

October 12, 2007

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 3859 – Distribution Adjustment Clause Filing 2007

Dear Ms. Massaro:

In accordance with the procedural schedule established for Docket 3859, National Grid has updated the calculation of the Distribution Adjustment Charge (DAC) Reconciliation component to reflect actual results for August and September 2007.

Enclosed please find ten (10) copies of an updated Attachment PCC-7 dated October 12, 2007. The updated summary reflects a reduction of \$16,670 or \$0.00005 per therm from what was previously provided in the Company's September 4, 2007 filing.

Thank you for your attention to this filing. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket 3859 Service List

Distribution Adjustment Charge Reconciliation Factor
(\$ per Therm)

Line No.	Description	reference	Ending Balance	
1	AGT Factor - Base Rates	PCC-7, page 2	\$9,642	Based on ending balance June 30, 2007
2	LIAP Factor - Base Rates	PCC-7, page 2	\$52,840	
3	Environmental - Base Rates	PCC-7, page 3	\$38,590	
4	System Pressure	PCC-7, page 4	\$426,293	Based on forecasted balance October 31, 2007
5	Environmental - DAC	PCC-7, page 4	(\$24,682)	
6	On-System Margin Credits	PCC-7, page 5	(\$83,673)	
7	Weather Normalization	PCC-7, page 5	\$129,786	
8	Earnings Sharing Mechanism	PCC-7, page 5	(\$22,431)	
9	Previous Reconciliation Factor	PCC-7, page 6	(\$31,505)	
10	Total	sum ([1]:[9])	\$494,860	
11	Firm Thru-put	Nov 2007 - Oct 2008	34,670,649 dth	
12	Reconciliation Factor	[10] / [11]	\$0.0143 per dth	
13	Reconciliation Factor	[12] / 10	\$0.0014 per therm	

Distribution Adjustment Charge Reconciliation Factor

		Base Rate / Fiscal Year Reconciling Components													12-mth end
source		Jul-06	Aug-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jun 07
		31	23	8	30	31	30	31	31	28	31	30	31	30	
		(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	
DAC FACTORS: \$/dth															
AGT Factor - Base Rates	Dkt 3401	\$0.0087	\$0.0087	\$0.0087	\$0.0087	\$0.0087	\$0.0087	\$0.0087	\$0.0087	\$0.0087	\$0.0087	\$0.0087	\$0.0087	\$0.0087	\$0.0087
LIAP Factor - Base Rates	Dkt 3401	\$0.0519	\$0.0519	\$0.0519	\$0.0519	\$0.0519	\$0.0519	\$0.0519	\$0.0519	\$0.0519	\$0.0519	\$0.0519	\$0.0519	\$0.0519	\$0.0519
Environmental - Base Rates	Dkt 3401	\$0.0379	\$0.0379	\$0.0379	\$0.0379	\$0.0379	\$0.0379	\$0.0379	\$0.0379	\$0.0379	\$0.0379	\$0.0379	\$0.0379	\$0.0379	\$0.0379
RI Firm through-put (dth)	Classified's	1,114,804	796,030	136,103	1,186,760	1,295,025	2,396,436	3,425,169	4,120,234	5,838,184	5,682,614	3,909,301	3,047,359	642,166	33,590,185
AGT Recon. Adjustment - Base Rates													Target Collection	\$301,496	
AGT Recon. Acct Beg. Bal.		\$0	(\$453)	\$338	\$516	(\$11)	\$2,030	\$2,695	\$6,492	\$17,288	\$16,786	\$12,218	\$9,729	\$2,491	
Fcst Firm Thru-put (from rate case Dkt 3401)		1,062,847	886,886	156,509	1,126,112	1,528,945	2,471,545	3,858,840	5,353,921	5,771,059	5,148,808	3,616,705	2,211,777	1,346,413	34,540,367
Fcst AGT Collections		\$9,247	\$7,716	\$1,362	\$9,797	\$13,302	\$21,502	\$33,572	\$46,579	\$50,208	\$44,795	\$31,465	\$19,242	\$11,714	\$300,501
Actual Firm Thru-put		1,114,804	796,030	136,103	1,186,760	1,295,025	2,396,436	3,425,169	4,120,234	5,838,184	5,682,614	3,909,301	3,047,359	642,166	33,590,185
Actual AGT Collections		\$9,699	\$6,925	\$1,184	\$10,325	\$11,267	\$20,849	\$29,799	\$35,846	\$50,792	\$49,439	\$34,011	\$26,512	\$5,587	\$292,235
Collection Variance		(\$452)	\$791	\$178	(\$528)	\$2,035	\$653	\$3,773	\$10,733	(\$584)	(\$4,644)	(\$2,546)	(\$7,270)	\$6,127	
Ending Balance		(\$452)	\$338	\$516	(\$12)	\$2,024	\$2,683	\$6,468	\$17,225	\$16,704	\$12,142	\$9,672	\$2,459	\$8,618	
Average Balance		(\$226)	(\$58)	\$427	\$252	\$1,007	\$2,356	\$4,581	\$11,859	\$16,996	\$14,464	\$10,945	\$6,094	\$5,555	
Bk America Rate less 200 Basis Points		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied		(\$1)	(\$0)	\$1	\$1	\$5	\$12	\$24	\$63	\$81	\$77	\$56	\$32	\$29	\$381
AGT End Balance		(\$453)	\$338	\$516	(\$11)	\$2,030	\$2,695	\$6,492	\$17,288	\$16,786	\$12,218	\$9,729	\$2,491	\$8,647	\$9,642
Under/(over) Recovery		(\$453)	\$791	\$179	(\$527)	\$2,040	\$665	\$3,797	\$10,796	(\$503)	(\$4,567)	(\$2,490)	(\$7,238)	\$6,156	
LIAP Recon. Adjustment - Base Rates													Target Collection	\$1,793,901	
LIAP Recon. Acct Beg. Bal.		\$0	(\$2,703)	\$2,010	\$3,073	(\$67)	\$12,105	\$16,075	\$38,728	\$103,131	\$100,133	\$72,886	\$58,036	\$14,862	
Fcst Firm Thru-put (from rate case Dkt 3401)		1,062,847	886,886	156,509	1,126,112	1,528,945	2,471,545	3,858,840	5,353,921	5,771,059	5,148,808	3,616,705	2,211,777	1,346,413	34,540,367
Fcst LIAP Collections		\$55,162	\$46,029	\$8,123	\$58,445	\$79,352	\$128,273	\$200,274	\$277,868	\$299,518	\$267,223	\$187,707	\$114,791	\$69,879	\$1,792,644
Actual Firm Thru-put		1,114,804	796,030	136,103	1,186,760	1,295,025	2,396,436	3,425,169	4,120,234	5,838,184	5,682,614	3,909,301	3,047,359	642,166	33,590,185
Actual LIAP Collections		\$57,858	\$41,314	\$7,064	\$61,593	\$67,212	\$124,375	\$177,766	\$213,840	\$303,002	\$294,928	\$202,893	\$158,158	\$33,328	\$1,743,331
Collection Variance		(\$2,696)	\$4,715	\$1,059	(\$3,148)	\$12,140	\$3,898	\$22,508	\$64,028	(\$3,484)	(\$27,705)	(\$15,186)	(\$43,367)	\$36,551	
Ending Balance		(\$2,696)	\$2,012	\$3,069	(\$75)	\$12,073	\$16,003	\$38,583	\$102,756	\$99,647	\$72,428	\$57,700	\$14,669	\$51,413	
Average Balance		(\$1,348)	(\$346)	\$2,540	\$1,499	\$6,003	\$14,054	\$27,329	\$70,742	\$101,389	\$86,281	\$65,293	\$36,352	\$33,137	
Bk America Rate less 200 Basis Points		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied		(\$7)	(\$1)	\$3	\$8	\$32	\$72	\$145	\$376	\$486	\$458	\$335	\$193	\$170	\$2,270
LIAP End Balance		(\$2,703)	\$2,010	\$3,073	(\$67)	\$12,105	\$16,075	\$38,728	\$103,131	\$100,133	\$72,886	\$58,036	\$14,862	\$51,583	\$52,840
Under/(over) Recovery		(\$2,703)	\$4,714	\$1,062	(\$3,140)	\$12,172	\$3,970	\$22,653	\$64,404	(\$2,998)	(\$27,247)	(\$14,851)	(\$43,174)	\$36,721	

Distribution Adjustment Charge Reconciliation Factor

Base Rate / Fiscal Year Reconciling Components														12-mth end
source	Jul-06	Aug-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jun 07
	31	23	8	30	31	30	31	31	28	31	30	31	30	
	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	
Environmental Recon. Adjust - Base Rates														
Environmental Recon. Acct Beg. Bal.	\$0	(\$1,974)	\$1,468	\$2,244	(\$48)	\$8,841	\$11,741	\$28,283	\$75,314	\$73,125	\$53,229	\$42,384	\$10,855	
Fcst Firm Thru-put (from rate case Dkt 3401)	1,062,847	886,886	156,509	1,126,112	1,528,945	2,471,545	3,858,840	5,353,921	5,771,059	5,148,808	3,616,705	2,211,777	1,346,413	34,540,367
Fcst Environmental Collections	\$40,282	\$33,613	\$5,932	\$42,680	\$57,947	\$93,672	\$146,250	\$202,914	\$218,723	\$195,140	\$137,073	\$83,826	\$51,029	\$1,309,081
Actual Firm Thru-put	1,114,804	796,030	136,103	1,186,760	1,295,025	2,396,436	3,425,169	4,120,234	5,838,184	5,682,614	3,909,301	3,047,359	642,166	33,590,185
Actual Environmental Collections	\$42,251	\$30,170	\$5,158	\$44,978	\$49,081	\$90,825	\$129,814	\$156,157	\$221,267	\$215,371	\$148,163	\$115,495	\$24,338	\$1,273,068
Collection Variance	(\$1,969)	\$3,443	\$774	(\$2,298)	\$8,866	\$2,847	\$16,436	\$46,757	(\$2,544)	(\$20,231)	(\$11,090)	(\$31,669)	\$26,691	
Ending Environmental Balance	(\$1,969)	\$1,469	\$2,242	(\$54)	\$8,818	\$11,688	\$28,177	\$75,040	\$72,770	\$52,894	\$42,139	\$10,715	\$37,546	
Average Balance	(\$985)	(\$253)	\$1,855	\$1,095	\$4,385	\$10,265	\$19,959	\$51,661	\$74,042	\$63,010	\$47,684	\$26,549	\$24,201	
Bk America Rate less 200 Basis Points	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Interest Applied	(\$5)	(\$1)	\$3	\$6	\$23	\$53	\$106	\$274	\$355	\$334	\$245	\$141	\$124	\$1,658
Environmental End Balance	(\$1,974)	\$1,468	\$2,244	(\$48)	\$8,841	\$11,741	\$28,283	\$75,314	\$73,125	\$53,229	\$42,384	\$10,855	\$37,671	
														\$38,590
Under/(over) Recovery	(\$1,964)	\$3,444	\$771	(\$2,304)	\$8,843	\$2,794	\$16,330	\$46,483	(\$2,899)	(\$20,565)	(\$11,335)	(\$31,810)	\$26,567	

Distribution Adjustment Charge Reconciliation Factor

		Non-Base Rate / Gas Year Reconciling Components											12-mth end	
source		Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Oct 07
		30	31	31	28	31	30	31	30	31	31	30	31	
		(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	forecast	
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	
DAC FACTORS: \$/dth		prorated												
System Pressure	Dkt 3760	\$0.0550	\$0.0540	\$0.0560	\$0.0560	\$0.0560	\$0.0560	\$0.0560	\$0.0560	\$0.0560	\$0.0560	\$0.0560	\$0.0560	\$0.0560
AGT - DAC	Dkt 3760	\$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
Environmental - DAC	Dkt 3760	(\$0.0190)	(\$0.0190)	(\$0.0190)	(\$0.0190)	(\$0.0190)	(\$0.0190)	(\$0.0190)	(\$0.0190)	(\$0.0190)	(\$0.0190)	(\$0.0190)	(\$0.0190)	(\$0.0190)
On-System Margin Credits	Dkt 3760	(\$0.0370)	(\$0.0410)	(\$0.0410)	(\$0.0410)	(\$0.0410)	(\$0.0410)	(\$0.0410)	(\$0.0410)	(\$0.0410)	(\$0.0410)	(\$0.0410)	(\$0.0410)	(\$0.0410)
Weather Normalization	Dkt 3760	(\$0.0090)	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0270
Earnings Sharing Mechanism	Dkt 3760	(\$0.0060)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)
Reconciliation Factor	Dkt 3760	\$0.0025	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)	(\$0.0090)
RI Firm through-put (dth)	Classified's	2,396,436	3,425,169	4,120,234	5,838,184	5,682,614	3,909,301	3,047,359	642,166	1,080,325	1,031,605	1,127,532	1,500,948	33,801,874
System Pressure Recon Adjust.														
System Pressure Acct Beg. Balance		\$0	(\$29,569)	(\$100,343)	\$22,071	\$297,993	\$352,328	\$235,845	\$176,942	\$253,055	\$301,821	\$354,252	\$394,426	
Actual Costs		\$102,311	\$114,529	\$353,354	\$602,094	\$370,839	\$100,931	\$110,657	\$110,972	\$107,795	\$108,464	\$101,398	\$113,748	\$2,297,093
Actual Collections		\$131,804	\$184,959	\$230,733	\$326,938	\$318,226	\$218,921	\$170,652	\$35,961	\$60,498	\$57,770	\$63,142	\$84,053	\$1,883,657
Ending Balance		(\$29,493)	(\$99,999)	\$22,279	\$297,227	\$350,606	\$234,338	\$175,850	\$251,953	\$300,352	\$352,515	\$392,507	\$424,121	
Average Monthly Balance		(\$14,746)	(\$64,784)	(\$39,032)	\$159,649	\$324,299	\$293,333	\$205,847	\$214,448	\$276,703	\$327,168	\$373,380	\$409,273	
Bk America Rate less 200 Basis Points		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied		(\$76)	(\$344)	(\$207)	\$765	\$1,721	\$1,507	\$1,093	\$1,102	\$1,469	\$1,737	\$1,918	\$2,173	\$12,857
Sys Pressure End Balance		(\$29,569)	(\$100,343)	\$22,071	\$297,993	\$352,328	\$235,845	\$176,942	\$253,055	\$301,821	\$354,252	\$394,426	\$426,293	
Under/(over) Recovery		(\$29,569)	(\$70,774)	\$122,414	\$275,921	\$54,335	(\$116,483)	(\$58,902)	\$76,113	\$48,766	\$52,431	\$40,174	\$31,868	
Environmental Recon. Adjust - DAC														
Environmental Acct Beg. Balance	Pricing	(\$650,265)	(\$607,956)	(\$545,933)	(\$470,339)	(\$361,403)	(\$255,065)	(\$181,908)	(\$124,819)	(\$113,228)	(\$93,249)	(\$74,092)	(\$52,994)	
Actual Firm Thru-put	Classified's	2,396,436	3,425,169	4,120,234	5,838,184	5,682,614	3,909,301	3,047,359	642,166	1,080,325	1,031,605	1,127,532	1,500,948	33,801,874
Actual Environmental Collections	Calculation	(\$45,532)	(\$65,078)	(\$78,284)	(\$110,925)	(\$107,970)	(\$74,277)	(\$57,900)	(\$12,201)	(\$20,526)	(\$19,600)	(\$21,423)	(\$28,518)	(\$642,234)
Ending Environmental Balance		(\$604,733)	(\$542,878)	(\$467,649)	(\$359,414)	(\$253,433)	(\$180,788)	(\$124,008)	(\$112,618)	(\$92,702)	(\$73,649)	(\$52,669)	(\$24,476)	
Average Monthly Balance		(\$627,499)	(\$575,417)	(\$506,791)	(\$414,877)	(\$307,418)	(\$217,927)	(\$152,958)	(\$118,719)	(\$102,965)	(\$83,449)	(\$63,380)	(\$38,735)	
Bk America Rate less 200 Basis Points		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied		(\$3,223)	(\$3,054)	(\$2,690)	(\$1,989)	(\$1,632)	(\$1,119)	(\$812)	(\$610)	(\$547)	(\$443)	(\$326)	(\$206)	(\$16,651)
Environmental Recon End Balance		(\$607,956)	(\$545,933)	(\$470,339)	(\$361,403)	(\$255,065)	(\$181,908)	(\$124,819)	(\$113,228)	(\$93,249)	(\$74,092)	(\$52,994)	(\$24,682)	
Under/(over) Recovery		\$42,309	(\$62,024)	(\$75,594)	(\$108,936)	(\$106,338)	(\$73,158)	(\$57,088)	(\$11,591)	(\$19,979)	(\$19,157)	(\$21,097)	(\$28,312)	

Distribution Adjustment Charge Reconciliation Factor

Non-Base Rate / Gas Year Reconciling Components

		Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	12-mth end Oct 07
		30	31	31	28	31	30	31	30	31	31	30	31	
source		(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	forecast	
On-system Credits Recon. Adjust. - DAC														
On-system Credit Acct Beg. Balance	Pricing	(\$1,422,220)	(\$1,340,630)	(\$1,206,942)	(\$1,043,970)	(\$809,036)	(\$579,725)	(\$422,010)	(\$298,977)	(\$274,116)	(\$231,160)	(\$189,979)	(\$144,607)	
Actual Firm Thru-put	Classified's	2,396,436	3,425,169	4,120,234	5,838,184	5,682,614	3,909,301	3,047,359	642,166	1,080,325	1,031,605	1,127,532	1,500,948	33,801,874
Actual On-system Collections	Calculation	(\$88,668)	(\$140,432)	(\$168,930)	(\$239,366)	(\$232,987)	(\$160,281)	(\$124,942)	(\$26,329)	(\$44,293)	(\$42,296)	(\$46,229)	(\$61,539)	(\$1,376,292)
Ending On-system Balance		(\$1,333,552)	(\$1,200,198)	(\$1,038,012)	(\$804,604)	(\$576,049)	(\$419,444)	(\$297,068)	(\$272,648)	(\$229,823)	(\$188,864)	(\$143,750)	(\$83,068)	
Average Monthly Balance		(\$1,377,886)	(\$1,270,414)	(\$1,122,477)	(\$924,287)	(\$692,542)	(\$499,584)	(\$359,539)	(\$285,812)	(\$251,969)	(\$210,012)	(\$166,865)	(\$113,838)	
Bk America Rate less 200 Basis Points		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied		(\$7,078)	(\$6,744)	(\$5,958)	(\$4,432)	(\$3,676)	(\$2,566)	(\$1,909)	(\$1,468)	(\$1,338)	(\$1,115)	(\$857)	(\$604)	(\$37,745)
On-system Credit End Balance		(\$1,340,630)	(\$1,206,942)	(\$1,043,970)	(\$809,036)	(\$579,725)	(\$422,010)	(\$298,977)	(\$274,116)	(\$231,160)	(\$189,979)	(\$144,607)	(\$83,673)	
Under/(over) Recovery		\$81,590	\$133,688	\$162,972	\$234,934	\$229,311	\$157,715	\$123,033	\$24,861	\$42,955	\$41,181	\$45,372	\$60,935	
Weather Normalization - DAC														
WNA Acct Beg. Balance	Pricing	\$927,000	\$953,385	\$865,721	\$758,775	\$604,404	\$453,774	\$350,283	\$269,645	\$253,648	\$225,748	\$199,019	\$169,520	
Actual Firm Thru-put	Classified's	2,396,436	3,425,169	4,120,234	5,838,184	5,682,614	3,909,301	3,047,359	642,166	1,080,325	1,031,605	1,127,532	1,500,948	33,801,874
Actual WNA Collections	Calculation	(\$21,568)	\$92,480	\$111,246	\$157,631	\$153,431	\$105,551	\$82,279	\$17,338	\$29,169	\$27,853	\$30,443	\$40,526	\$826,379
Ending WNA Balance		\$948,568	\$860,905	\$754,475	\$601,144	\$450,973	\$348,223	\$268,004	\$252,307	\$224,479	\$197,895	\$168,576	\$128,994	
Average Monthly Balance		\$937,784	\$907,145	\$810,098	\$679,959	\$527,688	\$400,999	\$309,143	\$260,976	\$239,063	\$211,821	\$183,797	\$149,257	
Bk America Rate less 200 Basis Points		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied		\$4,817	\$4,815	\$4,300	\$3,260	\$2,801	\$2,060	\$1,641	\$1,341	\$1,269	\$1,124	\$944	\$792	\$29,165
Weather Normalization End Balance		\$953,385	\$865,721	\$758,775	\$604,404	\$453,774	\$350,283	\$269,645	\$253,648	\$225,748	\$199,019	\$169,520	\$129,786	
Under/(over) Recovery		\$26,385	(\$87,665)	(\$106,946)	(\$154,371)	(\$150,630)	(\$103,491)	(\$80,638)	(\$15,997)	(\$27,900)	(\$26,729)	(\$29,499)	(\$39,734)	
Earnings Sharings Mechanism - DAC														
ESM Acct Beg. Balance	Pricing	(\$310,942)	(\$298,123)	(\$268,797)	(\$233,043)	(\$181,491)	(\$131,174)	(\$96,574)	(\$69,588)	(\$64,151)	(\$54,743)	(\$45,725)	(\$35,786)	
Actual Firm Thru-put	Classified's	2,396,436	3,425,169	4,120,234	5,838,184	5,682,614	3,909,301	3,047,359	642,166	1,080,325	1,031,605	1,127,532	1,500,948	33,801,874
Actual ESM Collections	Calculation	(\$14,379)	(\$30,827)	(\$37,082)	(\$52,544)	(\$51,144)	(\$35,184)	(\$27,426)	(\$5,779)	(\$9,723)	(\$9,284)	(\$10,148)	(\$13,509)	(\$297,029)
Ending ESM Balance		(\$296,563)	(\$267,296)	(\$231,715)	(\$180,499)	(\$130,347)	(\$95,990)	(\$69,148)	(\$63,809)	(\$54,428)	(\$45,459)	(\$35,577)	(\$22,277)	
Average Monthly Balance		(\$303,753)	(\$282,710)	(\$250,256)	(\$206,771)	(\$155,919)	(\$113,582)	(\$82,861)	(\$66,698)	(\$59,290)	(\$50,101)	(\$40,651)	(\$29,031)	
Bk America Rate less 200 Basis Points		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied		(\$1,560)	(\$1,501)	(\$1,328)	(\$991)	(\$828)	(\$583)	(\$440)	(\$343)	(\$315)	(\$266)	(\$209)	(\$154)	(\$8,518)
Earnings Sharing End Balance		(\$298,123)	(\$268,797)	(\$233,043)	(\$181,491)	(\$131,174)	(\$96,574)	(\$69,588)	(\$64,151)	(\$54,743)	(\$45,725)	(\$35,786)	(\$22,431)	
Under/(over) Recovery		\$12,819	\$29,326	\$35,754	\$51,553	\$50,316	\$34,601	\$26,986	\$5,436	\$9,408	\$9,018	\$9,939	\$13,355	

Distribution Adjustment Charge Reconciliation Factor

Non-Base Rate / Gas Year Reconciling Components

source	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	12-mth end	
	30	31	31	28	31	30	31	30	31	31	30	31	Oct 07	
	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	(actual)	forecast		
Reconciliation Factor - DAC														
Recon Factor Acct Beg. Balance	Pricing	(\$299,150)	(\$306,693)	(\$277,412)	(\$241,704)	(\$190,193)	(\$139,923)	(\$105,368)	(\$78,428)	(\$73,037)	(\$63,676)	(\$54,705)	(\$44,812)	
Actual Firm Thru-put	Classified's	2,396,436	3,425,169	4,120,234	5,838,184	5,682,614	3,909,301	3,047,359	642,166	1,080,325	1,031,605	1,127,532	1,500,948	33,801,874
Actual Recon Collections	Calculation	\$5,991	(\$30,827)	(\$37,082)	(\$52,544)	(\$51,144)	(\$35,184)	(\$27,426)	(\$5,779)	(\$9,723)	(\$9,284)	(\$10,148)	(\$13,509)	(\$276,659)
Ending Recon Balance		(\$305,141)	(\$275,866)	(\$240,330)	(\$189,160)	(\$139,049)	(\$104,739)	(\$77,942)	(\$72,649)	(\$63,314)	(\$54,392)	(\$44,557)	(\$31,303)	
Average Monthly Balance		(\$302,146)	(\$291,280)	(\$258,871)	(\$215,432)	(\$164,621)	(\$122,331)	(\$91,655)	(\$75,539)	(\$68,176)	(\$59,034)	(\$49,631)	(\$38,058)	
Bk America Rate less 200 Basis Points		6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest Applied		(\$1,552)	(\$1,546)	(\$1,374)	(\$1,033)	(\$874)	(\$628)	(\$487)	(\$388)	(\$362)	(\$313)	(\$255)	(\$202)	(\$9,014)
Earnings Sharing End Balance		(\$306,693)	(\$277,412)	(\$241,704)	(\$190,193)	(\$139,923)	(\$105,368)	(\$78,428)	(\$73,037)	(\$63,676)	(\$54,705)	(\$44,812)	(\$31,505)	
Under/(over) Recovery		(\$7,543)	\$29,281	\$35,708	\$51,511	\$50,270	\$34,556	\$26,939	\$5,391	\$9,361	\$8,971	\$9,893	\$13,307	

Distribution Adjustment Charge Reconciliation Factor

Non-Base Rate / Gas Year Reconciling Components

	October 31, 2006 Ending Deferred Balances		
	Forecast (1)	Actual	Variance
System Pressure	(\$151,560)	(\$154,632)	(\$3,072)
Environmental - DAC	(\$85,793)	(\$89,834)	(\$4,041)
On-System Margin Credits	(\$137,225)	(\$144,242)	(\$7,017)
Weather Normalization	(\$195,684)	(\$205,254)	(\$9,570)
Earnings Sharing Mechanism	\$286	(\$351)	(\$637)
Previous Reconciliation Factor	\$75,646	\$78,623	\$2,977
	(\$494,330)	(\$515,689)	(\$21,359)

Notes:

- (1) based on updated Attachment PCC-7, Docket 3760, Sept 1, 2006 - used to establish reconciliation component of November 2006 DAC factor

Distribution Adjustment Charge Reconciliation Factor

Non-Base Rate / Gas Year Reconciling Components

	Jul-06 31 source (actual) -----	Aug-06 31 (actual) -----	Sep-06 30 (actual) -----	Oct-06 31 (actual) -----
System Pressure Recon Adjust.				
System Pressure Acct Beg. Balance	(\$303,795)	(\$263,986)	(\$219,807)	(\$184,719)
Actual Costs	\$103,741	\$97,660	\$102,582	\$103,507
Actual Collections	\$62,429	\$52,200	\$66,459	\$72,521
Ending Balance	(\$262,483)	(\$218,526)	(\$183,683)	(\$153,734)
Average Monthly Balance	(\$283,139)	(\$241,256)	(\$201,745)	(\$169,227)
Bk America Rate less 200 Basis Points	6.25%	6.25%	6.25%	6.25%
Interest Applied	(\$1,503)	(\$1,281)	(\$1,036)	(\$898)
Sys Pressure End Balance	(\$263,986)	(\$219,807)	(\$184,719)	(\$154,632)
Under/(over) Recovery	\$39,809	\$44,179	\$35,088	\$30,088
Environmental Recon. Adjust - DAC				
Environmental Acct Beg. Balance	Pricing (\$173,074)	(\$152,755)	(\$135,809)	(\$113,900)
Actual Firm Thru-put	Classified's 1,114,804	932,135	1,186,760	1,295,025
Actual Environmental Collections	Calculation (\$21,181)	(\$17,711)	(\$22,548)	(\$24,605)
Ending Environmental Balance	(\$151,893)	(\$135,045)	(\$113,260)	(\$89,294)
Average Monthly Balance	(\$162,483)	(\$143,900)	(\$124,534)	(\$101,597)
Bk America Rate less 200 Basis Points	6.25%	6.25%	6.25%	6.25%
Interest Applied	(\$862)	(\$764)	(\$640)	(\$539)
On-system Credit End Balance	(\$152,755)	(\$135,809)	(\$113,900)	(\$89,834)
Under/(over) Recovery	\$20,319	\$16,947	\$21,909	\$24,066

Distribution Adjustment Charge Reconciliation Factor

Non-Base Rate / Gas Year Reconciling Components

		Jul-06 31 source (actual) -----	Aug-06 31 (actual) -----	Sep-06 30 (actual) -----	Oct-06 31 (actual) -----
On-system Credits Recon. Adjust. - DAC					
On-system Credit Acct Beg. Balance	Pricing	(\$289,062)	(\$253,710)	(\$224,215)	(\$186,103)
Actual Firm Thru-put	Classified's	1,114,804	932,135	1,186,760	1,295,025
Actual On-system Collections	Calculation	(\$36,789)	(\$30,760)	(\$39,163)	(\$42,736)
Ending On-system Balance		(\$252,273)	(\$222,950)	(\$185,052)	(\$143,367)
Average Monthly Balance		(\$270,668)	(\$238,330)	(\$204,633)	(\$164,735)
Bk America Rate less 200 Basis Points		6.25%	6.25%	6.25%	6.25%
Interest Applied		(\$1,437)	(\$1,265)	(\$1,051)	(\$874)
On-system Credit End Balance		(\$253,710)	(\$224,215)	(\$186,103)	(\$144,242)
Under/(over) Recovery		\$35,352	\$29,495	\$38,112	\$41,861
Weather Normalization - DAC					
WNA Acct Beg. Balance	Pricing	(\$402,558)	(\$354,396)	(\$314,219)	(\$262,292)
Actual Firm Thru-put	Classified's	1,114,804	932,135	1,186,760	1,295,025
Actual WNA Collections	Calculation	(\$50,166)	(\$41,946)	(\$53,404)	(\$58,276)
Ending WNA Balance		(\$352,392)	(\$312,449)	(\$260,815)	(\$204,016)
Average Monthly Balance		(\$377,475)	(\$333,423)	(\$287,517)	(\$233,154)
Bk America Rate less 200 Basis Points		6.25%	6.25%	6.25%	6.25%
Interest Applied		(\$2,004)	(\$1,770)	(\$1,477)	(\$1,238)
Weather Normalization End Balance		(\$354,396)	(\$314,219)	(\$262,292)	(\$205,254)
Under/(over) Recovery		\$48,162	\$40,176	\$51,927	\$57,038

Distribution Adjustment Charge Reconciliation Factor

Non-Base Rate / Gas Year Reconciling Components

		Jul-06	Aug-06	Sep-06	Oct-06
		31	31	30	31
	source	(actual)	(actual)	(actual)	(actual)
		-----	-----	-----	-----
Earnings Sharings Mechanism - DAC					
ESM Acct Beg. Balance	Pricing	(\$13,782)	(\$10,502)	(\$7,754)	(\$4,224)
Actual Firm Thru-put	Classified's	1,114,804	932,135	1,186,760	1,295,025
Actual ESM Collections	Calculation	(\$3,344)	(\$2,796)	(\$3,560)	(\$3,885)
Ending ESM Balance		(\$10,438)	(\$7,705)	(\$4,194)	(\$339)
Average Monthly Balance		(\$12,110)	(\$9,104)	(\$5,974)	(\$2,282)
Bk America Rate less 200 Basis Points	6.25%	6.25%	6.25%	6.25%	6.25%
Interest Applied		(\$64)	(\$48)	(\$31)	(\$12)
Earnings Sharing End Balance		(\$10,502)	(\$7,754)	(\$4,224)	(\$351)
Under/(over) Recovery		\$3,280	\$2,748	\$3,530	\$3,873
Reconciliation Factor - DAC					
Recon Factor Acct Beg. Balance	Pricing	\$139,700	\$124,793	\$112,371	\$96,291
Actual Firm Thru-put	Classified's	1,114,804	932,135	1,186,760	1,295,025
Actual Recon Collections	Calculation	\$15,607	\$13,050	\$16,615	\$18,130
Ending Recon Balance		\$124,093	\$111,743	\$95,756	\$78,160
Average Monthly Balance		\$131,896	\$118,268	\$104,063	\$87,226
Bk America Rate less 200 Basis Points	6.25%	6.25%	6.25%	6.25%	6.25%
Interest Applied		\$700	\$628	\$535	\$463
Earnings Sharing End Balance		\$124,793	\$112,371	\$96,291	\$78,623
Under/(over) Recovery		(\$14,907)	(\$12,422)	(\$16,080)	(\$17,667)

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were hand-delivered, electronically transmitted and delivered via U.S. Mail to the individuals listed below on October 12, 2007.



Joanne M. Scanlon
National Grid

Docket No. 3859 – National Grid – Annual Distribution Adjustment Clause Filing (“DAC”) - Service List as of 9/12/07

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