

October 23, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4339 - 2012 Distribution Adjustment Charge ("DAC")
Rebuttal Testimony**

Dear Ms. Massaro:

On behalf of National Grid,¹ enclosed are ten (10) copies of the joint rebuttal testimony of Mariella C. Smith and Elizabeth D. Arangio in response to the direct testimony of Bruce R. Oliver provided on behalf of the Division on October 12, 2012, in the above-captioned proceeding.

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

Enclosure

cc: Docket 4339 Service List
Leo Wold, Esq.
Steve Scialabba
Bruce Oliver

¹ The Narragansett Electric Company d/b/a National Grid.

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

October 23, 2012

Date

Docket No. 4339 – National Grid –2012 Annual Distribution Adjustment Charge Filing (“DAC”) - Service List as of 8/28/12

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REBUTTAL DIRECT TESTIMONY

OF

MARIELLA C. SMITH

AND

ELIZABETH D. ARANGIO

OCTOBER 23, 2012

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
R.I.P.U.C. DOCKET NO. 4339
DISTRIBUTION ADJUSTMENT CHARGE FILING
REBUTTAL TESTIMONY OF
MARIELLA C. SMITH AND
ELIZABETH D. ARANGIO

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1 **I. Introduction**

2 **Q. Please state your names and business address.**

3 A. My name is Mariella C. Smith and my business address is Reservoir Woods, 40
4 Sylvan Road, Waltham, Massachusetts 02451. My background is described in
5 pre-filed testimony I submitted in this docket on August 1, 2012.

6 My name is Elizabeth D. Arangio and my business address is also Reservoir
7 Woods, 40 Sylvan Road, Waltham, Massachusetts 02451. I have not previously
8 filed testimony in this docket, but my background information is described in my
9 pre-filed testimony filed on September 4, 2012 in this year's Gas Cost Recovery
10 proceeding in Docket No. 4346.

11 **Q. What is the purpose of your rebuttal testimony?**

12 A. The purpose of this rebuttal testimony is to: (1) address the issues raised in the
13 testimony of the Division's consultant, Mr. Bruce Oliver with respect to the
14 system pressure factor methodology used in this filing; (2) address Mr. Oliver's
15 comments regarding the added \$300,000 per year of Advanced Gas Technology
16 ("AGT") funding through the DAC¹ and the treatment of interest on AGT
17 balances applied in the reconciliation of AGT Factor costs and revenues; (3)
18 update the reconciliation factor with an additional two months of actual data thus
19 providing an update to the calculation of the proposed base DAC factors, which

¹ As opposed to the \$300,000 AGT funding provided in base rates.

1 will be a component of the overall DAC rates (that include the Infrastructure,
2 Safety and Reliability (“ISR”) Reconciliation DAC factors that will be effective
3 November 1, 2012 and; (4) provide the proposed DAC rates’ impact on customer
4 bills.

5 **Q. Are you sponsoring any attachments with your rebuttal testimony?**

6 A. Yes. I am sponsoring the following attachments that accompany my testimony:

7 Attachment MCS-1R Summary of DAC Factors

8 Attachment MCS- 3R Advanced Gas Technology Program Factor

9 Attachment MCS-9R Reconciliation Factor

10 Attachment MCS-12R Bill Impact Analysis

11 **II. System Pressure Factor**

12 **Q. Please describe the issues raised by Mr. Oliver regarding the System**
13 **Pressure Factor part of the DAC.**

14 A. In his testimony, (Oliver Direct, pages 7-11), Mr. Oliver disagrees with the
15 Company’s approach to identifying the portion of the LNG costs that are
16 associated with the maintenance of system pressure (18.2%). He cites two
17 problems: (1) the ratio of LNG for system pressure support to total system
18 sendout is not indicative of the portion of total LNG costs that is attributable to
19 system pressure requirements; (2) the Company’s allocation factor does not
20 consider its use of LNG for system pressure support during non-peak hours.

1 **Q. Does the Company agree with Mr. Oliver’s recommendations on how to**
2 **appropriately reflect the portion of the Company’s annual LNG costs that is**
3 **associated with maintenance of system pressures?**

4 A. No. The Company has examined Mr. Oliver’s suggested changes to the allocation
5 of the system pressure costs and does not believe his calculations regarding the
6 allocation of the commodity and capacity-related LNG are appropriate.
7 Regarding Mr. Oliver’s calculation of the Commodity-related LNG allocation,
8 Mr. Oliver assumed that 228,950 dts² of LNG used throughout the year, as
9 provided in witness Arangio’s Exhibit EDA-2, page 17 of 17³, are for system
10 pressure purposes while in fact, these volumes represent the annual LNG boiloff
11 volumes and have no association with system pressure requirements. Boiloff
12 occurs at each LNG plant and varies depending on the operations occurring at the
13 plant on each day. Since LNG boiloff is a source of supply for customers, the
14 Company models the LNG boiloff supply in its SENDOUT model. Therefore, the
15 LNG volumes shown on EDA-2, page 17 of 17 reflect LNG sendout used to most
16 economically meet customer requirements during a normal winter season, and do
17 not reflect or include any LNG sendout needed for system pressure. As such, it is

² The Company assumed that the 228,950 dts was calculated by multiplying 365 days by the average off-peak LNG daily use. However, when verifying this calculation, the Company computed a total of 229,070 dts (627.59 X 365) and not the 228,950 dts.

³ EDA-2 is an exhibit to Elizabeth Arangio’s testimony in this year’s Gas Cost Recovery proceeding (Docket No. 4346).

1 not appropriate to base any system pressure calculations on the numbers provided
2 in EDA-2 page 17.

3 **Q. Does the Company have any other issues with Mr. Oliver's**
4 **recommendation?**

5 A. Yes. In order to consider modifications to the System Pressure Factor, the
6 Company believes a comprehensive review of the issue is warranted. Thus, the
7 Company proposed in its Long-Range Gas Supply Plan to fully analyze the issue
8 in that docket since there are additional factors which must be considered that are
9 not discussed in Mr. Oliver's testimony. See Long-Range Gas Supply Plan
10 2011/12 through 2015/16 p. 46. These factors include design season LNG usage
11 as compared to normal season LNG usage, and peaking costs paid for by
12 Marketers on behalf of customers taking FT-2 Service.

13 **Q. What is the Company's proposal regarding the System Pressure Factor for**
14 **the 2012-2013 DAC/GCR period?**

15 A. The Company proposes to maintain the 18.12% factor as included in this filing
16 and to comprehensively address changes to the System Pressure Factor raised by
17 Mr. Oliver in a separate docket opened to review the Company's Long-Range
18 Supply Plan.

19

1 **III. Advance Gas Technology Program Factor**

2 **Q. Please address Mr. Oliver's comments and recommendations for the AGT**
3 **DAC collections.**

4 A. In his testimony, (Oliver Direct, pages 12-14) Mr. Oliver indicates that the AGT
5 program has not expended any AGT funds in the last several years and that the
6 Company appears to have sufficient resources to be able to provide support to
7 AGT projects if any materialize. As a result, he recommends that the additional
8 \$300,000 of funding allowed in Docket No. 4196 be suspended.

9 Although the Company has not expended any AGT funds in the last several years,
10 (Direct Testimony, Mariella Smith, p. 8), there are currently a number of projects
11 being considered for rebates, and in fact on October 2, 2012⁴ the Company
12 submitted an AGT application associated with one of those projects for review to
13 The Energy Council of Rhode Island ("TEC-RI") and the Division. In addition,
14 the Company has had extensive discussions with a customer involving a
15 potentially large rebate which could significantly reduce the level of available
16 AGT funds. Nevertheless, the Company understands the Division's position and
17 given the time these projects take to reach implementation, the Company does not
18 oppose the Division's recommendation to suspend for this year the additional
19 \$300,000 of funding previously approved in Docket Nos. 4196 and 4269.

⁴ The proposed rebate amount, as filed with the Division and TEC-RI on October 2, 2012, is \$187,172 and reflects updated expected truck numbers, and fuel-use calculations which resulted in an increase on the original incentive amount described in the direct testimony of Ms. Smith.

1 However, should the aforementioned large rebate or any others materialize in the
2 near future and in turn substantially diminish the existing AGT balance, the
3 Company will seek approval in future proceedings to reinstate an incremental
4 level of funding in order to increase the AGT funds available to customers.

5 **Q. Have you reflected a change to the proposed AGT-DAC factor.**

6 A. As shown in Attachment MCS-3R, the AGT factor has been updated to reflect a
7 \$0.00 rate.

8 **Q. Please describe any additional issues concerning the AGT program raised by**
9 **the Division's consultant.**

10 A. Mr. Oliver, on page 26 of his testimony, also raises concerns about the
11 Company's method of applying the interest on the AGT factor balance to increase
12 the AGT factor balance component of the Reconciliation Factor as shown in
13 Attachment MCS-9S page 2, (filed on September 4, 2012). Mr. Oliver suggests
14 that instead interest on those balances be treated as a credit against the amounts
15 that the Commission has authorized to be collected from customers for the AGT
16 program. The Company does not believe that applying the \$1,840 interest amount
17 as a credit is appropriate. Since the Reconciliation rate would not change even if
18 the \$1,840 were applied as a credit, the Company suggests no change at this time
19 and that the Division and the Company discuss the interest calculation and make
20 any adjustments in the next DAC period if necessary.

21

1 **Q. Have there been any changes made to Attachment MCS-3?**

2 A. Yes, as part of our review of the reconciliation calculations described above, the
3 Company identified that the monthly crediting of the \$300,000 collected in base
4 rates misaligned the respective months. For example, what had been shown as the
5 forecasted base rates revenue collections for the month of July was actually for
6 the month of April and what was shown for August was actually for May, etc.
7 Attachment MCS-3R has been updated to correctly align the additional monthly
8 base rate collections credited to the AGT fund with the monthly collections
9 reflected in the Company's last rate case.

10 **Q. What was the impact of this change?**

11 A. The change had a slight impact on the interest calculation so that the account
12 balance as of June 30 is \$2,222,919 or \$94 higher than the \$2,222,825 previously
13 shown on Attachment MCS-3.

14 **IV. Updated DAC Components**

15 **Q. Please identify what was updated in the Reconciliation adjustment factor.**

16 A. The overall DAC Reconciliation factor was updated to reflect the actual results
17 for August and September 2012 for the non-base rate / gas year reconciling
18 components as shown in Attachment MCS-9R, Page 2 - 4. However, the overall
19 reconciliation factor for the Residential, Small and Medium C&I rate classes of
20 \$0.0014 per therm and the overall reconciliation factor for the Large and Extra-

1 Large classes of \$0.0020 per therm remained unchanged as a result of these
2 updates.

3 **Q. Please provide the new proposed DAC rates including the ISR reconciliation**
4 **factor.**

5 A. As shown on Attachment MCS-1R and in the table below, the proposed DAC
6 rates differ for the Residential Heating, Residential Non-Heating, Small and
7 Medium Commercial and Industrial (“C&I”) rate classes versus the Large and
8 Extra-Large rate classes. Both factors were combined with the ISR
9 Reconciliation factors per rate class to derive the factors shown in the table
10 below⁵.

11 **Table 4-1 Base DAC factor + ISR Reconciliation factor**

Rate Class	DAC w/o ISR reconciliation (\$/therm) A	ISR Reconciliation Factor (\$/therm) B	DAC w/. ISR reconciliation (\$/therm) C=A+B
Res- NH	\$0.0476	\$0.0048	\$0.0524
Res-H	\$0.0476	\$0.0017	\$0.0493
Small C&I	\$0.0476	\$0.0009	\$0.0485
Medium C&I	\$0.0476	\$0.0005	\$0.0481
Large LL	\$0.0069	\$0.0006	\$0.0075
Large HL	\$0.0069	\$0.0008	\$0.0077
XL-LL	\$0.0069	(\$0.0001)	\$0.0068
XL-HL	\$0.0069	(\$0.0002)	\$0.0067

12 *Rates include uncollectible allowance.

13
14

⁵ These rates do not include the current ISR factors effective as of April 1, 2012 that ultimately are combined with the factors in Table 2-1 to make up the final DAC rates to take effect on November 1, 2012.

V. Final DAC Rates and Bill Impacts

Q. What are the final DAC rates proposed?

A. The final DAC rates by rate class including the Base DAC factors, the ISR reconciliation factors and the current ISR factors are shown in Attachment MCS-1R and in the table below.

Table 5-1: Final DAC Rates per rate class

Rate Class	Base DAC w/o ISR (\$/therm) A	ISR Reconciliation Factor (\$/therm) C	ISR Factor effective April 1, 2012 (\$/therm) B	Proposed DAC Rate (\$/therm) D=A+B+C
Res- NH	\$0.0476	\$0.0048	\$0.0679	\$0.1203
Res-H	\$0.0476	\$0.0017	\$0.0269	\$0.0762
Small C&I	\$0.0476	\$0.0009	\$0.0247	\$0.0732
Medium C&I	\$0.0476	\$0.0005	\$0.0176	\$0.0657
Large LL	\$0.0069	\$0.0006	\$0.0166	\$0.0241
Large HL	\$0.0069	\$0.0008	\$0.0119	\$0.0196
XL-LL	\$0.0069	(\$0.0001)	\$0.0071	\$0.0139
XL-HL	\$0.0069	(\$0.0002)	\$0.0047	\$0.0114

*Rates include uncollectible allowance.

Q. What is the impact of the proposed November 1, 2012 DAC rates on customer bills?

A. Attachment MCS-12R presents the annual average dollar impact on a customer bill at various levels of consumption for the November 1, 2012 through October 31, 2013 timeframe for the various rate classes. In response to Mr. Oliver's suggestion, the Company has updated the "average usage" reflected in this analysis with that used in its latest rate case proceeding, Docket No. 4323. For an average residential heating customer utilizing 846 therms, the bill impact

1 translates into an annual increase of approximately \$36 or 3.1 % increase over the
2 rates currently in effect.

3 **Q. Were there any other issues Mr. Oliver touched upon which the Company**
4 **would like to address?**

5 A. Yes. Mr. Oliver also suggested for the Company and the Division to work
6 together to assess the merits of a separate Weather Normalization Adjustment
7 (“WNA”) Factor that would be applicable only to Large and Extra Large C&I
8 Customers (Direct Oliver, page 24). The Company would be happy to work with
9 the Division in this matter.

10 **Q. Does this conclude your testimony?**

11 A. Yes, it does.

**National Grid - RI Gas
Summary of DAC Factors
Effective November 1, 2012**

DAC factor (not including annual ISR component) November 1, 2012 - October 31, 2013				
Line No.	Description	Reference	Factor	
			Residential/ Small/ Medium C&I	Large/ X-Large
1	System Pressure (SP)	MCS-2	\$0.0030	\$0.0030
2	Advanced Gas Technology Program (AGT)	MCS-3	\$0.0000	\$0.0000
4	Low Income Assistance Program (LIAP)			
5	Environmental Response Cost (ERC)	MCS-4	(\$0.0019)	(\$0.0019)
6	Pension and Post-Retirement Benefits (PBOP)	MCS-5	\$0.0056	\$0.0056
7	Capital Expenditures Tracker (CAPX)	MCS-6	\$0.0005	\$0.0005
8	On-System Margin Credits (MC)	MCS-7	(\$0.0021)	(\$0.0021)
9	Service Quality Performance (SQP)	MCS-8	(\$0.0004)	(\$0.0004)
11	Reconciliation Factor (R)	MCS-9	\$0.0014	\$0.0020
12	Earnings Sharing Mechanism (ESM)		\$0.0000	\$0.0000
13	Subtotal	sum ([1]:[11])	\$0.0061	\$0.0067
14	Uncollectible Percentage	Dkt 3943	2.46%	2.46%
15	DAC factors grossed up for uncollectible	[13]/(1-[14])	0.0063	0.0069 per therm
16	Revenue Decoupling Mechanism (RDM)	MCS-10	\$0.0413	\$0.0000
17	DAC factor	[15]+[16]	\$0.0476	\$0.0069 per therm

DAC factors including annual ISR component							
	ISR Reconciliation w/o uncollectible ¹ (therms)	Uncollectible Percentage	ISR Reconciliation* (therms) (A)	Base DAC Component ² (therms) (B)	DAC Component Subtotal Rates* (therms) (C) = (A) + (B)	ISR Component ³ (therms) (D)	November 1, 2012 DAC Rates* (therms) (E) = (C)+(D)
Res-NH	\$0.0047	2.46%	\$0.0048	\$0.0476	\$0.0524	\$0.0679	\$0.1203
Res-NH-LI	\$0.0047	2.46%	\$0.0048	\$0.0476	\$0.0524	\$0.0679	\$0.1203
Res-H	\$0.0017	2.46%	\$0.0017	\$0.0476	\$0.0493	\$0.0269	\$0.0762
Res-H-LI	\$0.0017	2.46%	\$0.0017	\$0.0476	\$0.0493	\$0.0269	\$0.0762
Small	\$0.0009	2.46%	\$0.0009	\$0.0476	\$0.0485	\$0.0247	\$0.0732
Medium	\$0.0005	2.46%	\$0.0005	\$0.0476	\$0.0481	\$0.0176	\$0.0657
Large LL	\$0.0006	2.46%	\$0.0006	\$0.0069	\$0.0075	\$0.0166	\$0.0241
Large HL	\$0.0008	2.46%	\$0.0008	\$0.0069	\$0.0077	\$0.0119	\$0.0196
XL-LL	(\$0.0001)	2.46%	(\$0.0001)	\$0.0069	\$0.0068	\$0.0071	\$0.0139
XL-HL	(\$0.0002)	2.46%	(\$0.0002)	\$0.0069	\$0.0067	\$0.0047	\$0.0114

***Factors Include Uncollectible Allowance**

¹ ISR Reconciliation factor. For further detail refer to: [MCS-11](#)

² National Grid proposed Base DAC factor for November 1, 2012 - October 31, 2013 from above table

³ ISR component as approved in Docket 4219

**National Grid - RI Gas
AGT Factor
Effective November 1, 2012**

Line No.	Description	Reference	
1	AGT collected through DAC		\$0
2	Throughput		35,387,711 dth
3	AGT Factor	[[1] / [2]] / [10]	\$0.0000 per therm
4	AGT Factor	[3]*10	\$0.0000 per dth

**National Grid - RI Gas
AGT Account Activity**

Account	Jul-11 31	Aug-11 31	Sep-11 30	Oct-11 31	Nov-11 30	Dec-11 31	Jan-12 31	Feb-12 29	Mar-12 31	Apr-12 30	May-12 31	Jun-12 30	Total
Beginning Balance	\$1,599,537	\$1,620,796	\$1,640,328	\$1,661,392	\$1,686,767	\$1,729,699	\$1,803,660	\$1,905,169	\$2,005,568	\$2,092,841	\$2,156,541	\$2,196,565	
Rebate Disbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Disbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total Disbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Throughput from Docket 3943 (dth)	1,228,932	1,116,710	1,251,878	1,432,743	2,498,337	4,210,421	5,395,248	5,640,668	5,228,844	3,976,154	2,429,116	1,657,183	36,066,235
Forecasted Base Rates Revenue Collections	\$10,222	\$9,289	\$10,413	\$11,918	\$20,781	\$35,022	\$44,878	\$46,919	\$43,494	\$33,074	\$20,205	\$13,785	\$300,000
Forecasted DAC-AGT Revenue Collections	\$9,327	\$8,513	\$8,956	\$11,682	\$20,397	\$37,064	\$54,663	\$51,538	\$41,605	\$28,444	\$17,509	\$10,301	\$300,000
Total Forecasted Collections	\$19,549	\$17,802	\$19,369	\$23,599	\$41,178	\$72,086	\$99,541	\$98,458	\$85,099	\$61,518	\$37,715	\$24,086	\$600,000
Preliminary Ending Balance	\$1,619,087	\$1,638,598	\$1,659,697	\$1,684,991	\$1,727,945	\$1,801,785	\$1,903,201	\$2,003,627	\$2,090,667	\$2,154,359	\$2,194,256	\$2,220,650	
Month's Average Balance	\$1,609,312	\$1,629,697	\$1,650,012	\$1,673,191	\$1,707,356	\$1,765,742	\$1,853,431	\$1,954,398	\$2,048,117	\$2,123,600	\$2,175,398	\$2,208,607	
Bk America Rate less 200 Basis Points	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	
Interest Applied	\$1,709	\$1,730	\$1,695	\$1,776	\$1,754	\$1,875	\$1,968	\$1,941	\$2,174	\$2,182	\$2,309	\$2,269	\$23,382
Ending Balance	\$1,620,796	\$1,640,328	\$1,661,392	\$1,686,767	\$1,729,699	\$1,803,660	\$1,905,169	\$2,005,568	\$2,092,841	\$2,156,541	\$2,196,565	\$2,222,919	

**National Grid - RI Gas
Reconciliation Factor
Effective November 1, 2012**

Reconciliation of Prior Year DAC Factors (All Rate Classes)					
Line No.	Description	Attachment	Page #	Ending Balance	Period
1	System Pressure	MCS-9	Page 3 of 6	\$383,823	Based on Nov 11-Oct 12
2	AGT-DAC	MCS-9	Page 3 of 6	\$52,321	
3	Environmental - DAC	MCS-9	Page 3 of 6	\$13,409	
4	On-System Margin Credits	MCS-9	Page 4 of 6	(\$104,684)	
5	Weather Normalization	MCS-9	Page 4 of 6	(\$513,769)	
6	Previous Reconciliation Factor	MCS-9	Page 4 of 6	(\$49,004)	
7	ARP	MCS-9	Page 5 of 6	\$368,783	
8	CXT-Revenue Requirement	MCS-9	Page 5 of 6	(\$278,496)	
9	Pension	MCS-9	Page 5 of 6	\$403,689	
10	PBOP	MCS-9	Page 5 of 6	\$247,334	
11	True-up	MCS-9	Page 6 of 6	(\$23,376)	
12	Total		sum ([1]:[11])	\$500,030	
13	Firm Thru-put		Nov 2012 - Oct 2013	35,387,711 dth	
14	Reconciliation Factor		[12] / [13]/10	\$0.0014 per therm	
15	Reconciliation Factor		[14] * 10	\$0.0140 per dth	

Reconciliation of Prior year Base Rates (Large & X-Large Only)					
Line No.	Description	Attachment	Page #	Ending Balance	Period
1	AGT Factor - Base Rates	MCS-9	Page 2 of 6	\$4,865	Based on ending balance June 30, 2012
2	LIAP Factor - Base Rates	MCS-9	Page 2 of 6	\$29,013	
3	Environmental - Base Rates	MCS-9	Page 2 of 6	\$21,294	
4	Total		sum ([1]:[3])	\$55,173	
5	Firm Thru-put ¹		Nov 2012 - Oct 2013	9,481,555 dth	
6	Reconciliation Factor ²		[4] / [5]/10	\$0.0006 per therm	
7	Reconciliation Factor		[6] * 10	\$0.0060 per dth	
¹ The reconciliation of base rate components is not included for Residential/Small/Medium C&I. Refer to: RDM Factor (MCS-10) ² This rate will be combined with the Reconciliation factor of \$0.0014 per therm to derive an overall Reconciliation factor for the L&XL rate classes of \$0.0020per therm					

National Grid - RI Gas
Non-Base Rate / Gas Year Reconciling Components

		Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	
		30	31	31	29	31	30	31	30	31	31	30	31	
source		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	
DAC Rates \$/dth		\$0.0775	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	\$0.0600	
	Prorated (50%/50%)													
System Pressure	Dkt 4269	\$0.025	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026	
Advanced Gas Technology (AGT)	Dkt 4269	\$0.009	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	
Environmental Response Credit (ERC)	Dkt 4269	(\$0.006)	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	
Weather Normalization Factor (WN)	Dkt 4269	\$0.008	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	(\$0.061)	
Reconciliation Factor (R)	Dkt 4269	(\$0.008)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	(\$0.007)	
On System Margin Credit Factor (MC)	Dkt 4269	(\$0.020)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	(\$0.022)	
Pension	Dkt 4269	\$0.066	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	\$0.071	
Post-Retirement Benefits (PBOP)	Dkt 4269	\$0.030	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	\$0.041	
Capital Expenditure Tracker (CAPX)	Dkt 4269	(\$0.060)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	(\$0.056)	
Accelerated Replacement Program (ARP)	Dkt 4269	\$0.034	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	\$0.059	
Revenue Decoupling Mechanism	Dkt 4206	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
Earning Sharing Mechanism	Dkt 4269	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
Low Income Assistance Programs (LIAP)	Dkt 4269	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
Service Quality Performance	Dkt 4269	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
ISR Reconciliation Factor	Dkt 4219	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
RI Firm through-put (dth)	CSR	2,444,380	3,288,323	4,528,185	5,284,970	4,434,912	3,038,478	1,960,277	1,305,809	1,129,595	1,085,833	1,119,620	1,416,722	31,037,104
Forecasted Throughput	Dkt 4269	2,471,585	4,480,229	6,601,257	6,224,693	5,027,594	3,441,397	2,123,550	1,254,861	1,109,199	957,434	1,047,061	1,416,722	36,155,583
System Pressure Recon Adjust.										Under (Over) Collection			383,823	
System Pressure Acct Beg. Balance		\$0	\$177	\$17,801	\$239,820	\$218,385	\$158,335	\$151,638	\$171,398	\$213,086	\$263,473	\$311,688	\$357,007	
Actual Costs		\$61,287	\$103,110	\$339,616	\$115,747	\$55,058	\$72,144	\$70,556	\$75,441	\$79,504	\$76,142	\$74,085	\$63,257	
Actual Collections		\$61,110	\$85,496	\$117,733	\$137,409	\$115,308	\$79,000	\$50,967	\$33,951	\$29,369	\$28,232	\$29,110	\$36,835	
Ending Balance		\$177	\$17,791	\$239,683	\$218,158	\$158,136	\$151,479	\$171,227	\$212,888	\$263,220	\$311,383	\$356,664	\$383,430	
Average Monthly Balance		\$89	\$8,984	\$128,742	\$228,989	\$188,260	\$154,907	\$161,433	\$192,143	\$238,153	\$287,428	\$334,176	\$370,218	
Bk America Rate less 200 Basis Points		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		\$0	\$10	\$137	\$227	\$200	\$159	\$171	\$197	\$253	\$305	\$343	\$393	
Sys Pressure End Balance		\$177	\$17,801	\$239,820	\$218,385	\$158,335	\$151,638	\$171,398	\$213,086	\$263,473	\$311,688	\$357,007	\$383,823	
Under/(over) Recovery		\$177	\$17,623	\$222,019	(\$21,435)	(\$60,050)	(\$6,697)	\$19,760	\$41,687	\$50,388	\$48,215	\$45,319	\$26,815	
AGT Recon Adjustment - DAC										Under (Over) Collection			52,321	
AGT Acct Beg. Balance		\$300,000	\$279,520	\$253,497	\$217,521	\$175,436	\$140,124	\$115,948	\$100,381	\$90,032	\$81,086	\$72,481	\$63,594	
Actual AGT Collections		\$20,777	\$26,307	\$36,225	\$42,280	\$35,479	\$24,308	\$15,682	\$10,446	\$9,037	\$8,687	\$8,957	\$11,334	
Ending AGT Balance		\$279,223	\$253,214	\$217,271	\$175,241	\$139,957	\$115,817	\$100,266	\$89,934	\$80,995	\$72,399	\$63,524	\$52,260	
Average Monthly Balance		\$289,611	\$266,367	\$235,384	\$196,381	\$157,697	\$127,970	\$108,107	\$95,157	\$85,513	\$76,743	\$68,002	\$57,927	
Bk America Rate less 200 Basis Points		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		\$298	\$283	\$250	\$195	\$167	\$131	\$115	\$98	\$91	\$81	\$70	\$61	
AGT End Balance		\$279,520	\$253,497	\$217,521	\$175,436	\$140,124	\$115,948	\$100,381	\$90,032	\$81,086	\$72,481	\$63,594	\$52,321	
Under/(over) Recovery		(\$20,480)	(\$26,024)	(\$35,976)	(\$42,085)	(\$35,312)	(\$24,176)	(\$15,567)	(\$10,349)	(\$8,946)	(\$8,605)	(\$8,887)	(\$11,272)	

Non-Base Rate / Gas Year Reconciling Components

		Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
		30	31	31	29	31	30	31	30	31	31	30	31
source		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Environmental Recon. Adjust - DAC													
										Under (Over) Collection		13,409	
Environmental Acct Beg. Balance	Pricing	\$27,029	\$41,731	\$38,485	\$33,995	\$28,741	\$24,335	\$21,319	\$19,381	\$18,094	\$16,983	\$15,915	\$14,811
Actual Environmental Collections	Calculation	(\$14,666)	\$3,288	\$4,528	\$5,285	\$4,435	\$3,038	\$1,960	\$1,306	\$1,130	\$1,086	\$1,120	\$1,417
Ending Environmental Balance		\$41,695	\$38,442	\$33,957	\$28,710	\$24,306	\$21,296	\$19,359	\$18,075	\$16,965	\$15,897	\$14,795	\$13,394
Average Monthly Balance		\$34,362	\$40,086	\$36,221	\$31,353	\$26,524	\$22,815	\$20,339	\$18,728	\$17,529	\$16,440	\$15,355	\$14,103
Bk America Rate less 200 Basis Points		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		\$35	\$43	\$38	\$31	\$28	\$23	\$22	\$19	\$19	\$17	\$16	\$15
Environmental Recon End Balance		\$41,731	\$38,485	\$33,995	\$28,741	\$24,335	\$21,319	\$19,381	\$18,094	\$16,983	\$15,915	\$14,811	\$13,409
Under/(over) Recovery		\$14,702	(\$3,246)	(\$4,490)	(\$5,254)	(\$4,407)	(\$3,015)	(\$1,939)	(\$1,287)	(\$1,111)	(\$1,068)	(\$1,104)	(\$1,402)
Weather Normalization - DAC													
										Under (Over) Collection		(513,769)	
WNA Acct Beg. Balance	Pricing	(\$2,223,000)	(\$2,244,849)	(\$2,046,538)	(\$1,772,345)	(\$1,451,562)	(\$1,182,430)	(\$998,202)	(\$879,621)	(\$800,830)	(\$732,738)	(\$667,245)	(\$599,599)
Actual WNA Collections	Calculation	\$19,555	(\$200,588)	(\$276,219)	(\$322,383)	(\$270,530)	(\$185,347)	(\$119,577)	(\$79,654)	(\$68,905)	(\$66,236)	(\$68,297)	(\$86,420)
Ending WNA Balance		(\$2,242,555)	(\$2,044,261)	(\$1,770,319)	(\$1,449,962)	(\$1,181,032)	(\$997,082)	(\$878,625)	(\$799,967)	(\$731,925)	(\$666,502)	(\$598,948)	(\$513,179)
Average Monthly Balance		(\$2,232,778)	(\$2,144,555)	(\$1,908,428)	(\$1,611,153)	(\$1,316,297)	(\$1,089,756)	(\$938,414)	(\$839,794)	(\$766,377)	(\$699,620)	(\$633,097)	(\$556,389)
Bk America Rate less 200 Basis Points		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		(\$2,294)	(\$2,277)	(\$2,026)	(\$1,600)	(\$1,397)	(\$1,120)	(\$996)	(\$863)	(\$814)	(\$743)	(\$650)	(\$591)
Weather Normalization End Balance		(\$2,244,849)	(\$2,046,538)	(\$1,772,345)	(\$1,451,562)	(\$1,182,430)	(\$998,202)	(\$879,621)	(\$800,830)	(\$732,738)	(\$667,245)	(\$599,599)	(\$513,769)
Under/(over) Recovery		\$21,849	(\$198,311)	(\$274,193)	(\$320,783)	(\$269,132)	(\$184,228)	(\$118,581)	(\$78,792)	(\$68,092)	(\$65,493)	(\$67,646)	(\$85,829)
Reconciliation Factor - DAC													
										Under (Over) Collection		(49,004)	
Recon Factor Acct Beg. Balance		(\$265,835)	(\$247,766)	(\$224,998)	(\$193,523)	(\$156,702)	(\$125,808)	(\$104,657)	(\$91,039)	(\$81,987)	(\$74,162)	(\$66,636)	(\$58,863)
Actual Recon Collections	Calculation	(\$18,333)	(\$23,018)	(\$31,697)	(\$36,995)	(\$31,044)	(\$21,269)	(\$13,722)	(\$9,141)	(\$7,907)	(\$7,601)	(\$7,837)	(\$9,917)
Ending Recon Balance		(\$247,502)	(\$224,748)	(\$193,301)	(\$156,528)	(\$125,658)	(\$104,538)	(\$90,935)	(\$81,898)	(\$74,080)	(\$66,562)	(\$58,799)	(\$48,946)
Average Monthly Balance		(\$256,669)	(\$236,257)	(\$209,150)	(\$175,026)	(\$141,180)	(\$115,173)	(\$97,796)	(\$86,468)	(\$78,033)	(\$70,362)	(\$62,718)	(\$53,905)
Bk America Rate less 200 Basis Points		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		(\$264)	(\$251)	(\$222)	(\$174)	(\$150)	(\$118)	(\$104)	(\$89)	(\$83)	(\$75)	(\$64)	(\$57)
Reconciliation End Balance		(\$247,766)	(\$224,998)	(\$193,523)	(\$156,702)	(\$125,808)	(\$104,657)	(\$91,039)	(\$81,987)	(\$74,162)	(\$66,636)	(\$58,863)	(\$49,004)
Under/(over) Recovery		(\$18,069)	(\$22,767)	(\$31,475)	(\$36,821)	(\$30,894)	(\$21,151)	(\$13,618)	(\$9,052)	(\$7,824)	(\$7,526)	(\$7,773)	(\$9,860)
On-system Credits Recon. Adjust. - DAC													
										Under (Over) Collection		(104,684)	
On-system Credit Acct Beg. Balance	Pricing	(\$778,043)	(\$729,930)	(\$658,323)	(\$559,349)	(\$443,577)	(\$346,429)	(\$279,904)	(\$237,052)	(\$208,553)	(\$183,910)	(\$160,204)	(\$135,724)
Actual On-system Collections	Calculation	(\$48,888)	(\$72,343)	(\$99,620)	(\$116,269)	(\$97,568)	(\$66,847)	(\$43,126)	(\$28,728)	(\$24,851)	(\$23,888)	(\$24,632)	(\$31,168)
Ending On-system Balance		(\$729,155)	(\$657,587)	(\$558,703)	(\$443,080)	(\$346,009)	(\$279,582)	(\$236,777)	(\$208,324)	(\$183,702)	(\$160,022)	(\$135,572)	(\$104,557)
Average Monthly Balance		(\$753,599)	(\$693,758)	(\$608,513)	(\$501,214)	(\$394,793)	(\$313,005)	(\$258,341)	(\$222,688)	(\$196,127)	(\$171,966)	(\$147,888)	(\$120,140)
Bk America Rate less 200 Basis Points		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		(\$774)	(\$737)	(\$646)	(\$498)	(\$419)	(\$322)	(\$274)	(\$229)	(\$208)	(\$183)	(\$152)	(\$128)
On-system Credit End Balance		(\$729,930)	(\$658,323)	(\$559,349)	(\$443,577)	(\$346,429)	(\$279,904)	(\$237,052)	(\$208,553)	(\$183,910)	(\$160,204)	(\$135,724)	(\$104,684)
Under/(over) Recovery		\$48,113	\$71,607	\$98,974	\$115,772	\$97,149	\$66,525	\$42,852	\$28,499	\$24,643	\$23,706	\$24,480	\$31,040

Total Under (Over) Collections	<u>523,406</u>
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National Grid - RI Gas Base Rate / Fiscal Year Reconciling Components													
Source	Jul-11 31 actual	Aug-11 32 actual	Sep-11 30 actual	Oct-11 31 actual	Nov-11 30 actual	Dec-11 31 actual	Jan-12 31 actual	Feb-12 29 actual	Mar-12 31 actual	Apr-12 30 actual	May-12 31 actual	Jun-12 30 actual	12 month End
DAC FACTORS: \$/dth													
AGT Factor - Base Rates	Dkt 3943	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	
LIAP Factor - Base Rates	Dkt 3943	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	\$0.0495	
Environmental - Base Rates	Dkt 3943	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	\$0.0363	
Actual RI Firm L-XL Firm through-put (dth)	CSR	466,795	516,862	495,305	546,820	842,028	931,095	1,058,674	1,396,746	1,068,200	803,066	613,622	522,427 9,261,639
													Approved Target Collections
AGT Recon. Adjustment - Base Rates L-XL													
AGT Recon. Acct Beg. Bal.	\$0	\$319	\$266	\$683	\$1,212	\$965	\$2,190	\$3,622	\$2,135	\$3,106	\$4,054	\$4,609	
Fcst Firm Through-put L-XL (from Dkt 3943)	505,120	510,514	545,408	610,245	812,193	1,078,212	1,230,624	1,217,782	1,184,720	916,724	680,130	553,013	9,844,682
Fcst AGT Collections	\$4,202	\$4,246	\$4,537	\$5,076	\$6,756	\$8,969	\$10,236	\$10,130	\$9,855	\$7,625	\$5,657	\$4,600	81,889
Actual Firm Through-put L-XL	466,795	516,862	495,305	546,820	842,028	931,095	1,058,674	1,396,746	1,068,200	803,066	613,622	522,427	9,261,639
Actual AGT Collections	\$3,883	\$4,299	\$4,120	\$4,548	\$7,004	\$7,745	\$8,806	\$11,618	\$8,885	\$6,680	\$5,104	\$4,346	77,038
Collection Variance	\$319	(\$53)	\$417	\$528	(\$248)	\$1,224	\$1,430	(\$1,488)	\$970	\$945	\$553	\$254	
Ending Balance	\$319	\$266	\$683	\$1,211	\$964	\$2,189	\$3,620	\$2,134	\$3,105	\$4,051	\$4,607	\$4,863	
Average Balance	\$133	\$342	\$606	\$462	\$1,094	\$1,810	\$1,067	\$1,552	\$2,026	\$2,303	\$2,431	\$2,431	
Bk America Rate less 200 Basis Points	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	\$0	\$0	\$0	\$1	\$0	\$1	\$2	\$1	\$2	\$2	\$2	\$2	\$14
AGT End Balance	\$319	\$266	\$683	\$1,212	\$965	\$2,190	\$3,622	\$2,135	\$3,106	\$4,054	\$4,609	\$4,865	\$4,865
Under/(over) Recovery	\$319	(\$53)	\$417	\$529	(\$248)	\$1,225	\$1,432	(\$1,487)	\$972	\$947	\$555	\$256	
													Approved Target Collections
LIAP Recon. Adjustment - Base Rates L-XL													
LIAP Recon. Acct Beg. Bal.	\$0	\$1,898	\$1,585	\$4,067	\$7,212	\$5,741	\$13,032	\$21,561	\$12,721	\$18,503	\$24,150	\$27,469	
Fcst Firm Through-put L-XL (from Dkt 3943)	505,120	510,514	545,408	610,245	812,193	1,078,212	1,230,624	1,217,782	1,184,720	916,724	680,130	553,013	9,844,682
Fcst LIAP Collections	\$25,000	\$25,266	\$26,993	\$30,202	\$40,197	\$53,363	\$60,906	\$60,271	\$58,634	\$45,371	\$33,661	\$27,371	\$487,235
Actual Firm Through-put L-XL	466,795	516,862	495,305	546,820	842,028	931,095	1,058,674	1,396,746	1,068,200	803,066	613,622	522,427	9,261,639
Actual LIAP Collections	\$23,103	\$25,581	\$24,514	\$27,063	\$41,674	\$46,082	\$52,396	\$69,128	\$52,868	\$39,746	\$30,370	\$25,856	\$458,381
Collection Variance	\$1,897	(\$315)	\$2,479	\$3,139	(\$1,477)	\$7,281	\$8,510	(\$8,857)	\$5,766	\$5,625	\$3,291	\$1,515	
Ending Balance	\$1,897	\$1,583	\$4,064	\$7,206	\$5,735	\$13,022	\$21,542	\$12,704	\$18,487	\$24,128	\$27,441	\$28,984	
Average Balance	\$949	\$1,741	\$2,824	\$5,636	\$6,473	\$9,382	\$17,287	\$17,132	\$15,604	\$21,316	\$25,796	\$28,226	
Bk America Rate less 200 Basis Points	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	\$2	\$3	\$6	\$7	\$10	\$18	\$17	\$17	\$22	\$27	\$29	\$159
LIAP End Balance	\$1,898	\$1,585	\$4,067	\$7,212	\$5,741	\$13,032	\$21,561	\$12,721	\$18,503	\$24,150	\$27,469	\$29,013	\$29,013
Under/(over) Recovery	\$1,898	(\$313)	\$2,482	\$3,145	(\$1,470)	\$7,291	\$8,528	(\$8,840)	\$5,783	\$5,647	\$3,318	\$1,544	
													Approved Target Collections
Environmental Recon. Adjust - Base Rates													
Environmental Recon. Acct Beg. Bal.	\$0	\$1,393	\$1,163	\$2,985	\$5,293	\$4,215	\$9,566	\$15,825	\$9,337	\$13,581	\$17,725	\$20,161	
Fcst Firm Through-put L-XL (from Dkt 3943)	505,120	510,514	545,408	610,245	812,193	1,078,212	1,230,624	1,217,782	1,184,720	916,724	680,130	553,013	9,844,682
Fcst Environmental Collections	\$18,347	\$18,543	\$19,810	\$22,165	\$29,501	\$39,163	\$44,699	\$44,232	\$43,031	\$33,297	\$24,704	\$20,088	\$357,580
Actual Firm Through-put L-XL	466,795	516,862	495,305	546,820	842,028	931,095	1,058,674	1,396,746	1,068,200	803,066	613,622	522,427	9,261,639
Actual Environmental Collections	\$16,955	\$18,774	\$17,990	\$19,862	\$30,584	\$33,819	\$38,453	\$50,733	\$38,799	\$29,169	\$22,288	\$18,976	\$336,402
Collection Variance	\$1,392	(\$231)	\$1,820	\$2,303	(\$1,083)	\$5,344	\$6,246	(\$6,501)	\$4,232	\$4,128	\$2,416	\$1,112	
Ending Environmental Balance	\$1,392	\$1,162	\$2,983	\$5,288	\$4,210	\$9,559	\$15,812	\$9,324	\$13,569	\$17,709	\$20,141	\$21,273	
Average Balance	\$696	\$1,277	\$2,073	\$4,137	\$4,751	\$6,887	\$12,689	\$12,575	\$11,453	\$15,645	\$18,933	\$20,717	
Bk America Rate less 200 Basis Points	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	\$1	\$2	\$4	\$5	\$7	\$13	\$12	\$12	\$16	\$20	\$21	\$116
Environmental End Balance	\$1,393	\$1,163	\$2,985	\$5,293	\$4,215	\$9,566	\$15,825	\$9,337	\$13,581	\$17,725	\$20,161	\$21,294	\$21,294
Under/(over) Recovery	\$1,393	(\$230)	\$1,822	\$2,307	(\$1,078)	\$5,351	\$6,259	(\$6,489)	\$4,244	\$4,144	\$2,436	\$1,133	

**National Grid - RI Gas
Non-Base Rate / Gas Year Reconciling Components**

October 31, 2011 Ending Deferred Balances

	Forecast	Actual	Variance
System Pressure	\$69,834	\$92,553	(\$22,719)
Environmental - DAC	\$67,919	\$67,748	\$171
On-System Margin Credits	\$91,608	\$91,369	\$239
Previous Reconciliation Factor	\$96,768	\$96,645	\$123
Weather Normalization	(\$376,482)	(\$375,489)	(\$993)
AGT	(\$45,801)	(\$45,680)	(\$121)
Capital Tracker/ARP	\$297,626	\$296,928	\$697
Pension	(\$300,917)	(\$300,142)	(\$774)
PBOP	(\$92,946)	(\$92,946)	\$0
	(\$192,391)	(\$169,014)	(\$23,376)

Bill Impact Analysis with Various Levels of Consumption:
Current DAC vs. 2012-2013 Proposed DAC

Residential Heating:

Annual Consumption (Therms)	Proposed Nov '12 Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff
						GCR	DAC	ISR	
							DAC		
550	\$854	\$831	\$24	2.9%	\$0	\$0.00	\$24	\$0.00	\$0.00
608	\$929	\$903	\$26	2.9%	\$0	\$0.00	\$26	\$0.00	\$0.00
667	\$1,004	\$976	\$29	2.9%	\$0	\$0.00	\$29	\$0.00	\$0.00
727	\$1,081	\$1,049	\$31	3.0%	\$0	\$0.00	\$31	\$0.00	\$0.00
788	\$1,156	\$1,122	\$34	3.0%	\$0	\$0.00	\$34	\$0.00	\$0.00
Average Customer	846	\$1,189	\$36	3.1%	\$0	\$0.00	\$36	\$0.00	\$0.00
904	\$1,296	\$1,257	\$39	3.1%	\$0	\$0.00	\$39	\$0.00	\$0.00
966	\$1,371	\$1,329	\$42	3.1%	\$0	\$0.00	\$42	\$0.00	\$0.00
1,023	\$1,440	\$1,396	\$44	3.2%	\$0	\$0.00	\$44	\$0.00	\$0.00
1,081	\$1,509	\$1,463	\$47	3.2%	\$0	\$0.00	\$47	\$0.00	\$0.00
1,145	\$1,585	\$1,536	\$49	3.2%	\$0	\$0.00	\$49	\$0.00	\$0.00

Residential Heating Low Income:

Annual Consumption (Therms)	Proposed Nov '12 Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC	ISR		
							DAC			
	-----	-----	-----	-----	-----	-----	-----	-----	-----	
	550	\$819	\$795	\$24	3.0%	\$0	\$0.00	\$24	\$0.00	\$0.00
	608	\$891	\$865	\$26	3.0%	\$0	\$0.00	\$26	\$0.00	\$0.00
	667	\$964	\$936	\$29	3.1%	\$0	\$0.00	\$29	\$0.00	\$0.00
	727	\$1,038	\$1,007	\$31	3.1%	\$0	\$0.00	\$31	\$0.00	\$0.00
	788	\$1,111	\$1,077	\$34	3.2%	\$0	\$0.00	\$34	\$0.00	\$0.00
Average Customer	846	\$1,180	\$1,143	\$36	3.2%	\$0	\$0.00	\$36	\$0.00	\$0.00
	904	\$1,248	\$1,209	\$39	3.2%	\$0	\$0.00	\$39	\$0.00	\$0.00
	966	\$1,321	\$1,280	\$42	3.3%	\$0	\$0.00	\$42	\$0.00	\$0.00
	1,023	\$1,388	\$1,344	\$44	3.3%	\$0	\$0.00	\$44	\$0.00	\$0.00
	1,081	\$1,456	\$1,410	\$47	3.3%	\$0	\$0.00	\$47	\$0.00	\$0.00
	1,145	\$1,530	\$1,481	\$49	3.3%	\$0	\$0.00	\$49	\$0.00	\$0.00

Bill Impact Analysis with Various Levels of Consumption:
Current DAC vs. 2012-2013 Proposed DAC

Residential Non-Heating:

Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff
							GCR	DAC	ISR	
								DAC		
	140	\$303	\$297	\$6	2.2%	\$0	\$0.00	\$6	\$0.00	\$0.00
	155	\$323	\$316	\$7	2.3%	\$0	\$0.00	\$7	\$0.00	\$0.00
	171	\$344	\$336	\$8	2.4%	\$0	\$0.00	\$8	\$0.00	\$0.00
	184	\$361	\$352	\$8	2.4%	\$0	\$0.00	\$8	\$0.00	\$0.00
	198	\$379	\$370	\$9	2.5%	\$0	\$0.00	\$9	\$0.00	\$0.00
Average Customer	214	\$399	\$390	\$10	2.5%	\$0	\$0.00	\$10	\$0.00	\$0.00
	228	\$418	\$408	\$11	2.6%	\$0	\$0.00	\$11	\$0.00	\$0.00
	244	\$439	\$428	\$11	2.6%	\$0	\$0.00	\$11	\$0.00	\$0.00
	258	\$457	\$446	\$12	2.7%	\$0	\$0.00	\$12	\$0.00	\$0.00
	275	\$480	\$467	\$13	2.7%	\$0	\$0.00	\$13	\$0.00	\$0.00
	288	\$497	\$483	\$13	2.7%	\$0	\$0.00	\$13	\$0.00	\$0.00

Residential Non-Heating Low Income:

Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff
							GCR	DAC	ISR	
								DAC		
	140	\$285	\$279	\$6	2.3%	\$0	\$0.00	\$6	\$0.00	\$0.00
	155	\$305	\$297	\$7	2.4%	\$0	\$0.00	\$7	\$0.00	\$0.00
	171	\$325	\$317	\$8	2.5%	\$0	\$0.00	\$8	\$0.00	\$0.00
	184	\$341	\$333	\$8	2.5%	\$0	\$0.00	\$8	\$0.00	\$0.00
	198	\$359	\$350	\$9	2.6%	\$0	\$0.00	\$9	\$0.00	\$0.00
Average Customer	214	\$379	\$369	\$10	2.7%	\$0	\$0.00	\$10	\$0.00	\$0.00
	228	\$397	\$386	\$11	2.7%	\$0	\$0.00	\$11	\$0.00	\$0.00
	244	\$417	\$406	\$11	2.8%	\$0	\$0.00	\$11	\$0.00	\$0.00
	258	\$435	\$423	\$12	2.8%	\$0	\$0.00	\$12	\$0.00	\$0.00
	275	\$457	\$444	\$13	2.9%	\$0	\$0.00	\$13	\$0.00	\$0.00
	288	\$473	\$460	\$13	2.9%	\$0	\$0.00	\$13	\$0.00	\$0.00

Bill Impact Analysis with Various Levels of Consumption:
Current DAC vs. 2012-2013 Proposed DAC

C & I Small:

							Difference due to:			
Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	-----			EnergyEff
							GCR	DAC	ISR	
	880	\$1,405	\$1,368	\$37	2.7%	\$0	\$0.00	\$37	\$0.00	\$0.00
	973	\$1,518	\$1,477	\$41	2.8%	\$0	\$0.00	\$41	\$0.00	\$0.00
	1,067	\$1,631	\$1,586	\$45	2.8%	\$0	\$0.00	\$45	\$0.00	\$0.00
	1,162	\$1,744	\$1,695	\$49	2.9%	\$0	\$0.00	\$49	\$0.00	\$0.00
	1,258	\$1,853	\$1,799	\$53	3.0%	\$0	\$0.00	\$53	\$0.00	\$0.00
Average Customer	1,352	\$1,958	\$1,901	\$57	3.0%	\$0	\$0.00	\$57	\$0.00	\$0.00
	1,446	\$2,065	\$2,003	\$61	3.1%	\$0	\$0.00	\$61	\$0.00	\$0.00
	1,542	\$2,172	\$2,107	\$65	3.1%	\$0	\$0.00	\$65	\$0.00	\$0.00
	1,635	\$2,277	\$2,208	\$69	3.1%	\$0	\$0.00	\$69	\$0.00	\$0.00
	1,730	\$2,383	\$2,310	\$73	3.2%	\$0	\$0.00	\$73	\$0.00	\$0.00
	1,825	\$2,489	\$2,412	\$77	3.2%	\$0	\$0.00	\$77	\$0.00	\$0.00

C & I Medium:

	Annual Consumption (Therms)	Proposed Nov '12 Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff
							GCR	DAC	ISR	
								DAC		
Average Customer	7,941	\$9,751	\$9,418	\$333	3.5%	\$0	\$0.00	\$333	\$0.00	\$0.00
	8,796	\$10,723	\$10,355	\$369	3.6%	\$0	\$0.00	\$369	\$0.00	\$0.00
	9,650	\$11,694	\$11,290	\$404	3.6%	\$0	\$0.00	\$404	\$0.00	\$0.00
	10,505	\$12,667	\$12,227	\$440	3.6%	\$0	\$0.00	\$440	\$0.00	\$0.00
	11,361	\$13,640	\$13,164	\$476	3.6%	\$0	\$0.00	\$476	\$0.00	\$0.00
	12,217	\$14,614	\$14,102	\$512	3.6%	\$0	\$0.00	\$512	\$0.00	\$0.00
	13,073	\$15,587	\$15,039	\$548	3.6%	\$0	\$0.00	\$548	\$0.00	\$0.00
	13,928	\$16,559	\$15,976	\$584	3.7%	\$0	\$0.00	\$584	\$0.00	\$0.00
	14,782	\$17,531	\$16,912	\$619	3.7%	\$0	\$0.00	\$619	\$0.00	\$0.00
	15,637	\$18,503	\$17,848	\$655	3.7%	\$0	\$0.00	\$655	\$0.00	\$0.00
	16,492	\$19,476	\$18,785	\$691	3.7%	\$0	\$0.00	\$691	\$0.00	\$0.00

Bill Impact Analysis with Various Levels of Consumption:
Current DAC vs. 2012-2013 Proposed DAC

C & I LLF Large:

							Difference due to:			
Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	-----			EnergyEff
							GCR	DAC	ISR	
								DAC		
	41,066	\$46,894	\$46,840	\$53	0.1%	\$0	\$0.00	\$53	\$0.00	\$0.00
	45,488	\$51,788	\$51,729	\$59	0.1%	\$0	\$0.00	\$59	\$0.00	\$0.00
	49,910	\$56,683	\$56,618	\$65	0.1%	\$0	\$0.00	\$65	\$0.00	\$0.00
	54,334	\$61,579	\$61,509	\$71	0.1%	\$0	\$0.00	\$71	\$0.00	\$0.00
	58,757	\$66,475	\$66,398	\$76	0.1%	\$0	\$0.00	\$76	\$0.00	\$0.00
Average Customer	63,179	\$71,369	\$71,287	\$82	0.1%	\$0	\$0.00	\$82	\$0.00	\$0.00
	67,600	\$76,263	\$76,175	\$88	0.1%	\$0	\$0.00	\$88	\$0.00	\$0.00
	72,023	\$81,158	\$81,065	\$94	0.1%	\$0	\$0.00	\$94	\$0.00	\$0.00
	76,447	\$86,055	\$85,956	\$99	0.1%	\$0	\$0.00	\$99	\$0.00	\$0.00
	80,870	\$90,951	\$90,846	\$105	0.1%	\$0	\$0.00	\$105	\$0.00	\$0.00
	85,292	\$95,845	\$95,734	\$111	0.1%	\$0	\$0.00	\$111	\$0.00	\$0.00

C & I HLF Large:

							Difference due to:			
Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	-----			EnergyEff
							GCR	DAC	ISR	
	50,411	\$50,520	\$50,444	\$76	0.1%	\$0	\$0.00	\$76	\$0.00	\$0.00
	55,841	\$55,806	\$55,723	\$84	0.2%	\$0	\$0.00	\$84	\$0.00	\$0.00
	61,273	\$61,095	\$61,003	\$92	0.2%	\$0	\$0.00	\$92	\$0.00	\$0.00
	66,699	\$66,378	\$66,278	\$100	0.2%	\$0	\$0.00	\$100	\$0.00	\$0.00
	72,129	\$71,664	\$71,556	\$108	0.2%	\$0	\$0.00	\$108	\$0.00	\$0.00
Average Customer	77,558	\$76,950	\$76,834	\$116	0.2%	\$0	\$0.00	\$116	\$0.00	\$0.00
	82,989	\$82,237	\$82,112	\$125	0.2%	\$0	\$0.00	\$125	\$0.00	\$0.00
	88,416	\$87,521	\$87,388	\$133	0.2%	\$0	\$0.00	\$133	\$0.00	\$0.00
	93,847	\$92,808	\$92,667	\$141	0.2%	\$0	\$0.00	\$141	\$0.00	\$0.00
	99,275	\$98,093	\$97,944	\$149	0.2%	\$0	\$0.00	\$149	\$0.00	\$0.00
	104,705	\$103,380	\$103,223	\$157	0.2%	\$0	\$0.00	\$157	\$0.00	\$0.00

Bill Impact Analysis with Various Levels of Consumption:
Current DAC vs. 2012-2013 Proposed DAC

C & I LLF Extra-Large:

							Difference due to:			
Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	-----			EnergyEff
							GCR	DAC	ISR	
	174,357	\$171,326	\$171,222	\$105	0.1%	\$0	\$0.00	\$105	\$0.00	\$0.00
	193,136	\$189,391	\$189,275	\$116	0.1%	\$0	\$0.00	\$116	\$0.00	\$0.00
	211,912	\$207,453	\$207,326	\$127	0.1%	\$0	\$0.00	\$127	\$0.00	\$0.00
	230,688	\$225,515	\$225,377	\$138	0.1%	\$0	\$0.00	\$138	\$0.00	\$0.00
	249,466	\$243,579	\$243,429	\$150	0.1%	\$0	\$0.00	\$150	\$0.00	\$0.00
Average Customer	268,243	\$261,641	\$261,480	\$161	0.1%	\$0	\$0.00	\$161	\$0.00	\$0.00
	287,018	\$279,703	\$279,530	\$172	0.1%	\$0	\$0.00	\$172	\$0.00	\$0.00
	305,796	\$297,767	\$297,583	\$183	0.1%	\$0	\$0.00	\$183	\$0.00	\$0.00
	324,573	\$315,829	\$315,635	\$195	0.1%	\$0	\$0.00	\$195	\$0.00	\$0.00
	343,350	\$333,892	\$333,686	\$206	0.1%	\$0	\$0.00	\$206	\$0.00	\$0.00
	362,127	\$351,955	\$351,738	\$217	0.1%	\$0	\$0.00	\$217	\$0.00	\$0.00

C & I HLF Extra-Large:

Consumption (Therms)	Annual Nov '12 Rates	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff
							GCR	DAC	ISR	
								DAC		
	447,421	\$403,077	\$402,853	\$224	0.1%	\$0	\$0.00	\$224	\$0.00	\$0.00
	495,605	\$446,097	\$445,850	\$248	0.1%	\$0	\$0.00	\$248	\$0.00	\$0.00
	543,789	\$489,119	\$488,847	\$272	0.1%	\$0	\$0.00	\$272	\$0.00	\$0.00
	591,972	\$532,138	\$531,842	\$296	0.1%	\$0	\$0.00	\$296	\$0.00	\$0.00
	640,155	\$575,158	\$574,838	\$320	0.1%	\$0	\$0.00	\$320	\$0.00	\$0.00
Average Customer	688,340	\$618,180	\$617,836	\$344	0.1%	\$0	\$0.00	\$344	\$0.00	\$0.00
	736,523	\$661,200	\$660,831	\$368	0.1%	\$0	\$0.00	\$368	\$0.00	\$0.00
	784,708	\$704,221	\$703,829	\$392	0.1%	\$0	\$0.00	\$392	\$0.00	\$0.00
	832,891	\$747,241	\$746,825	\$416	0.1%	\$0	\$0.00	\$416	\$0.00	\$0.00
	881,074	\$790,261	\$789,821	\$441	0.1%	\$0	\$0.00	\$441	\$0.00	\$0.00
	929,259	\$833,283	\$832,818	\$465	0.1%	\$0	\$0.00	\$465	\$0.00	\$0.00