



Thomas R. Teehan  
Senior Counsel  
Rhode Island

December 20, 2011

**VIA HAND DELIVERY AND ELECTRONIC MAIL**

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

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PUBLIC UTILITIES COMMISSION

**RE: Docket 4283 – National Grid, Gas Cost Recovery (“GCR”)  
Monthly Filing of GCR Deferred Balances**

Dear Ms. Massaro:

Enclosed please find an original and nine copies of National Grid’s monthly filing of gas costs and gas cost revenue collections data. Based on one month of actual data, and eleven months of projected data, the October 31, 2012 deferred gas cost balance is an over-collection of \$6.9 million (see attached Schedule 1, page 2). This calculation is based on the November 1, 2011 starting balance of a \$0.9 million over-collection, plus actual gas costs and gas cost collections for November 2011 along with projected costs and gas cost collections for December 2011 through October 2012. These projected costs are updated to reflect the December 14, 2011 NYMEX settle.

Details are provided on the attached schedules. Schedule 1, pages 1 and 2, summarizes the deferred gas cost activity by GCR category and by month. The Schedule 1 summary shows that for the month of November 2011, the Company incurred actual gas costs of approximately \$16 million, working capital of \$104,156 and GCR revenue collections of approximately \$12.9 million.

Schedule 2 provides a breakdown of actual gas costs and gas cost collections for November 2011 and projected costs for December 2011 through October 2012. Schedule 3 summarizes actual gas cost revenue collections for the same period of time. Schedule 4 shows the calculation of inventory finance charges. The calculation of working capital is presented on pages 1 and 2 of Schedule 5. Schedule 6 presents customer class specific throughput. Thank you for your attention to this matter.

If you have any questions, please do not hesitate to contact me at (401) 784-7667 or John Nestor at (781) 907-2144.

Very truly yours,

Thomas R. Teehan

Enclosures

cc: Docket 4283 Service List

## Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been electronically transmitted, sent via U.S. mail or hand-delivered to the individuals listed below.



\_\_\_\_\_  
Joanne M. Scanlon

December 20, 2011  
Date

**Docket No. 4283 – National Grid – 2011 Annual Gas Cost Recovery Filing  
("GCR") - Service List as of 9/13/11**

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<b>File an original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	<a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>	401-780-2107
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	Nov-11 30 actual	Dec-11 31 forecast	Jan-12 31 forecast	Feb-12 29 forecast	Mar-12 31 forecast	Apr-12 30 forecast	May-12 31 forecast	Jun-12 30 forecast	Jul-12 31 forecast	Aug-12 31 forecast	Sep-12 30 forecast	Oct-12 31 forecast	Nov - Oct 366
<b>I. Supply Fixed Cost Deferred</b>													
Beginning Balance													
Supply Fixed Costs (net of cap rel)	(\$5,041,949)	(\$4,233,676)	(\$4,848,195)	(\$6,934,721)	(\$8,364,469)	(\$9,942,945)	(\$9,736,668)	(\$8,628,109)	(\$6,715,462)	(\$4,755,001)	(\$2,883,064)	(\$1,047,646)	
Capacity Release	\$2,364,181	\$2,638,486	\$2,637,174	\$2,635,611	\$2,637,174	\$2,636,439	\$2,637,174	\$2,636,499	\$2,637,174	\$2,637,174	\$2,636,499	\$2,637,174	\$31,370,817
Working Capital	\$15,660	\$17,511	\$17,502	\$17,497	\$17,502	\$17,497	\$17,502	\$17,497	\$17,502	\$17,502	\$17,497	\$17,502	\$0
Total Supply Fixed Costs	\$2,379,871	\$2,655,997	\$2,654,676	\$2,653,102	\$2,654,676	\$2,653,996	\$2,654,676	\$2,653,996	\$2,654,676	\$2,654,676	\$2,653,996	\$2,654,676	\$208,195
Supply Fixed - Collections	\$1,342,206	\$4,227,781	\$4,541,552	\$4,422,619	\$3,403,661	\$2,200,111	\$1,350,762	\$680,654	\$659,637	\$463,193	\$480,061	\$630,759	\$31,579,013
Prelim. Ending Balance	(\$4,004,293)	(\$4,535,440)	(\$6,735,071)	(\$8,704,237)	(\$9,713,454)	(\$9,489,060)	(\$8,432,754)	(\$6,564,763)	(\$4,620,423)	(\$2,562,519)	(\$719,129)	(\$976,270)	\$22,931,976
Month's Average Balance	(\$4,523,116)	(\$4,384,568)	(\$5,791,633)	(\$7,819,479)	(\$9,038,961)	(\$9,716,002)	(\$9,084,711)	(\$7,591,435)	(\$5,667,342)	(\$3,653,760)	(\$1,801,097)	(\$35,688)	
Interest Rate (BOA Prime minus 200 bps)	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	
Interest Applied	(\$4,647)	(\$4,655)	(\$6,149)	(\$7,766)	(\$9,915)	(\$9,982)	(\$9,645)	(\$7,799)	(\$6,017)	(\$3,879)	(\$1,850)	(\$38)	(\$72,342)
GPI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NGPMP Credits	\$326,667	\$326,667	\$326,667	\$326,667	\$326,667	\$326,667	\$326,667	\$326,667	\$326,667	\$326,667	\$326,667	\$326,667	\$0
Marketier Reconciliation	\$101,921	\$18,587	\$133,166	\$74,202	\$107,090	\$89,041	\$140,960	\$173,768	\$198,106	\$198,106	\$0	\$0	\$1,036,820
Supply Fixed Ending Balance	(\$4,233,676)	(\$4,848,195)	(\$6,934,721)	(\$8,964,468)	(\$9,942,945)	(\$9,736,668)	(\$8,628,106)	(\$6,715,462)	(\$4,755,001)	(\$2,883,064)	(\$1,047,646)	\$0	\$649,566

<b>II. Storage Fixed Cost Deferred</b>													
Beginning Balance													
Storage Fixed Costs	(\$1,859,000)	(\$1,713,451)	(\$1,987,122)	(\$2,885,797)	(\$3,713,331)	(\$4,167,851)	(\$4,160,299)	(\$3,793,412)	(\$3,136,568)	(\$2,452,704)	(\$1,730,090)	(\$1,020,525)	
LNG Demand to DAC	\$743,017	\$876,522	\$876,522	\$876,522	\$876,522	\$876,522	\$876,522	\$876,522	\$876,522	\$876,522	\$876,522	\$876,522	\$10,384,764
Supply Related LNG O & M	(\$29,670)	(\$29,670)	(\$29,670)	(\$29,670)	(\$29,670)	(\$29,670)	(\$29,670)	(\$29,670)	(\$29,670)	(\$29,670)	(\$29,670)	(\$29,670)	(\$396,036)
Working Capital	\$5,076	\$5,962	\$5,962	\$5,962	\$5,962	\$5,962	\$5,962	\$5,962	\$5,962	\$5,962	\$5,962	\$5,962	\$618,549
Total Storage Fixed Costs	\$768,973	\$904,364	\$904,364	\$904,364	\$904,364	\$904,364	\$904,364	\$904,364	\$904,364	\$904,364	\$904,364	\$904,364	\$70,682
TSS Peaking Collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,717,980
Storage Fixed - Collections	\$622,590	\$1,176,072	\$1,800,454	\$1,728,623	\$1,354,703	\$882,537	\$533,257	\$243,962	\$217,535	\$179,531	\$193,387	\$263,646	\$9,206,287
Prelim. Ending Balance	(\$1,711,617)	(\$1,985,159)	(\$2,883,212)	(\$3,710,056)	(\$4,163,670)	(\$4,165,024)	(\$3,789,192)	(\$3,133,010)	(\$2,449,738)	(\$1,727,870)	(\$1,018,112)	(\$379,806)	
Month's Average Balance	(\$1,785,308)	(\$1,849,305)	(\$2,435,167)	(\$3,297,926)	(\$3,938,500)	(\$4,161,957)	(\$3,974,746)	(\$3,463,211)	(\$2,793,153)	(\$2,090,287)	(\$1,374,601)	(\$700,165)	
Interest Rate (BOA Prime minus 200 bps)	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	
Interest Applied	(\$1,834)	(\$1,963)	(\$2,565)	(\$3,275)	(\$4,181)	(\$4,276)	(\$4,220)	(\$3,558)	(\$2,965)	(\$2,219)	(\$1,412)	(\$743)	(\$33,233)
Storage Fixed Ending Balance	(\$1,713,451)	(\$1,987,122)	(\$2,885,797)	(\$3,713,331)	(\$4,167,851)	(\$4,160,299)	(\$3,793,412)	(\$3,136,568)	(\$2,452,704)	(\$1,730,090)	(\$1,020,525)	(\$380,550)	

<b>III. Variable Supply Cost Deferred</b>													
Beginning Balance													
Variable Supply Costs	\$2,248,398	\$4,080,971	\$6,766,158	\$1,956,307	(\$4,564,856)	(\$6,506,576)	(\$9,387,907)	(\$12,073,464)	(\$12,206,526)	(\$12,247,147)	(\$11,619,816)	(\$11,676,908)	\$122,659,440
Variable Delivery Storage	\$11,091,441	\$19,807,214	\$21,490,177	\$19,065,800	\$17,662,868	\$9,905,474	\$5,257,848	\$3,376,363	\$3,302,371	\$3,312,809	\$2,882,370	\$5,504,785	\$0
Variable Injections Storage	\$0	\$0	(\$55,142)	(\$46,121)	(\$10,886)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$144,085)
Fuel Cost Allocated to Storage	\$0	\$0	\$0	\$0	\$0	(\$15,763)	(\$15,818)	(\$15,282)	(\$8,357)	(\$511)	(\$10,518)	(\$392)	(\$66,742)
Working Capital	\$73,509	\$130,581	\$141,337	\$125,424	\$117,012	\$65,232	\$34,392	\$21,931	\$21,708	\$21,966	\$18,879	\$36,518	(\$610,453)
Total Supply Variable Costs	\$11,165,050	\$19,806,505	\$21,437,991	\$19,024,330	\$17,748,344	\$9,894,337	\$5,216,572	\$3,326,553	\$3,292,686	\$3,331,826	\$2,863,497	\$5,539,062	\$808,590
Supply Variable - Collections	\$9,335,727	\$17,127,073	\$26,242,474	\$25,554,203	\$19,084,192	\$12,777,500	\$7,880,737	\$3,447,149	\$3,320,334	\$2,591,834	\$2,908,626	\$3,741,421	\$122,646,752
Deferred Responsibility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$134,711,270
Prelim. Ending Balance	\$4,077,721	\$6,760,403	\$1,951,674	(\$4,563,566)	(\$6,500,704)	(\$9,389,741)	(\$12,062,072)	(\$12,184,060)	(\$12,234,174)	(\$11,607,155)	(\$11,664,947)	(\$9,873,267)	
Month's Average Balance	\$3,163,050	\$5,420,687	\$4,363,916	(\$1,298,629)	(\$5,532,780)	(\$7,948,169)	(\$10,729,990)	(\$12,133,762)	(\$12,220,350)	(\$11,927,151)	(\$11,642,382)	(\$10,778,089)	
Interest Rate (BOA Prime minus 200 bps)	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	
Interest Applied	\$3,250	\$6,755	\$4,633	(\$1,290)	(\$5,874)	(\$8,166)	(\$11,391)	(\$12,466)	(\$12,974)	(\$12,662)	(\$11,961)	(\$11,442)	(\$74,590)
Gas Procurement Incentive/penalty	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supply Variable Ending Balance	\$4,080,971	\$6,766,158	\$1,966,307	(\$4,564,856)	(\$6,506,576)	(\$9,397,907)	(\$12,073,464)	(\$12,206,526)	(\$12,247,147)	(\$11,619,816)	(\$11,676,908)	(\$9,892,710)	





Projected Gas Costs using 12-14-11 NYMEX

	Nov-11 actual	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-Oct
<b>VARIABLE SUPPLY COSTS (includes Injections)</b>													
Total Pipeline Commodity Charges	5,074,016	11,725,957	12,591,153	11,233,909	10,810,460	9,054,056	5,927,487	4,713,024	3,721,293	2,228,751	3,974,901	4,528,407	80,509,098
Hedging	6,136,997	8,081,557	9,305,788	7,831,891	6,852,228	4,333,030	2,945,175	2,079,375	1,414,680	1,256,590	929,200	1,050,460	52,216,971
Costs of Injections	0	0	0	0	0	3,481,612	3,416,036	1,833,602	1,833,602	172,532	2,021,731	74,082	14,614,309
Refunds (Tennessee)	406,764	406,764	406,764	406,764	406,764	406,764	406,764	406,764	406,764	406,764	406,764	406,764	406,764
<b>TOTAL VARIABLE SUPPLY COSTS</b>	11,211,014	19,807,214	21,490,177	19,065,800	17,662,688	9,905,474	5,257,948	3,376,363	3,302,371	3,312,809	2,892,370	5,504,785	117,704,997
<b>VARIABLE STORAGE COSTS</b>													
Underground Storage	1,325,284	4,030,993	6,743,701	5,579,203	1,418,792	0	0	0	0	0	0	0	19,097,983
LNG Withdrawals and Trucking	132,967	578,259	604,221	357,576	123,913	119,192	124,696	120,633	125,686	125,804	121,135	126,054	2,660,136
<b>TOTAL VARIABLE STORAGE COSTS</b>	1,458,251	4,609,252	7,347,922	5,936,780	1,542,704	119,192	124,696	120,633	125,686	125,804	121,135	126,054	21,758,119
<b>TOTAL VARIABLE COSTS</b>	12,669,275	24,416,466	28,838,099	25,002,580	19,205,392	10,024,666	5,382,644	3,496,996	3,428,057	3,438,613	3,003,505	5,630,839	139,463,116
<b>TOTAL SUPPLY COSTS</b>	15,776,473	27,931,475	32,351,795	28,514,713	22,719,088	13,537,688	8,896,339	7,010,018	6,941,753	6,962,309	6,516,526	9,144,535	181,218,697
<b>TOTAL CAPACITY RELEASE CREDITS</b>	735,836	586,787	586,787	586,787	586,787	586,787	586,787	586,787	586,787	586,787	586,787	586,787	7,190,491
<b>TOTAL SUPPLY COSTS AFTER CREDITS</b>	15,040,637	27,344,689	31,765,008	27,927,926	22,132,301	12,950,901	8,309,553	6,423,231	6,354,966	6,365,522	5,929,740	8,557,748	174,028,205
<b>Storage Costs for FT-2 Calculation</b>													
Storage Fixed Costs - Facilities	392,459	412,431	412,431	412,431	412,431	412,431	412,431	412,431	412,431	412,431	412,431	412,431	4,929,200
Storage Fixed Costs - Deliveries	350,588	464,091	464,091	464,091	464,091	464,091	464,091	464,091	464,091	464,091	464,091	464,091	5,455,584
Variable Delivery Costs	0	32,937	55,142	45,121	10,866	0	0	0	0	0	0	0	144,085
Variable Injection/Withdrawal Costs	0	0	0	0	0	15,763	15,818	15,282	8,357	611	10,518	392	66,742
Fuel Costs Allocated to Storage	0	98,354	138,382	121,774	20,470	60,605	59,950	56,460	23,036	2,338	27,234	1,849	610,453
<b>Total Storage Costs</b>	743,017	1,007,813	1,070,046	1,043,417	907,878	952,891	952,290	948,284	907,916	879,471	914,274	878,764	11,206,043
<b>Pipeline Variable</b>	\$11,211,014												
Less Non-firm Gas Costs	\$225,664												
Less Company Use	\$28,957												
Less Manchester St Balancing	\$14,515												
Plus Cashout													
Less Mktr Over-takes	\$140,012												
Less Mktr Withdrawals	(\$223,162)												
Plus Mktr Undertakes	(\$10,599)												
Plus Mktr Injections	(\$51,280)												
Storage Service Charge													
Plus Pipeline Strng/Credit	\$128,303												
<b>TOTAL FIRM COMMODITY COSTS</b>	\$11,091,441												

National Grid  
Rhode Island - Gas  
Deferred Gas Cost Balance  
National Grid  
GCR - Gas Cost Collections

	Nov-11 actual	Dec-11 fcs	Jan-12 fcs	Feb-12 fcs	Mar-12 fcs	Apr-12 fcs	May-12 fcs	Jun-12 fcs	Jul-12 fcs	Aug-12 fcs	Sep-12 fcs	Oct-12 fcs	Total Nov-Oct
<b>I. Supply Fixed Cost Collections -</b>													
(a) Low Load dth	1,444,870	3,075,038	4,743,085	4,619,277	3,548,221	2,272,828	1,381,534	570,951	551,074	441,816	482,140	621,447	23,752,282
Supply Fixed Cost Factor	\$0.8919	\$0.9400	\$0.9400	\$0.9400	\$0.9400	\$0.9400	\$0.9400	\$0.9400	\$0.9400	\$0.9400	\$0.9400	\$0.9400	\$0.9400
Low Load collections	\$1,288,746	\$2,880,536	\$4,458,500	\$4,342,120	\$3,335,328	\$2,136,458	\$1,298,642	\$536,694	\$518,009	\$415,307	\$453,212	\$584,160	\$22,257,712
(b) High Load dth	82,160	105,950	130,893	126,870	107,686	100,319	82,144	69,283	65,607	58,134	58,075	73,442	1,060,574
Supply Fixed Cost Factor	\$0.6507	\$0.6345	\$0.6345	\$0.6345	\$0.6345	\$0.6345	\$0.6345	\$0.6345	\$0.6345	\$0.6345	\$0.6345	\$0.6345	\$0.6345
High Load collections	\$53,460	\$67,225	\$83,052	\$80,499	\$68,333	\$63,653	\$52,120	\$43,660	\$41,628	\$36,886	\$36,849	\$46,599	\$674,264
sub-total Dth	1,527,031	3,180,988	4,873,978	4,746,147	3,655,918	2,373,147	1,463,678	640,234	616,681	499,951	540,215	694,889	24,812,856
TOTAL Supply Fixed Collections	\$1,342,206	\$2,957,761	\$4,541,552	\$4,422,619	\$3,403,661	\$2,200,111	\$1,350,762	\$580,654	\$559,637	\$452,193	\$490,061	\$630,759	\$22,931,976
<b>II. Storage Fixed Cost Collections -</b>													
(a) Low Load dth	1,444,870	3,075,038	4,743,085	4,619,277	3,548,221	2,272,828	1,381,534	570,951	551,074	441,816	482,140	621,447	23,752,282
Storage Fixed Cost Factor	\$0.3725	\$0.3362	\$0.3362	\$0.3362	\$0.3362	\$0.3362	\$0.3362	\$0.3362	\$0.3362	\$0.3362	\$0.3362	\$0.3362	\$0.3362
Low Load collections	\$538,210	\$1,033,828	\$1,584,625	\$1,553,001	\$1,192,912	\$764,125	\$464,472	\$191,954	\$185,271	\$148,539	\$162,695	\$208,930	\$8,037,962
(b) High Load dth	82,160	105,950	130,893	126,870	107,686	100,319	82,144	69,283	65,607	58,134	58,075	73,442	1,060,574
Storage Fixed Cost Factor	\$0.2887	\$0.2206	\$0.2206	\$0.2206	\$0.2206	\$0.2206	\$0.2206	\$0.2206	\$0.2206	\$0.2206	\$0.2206	\$0.2206	\$0.2206
High Load collections	\$22,073	\$23,373	\$28,875	\$27,987	\$23,768	\$22,130	\$18,121	\$15,284	\$14,473	\$12,824	\$12,811	\$16,201	\$237,910
(c) FT-2 dth	174,749	361,310	537,853	448,739	419,552	323,045	153,993	111,624	54,078	55,222	56,173	117,068	2,813,404
Storage Fixed Cost Factor	\$0.3566	\$0.3290	\$0.3290	\$0.3290	\$0.3290	\$0.3290	\$0.3290	\$0.3290	\$0.3290	\$0.3290	\$0.3290	\$0.3290	\$0.3290
FT-2 collection	\$62,307	\$118,871	\$176,954	\$147,635	\$136,033	\$106,282	\$50,664	\$36,724	\$17,791	\$18,168	\$18,481	\$38,515	\$930,425
sub-total Dth	1,701,779	3,542,297	5,411,831	5,194,885	4,075,469	2,696,192	1,617,671	751,858	670,759	555,173	596,388	811,957	\$27,626,260
TOTAL Storage Fixed Collections	\$622,590	\$1,176,072	\$1,724,623	\$1,723,623	\$1,354,703	\$892,537	\$533,257	\$243,962	\$217,535	\$179,531	\$193,387	\$263,646	\$9,266,297
<b>III. Variable Supply Cost Collections -</b>													
(a) Firm Sales dth	1,527,031	3,180,988	4,873,978	4,746,147	3,655,918	2,373,147	1,463,678	640,234	616,681	499,951	540,215	694,889	24,812,856
Variable Supply Cost Factor	\$5.0905	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842
Variable Supply collections	\$9,300,304	\$17,127,073	\$26,242,474	\$25,554,203	\$19,684,192	\$12,777,500	\$7,880,737	\$3,447,149	\$3,320,334	\$2,691,834	\$2,908,626	\$3,741,421	\$134,675,847
(b) TSS Sales dth	1,221	0	0	0	0	0	0	0	0	0	0	0	0
TSS Variable Supply Cost F.	\$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
TSS surcharge collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(c) NGV Sales dth	0	0	0	0	0	0	0	0	0	0	0	0	0
Variable Supply Cost Factor	\$0.0000	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842	\$5.3842
Variable Supply collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(d) Default Sales dth	4,486	0	0	0	0	0	0	0	0	0	0	0	0
Variable Supply Cost Factor	\$7.8960	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Variable Supply collections	\$35,423	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL Variable Supply Collections	\$9,335,727	\$17,127,073	\$26,242,474	\$25,554,203	\$19,684,192	\$12,777,500	\$7,880,737	\$3,447,149	\$3,320,334	\$2,691,834	\$2,908,626	\$3,741,421	\$134,711,270

National Grid  
Rhode Island - Gas  
Deferred Gas Cost Balance  
National Grid  
GCR - Gas Cost Collections

	Nov-11 actual	Dec-11 fcsst	Jan-12 fcsst	Feb-12 fcsst	Mar-12 fcsst	Apr-12 fcsst	May-12 fcsst	Jun-12 fcsst	Jul-12 fcsst	Aug-12 fcsst	Sep-12 fcsst	Oct-12 fcsst	Total Nov-Oct
<b>IVa. Storage Variable Product Cost Collections --</b>													
(a) Firm Sales dth	1,527,031	3,180,988	4,873,978	4,746,147	3,655,918	2,373,147	1,463,678	640,234	616,681	499,951	540,215	694,889	24,812,856
Variable Supply Cost Factor	\$1,0487	\$1,0102	\$1,0102	\$1,0102	\$1,0102	\$1,0102	\$1,0102	\$1,0102	\$1,0102	\$1,0102	\$1,0102	\$1,0102	\$1,0102
<b>TOTAL Stor Var Product collections</b>	<b>\$1,601,356</b>	<b>\$3,213,434</b>	<b>\$4,823,653</b>	<b>\$4,794,557</b>	<b>\$3,693,208</b>	<b>\$2,397,353</b>	<b>\$1,478,608</b>	<b>\$646,765</b>	<b>\$622,971</b>	<b>\$505,050</b>	<b>\$545,725</b>	<b>\$701,977</b>	<b>\$25,124,697</b>
<b>IVb. Storage Variable Non-product Cost Collections --</b>													
(a) Firm Sales dth	1,527,031	3,180,988	4,873,978	4,746,147	3,655,918	2,373,147	1,463,678	640,234	616,681	499,951	540,215	694,889	24,812,856
Variable Supply Cost Factor	\$0.0023	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309
Stor Var Non-Product collec	\$3,963	\$88,293	\$150,606	\$146,656	\$112,868	\$73,330	\$45,228	\$19,783	\$19,059	\$15,448	\$16,693	\$21,472	\$723,095
(b) FT-2 dth	174,749	361,310	537,853	448,739	419,552	323,045	153,993	111,624	54,078	55,222	56,173	117,088	
Variable Supply Cost Factor	\$0.0023	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309
Stor Var Non-Product collec	\$402	\$11,164	\$16,620	\$13,866	\$12,964	\$9,982	\$4,758	\$3,449	\$1,671	\$1,706	\$1,736	\$3,617	\$81,935
Total Firm Sales/FT-2 dth	1,701,779	3,542,297	5,411,831	5,194,885	4,075,469	2,696,192	1,617,671	751,858	670,759	555,173	596,388	811,957	\$805,030
<b>TOTAL Stor Var Non-Product collec</b>	<b>\$3,965</b>	<b>\$109,457</b>	<b>\$167,226</b>	<b>\$160,522</b>	<b>\$125,932</b>	<b>\$83,312</b>	<b>\$49,986</b>	<b>\$23,232</b>	<b>\$20,726</b>	<b>\$17,154</b>	<b>\$18,429</b>	<b>\$25,069</b>	<b>\$805,030</b>
<b>Total Gas Cost Collections</b>	<b>\$12,905,644</b>	<b>\$24,583,797</b>	<b>\$37,676,399</b>	<b>\$36,660,524</b>	<b>\$28,261,696</b>	<b>\$18,350,813</b>	<b>\$11,293,350</b>	<b>\$4,941,762</b>	<b>\$4,741,203</b>	<b>\$3,845,762</b>	<b>\$4,156,228</b>	<b>\$5,362,892</b>	<b>\$192,779,270</b>



No.	Description (a)	Reference (b)	Nov-11 (c)	Dec-11 (d)	Jan-12 (e)	Feb-12 (f)	Mar-12 (g)	Apr-12 (h)	May-12 (i)	Jun-12 (j)	Jul-12 (k)	Aug-12 (l)	Sep-12 (m)	Oct-12 (n)	Total (p)
1	<b>Storage Inventory Balance</b>		\$19,740,168	\$18,228,798	\$13,126,302	\$8,898,671	\$7,831,367	\$11,017,554	\$14,259,540	\$17,423,906	\$19,194,762	\$19,341,914	\$21,528,518	\$21,608,528	\$13,896,207
2	Hedging		\$4,747,798	\$1,318,014	\$948,032	\$643,374	\$566,208	\$796,569	\$1,030,985	\$1,259,748	\$1,387,781	\$1,398,420	\$1,556,584	\$1,562,297	\$13,896,207
	Hedge Collateral Carrying Average Balance		24,805,597												
	NE Money Pool Rate		0.10%												
	Hedge Collateral Carrying Costs		1,885												
3	Subtotal	(1) + (2)	\$24,487,951	\$18,229,798	\$13,126,302	\$8,898,671	\$7,831,367	\$11,017,554	\$14,259,540	\$17,423,906	\$19,194,762	\$19,341,914	\$21,528,518	\$21,608,528	\$13,896,207
4	Cost of Capital	(3) * (4)	\$1,427,214	\$404,702	\$291,404	\$197,550	\$173,856	\$244,590	\$316,562	\$386,811	\$426,124	\$429,390	\$477,955	\$479,709	\$4,266,885
5	Return on Working Capital Requirement		\$988,982	\$913,313	\$657,628	\$445,823	\$392,352	\$551,979	\$714,403	\$872,938	\$961,658	\$969,030	\$1,078,629	\$1,082,587	\$1,082,587
6	Weighted Cost of Debt	(1) * (6)	\$1,521,511	\$1,405,097	\$1,011,735	\$685,862	\$603,618	\$849,199	\$1,099,081	\$1,342,981	\$1,479,473	\$1,490,815	\$1,659,429	\$1,665,519	\$14,814,341
7	Interest Charges Financed	(7) + (10)	\$1,959,743	\$1,809,798	\$1,303,139	\$883,433	\$777,474	\$1,093,789	\$1,415,643	\$1,729,792	\$1,905,597	\$1,920,206	\$2,137,384	\$2,145,228	\$19,081,226
8	Taxable Income	(5) - (7)	\$163,312	\$160,817	\$108,595	\$73,619	\$64,790	\$91,149	\$117,970	\$144,149	\$158,800	\$160,017	\$178,115	\$178,769	\$1,590,102
9	1 - Combined Tax Rate		\$5,019,018	\$4,542,282	\$3,938,060	\$3,580,484	\$3,456,571	\$4,434,104	\$5,440,384	\$5,745,520	\$5,765,223	\$5,785,069	\$5,903,889	\$5,823,609	\$4,289,877
10	Return and Tax Requirement	(8) / (9)	\$382,875	\$328,407	\$284,722	\$258,869	\$249,910	\$320,586	\$393,338	\$415,401	\$416,826	\$418,260	\$419,621	\$421,061	\$4,289,877
11	Working Capital Requirement	(13) * (14)	\$111,422	\$100,839	\$87,425	\$79,487	\$76,736	\$98,437	\$120,776	\$127,551	\$127,988	\$128,429	\$128,846	\$129,289	\$1,317,224
12	Monthly Average	(11) / 12	\$9,285,167	\$1,507,482	\$1,071,613	\$741,890	\$639,917	\$759,508	\$983,083	\$1,034,583	\$1,065,333	\$1,066,813	\$1,082,824	\$1,084,074	\$1,158,017
13	<b>LING Inventory Balance</b>		\$5,019,018	\$4,542,282	\$3,938,060	\$3,580,484	\$3,456,571	\$4,434,104	\$5,440,384	\$5,745,520	\$5,765,223	\$5,785,069	\$5,903,889	\$5,823,609	\$4,289,877
14	Cost of Capital		\$382,875	\$328,407	\$284,722	\$258,869	\$249,910	\$320,586	\$393,338	\$415,401	\$416,826	\$418,260	\$419,621	\$421,061	\$4,289,877
15	Return on Working Capital Requirement		\$988,982	\$913,313	\$657,628	\$445,823	\$392,352	\$551,979	\$714,403	\$872,938	\$961,658	\$969,030	\$1,078,629	\$1,082,587	\$1,082,587
16	Weighted Cost of Debt	(13) * (16)	\$1,521,511	\$1,405,097	\$1,011,735	\$685,862	\$603,618	\$849,199	\$1,099,081	\$1,342,981	\$1,479,473	\$1,490,815	\$1,659,429	\$1,665,519	\$14,814,341
17	Interest Charges Financed	(17) + (20)	\$1,959,743	\$1,809,798	\$1,303,139	\$883,433	\$777,474	\$1,093,789	\$1,415,643	\$1,729,792	\$1,905,597	\$1,920,206	\$2,137,384	\$2,145,228	\$19,081,226
18	Taxable Income	(15) - (17)	\$163,312	\$160,817	\$108,595	\$73,619	\$64,790	\$91,149	\$117,970	\$144,149	\$158,800	\$160,017	\$178,115	\$178,769	\$1,590,102
19	1 - Combined Tax Rate		\$5,019,018	\$4,542,282	\$3,938,060	\$3,580,484	\$3,456,571	\$4,434,104	\$5,440,384	\$5,745,520	\$5,765,223	\$5,785,069	\$5,903,889	\$5,823,609	\$4,289,877
20	Return and Tax Requirement	(18) / (19)	\$382,875	\$328,407	\$284,722	\$258,869	\$249,910	\$320,586	\$393,338	\$415,401	\$416,826	\$418,260	\$419,621	\$421,061	\$4,289,877
21	Working Capital Requirement	(17) + (20)	\$111,422	\$100,839	\$87,425	\$79,487	\$76,736	\$98,437	\$120,776	\$127,551	\$127,988	\$128,429	\$128,846	\$129,289	\$1,317,224
22	Monthly Average	(21) / 12	\$9,285,167	\$1,507,482	\$1,071,613	\$741,890	\$639,917	\$759,508	\$983,083	\$1,034,583	\$1,065,333	\$1,066,813	\$1,082,824	\$1,084,074	\$1,158,017
23	System Balancing Factor		\$1,427,214	\$404,702	\$291,404	\$197,550	\$173,856	\$244,590	\$316,562	\$386,811	\$426,124	\$429,390	\$477,955	\$479,709	\$4,266,885
24	Balancing Related Inventory Costs	(22) * (23)	\$7,524	\$6,809	\$5,903	\$5,367	\$5,182	\$6,647	\$8,156	\$8,613	\$8,643	\$8,672	\$8,701	\$8,730	\$88,947
25	Supply Related Inventory Costs	(22) - (24)	\$33,999	\$30,769	\$26,676	\$24,254	\$23,415	\$30,037	\$36,853	\$38,920	\$39,054	\$39,188	\$39,316	\$39,450	\$401,931



No.	Description (a)	Reference (b)	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Total
14	Storage Variable Product Costs														
15	Less: Balancing Related LNG Commodity (to DAC)		\$1,425,309	\$4,609,252	\$7,347,922	\$5,836,780	\$1,542,704	\$119,192	\$124,696	\$120,633	\$125,686	\$125,804	\$121,135	\$126,054	\$2,172,517
16	Plus: Supply Related LNG O&M Costs		(\$31,618)	(\$104,780)	(\$109,485)	(\$64,795)	(\$22,453)	(\$21,598)	(\$22,595)	(\$21,859)	(\$22,774)	(\$22,796)	(\$21,959)	(\$22,841)	(\$489,541)
17	Allowable Working Capital Costs	(14) + (15) + (16)	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$439,129
18	Number of Days Lag		\$1,429,536	\$4,540,316	\$7,274,281	\$5,807,831	\$1,556,066	\$133,439	\$137,945	\$134,618	\$138,766	\$138,952	\$135,929	\$138,057	\$2,166,575
19	Working Capital Requirement	Rate Case	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	
20	Cost of Capital	(17) * (18) / 365	\$95,563	\$303,517	\$486,281	\$394,934	\$104,024	\$8,920	\$9,222	\$8,999	\$9,276	\$9,282	\$9,027	\$9,296	
21	Return on Working Capital Requirement	Rate Case (19) * (20)	\$6,809	\$21,944	\$35,158	\$28,854	\$7,821	\$645	\$657	\$638	\$651	\$671	\$653	\$672	
22	Weighted Cost of Debt	Rate Case (19) * (22)	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	
23	Interest Expense	(19) * (23)	\$2,122	\$6,738	\$10,795	\$8,766	\$2,309	\$198	\$205	\$200	\$206	\$206	\$200	\$206	
24	Taxable Income	(19) - (23)	\$4,788	\$15,206	\$24,363	\$19,786	\$5,212	\$447	\$462	\$451	\$465	\$465	\$452	\$466	
25	1 - Combined Tax Rate	Rate Case (24) / (25)	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)	\$7,366	\$23,394	\$37,481	\$30,440	\$8,018	\$688	\$711	\$694	\$715	\$715	\$696	\$716	
27	Storage Var. Product Working Capital Requir.	(23) + (26)	\$9,487	\$30,132	\$48,276	\$39,208	\$10,327	\$885	\$915	\$893	\$921	\$922	\$896	\$923	\$143,787
1	Storage Variable Non-Product Costs														
2	Credits		\$44,073	\$164,227	\$248,666	\$212,015	\$42,242	\$76,359	\$75,768	\$71,742	\$31,393	\$2,949	\$37,752	\$2,241	\$1,009,437
3	Allowable Working Capital Costs	(1) - (2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Number of Days Lag		24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	
5	Working Capital Requirement	Rate Case (3) * (4) / 365	\$2,946	\$10,978	\$16,623	\$14,173	\$2,824	\$5,105	\$5,065	\$4,795	\$2,099	\$197	\$2,524	\$150	
6	Cost of Capital	Rate Case (5) * (6)	\$213	\$794	\$1,202	\$1,025	\$204	\$389	\$386	\$347	\$152	\$14	\$182	\$11	
7	Return on Working Capital Requirement	Rate Case (5) * (7)	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	
8	Weighted Cost of Debt	Rate Case (5) * (8)	\$65	\$244	\$369	\$315	\$63	\$113	\$112	\$106	\$47	\$4	\$56	\$3	
9	Interest Expense	(5) * (8)	\$148	\$550	\$883	\$710	\$141	\$256	\$254	\$240	\$105	\$10	\$126	\$8	
10	Taxable Income	Rate Case (9) - (9)	\$350	\$1,228	\$1,942	\$1,659	\$481	\$339	\$340	\$334	\$334	\$334	\$334	\$334	
11	1 - Combined Tax Rate	Rate Case (10) / (11)	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)	\$227	\$846	\$1,281	\$1,092	\$218	\$393	\$390	\$370	\$162	\$15	\$185	\$12	
13	Storage Variable Non-product WC Requir.	(9) + (12)	\$292	\$1,090	\$1,650	\$1,407	\$280	\$507	\$503	\$476	\$208	\$20	\$251	\$15	\$6,689

