\$85,610
(d) Default Sales dth	59	3,355	32	184	303	(149)	(57)	6,613	15,967	(16,517)	512	5,920	16,222
Variable Supply Cost Factor	\$8.9750	\$7.9800	\$6.9063	\$8.1141	\$11.01	\$12.08	\$16.15	\$16.02	\$14.10	\$12.22	\$14.2650	\$15.07	
Variable Supply collections	\$530	\$26,773	\$221	\$1,493	\$3,336	(\$1,799)	(\$921)	\$105,940	\$225,135	(\$201,755)	\$7,304	\$89,214	\$255,471
TOTAL Variable Supply Collections	\$5,868,399	\$5,139,087	\$5,978,200	\$6,171,139	\$12,278,943	\$24,086,547	\$34,622,080	\$35,213,380	\$32,176,160	\$20,678,977	\$14,417,630	\$8,066,815	\$204,697,357
IVa. Storage Variable Product Cost Collections --													
(a) Firm Sales dth	696,341	613,568	715,482	737,762	1,533,780	3,111,381	4,475,122	4,553,920	4,160,282	2,669,174	1,812,913	966,677	26,046,402
Variable Supply Cost Factor	\$1.0782	\$1.0676	\$1.0690	\$1.0683	\$1.2343	\$1.3585	\$1.3580	\$1.3576	\$1.3579	\$1.3593	\$1.3954	\$1.4634	
Stor Var Product collections	\$750,812	\$655,066	\$764,860	\$788,121	\$1,893,185	\$4,226,705	\$6,077,073	\$6,182,417	\$5,649,172	\$3,628,328	\$2,529,715	\$1,414,683	\$34,560,137
IVb. Storage Variable Non-product Cost Collections --													
(a) Firm Sales dth	696,341	613,555	715,503	737,780	1,533,780	3,111,381	4,475,122	4,553,920	4,160,282	2,669,174	1,860,631	1,042,296	26,169,765
Variable Supply Cost Factor	\$0.1264	\$0.1252	\$0.1253	\$0.1253	\$0.1011	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0850	\$0.0850	\$0.0849	
Stor Var Non-Product collec	\$88,039	\$76,812	\$89,687	\$92,413	\$155,033	\$264,246	\$379,928	\$386,515	\$353,176	\$226,838	\$158,155	\$88,444	\$2,359,286
(b) FT-2 dth	27,694	26,993	31,760	30,771	55,279	122,119	181,247	202,891	167,586	120,414	75,649	113,837	1,156,240
Variable Supply Cost Factor	\$0.1305	\$0.1304	\$0.1304	\$0.1304	\$0.0987	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	
Stor Var Non-Product collec	\$3,613	\$3,521	\$4,143	\$4,014	\$5,455	\$10,368	\$15,388	\$17,225	\$14,228	\$10,223	\$6,423	\$9,665	\$104,266
(c) Total Firm Sales/FT-2 dth	724,035	640,548	747,263	768,551	1,589,059	3,233,500	4,656,369	4,756,811	4,327,868	2,789,588	1,936,280	1,156,133	27,326,005
Stor Var Non-Product collec	\$91,652	\$80,333	\$93,830	\$96,427	\$160,488	\$274,614	\$395,316	\$403,740	\$367,404	\$237,061	\$164,578	\$98,109	\$2,463,552
Total Gas Cost Collections	\$7,593,742	\$6,645,364	\$7,732,806	\$7,980,583	\$16,466,707	\$33,096,656	\$47,585,322	\$48,409,390	\$44,222,565	\$28,422,738	\$19,808,635	\$11,112,331	\$279,076,839

National Grid
Rhode Island Service Area
Gas Cost Inventory Financing Calculation

Line No.	Description (a)	Reference (b)	Jul-07 (c)	Aug-07 (d)	Sep-07 (e)	Oct-07 (f)	Nov-07 (g)	Dec-07 (h)	Jan-08 (i)	Feb-08 (j)	Mar-08 (k)	Apr-08 (l)	May-08 (m)	Jun-08 (n)	Total (o)
Managed by Merrill Lynch under supply contract															
1	Storage Inventory Balance		\$25,305,427	\$28,467,123	\$31,679,064	\$34,996,040	\$35,073,963	\$31,295,195	\$25,837,782	\$18,898,479	\$13,310,437	\$5,629,465	\$5,629,465	\$5,629,465	
2	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	
3	Return on Working Capital Requirement	(1) * (2)	\$2,297,477	\$2,584,527	\$2,876,139	\$3,177,287	\$3,203,589	\$2,858,444	\$2,359,974	\$1,726,151	\$1,215,750	\$514,185	\$514,185	\$514,185	\$23,841,892
4	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	
5	Interest Charges Financed	(1) * (4)	\$1,056,246	\$1,188,215	\$1,322,281	\$1,460,731	\$1,483,211	\$1,323,414	\$1,092,631	\$799,181	\$562,873	\$238,059	\$238,059	\$238,059	\$11,002,961
6	Taxable Income	(3) - (5)	\$1,241,231	\$1,396,312	\$1,553,858	\$1,716,556	\$1,720,378	\$1,535,029	\$1,267,343	\$926,970	\$652,877	\$276,125	\$276,125	\$276,125	
7	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	
8	Return and Tax Requirement	(6) / (7)	\$1,909,586	\$2,148,173	\$2,390,551	\$2,640,855	\$2,646,735	\$2,361,584	\$1,949,759	\$1,426,108	\$1,004,426	\$424,808	\$424,808	\$424,808	\$19,752,201
9	Working Capital Requirement	(5) + (8)	\$2,965,832	\$3,336,388	\$3,712,832	\$4,101,586	\$4,129,946	\$3,684,998	\$3,042,390	\$2,225,289	\$1,567,299	\$662,867	\$662,867	\$662,867	\$30,755,163
10	Monthly Average	(9) / 12	\$247,153	\$278,032	\$309,403	\$341,799	\$344,162	\$307,083	\$253,532	\$185,441	\$130,608	\$55,239	\$55,239	\$55,239	\$2,562,930
11	LNG Inventory Balance		\$6,175,114	\$6,867,053	\$7,003,296	\$7,085,253	\$7,062,425	\$6,831,248	\$6,678,441	\$5,049,321	\$5,082,324	\$5,175,457	\$5,444,440	\$6,233,579	
12	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	
13	Return on Working Capital Requirement	(11) * (12)	\$560,638	\$623,459	\$635,829	\$643,269	\$645,068	\$623,953	\$609,996	\$461,195	\$464,210	\$472,716	\$497,285	\$569,363	\$6,806,982
14	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	
15	Interest Charges Financed	(11) * (14)	\$257,749	\$286,630	\$292,317	\$295,738	\$298,657	\$288,881	\$282,419	\$213,526	\$214,922	\$218,860	\$230,235	\$263,606	\$3,143,538
16	Taxable Income	(13) - (15)	\$302,889	\$336,829	\$343,512	\$347,532	\$346,412	\$335,073	\$327,578	\$247,669	\$249,288	\$253,856	\$267,050	\$305,757	
17	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	
18	Return and Tax Requirement	(16) / (17)	\$465,984	\$518,198	\$528,479	\$534,664	\$532,941	\$515,496	\$503,965	\$381,030	\$383,520	\$390,548	\$410,846	\$470,395	\$5,636,068
19	Working Capital Requirement	(15) + (18)	\$723,732	\$804,828	\$820,796	\$830,402	\$831,598	\$804,377	\$786,384	\$594,556	\$598,442	\$609,408	\$641,081	\$734,002	\$8,779,606
20	Monthly Average	(19) / 12	\$60,311	\$67,069	\$68,400	\$69,200	\$69,300	\$67,031	\$65,532	\$49,546	\$49,870	\$50,784	\$53,423	\$61,167	\$731,634
21	System Balancing Factor	Rate Case	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	
22	Balancing Related Inventory Costs	(20) * (21)	\$12,297	\$13,675	\$13,947	\$14,110	\$14,130	\$13,668	\$13,362	\$10,102	\$10,169	\$10,355	\$10,893	\$12,472	\$149,180
23	Supply Related Inventory Costs	(21) - (22)	\$48,014	\$53,394	\$54,453	\$55,090	\$55,170	\$53,364	\$52,170	\$39,444	\$39,702	\$40,429	\$42,530	\$48,695	\$582,454
24	Propane Inventory Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
25	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	
26	Return on Working Capital Requirement	(24) * (25)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	
28	Interest Charges Financed	(24) * (27)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	Taxable Income	(26) - (28)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
30	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	
31	Return and Tax Requirement	(29) / (30)	\$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

National Grid
Rhode Island Service Area
Gas Cost Working Capital Calculation

Line No.	Description (a)	Reference (b)	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Total
1	Supply Fixed Costs		\$2,096,287	\$2,086,210	\$2,081,443	\$2,050,228	\$2,055,771	\$2,106,370	\$2,953,934	\$2,007,929	\$2,165,288	\$1,706,100	\$2,247,541	\$1,035,033	\$24,592,134
2	Capacity Release Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$2,096,287	\$2,086,210	\$2,081,443	\$2,050,228	\$2,055,771	\$2,106,370	\$2,953,934	\$2,007,929	\$2,165,288	\$1,706,100	\$2,247,541	\$1,035,033	\$24,592,134
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	\$76,960	\$76,590	\$76,415	\$75,269	\$75,472	\$77,330	\$108,446	\$73,716	\$79,493	\$62,635	\$82,512	\$37,998	
6	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	
7	Return on Working Capital Requirement	(5) * (6)	\$6,987	\$6,954	\$6,938	\$6,834	\$6,893	\$7,063	\$9,905	\$6,733	\$7,261	\$5,721	\$7,537	\$3,471	
8	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	
9	Interest Expense	(5) * (8)	\$3,212	\$3,197	\$3,190	\$3,142	\$3,192	\$3,270	\$4,586	\$3,117	\$3,362	\$2,649	\$3,489	\$1,607	
10	Taxable Income	(7) - (9)	\$3,775	\$3,757	\$3,748	\$3,692	\$3,702	\$3,793	\$5,319	\$3,616	\$3,899	\$3,072	\$4,047	\$1,864	
11	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	
12	Return and Tax Requirement	(10) / (11)	\$5,807	\$5,780	\$5,766	\$5,680	\$5,695	\$5,835	\$8,183	\$5,563	\$5,999	\$4,727	\$6,227	\$2,867	
13	Supply Fixed Working Capital Requirement	(9) + (12)	\$9,020	\$8,976	\$8,956	\$8,822	\$8,887	\$9,106	\$12,769	\$8,680	\$9,360	\$7,375	\$9,716	\$4,474	\$106,141
14	Storage Fixed Costs		\$830,515	\$789,440	\$819,694	\$815,318	\$822,379	\$829,574	\$822,412	\$825,801	\$832,407	\$837,085	\$701,091	\$568,026	\$9,493,742
15	Less: 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	\$675,383
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	\$518,894
18	Allowable Working Capital Costs	(14) - (15) + (16)	\$817,474	\$776,399	\$806,653	\$802,277	\$809,338	\$816,533	\$809,371	\$812,760	\$819,366	\$824,044	\$688,050	\$554,985	\$9,337,253
19	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	
20	Working Capital Requirement	[(17) * (18)] / 365	\$30,011	\$28,503	\$29,614	\$29,453	\$29,713	\$29,977	\$29,714	\$29,838	\$30,081	\$30,253	\$25,260	\$20,375	
21	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	
22	Return on Working Capital Requirement	(19) * (20)	\$2,725	\$2,588	\$2,689	\$2,674	\$2,714	\$2,738	\$2,714	\$2,725	\$2,748	\$2,763	\$2,307	\$1,861	
23	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	
24	Interest Expense	(19) * (22)	\$1,253	\$1,190	\$1,236	\$1,229	\$1,256	\$1,268	\$1,257	\$1,262	\$1,272	\$1,279	\$1,068	\$862	
25	Taxable Income	(19) - (23)	\$1,472	\$1,398	\$1,453	\$1,445	\$1,457	\$1,470	\$1,457	\$1,464	\$1,475	\$1,484	\$1,239	\$999	
26	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	
27	Return and Tax Requirement	(24) / (25)	\$2,265	\$2,151	\$2,235	\$2,223	\$2,242	\$2,262	\$2,242	\$2,252	\$2,270	\$2,283	\$1,906	\$1,538	
28	Storage Fixed Working Capital Requirement	(23) + (26)	\$3,517	\$3,341	\$3,471	\$3,452	\$3,499	\$3,530	\$3,499	\$3,513	\$3,542	\$3,562	\$2,974	\$2,399	\$40,299
1	Supply Variable Costs		\$6,670,384	\$6,744,347	\$7,147,828	\$9,872,471	\$26,465,907	\$41,431,894	\$39,349,107	\$34,407,127	\$27,595,393	\$13,921,666	\$9,995,473	\$6,048,720	\$229,650,317
2a	Less: Non-firm Sales														
2b	Less: Variable Delivery Storage Costs		\$1,461	\$440	\$173	\$867	\$8,786	\$21,008	\$654,889	\$69,421	(\$584,978)	\$0	\$0	\$0	\$0
2c	Less: Variable Injection Storage Costs		\$9,157	\$9,165	\$9,161	\$9,619	\$2,367	\$611	(\$2,978)	\$0	\$589	\$8,503	\$0	\$0	\$172,068
2d	Less: Fuel Costs Allocated to Storage		\$70,185	\$62,305	\$60,352	\$69,175	\$46,256	\$154,586	(\$95,543)	\$378,680	\$581,710	\$56,690	\$0	\$0	\$46,194
2e	Less: Supply Refunds														\$1,384,396
2	Total Credits		\$80,803	\$71,910	\$69,686	\$79,662	\$57,409	\$176,205	\$556,368	\$448,101	(\$2,678)	\$65,193	\$0	\$0	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$6,589,581	\$6,672,437	\$7,078,143	\$9,792,809	\$26,408,498	\$41,255,689	\$38,792,739	\$33,959,026	\$27,598,071	\$13,856,473	\$9,995,473	\$6,048,720	\$1,602,658
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	\$241,919	\$244,961	\$259,855	\$359,517	\$969,517	\$1,514,592	\$1,424,172	\$1,246,715	\$1,013,189	\$508,703	\$366,957	\$222,063	
6	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	
7	Return on Working Capital Requirement	(5) * (6)	\$21,964	\$22,240	\$23,592	\$32,640	\$88,554	\$138,340	\$130,081	\$113,873	\$92,543	\$46,464	\$33,517	\$20,283	
8	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	
9	Interest Expense	(5) * (8)	\$10,098	\$10,225	\$10,846	\$15,006	\$40,999	\$64,049	\$60,226	\$52,721	\$42,846	\$21,512	\$15,518	\$9,391	
10	Taxable Income	(7) - (9)	\$11,866	\$12,015	\$12,746	\$17,634	\$47,555	\$74,291	\$69,856	\$61,151	\$49,697	\$24,952	\$17,999	\$10,892	
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)	\$18,256	\$18,485	\$19,609	\$27,130	\$73,161	\$114,293	\$107,470	\$94,079	\$76,457	\$38,388	\$27,691	\$16,757	
13	Supply Variable Working Capital Requirement	(9) + (12)	\$28,353	\$28,710	\$30,455	\$42,136	\$114,160	\$178,343	\$167,696	\$146,800	\$119,303	\$59,900	\$43,209	\$26,148	\$985,212

National Grid
Rhode Island Service Area
Gas Cost Working Capital Calculation

Line No.	Description (a)	Reference (b)	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Total
14	Storage Variable Product Costs		\$304,483	\$188,853	\$167,009	\$245,982	\$151,309	\$4,779,408	\$6,898,309	\$8,353,144	\$5,843,546	\$95,089	\$126,274	\$140,942	\$27,294,348
15	Less: Balancing Related LNG Commodity (to DAC)		\$43,816	(\$38,507)	(\$31,169)	(\$36,665)	(\$30,852)	(\$258,260)	(\$242,872)	(\$209,032)	(\$27,805)	(\$25,223)	(\$25,942)	(\$28,738)	(\$911,251)
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)	\$378,755	\$180,801	\$166,295	\$239,772	\$150,913	\$4,551,603	\$6,685,892	\$8,174,568	\$5,846,196	\$100,322	\$130,787	\$142,659	\$26,748,563
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	\$13,905	\$6,638	\$6,105	\$8,803	\$5,540	\$167,100	\$245,455	\$300,107	\$214,627	\$3,683	\$4,801	\$5,237	
20	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	
21	Return on Working Capital Requirement	(19) * (20)	\$1,262	\$603	\$554	\$799	\$506	\$15,263	\$22,419	\$27,411	\$19,604	\$336	\$439	\$478	
22	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	
23	Interest Expense	(19) * (22)	\$580	\$277	\$255	\$367	\$234	\$7,066	\$10,380	\$12,691	\$9,076	\$156	\$203	\$221	
24	Taxable Income	(19) - (23)	\$682	\$326	\$299	\$432	\$272	\$8,196	\$12,040	\$14,720	\$10,527	\$181	\$236	\$257	
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)	\$1,049	\$501	\$461	\$664	\$418	\$12,610	\$18,522	\$22,647	\$16,196	\$278	\$362	\$395	
27	Storage Var. Product Working Capital Requir.	(23) + (26)	\$1,630	\$778	\$716	\$1,032	\$652	\$19,676	\$28,902	\$35,338	\$25,272	\$434	\$565	\$617	\$115,611
1	Storage Variable Non-Product Costs		\$87,961	\$71,910	\$69,686	\$84,787	\$59,693	\$464,764	\$845,475	\$737,685	\$168,781	\$94,765	\$0	\$0	\$2,685,507
2	Credits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$87,961	\$71,910	\$69,686	\$84,787	\$59,693	\$464,764	\$845,475	\$737,685	\$168,781	\$94,765	\$0	\$0	\$2,685,507
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	\$3,229	\$2,640	\$2,558	\$3,113	\$2,191	\$17,063	\$31,039	\$27,082	\$6,196	\$3,479	\$0	\$0	
6	Cost of Capital	Rate Case	9.08%	9.08%	9.08%	9.08%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	
7	Return on Working Capital Requirement	(5) * (6)	\$293	\$240	\$232	\$283	\$200	\$1,558	\$2,835	\$2,474	\$566	\$318	\$0	\$0	
8	Weighted Cost of Debt	Rate Case	4.17%	4.17%	4.17%	4.17%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	
9	Interest Expense	(5) * (8)	\$135	\$110	\$107	\$130	\$93	\$722	\$1,313	\$1,145	\$262	\$147	\$0	\$0	
10	Taxable Income	(7) - (9)	\$158	\$129	\$125	\$153	\$107	\$837	\$1,522	\$1,328	\$304	\$171	\$0	\$0	
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)	\$244	\$199	\$193	\$235	\$165	\$1,288	\$2,342	\$2,044	\$468	\$263	\$0	\$0	
13	Storage Variable Non-product WC Requir.	(9) + (12)	\$378	\$309	\$300	\$365	\$258	\$2,009	\$3,655	\$3,189	\$730	\$410	\$0	\$0	\$11,603

National Grid
Rhode Island Service Area
Actual Throughput (Dth)

Line No.	Rate Class (a)	Jul-07 (b) Actual	Aug-07 (c) Actual	Sep-07 (d) Actual	Oct-07 (e) Actual	Nov-07 (f) Actual	Dec-07 (g) Actual	Jan-08 (h) Actual	Feb-08 (i) Actual	Mar-08 (j) Actual	Apr-08 (k) Actual	May-08 (l) Actual	Jun-08 (m) Actual	Total (n) Actual
1	SALES (dth)													
2	Residential Non-Heating	38,144	33,949	37,765	35,812	50,306	62,403	75,559	81,531	80,806	61,869	58,168	46,582	662,894
3	Residential Heating	433,911	369,320	433,170	450,626	961,120	2,128,765	3,019,104	3,087,829	2,591,464	1,953,626	1,298,336	673,166	17,400,437
4	Small C&I	45,400	45,468	48,300	45,966	132,764	280,221	439,762	397,718	364,060	240,674	137,897	77,320	2,255,550
5	Medium C&I	110,586	105,890	116,777	128,670	231,919	430,850	623,074	649,568	837,000	193,024	199,274	151,124	3,777,756
6	Large LLF	22,810	19,532	20,596	22,094	89,985	118,087	202,267	208,265	164,765	122,545	90,106	37,846	1,118,898
7	Large HLF	24,011	21,621	32,961	29,168	39,869	48,246	60,897	58,631	56,053	44,662	38,104	26,581	480,804
8	Extra Large LLF	767	453	2,019	3,131	7,350	14,901	24,378	26,850	30,481	23,149	13,052	10,351	156,882
9	Extra Large HLF	<u>20,712</u>	<u>17,335</u>	<u>23,894</u>	<u>22,295</u>	<u>20,467</u>	<u>25,235</u>	<u>26,874</u>	<u>33,041</u>	<u>27,459</u>	<u>21,867</u>	<u>20,894</u>	<u>18,718</u>	<u>278,791</u>
10	Total Sales	696,341	613,568	715,482	737,762	1,533,780	3,108,708	4,471,915	4,543,433	4,152,088	2,661,416	1,855,831	1,041,688	26,132,012
11	TSS													
12	Medium	(99)	149	266	364	756	1,866	2,220	3,766	2,266	3,011	1,784	86	16,435
13	Large LLF	44	(13)	21	18	99	807	987	6,721	5,928	4,747	2,648	154	22,161
14	Large HLF	0	0	0	0	0	0	0	0	0	0	368	368	736
15	Extra Large LLF	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Extra Large HLF	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Total TSS	(55)	136	287	382	855	2,673	3,207	10,487	8,194	7,758	4,800	608	39,332
18	FT-2 TRANSPORTATION													
19	FT-2 Medium	19,689	18,100	19,835	18,562	30,524	60,913	87,964	102,476	74,070	53,788	43,059	30,763	559,743
20	FT-2 Large LLF	2,762	4,038	5,190	5,727	15,373	48,525	78,252	85,007	79,334	54,125	22,138	16,752	417,223
21	FT-2 Large HLF	4,232	3,957	4,966	4,514	6,769	8,198	9,241	10,077	9,281	8,486	7,404	63,969	141,094
22	FT-2 Extra Large LLF	18	5	3	(6)	407	1,940	2,637	2,168	1,638	1,441	755	212	11,218
23	FT-2 Extra Large HLF	<u>993</u>	<u>893</u>	<u>1,766</u>	<u>1,974</u>	<u>2,206</u>	<u>2,543</u>	<u>3,153</u>	<u>3,163</u>	<u>3,263</u>	<u>2,574</u>	<u>2,293</u>	<u>2,141</u>	<u>26,962</u>
24	Total FT-2 Transportation	27,694	26,993	31,760	30,771	55,279	122,119	181,247	202,891	167,586	120,414	75,649	113,837	1,156,240
25	Sales & FT-2 THROUGHPUT													
26	Residential Non-Heating	38,144	33,949	37,765	35,812	50,306	62,403	75,559	81,531	80,806	61,869	58,168	46,582	662,894
27	Residential Heating	433,911	369,320	433,170	450,626	961,120	2,128,765	3,019,104	3,087,829	2,591,464	1,953,626	1,298,336	673,166	17,400,437
28	Small C&I	45,400	45,468	48,300	45,966	132,764	280,221	439,762	397,718	364,060	240,674	137,897	77,320	2,255,550
29	Medium C&I	130,176	124,139	136,878	147,596	263,199	493,629	713,258	755,810	913,336	249,823	244,117	181,973	4,353,934
30	Large LLF	25,616	23,557	25,807	27,839	105,457	167,419	281,506	299,993	250,027	181,417	114,892	54,752	1,558,282
31	Large HLF	28,243	25,578	37,927	33,682	46,638	56,444	70,138	68,708	65,334	53,148	45,876	90,918	622,634
32	Extra Large LLF	785	458	2,022	3,125	7,757	16,841	27,015	29,018	32,119	24,590	13,807	10,563	168,100
33	Extra Large HLF	<u>21,705</u>	<u>18,228</u>	<u>25,660</u>	<u>24,269</u>	<u>22,673</u>	<u>27,778</u>	<u>30,027</u>	<u>36,204</u>	<u>30,722</u>	<u>24,441</u>	<u>23,187</u>	<u>20,859</u>	<u>305,753</u>
34	Total Sales & FT-2 Throughput	723,980	640,697	747,529	768,915	1,589,914	3,233,500	4,656,369	4,756,811	4,327,868	2,789,588	1,936,280	1,156,133	27,327,584
35	FT-1 TRANSPORTATION													
36	FT-1 Medium	21,305	22,117	24,209	29,374	69,527	101,429	88,576	132,255	56,829	84,737	11,720	24,959	667,037
37	FT-1 Large LLF	21,878	19,819	22,253	36,245	114,183	188,282	153,126	173,004	178,469	93,427	19,241	27,195	1,047,122
38	FT-1 Large HLF	26,950	77,660	27,671	28,309	33,674	51,221	61,280	71,181	64,032	(15,562)	28,420	27,134	481,970
39	FT-1 Extra Large LLF	15,382	15,350	14,594	25,764	63,151	115,089	123,821	132,757	116,033	100,370	45,001	93,107	860,419
40	FT-1 Extra Large HLF	270,771	252,607	291,244	365,329	308,820	455,380	507,724	337,705	301,574	613,555	375,795	228,915	4,309,419
41	Default	<u>59</u>	<u>3,355</u>	<u>32</u>	<u>184</u>	<u>303</u>	<u>(149)</u>	<u>(57)</u>	<u>6,613</u>	<u>15,967</u>	<u>(16,517)</u>	<u>512</u>	<u>5,920</u>	<u>16,222</u>
42	Total FT-1 Transportation	356,345	390,908	380,003	485,205	589,658	911,252	934,470	853,515	732,904	860,010	480,689	407,230	7,382,189
43	Total THROUGHPUT													
44	Residential Non-Heating	38,144	33,949	37,765	35,812	50,306	62,403	75,559	81,531	80,806	61,869	58,168	46,582	662,894
45	Residential Heating	433,911	369,320	433,170	450,626	961,120	2,128,765	3,019,104	3,087,829	2,591,464	1,953,626	1,298,336	673,166	17,400,437
46	Small C&I	45,400	45,468	48,300	45,966	132,764	280,221	439,762	397,718	364,060	240,674	137,897	77,320	2,255,550
47	Medium C&I	151,481	146,256	161,087	176,970	332,726	595,058	801,834	888,065	970,165	334,560	255,837	206,932	5,020,971
48	Large LLF	47,494	43,376	48,060	64,084	219,640	355,701	434,632	472,997	428,496	274,844	134,133	81,947	2,605,404
49	Large HLF	55,193	103,238	65,598	61,991	80,312	107,665	131,418	139,889	129,366	37,586	74,296	118,052	1,104,604
50	Extra Large LLF	16,167	15,808	16,616	28,889	70,908	131,930	150,836	161,775	148,152	124,960	58,808	103,670	1,028,519
51	Extra Large HLF	292,476	270,835	316,904	389,598	331,493	483,158	537,751	373,909	332,296	332,996	398,982	249,774	4,615,172
52	Default	<u>59</u>	<u>3,355</u>	<u>32</u>	<u>184</u>	<u>303</u>	<u>(149)</u>	<u>(57)</u>	<u>6,613</u>	<u>15,967</u>	<u>(16,517)</u>	<u>512</u>	<u>5,920</u>	<u>16,222</u>
53	Total Throughput	1,080,325	1,031,605	1,127,532	1,254,120	2,179,572	4,144,752	5,590,839	5,610,326	5,060,772	3,649,598	2,416,969	1,563,363	34,709,773

Gas Cost Recovery (GCR) Filing
Projected Gas Cost Balances

	Nov-08 30 forecast	Dec-08 31 forecast	Jan-09 31 forecast	Feb-09 28 forecast	Mar-09 31 forecast	Apr-09 30 forecast	May-09 31 forecast	Jun-09 30 forecast	Jul-09 31 forecast	Aug-09 31 forecast	Sep-09 30 forecast	Oct-09 31 forecast	Nov - Oct 365
I. Supply Fixed Cost Deferred													
Beginning Balance	(\$2,176,351)	(\$1,585,638)	(\$2,178,902)	(\$3,627,370)	(\$5,297,228)	(\$6,668,870)	(\$7,223,777)	(\$6,711,201)	(\$5,649,690)	(\$4,276,810)	(\$2,804,048)	(\$1,408,665)	
Supply Fixed Costs (net of cap rel)	\$1,965,255	\$1,965,404	\$1,963,830	\$1,962,059	\$1,964,127	\$1,963,019	\$1,964,127	\$1,963,019	\$1,964,127	\$1,964,127	\$1,963,019	\$1,964,127	\$23,566,240
Capacity Release	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	<u>\$8,479</u>	<u>\$8,479</u>	<u>\$8,473</u>	<u>\$8,465</u>	<u>\$8,474</u>	<u>\$8,469</u>	<u>\$8,474</u>	<u>\$8,469</u>	<u>\$8,474</u>	<u>\$8,474</u>	<u>\$8,469</u>	<u>\$8,474</u>	\$101,672
Total Supply Fixed Costs	\$1,973,734	\$1,973,883	\$1,972,303	\$1,970,524	\$1,972,601	\$1,971,488	\$1,972,601	\$1,971,488	\$1,972,601	\$1,972,601	\$1,971,488	\$1,972,601	\$23,667,912
Supply Fixed - Collections	\$1,378,389	\$2,562,357	\$3,413,383	\$3,630,125	\$3,329,018	\$2,509,288	\$1,442,294	\$894,757	\$587,090	\$490,830	\$570,917	\$682,859	\$21,491,307
Prelim. Ending Balance	(\$1,581,006)	(\$2,174,112)	(\$3,619,982)	(\$5,286,970)	(\$6,653,645)	(\$7,206,670)	(\$6,693,470)	(\$5,634,470)	(\$4,264,180)	(\$2,795,039)	(\$1,403,477)	(\$118,923)	
Month's Average Balance	(\$1,878,678)	(\$1,879,875)	(\$2,899,442)	(\$4,457,170)	(\$5,975,437)	(\$6,937,770)	(\$6,958,624)	(\$6,172,835)	(\$4,956,935)	(\$3,535,924)	(\$2,103,763)	(\$763,794)	
Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Interest Applied	(\$4,632)	(\$4,790)	(\$7,388)	(\$10,258)	(\$15,225)	(\$17,107)	(\$17,730)	(\$15,221)	(\$12,630)	(\$9,009)	(\$5,187)	(\$1,946)	(\$121,123)
Asset Management Incentive	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supply Fixed Ending Balance	(\$1,585,638)	(\$2,178,902)	(\$3,627,370)	(\$5,297,228)	(\$6,668,870)	(\$7,223,777)	(\$6,711,201)	(\$5,649,690)	(\$4,276,810)	(\$2,804,048)	(\$1,408,665)	(\$120,869)	
II. Storage Fixed Cost Deferred													
Beginning Balance	(\$862,283)	(\$592,098)	(\$842,639)	(\$1,472,433)	(\$2,194,207)	(\$2,786,540)	(\$3,042,511)	(\$2,839,197)	(\$2,394,342)	(\$1,810,813)	(\$1,183,132)	(\$589,968)	
Storage Fixed Costs	\$890,259	\$890,259	\$890,259	\$890,259	\$890,259	\$866,919	\$859,537	\$859,537	\$859,537	\$859,537	\$859,537	\$859,537	\$10,475,436
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	<u>\$3,785</u>	<u>\$3,785</u>	<u>\$3,785</u>	<u>\$3,785</u>	<u>\$3,785</u>	<u>\$3,684</u>	<u>\$3,652</u>	<u>\$3,652</u>	<u>\$3,652</u>	<u>\$3,652</u>	<u>\$3,652</u>	<u>\$3,652</u>	\$44,519
Total Storage Fixed Costs	\$881,003	\$881,003	\$881,003	\$881,003	\$881,003	\$857,563	\$850,149	\$850,149	\$850,149	\$850,149	\$850,149	\$850,149	\$10,363,468
TSS Peaking Collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Fixed - Collections	\$609,026	\$1,129,718	\$1,507,851	\$1,598,563	\$1,466,998	\$1,106,356	\$639,351	\$398,850	\$261,269	\$218,658	\$254,802	\$304,394	\$9,495,836
Prelim. Ending Balance	(\$590,307)	(\$840,813)	(\$1,469,487)	(\$2,189,993)	(\$2,780,203)	(\$3,035,333)	(\$2,831,713)	(\$2,387,898)	(\$1,805,463)	(\$1,179,322)	(\$587,785)	(\$44,214)	
Month's Average Balance	(\$726,295)	(\$716,455)	(\$1,156,063)	(\$1,831,213)	(\$2,487,205)	(\$2,910,937)	(\$2,937,112)	(\$2,613,547)	(\$2,099,903)	(\$1,495,068)	(\$885,458)	(\$317,091)	
Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Interest Applied	(\$1,791)	(\$1,825)	(\$2,946)	(\$4,214)	(\$6,337)	(\$7,178)	(\$7,484)	(\$6,444)	(\$5,350)	(\$3,809)	(\$2,183)	(\$808)	(\$50,370)
Storage Fixed Ending Balance	(\$592,098)	(\$842,639)	(\$1,472,433)	(\$2,194,207)	(\$2,786,540)	(\$3,042,511)	(\$2,839,197)	(\$2,394,342)	(\$1,810,813)	(\$1,183,132)	(\$589,968)	(\$45,022)	
III. Variable Supply Cost Deferred													
Beginning Balance	\$11,192,136	\$20,290,761	\$27,842,764	\$29,712,980	\$23,008,284	\$17,362,326	\$8,044,661	\$2,147,498	(\$1,207,254)	(\$1,926,108)	(\$1,247,094)	(\$845,584)	
Variable Supply Costs	\$24,080,671	\$35,134,762	\$38,430,317	\$32,275,993	\$30,271,318	\$17,864,769	\$9,795,381	\$6,407,847	\$5,688,277	\$6,043,762	\$6,640,622	\$13,078,219	\$225,711,939
Variable Delivery Storage	\$758	\$36,145	\$78,414	\$72,635	\$39,203	\$1,956	\$0	\$0	\$0	\$0	\$0	\$0	\$229,111
Variable Injections Storage	\$0	\$0	\$0	\$0	\$0	\$17,451	\$10,372	\$10,775	\$10,775	\$11,022	\$10,640	\$9,682	\$80,716
Fuel Cost Allocated to Storage	\$1,484	\$153,916	\$353,326	\$332,447	\$179,703	\$119,413	\$65,782	\$71,007	\$73,494	\$75,566	\$73,077	\$68,719	\$1,567,934
Working Capital	<u>\$103,901</u>	<u>\$152,402</u>	<u>\$167,663</u>	<u>\$140,996</u>	<u>\$131,544</u>	<u>\$77,673</u>	<u>\$42,589</u>	<u>\$27,998</u>	<u>\$24,905</u>	<u>\$26,448</u>	<u>\$29,011</u>	<u>\$56,762</u>	\$981,894
Total Supply Variable Costs	\$24,186,815	\$35,477,227	\$39,029,720	\$32,822,071	\$30,621,768	\$18,081,262	\$9,914,124	\$6,517,626	\$5,797,451	\$6,156,798	\$6,753,350	\$13,213,382	\$228,571,594
Supply Variable - Collections	\$15,126,956	\$27,986,467	\$37,232,735	\$39,587,363	\$36,319,092	\$27,430,212	\$15,824,254	\$9,873,537	\$6,512,317	\$5,473,747	\$6,349,264	\$7,567,790	\$235,283,734
Deferred Responsibility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prelim. Ending Balance	\$20,251,995	\$27,781,521	\$29,639,749	\$22,947,688	\$17,310,960	\$8,013,376	\$2,134,530	(\$1,208,412)	(\$1,922,121)	(\$1,243,056)	(\$843,007)	\$4,800,008	
Month's Average Balance	\$15,722,065	\$24,036,141	\$28,741,256	\$26,330,334	\$20,159,622	\$12,687,851	\$5,089,596	\$469,543	(\$1,564,688)	(\$1,584,582)	(\$1,045,050)	\$1,977,212	
Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Interest Applied	\$38,767	\$61,243	\$73,231	\$60,596	\$51,366	\$31,285	\$12,968	\$1,158	(\$3,987)	(\$4,037)	(\$2,577)	\$5,038	\$325,050
Gas Procurement Incentive/(penalty)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supply Variable Ending Balance	\$20,290,761	\$27,842,764	\$29,712,980	\$23,008,284	\$17,362,326	\$8,044,661	\$2,147,498	(\$1,207,254)	(\$1,926,108)	(\$1,247,094)	(\$845,584)	\$4,805,046	

Gas Cost Recovery (GCR) Filing
Projected Gas Cost Balances

	Nov-08 30 forecast	Dec-08 31 forecast	Jan-09 31 forecast	Feb-09 28 forecast	Mar-09 31 forecast	Apr-09 30 forecast	May-09 31 forecast	Jun-09 30 forecast	Jul-09 31 forecast	Aug-09 31 forecast	Sep-09 30 forecast	Oct-09 31 forecast	Nov - Oct 365
<u>I/a. Storage Variable Product Cost Deferred</u>													
Beginning Balance	(\$5,496,522)	(\$7,457,011)	(\$4,589,587)	\$2,402,688	\$8,635,082	\$8,639,326	\$4,782,472	\$2,762,660	\$1,701,225	\$1,214,080	\$934,517	\$559,247	
Storage Variable Prod. Costs - LNG	\$196,691	\$363,181	\$1,125,139	\$1,525,261	\$254,897	\$196,747	\$203,350	\$196,801	\$203,588	\$204,024	\$197,931	\$204,826	\$4,872,437
Storage Variable Prod. Costs - LP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Variable Prod. Costs - UG	\$74,021	\$6,722,041	\$11,636,040	\$10,918,159	\$5,205,666	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,555,927
Supply Related LNG to DAC	(\$40,105)	(\$74,053)	(\$229,416)	(\$311,001)	(\$51,973)	(\$40,117)	(\$41,463)	(\$40,128)	(\$41,512)	(\$41,600)	(\$40,358)	(\$41,764)	(\$993,490)
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	\$67,130	\$64,491	\$55,964	\$44,206	\$42,219	\$46,698	\$51,319	\$55,850	\$60,603	\$65,399	\$67,637	\$67,691	\$689,207
Inventory Financing - UG	\$55,130	\$55,130	\$55,130	\$55,130	\$69,322	\$115,259	\$162,442	\$209,439	\$257,833	\$301,347	\$343,963	\$383,175	\$2,063,298
Inventory Financing - LP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	\$1,126	\$30,380	\$54,197	\$52,474	\$23,466	\$807	\$830	\$807	\$831	\$832	\$811	\$835	\$167,397
Total Storage Variable Product Costs	\$384,448	\$7,191,625	\$12,727,510	\$12,314,685	\$5,574,051	\$349,849	\$406,933	\$453,226	\$511,800	\$560,456	\$600,440	\$645,218	\$41,720,241
Storage Variable Product Collections	\$2,328,987	\$4,308,873	\$5,732,453	\$6,094,978	\$5,591,786	\$4,223,230	\$2,436,345	\$1,520,157	\$1,002,654	\$842,753	\$977,550	\$1,165,158	\$36,224,924
Prelim. Ending Balance	(\$7,441,061)	(\$4,574,259)	\$2,405,470	\$8,622,395	\$8,617,347	\$4,765,945	\$2,753,060	\$1,695,729	\$1,210,371	\$931,783	\$557,408	\$39,307	
Month's Average Balance	(\$6,468,791)	(\$6,015,635)	(\$1,092,058)	\$5,512,542	\$8,626,214	\$6,702,636	\$3,767,766	\$2,229,194	\$1,455,798	\$1,072,932	\$745,962	\$299,277	
Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Interest Applied	(\$15,950)	(\$15,328)	(\$2,783)	\$12,686	\$21,979	\$16,527	\$9,600	\$5,497	\$3,709	\$2,734	\$1,839	\$763	\$41,274
Storage Variable Product Ending Bal.	(\$7,457,011)	(\$4,589,587)	\$2,402,688	\$8,635,082	\$8,639,326	\$4,782,472	\$2,762,660	\$1,701,225	\$1,214,080	\$934,517	\$559,247	\$40,069	
<u>I/b. Stor Var Non-Prod Cost Deferred</u>													
Beginning Balance	(\$1,272,009)	(\$1,476,862)	(\$1,754,053)	(\$2,107,548)	(\$2,582,686)	(\$3,176,030)	(\$3,658,736)	(\$3,963,214)	(\$4,192,372)	(\$4,378,083)	(\$4,552,269)	(\$4,735,960)	
Storage Variable Non-prod. Costs	\$8,714	\$300,429	\$594,288	\$477,455	\$131,279	\$41,262	\$0	\$0	\$0	\$0	\$0	\$0	\$1,553,426
Variable Delivery Storage Costs	(\$758)	(\$36,145)	(\$78,414)	(\$72,635)	(\$39,203)	(\$1,956)	\$0	\$0	\$0	\$0	\$0	\$0	(\$229,111)
Variable Injection Storage Costs	\$0	\$0	\$0	\$0	\$0	(\$17,451)	(\$10,372)	(\$10,775)	(\$10,775)	(\$11,022)	(\$10,640)	(\$9,682)	(\$80,716)
Fuel Costs Allocated to Storage	(\$1,484)	(\$153,916)	(\$353,326)	(\$332,447)	(\$179,703)	(\$119,413)	(\$65,782)	(\$71,007)	(\$73,494)	(\$75,566)	(\$73,077)	(\$68,719)	(\$1,567,934)
Working Capital	\$28	\$476	\$701	\$312	(\$378)	(\$421)	(\$329)	(\$353)	(\$364)	(\$374)	(\$361)	(\$338)	(\$1,399)
Total Storage Var Non-product Costs	\$6,499	\$110,844	\$163,249	\$72,685	(\$88,005)	(\$97,979)	(\$76,483)	(\$82,134)	(\$84,632)	(\$86,961)	(\$84,078)	(\$78,739)	(\$325,734)
Storage Var Non-Product Collections	\$207,967	\$383,924	\$511,831	\$542,432	\$498,012	\$376,311	\$218,298	\$136,981	\$90,175	\$75,862	\$88,175	\$104,974	\$3,234,942
Prelim. Ending Balance	(\$1,473,477)	(\$1,749,942)	(\$2,102,635)	(\$2,577,295)	(\$3,168,703)	(\$3,650,320)	(\$3,953,516)	(\$4,182,329)	(\$4,367,179)	(\$4,540,907)	(\$4,724,523)	(\$4,919,673)	
Month's Average Balance	(\$1,372,743)	(\$1,613,402)	(\$1,928,344)	(\$2,342,422)	(\$2,875,694)	(\$3,413,175)	(\$3,806,126)	(\$4,072,772)	(\$4,279,775)	(\$4,459,495)	(\$4,638,396)	(\$4,827,816)	
Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Interest Applied	(\$3,385)	(\$4,111)	(\$4,913)	(\$5,391)	(\$7,327)	(\$8,416)	(\$9,698)	(\$10,042)	(\$10,905)	(\$11,363)	(\$11,437)	(\$12,301)	(\$99,289)
Storage Var Non-Product Ending Bal.	(\$1,476,862)	(\$1,754,053)	(\$2,107,548)	(\$2,582,686)	(\$3,176,030)	(\$3,658,736)	(\$3,963,214)	(\$4,192,372)	(\$4,378,083)	(\$4,552,269)	(\$4,735,960)	(\$4,931,974)	
<u>GCR Deferred Summary</u>													
Beginning Balance	\$1,384,971	\$9,179,153	\$18,477,584	\$24,908,318	\$21,569,244	\$13,370,212	(\$1,097,891)	(\$8,603,453)	(\$11,742,434)	(\$11,177,733)	(\$8,852,026)	(\$7,020,930)	
Gas Costs	\$27,315,180	\$45,439,059	\$54,538,966	\$47,854,935	\$38,794,527	\$21,071,971	\$13,012,107	\$9,669,781	\$9,009,870	\$9,414,010	\$10,049,767	\$16,533,226	\$302,703,398
Working Capital	\$117,319	\$195,522	\$234,819	\$206,033	\$166,891	\$90,212	\$55,216	\$40,574	\$37,498	\$39,033	\$41,582	\$69,384	\$1,294,083
Total Costs	\$27,432,499	\$45,634,581	\$54,773,785	\$48,060,968	\$38,961,418	\$21,162,183	\$13,067,323	\$9,710,355	\$9,047,368	\$9,453,043	\$10,091,349	\$16,602,610	\$303,997,481
Collections	\$19,651,325	\$36,371,339	\$48,398,253	\$51,453,461	\$47,204,906	\$35,645,397	\$20,560,542	\$12,824,282	\$8,453,505	\$7,101,850	\$8,240,708	\$9,825,175	\$305,730,743
Prelim. Ending Balance	\$9,166,144	\$18,442,395	\$24,853,116	\$21,515,825	\$13,325,756	(\$1,113,003)	(\$8,591,110)	(\$11,717,380)	(\$11,148,571)	(\$8,826,541)	(\$7,001,385)	(\$243,495)	
Month's Average Balance	\$5,275,558	\$13,810,774	\$21,665,350	\$23,212,071	\$17,447,500	\$6,128,604	(\$4,844,500)	(\$10,160,417)	(\$11,445,502)	(\$10,002,137)	(\$7,926,705)	(\$3,632,212)	
Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Interest Applied	\$13,008	\$35,189	\$55,202	\$53,420	\$44,455	\$15,112	(\$12,344)	(\$25,053)	(\$29,163)	(\$25,485)	(\$19,545)	(\$9,255)	\$95,542
Gas Purchase Plan Incentives/(Penalties)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Bal. W/ Interest	\$9,179,153	\$18,477,584	\$24,908,318	\$21,569,244	\$13,370,212	(\$1,097,891)	(\$8,603,453)	(\$11,742,434)	(\$11,177,733)	(\$8,852,026)	(\$7,020,930)	(\$252,749)	
Under/(Over)-collection	\$7,781,174	\$9,263,242	\$6,375,532	(\$3,392,493)	(\$8,243,488)	(\$14,483,214)	(\$7,493,219)	(\$3,113,927)	\$593,863	\$2,351,193	\$1,850,641	\$6,777,435	

**Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, GCR, DAC and Energy Efficiency Rates vs. 2008-2009 Proposed GCR & DAC**

Residential Heating:

Nov - Oct Consumption (Therms)	Proposed November-08	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	EnergyEff
600	\$1,018	\$1,064	(\$47)	-4.4%	\$0	(\$45.72)	(\$0.89)	\$0.00
664	\$1,114	\$1,166	(\$52)	-4.4%	\$0	(\$50.60)	(\$0.98)	\$0.00
730	\$1,214	\$1,271	(\$57)	-4.5%	\$0	(\$55.61)	(\$1.10)	\$0.00
794	\$1,310	\$1,372	(\$62)	-4.5%	\$0	(\$60.49)	(\$1.18)	\$0.00
857	\$1,403	\$1,470	(\$67)	-4.5%	\$0	(\$65.30)	(\$1.24)	\$0.00
Average Customer 922	\$1,499	\$1,570	(\$72)	-4.6%	\$0	(\$70.27)	(\$1.37)	\$0.00
987	\$1,594	\$1,671	(\$77)	-4.6%	\$0	(\$75.19)	(\$1.44)	\$0.00
1,051	\$1,688	\$1,770	(\$82)	-4.6%	\$0	(\$80.06)	(\$1.56)	\$0.00
1,114	\$1,779	\$1,866	(\$87)	-4.6%	\$0	(\$84.89)	(\$1.67)	\$0.00
1,180	\$1,875	\$1,966	(\$92)	-4.7%	\$0	(\$89.89)	(\$1.75)	\$0.00
1,247	\$1,971	\$2,068	(\$97)	-4.7%	\$0	(\$95.00)	(\$1.89)	\$0.00

Residential Non-Heating:

Nov - Oct Consumption (Therms)	Proposed November-08	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	EnergyEff
123	\$284	\$294	(\$10)	-3.2%	\$0	(\$9.36)	(\$0.17)	\$0
137	\$306	\$317	(\$11)	-3.4%	\$0	(\$10.42)	(\$0.22)	\$0
147	\$322	\$334	(\$11)	-3.4%	\$0	(\$11.18)	(\$0.23)	\$0
161	\$344	\$357	(\$12)	-3.5%	\$0	(\$12.26)	(\$0.22)	\$0
176	\$368	\$382	(\$14)	-3.6%	\$0	(\$13.42)	(\$0.24)	\$0
Average Customer 189	\$389	\$403	(\$15)	-3.6%	\$0	(\$14.39)	(\$0.28)	\$0
202	\$409	\$425	(\$16)	-3.7%	\$0	(\$15.40)	(\$0.29)	\$0
217	\$433	\$450	(\$17)	-3.7%	\$0	(\$16.52)	(\$0.31)	\$0
231	\$455	\$473	(\$18)	-3.8%	\$0	(\$17.57)	(\$0.32)	\$0
241	\$471	\$489	(\$19)	-3.8%	\$0	(\$18.35)	(\$0.35)	\$0
256	\$494	\$514	(\$20)	-3.9%	\$0	(\$19.52)	(\$0.34)	\$0

**Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, GCR, DAC and Energy Efficiency Rates vs. 2008-2009 Proposed GCR & DAC**

C & I Small:

Nov - Oct Consumption (Therms)	Proposed November-08	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	EnergyEff
824	\$1,654	\$1,718	(\$64)	-3.7%	\$0	(\$63)	(\$1)	\$0
916	\$1,788	\$1,860	(\$71)	-3.8%	\$0	(\$70)	(\$1)	\$0
1,003	\$1,915	\$1,993	(\$78)	-3.9%	\$0	(\$76)	(\$2)	\$0
1,092	\$2,044	\$2,129	(\$85)	-4.0%	\$0	(\$83)	(\$2)	\$0
1,179	\$2,169	\$2,260	(\$92)	-4.1%	\$0	(\$90)	(\$2)	\$0
Average Customer 1,269	\$2,297	\$2,396	(\$99)	-4.1%	\$0	(\$97)	(\$2)	\$0
1,359	\$2,425	\$2,531	(\$106)	-4.2%	\$0	(\$104)	(\$2)	\$0
1,447	\$2,550	\$2,663	(\$112)	-4.2%	\$0	(\$110)	(\$2)	\$0
1,535	\$2,676	\$2,795	(\$119)	-4.3%	\$0	(\$117)	(\$2)	\$0
1,622	\$2,800	\$2,926	(\$126)	-4.3%	\$0	(\$124)	(\$2)	\$0
1,715	\$2,932	\$3,065	(\$133)	-4.3%	\$0	(\$131)	(\$3)	\$0

C & I Medium:

Nov - Oct Consumption (Therms)	Proposed November-08	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	EnergyEff
7,117	\$10,404	\$10,986	(\$583)	-5.3%	\$0	(\$572)	(\$11)	\$0
7,884	\$11,467	\$12,112	(\$645)	-5.3%	\$0	(\$634)	(\$12)	\$0
8,649	\$12,527	\$13,235	(\$708)	-5.3%	\$0	(\$695)	(\$13)	\$0
9,416	\$13,590	\$14,361	(\$771)	-5.4%	\$0	(\$757)	(\$14)	\$0
10,185	\$14,656	\$15,490	(\$834)	-5.4%	\$0	(\$818)	(\$15)	\$0
Average Customer 10,950	\$15,716	\$16,612	(\$896)	-5.4%	\$0	(\$880)	(\$16)	\$0
11,715	\$16,776	\$17,735	(\$959)	-5.4%	\$0	(\$941)	(\$18)	\$0
12,484	\$17,842	\$18,864	(\$1,022)	-5.4%	\$0	(\$1,003)	(\$19)	\$0
13,251	\$18,905	\$19,990	(\$1,085)	-5.4%	\$0	(\$1,065)	(\$20)	\$0
14,016	\$19,965	\$21,113	(\$1,147)	-5.4%	\$0	(\$1,126)	(\$21)	\$0
14,783	\$21,028	\$22,238	(\$1,210)	-5.4%	\$0	(\$1,188)	(\$22)	\$0

Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, GCR, DAC and Energy Efficiency Rates vs. 2008-2009 Proposed GCR & DAC

C & I LLF Large:

Nov - Oct Consumption (Therms)	Proposed November-08	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	EnergyEff
37,532	\$53,767	\$56,507	(\$2,739)	-4.8%	\$0	(\$2,683)	(\$56)	\$0
41,573	\$59,440	\$62,474	(\$3,034)	-4.9%	\$0	(\$2,972)	(\$62)	\$0
45,616	\$65,116	\$68,445	(\$3,329)	-4.9%	\$0	(\$3,261)	(\$68)	\$0
49,660	\$70,793	\$74,417	(\$3,624)	-4.9%	\$0	(\$3,550)	(\$74)	\$0
53,699	\$76,463	\$80,382	(\$3,919)	-4.9%	\$0	(\$3,838)	(\$81)	\$0
Average Customer 57,742	\$82,138	\$86,352	(\$4,214)	-4.9%	\$0	(\$4,127)	(\$87)	\$0
61,785	\$87,814	\$92,323	(\$4,509)	-4.9%	\$0	(\$4,416)	(\$93)	\$0
65,824	\$93,484	\$98,288	(\$4,804)	-4.9%	\$0	(\$4,705)	(\$99)	\$0
69,868	\$99,161	\$104,260	(\$5,099)	-4.9%	\$0	(\$4,994)	(\$105)	\$0
73,911	\$104,837	\$110,231	(\$5,394)	-4.9%	\$0	(\$5,283)	(\$111)	\$0
77,952	\$110,509	\$116,198	(\$5,689)	-4.9%	\$0	(\$5,572)	(\$117)	\$0

C & I HLF Large:

Nov - Oct Consumption (Therms)	Proposed November-08	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	EnergyEff
37,970	\$49,517	\$52,870	(\$3,353)	-6.3%	\$0	(\$3,296)	(\$57)	\$0
42,061	\$54,736	\$58,450	(\$3,714)	-6.4%	\$0	(\$3,651)	(\$63)	\$0
46,151	\$59,954	\$64,029	(\$4,075)	-6.4%	\$0	(\$4,006)	(\$69)	\$0
50,240	\$65,169	\$69,606	(\$4,436)	-6.4%	\$0	(\$4,361)	(\$75)	\$0
54,329	\$70,386	\$75,183	(\$4,797)	-6.4%	\$0	(\$4,716)	(\$81)	\$0
Average Customer 58,418	\$75,602	\$80,760	(\$5,158)	-6.4%	\$0	(\$5,071)	(\$88)	\$0
62,508	\$80,820	\$86,339	(\$5,520)	-6.4%	\$0	(\$5,426)	(\$94)	\$0
66,596	\$86,035	\$91,915	(\$5,881)	-6.4%	\$0	(\$5,781)	(\$100)	\$0
70,686	\$91,252	\$97,493	(\$6,242)	-6.4%	\$0	(\$6,136)	(\$106)	\$0
74,775	\$96,468	\$103,071	(\$6,603)	-6.4%	\$0	(\$6,491)	(\$112)	\$0
78,867	\$101,688	\$108,652	(\$6,964)	-6.4%	\$0	(\$6,846)	(\$118)	\$0

**Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, GCR, DAC and Energy Efficiency Rates vs. 2008-2009 Proposed GCR & DAC**

C & I LLF Extra-Large:

Nov - Oct Consumption (Therms)	Proposed November-08	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	EnergyEff
189,450	\$240,374	\$255,704	(\$15,331)	-6.0%	\$0	(\$15,047)	(\$284)	\$0
209,855	\$265,876	\$282,858	(\$16,982)	-6.0%	\$0	(\$16,667)	(\$315)	\$0
230,255	\$291,371	\$310,004	(\$18,633)	-6.0%	\$0	(\$18,288)	(\$345)	\$0
250,655	\$316,867	\$337,151	(\$20,284)	-6.0%	\$0	(\$19,908)	(\$376)	\$0
271,059	\$342,368	\$364,303	(\$21,935)	-6.0%	\$0	(\$21,528)	(\$407)	\$0
Average Customer 291,462	\$367,868	\$391,454	(\$23,586)	-6.0%	\$0	(\$23,149)	(\$437)	\$0
311,865	\$393,367	\$418,604	(\$25,237)	-6.0%	\$0	(\$24,769)	(\$468)	\$0
332,269	\$418,868	\$445,756	(\$26,888)	-6.0%	\$0	(\$26,390)	(\$498)	\$0
352,669	\$444,364	\$472,903	(\$28,539)	-6.0%	\$0	(\$28,010)	(\$529)	\$0
373,069	\$469,860	\$500,049	(\$30,190)	-6.0%	\$0	(\$29,630)	(\$560)	\$0
393,474	\$495,362	\$527,203	(\$31,841)	-6.0%	\$0	(\$31,251)	(\$590)	\$0

C & I HLF Extra-Large:

Nov - Oct Consumption (Therms)	Proposed November-08	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	EnergyEff
184,661	\$226,896	\$243,791	(\$16,895)	-6.9%	\$0	(\$16,618)	(\$277)	\$0
204,549	\$250,945	\$269,659	(\$18,714)	-6.9%	\$0	(\$18,407)	(\$307)	\$0
224,435	\$274,992	\$295,525	(\$20,534)	-6.9%	\$0	(\$20,197)	(\$337)	\$0
244,321	\$299,038	\$321,391	(\$22,353)	-7.0%	\$0	(\$21,986)	(\$366)	\$0
264,206	\$323,084	\$347,256	(\$24,172)	-7.0%	\$0	(\$23,776)	(\$396)	\$0
Average Customer 284,094	\$347,132	\$373,124	(\$25,992)	-7.0%	\$0	(\$25,566)	(\$426)	\$0
303,982	\$371,181	\$398,993	(\$27,811)	-7.0%	\$0	(\$27,355)	(\$456)	\$0
323,867	\$395,227	\$424,857	(\$29,631)	-7.0%	\$0	(\$29,145)	(\$486)	\$0
343,753	\$419,273	\$450,723	(\$31,450)	-7.0%	\$0	(\$30,934)	(\$516)	\$0
363,639	\$443,320	\$476,589	(\$33,269)	-7.0%	\$0	(\$32,724)	(\$545)	\$0
383,527	\$467,369	\$502,458	(\$35,089)	-7.0%	\$0	(\$34,514)	(\$575)	\$0

NATURAL GAS VEHICLE SERVICE
RATE 70

1.0 NATURAL GAS VEHICLE SERVICE

1.1 AVAILABILITY: This rate is available for compressed natural gas dispensed at Company-owned fueling stations for the purpose of fueling natural gas vehicles.

No other use of gas will be included in this rate for billing purposes.

1.2 RATES:

Customer Charge:	\$5.00 per month
Energy Charge:	
Distribution Charge:	\$0.1697 per Therm
Commodity Charge:	\$0.9326 per Therm

1.3 MINIMUM RATE: Customer Charge

1.4 GENERAL RULES AND REGULATIONS: The Company's General Rules and Regulations in Section 1 of RIPUC NG No. 101, as in effect from time-to-time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

1.5 RHODE ISLAND GROSS EARNINGS TAX: The application of the above rates are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule D.

2.0 INTERRUPTIBLE NATURAL GAS VEHICLE SERVICE

2.1 AVAILABILITY: Gas service is available under this rate to any customer requiring natural gas as a motor fuel for motor vehicle operations.

Customer must have dual-fuel capability for the use of an alternate fuel which may be substituted for gas when gas is

NATURAL GAS VEHICLE SERVICE
RATE 70

not available under this tariff, or customer must have use of a vehicle powered by an alternate fuel which may be substituted for the NGV vehicle when gas is not available under this tariff.

2.2 RATES:

The interruptible rate shall be set for the upcoming month after 10:30 a.m. five (5) business days prior to the commencement of that month. Upon setting the non-firm service rate, if the Company obtains a new, lower gas supply, the rate may be reduced prior to the first calendar day of the month. The customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of the intention to take Interruptible Natural Gas Vehicle Service.

Customer Charge: \$5.00 per month

Energy Charge:

The rate for interruptible service will be equal to the Company's incremental gas cost, \$.085/Therm margin, plus \$.15/Therm for the cost of compression.

2.3 MINIMUM RATE: Customer Charge

2.4 GENERAL RULES AND REGULATIONS:

The Company's General Rules and Regulations in Section 1 of RIPUC NG No. 101, as in effect from time-to-time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

2.5 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule D.

2.6 NOTIFICATION OF INTERRUPTION/

The Narragansett Electric Company
d/b/a National Grid
RIPUC NG No. 101

Section 7
Miscellaneous Services
Schedule A, Sheet 3
Fifth Revision

NATURAL GAS VEHICLE SERVICE
RATE 70

CURTAILMENT:

Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for it to continue to supply the gas requirements of its firm customers at such time.

2.7 FAILURE TO
CURTAIL:

For any period that a customer fails to curtail the use of gas as requested by the Company, the rate for gas consumption will be equal to the highest cost gas required to meet demand during the curtailment period, plus \$1.55 per Therm.

Summary of Marketer Transportation Factors

Item	Reference	Proposed	Billing Units
FT-2 Firm Transportation Marketer Gas Charge	pg 2	\$0.0447	Therms throughput of Marketer Pool
Pool Balancing Charge	pg 3	\$0.0025	Per % of balancing elected per Therm throughput of Marketer Pool
Weighted Average Upstream Pipeline Transportation Cost	GLB - 5	\$0.1043	Per Therm of capacity

Calculation of FT-2 Marketer Gas Charge

I. Determination of FT-2 Storage Fixed Cost Factor

1	Allocated Storage Fixed Costs	reference	
2	C & I Medium	PCC 1, pg 3	\$1,502,022
3	C & I Large LLF	PCC 1, pg 3	\$576,417
4	C & I Large HLF	PCC 1, pg 3	\$138,972
5	C & I Extra Large LLF	PCC 1, pg 3	\$49,539
6	C & I Extra Large HLF	PCC 1, pg 3	<u>\$59,666</u>
7	sub-total	sum ([1]:[6])	\$2,326,616
8	Through-put (dth)	PCC 1, pg 12	7,202,951
9	Storage Fixed Factor	[7] / [8]	\$0.3230
II. Storage Variable Cost Factor		PCC 1, pg 1	\$0.1149
TOTAL FT-2 Gas Marketer Charge (per Dth)			\$0.4379
	Uncollectible %	Dkt 3401	2.10%
TOTAL FT-2 Gas Marketer Charge adj for uncollectible (\$/dth)			\$0.4473

Calculation of Pool Balancing Charge

	reference	Medium C&I	Large LLF	Large HLF	Extra Large LLF	Extra Large HLF	Total	
1	Throughput (dth)	PCC - 1, pg 12	4,617,928	1,577,785	570,179	147,117	289,943	7,202,951
2	% allocation		64.11%	21.90%	7.92%	2.04%	4.03%	100.00%
3	Supply Fixed Cost Factor	PCC - 1, pg 1	\$0.7668	\$0.8529	\$0.5690	\$0.7734	\$0.4768	
4	Storage Fixed Cost Factor	PCC - 1, pg 1	\$0.3253	\$0.3653	\$0.2437	\$0.3367	\$0.2058	
5	Storage Variable Cost Factor	PCC - 1, pg 1	\$1.3309	\$1.3309	\$1.3309	\$1.3309	\$1.3309	
6	Class Specific Pool Balancing Charge	$([3]+[4]+[5]) \times 1\%$	\$0.0242	\$0.0255	\$0.0214	\$0.0244	\$0.0201	
7	Class Specific Weighted Average (\$/dth)	$[6] \times [2]$	\$0.0155	\$0.0056	\$0.0017	\$0.0005	\$0.0008	\$0.0241
8	Uncollectible %	Docket 3401	2.10%	2.10%	2.10%	2.10%	2.10%	
9	Pool Balancing Charge adjusted for Uncollectible	$([7] / (1-[8]))$	\$0.0159	\$0.0057	\$0.0017	\$0.0005	\$0.0008	\$0.0246
10	Per Therm Pool Balancing Charge	$[9] / 10$						\$0.0025

(\$ per Dth)

Line No.	Description (a)	Reference (b)	Residential Non-Heat (c)	Residential Heat (d)	Small C&I (e)	Medium C&I (f)	Large LLF (g)	Large HLF (h)	Extra Large LLF (i)	Extra Large HLF (j)	FT-2 Mktkr (k)	NGV (l)
1	Supply Fixed Cost Factor	pg. 2	\$0.5487	\$0.8054	\$0.8054	\$0.8054	\$0.8054	\$0.5487	\$0.8054	\$0.5487	n/a	
2	Storage Fixed Cost Factor	pg. 3	\$0.2410	\$0.3523	\$0.3523	\$0.3523	\$0.2410	\$0.3523	\$0.2410	\$0.3523	\$0.3318	
3	Supply Variable Cost Factor	pg. 4	\$8.6755	\$8.6755	\$8.6755	\$8.6755	\$8.6755	\$8.6755	\$8.6755	\$8.6755	n/a	\$8.6755
4a	Storage Variable Product Cost Factor	pg. 5	\$1.3497	\$1.3497	\$1.3497	\$1.3497	\$1.3497	\$1.3497	\$1.3497	\$1.3497	n/a	
4b	Storage Variable Non-product Cost Factor	pg. 5	\$0.1151	\$0.1151	\$0.1151	\$0.1151	\$0.1151	\$0.1151	\$0.1151	\$0.1151	\$0.1151	
5	Total Gas Cost Recovery Charge	(1)+(2)+(3)+(4)	\$10.9300	\$11.2980	\$11.2980	\$11.2980	\$11.2980	\$10.9300	\$11.2980	\$10.9300	\$0.4469	\$8.6755
6	Uncollectible %	Docket 3943	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%
7	Total GCR Charge adjusted for Uncollectibles	(5) / [(1 - (6))]	\$11.2057	\$11.5829	\$11.5829	\$11.5829	\$11.5829	\$11.2057	\$11.5829	\$11.2057	\$0.4582	\$8.8943
8	GCR Charge on a per therm basis	(7) / 10	\$1.1206	\$1.1583	\$1.1583	\$1.1583	\$1.1583	\$1.1206	\$1.1583	\$1.1206	\$0.0458	\$0.8894
	Current rate effective 7/15/08 difference		\$1.2269 (\$0.1063) -8.7%	\$1.2269 (\$0.0686) -5.6%	\$1.2269 (\$0.0686) -5.6%	\$1.2260 (\$0.0677) -5.5%	\$1.2300 (\$0.0717) -5.8%	\$1.2039 (\$0.0833) -6.9%	\$1.2269 (\$0.0686) -5.6%	\$1.1938 (\$0.0732) -6.1%	\$0.0501 (\$0.0043) -8.6%	\$0.9326 (\$0.0432) -4.6%
	Proposed rates with current tariff Docket 3943 GCR vs current tariff proposed		\$1.1507 (\$0.0301) -2.7%	\$1.1507 \$0.0076 0.7%	\$1.1507 \$0.0076 0.7%	\$1.1456 \$0.0127 1.1%	\$1.1585 (\$0.0002) 0.0%	\$1.1171 \$0.0035 0.3%	\$1.1475 \$0.0108 0.9%	\$1.1038 \$0.0168 1.5%	\$0.0447 \$0.0011 2.4%	\$0.8830 \$0.0064 0.7%

Line No.	Description (a)	Reference (b)	Amount (c)	Residential Heating (d)	Small C&I (e)	Medium C&I (f)	Large LLF (g)	Extra Large LLF (h)	Low Load Factor Total (i)	Residential Non-Heat (j)	Large HLF (k)	Extra Large HLF (l)	High Load Factor Total (m)	Line No.
1	Supply Fixed Costs (net of Cap Rel)	GLB-1	\$23,566,240											1
2	Less:													2
3	Capacity Release Revenues	GLB-1	\$0											3
4	Interruptible Costs		\$0											4
5	Non-Firm Sales Costs		\$0											5
6	Off-System Sales Margin		\$0											6
7	Refunds		\$0											7
8	Total Credits	sum[(3):(7)]	\$0											8
9	Plus:													9
10	Working Capital Requirement	pg 8	\$191,322											10
11	Reconciliation Amount	pg 6	(\$2,176,351)											11
12	Total Additions	(10) + (11)	(\$1,985,029)											12
13	Total Supply Fixed Costs	(1) - (8) + (12)	\$21,581,211											13
14	Design Winter Sales Percentage	pg 13		67.20%	9.25%	14.58%	5.12%	0.48%	96.63%	1.49%	1.28%	0.61%	3.37%	14
15	Allocated Supply Fixed Costs	(13) x (14)		\$14,501,621	\$1,996,407	\$3,147,423	\$1,104,962	\$103,356	\$20,853,769	\$320,688	\$276,078	\$130,676	\$727,442	15
16	Sales (Dt)	pg 12	28,544,140	18,015,743	2,366,018	4,087,667	1,290,082	133,086	25,892,595	569,703	483,166	272,903	1,325,772	16
17	Supply Fixed Factor	(15) / (16)							\$0.8054				\$0.5487	17

Line No.	Description (a)	Reference (b)	Amount (c)	Residential Heating (d)	Small C&I (e)	Medium C&I (f)	Large LLF (g)	Extra Large LLF (h)	Low Load Factor Total (i)	Residential Non-Heat (j)	Large HLF (k)	Extra Large HLF (l)	High Load Factor Total (m)	Line No.
1	Storage Fixed Costs	GLB-1	\$10,475,436											1
2	Less:													2
3	LNG Demand to DAC	GLB 2/Dkt 3943	\$556,470											3
4	Credits		\$0											4
5	Refunds		\$0											5
6	Total Credits	sum [(3):(5)]	\$556,470											6
7	Plus:													7
8	Supply Related LNG O&M Costs	Docket 3943	\$618,591											8
9	Working Capital Requirement	pg 8	\$85,549											9
10	Reconciliation Amount	pg 6	(\$862,283)											10
11	Total Additions	sum [(8):(10)]	(\$158,143)											11
12	Total Storage Fixed Costs	(1) - (6) + (11)	\$9,760,823											12
13	Design Winter Throughput Percentage	pg 13		65.11%	8.96%	15.81%	6.07%	0.52%	96.47%	1.44%	1.46%	0.63%	3.53%	13
14	Allocated Storage Fixed Costs	(12) x (13)		\$6,355,185	\$874,905	\$1,543,068	\$592,169	\$50,893	\$9,416,219	\$140,538	\$142,770	\$61,296	\$344,604	14
15	Throughput (Dt)	pg 12	29,584,240	18,015,743	2,366,018	4,617,928	1,577,785	147,117	26,724,590	569,703	570,179	289,943	1,429,825	15
16	Storage Fixed Factor	(14) / (15)							\$0.3523				\$0.2410	16

Gas Cost Recovery (GCR)
With Docket No. 3943 Factors and Proposal
Variable Cost Calculation (\$ per Dth)

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>	<u>Line No.</u>
1	Variable Supply Costs	GLB 1	\$225,711,939	1
2	Less:			2
3	Non-Firm Sales		\$0	3
4	Variable Delivery Storage Costs	GLB 2/ PCC 7 p5	\$223,546	4
5	Variable Injection Storage Costs	GLB 2/ PCC 7 p5	\$72,665	5
6	Fuel Costs Allocated to Storage	GLB 2/ PCC 7 p5	\$2,285,512	6
7	Refunds		\$0	7
8	Total Credits	sum [(3):(7)]	<u>\$2,581,723</u>	8
9	Plus:			9
10	Working Capital	pg 9	\$1,811,480	10
11	Reconciliation Amount	pg 6	<u>\$11,192,136</u>	11
12	Total Additions	(10)+(11)	\$13,003,616	12
13	Total Variable Supply Costs	(1)-(8)+(12)	<u>\$236,133,832</u>	13
14	Sales (Dt)	pg 12	27,218,367	14
15	Supply Variable Cost Factor	(13)/(14)	<u>\$8.6755</u>	15

Gas Cost Recovery (GCR)
With Docket No. 3943 Factors and Proposal
Variable Cost Calculation (\$ per Dth)

Line No.	Description	Reference	Amount	Line No.
1	Storage Variable Product Costs	GLB 1	\$39,428,364	1
2	Less:			2
3	Balancing Related LNG Costs (to DAC)	GLB 2/Dkt 3943	\$818,569	3
4	Refunds		\$0	4
5	Total Credits	(3)+(4)	<u>\$818,569</u>	5
6	Plus:			6
7	Supply Related LNG O&M	Docket 3943	\$430,129	7
8	Working Capital	pg 9	\$316,945	8
9	Inventory Financing - LNG (Supply)	pg 11	\$744,361	9
10	Inventory Financing - Storage	pg 11	\$2,132,261	10
11	Inventory Financing - LP	pg 11	\$0	11
12	Reconciliation Amount	pg 7	<u>(\$5,496,522)</u>	12
13	Total Additions	sum[(7):(12)]	<u>(\$1,872,826)</u>	13
14	Total Storage Variable Costs	(1)-(5)+(13)	<u>\$36,736,968</u>	14
15	Sales (Dt)	pg 12	27,218,367	15
16	Storage Variable Product Cost Factor	(14) / (15)	<u>\$1.3497</u>	16
17	Storage Variable Non-Product Costs	GLB 1	\$1,916,187	17
18	Less:			18
19	Refunds		\$0	19
20	Total Credits		<u>\$0</u>	20
21	Plus:			21
22	Variable Delivery Storage Costs	pg 4	\$223,546	22
23	Variable Injection Storage Costs	pg 4	\$72,665	23
24	Fuel Costs Allocated to Storage	pg 4	\$2,285,512	24
25	Working Capital	pg 10	\$15,557	25
26	Inventory Financing - Storage	pg 11	\$0	26
27	Reconciliation Amount	pg 7	<u>(\$1,272,009)</u>	27
28	Total Additions	sum[(22):(27)]	<u>\$1,325,271</u>	28
29	Total Storage Variable Costs	(17)-(20)+(28)	<u>\$3,241,458</u>	29
30	Throughput (Dt)	pg 12	28,154,415	30
31	Storage Variable Product Cost Factor	(29) / (30)	<u>\$0.1151</u>	31

Gas Cost Recovery (GCR)
With Docket No. 3943 Factors and Proposal
Gas Cost Account Balances

Line No.	Jul-08 31 actual	Aug-08 31 forecast	Sep-08 30 forecast	Oct-08 31 forecast	Line No.
<u>I. Supply Fixed Cost Deferred</u>					
1	(\$7,977,817)	(\$5,887,819)	(\$4,509,799)	(\$3,243,206)	1
2	\$2,885,908	\$2,051,317	\$2,050,209	\$2,051,317	2
3	\$0	\$0	\$0	\$0	3
4	\$12,475	\$8,868	\$8,863	\$8,868	4
5	\$2,898,383	\$2,060,185	\$2,059,072	\$2,060,185	5
6	\$790,743	\$668,936	\$782,932	\$986,434	6
7	(\$5,870,177)	(\$4,496,570)	(\$3,233,659)	(\$2,169,455)	7
8	(\$6,923,997)	(\$5,192,194)	(\$3,871,729)	(\$2,706,331)	8
9	3.00%	3.00%	3.00%	3.00%	9
10	(\$17,642)	(\$13,229)	(\$9,547)	(\$6,896)	10
11	\$0	\$0	\$0	\$0	
12	(\$5,887,819)	(\$4,509,799)	(\$3,243,206)	(\$2,176,351)	12
<u>II. Storage Fixed Cost Deferred</u>					
13	(\$2,909,401)	(\$2,471,911)	(\$1,881,725)	(\$1,332,827)	13
14	\$743,858	\$858,716	\$858,716	\$858,716	14
15	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	15
16	\$43,241	\$43,241	\$43,241	\$43,241	16
17	\$3,159	\$3,656	\$3,656	\$3,656	17
18	\$733,977	\$849,331	\$849,331	\$849,331	18
19	\$0	\$0	\$0	\$0	19
20	\$289,639	\$253,605	\$296,475	\$375,994	20
21	(\$2,465,064)	(\$1,876,185)	(\$1,328,869)	(\$859,490)	21
22	(\$2,687,233)	(\$2,174,048)	(\$1,605,297)	(\$1,096,159)	22
23	3.00%	3.00%	3.00%	3.00%	23
24	(\$6,847)	(\$5,539)	(\$3,958)	(\$2,793)	24
25	(\$2,471,911)	(\$1,881,725)	(\$1,332,827)	(\$862,283)	25
<u>III. Variable Supply Cost Deferred</u>					
26	\$7,791,754	\$7,280,749	\$7,306,572	\$7,067,559	26
27	\$5,322,469	\$5,859,052	\$6,588,714	\$12,690,516	27
28	\$0	\$0	\$0	\$0	28
29	\$0	\$0	\$0	\$0	29
30	\$0	\$0	\$0	\$0	30
31	\$23,008	\$25,328	\$28,482	\$54,859	31
32	\$5,345,477	\$5,884,380	\$6,617,197	\$12,745,375	32
33	\$5,871,095	\$5,877,117	\$6,873,909	\$8,644,031	33
34	\$4,565	\$0	\$0	\$0	34
35	\$7,261,571	\$7,288,012	\$7,049,859	\$11,168,903	35
36	\$7,526,663	\$7,284,380	\$7,178,216	\$9,118,231	36
37	3.00%	3.00%	3.00%	3.00%	37
38	\$19,178	\$18,560	\$17,700	\$23,233	38
39	\$0	\$0	\$0	\$0	
40	\$7,280,749	\$7,306,572	\$7,067,559	\$11,192,136	40

Gas Cost Recovery (GCR)
With Docket No. 3943 Factors and Proposal
Gas Cost Account Balances

Line No.	Jul-08 31 actual	Aug-08 31 forecast	Sep-08 30 forecast	Oct-08 31 forecast	Line No.	
<u>Iva. Storage Variable Product Cost Deferred</u>						
41	Beginning Balance	(\$2,405,878)	(\$3,192,369)	(\$3,775,929)	(\$4,508,387)	41
42	Storage Variable Prod. Costs - LNG	\$138,890	\$190,778	\$185,167	\$191,336	42
43	Storage Variable Prod. Costs - LP	\$0	\$0	\$0	\$0	43
44	Storage Variable Prod. Costs - UG	\$0	\$0	\$0	\$0	44
45	Supply Related LNG to DAC	(\$28,320)	(\$38,900)	(\$37,756)	(\$39,013)	45
46	Supply Related LNG O & M	\$30,455	\$30,455	\$30,455	\$30,455	46
47	Inventory Financing - LNG	\$52,996	\$61,130	\$66,318	\$71,533	47
48	Inventory Financing - UG	\$55,239	\$55,239	\$55,239	\$55,239	48
49	Inventory Financing - LP	\$0	\$0	\$0	\$0	49
50	Working Capital	\$610	\$788	\$769	\$790	50
51	Total Storage Variable Product Costs	\$249,871	\$299,491	\$300,193	\$310,340	51
52	Storage Variable Product Collections	\$1,029,239	\$874,184	\$1,022,450	\$1,285,745	52
53	Prelim. Ending Balance	(\$3,185,246)	(\$3,767,063)	(\$4,498,186)	(\$5,483,792)	53
54	Month's Average Balance	(\$2,795,562)	(\$3,479,716)	(\$4,137,057)	(\$4,996,089)	54
55	Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	55
56	Interest Applied	(\$7,123)	(\$8,866)	(\$10,201)	(\$12,730)	56
57	Storage Variable Product Ending Bal.	(\$3,192,369)	(\$3,775,929)	(\$4,508,387)	(\$5,496,522)	57
<u>Ivb. Stor Var Non-Prod Cost Deferred</u>						
58	Beginning Balance	(\$988,320)	(\$1,055,840)	(\$1,115,676)	(\$1,185,060)	58
59	Storage Variable Non-prod. Costs	\$0	\$0	\$0	\$0	59
60	Variable Delivery Storage Costs	\$0	\$0	\$0	\$0	60
61	Variable Injection Storage Costs	\$0	\$0	\$0	\$0	61
62	Fuel Costs Allocated to Storage	\$0	\$0	\$0	\$0	62
63	Working Capital	\$0	\$0	\$0	\$0	63
64	Total Storage Var Non-product Costs	\$0	\$0	\$0	\$0	64
65	Storage Var Non-Product Collections	\$64,919	\$57,073	\$66,551	\$83,823	65
66	Prelim. Ending Balance	(\$1,053,239)	(\$1,112,913)	(\$1,182,227)	(\$1,268,883)	66
67	Month's Average Balance	(\$1,020,779)	(\$1,084,376)	(\$1,148,951)	(\$1,226,971)	67
68	Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	68
69	Interest Applied	(\$2,601)	(\$2,763)	(\$2,833)	(\$3,126)	69
70	Storage Var Non-Product Ending Bal.	(\$1,055,840)	(\$1,115,676)	(\$1,185,060)	(\$1,272,009)	70
<u>GCR Deferred Summary</u>						
71	Beginning Balance	(\$6,489,662)	(\$5,327,190)	(\$3,976,557)	(\$3,201,921)	71
72	Gas Costs	\$9,188,455	\$9,054,746	\$9,784,023	\$15,897,057	72
73	Working Capital	\$39,253	\$38,639	\$41,770	\$68,173	73
74	Total Costs	\$9,227,708	\$9,093,386	\$9,825,792	\$15,965,230	74
75	Collections	\$8,050,200	\$7,730,915	\$9,042,317	\$11,376,027	75
76	Prelim. Ending Balance	(\$5,312,155)	(\$3,964,719)	(\$3,193,082)	\$1,387,282	76
77	Month's Average Balance	(\$5,900,908)	(\$4,645,954)	(\$3,584,819)	(\$907,319)	77
78	Interest Rate (BOA Prime minus 200 bps)	3.00%	3.00%	3.00%	3.00%	78
79	Interest Applied	(\$15,035)	(\$11,838)	(\$8,839)	(\$2,312)	79
80	Gas Purchase Plan Incentives/(Penalties)	\$0	\$0	\$0	\$0	80
81	Ending Bal. W/ Interest	(\$5,327,190)	(\$3,976,557)	(\$3,201,921)	\$1,384,971	81
82	Under/(Over)-collection	\$1,177,508	\$1,362,471	\$783,475	\$4,589,203	82

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount</u> (c)	<u>Line No.</u>
1	Supply Fixed Costs (net of Cap Rel)	GLB 1	\$23,566,240	1
2	Capacity Release Revenue		\$0	2
3	Allowable Working Capital Costs	(1) - (2)	\$23,566,240	3
4	Number of Days Lag	Docket 3943	24.40	4
5	Working Capital Requirement	[(3) x (4)] / 365	\$1,575,387	5
6	Cost of Capital	Docket 3943	9.19%	6
7	Return on Working Capital Requirement	(5) x (6)	\$144,780	7
8	Weighted Cost of Debt	Docket 3943	3.70%	8
9	Interest Expense	(5) x (8)	\$58,344	9
10	Taxable Income	(7) - (9)	\$86,436	10
11	1 - Combined Tax Rate	Docket 3943	0.6500	11
12	Return and Tax Requirement	(10) / (11)	\$132,978	12
13	Supply Fixed Working Capital Requirement	(9) + (12)	\$191,322	13
14	Storage Fixed Costs	GLB 1	\$10,475,436	14
15	Less: LNG Demand to DAC		(\$556,470)	15
16	Less: Credits		\$0	16
17	Plus: Supply Related LNG O&M Costs		\$618,591	17
18	Allowable Working Capital Costs	(14)-(15)+(16)+(17)	\$10,537,558	18
19	Number of Days Lag	Docket 3943	24.40	19
20	Working Capital Requirement	[(18) x (19)] / 365	\$704,429	20
21	Cost of Capital	Docket 3943	9.19%	21
22	Return on Working Capital Requirement	(20) x (21)	\$64,738	22
23	Weighted Cost of Debt	Docket 3943	3.70%	23
24	Interest Expense	(20) x (23)	\$26,088	24
25	Taxable Income	(22) - (24)	\$38,650	25
26	1 - Combined Tax Rate	Docket 3943	0.6500	26
27	Return and Tax Requirement	(25) / (26)	\$59,461	27
28	Storage Fixed Working Capital Requirement	(24) + (27)	\$85,549	28

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount</u> (c)	<u>Line No.</u>
1	Supply Variable Costs	GLB 1	\$225,711,939	1
2	Credits		<u>\$2,581,723</u>	2
3	Allowable Working Capital Costs	(1) - (2)	\$223,130,216	3
4	Number of Days Lag	Docket 3943	24.40	4
5	Working Capital Requirement	[(3) x (4)] / 365	\$14,916,102	5
6	Cost of Capital	Docket 3943	<u>9.19%</u>	6
7	Return on Working Capital Requirement	(5) x (6)	\$1,370,806	7
8	Weighted Cost of Debt	Docket 3943	<u>3.70%</u>	8
9	Interest Expense	(5) x (8)	\$552,412	9
10	Taxable Income	(7) - (9)	\$818,394	10
11	1 - Combined Tax Rate	Rate Case	<u>0.6500</u>	11
12	Return and Tax Requirement	(10) / (11)	\$1,259,068	12
13	Supply Variable Working Capital Requirement	(9) + (12)	\$1,811,480	13
14	Storage Variable Product Costs	GLB 1	\$39,428,364	14
15	Less: Balancing Related LNG Commodity (to DAC)		(\$818,569)	15
16	Plus: Supply Related LNG O&M Costs		<u>\$430,129</u>	16
17	Allowable Working Capital Costs	(14) + (15) + (16)	\$39,039,923	17
18	Number of Days Lag	Docket 3943	24.40	18
19	Working Capital Requirement	[(17) * (18)] / 365	\$2,609,792	19
20	Cost of Capital	Docket 3943	<u>9.19%</u>	20
21	Return on Working Capital Requirement	(19) x (20)	\$239,843	21
22	Weighted Cost of Debt	Docket 3943	<u>3.70%</u>	22
23	Interest Expense	(19) x (22)	\$96,653	23
24	Taxable Income	(21) - (23)	\$143,190	24
25	1 - Combined Tax Rate	Rate Case	<u>0.6500</u>	25
26	Return and Tax Requirement	(24) / (25)	\$220,293	26
27	Storage Var. Product Working Capital Requir.	(23) + (26)	\$316,945	27

Gas Cost Recovery (GCR)
With Docket No. 3943 Factors and Proposal
Working Capital Calculation

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount</u> (c)	<u>Line No.</u>
1	Storage Variable Non-Product Costs	GLB 1	\$1,916,187	1
2	Credits		\$0	2
3	Allowable Working Capital Costs	(1) - (2)	\$1,916,187	3
4	Number of Days Lag	Docket 3943	24.40	4
5	Working Capital Requirement	[(3) x (4)] / 365	\$128,096	5
6	Cost of Capital	Docket 3943	9.19%	6
7	Return on Working Capital Requirement	(5) x (6)	\$11,772	7
8	Weighted Cost of Debt	Docket 3943	3.70%	8
9	Interest Expense	(5) x (8)	\$4,744	9
10	Taxable Income	(7) - (9)	\$7,028	10
11	1 - Combined Tax Rate	Docket 3943	0.6500	11
12	Return and Tax Requirement	(10) / (11)	\$10,813	12
13	Storage Variable Non-product WC Require.	(9) + (12)	\$15,557	13

Gas Cost Recovery (GCR)
With Docket No. 3943 Factors and Proposal
Inventory Finance Cost Calculation

Line No.	Description (a)	Reference (b)	Nov-08 (c)	Dec-08 (d)	Jan-09 (e)	Feb-09 (f)	Mar-09 (g)	Apr-09 (h)	May-09 (i)	Jun-09 (j)	Jul-09 (k)	Aug-09 (l)	Sep-09 (m)	Oct-09 (n)	Total (p)	Line No.
1	Storage Inventory Balance	GLB 2 pg 16	\$5,629,465	\$5,629,465	\$5,629,465	\$5,629,465	\$7,078,653	\$11,769,402	\$16,587,405	\$21,386,487	\$26,328,155	\$30,771,455	\$35,123,120	\$39,127,168		1
2	Cost of Capital	Docket 3943	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%		2
3	Return on Working Capital Requirement	(1) x (2)	\$517,354	\$517,354	\$517,354	\$517,354	\$650,536	\$1,081,621	\$1,524,401	\$1,965,442	\$2,419,587	\$2,827,931	\$3,227,854	\$3,595,831	\$19,362,620	3
4	Weighted Cost of Debt	Docket 3943	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%		4
5	Interest Charges Financed	(1) x (4)	\$208,485	\$208,485	\$208,485	\$208,485	\$262,155	\$435,875	\$614,308	\$792,040	\$975,053	\$1,139,609	\$1,300,771	\$1,449,060	\$7,802,813	5
6	Taxable Income	(3) - (5)	\$308,869	\$308,869	\$308,869	\$308,869	\$388,381	\$645,746	\$910,093	\$1,173,402	\$1,444,534	\$1,688,322	\$1,927,083	\$2,146,771		6
7	1 - Combined Tax Rate	Docket 3943	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500		7
8	Return and Tax Requirement	(6) / (7)	\$475,183	\$475,183	\$475,183	\$475,183	\$597,509	\$993,455	\$1,400,143	\$1,805,233	\$2,222,360	\$2,597,418	\$2,964,743	\$3,302,724	\$17,784,318	8
9	Working Capital Requirement	(5) + (8)	\$683,668	\$683,668	\$683,668	\$683,668	\$859,664	\$1,429,331	\$2,014,451	\$2,597,274	\$3,197,413	\$3,737,028	\$4,265,514	\$4,751,784	\$25,587,131	9
10	Monthly Average	(9) / 12	\$56,972	\$56,972	\$56,972	\$56,972	\$71,639	\$119,111	\$167,871	\$216,439	\$266,451	\$311,419	\$355,459	\$395,982	\$2,132,261	10
11	LNG Inventory Balance	GLB 2 pg 17	\$8,610,478	\$8,272,062	\$7,178,328	\$5,670,180	\$5,415,283	\$5,989,736	\$6,582,457	\$7,163,742	\$7,773,382	\$8,388,447	\$8,675,622	\$8,682,472		11
12	Cost of Capital	Docket 3943	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%	9.19%		12
13	Return on Working Capital Requirement	(11) x (12)	\$791,313	\$760,212	\$659,696	\$521,096	\$497,671	\$550,463	\$604,935	\$658,356	\$714,383	\$770,908	\$797,299	\$797,929	\$8,124,260	13
14	Weighted Cost of Debt	Docket 3943	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%		14
15	Interest Charges Financed	(11) x (14)	\$318,886	\$306,353	\$265,847	\$209,993	\$200,553	\$221,828	\$243,779	\$265,306	\$287,884	\$310,663	\$321,298	\$321,552	\$3,273,941	15
16	Taxable Income	(13) - (15)	\$472,427	\$453,859	\$393,850	\$311,103	\$297,118	\$328,636	\$361,156	\$393,049	\$426,498	\$460,245	\$476,001	\$476,377		16
17	1 - Combined Tax Rate	Docket 3943	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500		17
18	Return and Tax Requirement	(16) / (17)	\$726,810	\$698,245	\$605,923	\$478,620	\$457,104	\$505,594	\$555,625	\$604,691	\$656,151	\$708,069	\$732,309	\$732,887	\$7,462,029	18
19	Working Capital Requirement	(15) + (18)	\$1,045,696	\$1,004,597	\$871,769	\$688,613	\$657,657	\$727,421	\$799,404	\$869,998	\$944,035	\$1,018,732	\$1,053,608	\$1,054,440	\$10,735,970	19
20	Monthly Average	(19) / 12	\$87,141	\$83,716	\$72,647	\$57,384	\$54,805	\$60,618	\$66,617	\$72,500	\$78,670	\$84,894	\$87,801	\$87,870	\$894,664	20
21	System Balancing Factor	Docket 3943	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%		21
22	Balancing Related Inventory Costs	(20) x (21)	\$14,640	\$14,064	\$12,205	\$9,641	\$9,207	\$10,184	\$11,192	\$12,180	\$13,216	\$14,262	\$14,751	\$14,762	\$150,304	22
23	Supply Related Inventory Costs	(21) - (22)	\$72,502	\$69,652	\$60,443	\$47,744	\$45,598	\$50,435	\$55,425	\$60,320	\$65,453	\$70,632	\$73,050	\$73,108	\$744,361	23

Gas Cost Recovery (GCR)
With Docket No. 3943 Factors and Proposal
Forecasted Throughput (Dth)

Line No.	Rate Class (a)	Nov-08 (b)	Dec-08 (c)	Jan-09 (d)	Feb-09 (e)	Mar-09 (f)	Apr-09 (g)	May-09 (h)	Jun-09 (i)	Jul-09 (j)	Aug-09 (k)	Sep-09 (l)	Oct-09 (m)	Total Nov-Oct (o)	Line No.
1	SALES (dth)														1
2	Residential Non-Heating	46,372	56,687	64,564	60,105	57,950	55,372	49,800	44,033	36,650	30,092	34,613	33,466	569,703	2
3	Residential Heating	1,142,336	2,161,773	2,914,739	3,070,998	2,808,834	2,148,904	1,211,919	734,882	469,333	378,980	444,060	528,984	18,015,743	3
4	Small C&I	131,132	282,121	396,526	444,457	401,070	280,876	135,298	81,371	51,712	46,472	51,801	63,181	2,366,018	4
5	Medium C&I	268,394	472,365	619,681	671,008	618,530	460,648	279,414	185,397	122,539	111,145	127,788	150,757	4,087,667	5
6	Large LLF	91,605	169,793	209,138	232,216	215,097	140,996	84,686	38,956	25,178	18,855	23,437	40,125	1,290,082	6
7	Large HLF	39,231	48,942	54,171	50,012	52,677	48,279	38,190	35,790	28,262	22,706	32,740	32,166	483,166	7
8	Extra Large LLF	7,874	22,393	24,636	22,118	21,583	11,875	8,039	3,071	1,219	1,803	2,303	6,172	133,086	8
9	Extra Large HLF	22,991	23,490	23,745	28,677	25,765	26,264	23,255	18,702	18,472	23,167	17,762	20,614	272,903	9
10	Total Sales	1,749,934	3,237,563	4,307,201	4,579,592	4,201,508	3,173,214	1,830,600	1,142,202	753,365	633,220	734,503	875,466	27,218,367	10
11	FT-2 TRANSPORTATION														11
12	FT-2 Medium	35,318	55,521	77,418	75,928	74,002	58,092	40,443	29,827	21,960	18,443	21,389	21,920	530,260	12
13	FT-2 Large LLF	16,003	34,439	54,435	52,059	44,823	32,688	20,161	12,984	3,728	3,424	4,444	8,515	287,704	13
14	FT-2 Large HLF	6,453	8,926	10,155	8,445	10,479	8,460	7,213	6,145	4,855	4,340	6,129	5,414	87,013	14
15	FT-2 Extra Large LLF	1,735	2,607	3,722	2,667	1,456	753	90	24	6	6	7	957	14,031	15
16	FT-2 Extra Large HLF	544	2,322	1,648	2,218	2,038	1,910	1,393	993	893	811	934	1,336	17,040	16
17	Total Transportation	60,053	103,814	147,377	141,316	132,799	101,904	69,299	49,972	31,443	27,024	32,903	38,143	936,048	17
18	Sales & FT-2 THROUGHPUT														18
19	Residential Non-Heating	46,372	56,687	64,564	60,105	57,950	55,372	49,800	44,033	36,650	30,092	34,613	33,466	569,703	19
20	Residential Heating	1,142,336	2,161,773	2,914,739	3,070,998	2,808,834	2,148,904	1,211,919	734,882	469,333	378,980	444,060	528,984	18,015,743	20
21	Small C&I	131,132	282,121	396,526	444,457	401,070	280,876	135,298	81,371	51,712	46,472	51,801	63,181	2,366,018	21
22	Medium C&I	303,712	527,886	697,099	746,935	692,533	518,741	319,856	215,223	144,500	129,588	149,177	172,678	4,617,928	22
23	Large LLF	107,608	204,231	263,573	284,275	259,921	173,684	104,847	51,940	28,906	22,279	27,881	48,641	1,577,785	23
24	Large HLF	45,684	57,868	64,326	58,457	63,156	56,738	45,402	41,935	33,117	27,045	38,869	37,580	570,179	24
25	Extra Large LLF	9,609	25,000	28,358	24,785	23,039	12,629	8,129	3,095	1,226	1,810	2,309	7,129	147,117	25
26	Extra Large HLF	23,535	25,812	25,393	30,895	27,803	28,174	24,648	19,695	19,364	23,978	18,696	21,950	289,943	26
27	Total Throughput	1,809,987	3,341,377	4,454,578	4,720,908	4,334,306	3,275,117	1,899,899	1,192,174	784,808	660,245	767,406	913,609	28,154,415	27
28	FT-1 TRANSPORTATION														28
29	FT-1 Medium	62,593	103,742	91,696	100,390	83,737	55,538	32,113	28,661	21,618	21,065	26,819	31,520	659,492	29
30	FT-1 Large LLF	110,476	169,977	184,530	172,315	164,311	99,864	43,799	27,007	18,071	17,338	24,053	46,119	1,077,861	30
31	FT-1 Large HLF	43,592	45,360	43,504	46,133	49,882	39,937	36,236	38,929	29,900	30,746	33,276	26,727	464,221	31
32	FT-1 Extra Large LLF	91,632	139,238	170,985	169,585	154,078	100,128	56,768	32,333	28,528	29,989	31,050	55,225	1,059,540	32
33	FT-1 Extra Large HLF	380,058	410,726	449,955	431,337	442,530	405,570	360,300	338,079	346,006	357,328	369,273	367,053	4,658,215	33
34	Total Transportation	688,350	869,044	940,670	919,760	894,538	701,037	529,217	465,009	444,124	456,466	484,472	526,644	7,919,329	34
35	Total THROUGHPUT														35
36	Residential Non-Heating	46,372	56,687	64,564	60,105	57,950	55,372	49,800	44,033	36,650	30,092	34,613	33,466	569,703	36
37	Residential Heating	1,142,336	2,161,773	2,914,739	3,070,998	2,808,834	2,148,904	1,211,919	734,882	469,333	378,980	444,060	528,984	18,015,743	37
38	Small C&I	131,132	282,121	396,526	444,457	401,070	280,876	135,298	81,371	51,712	46,472	51,801	63,181	2,366,018	38
39	Medium C&I	366,305	631,629	788,795	847,326	776,269	574,278	351,970	243,885	166,117	150,652	175,996	204,197	5,277,419	39
40	Large LLF	218,084	374,209	448,103	456,590	424,232	273,548	148,646	78,946	46,977	39,617	51,935	94,760	2,655,646	40
41	Large HLF	89,276	103,228	107,830	104,590	113,038	96,675	81,639	80,864	63,018	57,791	72,145	64,307	1,034,400	41
42	Extra Large LLF	101,241	164,238	199,344	194,370	177,116	112,756	64,897	35,429	29,754	31,799	33,359	62,354	1,206,657	42
43	Extra Large HLF	403,593	436,538	475,348	462,232	470,334	433,744	384,949	357,774	365,370	381,306	387,969	389,003	4,948,158	43
44	Total Throughput	2,498,337	4,210,421	5,395,248	5,640,668	5,228,844	3,976,154	2,429,116	1,657,183	1,228,932	1,116,710	1,251,878	1,440,252	36,073,744	44

Gas Cost Recovery (GCR)
With Docket No. 3943 Factors and Proposal
Design Winter Period Throughput (Dth)

Line No.	Rate Class (a)	Nov-08 (b)	Dec-08 (c)	Jan-09 (d)	Feb-09 (e)	Mar-09 (f)	Total (h)	% (i)	Line No.
1	<u>SALES (dth)</u>								1
2	Residential Non-Heating	46,372	58,250	72,994	64,276	64,050	305,942	1.49%	2
3	Residential Heating	1,142,336	2,289,716	3,594,591	3,453,404	3,354,765	13,834,811	67.20%	3
4	Small C&I	131,132	299,292	491,413	501,383	481,389	1,904,609	9.25%	4
5	Medium C&I	268,394	497,928	754,608	750,283	731,485	3,002,699	14.58%	5
6	Large LLF	91,605	180,660	259,794	262,663	259,434	1,054,154	5.12%	6
7	Large HLF	39,231	50,456	61,414	53,524	58,758	263,383	1.28%	7
8	Extra Large LLF	7,874	22,393	24,636	22,118	21,583	98,603	0.48%	8
9	Extra Large HLF	22,991	23,490	23,745	28,677	25,765	124,667	0.61%	9
10	Total Sales	1,749,934	3,422,185	5,283,194	5,136,327	4,997,229	20,588,869	100.00%	10
11	<u>FT-2 TRANSPORTATION</u>								11
12	FT-2 Medium	35,318	57,993	92,782	84,077	86,285	356,455		12
13	FT-2 Large LLF	16,003	36,780	68,621	59,070	54,482	234,957		13
14	FT-2 Large HLF	6,453	9,146	11,301	8,910	11,607	47,417		14
15	FT-2 Extra Large LLF	1,735	2,607	3,722	2,667	1,456	12,187		15
16	FT-2 Extra Large HLF	544	2,322	1,648	2,218	2,038	8,770		16
17	Total Transportation	60,053	108,848	178,075	156,942	155,868	659,786		17
18	<u>Sales & FT-2 THROUGHPUT</u>								18
19	Residential Non-Heating	46,372	58,250	72,994	64,276	64,050	305,942	1.44%	19
20	Residential Heating	1,142,336	2,289,716	3,594,591	3,453,404	3,354,765	13,834,811	65.11%	20
21	Small C&I	131,132	299,292	491,413	501,383	481,389	1,904,609	8.96%	21
22	Medium C&I	303,712	555,922	847,390	834,360	817,770	3,359,154	15.81%	22
23	Large LLF	107,608	217,440	328,414	321,733	313,916	1,289,111	6.07%	23
24	Large HLF	45,684	59,601	72,716	62,434	70,365	310,800	1.46%	24
25	Extra Large LLF	9,609	25,000	28,358	24,785	23,039	110,790	0.52%	25
26	Extra Large HLF	23,535	25,812	25,393	30,895	27,803	133,438	0.63%	26
27	Total Throughput	1,809,987	3,531,033	5,461,269	5,293,269	5,153,097	21,248,655	100.00%	27

Gas Cost Recovery (GCR)
With Docket No. 3943 Factors and Proposal

Summary of Marketer Transportation Factors

Item	Reference	Proposed	Billing Units
FT-2 Firm Transportation Marketer Gas Charge	pg 15	\$0.0458	Therms throughput of Marketer Pool
Pool Balancing Charge	pg 16	\$0.0025	Per % of balancing elected per Therm throughput of Marketer Pool
Weighted Average Upstream Pipeline Transportation Cost	GLB - 5	\$0.1043	Per Therm of capacity

Calculation of FT-2 Marketer Gas Charge

I. Determination of FT-2 Storage Fixed Cost Factor

1	Allocated Storage Fixed Costs	reference	
2	C & I Medium	PCC 7, pg 3	\$1,543,068
3	C & I Large LLF	PCC 7, pg 3	\$592,169
4	C & I Large HLF	PCC 7, pg 3	\$142,770
5	C & I Extra Large LLF	PCC 7, pg 3	\$50,893
6	C & I Extra Large HLF	PCC 7, pg 3	<u>\$61,296</u>
7	sub-total	sum ([1]:[6])	\$2,390,195
8	Through-put (dth)	PCC 7, pg 12	7,202,951
9	Storage Fixed Factor	[7] / [8]	\$0.3318
II. Storage Variable Cost Factor		PCC 7, pg 1	\$0.1151
TOTAL FT-2 Gas Marketer Charge (per Dth)			\$0.4469
	Uncollectible %	Dkt 3943	2.46%
TOTAL FT-2 Gas Marketer Charge adj for uncollectible (\$/dth)			\$0.4582

Gas Cost Recovery (GCR)
With Docket No. 3943 Factors and Proposal

Calculation of Pool Balancing Charge

	reference	Medium C&I	Large LLF	Large HLF	Extra Large LLF	Extra Large HLF	Total	
1	Throughput (dth)	PCC - 7, pg 12	4,617,928	1,577,785	570,179	147,117	289,943	7,202,951
2	% allocation		64.11%	21.90%	7.92%	2.04%	4.03%	100.00%
3	Supply Fixed Cost Factor	PCC - 7, pg 1	\$0.8054	\$0.8054	\$0.5487	\$0.8054	\$0.5487	
4	Storage Fixed Cost Factor	PCC - 7, pg 1	\$0.3523	\$0.3523	\$0.2410	\$0.3523	\$0.2410	
5	Storage Variable Cost Factor	PCC - 7, pg 1	\$1.3497	\$1.3497	\$1.3497	\$1.3497	\$1.3497	
6	Class Specific Pool Balancing Charge	$([3]+[4]+[5]) \times 1\%$	\$0.0251	\$0.0251	\$0.0214	\$0.0251	\$0.0214	
7	Class Specific Weighted Average (\$/dth)	$[6] \times [2]$	\$0.0161	\$0.0055	\$0.0017	\$0.0005	\$0.0009	\$0.0246
8	Uncollectible %	Docket 3943	2.46%	2.46%	2.46%	2.46%	2.46%	
9	Pool Balancing Charge adjusted for Uncollectible	$([7] / (1-[8]))$	\$0.0165	\$0.0056	\$0.0017	\$0.0005	\$0.0009	\$0.0252
10	Per Therm Pool Balancing Charge	$[9] / 10$						\$0.0025

DIRECT TESTIMONY

OF

GARY L. BELAND

September 2, 2008

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I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Gary L. Beland. My business address is 280 Melrose St, Providence,
3 Rhode Island 02907.

4 **Q. WHAT IS YOUR POSITION AND RESPONSIBILITIES?**

5 A. I am Manager of Gas Supply Regulatory for National Grid (Company). My
6 responsibilities include various projects and filings concerning gas supply regulatory
7 matters.

8 **Q. WHAT IS YOUR BACKGROUND AND EXPERIENCE?**

9 A. I began my career in the natural gas industry in June 1977 as an analyst in the Rates and
10 Regulatory Affairs Department of Michigan Consolidated Gas (“MichCon”) after
11 receiving a Masters of Business Administration from the State University of New York
12 in Albany. At MichCon, I worked on a variety of projects and studies including
13 pipeline rate filings, state rate cases, demand modeling, gas-supply cost simulations,
14 conservation planning and strategic analyses.

15 In 1983, I was hired by Niagara Mohawk as a Corporate Planner. In that position, I was
16 responsible for strategic analysis and a variety of projects including integrated resource

1 planning, pipeline regulatory monitoring and intervention, both end-use based and
2 econometric electric and gas-demand forecasting, fuel-cost forecasting and modeling
3 and gas market unbundling. In 1987, I joined the newly formed gas business unit as
4 Manager of Gas Supply Planning. While I was at Niagara Mohawk, I was involved in
5 the Forecasting and Planning Sub-Committee of the New York Power Pool and the
6 Planning Committee of the New York Gas Group, serving as Chairman at the time I left
7 to join the Providence Gas Company (“ProvGas”) in 1994.

8 I joined ProvGas in 1994 as the Manager of Gas Supply. In 1997, I became Assistant
9 Vice President. After the merger with Southern Union Company, I was named Director
10 of Gas Supply for the New England Division. From 1997 to 1999 I served on the
11 Executive Committee of the Gas Industries Standards Board.

12 I have testified in several dockets before the Federal Energy Regulatory Commission.
13 I have also testified before the New York Public Service Commission on gas and
14 electric market forecasts and a gas-cost incentive mechanism. In Rhode Island, I have
15 testified before this Commission on numerous gas supply issues over the last 14 years.

16 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

17 A. My testimony provides support for the estimated gas costs, forecasting methodology,
18 assignments of pipeline capacity to marketers and other issues relating to the
19 Company’s proposed Gas Cost Recovery (“GCR”) factors. My testimony also presents

1 the results of the Gas Procurement Incentive Plan (“GPIP”) and the Asset Management
2 Incentive Plan (“AMIP”).

3 **Q. ARE YOU SPONSORING ATTACHMENTS TO YOUR TESTIMONY?**

4 A. Yes. I am sponsoring the following attachments:

5	GLB-1	Summary of Projected Gas Costs
6	GLB-2	Gas Cost Details - CONFIDENTIAL Information Redacted
7	GLB-3	Comparison of Locked Prices and NYMEX Strip
8	GLB-4	Locked Price Gas Supplies
9	GLB-5	Assignment of Pipeline Capacity – CONFIDENTIAL
10		Information Redacted
11	GLB-6	FT-2 Operational Parameters
12	GLB-7	Default Transportation Service
13	GLB-8	Gas Purchase Incentive Plan Description
14	GLB-9	Gas Procurement Incentive Plan Results for July 1, 2007 to
15		June 30, 2008
16	GLB-10	Update of Forecasted purchases for Incentive Plan
17	GLB-11	Asset Management Incentive Results
18	GLB-12	Asset Management Discussion – CONFIDENTIAL
19		Information Redacted

II. PROJECTED GAS COSTS

20 **Q. WHAT COMMODITY PRICES WERE USED TO DEVELOP THE PROPOSED**
21 **GCR FACTORS?**

22 A. In terms of commodity prices, the proposed GCR factors are based on (1) commodity
23 prices locked-in under the GPIP, as of July 31, 2008 through forward purchases; (2) the
24 NYMEX strip as of the close of trading on August 18, 2008 for non-locked purchases;
25 and (3) the difference between the futures contract purchases under the GPIP Plan as of

1 July 31, 2008 and the August 18, 2008 NYMEX strip. The GCR factors also reflect
2 storage and inventory costs as of April 1, 2008, as well as the projected cost of
3 purchasing gas ratably through the summer, directly imitating storage injections, as
4 provided for in the contract with Merrill Lynch, the Company's asset manager.
5 Attachment GLB-1 provides a summary of gas costs by major cost categories.
6 Attachment GLB-2 shows the details of the calculations including the cost detail by
7 supply source for both forward purchases under the GPIIP and the cost impact of
8 financial hedges as well as the cost of supplies not locked in price.

9 **Q. HOW IS GAS PURCHASING CONDUCTED UNDER THE GPIIP?**

10 A. Under the GPIIP gas prices are systematically locked in over a 24-month horizon with
11 the objective of stabilizing prices and protecting customers from the impacts of large
12 price swings that may occur as a result of unusually cold winter weather, exceptionally
13 hot summer weather, or as a result of unusual events such as hurricanes or energy
14 supply disruptions. Prior to July 1, 2007, the Company implemented the locking of the
15 NYMEX (commodity) portion of gas prices by systematically purchasing physical gas
16 supplies at prevailing futures prices for delivery in future months. Beginning July 1,
17 2007, the Company began to implement the GPIIP hedging through the purchasing of
18 futures contracts for gas supply, effectively separating the purchasing of gas supply
19 from the price hedging function.

1 Purchases, whether supply purchases or futures contract purchases, are made in a
2 structured series of monthly increments so that the ultimate cost of gas under the GPIIP
3 is the product of a range of gas purchases made over a 24-month time period. The
4 effectiveness of the GPIIP results primarily from a “dollar cost-averaging approach,”
5 which takes a longer-term market vision, and therefore, helps to ensure that gas prices
6 charged to customers are less susceptible to short-term market events having the
7 potential to generate substantial price swings. In addition to the systematic purchasing
8 required by the GPIIP, the Company has the ability to make limited discretionary
9 purchases to help stabilize prices for customers.

10 **Q. OVERALL, WHAT ARE THE PRICES AND QUANTITIES OF GAS**
11 **PURCHASED UNDER THE PLAN?**

12 A. Attachment GLB-3 shows a comparison of the NYMEX prices for the next GCR period
13 as of August 18, 2008, the date of the NYMEX prices used in this filing, and the
14 average unit cost of gas purchased under the GPIIP. Attachment GLB-4 shows the
15 quantities of gas supply and futures contracts purchased under the GPIIP for each future
16 month, the average unit price of those quantities and the percentage of projected
17 purchases at locked-in prices as of July 31, 2008.

18 **Q. WHAT MAJOR CHANGES HAVE OCCURRED IN THE SUPPLY OF**
19 **NATURAL GAS?**

1 A. Since the Company's May 23, 2008 filing, prices for natural gas have dropped
2 significantly. The market has begun to recognize that domestic gas production is
3 continuing to increase, extending the improvement begun last year. In the Gulf of
4 Mexico, an area where a longer term decline had been accelerated by the production
5 losses caused by hurricanes Katrina and Rita in 2005, there are new supplies coming on
6 though production is still below historical levels. There has been considerable success
7 in the Rocky Mountain Basin and these supplies are expected to become more available
8 when the new Rockies Express pipeline is extended to Ohio in 2009. The best success
9 has been in production from shale formations with the most prolific, the Barnett Shale
10 in Texas, reaching a production level of 3.5 Bcf per day. In addition a number of other
11 shale areas are in development as new drilling technology has made previously
12 uneconomic formations profitable. It is expected that the record level of drilling will
13 continue.

14 It is also expected, though, that the significant decline in LNG imports that helped cause
15 the recent price spike will also continue. LNG supplies increased to their highest levels
16 during the spring and summer of 2007 but supplies have dropped well below prior year
17 levels since early in 2008. Prices for LNG supplies more in line with oil in Europe and
18 East Asia have caused the LNG cargoes to be delivered there instead. Canadian
19 supplies have also declined somewhat as a result of reduced drilling and increasing
20 demand for gas to enhance oil production in the Alberta oil shale fields. Oil prices are
21 still at levels significantly above natural gas on a Btu equivalent basis and, over time,

1 the higher prices can be expected to pull both natural gas prices and drilling costs
2 higher, if oil prices do not decline farther.

3 **Q. HOW ARE GAS COSTS CALCULATED?**

4 A. As described in prior filings, projected gas costs are calculated using the SENDOUT
5 model to perform a dispatch optimization of the entire Rhode Island portfolio of gas
6 supply, pipeline transportation, underground storage and peaking supplies. The model
7 uses commodity price, pipeline contract and storage information to determine the
8 dispatch of supplies to minimize the cost of supply over the year. The pricing of
9 various pipeline services is based directly on the pipeline tariffs and the prices in effect
10 August 18, 2008. When the Company purchases supply at locations other than the
11 Henry Hub, it uses the historical differential to the Henry Hub prices to determine the
12 expected difference or “basis.” Applying the basis to the NYMEX pricing creates a
13 reasonable estimate of the expected invoice cost of the supply. In forecasting future
14 supply costs, the Company uses the average basis over the last three years. To the
15 extent the Company has purchased physical supply under the GPIP, those supplies are
16 included in the cost estimate. To the extent the Company has purchased gas futures, the
17 difference between the cost of the futures and the August 18, 2008 futures prices has
18 also been reflected in gas costs.

19 **Q. HOW DID THE COMPANY CATEGORIZE THE PROJECTED GAS COST**
20 **COMPONENTS?**

1 A. Gas costs are disaggregated into five components: (1) Supply Fixed Costs; (2) Storage
2 Fixed Costs; (3) Supply Variable Costs; (4) Storage Variable Product Costs; and (5)
3 Storage Variable Non-Product Costs.

4 The Supply Fixed Cost component includes all fixed costs related to the purchase of
5 firm gas, including pipeline demand charges and supplier (fixed) reservation costs.

6 The Storage Fixed Cost component includes all fixed costs related to the operation and
7 maintenance of storage including fixed storage demand charges, fixed costs associated
8 with delivery of storage gas to the Company's distribution system and local production
9 and storage costs.

10 The Supply Variable Cost component includes all variable costs of firm gas supplies,
11 including the commodity costs and expenses incurred to transport gas. Commodity
12 costs included in the Supply Variable Cost component reflect the sum of purchases
13 made under the Gas Purchasing Program and projections of gas costs based on the
14 NYMEX prices of wellhead futures contracts as of the close of regular trading on
15 August 18, 2008 and the basis differentials between the point of purchase and Henry
16 Hub.

17 The Storage Variable Product Cost component includes all variable costs related to the
18 operation, maintenance and delivery of storage gas, including storage injection and
19 withdrawal costs, delivery of storage gas to the Company's distribution system and the
20 cost of LNG supplies. A summary of gas costs included in the GCR and disaggregated

1 into these cost components by month for the period November 2008 through October
2 2009 is shown on Attachment GLB-1.

3 The Storage Variable Non-Product Cost component includes all variable costs related to
4 the operations, maintenance and delivery of storage, as determined in the most recent
5 rate case proceeding, (Docket No. 3401) injection and withdrawal costs, taxes on
6 storage, delivery of storage gas to the Company's Distribution System, and
7 requirements for storage gas working capital.

8 **Q. PLEASE DESCRIBE ATTACHMENT GLB-2, PAGES 1 THROUGH 17.**

9 **A.** Attachment GLB-2 shows the supporting detail for gas costs included in the filing for
10 the period November 2008 through October 2009. The first two pages show the
11 optimized, forecasted sendout by supply source from the Sendout model and the
12 detailed makeup of supply by pipeline source, storage contract and peaking facility.
13 The next section, pages 3 through 6, show the calculation of the full commodity cost,
14 the dispatch cost, for each unit delivered for each pipeline path based on the August
15 18th NYMEX strip. Pages 7 through 10 show the calculation of the delivered cost for
16 each path (the cost times the quantity) and the breakdown into locked and market priced
17 supplies. Pages 11 through 15 show the detailed calculation of fixed costs including the
18 unit rates, the billing quantities and the projected total invoice cost. All known changes
19 to pipeline demand costs have been included.

1 The cost details for LNG are shown on page 16, while the costs for gas injected into and
2 withdrawn from pipeline storage are shown on page 17. Note that the Merrill Lynch
3 asset management contract provides that Merrill Lynch will carry most of the storage
4 inventory on its books. The price the Company will be paying will exactly mimic all
5 storage related costs, including the various injection and withdrawal related charges
6 shown in GLB-2. Thus, the costs in this filing include all such charges except the
7 carrying charges. Charges for the Distrigas contracts and credits for the asset
8 management arrangement with Merrill Lynch have been redacted in the public version
9 of the filing in order to comply with the confidentiality terms of the contracts.

10 **Q. HOW DO YOU CALCULATE THE DELIVERED COST FOR A PARTICULAR**
11 **GAS SUPPLY?**

12 A. On Attachment GLB-2, page 3, the first supply source shown is gas purchased on
13 Tennessee Pipeline in Zone 0, located in South Texas. The calculation for November
14 begins with the \$8.381 NYMEX price which is then adjusted for basis by, in this case,
15 subtracting \$0.571. This reflects the fact that, on average, gas supply in South Texas
16 delivered into Tennessee Pipeline has been priced 57.1 cents below the NYMEX Henry
17 Hub, Louisiana over the past three years. Next the price is adjusted to reflect the fuel
18 retainage percentage of the pipeline, 8.71%, to bring the price to \$8.555. That
19 adjustment is made by dividing the price by one minus the loss factor, .9129, effectively
20 adjusting the commodity price to incorporate the fact that only 91.29% of the supply

1 delivered to the pipeline in South Texas will be delivered to Rhode Island. The
2 remainder will compensate the pipeline for the compressor fuel used to move the supply
3 to our city gate and allowed losses. The pipeline usage fee of 16.27 cents is then added
4 to cover the O&M cost of transportation on the pipeline, resulting in a delivered cost of
5 \$8.7179 per Dth.

6 The calculation of the delivered cost for the Tennessee Zone 0 supply where the rate
7 calculated on page 3 is applied to any volumes not locked in price. The first pipeline
8 path on GLB-2, page 7 is Tennessee Zone 0. The first line shows the total delivered
9 amount of Tennessee Zone 0 gas dispatched by the Sendout Model analysis. The
10 locked portion is subtracted leaving the amount to be priced at the NYMEX based price
11 calculated on page 3. Multiplying the rate times the amount yields the total delivered
12 cost.

III. MARKETER CAPACITY ASSIGNMENT

Q. HOW IS PIPELINE CAPACITY ASSIGNED TO MARKETERS?

13 A. At the time a sales service customer switches to transportation service, the portion of
14 the Company's interstate pipeline transportation capacity under contract to meet the
15 customer's requirements are assigned to the marketer. Pursuant to Item 1.07.0 of the
16 Company's Transportation Terms and Conditions, entitled "Capacity Release," a pro
17 rata share of upstream pipeline capacity is assigned to marketers serving customers who
18

1 convert to firm transportation service after October 1, 1997. The pro rata share equals
2 the ratio of the customer's average normalized winter day usage to the average
3 normalized winter day usage for the system as a whole. This share is multiplied by the
4 amount of pipeline capacity in the Company's portfolio to determine the amount of
5 capacity to be assigned.

6 The Company's tariff utilizes a path-specific assignment approach that allows
7 marketers to select the path or paths upon which they prefer to acquire capacity. In
8 order to reflect the differing values of various paths, Item 1.07.0 provides:

9 The Company shall assess a surcharge/credit to marketers based on the
10 difference between the charges of the upstream pipeline transportation
11 capacity and the weighted average of the Company's upstream pipeline
12 transportation capacity charges as calculated by the Company. To the
13 extent that the charges of such released pipeline capacity are greater than
14 the weighted average charges, the marketer shall receive credit for such
15 difference in charges based on the total quantity of capacity released by the
16 Company to the Marketer.

17 The weighted average charge and the surcharge/credit charges applicable to individual
18 pipeline paths selected by the marketer are updated at Attachment GLB-5 of this filing.

19 **Q. WHAT AMOUNT OF PIPELINE CAPACITY WILL BE ASSIGNED TO**
20 **MARKETERS?**

21 A. The amount of capacity assigned to marketers is a direct function of the amount of
22 capacity in the Company's resource portfolio. The supply portfolio allows for a
23 pipeline assignment equal to 122.1% of each customer's normal average winter day's

1 usage. Use of the updated pipeline assignment factor will commence on November 1,
2 2008.

3 **Q. WHAT TRANSPORTATION PATHS WILL BE AVAILABLE FOR**
4 **ASSIGNMENT TO MARKETERS?**

5 A. Attachment GLB-5, page 1 shows the paths and corresponding quantities available for
6 assignment to marketers. In total, the Company has made available 25,258 Dth per day
7 of capacity on six different pipeline paths, which is unchanged from last year. The
8 capacity provides marketers with the flexibility to select paths that best fit their
9 individual resource portfolios and requirements. In the event an individual path is over-
10 subscribed, the Company will assign capacity on a pro rata basis.

11 **Q. PLEASE EXPLAIN THE SURCHARGE/CREDIT CALCULATION FOR EACH**
12 **ASSIGNED PIPELINE PATH?**

13 A. The first step in calculating the adjustment charge for each path is calculating the
14 system-average cost. The derivation of the weighted-average pipeline path cost of
15 \$1.043 per Dth is shown at Attachment GLB-5, Page 10. This cost is equal to the sum
16 of the 100% load factor fixed-cost unit value and the system-average unit variable cost.
17 The fixed costs are similar to reservation charges, which reserve space on the pipeline
18 and ensure that there is a path available to transport gas to the Rhode Island area. The
19 100% load factor fixed-cost unit value is \$.5917 per Dth. The variable costs include the
20 pipeline compressor fuel loss and the usage fees on the pipelines. The compressor fuel

1 loss is the amount of gas retained by the pipeline to provide fuel to operate its
2 compressors. The system-average pipeline unit variable cost is \$0.4514 per Dth. Thus,
3 the sum of the \$0.5917 (100% load factor) unit fixed-cost and \$0.4514 system-average
4 pipeline unit variable cost results in the \$1.043 per Dth weighted average pipeline cost.

5 **Q. HOW ARE THE DELIVERED COSTS FOR EACH PATH DEVELOPED?**

6 A. The calculations to develop the delivered cost for each path are similar to those
7 described for the system average. For illustration, the calculation for the first path
8 (Tennessee Zone 1, shown on Attachment GLB-5, page 6) would be comprised of a
9 single contract originating in Zone 1 and terminating in Zone 6. Total fixed costs of
10 \$1,090,800 and total variable costs of \$20,876,163 are shown near the bottom, right of
11 page 6 of GLB-5. Commodity gas costs of \$19,192,086 priced at the August 18, 2008
12 NYMEX prices used in this filing are subtracted from the variable costs to arrive at the
13 non-gas variable costs, which include pipeline charges and any basis differential
14 associated with the path. The cost of the path equals the sum of the fixed unit cost of
15 \$0.498 per Dth at 100% load factor plus the non-gas variable unit cost of \$0.769 per
16 Dth, or \$1.267 per Dth. The unit cost of \$1.267 per Dth represents the direct costs
17 incurred by the marketer, which are paid to the transporter or other provider. Since
18 these costs are \$0.323 per Dth more than the system-average, marketers electing this
19 path would be credited \$0.323 per Dth per day each month on their bill from the

1 Company. A summary of the individual path costs and associated credits or surcharges,
2 for which approval is sought, is shown on Page 1 of Schedule GLB-5.

IV. GPIIP AND AMIP CALCULATIONS AND PROPOSED CHANGES

3 **Q. PLEASE DESCRIBE THE INCENTIVE PORTION OF THE GAS**
4 **PROCUREMENT AND ASSET MANAGEMENT INCENTIVE PLAN?**

5 A. The GPIIP encourages the Company to purchase supply in a way designed to stabilize
6 prices and reduce the risk that commodity costs will escalate dramatically. The asset
7 management incentive, AMIP, rewards the Company for achieving savings in fixed
8 costs. A description of the GPIIP and AMIP is provided in Attachment GLB-8.

9 The gas procurement portion of the GPIIP is based on the Company's gas purchasing
10 program under which the Company locks in the pricing of commodity purchases
11 through purchases or financial hedges over a 24-month horizon. The minimum amount
12 locked in price or financially hedged is 60% of the expected purchases for April and
13 October, and 70% for all other months. These mandatory hedges are required to be
14 made ratably over the period beginning 24 months prior to the start of each month and
15 ending four months before the month begins. These mandatory hedges also form the
16 benchmark for the incentive calculation. For each month, the average unit cost of the
17 mandatory hedges is compared to the average unit cost of discretionary purchases to
18 determine the savings or loss per dekatherm resulting from the discretionary purchases.

1 This difference, multiplied by the discretionary volumes, determines the total savings or
2 cost. To determine the incentive or penalty for the month, this total is multiplied by
3 10%, unless the unit cost savings is greater than 50 cents per dekatherm, in which case
4 the incentive is 20%.

5 The AMIP is based on the total fixed portfolio costs during the year reduced by any
6 revenue received for capacity release, asset management fees, or off-system sales
7 margins. The asset management incentive is based on the positive difference between
8 the net fixed costs (costs less any revenue credits) included and approved in the
9 Company's annual September GCR filing and actual net fixed costs. The incentive to
10 the Company is 20% of the savings if actual gas procurement costs for the supply year
11 are below the cost projected in the September GCR filing and 10% if procurement costs
12 are above the projected costs.

13 **Q. WHAT IS THE RESULT OF THE GAS PROCUREMENT INCENTIVE FOR**
14 **THE PAST YEAR?**

15 A. Attachment GLB-9 shows the results for the period July 1, 2007 to June 30, 2008 by
16 month. As shown, the Company purchased discretionary supply of 3,176,542 Dth
17 during the period resulting in a net incentive of \$950,502. The average cost of
18 discretionary purchases was \$1.501 per Dth less than the mandatory locks.

19 The calculation of the savings and incentive is shown for each month. For example, in
20 July the average purchase cost per Dth for mandatory purchases was \$8.346 and

1 discretionary purchases averaged \$7.815, which equates to a savings of \$.53 per Dth on
2 discretionary purchases of 51,228 Dth, resulting in a savings for the month of \$51,228.

3 **Q. IS THE COMPANY UPDATING THE FORECAST OF PURCHASES USED IN**
4 **THE GPIIP?**

5 A. Yes. Attachment GLB-10 shows the latest projection of purchases. Also GLB-4, Page
6 2 shows the locks as of July 31, 2008 as a percent of the new forecasted purchase levels.

7 **Q. WHAT IS THE RESULT OF THE AMIP FOR THIS YEAR?**

8 A. The asset management incentive results for the period July 1, 2007 to June 30, 2008 are
9 shown on Attachment GLB-11. The overall result for the year was a reduction in fixed
10 costs of \$610,153, resulting in an asset management incentive of \$61,015. Further
11 discussion of the asset management incentive is shown in Attachment GLB-12.
12 Commodity costs this year were higher than those approved in last year's filing,
13 resulting in an incentive award equal to 10% of savings.

14 **Q. WHAT IS INCLUDED IN THE CALCULATION OF THE FIXED COSTS IN**
15 **THIS FILING THAT WILL CONSTITUTE THE FUTURE ASSET**
16 **MANAGEMENT BENCHMARK?**

17 A. The majority of fixed costs are associated with long term contracts for pipeline
18 transportation storage and supplier fees that are either approved by the Federal Energy
19 Regulatory Commission or explicitly defined by long term contracts. All known

1 changes to those costs have been included in this filing. Also included is the asset
2 management fee currently being received under the asset management arrangement with
3 Merrill Lynch covering the November 2008 to March 2009 period. It is also assumed
4 that the fixed costs will be reduced by the same amount during the April 30 to October
5 31, 2009 period.

V. **MISCELLANEOUS ISSUES**

6 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE OPERATIONAL**
7 **PARAMETERS ASSOCIATED WITH STORAGE AND PEAKING**
8 **RESOURCES ASSIGNED TO MARKETERS?**

9 A. Yes. While there have been only minor changes to the underlying underground storage
10 and peaking contracts that provide the Company's storage and peaking resources, the
11 recent changes to the portfolio have shifted the way storage is utilized. The Company
12 proposes to increase the minimum inventory levels for December 1, January 1, and
13 February 1 by 2% and reduce the minimum inventory levels for March 1 and April 1.
14 These changes effectively increase the storage availability in the mid-winter months.
15 Other than these minor changes, the operational parameters that govern a marketer's use
16 of resources assigned under the FT-2 service are the same as were in effect last year.
17 Attachment GLB-6 details those parameters.

1 **Q. ARE THERE ANY CHANGES TO THE DEFAULT TRANSPORTATION**
2 **SERVICE?**

3 A. No. The default service pricing is shown in GLB-7.

4 **Q. HAVE THERE BEEN ANY CHANGES TO THE COMPANY'S PIPELINE**
5 **CAPACITY?**

6 A. No. The company's next capacity change will occur November 1, 2009 or later with
7 the addition of new Algonquin pipeline capacity from their East to West Project being
8 added to serve a number of constrained areas. That capacity addition is fully described
9 in the Company's Long Range Plan filing.

10 **Q. ARE THERE ANY OTHER CONTRACT CHANGES AFFECTING THE**
11 **SUPPLY PORTFOLIO AND GAS COSTS?**

12 A. Yes. There are two significant changes, (1) the new supply and asset management
13 contract with Merrill Lynch mentioned above and (2) the existing LNG liquid supply
14 contract with Distrigas of Massachusetts which ends October 31, 2008. The Company
15 is working on the parameters for a new LNG liquid contract.

16 The Merrill Lynch asset management contract is very similar to the previous
17 ConocoPhillips asset management arrangement which it replaced beginning April 1,
18 2008. It provides for a much higher asset management fee and, as an additional benefit

1 to customers, it provides that Merrill Lynch will carry most of the storage inventory
2 previously carried by the Company. The change in the way inventory is handled
3 compared to the prior asset management agreement is the result of changes to the asset
4 management structure to make it conform to recent rulings by the Federal Energy
5 Regulatory Commission. The contract was the result of a competitive bid process
6 requesting asset management and supply services covering the period from April 1,
7 2008 to March 31, 2009. In this filing the Company has assumed that the asset
8 management fee or a comparable benefit from capacity release and asset optimization
9 will continue at the same rate.

10 The Company's LNG liquid supply contract with Distrigas which has been in place for
11 the last 5 years will expire October 31, 2008. Recent experience indicates that pricing
12 for such contracts has increased significantly since 2003 when the current contract was
13 negotiated. The pricing for the new contract has been projected based on more recent
14 comparable contracts negotiated by other National Grid subsidiaries, but until the
15 Company actually receives a price quote from Distrigas, the actual cost of this supply
16 will remain uncertain. Because it is clear that the Company needs an additional supply
17 of LNG liquid over and above what is available under its firm combination service
18 contract with Distrigas, this filing reflects replacement of the contract but at a reduced
19 volume. The Company is still in the process of determining the appropriate level of
20 LNG liquid that it should contract for. For the purposes of this filing, the Company has
21 reduced the annual contract quantity by 31%, while leaving the daily contract quantity

1 unchanged. When the Company completes its analysis and certain outstanding issues in
2 the Long Range Plan docket are resolved, the Company will approach Distrigas to
3 obtain a new LNG supply contract.

4 **Q. HAS THE COMPANY PROJECTED USE OF LNG FOR PRESSURE SUPPORT**
5 **AS THE COMMISSION ORDERED IN DOCKET NO 3458?**

6 A. The Company has prepared this filing assuming that no LNG will be used on an
7 economic dispatch basis. Excluding the use of economically dispatched LNG will
8 allow either the existing 20.39% factor or the new 16.8 % factor incorporated in the
9 Company's rate filing to be used as the cost allocation factor for pressure support costs,
10 consistent with past practices and the Commission's Order in Docket 3458. While this
11 factor may change as a result of the company's rate case filing, the Company is
12 following the same methodology.

13

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes, it does.

SUMMARY OF ESTIMATED GAS COSTS FOR 2009 GCR Estimate

08/18/2008 NYMEX

Variable Costs	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	GCR TOTAL
Total Pipeline Supply Costs	\$24,080,671	\$35,134,762	\$38,430,317	\$32,275,993	\$30,271,318	\$17,864,769	\$9,795,381	\$6,407,847	\$5,688,277	\$6,043,762	\$6,640,622	\$13,078,219	\$225,711,939
Total Storage Product Costs	\$74,021	\$6,722,041	\$11,636,040	\$10,918,159	\$5,205,666	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,555,927
Total Storage Delivery Costs	\$8,714	\$377,433	\$646,975	\$601,683	\$280,194	\$1,189	\$0	\$0	\$0	\$0	\$0	\$0	\$1,916,187
Total LNG Costs	\$196,691	\$363,181	\$1,125,139	\$1,525,261	\$254,897	\$196,747	\$203,350	\$196,801	\$203,588	\$204,024	\$197,931	\$204,826	\$4,872,437
Total All Variable Gas Costs	\$24,360,097	\$42,597,416	\$51,838,472	\$45,321,096	\$36,012,075	\$18,062,705	\$9,998,731	\$6,604,648	\$5,891,866	\$6,247,786	\$6,838,554	\$13,283,045	\$267,056,490
Fixed Costs													
TOTAL PIPELINE DEMANDS	\$2,614,313	\$2,614,461	\$2,612,887	\$2,611,116	\$2,613,184	\$2,612,076	\$2,613,184	\$2,612,076	\$2,613,184	\$2,613,184	\$2,612,076	\$2,613,184	\$31,354,926
TOTAL SUPPLIER DEMANDS	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$302,000	\$3,624,000
TOTAL STORAGE FACILITIES	\$386,654	\$386,654	\$386,654	\$386,654	\$386,654	\$386,654	\$386,654	\$386,654	\$386,654	\$386,654	\$386,654	\$386,654	\$4,639,845
TOTAL STORAGE DELIVERY	\$503,605	\$503,605	\$503,605	\$503,605	\$503,605	\$480,266	\$472,884	\$472,884	\$472,884	\$472,884	\$472,884	\$472,884	\$5,835,591
Total All Fixed Costs	\$3,806,571	\$3,806,720	\$3,805,146	\$3,803,375	\$3,805,443	\$3,780,995	\$3,774,721	\$3,773,613	\$3,774,721	\$3,774,721	\$3,773,613	\$3,774,721	\$45,454,362
Capacity Release Credits	\$951,057	\$951,057	\$951,057	\$951,057	\$951,057	\$951,057	\$951,057	\$951,057	\$951,057	\$951,057	\$951,057	\$951,057	\$11,412,686
Net Fixed Costs	\$2,855,514	\$2,855,663	\$2,854,089	\$2,852,318	\$2,854,386	\$2,829,938	\$2,823,664	\$2,822,556	\$2,823,664	\$2,823,664	\$2,822,556	\$2,823,664	\$34,041,676
Total All Gas Costs	\$27,215,611	\$45,453,079	\$54,692,561	\$48,173,413	\$38,866,461	\$20,892,643	\$12,822,395	\$9,427,204	\$8,715,530	\$9,071,450	\$9,661,110	\$16,106,709	\$301,098,167

ANE II - AECO-TENN	30,000	31,000	31,000	28,000	31,000	30,000	31,000	30,000	31,000	31,000	31,000	30,000	31,000	365,000
NIAGARA	14,000	31,000	31,000	28,000	30,000	30,000	0	0	0	0	0	0	0	164,000
NEWPORT_LNG	0	680	2,575	1,400	0	0	0	0	0	0	0	0	0	4,655
DIST FCS VAP	158,382	236,096	236,096	213,248	231,827	74,352	0	0	0	0	0	0	0	1,150,001
DIST FCS LIQ	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTR I FLS	30,700	1,672	0	0	0	81,000	83,700	81,000	83,700	83,700	83,700	49,419	21,390	516,281
Non LNG Liquid take	2,593,618	3,506,607	3,719,778	3,145,808	3,065,591	2,613,753	1,764,071	1,356,363	1,278,660	1,247,537	1,259,502	1,872,599	27,423,887	
LNG Liquid take	30,700	2,352	2,575	1,400	0	81,000	83,700	81,000	83,700	83,700	49,419	21,390	520,936	
Total take	2,624,318	3,508,959	3,722,353	3,147,208	3,065,591	2,694,753	1,847,771	1,437,363	1,362,360	1,331,237	1,308,921	1,893,989	27,944,823	

Storage Withdrawals

TENN_8995	8,400	22,785	75,915	60,900	0	0	0	0	0	0	0	0	0	168,000
TENN_501	0	131,936	131,936	119,168	131,936	0	0	0	0	0	0	0	0	514,976
GSS 600045	0	209,015	292,237	263,956	196,824	0	0	0	0	0	0	0	0	962,032
GSS 300171	0	24,047	69,768	71,485	3,371	0	0	0	0	0	0	0	0	168,671
GSS 300169	0	31,520	59,015	56,980	36,119	0	0	0	0	0	0	0	0	183,634
GSS 300168	0	26,223	42,873	38,724	29,937	0	0	0	0	0	0	0	0	137,757
GSS 300170	0	55,317	146,466	147,168	37,424	0	0	0	0	0	0	0	0	386,375
TETCO_400221	0	157,728	308,889	285,129	75,587	0	0	0	0	0	0	0	0	827,333
TETCO_400515	0	11,328	14,726	13,594	2,492	0	0	0	0	0	0	0	0	42,140
TETCO 400185	0	9,705	13,517	12,478	5,834	0	0	0	0	0	0	0	0	41,534
COL FS 38010	0	17,591	51,522	62,825	20,396	0	0	0	0	0	0	0	0	152,334
LNG EXETER	3,000	14,169	21,883	117,948	7,692	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,100	186,092
LNG PROV	15,000	20,400	87,600	37,200	15,600	15,000	15,500	15,000	15,500	15,500	15,000	15,500	15,500	282,800
LNG VALLEY	2,700	2,790	5,590	3,526	3,526	2,700	2,790	2,700	2,790	2,790	2,700	2,790	2,790	37,392
Total Withdrawal Delivered	29,100	734,554	1,321,937	1,291,081	566,738	20,700	21,390	20,700	21,390	21,390	20,700	21,390	21,390	4,091,070
Total Storage withdrawal	8,400	697,195	1,206,864	1,132,407	539,920	0	0	0	0	0	0	0	0	3,584,786
Total Peaking withdrawal	20,700	37,359	115,073	158,674	26,818	20,700	21,390	20,700	21,390	21,390	20,700	21,390	21,390	506,284
Total Supply	2,622,718	4,241,161	5,041,715	4,436,889	3,632,329	2,634,453	1,785,461	1,377,063	1,300,050	1,268,927	1,280,202	1,893,989	31,514,957	

Storage withdrawals at Storage Facility

TENN_8995	8,586	23,290	77,599	62,251	0	0	171,726
TENN_501	0	134,863	134,863	121,811	134,863	0	526,399
GSS 600045	0	222,191	310,659	280,595	209,231	0	1,022,677
GSS 300171	0	25,563	74,166	75,991	3,584	0	179,304
GSS 300169	0	33,507	62,735	60,572	38,396	0	195,210
GSS 300168	0	27,525	45,002	40,647	31,423	0	144,596
GSS 300170	0	58,063	153,738	154,475	39,282	0	405,558
TETCO_400221	0	165,663	324,429	299,474	79,390	0	868,956
TETCO_400515	0	11,997	15,596	14,397	2,639	0	44,630
TETCO 400185	0	10,193	14,197	13,106	6,128	0	43,624
COL FS 38010	0	18,206	53,324	65,023	21,110	0	157,663
	8,586	731,062	1,266,308	1,188,342	566,045	0	3,760,343

	2008 NOV	DEC	2009 JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
08/18/2008 NYMEX	\$8.381	\$8.776	\$9.021	\$9.048	\$8.881	\$8.551	\$8.541	\$8.636	\$8.746	\$8.816	\$8.846	\$8.926
TENNESSEE ZN 0												
Basis	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)
usage	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627
fuel	8.71%	8.71%	8.71%	8.71%	8.71%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%
Total Delivered	\$8.7179	\$9.1505	\$9.4189	\$9.4485	\$9.2656	\$8.7823	\$8.7715	\$8.8741	\$8.9929	\$9.0685	\$9.1009	\$9.1873
TENNESSEE ZN 1												
Basis	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)
usage to Zn 6	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522
fuel to Zn 6	7.82%	7.82%	7.82%	7.82%	7.82%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Total Delivered	\$9.1737	\$9.6022	\$9.8680	\$9.8973	\$9.7161	\$9.2447	\$9.2340	\$9.3357	\$9.4536	\$9.5286	\$9.5608	\$9.6465
TENNESSEE CONNEXION												
Basis	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)
usage to Zn 6	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
fuel to Zn 6	8.71%	8.71%	8.71%	8.71%	8.71%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%
Total Delivered	\$8.5552	\$8.9878	\$9.2562	\$9.2858	\$9.1029	\$8.6196	\$8.6088	\$8.7114	\$8.8302	\$8.9058	\$8.9382	\$9.0246
TENNESSEE DRACUT												
Basis	\$1.500	\$1.500	\$1.500	\$1.500	\$1.500	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235
usage	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661
fuel	0.89%	0.89%	0.89%	0.89%	0.89%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
Total Delivered	\$10.0358	\$10.4344	\$10.6816	\$10.7088	\$10.5403	\$8.9274	\$8.9173	\$9.0131	\$9.1241	\$9.1947	\$9.2250	\$9.3056
TETCO STX												
Basis	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)
Usage to M3	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	7.62%	8.74%	8.74%	8.74%	8.74%	7.62%	7.62%	7.62%	7.62%	7.62%	7.62%	7.62%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$8.4592	\$9.0625	\$9.3346	\$9.3646	\$9.1791	\$8.6444	\$8.6335	\$8.7370	\$8.8568	\$8.9330	\$8.9657	\$9.0528
TETCO WLA												
Basis	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)
Usage to M3	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	7.00%	7.93%	7.93%	7.93%	7.93%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$8.9939	\$9.5842	\$9.8539	\$9.8836	\$9.6998	\$9.1778	\$9.1670	\$9.2698	\$9.3888	\$9.4645	\$9.4969	\$9.5835

TETCO ELA

Basis	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)
Usage to M3	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	6.74%	7.57%	7.57%	7.57%	7.57%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$9.0391	\$9.6184	\$9.8870	\$9.9166	\$9.7335	\$9.2225	\$9.2117	\$9.3142	\$9.4329	\$9.5084	\$9.5407	\$9.6271

TETCO ETX

Basis	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)
Usage to M3	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	6.74%	7.57%	7.57%	7.57%	7.57%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$8.4155	\$8.9847	\$9.2533	\$9.2829	\$9.0998	\$8.5989	\$8.5881	\$8.6906	\$8.8093	\$8.8848	\$8.9172	\$9.0035

TETCO TO NF

Basis	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)
Usage to M2	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962
Usage on NF	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088	\$0.0088
Usage on Transco	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M2	3.55%	4.03%	4.03%	4.03%	4.03%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%
Fuel on NF	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Fuel on Transco	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Delivered to NF	\$8.9328	\$9.3876	\$9.6429	\$9.6710	\$9.4970	\$9.1091	\$9.0987	\$9.1972	\$9.3112	\$9.3838	\$9.4149	\$9.4979
Delivered to Transco	\$9.0684	\$9.5297	\$9.7886	\$9.8171	\$9.6406	\$9.2472	\$9.2367	\$9.3366	\$9.4522	\$9.5258	\$9.5574	\$9.6415
Delivered to Algonquin	\$9.1401	\$9.6047	\$9.8655	\$9.8942	\$9.7165	\$9.3202	\$9.3096	\$9.4102	\$9.5267	\$9.6009	\$9.6326	\$9.7174
Total Delivered	\$9.2093	\$9.7463	\$10.0106	\$10.0397	\$9.8595	\$9.3905	\$9.3798	\$9.4811	\$9.5983	\$9.6729	\$9.7048	\$9.7901

M3 DELIVERED

Basis	\$1.203	\$1.203	\$1.203	\$1.203	\$1.203	\$0.623	\$0.623	\$0.623	\$0.623	\$0.623	\$0.623	\$0.623
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$9.6559	\$10.1256	\$10.3739	\$10.4012	\$10.2320	\$9.2434	\$9.2333	\$9.3289	\$9.4396	\$9.5100	\$9.5402	\$9.6207

MAUMEE SUPPLY

Basis	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327
Usage on Columbia	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$8.9870	\$9.4607	\$9.7144	\$9.7424	\$9.5695	\$9.1618	\$9.1516	\$9.2493	\$9.3624	\$9.4343	\$9.4652	\$9.5475

BROADRUN COLUMBIA

Basis	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327	\$0.327
Usage on Columbia	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$8.9870	\$9.4607	\$9.7144	\$9.7424	\$9.5695	\$9.1618	\$9.1516	\$9.2493	\$9.3624	\$9.4343	\$9.4652	\$9.5475

COLUMBIA TO AGT

Basis	\$1.237	\$1.237	\$1.237	\$1.237	\$1.237	\$0.614	\$0.614	\$0.614	\$0.614	\$0.614	\$0.614	\$0.614
Usage on Columbia	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195	\$0.0195
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$9.9228	\$10.4032	\$10.6569	\$10.6849	\$10.5119	\$9.4570	\$9.4467	\$9.5444	\$9.6575	\$9.7295	\$9.7603	\$9.8426

TETCO to DOMINION TO B & W

Basis	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)
Usage on Dominion	\$0.0246	\$0.0246	\$0.0246	\$0.0246	\$0.0246	\$0.0246	\$0.0246	\$0.0246	\$0.0246	\$0.0246	\$0.0246	\$0.0246
Usage to M2	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962
Usage on Tetco	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019
Usage on AGT	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296
Fuel to M2	3.55%	4.03%	4.03%	4.03%	4.03%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%
Fuel on Dominion	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
Fuel on Tetco	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Delivered to Dominion	\$8.9328	\$9.3876	\$9.6429	\$9.6710	\$9.4970	\$9.1091	\$9.0987	\$9.1972	\$9.3112	\$9.3838	\$9.4149	\$9.4979
Delivered to Tetco	\$9.2195	\$9.6649	\$9.9277	\$9.9566	\$9.7775	\$9.3782	\$9.3675	\$9.4689	\$9.5863	\$9.6610	\$9.6930	\$9.7784
Delivered to Algonquin	\$9.3418	\$9.7931	\$10.0593	\$10.0886	\$9.9072	\$9.5026	\$9.4918	\$9.5945	\$9.7135	\$9.7891	\$9.8216	\$9.9081
Total Delivered	\$9.629	\$10.154	\$10.423	\$10.453	\$10.269	\$9.791	\$9.780	\$9.883	\$10.003	\$10.079	\$10.111	\$10.198

TRANSCO AT WHARTON

Basis	\$1.237	\$1.237	\$1.237	\$1.237	\$1.237	\$0.614	\$0.614	\$0.614	\$0.614	\$0.614	\$0.614	\$0.614
Usage on Transco	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059	\$0.0059
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Transco	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$9.7663	\$10.2396	\$10.4897	\$10.5173	\$10.3468	\$9.3072	\$9.2970	\$9.3933	\$9.5048	\$9.5757	\$9.6061	\$9.6872

AECO TO TENNESSEE - ANE II

Basis	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)
Transcanada usage	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071
Transcanada pressure chg	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023
Fuel on TCPL	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%
Iroquois usage	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005
NETNE usage	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002
Fuel on Iroquois	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Fuel Tenn	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%
Total Delivered	\$7.6910	\$8.1192	\$8.3847	\$8.4140	\$8.2330	\$7.8753	\$7.8644	\$7.9674	\$8.0866	\$8.1625	\$8.1950	\$8.2818

NIAGARA TO TENNESSEE

Basis	\$0.361	\$0.361	\$0.361	\$0.361	\$0.361	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235
Tenn usage	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085
Tenn Fuel	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%
Total Delivered	\$8.9930	\$9.3955	\$9.6451	\$9.6726	\$9.5025	\$9.0378	\$9.0276	\$9.1244	\$9.2365	\$9.3078	\$9.3384	\$9.4199

Tetco to B&W

Basis	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)
usage on Tetco	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397
usage on AGT	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296
fuel to ZN 3	6.74%	7.57%	7.57%	7.57%	7.57%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$9.6154	\$10.1972	\$10.4659	\$10.4955	\$10.3124	\$9.7988	\$9.7880	\$9.8905	\$10.0092	\$10.0847	\$10.1170	\$10.2033

Dominion to Tetco FTS

Basis	\$1.24	\$1.24	\$1.24	\$1.24	\$1.24	\$0.61	\$0.61	\$0.61	\$0.61	\$0.61	\$0.61	\$0.61
usage on Tetco	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019
usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Tetco Fuel	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
Fuel on AGT	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$9.819	\$10.295	\$10.546	\$10.574	\$10.402	\$9.357	\$9.347	\$9.443	\$9.556	\$9.627	\$9.657	\$9.739

DISTRIGAS FCS

Total Delivered	\$8.381	\$8.776	\$9.021	\$9.048	\$8.881	\$8.551	\$8.541	\$8.636	\$8.746	\$8.816	\$8.846	\$8.926
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Hubline

Basis	\$1.5000	\$1.5000	\$1.5000	\$1.5000	\$1.5000	\$0.2350	\$0.2350	\$0.2350	\$0.2350	\$0.2350	\$0.2350	\$0.2350
usage	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
fuel	0.61%	1.32%	1.32%	1.32%	1.32%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Total Delivered	\$9.955	\$10.427	\$10.675	\$10.702	\$10.533	\$8.853	\$8.843	\$8.939	\$9.049	\$9.120	\$9.150	\$9.230

Total delivered to the City Gate Gas Supply Costs

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Tennessee Zn 0												
Delivered Mmbtu	282,960	292,392	292,392	264,096	292,392	282,960	292,392	282,960	277,424	232,780	282,960	292,392
Locked Volumes	68,519	270,791	282,960	215,970	110,706	0	0	0	0	0	0	0
NYMEX Volumes	214,441	21,601	9,432	48,126	181,686	282,960	292,392	282,960	277,424	232,780	282,960	292,392
Locked \$/Mmbtu	\$9.117	\$9.693	\$9.978	\$10.173	\$10.028	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
NYMEX \$/Mmbtu Del	\$8.718	\$9.151	\$9.419	\$9.448	\$9.266	\$8.782	\$8.771	\$8.874	\$8.993	\$9.069	\$9.101	\$9.187
Deliverd Cost Locked	\$624,712	\$2,624,682	\$2,823,304	\$2,197,076	\$1,110,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Delivered Cost Nymex	\$1,869,465	\$197,661	\$88,839	\$454,718	\$1,683,422	\$2,485,032	\$2,564,708	\$2,511,011	\$2,494,847	\$2,110,968	\$2,575,195	\$2,686,301
Total Delivered Cost	\$2,494,178	\$2,822,342	\$2,912,144	\$2,651,795	\$2,793,573	\$2,485,032	\$2,564,708	\$2,511,011	\$2,494,847	\$2,110,968	\$2,575,195	\$2,686,301
TENN ZONE 1												
Delivered Mmbtu	0	325,899	324,444	247,244	178,963	0	0	0	0	0	0	0
\$/Mmbtu Del	\$9.174	\$9.602	\$9.868	\$9.897	\$9.716	\$9.245	\$9.234	\$9.336	\$9.454	\$9.529	\$9.561	\$9.646
Total Delivered Cost	\$0	\$3,129,344	\$3,201,605	\$2,447,039	\$1,738,822	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TENN CONNEXION												
Delivered Mmbtu	348,000	359,600	359,600	324,800	359,600	348,000	359,600	348,000	359,600	359,600	348,000	359,600
Locked Volumes	348,000	359,600	359,600	324,800	359,600	216,637	120,539	44,438	0	0	0	0
NYMEX Volumes	0	0	0	0	0	131,363	239,061	303,562	359,600	359,600	348,000	359,600
Locked \$/Mmbtu	\$8.955	\$9.530	\$9.815	\$10.011	\$9.866	\$8.243	\$8.167	\$8.167	\$0.000	\$0.000	\$0.000	\$0.000
NYMEX \$/Mmbtu Del	\$8.555	\$8.988	\$9.256	\$9.286	\$9.103	\$8.620	\$8.609	\$8.711	\$8.830	\$8.906	\$8.938	\$9.025
Delivered Cost Locked	\$3,116,327	\$3,427,077	\$3,529,600	\$3,251,463	\$3,547,641	\$1,785,739	\$984,489	\$362,942	\$0	\$0	\$0	\$0
Delivered Cost Nymex	\$0	\$0	\$0	\$0	\$0	\$1,132,293	\$2,058,021	\$2,644,445	\$3,175,340	\$3,202,530	\$3,110,499	\$3,245,256
Total Delivered Cost	\$3,116,327	\$3,427,077	\$3,529,600	\$3,251,463	\$3,547,641	\$2,918,031	\$3,042,510	\$3,007,388	\$3,175,340	\$3,202,530	\$3,110,499	\$3,245,256
TENN DRACUT												
Delivered Mmbtu	29,700	30,690	58,239	27,720	30,690	450,000	221,438	0	0	5,521	0	333,011
\$/Mmbtu Del	\$10.04	\$10.43	\$10.68	\$10.71	\$10.54	\$8.93	\$8.92	\$9.01	\$9.12	\$9.19	\$9.22	\$9.31
Total Delivered Cost	\$298,064	\$320,231	\$622,084	\$296,848	\$323,482	\$4,017,340	\$1,974,637	\$0	\$0	\$50,764	\$0	\$3,098,879
TETCO STX												
Delivered Mmbtu	274,620	283,774	283,774	256,312	283,774	274,620	283,774	274,620	283,774	283,774	274,620	283,774
Locked Volumes	265,666	230,144	142,443	0	0	0	0	0	0	0	0	0
NYMEX Volumes	8,954	53,630	141,331	256,312	283,774	274,620	283,774	274,620	283,774	283,774	274,620	283,774
Locked \$/Mmbtu	\$8.790	\$9.511	\$9.511	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
NYMEX \$/Mmbtu Del	\$8.459	\$9.063	\$9.335	\$9.365	\$9.179	\$8.644	\$8.633	\$8.737	\$8.857	\$8.933	\$8.966	\$9.053
Deliverd Cost Locked	\$2,335,327	\$2,189,007	\$1,354,842	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Delivered Cost Nymex	\$75,744	\$486,024	\$1,319,267	\$2,400,252	\$2,604,798	\$2,373,919	\$2,449,959	\$2,399,342	\$2,513,318	\$2,534,952	\$2,462,153	\$2,568,950
Total Delivered Cost	\$2,411,071	\$2,675,031	\$2,674,109	\$2,400,252	\$2,604,798	\$2,373,919	\$2,449,959	\$2,399,342	\$2,513,318	\$2,534,952	\$2,462,153	\$2,568,950
TETCO ELA												
Delivered Mmbtu	0	44,160	44,536	32,378	2,760	0	0	0	0	0	0	0
\$/Mmbtu Del	\$9.0391	\$9.6184	\$9.8870	\$9.9166	\$9.7335	\$9.2225	\$9.2117	\$9.3142	\$9.4329	\$9.5084	\$9.5407	\$9.6271
Total Delivered Cost	\$0	\$424,747	\$440,326	\$321,079	\$26,864	\$0	\$0	\$0	\$0	\$0	\$0	\$0

TRANSCO AT WHARTON

Delivered Mmbtu	0	0	0	0	0	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$9.7663	\$10.2396	\$10.4897	\$10.5173	\$10.3468	\$9.3072	\$9.2970	\$9.3933	\$9.5048	\$9.5757	\$9.6061	\$9.6872
Delivered Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

AECO/TENNESSEE - ANE II

Delivered Mmbtu	30,000	31,000	31,000	28,000	31,000	30,000	31,000	30,000	31,000	31,000	30,000	31,000
Delivered \$/Mmbtu	\$7.6910	\$8.1192	\$8.3847	\$8.4140	\$8.2330	\$7.8753	\$7.8644	\$7.9674	\$8.0866	\$8.1625	\$8.1950	\$8.2818
Total Delivered Cost	\$230,730	\$251,694	\$259,927	\$235,592	\$255,222	\$236,258	\$243,797	\$239,022	\$250,686	\$253,038	\$245,851	\$256,735

NIAGARA TO TENNESSEE

Delivered Mmbtu	14,000	31,000	31,000	28,000	30,000	30,000	0	0	0	0	0	0
Delivered \$/Mmbtu	\$8.9930	\$9.3955	\$9.6451	\$9.6726	\$9.5025	\$9.0378	\$9.0276	\$9.1244	\$9.2365	\$9.3078	\$9.3384	\$9.4199
Total Delivered Cost	\$125,902	\$291,260	\$298,998	\$270,833	\$285,074	\$271,135	\$0	\$0	\$0	\$0	\$0	\$0

TETCO TO B&W

Delivered Mmbtu	12,432	12,846	26,936	18,648	12,846	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$9.6154	\$10.1972	\$10.4659	\$10.4955	\$10.3124	\$9.7988	\$9.7880	\$9.8905	\$10.0092	\$10.0847	\$10.1170	\$10.2033
Total Delivered Cost	\$119,538	\$130,994	\$281,908	\$195,719	\$132,473	\$0	\$0	\$0	\$0	\$0	\$0	\$0

DISTRIGAS FCS

Delivered Mmbtu	158,382	236,096	236,096	213,248	231,827	74,352	0	0	0	0	0	0
Delivered \$/Mmbtu	\$8.381	\$8.776	\$9.021	\$9.048	\$8.881	\$8.551	\$8.541	\$8.636	\$8.746	\$8.816	\$8.846	\$8.926
Total Delivered Cost	\$1,327,400	\$2,071,978	\$2,129,822	\$1,929,468	\$2,058,856	\$635,784	\$0	\$0	\$0	\$0	\$0	\$0

HUBLINE

Total Delivered Vol	0	20,649	56,135	1,402	0	240,000	244,601	100,203	0	8,000	6,946	248,000
Delivered \$/Mmbtu	\$9.9547	\$10.4266	\$10.6748	\$10.7022	\$10.5330	\$8.8530	\$8.8430	\$8.9385	\$9.0492	\$9.1196	\$9.1498	\$9.2303
Total Delivered Cost	\$0	\$215,298	\$599,232	\$15,004	\$0	\$2,124,726	\$2,162,997	\$895,669	\$0	\$72,957	\$63,555	\$2,289,121

	NOV 2008	DEC 2008	JAN 2009	FEB 2009	MAR 2009	APR 2009	MAY 2009	JUN 2009	JUL 2009	AUG 2009	SEP 2009	OCT 2009	
Financial Hedges 7/31/2008													
Quantity	1,210,000	1,740,000	1,870,000	1,570,000	1,420,000	1,210,000	770,000	620,000	580,000	550,000	530,000	610,000	11,470,000
Average Price	\$9.55	\$9.95	\$10.21	\$10.09	\$9.73	\$8.78	\$8.58	\$8.72	\$8.81	\$8.98	\$9.10	\$9.24	
08/18/2008 NYMEX	\$8.381	\$8.776	\$9.021	\$9.048	\$8.881	\$8.551	\$8.541	\$8.636	\$8.746	\$8.816	\$8.846	\$8.926	
Impact of Financial Hedge	\$1,412,191	\$2,046,762	\$2,228,292	\$1,628,718	\$1,200,326	\$273,218	\$32,032	\$55,118	\$37,642	\$90,090	\$136,210	\$191,052	\$9,331,651
Total supplier locked vol	776,517	860,535	785,003	540,770	470,306	216,637	120,539	44,438	0	0	0	0	3,814,745
Delivered Locked \$/Dth	\$8.8862	\$9.5763	\$9.8187	\$10.0755	\$9.9037	\$8.2430	\$8.1674	\$8.1674	\$0	\$0	\$0	\$0	
Locked Delivered Cost	\$6,900,322	\$8,240,766	\$7,707,747	\$5,448,540	\$4,657,792	\$1,785,739	\$984,489	\$362,942	\$0	\$0	\$0	\$0	\$36,088,336
Total Pipeline Costs (Inc	\$24,369,122	\$35,151,523	\$38,430,317	\$32,275,993	\$30,271,318	\$23,265,919	\$15,329,565	\$11,906,993	\$11,362,532	\$11,230,612	\$11,431,168	\$17,270,805	\$262,295,867
Total Delivered Pipeline	2,593,618	3,506,607	3,719,778	3,145,808	3,065,591	2,613,753	1,764,071	1,356,363	1,278,660	1,247,537	1,259,502	1,872,599	27,423,887
WACOG (Cost/Volume)	\$9.396	\$10.024	\$10.331	\$10.260	\$9.875	\$8.901	\$8.690	\$8.779	\$8.886	\$9.002	\$9.076	\$9.223	\$9.565
Injections	30,700	1,672	0	0	0	606,779	636,854	626,425	638,541	576,174	527,829	454,584	
Cost of Injections	\$288,451	\$16,761	\$0	\$0	\$0	\$5,401,150	\$5,534,185	\$5,499,146	\$5,674,255	\$5,186,849	\$4,790,546	\$4,192,586	\$36,583,928
Total GCR Cost Including Financial Hedges and Price Locks, Excluding Injections													
Total Pipeline Costs	\$24,080,671	\$35,134,762	\$38,430,317	\$32,275,993	\$30,271,318	\$17,864,769	\$9,795,381	\$6,407,847	\$5,688,277	\$6,043,762	\$6,640,622	\$13,078,219	\$225,711,939
Total Pipeline Purchase	2,562,918	3,504,935	3,719,778	3,145,808	3,065,591	2,006,974	1,127,217	729,938	640,119	671,363	731,673	1,418,015	23,324,329

TRANSCO DEMAND ZONE 2 TO 6	\$	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	\$2,232	
TRANSCO DEMAND ZONE 3 TO 6	\$	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	
TRANSCO DEMAND ZONE 6	\$	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	
NATIONAL FUEL DEMAND	\$	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	
COLUMBIA FTS DEMAND	\$	\$283,259	\$283,259	\$283,259	\$283,259	\$283,259	\$283,259	\$283,259	\$283,259	\$283,259	\$283,259	\$283,259	\$283,259	\$283,259	\$283,259	\$0	\$0
HUBLINE	\$	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233	\$46,233
HUBLINE	\$	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983	\$27,983
WESTERLY LATERAL (Yankee)	\$	\$61,426	\$61,426	\$60,149	\$60,149	\$60,149	\$60,149	\$60,149	\$60,149	\$60,149	\$60,149	\$60,149	\$60,149	\$60,149	\$60,149	\$62,500	\$62,500
TOTAL PIPELINE DEMAND COSTS		\$2,614,313	\$2,614,461	\$2,612,887	\$2,611,116	\$2,613,184	\$2,612,076	\$2,613,184	\$2,612,076	\$2,613,184	\$2,613,184	\$2,612,076	\$2,613,184	\$2,012,888	\$2,012,888		\$31,354,926
		Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	NOV	DEC		
SUPPLIER FIXED COST DOLLARS																	
DISTRIGAS FCS	\$																
TOTAL SUPPLIER DEMAND COSTS		\$302,000	\$3,624,000														
STORAGE FIXED COST DOLLARS																	
TEXAS EASTERN SS-1 DEMAND	\$	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	\$81,870	
TEXAS EASTERN SS-1 CAPACITY	\$	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	
TEXAS EASTERN FSS-1 DEMAND	\$	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	
TEXAS EASTERN FSS-1 CAPACITY	\$	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	
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	\$21,381	\$21,381	\$21,381	\$21,381	
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	\$15,070	\$15,070	\$15,070	\$15,070	
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	\$26,882	\$26,882	\$26,882	\$26,756	\$26,756
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	\$19,957	\$19,957	\$19,957	\$19,957	
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	\$24,344	\$24,344	\$24,344	\$24,344	
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	\$15,084	\$15,084	\$15,084	\$15,084	
COLUMBIA FSS DEMAND	\$	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	\$3,835	
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	\$5,915	\$5,915	\$5,915	\$5,915	
KEYSPAN LNG 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	\$157,500	\$157,500	\$157,500	\$1,890,000
TOTAL STORAGE DEMAND COSTS	\$	\$386,654	\$386,528	\$386,528	\$4,639,845												
STORAGE DELIVERY FIXED COSTS																	
ALGONQUIN FOR TETCO SS-1	\$	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	\$83,536	
ALGONQUIN DELIVERY FOR FSS-1	\$	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	\$5,577	
TETCO DELIVERY FOR FSS-1	\$	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	
ALGONQUIN SCT FOR SS-1	\$	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	
ALGONQUIN DELIVERY FOR GSS, GSS-TE	\$	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	\$65,240	
ALGONQUIN SCT DELIVERY FOR GSS-TE	\$	\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$447	\$447	
ALGONQUIN DELIVERY FOR GSS CONV	\$	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	\$19,943	
TENNESSEE DELIVERY FOR GSS	\$	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	\$38,762	
TENNESSEE DELIVERY FOR FSMA	\$	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	\$25,062	
TETCO DELIVERY FOR GSS	\$	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	\$29,313	
TETCO DELIVERY FOR GSS-TE	\$	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	
TETCO DELIVERY FOR GSS-TE	\$	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	\$34,396	
TETCO DELIVERY FOR GSS CONV	\$	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	\$10,674	
DOMINION DELIVERY FOR GSS	\$	\$23,339	\$23,339	\$23,339	\$23,339	\$23,339	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
DOMINION DELIVERY FOR GSS CONV	\$	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$9,005	\$0	\$0
ALGONQUIN DELIVERY FOR FSS	\$	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	\$15,038	
COLUMBIA DELIVERY FOR FSS	\$	\$14,758	\$14,758	\$14,758	\$14,758	\$14,758	\$14,758	\$7,376	\$7,376	\$7,376	\$7,376	\$7,376	\$7,376	\$7,376	\$7,376	\$7,376	
DISTRIGAS FLS CALL PAYMENT	\$	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$118,527	\$1,422,320
TOTAL STORAGE DELIVERY DEMAND CHARGES	\$	\$503,605	\$503,605	\$503,605	\$503,605	\$503,605	\$480,266	\$472,884	\$472,884	\$472,884	\$472,884	\$472,884	\$472,884	\$463,879	\$463,879	\$5,835,591	
TOTAL ALL DEMAND COSTS	\$	\$3,806,571	\$3,806,720	\$3,805,146	\$3,803,375	\$3,805,443	\$3,780,995	\$3,774,721	\$3,773,613	\$3,774,721	\$3,773,613	\$3,774,721	\$3,773,613	\$3,774,721	\$3,165,295	\$3,165,295	\$45,454,362

	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	NOV	DEC	Total	
Marketer Demand Charge Credit:																
Capacity Release Volumes as of August 1																
Tennessee	Dth	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	
Algonquin	Dth	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Tetco STX/AGT	Dth	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	
Tetco WLA/AGT	Dth	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	
Tetco ELA/AGT	Dth	4,376	4,376	4,376	4,376	4,376	4,376	4,376	4,376	4,376	4,376	4,376	4,376	4,376	4,376	
Columbia/Downington	Dth	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total		18,118														
Cost per Mmbtu																
Tennessee	\$/Dth	\$15.200	\$15.200	\$15.200	\$15.200	\$15.200	\$15.200	\$15.200	\$15.200	\$15.200	\$15.200	\$15.200	\$15.200	\$15.200	\$15.200	
Algonquin	\$/Dth	\$5.977	\$5.977	\$5.977	\$5.977	\$5.977	\$5.977	\$5.977	\$5.977	\$5.977	\$5.977	\$5.977	\$5.977	\$5.977	\$5.977	
Tetco STX/AGT	\$/Dth	\$28.922	\$28.922	\$28.922	\$28.922	\$28.922	\$28.922	\$28.922	\$28.922	\$28.922	\$28.922	\$28.922	\$28.922	\$28.922	\$28.922	
Tetco WLA/AGT	\$/Dth	\$22.106	\$22.106	\$22.106	\$22.106	\$22.106	\$22.106	\$22.106	\$22.106	\$22.106	\$22.106	\$22.106	\$22.106	\$22.106	\$22.106	
Tetco ELA/AGT	\$/Dth	\$19.168	\$19.168	\$19.168	\$19.168	\$19.168	\$19.168	\$19.168	\$19.168	\$19.168	\$19.168	\$19.168	\$19.168	\$19.168	\$19.168	
Columbia/Downington	\$/Dth	\$11.995	\$11.995	\$11.995	\$11.995	\$11.995	\$11.995	\$11.995	\$11.995	\$11.995	\$11.995	\$11.995	\$11.995	\$11.995	\$11.995	
Total Demand Charge Credit																
Tennessee	\$	\$56,210	\$56,210	\$56,210	\$56,210	\$56,210	\$56,210	\$56,210	\$56,210	\$56,210	\$56,210	\$56,210	\$56,210	\$56,210	\$56,210	
Algonquin	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Tetco STX/AGT	\$	\$116,961	\$116,961	\$116,961	\$116,961	\$116,961	\$116,961	\$116,961	\$116,961	\$116,961	\$116,961	\$116,961	\$116,961	\$116,961	\$116,961	
Tetco WLA/AGT	\$	\$132,636	\$132,636	\$132,636	\$132,636	\$132,636	\$132,636	\$132,636	\$132,636	\$132,636	\$132,636	\$132,636	\$132,636	\$132,636	\$132,636	
Tetco ELA/AGT	\$	\$83,879	\$83,879	\$83,879	\$83,879	\$83,879	\$83,879	\$83,879	\$83,879	\$83,879	\$83,879	\$83,879	\$83,879	\$83,879	\$83,879	
Columbia/Downington	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total	\$	\$389,685	\$4,676,224													
Demand Costs Net of Releases to Market	\$	\$3,416,886	\$3,417,034	\$3,415,460	\$3,413,690	\$3,415,757	\$3,391,310	\$3,385,036	\$3,383,928	\$3,385,036	\$3,385,036	\$3,383,928	\$3,385,036	\$2,775,610	\$2,775,610	\$40,778,138
TOTAL PIPELINE DEMANDS	\$	\$2,614,313	\$2,614,461	\$2,612,887	\$2,611,116	\$2,613,184	\$2,612,076	\$2,613,184	\$2,612,076	\$2,613,184	\$2,613,184	\$2,612,076	\$2,613,184	\$2,012,888	\$2,012,888	\$31,354,926
TOTAL SUPPLIER DEMANDS	\$	\$302,000	\$3,624,000													
TOTAL STORAGE FACILITIES	\$	\$386,654	\$386,528	\$386,528	\$4,639,845											
TOTAL STORAGE DELIVERY DEMANDS	\$	\$503,605	\$503,605	\$503,605	\$503,605	\$503,605	\$480,266	\$472,884	\$472,884	\$472,884	\$472,884	\$472,884	\$472,884	\$463,879	\$463,879	\$5,835,591
Total All Demands	\$	\$3,806,571	\$3,806,720	\$3,805,146	\$3,803,375	\$3,805,443	\$3,780,995	\$3,774,721	\$3,773,613	\$3,774,721	\$3,774,721	\$3,773,613	\$3,774,721	\$3,165,295	\$3,165,295	\$45,454,362
Capacity Release Revenues	\$	\$951,057	\$519,670	\$519,670	\$11,412,686											
Demand Net of Releases	\$	\$2,855,514	\$2,855,663	\$2,854,089	\$2,852,318	\$2,854,386	\$2,829,938	\$2,823,664	\$2,822,556	\$2,823,664	\$2,823,664	\$2,822,556	\$2,823,664	\$2,645,625	\$2,645,625	\$34,041,676

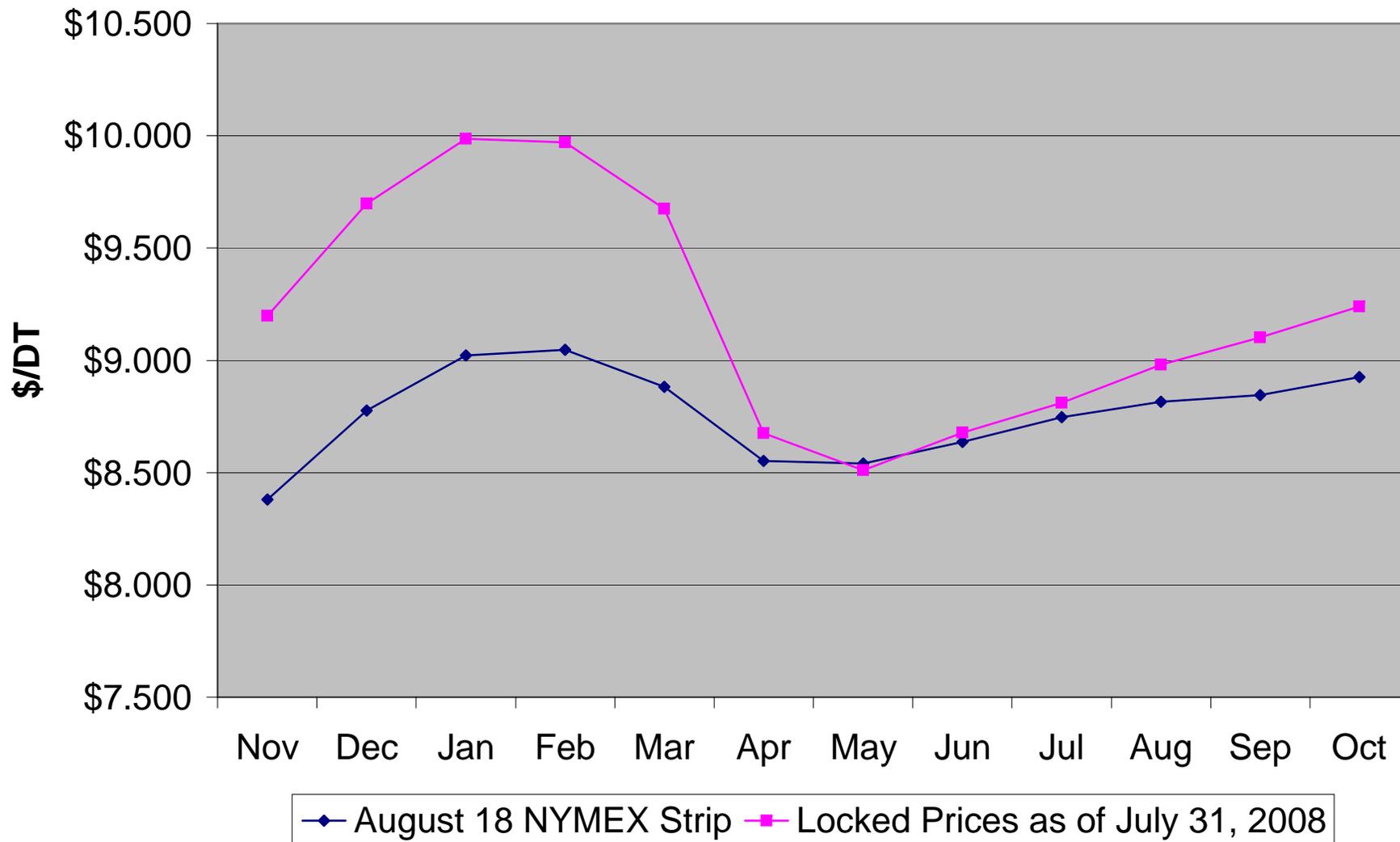
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
WACOG INJECTIONS	\$6,7719	\$8,8407	\$8,693	\$8,961	\$9,396	\$10,024	\$10,331	\$10,260	\$9,875	\$8,901	\$8,690	\$8,779	\$8,886	\$9,002	\$9,076	\$9,223
Injection cost					\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020
Total injection cost					\$9.416	\$10.045	\$10.352	\$10.280	\$9.895	\$8.922	\$8.710	\$8.799	\$8.906	\$9.022	\$9.096	\$9.243
COMBINED STORAGE	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Beginning Inv Vol	2,740,050	3,338,789	3,724,241	4,104,990	4,494,525	4,485,939	3,754,876	2,488,568	1,300,227	734,182	1,259,961	1,813,115	2,358,540	2,913,381	3,405,855	3,884,264
Vol Withdrawn	0	0	0	0	8,586	731,062	1,266,308	1,188,342	566,045	0	0	0	0	0	0	0
Vol Injected	438,773	385,452	385,452	390,445	0	0	0	0	0	525,779	553,154	545,425	554,841	492,474	478,409	433,194
Beginning Inv \$ (virtual)	\$16,007,288	\$23,553,820	\$26,961,468	\$29,562,637	\$43,327,221	\$43,251,404	\$36,202,829	\$23,993,657	\$12,536,202	\$7,078,653	\$11,769,402	\$16,587,405	\$21,386,487	\$26,328,155	\$30,771,455	\$35,123,120
\$ Withdrawn	\$0	\$0	\$0	\$0	\$75,817	\$7,048,575	\$12,209,172	\$11,457,455	\$5,457,549	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$ Injected	\$2,971,315	\$3,407,648	\$3,350,560	\$3,498,766	\$0	\$0	\$0	\$0	\$0	\$4,690,749	\$4,818,003	\$4,799,083	\$4,941,668	\$4,443,299	\$4,351,665	\$4,004,048
Ending Vol	3,338,789	3,724,241	4,104,990	4,495,435	4,485,939	3,754,876	2,488,568	1,300,227	734,182	1,259,961	1,813,115	2,358,540	2,913,381	3,405,855	3,884,264	4,317,458
Ending \$	\$23,553,820	\$26,961,468	\$29,562,637	\$33,061,403	\$43,251,404	\$36,202,829	\$23,993,657	\$12,536,202	\$7,078,653	\$11,769,402	\$16,587,405	\$21,386,487	\$26,328,155	\$30,771,455	\$35,123,120	\$39,127,168
Avg \$/Mmbtu	\$7.055	\$7.239	\$7.202	\$7.354	\$9.642	\$9.642	\$9.642	\$9.642	\$9.642	\$9.341	\$9.149	\$9.068	\$9.037	\$9.035	\$9.042	\$9.063
Withdrawal cost					\$2,440	\$17,297	\$25,500	\$22,386	\$8,906	\$127						
Transportation cost					\$4,477	\$33,601	\$48,344	\$40,001	\$19,405	\$1,062						
Costs allocated to fuel		0	0	0	\$1,796	\$326,534	\$573,132	\$539,296	\$251,883	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage value Less fuel		0	0	0	\$74,021	\$6,722,041	\$11,636,040	\$10,918,159	\$5,205,666	\$0	0	0	0	0	0	0
Delivered Volumes					8,400	697,195	1,206,864	1,132,407	539,920	0						

**NATIONAL GRID - RI SERVICE AREA
NOVEMBER 2008 - OCTOBER 2009**

LNG Estimate for 2009

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
08/18/2008 NYMEX												
Trucking	\$8.381	\$8.776	\$9.021	\$9.048	\$8.881	\$8.551	\$8.541	\$8.636	\$8.746	\$8.816	\$8.846	\$8.926
Delivered Cost	\$1.18	\$1.18	\$1.18	\$1.18	\$1.18	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97
	\$9.556	\$9.951	\$10.196	\$10.223	\$10.056	\$9.521	\$9.511	\$9.606	\$9.716	\$9.786	\$9.816	\$9.896
Combined LNG Inv												
Beginning Inv Vol	896,000	906,000	870,313	755,240	596,566	569,748	630,048	692,358	752,658	814,968	877,278	905,998
Vol Injected -	30,700	1,672	0	0	0	81,000	83,700	81,000	83,700	83,700	49,420	21,390
Vol Withdrawn	20,700	37,359	115,073	158,674	26,818	20,700	21,390	20,700	21,390	21,390	20,700	21,390
Beginning Inv \$ 11/1 = \$9.50	\$8,513,792	\$8,610,478	\$8,272,062	\$7,178,328	\$5,670,180	\$5,415,283	\$5,989,736	\$6,582,457	\$7,163,742	\$7,773,382	\$8,388,447	\$8,675,622
\$ Injected	\$293,377	\$16,639	\$0	\$0	\$0	\$771,201	\$796,071	\$778,086	\$813,229	\$819,088	\$485,107	\$211,675
\$ Withdrawn	\$196,691	\$355,054	\$1,093,734	\$1,508,148	\$254,897	\$196,747	\$203,350	\$196,801	\$203,588	\$204,024	\$197,931	\$204,826
Ending Vol	906,000	870,313	755,240	596,566	569,748	630,048	692,358	752,658	814,968	877,278	905,998	905,998
Ending \$	\$8,610,478	\$8,272,062	\$7,178,328	\$5,670,180	\$5,415,283	\$5,989,736	\$6,582,457	\$7,163,742	\$7,773,382	\$8,388,447	\$8,675,622	\$8,682,472
Avg \$/Dth	9.504	9.505	9.505	9.505	9.505	9.507	9.507	9.518	9.538	9.562	9.576	9.583
Newport												
Newport LNG Vol Vapor	0	680	2,575	1,400	0	0	0	0	0	0	0	0
Avg \$/Dth	\$11.5563	\$11.9513	\$12.1963	\$12.2233	\$12.0563	\$11.5210	\$11.5110	\$11.6060	\$11.7160	\$11.7860	\$11.8160	\$11.8960
Total cost	\$0.00	\$8,127	\$31,405	\$17,113	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total All LNG Costs	\$196,691	\$363,181	\$1,125,139	\$1,525,261	\$254,897	\$196,747	\$203,350	\$196,801	\$203,588	\$204,024	\$197,931	\$204,826

Locked Prices Vs NYMEX Strip



Gas Procurement Incentive Program - Locked Volumes as of July 31, 2008
National Grid - Rhode Island

Month	#Monthly Forecasted Volumes-Dth	Mandatory Dth	Discretionary Dth	Monthly "Locked" Dth	Percent "Locked"	Average NYMEX Price	Total Cost
Nov-08	2,854,727	2,000,000	50,000	2,050,000	72%	\$9.199	\$18,858,060
Dec-08	3,746,682	2,493,100	180,000	2,673,100	71%	\$9.697	\$25,921,565
Jan-09	3,999,453	2,517,000	190,000	2,707,000	68%	\$9.987	\$27,033,755
Feb-09	3,349,838	1,998,000	160,000	2,158,000	64%	\$9.970	\$21,514,190
Mar-09	3,154,815	1,778,400	150,000	1,928,400	61%	\$9.674	\$18,655,181
Apr-09	3,009,269	1,354,000	90,000	1,444,000	48%	\$8.677	\$12,529,310
May-09	1,721,233	840,200	60,000	900,200	52%	\$8.511	\$7,661,958
Jun-09	1,372,638	628,000	40,000	668,000	49%	\$8.679	\$5,797,655
Jul-09	1,277,935	540,000	40,000	580,000	45%	\$8.811	\$5,110,360
Aug-09	1,318,963	510,000	40,000	550,000	42%	\$8.980	\$4,938,900
Sep-09	1,369,421	480,000	50,000	530,000	39%	\$9.103	\$4,824,600
Oct-09	2,041,313	550,000	60,000	610,000	30%	\$9.239	\$5,635,900

Purchase Volumes approved in October 2007
Note: Includes both physical and financial positions

Gas Procurement Incentive Program - Locked Volumes as of July 31, 2008
National Grid - Rhode Island

<u>Month</u>	<u>#Monthly Forecasted Volumes-Dth</u>	<u>Mandatory Dth</u>	<u>Discretionary Dth</u>	<u>Monthly "Locked" Dth</u>	<u>Percent "Locked"</u>	<u>Average NYMEX Price</u>	<u>Total Cost</u>
Nov-08	2,739,093	2,000,000	50,000	2,050,000	75%	\$9.199	\$18,858,060
Dec-08	3,737,908	2,493,100	180,000	2,673,100	72%	\$9.697	\$25,921,565
Jan-09	3,956,475	2,517,000	190,000	2,707,000	68%	\$9.987	\$27,033,755
Feb-09	3,349,512	1,998,000	160,000	2,158,000	64%	\$9.970	\$21,514,190
Mar-09	3,267,726	1,778,400	150,000	1,928,400	59%	\$9.674	\$18,655,181
Apr-09	2,737,208	1,354,000	90,000	1,444,000	53%	\$8.677	\$12,529,310
May-09	1,872,482	840,200	60,000	900,200	48%	\$8.511	\$7,661,958
Jun-09	1,458,602	628,000	40,000	668,000	46%	\$8.679	\$5,797,655
Jul-09	1,382,347	540,000	40,000	580,000	42%	\$8.811	\$5,110,360
Aug-09	1,347,742	510,000	40,000	550,000	41%	\$8.980	\$4,938,900
Sep-09	1,361,066	480,000	50,000	530,000	39%	\$9.103	\$4,824,600
Oct-09	1,981,805	550,000	60,000	610,000	31%	\$9.239	\$5,635,900

Purchase Volumes approved in October 2008

Note: Includes both physical and financial positions

**National Grid
Summary of Transportation Capacity Release
Pipeline Path Availability and Pricing
Nov 2008 - October 2009**

Path to City Gate	As of 5/1/08 Existing Releases	Total Available	Remaining Available	Cost /Dth	New Credit/ Surcharge	Old Credit / Surcharge
Company Weighted Average				\$1.043		
Tennessee Zone 1	3,698	6,000	2,302	\$1.267	(\$0.224)	(\$0.323)
Algonquin @ Lambertville, NJ	0	2,714	2,714	\$1.156	(\$0.113)	(\$0.212)
Texas Eastern - South Texas Algonquin @ Lambertville, NJ	4,044	4,044	0	\$1.137	(\$0.093)	(\$0.258)
Texas Eastern - West La Algonquin @ Lambertville, NJ	6,000	6,000	0	\$1.443	(\$0.400)	(\$0.568)
Texas Eastern - East La Algonquin @ Lambertville, NJ	4,376	5,500	1,124	\$1.388	(\$0.345)	(\$0.504)
Columbia (Maumee/Downington) at 5:1 ratio**	0	1,000	1,000	\$0.923	\$0.120	(\$0.014)
Totals	18,118	25,258	7,140			

** Note: Marketers selecting this path are assigned 5/6 of the amount selected at the Maumee, Ohio receipt point into Columbia and 1/5 at the Downington, Pa. Receipt into Columbia.

NATIONAL GRID
2009 ESTIMATED GCR
NORMAL WEATHER SCENARIO

New Energy Associates, LLC Page 1
SENDOUT Version 9.0.2 REP013 25-Aug-2008
Report 13 11:10:08

Natural Gas Supply VS. Requirements

Units: MDT

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	2009	Total
	2008	2008	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	
Forecast Demand														
RI Sales GCR	2,622,717	4,241,840	5,044,293	4,438,288	3,632,328	2,108,674	1,232,306	831,637	745,208	776,452	801,792	1,460,795		27,936,330
NON EX TR DE	313,107	469,231	497,378	474,703	426,684	275,870	166,121	134,770	109,906	111,264	127,782	170,974		3,277,790
Total Demand	2,935,824	4,711,071	5,541,671	4,912,991	4,059,012	2,384,544	1,398,427	966,407	855,114	887,716	929,574	1,631,769		31,214,120
Storage Injections														
TENN_8995	0	0	0	0	0	14,700	21,840	26,460	26,250	26,250	26,250	26,250		168,000
TENN_501	0	0	0	0	0	50,454	63,738	54,097	124,000	109,264	60,534	54,481		516,568
GSS 600045	0	0	0	0	0	150,000	137,632	137,632	137,632	137,632	137,632	123,869		962,029
GSS 300171	0	0	0	0	0	31,470	32,519	30,418	18,881	18,881	18,881	16,993		168,043
GSS 300169	0	0	0	0	0	43,771	31,000	28,279	20,610	20,610	20,610	18,549		183,429
GSS 300168	0	0	0	0	0	21,025	31,000	25,000	15,405	15,405	15,405	13,865		137,105
GSS 300170	0	0	0	0	0	60,000	62,000	60,000	62,000	49,034	49,034	44,131		386,199
TETCO_400221	0	0	0	0	0	120,000	124,000	120,000	118,804	118,804	118,804	106,923		827,335
TETCO_400515	0	0	0	0	0	8,730	5,664	5,664	5,664	5,664	5,664	5,098		42,148
TETCO 400185	0	0	0	0	0	10,918	5,199	5,199	5,199	5,199	5,199	4,679		41,592
COL FS 38010	0	0	0	0	0	24,000	24,800	24,000	20,396	20,396	20,396	18,356		152,344
LNG EXETER	13,000	0	16,462	0	0	58,610	5,400	0	35,100	65,790	10,500	3,100		207,962
LNG PROV	15,000	7,593	29,400	6,587	0	16,206	78,300	81,000	45,900	0	30,791	15,500		326,277
LNG VALLEY	2,700	15,570	5,438	9,028	0	6,184	0	0	2,700	17,910	2,700	2,790		65,020
Total Injections	30,700	23,163	51,300	15,615	0	616,068	623,092	597,749	638,541	610,839	522,400	454,584		4,184,051
Non-LNG Injections	0	0	0	0	0	535,068	539,392	516,749	554,841	527,139	478,409	433,194		3,584,792
Total LNG Injection	30,700	23,163	51,300	15,615	0	81,000	83,700	81,000	83,700	83,700	43,991	21,390		599,259
Total Req less LNG inj.	2,935,824	4,711,071	5,541,671	4,912,991	4,059,012	2,919,612	1,937,819	1,483,156	1,409,955	1,414,855	1,407,983	2,064,963		34,798,912

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	Total
Sources of Supply													
TENN_ZONE_0	282,960	292,392	292,392	264,096	292,392	282,960	292,392	282,960	292,392	292,392	282,960	292,392	3,442,680
TENN_ZONE_1	0	441,768	445,104	409,964	315,884	0	0	0	0	0	0	0	1,612,720
TENN_CONX	348,000	359,600	359,600	324,800	359,600	348,000	359,600	348,000	359,600	359,600	348,000	359,600	4,234,000
TENN_DRACUT	29,700	53,188	138,354	125,891	30,690	450,000	357,877	0	0	10,424	0	465,000	1,661,124
TETCO_STX	274,620	283,774	283,774	256,312	283,774	274,620	283,774	274,620	283,774	283,774	274,620	283,774	3,341,210
TETCO_ELA	36,521	71,559	74,458	63,480	42,012	0	0	0	0	0	0	0	288,030
TETCO_WLA	204,888	279,014	284,466	255,388	234,220	0	0	0	0	0	0	0	1,257,976
TETCO_ETX	296,580	306,466	306,466	276,808	306,466	296,580	306,466	296,580	306,466	306,466	296,580	306,466	3,608,390
TETCO - NF	0	16,692	22,932	20,286	12,348	0	0	0	0	0	0	0	72,258
HUBLINE	0	47,085	103,540	73,148	4,931	240,000	248,000	201,297	94,938	89,413	134,728	248,000	1,485,080
M3_DELIVERED	0	117,409	125,513	103,225	42,973	0	0	0	0	0	0	0	389,120
MAUMEE_SUPP	885,069	902,619	907,355	806,912	868,104	682,970	15,200	14,400	16,000	16,396	12,396	8,356	5,135,777
BROADRUN_COL	289,616	296,040	305,908	276,304	286,172	234,125	9,600	9,600	4,396	4,000	8,000	10,000	1,733,761
Col Tran-Tet	0	52,351	111,542	84,426	7,360	0	0	0	0	0	0	0	255,679
TRAN WHART	0	930	2,170	2,170	0	0	0	0	0	0	0	0	5,270
TETCO B&W	12,432	35,076	37,296	31,080	12,846	0	0	0	0	0	0	0	128,730
DOM TET FTS	0	31,843	63,550	52,312	9,730	0	0	0	0	0	0	0	157,435
TETCO DOM	0	1,590	3,710	3,710	0	0	0	0	0	0	0	0	9,010
ANE	30,000	31,000	31,000	28,000	31,000	30,000	31,000	30,000	31,000	31,000	30,000	31,000	365,000
NIAGARA	24,000	31,000	31,000	28,000	31,000	30,000	12,521	5,000	0	0	0	31,000	223,521
DIST FCS VAP	190,821	236,096	236,096	213,248	236,096	29,658	0	0	0	0	0	7,985	1,150,000
Total Pipeline Supply Deliveries	2,905,207	3,887,492	4,166,226	3,699,560	3,407,598	2,898,913	1,916,430	1,462,457	1,388,566	1,393,465	1,387,284	2,043,573	30,556,771
CITY GATE DELIVERED MDQ = 6,000 DTH													
Storage Withdrawals													
TENN_8995	8,400	29,494	56,116	56,031	17,960	0	0	0	0	0	0	0	168,001
TENN_501	1,517	131,936	131,936	119,168	131,936	0	0	0	0	0	0	0	516,493
GSS 600045	0	193,803	282,810	263,956	221,463	0	0	0	0	0	0	0	962,032
GSS 300171	0	38,851	64,972	49,096	15,751	0	0	0	0	0	0	0	168,670
GSS 300169	0	38,665	61,050	54,945	28,974	0	0	0	0	0	0	0	183,634
GSS 300168	0	26,277	41,490	38,724	31,266	0	0	0	0	0	0	0	137,757
GSS 300170	0	82,923	136,656	102,483	64,313	0	0	0	0	0	0	0	386,375
TETCO_400221	0	150,175	308,889	285,129	83,140	0	0	0	0	0	0	0	827,333
TETCO_400515	0	9,627	14,726	13,594	4,192	0	0	0	0	0	0	0	42,139
TETCO 400185	0	7,129	13,517	12,478	8,411	0	0	0	0	0	0	0	41,535
COL FS 38010	0	29,809	55,757	44,151	22,617	0	0	0	0	0	0	0	152,334
LNG EXETER	3,000	14,662	56,800	99,000	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	197,962
LNG PROV	15,000	27,993	117,000	43,787	15,500	15,000	15,500	15,000	15,500	15,500	15,000	15,500	326,280
LNG VALLEY	2,700	16,688	11,028	12,554	2,790	2,700	2,790	2,700	2,790	2,790	2,700	2,790	65,020
Total Withdrawals	30,617	798,032	1,352,747	1,195,096	651,413	20,700	21,390	20,700	21,390	21,390	20,700	21,390	4,175,565
Total Supply	2,935,824	4,685,524	5,518,973	4,894,656	4,059,011	2,919,613	1,937,820	1,483,157	1,409,956	1,414,855	1,407,984	2,064,963	34,732,336

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	Total
08/18/2008 NYMEX	\$8.381	\$8.776	\$9.021	\$9.048	\$8.881	\$8.551	\$8.541	\$8.636	\$8.746	\$8.816	\$8.846	\$8.926	
TENNESSEE ZN 0													
Basis	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)
usage	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627	\$0.1627
fuel	8.71%	8.71%	8.71%	8.71%	8.71%	8.71%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%
Total Delivered	\$8.7179	\$9.1505	\$9.4189	\$9.4485	\$9.2656	\$8.7823	\$8.7715	\$8.8741	\$8.9929	\$9.0685	\$9.1009	\$9.1873	
TENNESSEE CONNEXION													
Basis	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)	(\$0.571)
usage	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
fuel	8.71%	8.71%	8.71%	8.71%	8.71%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%	7.42%
Total Delivered	\$8.5552	\$8.9878	\$9.2562	\$9.2858	\$9.1029	\$8.6196	\$8.6088	\$8.7114	\$8.8302	\$8.9058	\$8.9382	\$9.0246	
TENNESSEE ZN 1													
Basis	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)	(\$0.065)
usage to Zn 6	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522
fuel to Zn 6	7.82%	7.82%	7.82%	7.82%	7.82%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Total Delivered	\$9.1737	\$9.6022	\$9.8680	\$9.8973	\$9.7161	\$9.2447	\$9.2340	\$9.3357	\$9.4536	\$9.5286	\$9.5608	\$9.6465	
TENNESSEE DRACUT													
Basis	\$1.500	\$1.500	\$1.500	\$1.500	\$1.500	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235
usage	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661	\$0.0661
fuel	0.89%	0.89%	0.89%	0.89%	0.89%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
Total Delivered	\$10.0358	\$10.4344	\$10.6816	\$10.7088	\$10.5403	\$8.9274	\$8.9173	\$9.0131	\$9.1241	\$9.1947	\$9.2250	\$9.3056	
TETCO STX													
CITY GATE DELIVERED MDQ = 5,500	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)	(\$0.662)
Usage to M3	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	7.62%	8.74%	8.74%	8.74%	8.74%	7.62%	7.62%	7.62%	7.62%	7.62%	7.62%	7.62%	7.62%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$8.4635	\$9.0625	\$9.3346	\$9.3646	\$9.1791	\$8.6487	\$8.6378	\$8.7413	\$8.8612	\$8.9375	\$8.9702	\$9.0574	
TETCO WLA													
Basis	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)	(\$0.116)
Usage to M3	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	7.00%	7.93%	7.93%	7.93%	7.93%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$8.9984	\$9.5842	\$9.8539	\$9.8836	\$9.6998	\$9.1824	\$9.1716	\$9.2744	\$9.3935	\$9.4692	\$9.5017	\$9.5883	
TETCO ELA													
Basis	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)
Usage to M3	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	6.74%	7.57%	7.57%	7.57%	7.57%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$9.0436	\$9.6184	\$9.8870	\$9.9166	\$9.7335	\$9.2271	\$9.2163	\$9.3189	\$9.4376	\$9.5132	\$9.5455	\$9.6319	

TETCO ETX

Basis	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)	(\$0.629)
Usage to M3	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389	\$0.0389
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M3	6.74%	7.57%	7.57%	7.57%	7.57%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$8.4197	\$8.9847	\$9.2533	\$9.2829	\$9.0998	\$8.6032	\$8.5924	\$8.6950	\$8.8137	\$8.8893	\$8.9216	\$9.0080

TETCO TO NF

Basis	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)
Usage to M2	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962
Usage on NF	\$0.0085	\$0.0085	\$0.0085	\$0.0085	\$0.0085	\$0.0085	\$0.0085	\$0.0085	\$0.0085	\$0.0085	\$0.0085	\$0.0085
Usage on Transco	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel to M2	3.55%	4.03%	4.03%	4.03%	4.03%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%
Fuel on NF	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Fuel on Transco	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Delivered to NF	\$8.9328	\$9.3876	\$9.6429	\$9.6710	\$9.4970	\$9.1091	\$9.0987	\$9.1972	\$9.3112	\$9.3838	\$9.4149	\$9.4979
Delivered to Transco	\$9.0681	\$9.5294	\$9.7883	\$9.8168	\$9.6403	\$9.2469	\$9.2364	\$9.3363	\$9.4519	\$9.5255	\$9.5571	\$9.6412
Delivered to Algonquin	\$9.1374	\$9.6020	\$9.8628	\$9.8915	\$9.7138	\$9.3175	\$9.3069	\$9.4075	\$9.5240	\$9.5981	\$9.6299	\$9.7146
Total Delivered	\$9.2112	\$9.7435	\$10.0078	\$10.0369	\$9.8568	\$9.3925	\$9.3818	\$9.4831	\$9.6004	\$9.6750	\$9.7070	\$9.7923

M3 DELIVERED

Basis	\$1.203	\$1.203	\$1.203	\$1.203	\$1.203	\$0.623	\$0.623	\$0.623	\$0.623	\$0.623	\$0.623	\$0.623
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Gas Year 2008 - 2009	\$9.6608	\$10.1256	\$10.3739	\$10.4012	\$10.2320	\$9.2481	\$9.2380	\$9.3336	\$9.4443	\$9.5148	\$9.5450	\$9.6255

CITY GATE DELIVERED MDQ = 1,000 DTH

MAUMEE SUPPLY

Basis	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33
Usage on Columbia	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$8.9884	\$9.4576	\$9.7113	\$9.7393	\$9.5663	\$9.1633	\$9.1530	\$9.2508	\$9.3640	\$9.4360	\$9.4668	\$9.5491

BROADRUN COLUMBIA

Basis	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33
Usage on Columbia	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$8.9884	\$9.4576	\$9.7113	\$9.7393	\$9.5663	\$9.1633	\$9.1530	\$9.2508	\$9.3640	\$9.4360	\$9.4668	\$9.5491

COLUMBIA TO AGT

Basis	\$1.203	\$1.203	\$1.203	\$1.203	\$1.203	\$0.623	\$0.623	\$0.623	\$0.623	\$0.623	\$0.623	\$0.623
Usage on Columbia	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164	\$0.0164
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Columbia	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$9.8897	\$10.3648	\$10.6186	\$10.6465	\$10.4736	\$9.4679	\$9.4576	\$9.5553	\$9.6685	\$9.7405	\$9.7714	\$9.8537

DOMINION TO B & W

Basis	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)
Usage on Dominion	\$0.0266	\$0.0266	\$0.0266	\$0.0266	\$0.0266	\$0.0266	\$0.0266	\$0.0266	\$0.0266	\$0.0266	\$0.0266	\$0.0266
Usage to M2	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962	\$0.2962
Usage on Tetco	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019
Usage on AGT	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296	\$0.2296
Fuel to M2	3.55%	4.03%	4.03%	4.03%	4.03%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%
Fuel on Dominion	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
Fuel on Tetco	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Delivered to Dominion	\$8.9328	\$9.3876	\$9.6429	\$9.6710	\$9.4970	\$9.1091	\$9.0987	\$9.1972	\$9.3112	\$9.3838	\$9.4149	\$9.4979
Delivered to Tetco	\$9.2215	\$9.6896	\$9.9524	\$9.9813	\$9.8022	\$9.4029	\$9.3922	\$9.4936	\$9.6110	\$9.6857	\$9.7177	\$9.8031
Delivered to Algonquin	\$9.3439	\$9.8181	\$10.0843	\$10.1137	\$9.9322	\$9.5277	\$9.5169	\$9.6196	\$9.7385	\$9.8142	\$9.8466	\$9.9331
Total Delivered	\$9.6355	\$10.1790	\$10.4488	\$10.4785	\$10.2947	\$9.8206	\$9.8097	\$9.9131	\$10.0328	\$10.1090	\$10.1416	\$10.2287

TRANSCO AT WHARTON

Basis	\$1.2370	\$1.2370	\$1.2370	\$1.2370	\$1.2370	\$0.6250	\$0.6250	\$0.6250	\$0.6250	\$0.6250	\$0.6250	\$0.6250
Usage on Transco	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035	\$0.0035
Usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Fuel on Transco	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$9.7687	\$10.2372	\$10.4873	\$10.5148	\$10.3444	\$9.3206	\$9.3104	\$9.4068	\$9.5183	\$9.5893	\$9.6197	\$9.7008

AECO TO TENNESSEE - ANE II

Basis	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)	(\$1.386)
Transcanada usage	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071
Transcanada pressure chg	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023
Fuel on TCPL	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%	5.030%
Iroquois usage	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005
Tennessee usage	\$0.078	\$0.078	\$0.078	\$0.078	\$0.078	\$0.078	\$0.078	\$0.078	\$0.078	\$0.078	\$0.078	\$0.078
Fuel on Iroquois	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Fuel Wright to Gate	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%
Total Delivered	\$7.6876	\$8.1157	\$8.3812	\$8.4104	\$8.2294	\$7.8718	\$7.8610	\$7.9639	\$8.0831	\$8.1590	\$8.1915	\$8.2782

NIAGARA TO TENNESSEE

Basis	\$0.361	\$0.361	\$0.361	\$0.361	\$0.361	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235	\$0.235
Tenn usage	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085
Tenn Fuel	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%
Total Delivered	\$8.9930	\$9.3955	\$9.6451	\$9.6726	\$9.5025	\$9.0378	\$9.0276	\$9.1244	\$9.2365	\$9.3078	\$9.3384	\$9.4199

Tetco to B&W

Basis	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)	(\$0.051)
usage	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397	\$0.397
fuel to ZN 3	6.74%	7.57%	7.57%	7.57%	7.57%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%	6.74%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$9.3916	\$9.9666	\$10.2352	\$10.2648	\$10.0817	\$9.5751	\$9.5643	\$9.6668	\$9.7856	\$9.8611	\$9.8935	\$9.9798

Dominion to Tetco FTS

Basis	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41
usage on Tetco	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019	\$0.0019
usage on AGT	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
Tetco Fuel	2.49%	2.62%	2.62%	2.62%	2.62%	2.49%	2.49%	2.49%	2.49%	2.49%	2.49%	2.49%
Fuel on AGT	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$9.0894	\$9.5733	\$9.8283	\$9.8564	\$9.6826	\$9.2649	\$9.2545	\$9.3526	\$9.4662	\$9.5384	\$9.5694	\$9.6520

DISTRIGAS FCS

Total Delivered	\$8.381	\$8.776	\$9.021	\$9.048	\$8.881	\$8.551	\$8.541	\$8.636	\$8.746	\$8.816	\$8.846	\$8.926
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Hubline

Basis	\$1.5000	\$1.5000	\$1.5000	\$1.5000	\$1.5000	\$0.2350	\$0.2350	\$0.2350	\$0.2350	\$0.2350	\$0.2350	\$0.2350
usage	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131	\$0.0131
fuel	0.66%	1.32%	1.32%	1.32%	1.32%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
Total Delivered	\$9.9597	\$10.4266	\$10.6748	\$10.7022	\$10.5330	\$8.8575	\$8.8474	\$8.9430	\$9.0538	\$9.1242	\$9.1544	\$9.2350

Total delivered to the City Gas Gas Supply Costs

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Tennessee Zn 0												
Delivered Mmbtu	282,960	292,392	292,392	264,096	292,392	282,960	292,392	282,960	292,392	292,392	282,960	292,392
NYMEX \$/Mmbtu Del	\$8.7179	\$9.1505	\$9.4189	\$9.4485	\$9.2656	\$8.7823	\$8.7715	\$8.8741	\$8.9929	\$9.0685	\$9.1009	\$9.1873
Total Delivered Cost	\$2,466,804	\$2,675,545	\$2,754,016	\$2,495,309	\$2,709,175	\$2,485,032	\$2,564,708	\$2,511,011	\$2,629,452	\$2,651,560	\$2,575,195	\$2,686,301
TENNESSEE CONNEXION												
Delivered Mmbtu	348,000	359,600	359,600	324,800	359,600	348,000	359,600	348,000	359,600	359,600	348,000	359,600
NYMEX \$/Mmbtu Del	8.5552	8.9878	9.2562	9.2858	9.1029	8.6196	8.6088	8.7114	8.8302	8.9058	8.9382	9.0246
Total Delivered Cost	\$2,977,194	\$3,232,028	\$3,328,535	\$3,016,025	\$3,273,388	\$2,999,611	\$3,095,714	\$3,031,562	\$3,175,340	\$3,202,530	\$3,110,499	\$3,245,256
TENN ZONE 1												
Delivered Mmbtu	0	441,768	445,104	409,964	315,884	0	0	0	0	0	0	0
NYMEX \$/Mmbtu Del	\$9.174	\$9.602	\$9.868	\$9.897	\$9.716	\$9.245	\$9.234	\$9.336	\$9.454	\$9.529	\$9.561	\$9.646
Total Delivered Cost	\$0	\$4,241,940	\$4,392,274	\$4,057,522	\$3,069,159	\$0	\$0	\$0	\$9,454	\$9,529	\$9,561	\$9,646
TENN DRACUT												
Delivered Mmbtu at Historical	29,700	53,188	138,354	125,891	30,690	450,000	357,877	0	0	10,424	0	465,000
NYMEX \$/Mmbtu Del	\$10.036	\$10.434	\$10.682	\$10.709	\$10.540	\$8.927	\$8.917	\$9.013	\$9.124	\$9.195	\$9.225	\$9.306
Total Delivered Cost	\$298,064	\$554,984	\$1,477,839	\$1,348,144	\$323,482	\$4,017,340	\$3,191,309	\$0	\$0	\$95,845	\$0	\$4,327,121
TETCO STX												
Delivered Mmbtu	274,620	283,774	283,774	256,312	283,774	274,620	283,774	274,620	283,774	283,774	274,620	283,774
NYMEX \$/Mmbtu Del	\$8.4635	\$9.0625	\$9.3346	\$9.3646	\$9.1791	\$8.6487	\$8.6378	\$8.7413	\$8.8612	\$8.9375	\$8.9702	\$9.0574
Delivered Cost	\$2,324,240	\$2,571,711	\$2,648,913	\$2,400,252	\$2,604,798	\$2,375,112	\$2,451,190	\$2,400,548	\$2,514,581	\$2,536,226	\$2,463,390	\$2,570,241
TETCO WLA												
Delivered Mmbtu	204,888	279,014	284,466	255,388	234,220	0	0	0	0	0	0	0
NYMEX \$/Mmbtu Del	\$8.9984	\$9.5842	\$9.8539	\$9.8836	\$9.6998	\$9.1824	\$9.1716	\$9.2744	\$9.3935	\$9.4692	\$9.5017	\$9.5883
Delivered Cost	\$1,843,664	\$2,674,133	\$2,803,096	\$2,524,154	\$2,271,886	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TETCO ELA												
Delivered Mmbtu	36,521	71,559	74,458	63,480	42,012	0	0	0	0	0	0	0
NYMEX \$/Mmbtu Del	\$9.0436	\$9.6184	\$9.8870	\$9.9166	\$9.7335	\$9.2271	\$9.2163	\$9.3189	\$9.4376	\$9.5132	\$9.5455	\$9.6319
Delivered Cost	\$330,282	\$688,281	\$736,164	\$629,504	\$408,923	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total delivered to the City Gas Gas Supply Costs

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
TETCO ETX												
Delivered Mmbtu	296,580	306,466	306,466	276,808	306,466	296,580	306,466	296,580	306,466	306,466	296,580	306,466
NYMEX \$/Mmbtu Del	\$8.4197	\$8.9847	\$9.2533	\$9.2829	\$9.0998	\$8.6032	\$8.5924	\$8.6950	\$8.8137	\$8.8893	\$8.9216	\$9.0080
Delivered Cost	\$2,497,123	\$2,753,494	\$2,835,814	\$2,569,574	\$2,788,774	\$2,551,545	\$2,633,288	\$2,578,756	\$2,701,102	\$2,724,258	\$2,645,982	\$2,760,646
TETCO - NF												
Delivered Mmbtu	0	16,692	22,932	20,286	12,348	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$9.2112	\$9.7435	\$10.0078	\$10.0369	\$9.8568	\$9.3925	\$9.3818	\$9.4831	\$9.6004	\$9.6750	\$9.7070	\$9.7923
Delivered Cost	\$0	\$162,639	\$229,499	\$203,609	\$121,712	\$0	\$0	\$0	\$0	\$0	\$0	\$0
M3 DELIVERED												
Delivered Mmbtu	0	117,409	125,513	103,225	42,973	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$9.6608	\$10.1256	\$10.3739	\$10.4012	\$10.2320	\$9.2481	\$9.2380	\$9.3336	\$9.4443	\$9.5148	\$9.5450	\$9.6255
Delivered Cost	\$0	\$1,188,835	\$1,302,055	\$1,073,666	\$439,699	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco at Wharton												
Delivered Mmbtu	0	930	2,170	2,170	0	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$9.769	\$10.237	\$10.487	\$10.515	\$10.344	\$9.321	\$9.310	\$9.407	\$9.518	\$9.589	\$9.620	\$9.701
Delivered Cost	\$0	\$9,521	\$22,757	\$22,817	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MAUMEE_SUPP												
Delivered Mmbtu	885,069	902,619	907,355	806,912	868,104	682,970	15,200	14,400	16,000	16,396	12,396	8,356
NYMEX \$/Mmbtu Del	\$8.988	\$9.458	\$9.711	\$9.739	\$9.566	\$9.163	\$9.153	\$9.251	\$9.364	\$9.436	\$9.467	\$9.549
Delivered Cost	\$7,955,387	\$8,536,575	\$8,811,601	\$7,858,733	\$8,304,551	\$6,258,282	\$139,126	\$133,211	\$149,823	\$154,712	\$117,351	\$79,793
BROADRUN_COL												
Delivered Mmbtu	289,616	296,040	305,908	276,304	286,172	234,125	9,600	9,600	4,396	4,000	8,000	10,000
Daily pricing wacog	\$8.988	\$9.458	\$9.711	\$9.739	\$9.566	\$9.163	\$9.153	\$9.251	\$9.364	\$9.436	\$9.467	\$9.549
Delivered Cost	\$2,603,195	\$2,799,817	\$2,970,766	\$2,690,999	\$2,737,610	\$2,145,365	\$87,869	\$88,808	\$41,164	\$37,744	\$75,735	\$95,491
COLUMBIA_TETCO												
Delivered Mmbtu	0	52,351	111,542	84,426	7,360	0	0	0	0	0	0	0
Delivered \$/Mmbtu	\$9.890	\$10.365	\$10.619	\$10.647	\$10.474	\$9.468	\$9.458	\$9.555	\$9.668	\$9.740	\$9.771	\$9.854
Delivered Cost	\$0	\$542,609	\$1,184,416	\$898,844	\$77,085	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TENNESSEE AT WADDINGTON												
Delivered Mmbtu	30,000	31,000	31,000	28,000	31,000	30,000	31,000	30,000	31,000	31,000	30,000	31,000
Delivered \$/Mmbtu	\$7.688	\$8.116	\$8.381	\$8.410	\$8.229	\$7.872	\$7.861	\$7.964	\$8.083	\$8.159	\$8.192	\$8.278
Delivered Cost	\$230,627	\$251,585	\$259,816	\$235,492	\$255,113	\$236,154	\$243,690	\$238,918	\$250,577	\$252,929	\$245,746	\$256,625

Operational Parameters
Non-Daily Metered FT-2 Storage and Peaking Resources

The following Operational Parameters are pursuant to RIPUC NG No. 101, Section 5, Schedule E:

Effective Period: November 1, 2008 through October 31, 2009

Underground Storage:

Maximum Inventory Level at any time is 100% of Aggregation Pool's MSQ-U

Minimum Inventory Levels:

November 1st	98%
December 1st	92%
January 1st	75%
February 1st	50%
March 1st	25%
April 1st	3%

Maximum Monthly Withdrawals expressed as percentage of MSQ-U:

November	10%
December	23%
January	25%
February	23%
March	22%

Maximum Daily Withdrawals:

Level of Storage Inventory Expressed as % of MSQ-U	Allowable Daily Withdrawal Expressed as % of MDQ-U
>35% to 100%	100%
>25% to 35%	85%
>10% to 25%	68%
>0% to 10%	50%

Maximum Daily Injections expressed as percentage of MDQ-U:

April - September	55%
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Peaking Inventory:

Injections are not allowed.
Inventory Level allocated on November 1, 2008= MSQ-P

Minimum Inventory Levels:

	<u>Minimum</u>
November 1st	100%
January 1st	81%
February 1st	42%
March 1st	14%
April 1st	5%

Maximum Daily Withdrawals = MDQ-P

MSQ-U Maximum Storage Quantity - Underground
MDQ-U Maximum Daily Quantity - Underground
MSQ-P Maximum Storage Quantity - Peaking
MDQ-P Maximum Daily Quantity - Peaking

**NATIONAL GRID – RHODE ISLAND
TRANSPORTATION DEFAULT SERVICE**

Price Sheet

As indicated in Item 2.04.0 of Section 6, Schedule C of the Company's Transportation Terms and Conditions, two Default Transportation Services are available in the event that a marketer stops delivering gas on behalf of Large and Extra Large FT-1 customers who have elected to forgo the Company's assignment of pipeline capacity:

Short-Notice Service:

The commodity charge for Short-Notice service shall be the higher of:

OR

- a. The Company's applicable firm sales rate
- b. Winter (November – March) – 135% of the Daily Algonquin Citygates average price or 135% of the Daily Tennessee Zone 6 (delivered) average price published in Gas Daily. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Summer (April – October) – 115% of the Daily Algonquin Citygates average price or 115% of the Daily Tennessee Zone 6 (delivered) average price published in Gas Daily. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

**NATIONAL GRID – RHODE ISLAND
TRANSPORTATION DEFAULT SERVICE**

Advance-Notice Service:

The commodity charge for Advance-Notice service shall be the higher of:

OR

- a. The Company's applicable firm sales rate
- b. Winter (November – March) – 135% of the Algonquin Citygates Monthly Contract Index price or 135% of the Tennessee Zone 6 (delivered) Monthly Contract Index price published in the Gas Daily Price Guide. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Summer (April – October) – 115% of the Algonquin Citygates Monthly Contract Index price or 115% of the Tennessee Zone 6 (delivered) Monthly Contract Index price published in the Gas Daily Price Guide. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

The Company and Default Transportation Service supplier shall review the pricing of these services annually and file any necessary revisions with the Commission concurrent with the Company's annual Gas Charge Clause filing.

National Grid
Rhode Island

November 15, 2007
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**Gas Procurement and Asset
Management Incentive Plan for National Grid**

Revised Effective November 1, 2007

I. Objectives

- A. To encourage National Grid (or “Company”) to achieve lower overall gas commodity costs for its customers; and
- B. To encourage the Company to minimize fixed costs and obtain the maximum value from its pipeline, storage and supply resources.

II. Structure of the Incentive Plan

- A. The Incentive Plan (“Plan”) has two components
 - 1. A Gas Procurement Incentive Program (“GPIP”); and
 - 2. An Asset Management Incentive Program (“AMIP”).
- B. This Plan became effective June 1, 2003. It will be reviewed with each gas cost recovery (“GCR”) filing. The Company will file Plan results semi-annually at the end of January and July. These reports shall include reporting all Plan activity and results through the end of the month prior to the filing.
 - 1. Gas Procurement Incentives apply only to discretionary purchases and/or hedges made on or after June 1, 2003. The first month for which the incentive will be calculated under the Plan will be November 2003.
 - 2. Beginning in 2005, the AMIP applies to fixed gas supply expenditures for the 12-months ended June 30th of each year except for the 2004/2005 year, which will include the period from November 1, 2004 to June 30, 2005.
- C. Limits on Incentives – Both the GPIP and the AMIP, will be subject to limits on the magnitude of incentives applicable to the Company in each fiscal year.
 - 1. For the Gas Procurement Incentive Program limitations are placed on the maximum amount of incentives that can be earned or

National Grid
Rhode Island

November 15, 2007
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penalties paid by National Grid for each fiscal year. For at least the first two years of the program (i.e., through June 30, 2005):

- a. National Grid may not earn more than \$1,000,000 in Gas Procurement Incentives in any fiscal year; and
 - b. National Grid may not be exposed to penalties of more than \$500,000 in any fiscal year.
2. For the AMIP the maximum amount of incentive for the Company for a one-year period will be \$400,000. Since the Rhode Island Public Utilities Commission (“Commission”) annually reviews and can exercise control over the amount of fixed gas supply costs projected for the coming GCR period, no specific penalty structure is proposed to address unanticipated increases in Asset Management costs.
- D. The Company will file its forecasted normal weather natural gas purchase requirements with its annual GCR filing. In addition, whenever the Company updates its annual forecast of projected purchases at the time of the annual update or in the event that an adjustment based on migration is warranted, it will file support for the revised purchase forecast with the Commission and Division.

III. The Gas Procurement Incentive Program

- A. The Company will make purchases of natural gas or natural gas futures which lock or hedge the NYMEX Henry Hub portion of the variable cost. For any future gas supply month the Company will make three types of gas purchases:
1. **Mandatory Purchases and/or Hedges**
 - a. Are defined as mandatory monthly purchases of gas volumes or hedges made in approximately uniform monthly increments. (Mandatory purchases and/or hedges will vary as the forecast of purchases is updated periodically and in order to adjust for the rounding of the 10,000 Dth futures contract.)
 - b. Will equal 60% of forecasted normal weather gas purchase requirements for the April and October gas supply months and 70% of forecasted normal weather gas purchase

National Grid
Rhode Island

November 15, 2007
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requirements for the remaining ten months. Purchases and/or hedges will be based on the forecast of requirements in place when the purchases and/or hedges are made.

- c. Will be purchased in approximately uniform monthly increments on a mandatory basis starting 24 months prior to the month of delivery and ending 4 months prior to the start of deliveries.
- d. The first purchases and/or hedges made each month will be deemed the Company's mandatory hedge up to the amount of the Company's scheduled mandatory requirement for the month.
- e. The Company will make the financial hedges in increments of one contract, 10,000 Dth. The Company will adjust the schedule of hedging to achieve the required mandatory level. Within the constraints of 10,000 Dth contract increments, the Company will seek to maximize the uniformity of monthly mandatory purchase/hedge volumes over the 20 month period specified in paragraph III.A.1.c.

2. Discretionary Purchases and/or Hedges

- a. Are defined as the purchases and/or hedges established at least 6 business days prior to the start of the delivery month for delivery to the system or storage in excess of the mandatory hedging requirements in a month.
- b. The cost and benefit of any financial purchases and/or hedges will be included in the calculation of the average unit price.
- c. May not cause the total (mandatory plus discretionary), fixed price purchases and financial purchases and/or hedges to exceed 95% of the forecasted normal weather requirements for a given supply month.

3. Other Discretionary Purchases and/or Hedges Not Subject To Incentives

- a. LNG

National Grid
Rhode Island

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- b. Supplies that lock in price but are not part of the program.
- c. Purchases and/or hedges made less than 6 business days prior to the beginning of the month, during the month or under a contract which does not allow for the locking of the price.
- d. Purchases and/or hedges made due to updated levels of forecasted migration of throughput volumes from transportation service to sales service.

B. Computation of Gas Procurement Incentives

Gas Procurement Incentives will be determined on the basis of comparisons of the volume-weighted average cost per dekatherm of discretionary purchases and/or hedges made after June 1, 2003, and the volume weighted average cost per dekatherm of mandatory gas purchases and/or hedges made after June 1, 2003 for the same gas supply month. All comparisons will be based on the NYMEX portion of the variable cost per dekatherm of the purchased gas supply or the price, including fees, of the NYMEX futures contract.

- C. Any purchases and/or hedges made for a future gas supply month, excluding other discretionary purchases and/or hedges not subject to incentives as shown in III.A.3, that are in excess of the mandatory purchases and/or hedges requirement for the month, will be deemed discretionary purchases and/or hedges.
- D. The timing of discretionary purchases and/or hedges is left solely to the discretion of the Company. However, beginning in November 2005 the Company will make sufficient discretionary purchases and/or hedges by November 1st of each year, such that a minimum of 80% of supply needed for December, January and February and 75% of supply needed for a normal November and March will be at a fixed or capped price. The fixed and capped supplies will include all forward purchases, financially based purchases and/or hedges, DOMAC FCS contract purchases fixed in price, LNG supplies and storage supplies.
- E. After all purchases for forecasted gas requirements for a given gas supply month are completed, the volume-weighted average cost of discretionary purchases and/or hedges is computed.

National Grid
Rhode Island

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1. If the weighted average cost of discretionary purchases and/or hedges is less than that for mandatory purchases and/or hedges, National Grid earns a positive incentive equal to 10% of the difference between the weighted average cost of discretionary purchases and/or hedges and the weighted average cost of mandatory purchases and/or hedges in dollars per dekatherm multiplied by the actual volume of discretionary purchases and/or hedges.
2. If the weighted average cost of discretionary purchases and/or hedges is greater than that for mandatory purchases and/or hedges, the Company will be assessed a penalty (i.e., negative incentive) equal to 10% of the difference in dollars per dekatherm between the weighted average cost of discretionary purchases and/or hedges and the weighted average cost of mandatory purchases and/or hedges for the same gas supply month multiplied by the actual volume of discretionary purchases and/or hedges.
3. If the weighted average cost of discretionary purchases and/or hedges is more than \$0.50 below the weighted average cost of mandatory purchases and/or hedges then National Grid will receive a Meritorious Performance Bonus equal to 10% of the difference between the weighted average cost of discretionary purchases and/or hedges and the weighted average cost of Mandatory purchases and/or hedges multiplied by the actual volumes of discretionary purchases and/or hedges.

IV. The Asset Management Incentive

- A. For each gas supply year during the effective period of this incentive program, National Grid will earn a dollar incentive based on reductions achieved in fixed gas supply and fixed storage costs from the amounts projected as accepted by the Commission for each gas supply year. The net effect of fixed costs recovered from marketers under the capacity assignment feature of the Company's transportation program will not be counted in the calculation of the incentive. The calculation will include all fixed costs associated with gas supply, asset management fees or credits, capacity release credits and off-system sales margins.
- B. To discourage achievement of fixed costs savings through the manipulation of gas commodity purchases, the amount of the Asset Management Incentive shall be dependent upon the Company's success in its Gas Procurement activities.

National Grid
Rhode Island

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1. If the Company's actual gas procurement costs at the time of the Company's last annual GCR filing are **below** its projected gas procurement costs on a dollars per dekatherm basis, then National Grid shall be provided an Asset Management incentive equal to 20% of the amount by which the sum of the Company's actual fixed gas supply costs and fixed storage costs are below the projected fixed gas supply and fixed storage costs accepted by the Commission for the gas supply year.

2. If the Company's actual gas procurement costs at the time of the Company's last annual GCR filing are **above** its projected gas procurement costs on a dollars per dekatherm basis, then National Grid shall be provided an Asset Management incentive equal 10% of the amount by which the sum of the Company's actual fixed gas supply costs and fixed storage costs are below the projected fixed gas supply and fixed storage costs accepted by the Commission for the gas supply year.

Gas Procurement Incentive Program Worksheet - June 30, 2008
Mandatory vs Discretionary Purchase Recap
National Grid - Rhode Island

Month	Mandatory NYMEX	Discretionary NYMEX	Difference	Discretionary Volumes (Dt)	Gain/ (Loss)	Incentive* Level	Company Incentive
July-07	\$8.346	\$7.815	\$0.531	96,534	\$51,228	20%	\$10,246
August-07	\$8.458	\$7.517	\$0.941	210,231	\$197,756	20%	\$39,551
September-07	\$8.500	\$6.965	\$1.535	227,100	\$348,620	20%	\$69,724
October-07	\$8.665	\$6.508	\$2.157	376,624	\$812,361	20%	\$162,472
November-07	\$9.278	\$7.466	\$1.812	260,060	\$471,188	20%	\$94,238
December-07	\$9.886	\$8.065	\$1.821	394,116	\$717,869	20%	\$143,574
January-08	\$10.170	\$8.606	\$1.565	504,544	\$789,493	20%	\$157,899
February-08	\$10.021	\$8.516	\$1.505	488,815	\$735,679	20%	\$147,136
March-08	\$9.745	\$8.362	\$1.383	372,112	\$514,494	20%	\$102,899
April-08	\$7.895	\$7.315	\$0.580	169,830	\$98,444	20%	\$19,689
May-08	\$7.735	\$7.288	\$0.448	57,936	\$25,926	10%	\$2,593
June-08	\$7.866	\$7.607	\$0.259	18,640	\$4,829	10%	\$483
Total #			\$1.501	3,176,542	\$4,767,889		\$950,502

* = Months where savings exceed 50 cents per Dt are subject to a 20% incentive.

= Volume weighted average based on discretionary volumes

Gas Procurement Incentive Program Worksheet - June 30,2008

Mandatory Purchases and Benchmark

National Grid - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cost	Source Date
July, 2007	1,691	52,421	\$7.535	\$394,992	Jul-05
July, 2007	1,691	52,421	\$7.505	\$393,420	Aug-05
July, 2007	1,495	46,345	\$8.530	\$395,323	Sep-05
July, 2007	1,495	46,345	\$8.870	\$411,080	Oct-05
July, 2007	1,495	46,345	\$8.590	\$398,104	Nov-05
July, 2007	1,495	46,345	\$9.350	\$433,326	Dec-05
July, 2007	1,495	46,345	\$9.275	\$429,850	Jan-06
July, 2007	1,495	46,345	\$9.060	\$419,886	Feb-06
July, 2007	1,495	46,345	\$8.450	\$391,615	Mar-06
July, 2007	1,100	34,100	\$9.090	\$309,969	Apr-06
July, 2007	395	12,245	\$9.040	\$110,695	Apr-06
July, 2007	1,000	31,000	\$9.200	\$285,200	May-06
July, 2007	495	15,345	\$8.990	\$137,952	May-06
July, 2007	1,495	46,345	\$8.550	\$396,250	Jun-06
July, 2007	1,495	46,345	\$8.550	\$396,250	Jul-06
July, 2007	1,495	46,345	\$8.590	\$398,104	Aug-06
July, 2007	1,382	42,842	\$7.360	\$315,317	Sep-06
July, 2007	1,382	42,842	\$7.750	\$332,026	Oct-06
July, 2007	1,400	43,400	\$7.990	\$346,766	Nov-06
July, 2007	1,400	43,400	\$7.990	\$346,766	Dec-06
July, 2007	1,400	43,400	\$6.900	\$299,460	Jan-07
July, 2007	1,400	43,400	\$7.790	\$338,086	Feb-07
	29,686	920,266	\$8.346	\$7,680,434	
August, 2007	1,527	47,337	\$7.590	\$359,288	Aug-05
August, 2007	1,511	46,841	\$8.440	\$395,338	Sep-05
August, 2007	1,511	46,841	\$8.550	\$400,491	Oct-05
August, 2007	1,511	46,841	\$8.850	\$414,543	Nov-05
August, 2007	1,511	46,841	\$9.270	\$434,216	Dec-05
August, 2007	1,511	46,841	\$9.670	\$452,952	Jan-06
August, 2007	1,511	46,841	\$8.780	\$411,264	Feb-06
August, 2007	1,511	46,841	\$8.870	\$415,480	Mar-06
August, 2007	1,511	46,841	\$9.110	\$426,722	Apr-06
August, 2007	600	18,600	\$9.430	\$175,398	May-06
August, 2007	911	28,241	\$9.200	\$259,817	May-06
August, 2007	1,511	46,841	\$8.750	\$409,859	Jun-06
August, 2007	1,511	46,841	\$8.360	\$391,591	Jul-06
August, 2007	1,511	46,841	\$8.730	\$408,922	Aug-06
August, 2007	1,470	45,570	\$8.500	\$387,345	Sep-06
August, 2007	1,470	45,570	\$8.050	\$366,839	Oct-06
August, 2007	1,500	46,500	\$8.190	\$380,835	Nov-06
August, 2007	1,500	46,500	\$7.750	\$360,375	Dec-06
August, 2007	1,500	46,500	\$6.990	\$325,035	Jan-07
August, 2007	1,500	46,500	\$7.900	\$367,350	Feb-07
August, 2007	1,400	43,400	\$7.410	\$321,594	Mar-07
	29,999	929,969	\$8.458	\$7,865,252	

Gas Procurement Incentive Program Worksheet - June 30,2008

Mandatory Purchases and Benchmark

National Grid - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cost	Source Date
September, 2007	1,656	49,680	\$8.500	\$422,280	Sep-05
September, 2007	1,656	49,680	\$8.745	\$434,452	Oct-05
September, 2007	1,656	49,680	\$8.330	\$413,834	Nov-05
September, 2007	1,656	49,680	\$9.250	\$459,540	Dec-05
September, 2007	1,656	49,680	\$9.350	\$464,508	Jan-06
September, 2007	1,656	49,680	\$8.430	\$418,802	Feb-06
September, 2007	1,656	49,680	\$9.250	\$459,540	Mar-06
September, 2007	1,656	49,680	\$9.960	\$494,813	Apr-06
September, 2007	1,000	30,000	\$9.200	\$276,000	May-06
September, 2007	656	19,680	\$9.190	\$180,859	May-06
September, 2007	700	21,000	\$8.400	\$176,400	Jun-06
September, 2007	956	28,680	\$8.600	\$246,648	Jun-06
September, 2007	1,656	49,680	\$8.750	\$434,700	Jul-06
September, 2007	1,656	49,680	\$8.950	\$444,636	Aug-06
September, 2007	1,579	47,370	\$7.990	\$378,486	Sep-06
September, 2007	1,579	47,370	\$7.990	\$378,486	Oct-06
September, 2007	1,600	48,000	\$8.150	\$391,200	Nov-06
September, 2007	1,600	48,000	\$7.960	\$382,080	Dec-06
September, 2007	1,600	48,000	\$6.990	\$335,520	Jan-07
September, 2007	1,600	48,000	\$7.960	\$382,080	Feb-07
September, 2007	1,600	48,000	\$7.460	\$358,080	Mar-07
September, 2007	1,500	45,000	\$8.050	\$362,250	Apr-07
	32,530	975,900	\$8.500	\$8,295,195	
October, 2007	2,210	68,510	\$8.950	\$613,165	Oct-05
October, 2007	2,210	68,510	\$8.900	\$609,739	Nov-05
October, 2007	2,210	68,510	\$9.550	\$654,271	Dec-05
October, 2007	2,210	68,510	\$9.650	\$661,122	Jan-06
October, 2007	2,210	68,510	\$9.250	\$633,718	Feb-06
October, 2007	2,210	68,510	\$8.990	\$615,905	Mar-06
October, 2007	2,210	68,510	\$9.200	\$630,292	Apr-06
October, 2007	1,000	31,000	\$9.200	\$285,200	May-06
October, 2007	1,210	37,510	\$8.850	\$331,964	May-06
October, 2007	2,210	68,510	\$8.940	\$612,479	Jun-06
October, 2007	2,210	68,510	\$8.870	\$607,684	Jul-06
October, 2007	2,210	68,510	\$8.950	\$613,165	Aug-06
October, 2007	2,043	63,333	\$8.750	\$554,164	Sep-06
October, 2007	2,043	63,333	\$7.990	\$506,031	Oct-06
October, 2007	2,100	65,100	\$8.350	\$543,585	Nov-06
October, 2007	2,100	65,100	\$7.750	\$504,525	Dec-06
October, 2007	2,100	65,100	\$7.750	\$504,525	Jan-07
October, 2007	2,000	62,000	\$7.990	\$495,380	Feb-07
October, 2007	2,000	62,000	\$7.680	\$476,160	Mar-07
October, 2007	2,000	62,000	\$8.140	\$504,680	Apr-07
October, 2007	2,000	62,000	\$8.250	\$511,500	May-07
	42,696	1,323,576	\$8.665	\$11,469,250	

Gas Procurement Incentive Program Worksheet - June 30,2008

Mandatory Purchases and Benchmark

National Grid - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cost	Source Date
November, 2007	3,616	108,480	\$8.990	\$975,235	Nov-05
November, 2007	3,616	108,480	\$9.930	\$1,077,206	Dec-05
November, 2007	3,616	108,480	\$9.950	\$1,079,376	Jan-06
November, 2007	3,616	108,480	\$9.900	\$1,073,952	Feb-06
November, 2007	3,616	108,480	\$9.350	\$1,014,288	Mar-06
November, 2007	3,616	108,480	\$10.650	\$1,155,312	Apr-06
November, 2007	3,616	108,480	\$10.350	\$1,122,768	May-06
November, 2007	3,616	108,480	\$9.570	\$1,038,154	Jun-06
November, 2007	3,616	108,480	\$9.540	\$1,034,899	Jul-06
November, 2007	3,616	108,480	\$9.690	\$1,051,171	Aug-06
November, 2007	3,219	96,570	\$8.050	\$777,389	Sep-06
November, 2007	3,219	96,570	\$8.525	\$823,259	Oct-06
November, 2007	3,300	99,000	\$9.050	\$895,950	Nov-06
November, 2007	3,300	99,000	\$8.135	\$805,410	Dec-06
November, 2007	3,200	96,000	\$8.344	\$801,000	Jan-07
November, 2007	1,600	48,000	\$8.506	\$408,300	Feb-07
November, 2007	1,600	48,000	\$8.340	\$400,320	Mar-07
November, 2007	1,600	48,000	\$8.795	\$422,160	Apr-07
November, 2007	1,600	48,000	\$8.930	\$428,640	May-07
November, 2007	1,600	48,000	\$8.890	\$426,720	Jun-07
	60,398	1,811,940	\$9.278	\$16,811,509	
December, 2007	4,500	139,500	\$10.450	\$1,457,775	Dec-05
December, 2007	4,500	139,500	\$10.850	\$1,513,575	Jan-06
December, 2007	4,500	139,500	\$10.260	\$1,431,270	Feb-06
December, 2007	4,500	139,500	\$10.500	\$1,464,750	Mar-06
December, 2007	4,500	139,500	\$11.290	\$1,574,955	Apr-06
December, 2007	4,500	139,500	\$10.950	\$1,527,525	May-06
December, 2007	4,500	139,500	\$9.990	\$1,393,605	Jun-06
December, 2007	4,500	139,500	\$10.450	\$1,457,775	Jul-06
December, 2007	4,500	139,500	\$10.850	\$1,513,575	Aug-06
December, 2007	4,032	124,992	\$8.450	\$1,056,182	Sep-06
December, 2007	4,032	124,992	\$8.990	\$1,123,678	Oct-06
December, 2007	4,100	127,100	\$9.050	\$1,150,255	Nov-06
December, 2007	4,100	127,100	\$8.967	\$1,139,731	Dec-06
December, 2007	4,100	127,100	\$8.549	\$1,086,581	Jan-07
December, 2007	1,000	31,000	\$9.050	\$280,550	Feb-07
December, 2007	1,000	31,000	\$9.250	\$286,750	Feb-07
December, 2007	2,000	62,000	\$9.350	\$579,700	Mar-07
December, 2007	2,000	62,000	\$9.460	\$586,520	Apr-07
December, 2007	2,000	62,000	\$9.620	\$596,440	May-07
December, 2007	2,000	62,000	\$9.630	\$597,060	Jun-07
December, 2007	Financial	30,000	\$8.448	\$253,440	Jul-07
December, 2007	Financial	20,000	\$8.450	\$169,000	Jul-07
December, 2007	Financial	20,000	\$8.453	\$169,060	Jul-07
		2,266,784	\$9.886	\$22,409,752	

Gas Procurement Incentive Program Worksheet - June 30,2008

Mandatory Purchases and Benchmark

National Grid - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cost	Source Date
January, 2008	4,719	146,289	\$10.950	\$1,601,865	Jan-06
January, 2008	4,719	146,289	\$10.490	\$1,534,572	Feb-06
January, 2008	4,719	146,289	\$10.590	\$1,549,201	Mar-06
January, 2008	4,719	146,289	\$11.850	\$1,733,525	Apr-06
January, 2008	4,719	146,289	\$11.490	\$1,680,861	May-06
January, 2008	4,719	146,289	\$10.790	\$1,578,458	Jun-06
January, 2008	4,719	146,289	\$10.990	\$1,607,716	Jul-06
January, 2008	4,719	146,289	\$11.300	\$1,653,066	Aug-06
January, 2008	4,312	133,672	\$9.590	\$1,281,914	Sep-06
January, 2008	4,312	133,672	\$9.150	\$1,223,099	Oct-06
January, 2008	4,400	136,400	\$9.150	\$1,248,060	Nov-06
January, 2008	4,400	136,400	\$9.141	\$1,246,789	Dec-06
January, 2008	4,300	133,300	\$8.606	\$1,147,217	Jan-07
January, 2008	2,200	68,200	\$9.371	\$639,096	Feb-07
January, 2008	2,200	68,200	\$9.670	\$659,494	Mar-07
January, 2008	2,200	68,200	\$9.700	\$661,540	Apr-07
January, 2008	2,200	68,200	\$9.950	\$678,590	May-07
January, 2008	2,200	68,200	\$9.980	\$680,636	Jun-07
January, 2008	Financial	30,000	\$8.886	\$266,580	Jul-07
January, 2008	Financial	30,000	\$8.886	\$266,580	Jul-07
January, 2008	Financial	10,000	\$8.886	\$88,860	Jul-07
January, 2008	Financial	10,000	\$8.799	\$87,990	Aug-07
January, 2008	Financial	10,000	\$8.802	\$88,020	Aug-07
January, 2008	Financial	20,000	\$8.803	\$176,060	Aug-07
January, 2008	Financial	10,000	\$8.804	\$88,040	Aug-07
January, 2008	Financial	20,000	\$8.805	\$176,100	Aug-07
		2,324,756	\$10.170	\$23,643,927	
February, 2008	4,375	126,875	\$10.350	\$1,313,156	Feb-06
February, 2008	4,375	126,875	\$10.850	\$1,376,594	Mar-06
February, 2008	4,375	126,875	\$11.950	\$1,516,156	Apr-06
February, 2008	4,375	126,875	\$11.490	\$1,457,794	May-06
February, 2008	4,375	126,875	\$10.750	\$1,363,906	Jun-06
February, 2008	4,375	126,875	\$10.980	\$1,393,088	Jul-06
February, 2008	4,375	126,875	\$11.350	\$1,440,031	Aug-06
February, 2008	4,020	116,580	\$9.300	\$1,084,194	Sep-06
February, 2008	4,020	116,580	\$9.350	\$1,090,023	Oct-06
February, 2008	4,100	118,900	\$9.150	\$1,087,935	Nov-06
February, 2008	4,100	118,900	\$9.258	\$1,100,811	Dec-06
February, 2008	4,100	118,900	\$8.604	\$1,022,975	Jan-07
February, 2008	2,000	58,000	\$9.440	\$547,520	Feb-07
February, 2008	2,000	58,000	\$9.240	\$535,920	Mar-07
February, 2008	2,000	58,000	\$9.680	\$561,440	Apr-07
February, 2008	2,000	58,000	\$9.840	\$570,720	May-07
February, 2008	2,000	58,000	\$9.990	\$579,420	Jun-07
February, 2008	Financial	70,000	\$8.850	\$619,500	Jul-07
February, 2008	Financial	70,000	\$8.582	\$600,740	Aug-07
February, 2008	Financial	70,000	\$7.990	\$559,300	Sep-07
		1,977,985	\$10.021	\$19,821,223	

Gas Procurement Incentive Program Worksheet - June 30,2008

Mandatory Purchases and Benchmark

National Grid - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cost	Source Date
March, 2008	4,337	134,447	\$10.350	\$1,391,526	Mar-06
March, 2008	4,337	134,447	\$11.550	\$1,552,863	Apr-06
March, 2008	4,337	134,447	\$11.390	\$1,531,351	May-06
March, 2008	4,337	134,447	\$10.550	\$1,418,416	Jun-06
March, 2008	4,337	134,447	\$10.775	\$1,448,599	Jul-06
March, 2008	4,337	134,447	\$10.850	\$1,458,750	Aug-06
March, 2008	3,913	121,303	\$9.750	\$1,182,704	Sep-06
March, 2008	3,913	121,303	\$9.150	\$1,109,922	Oct-06
March, 2008	4,000	124,000	\$8.990	\$1,114,760	Nov-06
March, 2008	4,000	124,000	\$9.033	\$1,120,030	Dec-06
March, 2008	3,900	120,900	\$8.532	\$1,031,463	Jan-07
March, 2008	1,900	58,900	\$9.284	\$546,840	Feb-07
March, 2008	1,900	58,900	\$9.020	\$531,278	Mar-07
March, 2008	1,900	58,900	\$9.470	\$557,783	Apr-07
March, 2008	1,900	58,900	\$9.600	\$565,440	May-07
March, 2008	1,900	58,900	\$9.800	\$577,220	Jun-07
March, 2008	Financial	10,000	\$8.496	\$84,960	Jul-07
March, 2008	Financial	10,000	\$8.492	\$84,920	Jul-07
March, 2008	Financial	50,000	\$8.488	\$424,400	Jul-07
March, 2008	Financial	10,000	\$8.406	\$84,060	Aug-07
March, 2008	Financial	10,000	\$8.407	\$84,070	Aug-07
March, 2008	Financial	20,000	\$8.408	\$168,160	Aug-07
March, 2008	Financial	30,000	\$8.409	\$252,270	Aug-07
March, 2008	Financial	70,000	\$7.820	\$547,400	Sep-07
March, 2008	Financial	70,000	\$7.840	\$548,800	Oct-07
		1,992,688	\$9.745	\$19,417,986	
April, 2008	2,607	78,210	\$8.500	\$664,785	Apr-06
April, 2008	2,607	78,210	\$8.850	\$692,159	May-06
April, 2008	2,607	78,210	\$7.950	\$621,770	Jun-06
April, 2008	2,607	78,210	\$7.950	\$621,770	Jul-06
April, 2008	2,607	78,210	\$7.990	\$624,898	Aug-06
April, 2008	2,602	78,060	\$7.300	\$569,838	Sep-06
April, 2008	2,602	78,060	\$7.750	\$604,965	Oct-06
April, 2008	2,700	81,000	\$7.850	\$635,850	Nov-06
April, 2008	2,600	78,000	\$7.750	\$604,500	Dec-06
April, 2008	2,600	78,000	\$7.600	\$592,800	Jan-07
April, 2008	2,600	78,000	\$7.659	\$597,420	Feb-07
April, 2008	2,600	78,000	\$7.760	\$605,280	Mar-07
April, 2008	2,600	78,000	\$8.400	\$655,200	Apr-07
April, 2008	2,600	78,000	\$8.410	\$655,980	May-07
April, 2008	2,600	78,000	\$8.230	\$641,940	Jun-07
April, 2008	Financial	50,000	\$7.755	\$387,750	Jul-07
April, 2008	Financial	30,000	\$7.759	\$232,770	Jul-07
April, 2008	Financial	50,000	\$8.076	\$403,800	Aug-07
April, 2008	Financial	30,000	\$8.082	\$242,460	Aug-07
April, 2008	Financial	10,000	\$7.235	\$72,350	Sep-07
April, 2008	Financial	70,000	\$7.236	\$506,520	Sep-07
April, 2008	Financial	80,000	\$7.695	\$615,600	Oct-07
April, 2008	Financial	10,000	\$7.352	\$73,520	Nov-07
April, 2008	Financial	70,000	\$7.353	\$514,710	Nov-07
April, 2008	Financial	20,000	\$7.354	\$147,080	Nov-07
		1,594,170	\$7.895	\$12,585,713	

Gas Procurement Incentive Program Worksheet - June 30,2008
Mandatory Purchases and Benchmark
National Grid - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cost	Source Date
May, 2008	2,271	70,401	\$8.650	\$608,969	May-06
May, 2008	2,271	70,401	\$7.750	\$545,608	Jun-06
May, 2008	2,271	70,401	\$7.750	\$545,608	Jul-06
May, 2008	2,271	70,401	\$7.980	\$561,800	Aug-06
May, 2008	2,030	62,930	\$7.100	\$446,803	Sep-06
May, 2008	2,030	62,930	\$7.780	\$489,595	Oct-06
May, 2008	2,100	65,100	\$7.750	\$504,525	Nov-06
May, 2008	2,100	65,100	\$7.550	\$491,505	Dec-06
May, 2008	2,100	65,100	\$7.420	\$483,042	Jan-07
May, 2008	2,100	65,100	\$7.531	\$490,296	Feb-07
May, 2008	2,100	65,100	\$7.650	\$498,015	Mar-07
May, 2008	2,100	65,100	\$8.270	\$538,377	Apr-07
May, 2008	2,100	65,100	\$8.330	\$542,283	May-07
May, 2008	2,100	65,100	\$8.160	\$531,216	Jun-07
May, 2008	Financial	20,000	\$7.633	\$152,660	Jul-07
May, 2008	Financial	50,000	\$7.635	\$381,750	Jul-07
May, 2008	Financial	10,000	\$7.796	\$77,960	Aug-07
May, 2008	Financial	60,000	\$7.801	\$468,060	Aug-07
May, 2008	Financial	70,000	\$7.285	\$509,950	Sep-07
May, 2008	Financial	10,000	\$7.596	\$75,960	Oct-07
May, 2008	Financial	10,000	\$7.598	\$75,980	Oct-07
May, 2008	Financial	50,000	\$7.609	\$380,450	Oct-07
May, 2008	Financial	20,000	\$7.426	\$148,520	Nov-07
May, 2008	Financial	20,000	\$7.429	\$148,580	Nov-07
May, 2008	Financial	10,000	\$7.430	\$74,300	Nov-07
May, 2008	Financial	20,000	\$7.432	\$148,640	Nov-07
May, 2008	Financial	50,000	\$7.174	\$358,700	Dec-07
May, 2008	Financial	10,000	\$7.269	\$72,690	Dec-07
		1,338,264	\$7.735	\$10,351,842	

Gas Procurement Incentive Program Worksheet - June 30,2008
Mandatory Purchases and Benchmark
National Grid - Rhode Island

Month	Daily Purchased Volume	Monthly Volumes	Weighted Average NYMEX Price	Cost	Source Date
June, 2008	1,666	49,980	\$7.600	\$379,848	Jun-06
June, 2008	1,666	49,980	\$7.960	\$397,841	Jul-06
June, 2008	1,666	49,980	\$7.990	\$399,340	Aug-06
June, 2008	1,607	48,210	\$7.950	\$383,270	Sep-06
June, 2008	1,607	48,210	\$7.810	\$376,520	Oct-06
June, 2008	1,700	51,000	\$7.770	\$396,270	Nov-06
June, 2008	1,700	51,000	\$7.800	\$397,800	Dec-06
June, 2008	1,600	48,000	\$7.600	\$364,800	Jan-07
June, 2008	1,600	48,000	\$7.650	\$367,200	Feb-07
June, 2008	1,600	48,000	\$8.020	\$384,960	Mar-07
June, 2008	1,600	48,000	\$8.370	\$401,760	Apr-07
June, 2008	1,600	48,000	\$8.340	\$400,320	May-07
June, 2008	1,600	48,000	\$8.240	\$395,520	Jun-07
June, 2008	Financial	50,000	\$7.700	\$385,000	Jul-07
June, 2008	Financial	10,000	\$7.887	\$78,870	Aug-07
June, 2008	Financial	40,000	\$7.888	\$315,520	Aug-07
June, 2008	Financial	50,000	\$7.585	\$379,250	Sep-07
June, 2008	Financial	20,000	\$7.678	\$153,560	Oct-07
June, 2008	Financial	10,000	\$7.680	\$76,800	Oct-07
June, 2008	Financial	20,000	\$7.689	\$153,780	Oct-07
June, 2008	Financial	50,000	\$7.950	\$397,500	Nov-07
June, 2008	Financial	20,000	\$7.385	\$147,700	Dec-07
June, 2008	Financial	20,000	\$7.380	\$147,600	Dec-07
June, 2008	Financial	40,000	\$8.020	\$320,800	Jan-08
		966,360	\$7.866	\$7,601,829	

Gas Procurement Incentive Program Worksheet - December 31,2007
Discretionary Purchases
National Grid - Rhode Island

DC	Month	Daily Purchased Volume	Days	Monthly Volumes	NYMEX Price	Supply Cost	Weighted Average NYMEX Price
1	July, 2007	9	31	279	\$7.535	\$2,102	
2	July, 2007	9	31	279	\$7.505	\$2,094	
3	July, 2007	5	31	155	\$8.530	\$1,322	
4	July, 2007	5	31	155	\$8.870	\$1,375	
5	July, 2007	5	31	155	\$8.590	\$1,331	
6	July, 2007	5	31	155	\$9.350	\$1,449	
7	July, 2007	5	31	155	\$9.275	\$1,438	
8	July, 2007	5	31	155	\$9.060	\$1,404	
9	July, 2007	5	31	155	\$8.450	\$1,310	
11	July, 2007	5	31	155	\$9.040	\$1,401	
13	July, 2007	5	31	155	\$8.990	\$1,393	
14	July, 2007	5	31	155	\$8.550	\$1,325	
15	July, 2007	5	31	155	\$8.550	\$1,325	
16	July, 2007	5	31	155	\$8.590	\$1,331	
17	July, 2007	18	31	558	\$7.360	\$4,107	
18	July, 2007	1,000	31	31,000	\$7.300	\$226,300	
19	July, 2007	18	31	558	\$7.750	\$4,325	
20	July, 2007	2,000	31	62,000	\$8.050	\$499,100	
		3,114		96,534		\$754,434	\$7.815
1	August, 2007	73	31	2,263	\$7.590	\$17,176	
2	August, 2007	89	31	2,759	\$8.440	\$23,286	
3	August, 2007	89	31	2,759	\$8.550	\$23,589	
4	August, 2007	89	31	2,759	\$8.850	\$24,417	
5	August, 2007	89	31	2,759	\$9.270	\$25,576	
6	August, 2007	89	31	2,759	\$9.670	\$26,680	
7	August, 2007	89	31	2,759	\$8.780	\$24,224	
8	August, 2007	89	31	2,759	\$8.870	\$24,472	
9	August, 2007	89	31	2,759	\$9.110	\$25,134	
11	August, 2007	89	31	2,759	\$9.200	\$25,383	
12	August, 2007	89	31	2,759	\$8.750	\$24,141	
13	August, 2007	89	31	2,759	\$8.360	\$23,065	
14	August, 2007	89	31	2,759	\$8.730	\$24,086	
15	August, 2007	30	31	930	\$8.500	\$7,905	
16	August, 2007	1,000	31	31,000	\$7.370	\$228,470	
17	August, 2007	30	31	930	\$8.050	\$7,487	
18	August, 2007	2,000	31	62,000	\$8.190	\$507,780	
19	August, 2007	Financial		20,000	\$6.485	\$129,700	
20	August, 2007	Financial		20,000	\$6.485	\$129,700	
21	August, 2007	Financial		10,000	\$6.485	\$64,850	
22	August, 2007	Financial		10,000	\$6.438	\$64,380	
23	August, 2007	Financial		20,000	\$6.439	\$128,780	
				210,231		\$1,580,282	\$7.517

Gas Procurement Incentive Program Worksheet - December 31,2007
Discretionary Purchases
National Grid - Rhode Island

DCK	Month	Daily Purchased Volume	Days	Monthly Volumes	NYMEX Price	Supply Cost	Weighted Average NYMEX Price
1	Sept, 2007	44	30	1,320	\$8.500	\$11,220	
2	Sept, 2007	44	30	1,320	\$8.745	\$11,543	
3	Sept, 2007	44	30	1,320	\$8.330	\$10,996	
4	Sept, 2007	44	30	1,320	\$9.250	\$12,210	
5	Sept, 2007	44	30	1,320	\$9.350	\$12,342	
6	Sept, 2007	44	30	1,320	\$8.430	\$11,128	
7	Sept, 2007	44	30	1,320	\$9.250	\$12,210	
8	Sept, 2007	44	30	1,320	\$9.960	\$13,147	
10	Sept, 2007	44	30	1,320	\$9.190	\$12,131	
12	Sept, 2007	44	30	1,320	\$8.600	\$11,352	
13	Sept, 2007	44	30	1,320	\$8.750	\$11,550	
14	Sept, 2007	44	30	1,320	\$8.950	\$11,814	
15	Sept, 2007	21	30	630	\$7.990	\$5,034	
16	Sept, 2007	21	30	630	\$7.990	\$5,034	
	Sept, 2007	2,000	30	60,000	\$8.270	\$496,200	
17	Sept, 2007	Financial		50,000	\$6.590	\$329,500	
18	Sept, 2007	Financial		20,000	\$6.501	\$130,020	
19	Sept, 2007	Financial		10,000	\$6.502	\$65,020	
20	Sept, 2007	Financial		20,000	\$6.502	\$130,040	
21	Sept, 2007	Financial		50,000	\$5.585	\$279,250	
				227,100		\$1,581,740	\$6.965
1	October, 2007	490	31	15,190	\$8.950	\$135,951	
2	October, 2007	90	31	2,790	\$8.900	\$24,831	
3	October, 2007	90	31	2,790	\$9.550	\$26,645	
4	October, 2007	90	31	2,790	\$9.650	\$26,924	
5	October, 2007	90	31	2,790	\$9.250	\$25,808	
6	October, 2007	90	31	2,790	\$8.990	\$25,082	
7	October, 2007	90	31	2,790	\$9.200	\$25,668	
9	October, 2007	90	31	2,790	\$8.850	\$24,692	
10	October, 2007	90	31	2,790	\$8.940	\$24,943	
11	October, 2007	90	31	2,790	\$8.870	\$24,747	
12	October, 2007	90	31	2,790	\$8.950	\$24,971	
13	October, 2007	57	31	1,767	\$8.750	\$15,461	
14	October, 2007	57	31	1,767	\$7.990	\$14,118	
15	October, 2007	Financial		50,000	\$6.770	\$338,500	
16	October, 2007	Financial		30,000	\$6.746	\$202,380	
17	October, 2007	Financial		20,000	\$6.747	\$134,940	
18	October, 2007	Financial		20,000	\$6.747	\$134,940	
19	October, 2007	Financial		20,000	\$6.748	\$134,960	
20	October, 2007	Financial		10,000	\$6.749	\$67,490	
21	October, 2007	Financial		10,000	\$5.796	\$57,960	
22	October, 2007	Financial		10,000	\$5.797	\$57,970	
23	October, 2007	Financial		80,000	\$5.798	\$463,840	
24	October, 2007	Financial		30,000	\$5.490	\$164,700	
25	October, 2007	Financial		50,000	\$5.474	\$273,700	
				376,624		\$2,451,219	\$6.508

Gas Procurement Incentive Program Worksheet - December 31,2007
Discretionary Purchases
National Grid - Rhode Island

OJK	Month	Daily Purchased Volume	Days	Monthly Volumes	NYMEX Price	Supply Cost	Weighted Average NYMEX Price
1	Nov, 2007	84	30	2,520	\$8.990	\$22,655	
2	Nov, 2007	84	30	2,520	\$9.930	\$25,024	
3	Nov, 2007	84	30	2,520	\$9.950	\$25,074	
4	Nov, 2007	84	30	2,520	\$9.900	\$24,948	
5	Nov, 2007	84	30	2,520	\$9.350	\$23,562	
6	Nov, 2007	84	30	2,520	\$10.650	\$26,838	
7	Nov, 2007	84	30	2,520	\$10.350	\$26,082	
8	Nov, 2007	84	30	2,520	\$9.570	\$24,116	
9	Nov, 2007	84	30	2,520	\$9.540	\$24,041	
10	Nov, 2007	84	30	2,520	\$9.690	\$24,419	
11	Nov, 2007	81	30	2,430	\$8.050	\$19,562	
12	Nov, 2007	81	30	2,430	\$8.525	\$20,716	
13	Nov, 2007	Financial		50,000	\$7.673	\$383,650	
14	Nov, 2007	Financial		10,000	\$7.490	\$74,900	
15	Nov, 2007	Financial		40,000	\$7.490	\$299,600	
16	Nov, 2007	Financial		30,000	\$7.260	\$217,800	
17	Nov, 2007	Financial		20,000	\$7.260	\$145,200	
18	Nov, 2007	Financial		10,000	\$6.781	\$67,810	
19	Nov, 2007	Financial		10,000	\$6.782	\$67,820	
20	Nov, 2007	Financial		10,000	\$6.782	\$67,820	
21	Nov, 2007	Financial		10,000	\$6.783	\$67,830	
22	Nov, 2007	Financial		10,000	\$6.784	\$67,840	
23	Nov, 2007	Financial		10,000	\$6.479	\$64,790	
24	Nov, 2007	Financial		20,000	\$6.480	\$129,600	
				260,060		\$1,941,696	\$7.466
	Dec, 2007	968	31	30,008	\$8.450	\$253,568	
	Dec, 2007	68	31	2,108	\$8.990	\$18,951	
	Dec, 2007	1,000	31	31,000	\$8.630	\$267,530	
10	Dec, 2007	1,000	31	31,000	\$8.610	\$266,910	
14	Dec, 2007	Financial		40,000	\$8.455	\$338,200	
15	Dec, 2007	Financial		10,000	\$8.453	\$84,530	
16	Dec, 2007	Financial		50,000	\$8.193	\$409,650	
17	Dec, 2007	Financial		20,000	\$7.687	\$153,740	
18	Dec, 2007	Financial		30,000	\$7.688	\$230,640	
19	Dec, 2007	Financial		100,000	\$7.698	\$769,800	
20	Dec, 2007	Financial		50,000	\$7.698	\$384,900	
				394,116		\$3,178,419	\$8.065

Gas Procurement Incentive Program Worksheet - December 31,2007
Discretionary Purchases
National Grid - Rhode Island

DCK	Month	Daily Purchased Volume	Days	Monthly Volumes	NYMEX Price	Supply Cost	Weighted Average NYMEX Price
1	January, 2008	81	31	2,511	\$10.950	\$27,495	
2	January, 2008	81	31	2,511	\$10.490	\$26,340	
3	January, 2008	81	31	2,511	\$10.590	\$26,591	
4	January, 2008	81	31	2,511	\$11.850	\$29,755	
5	January, 2008	81	31	2,511	\$11.490	\$28,851	
6	January, 2008	81	31	2,511	\$10.790	\$27,094	
7	January, 2008	81	31	2,511	\$10.990	\$27,596	
8	January, 2008	81	31	2,511	\$11.300	\$28,374	
9	January, 2008	88	31	2,728	\$9.590	\$26,162	
10	January, 2008	1,000	31	31,000	\$9.240	\$286,440	
11	January, 2008	88	31	2,728	\$9.150	\$24,961	
12	January, 2008	2,000	31	62,000	\$8.920	\$553,040	
16	January, 2008	1,000	31	31,000	\$8.610	\$266,910	
34	January, 2008	5,000	31	155,000	\$8.900	\$1,379,500	
	January, 2008	Financial		30,000	\$8.452	\$253,560	
	January, 2008	Financial		10,000	\$8.453	\$84,530	
	January, 2008	Financial		10,000	\$8.453	\$84,530	
	January, 2008	Financial		10,000	\$8.100	\$81,000	
	January, 2008	Financial		10,000	\$8.101	\$81,010	
	January, 2008	Financial		30,000	\$8.102	\$243,060	
	January, 2008	Financial		50,000	\$8.056	\$402,800	
	January, 2008	Financial		10,000	\$7.049	\$70,490	
	January, 2008	Financial		30,000	\$7.047	\$211,410	
	January, 2008	Financial		10,000	\$7.047	\$70,470	
				504,544		\$4,341,971	\$8.606
1	February, 2008	25	29	725	\$10.350	\$7,504	
2	February, 2008	25	29	725	\$10.850	\$7,866	
3	February, 2008	25	29	725	\$11.950	\$8,664	
4	February, 2008	25	29	725	\$11.490	\$8,330	
5	February, 2008	25	29	725	\$10.750	\$7,794	
6	February, 2008	25	29	725	\$10.980	\$7,961	
7	February, 2008	25	29	725	\$11.350	\$8,229	
8	February, 2008	980	29	28,420	\$9.300	\$264,306	
9	February, 2008	80	29	2,320	\$9.350	\$21,692	
10	February, 2008	1,000	29	29,000	\$8.990	\$260,710	
14	February, 2008	1,000	29	29,000	\$8.610	\$249,690	
33	February, 2008	5,000	29	145,000	\$8.900	\$1,290,500	
	February, 2008	Financial		20,000	\$8.468	\$169,360	
	February, 2008	Financial		30,000	\$8.469	\$254,070	
	February, 2008	Financial		40,000	\$8.130	\$325,200	
	February, 2008	Financial		10,000	\$8.132	\$81,320	
	February, 2008	Financial		50,000	\$8.120	\$406,000	
	February, 2008	Financial		50,000	\$7.990	\$399,500	
	February, 2008	Financial		50,000	\$7.680	\$384,000	
				488,815		\$4,162,695	\$8.516

Gas Procurement Incentive Program Worksheet - December 31,2007
Discretionary Purchases
National Grid - Rhode Island

DOCK	Month	Daily Purchased Volume	Days	Monthly Volumes	NYMEX Price	Supply Cost	Weighted Average NYMEX Price
1	March, 2008	63	31	1,953	\$10.350	\$20,214	
2	March, 2008	63	31	1,953	\$11.550	\$22,557	
3	March, 2008	63	31	1,953	\$11.390	\$22,245	
4	March, 2008	63	31	1,953	\$10.550	\$20,604	
5	March, 2008	63	31	1,953	\$10.775	\$21,043	
6	March, 2008	63	31	1,953	\$10.850	\$21,190	
7	March, 2008	87	31	2,697	\$9.750	\$26,296	
8	March, 2008	87	31	2,697	\$9.150	\$24,678	
30	March, 2008	5,000	31	155,000	\$8.700	\$1,348,500	
	March, 2008	Financial		30,000	\$8.311	\$249,330	
	March, 2008	Financial		20,000	\$8.314	\$166,280	
	March, 2008	Financial		50,000	\$7.952	\$397,600	
	March, 2008	Financial		40,000	\$7.709	\$308,360	
	March, 2008	Financial		40,000	\$7.710	\$308,400	
	March, 2008	Financial		20,000	\$7.715	\$154,300	
				372,112		\$3,111,595	\$8.362
1	April, 2008	93	30	2,790	\$8.500	\$23,715	
2	April, 2008	93	30	2,790	\$8.850	\$24,692	
3	April, 2008	93	30	2,790	\$7.950	\$22,181	
4	April, 2008	93	30	2,790	\$7.950	\$22,181	
5	April, 2008	93	30	2,790	\$7.990	\$22,292	
6	April, 2008	98	30	2,940	\$7.300	\$21,462	
7	April, 2008	98	30	2,940	\$7.750	\$22,785	
	April, 2008	Financial		50,000	\$7.324	\$366,200	
	April, 2008	Financial		30,000	\$7.120	\$213,600	
	April, 2008	Financial		10,000	\$7.118	\$71,180	
	April, 2008	Financial		10,000	\$7.119	\$71,190	
	April, 2008	Financial		20,000	\$7.215	\$144,300	
	April, 2008	Financial		10,000	\$7.218	\$72,180	
	April, 2008	Financial		20,000	\$7.219	\$144,380	
				169,830		\$1,242,337	\$7.315
1	May, 2008	29	31	899	\$8.650	\$7,776	
2	May, 2008	29	31	899	\$7.750	\$6,967	
3	May, 2008	29	31	899	\$7.750	\$6,967	
4	May, 2008	29	31	899	\$7.980	\$7,174	
5	May, 2008	70	31	2,170	\$7.100	\$15,407	
6	May, 2008	70	31	2,170	\$7.780	\$16,883	
	May, 2008	Financial		50,000	\$7.221	\$361,050	
				57,936		\$422,224	\$7.288
1	June, 2008	34	30	1,020	\$7.600	\$7,752	
2	June, 2008	34	30	1,020	\$7.960	\$8,119	
3	June, 2008	34	30	1,020	\$7.990	\$8,150	
4	June, 2008	93	30	2,790	\$7.950	\$22,181	
5	June, 2008	93	30	2,790	\$7.810	\$21,790	
	June, 2008	Financial		10,000	\$7.381	\$73,810	
				18,640		\$141,801	\$7.607

Gas Purchasing Program Quantities

GPIP Purchase Calculation	NOV 2008	DEC 2008	JAN 2009	FEB 2009	MAR 2009	APR 2009	MAY 2009	JUN 2009	JUL 2009	AUG 2009	SEP 2009	OCT 2009	GCR Total
Total Pipeline Volumes	2,593,618	3,506,607	3,719,778	3,145,808	3,065,591	2,613,753	1,764,071	1,356,363	1,278,660	1,247,537	1,259,502	1,872,599	27,423,887
Pipeline Fuel	145,475	231,301	236,697	203,704	202,135	123,455	108,411	102,239	103,687	100,205	101,564	109,206	1,768,078
Purchases at Point of receipt	2,739,093	3,737,908	3,956,475	3,349,512	3,267,726	2,737,208	1,872,482	1,458,602	1,382,347	1,347,742	1,361,066	1,981,805	29,191,965
Percent mandatory	70%	70%	70%	70%	70%	60%	70%	70%	70%	70%	70%	60%	
Mandatory	1,917,365	2,616,536	2,769,532	2,344,658	2,287,408	1,916,046	1,310,737	1,021,021	967,643	943,420	952,746	1,387,263	20,434,376
Maximum Discretionary	684,773	934,477	989,119	837,378	816,931	958,023	468,120	364,650	345,587	336,936	340,267	693,632	7,769,893

SUMMARY OF 12 MONTHS ACTUAL FIXED COSTS

	<u>July 2007 - June 2008</u>		<u>GPIP</u>
	<u>GCR Filings</u>	<u>Actual</u>	<u>Incentive</u>
			<u>Difference</u>
Transportation Fixed (a)	\$32,010,093	\$31,376,034	(\$634,059)
Storage Fixed	\$4,628,155	\$4,636,061	\$7,906
Supplier Fixed	\$3,727,500	\$3,743,500	\$16,000
Total Fixed	\$40,365,748	\$39,755,595	(\$610,153)
Net Eligible Costs	\$40,365,748	\$39,755,595	(\$610,153)
Incentive Amount			\$61,015

(a) Transportation Fixed costs are net of the ConocoPhillips and Merrill Lynch Asset Management Fee

ACTUAL FIXED CHARGES
July 2007 - September 2007

	<u>GCR Filing</u> <u>Sep-2006</u>	<u>Actual</u>	<u>GPIP</u> <u>Incentive</u> <u>Difference</u>	<u>GCR Filing</u> <u>Sep-2006</u>	<u>Actual</u>	<u>GPIP</u> <u>Incentive</u> <u>Difference</u>	<u>GCR Filing</u> <u>Sep-2006</u>	<u>Actual</u>	<u>GPIP</u> <u>Incentive</u> <u>Difference</u>
Transportation Fixed (a)	<u>JUL</u>	<u>JUL</u>	<u>JUL</u>	<u>AUG</u>	<u>AUG</u>	<u>AUG</u>	<u>SEP</u>	<u>SEP</u>	<u>SEP</u>
Transportation Fixed (a)	\$2,537,552	\$2,493,058	-\$44,494	\$2,537,552	\$2,494,970	-\$42,582	\$2,537,552	\$2,494,633	-\$42,919
Storage Fixed	\$385,382	\$385,834	\$452	\$385,382	\$386,057	\$674	\$385,382	\$386,057	\$674
Supplier Fixed	\$336,875	\$336,875	\$0	\$336,875	\$336,875	\$0	\$335,750	\$335,750	\$0
Total Fixed	\$3,259,809	\$3,215,767	-\$44,042	\$3,259,809	\$3,217,901	-\$41,908	\$3,258,684	\$3,216,440	-\$42,244

ACTUAL FIXED CHARGES
October 2007 - December 2007

	<u>GCR Filing</u> <u>Sep-2006</u>	<u>Actual</u> <u>OCT</u>	<u>GPIP</u> <u>Incentive</u> <u>Difference</u> <u>OCT</u>	<u>GCR Filing</u> <u>Sep-2007</u>	<u>Actual</u> <u>NOV</u>	<u>GPIP</u> <u>Incentive</u> <u>Difference</u> <u>NOV</u>	<u>GCR Filing</u> <u>Sep-2007</u>	<u>Actual</u> <u>DEC</u>	<u>GPIP</u> <u>Incentive</u> <u>Difference</u> <u>DEC</u>
Transportation Fixed (a)	\$2,537,552	\$2,502,284	-\$35,268	\$2,707,686	\$2,801,573	\$93,887	\$2,711,143	\$2,799,194	\$88,051
Storage Fixed	\$385,382	\$386,056	\$674	\$385,782	\$386,134	\$352	\$385,835	\$386,134	\$299
Supplier Fixed	\$302,000	\$302,000	\$0	\$302,000	\$304,000	\$2,000	\$302,000	\$304,000	\$2,000
Total Fixed	\$3,224,934	\$3,190,341	-\$34,593	\$3,395,468	\$3,491,707	\$96,239	\$3,398,978	\$3,489,328	\$90,350

ACTUAL FIXED CHARGES
January 2008 - March 2008

	<u>GCR Filing</u>			<u>GPIP</u>			<u>GCR Filing</u>			<u>GPIP</u>		
	<u>Sep-2007</u>			<u>Sep-2007</u>			<u>Sep-2007</u>			<u>Sep-2007</u>		
	<u>JAN</u>	<u>Actual</u>	<u>Incentive</u> <u>Difference</u>	<u>FEB</u>	<u>Actual</u>	<u>Incentive</u> <u>Difference</u>	<u>MAR</u>	<u>Actual</u>	<u>Incentive</u> <u>Difference</u>	<u>MAR</u>	<u>Actual</u>	<u>Incentive</u> <u>Difference</u>
Transportation Fixed (a)	\$2,709,772	\$2,799,490	\$89,718	\$2,708,001	\$2,807,492	\$99,491	\$2,710,069	\$2,807,877	\$97,808			
Storage Fixed	\$385,835	\$386,134	\$299	\$385,835	\$386,731	\$896	\$385,835	\$386,731	\$896			
Supplier Fixed	\$302,000	\$304,000	\$2,000	\$302,000	\$304,000	\$2,000	\$302,000	\$304,000	\$2,000			
Total Fixed	\$3,397,607	\$3,489,624	\$92,017	\$3,395,836	\$3,498,223	\$102,387	\$3,397,904	\$3,498,608	\$100,704			

ACTUAL FIXED CHARGES
April 2008 - June 2008

	<u>GCR Filing</u> <u>Sep-2007</u> APR	<u>Actual</u> APR	<u>GPIP</u> <u>Incentive</u> <u>Difference</u> APR	<u>GCR Filing</u> <u>Sep-2007</u> MAY	<u>Actual</u> MAY	<u>GPIP</u> <u>Incentive</u> <u>Difference</u> MAY	<u>GCR Filing</u> <u>Sep-2007</u> JUN	<u>Actual</u> JUN	<u>GPIP</u> <u>Incentive</u> <u>Difference</u> JUN
Transportation Fixed (a)	\$2,775,622	\$2,457,550	-\$318,072	\$2,769,350	\$2,458,336	-\$311,014	\$2,768,242	\$2,459,577	-\$308,665
Storage Fixed	\$385,835	\$386,731	\$896	\$385,835	\$386,731	\$896	\$385,835	\$386,732	\$897
Supplier Fixed	\$302,000	\$304,000	\$2,000	\$302,000	\$304,000	\$2,000	\$302,000	\$304,000	\$2,000
Total Fixed	\$3,463,457	\$3,148,281	-\$315,176	\$3,457,185	\$3,149,067	-\$308,118	\$3,456,077	\$3,150,309	-\$305,768

REDACTED

Discussion of Asset Management Incentive

The fixed cost comparison in GLB-11 shows a savings from the approved fixed cost level of \$610,153. This amount was primarily the result of an increase in the asset management fee received from Merrill Lynch which was in effect for April, May and June of 2008 and resulted in savings for customers of \$[REDACTED] per month for those months. This savings was partly offset by the asset management fees from ConocoPhillips that were \$[REDACTED] per month less than expected for the November to March period.

Other savings include a negotiated rate reduction of \$[REDACTED]/month on Algonquin contract #9001 that applies to the months of July 2007 to October 2007. The reduced rate on Algonquin for the November 1, 2007 forward period was incorporated in the 2007 GCR filing and thus customer continue to receive 100% of the negotiated discount in current rates and in this filing.