

January 22, 2008

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Docket 3868 – National Grid, Gas Cost Recovery (“GCR”)
Monthly Filing of GCR Deferred Balances

Dear Ms. Massaro:

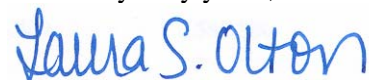
Enclosed please find an original and nine copies of National Grid’s monthly filing of gas costs and gas cost revenue collections data. Based on two months of actual data and ten months of forecasted data, the October 31, 2008 deferred gas cost balance is projected to be an under-collection of \$11.1 million (see attached Schedule 1, page 2).

This calculation is based on the November 1, 2007 starting balance of a \$9.3 million over-collection, plus actual gas costs and gas cost collections for November and December 2007, along with projected costs for January through October 2008. The projected gas costs are based on the January 9, 2008 NYMEX strip.

Details are provided on the attached schedules. Schedule 1, pages 1 and 2, summarizes the deferred gas cost activity by GCR category and by month. This schedule shows that for the month of December 2007, the Company incurred actual gas costs of \$49.6 million, working capital of \$213 thousand and GCR revenue collections of \$33.1 million, for a net under-collection of \$16.7 million. Schedule 2 provides a breakdown of actual gas costs for December 2007 and projected gas costs for January through October 2008. Schedule 3 summarizes gas cost revenue collections. Schedule 4 presents the calculation of inventory finance charges. The calculation of working capital is presented on pages 1 and 2 of Schedule 5. Schedule 6 presents customer class specific throughput.

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

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket 3868 Service List

Projected Gas costs using 01-09-2008 NYMEX	Nov-07 actual	Dec-07 31 actual	Jan-08 31 forecast	Feb-08 29 forecast	Mar-08 31 forecast	Apr-08 30 forecast	May-08 31 forecast	Jun-08 30 forecast	Jul-08 31 forecast	Aug-08 31 forecast	Sep-08 30 forecast	Oct-08 31 forecast	Nov - Oct 366
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I. Supply Fixed Cost Deferred

Beginning Balance	\$295,859	\$1,182,888	\$28,090	(\$2,230,841)	(\$4,728,104)	(\$6,755,235)	(\$7,728,234)	(\$7,284,219)	(\$5,945,669)	(\$4,382,093)	(\$2,690,215)	(\$1,105,886)	\$27,549,624
Supply Fixed Costs (net of cap ret)	\$2,055,771	\$2,105,370	\$2,276,020	\$2,274,249	\$2,276,317	\$2,365,209	\$2,366,317	\$2,365,209	\$2,366,317	\$2,366,317	\$2,365,209	\$2,366,317	\$27,549,624
Capacity Release	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	\$8,887	\$9,106	\$9,839	\$9,831	\$9,840	\$10,224	\$10,229	\$10,224	\$10,229	\$10,229	\$10,224	\$10,229	\$119,093
Total Supply Fixed Costs	\$2,064,658	\$2,115,476	\$2,285,859	\$2,284,081	\$2,286,157	\$2,375,434	\$2,376,546	\$2,375,434	\$2,376,546	\$2,376,546	\$2,375,434	\$2,376,546	\$27,668,717
Supply Fixed - Collections	\$1,544,521	\$3,273,018	\$4,599,757	\$4,706,735	\$4,287,744	\$3,317,251	\$1,899,137	\$1,008,401	\$789,996	\$668,936	\$782,932	\$986,434	\$27,864,862
Prelim. Ending Balance	\$815,996	\$25,355	(\$2,285,808)	(\$4,713,495)	(\$6,729,690)	(\$7,697,052)	(\$7,250,824)	(\$5,917,187)	(\$4,369,119)	(\$2,674,482)	(\$1,097,713)	(\$284,227)	
Month's Average Balance	\$555,927	\$604,127	(\$1,128,859)	(\$3,502,168)	(\$5,728,897)	(\$7,228,144)	(\$7,489,529)	(\$6,800,703)	(\$5,152,394)	(\$3,189,364)	(\$1,893,964)	(\$410,829)	
Interest Rate (BOA Prime minus 200 bps)	5.0%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	
Interest Applied	\$2,513	\$2,735	(\$5,033)	(\$14,608)	(\$25,545)	(\$31,181)	(\$33,395)	(\$28,482)	(\$22,974)	(\$15,732)	(\$8,173)	(\$1,832)	(\$181,708)
Asset Management Incentive	\$364,389	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$364,389
Supply Fixed Ending Balance	\$1,182,898	\$28,090	(\$2,280,841)	(\$4,728,104)	(\$6,755,235)	(\$7,728,234)	(\$7,284,219)	(\$5,945,669)	(\$4,382,093)	(\$2,690,215)	(\$1,105,886)	(\$282,395)	

II. Storage Fixed Cost Deferred

Beginning Balance	\$304,051	\$529,197	\$114,943	(\$735,290)	(\$1,629,131)	(\$2,371,158)	(\$2,770,986)	(\$2,649,842)	(\$2,192,705)	(\$1,652,006)	(\$1,062,318)	(\$512,854)	\$10,338,645
Storage Fixed Costs	\$822,379	\$829,574	\$889,434	\$889,434	\$889,434	\$866,095	\$858,716	\$858,716	\$858,716	\$858,716	\$868,716	\$858,716	(\$675,382)
LNG Demand to DAC	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	(\$56,282)	\$43,241
Supply Related LNG O & M	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$4,016
Working Capital	\$3,499	\$3,530	\$3,789	\$3,789	\$3,789	\$3,688	\$3,656	\$3,656	\$3,656	\$3,656	\$3,656	\$3,656	\$44,016
Total Storage Fixed Costs	\$612,837	\$820,063	\$880,182	\$880,182	\$880,182	\$856,742	\$849,331	\$849,331	\$849,331	\$849,331	\$849,331	\$849,331	\$10,226,173
TSS Peaking Collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Fixed - Collections	\$589,570	\$1,235,772	\$1,729,935	\$1,769,102	\$1,613,311	\$1,245,500	\$716,128	\$381,768	\$309,079	\$253,695	\$296,475	\$375,994	\$10,506,339
Prelim. Ending Balance	\$527,318	\$113,488	(\$733,910)	(\$1,624,210)	(\$2,362,259)	(\$2,759,916)	(\$2,637,784)	(\$2,182,280)	(\$1,643,453)	(\$1,056,280)	(\$509,463)	(\$39,517)	
Month's Average Balance	\$415,684	\$321,343	(\$309,484)	(\$1,179,750)	(\$1,995,695)	(\$2,566,537)	(\$2,704,385)	(\$2,416,061)	(\$1,918,079)	(\$1,354,143)	(\$785,890)	(\$276,185)	
Interest Rate (BOA Prime minus 200 bps)	5.0%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	
Interest Applied	\$1,879	\$1,455	(\$1,380)	(\$4,921)	(\$8,899)	(\$11,070)	(\$12,059)	(\$10,425)	(\$8,553)	(\$6,038)	(\$3,391)	(\$1,231)	(\$64,634)
Storage Fixed Ending Balance	\$529,197	\$114,943	(\$735,290)	(\$1,629,131)	(\$2,371,158)	(\$2,770,986)	(\$2,649,842)	(\$2,192,705)	(\$1,652,006)	(\$1,062,318)	(\$512,854)	(\$40,749)	

III. Variable Supply Cost Deferred

Beginning Balance	(\$10,199,803)	\$4,145,573	\$21,905,823	\$25,762,737	\$22,825,773	\$20,202,531	\$12,826,045	\$8,022,092	\$6,878,536	\$6,771,306	\$7,663,190	\$6,514,876	\$227,313,247
Variable Supply Costs	\$26,465,907	\$41,431,894	\$37,044,802	\$31,038,010	\$28,550,412	\$16,843,107	\$9,030,115	\$6,201,155	\$5,619,992	\$5,741,847	\$6,542,189	\$12,803,816	\$189,834
Variable Delivery Storage	\$8,786	\$21,008	\$54,918	\$69,421	\$28,038	\$0	\$3,721	\$0	\$1,481	\$440	\$173	\$867	\$68,873
Variable Injections Storage	\$2,367	\$611	\$721	\$0	\$0	\$9,116	\$9,655	\$9,301	\$9,157	\$9,165	\$9,161	\$9,619	\$1,544,342
Fuel Cost Allocated to Storage	\$46,256	\$154,586	\$332,752	\$378,680	\$155,722	\$61,271	\$63,839	\$63,839	\$63,839	\$62,305	\$60,352	\$69,175	\$55,694
Working Capital	\$114,657	\$179,866	\$161,819	\$136,110	\$124,214	\$73,115	\$39,479	\$27,123	\$24,644	\$25,132	\$28,582	\$28,582	\$990,434
Total Supply Variable Costs	\$26,637,972	\$41,787,965	\$37,595,012	\$31,622,221	\$28,856,387	\$16,986,609	\$9,172,189	\$6,301,418	\$5,725,439	\$5,838,889	\$6,640,457	\$12,939,171	\$230,105,730
Supply Variable - Collections	\$12,278,943	\$24,086,547	\$33,844,136	\$34,660,312	\$31,577,344	\$24,434,202	\$14,022,519	\$7,477,053	\$5,863,033	\$4,979,115	\$5,823,601	\$7,323,254	\$206,370,059
Deferred Responsibility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prelim. Ending Balance	\$4,159,226	\$21,846,891	\$25,656,689	\$22,724,647	\$20,106,815	\$12,754,939	\$7,975,716	\$6,846,457	\$6,740,942	\$7,631,081	\$8,480,046	\$14,130,793	
Month's Average Balance	(\$3,070,288)	\$12,996,282	\$23,781,281	\$24,243,692	\$21,466,234	\$16,478,735	\$10,400,880	\$7,434,274	\$6,809,739	\$7,201,193	\$8,071,618	\$11,322,834	
Interest Rate (BOA Prime minus 200 bps)	5.0%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	
Interest Applied	(\$13,663)	\$58,832	\$106,038	\$101,126	\$85,716	\$71,107	\$46,377	\$32,079	\$30,364	\$32,109	\$34,830	\$50,487	\$645,413
Gas Procurement Incentive/penalty	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supply Variable Ending Balance	\$4,145,573	\$21,905,823	\$25,762,737	\$22,825,773	\$20,202,531	\$12,826,045	\$8,022,092	\$6,878,536	\$6,771,306	\$7,663,190	\$8,514,876	\$14,181,281	

National Grid
Rhode Island Service Area
Deferred Gas Cost Balance

Projected Gas costs using 01-09-2008 NYMEX	Nov-07 30 actual	Dec-07 31 actual	Jan-08 31 forecast	Feb-08 29 forecast	Mar-08 31 forecast	Apr-08 30 forecast	May-08 31 forecast	Jun-08 30 forecast	Jul-08 31 forecast	Aug-08 31 forecast	Sep-08 30 forecast	Oct-08 31 forecast	Nov - Oct 366
<u>IVA. Storage Variable Product Cost Deferred.</u>													
Beginning Balance	\$1,505,767	\$167,252	\$874,625	\$5,921,495	\$9,640,280	\$9,819,929	\$6,011,731	\$3,914,091	\$2,994,674	\$2,399,449	\$1,997,654	\$1,482,347	\$3,957,812
Storage Variable Prod. Costs - LNG	\$151,309	\$1,266,603	\$852,156	\$273,258	\$177,188	\$171,789	\$177,711	\$173,398	\$179,552	\$179,958	\$174,520	\$180,373	\$0
Storage Variable Prod. Costs - LP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Variable Prod. Costs - UG	\$0	\$3,512,805	\$9,858,916	\$9,236,239	\$5,313,057	\$171,060	\$0	\$0	\$0	\$0	\$0	\$0	\$28,092,076
Supply Related LNG to DAC	(\$30,852)	(\$268,280)	(\$173,755)	(\$55,717)	(\$36,128)	(\$35,028)	(\$36,235)	(\$35,956)	(\$36,611)	(\$36,694)	(\$35,665)	(\$36,776)	(\$806,998)
Supply Related LNG O & M	\$30,455	\$50,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$365,465
Inventory Financing - LNG	\$55,170	\$53,364	\$56,452	\$53,205	\$56,072	\$55,660	\$55,035	\$59,437	\$59,545	\$59,660	\$59,567	\$59,325	\$681,491
Inventory Financing - UG	\$344,162	\$307,083	\$303,865	\$202,256	\$107,020	\$52,236	\$114,507	\$149,793	\$188,458	\$228,476	\$269,961	\$309,564	\$2,577,391
Inventory Financing - LP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	\$652	\$19,676	\$45,663	\$40,999	\$23,709	\$1,462	\$743	\$728	\$750	\$751	\$732	\$752	\$136,639
Total Storage Variable Product Costs	\$550,897	\$4,931,726	\$10,973,772	\$9,780,694	\$5,671,379	\$447,635	\$342,217	\$378,456	\$422,149	\$462,608	\$499,651	\$542,693	\$35,003,876
Storage Variable Product Collections	\$1,853,185	\$4,226,705	\$5,942,029	\$6,085,316	\$5,544,039	\$4,289,917	\$2,461,936	\$1,312,747	\$1,029,374	\$874,184	\$1,022,450	\$1,285,745	\$35,967,618
Prelim. Ending Balance	\$163,479	\$872,272	\$5,908,377	\$9,616,873	\$9,776,620	\$5,977,647	\$3,892,011	\$2,979,900	\$2,387,450	\$1,987,873	\$1,474,855	\$739,295	\$3,190,520
Month's Average Balance	\$834,623	\$519,762	\$3,390,501	\$7,769,184	\$9,712,950	\$7,998,788	\$4,951,871	\$3,446,946	\$2,691,062	\$2,193,661	\$1,736,254	\$1,110,821	\$4,107,379
Interest Rate (BOA Prime minus 200 bps)	5.50%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Interest Applied	\$3,773	\$2,953	\$15,118	\$32,407	\$43,309	\$34,084	\$22,080	\$14,874	\$11,999	\$9,781	\$7,492	\$4,953	\$202,223
Storage Variable Product Ending Bal.	\$167,252	\$874,625	\$5,921,495	\$9,649,280	\$9,819,929	\$6,011,731	\$3,914,091	\$2,994,674	\$2,399,449	\$1,997,654	\$1,482,347	\$744,248	\$4,107,379

IVB. Stor.Var.Non-Prod.Cost Deferred.

Beginning Balance	(\$1,243,643)	(\$1,465,604)	(\$1,634,378)	(\$1,918,408)	(\$2,189,210)	(\$2,609,961)	(\$2,927,722)	(\$3,203,752)	(\$3,376,882)	(\$3,540,694)	(\$3,686,954)	(\$3,838,802)	\$1,535,126
Storage Variable Non-Prod. Costs	\$2,284	\$288,559	\$594,288	\$477,455	\$131,279	\$41,262	\$0	\$0	\$0	(\$440)	(\$173)	(\$867)	(\$188,834)
Variable Delivery Storage Costs	(\$6,766)	(\$21,008)	(\$54,918)	(\$69,421)	(\$28,038)	(\$9,116)	(\$3,721)	(\$9,307)	(\$1,461)	(\$9,165)	(\$9,161)	(\$9,619)	(\$68,873)
Variable Injection Storage Costs	(\$2,367)	(\$6,111)	(\$7,211)	\$0	\$0	(\$1,265)	(\$89,219)	(\$63,839)	(\$70,185)	(\$62,305)	(\$50,352)	(\$69,175)	(\$1,544,342)
Fuel Costs Allocated to Storage	(\$46,256)	(\$154,586)	(\$332,752)	(\$378,680)	(\$455,722)	(\$61,271)	(\$444)	(\$343)	(\$343)	(\$311)	(\$301)	(\$344)	(\$1,154)
Working Capital	(\$238)	\$486	\$899	\$127	(\$227)	(\$126)	(\$103,038)	(\$73,456)	(\$81,152)	(\$72,221)	(\$69,387)	(\$80,006)	(\$288,077)
Total Storage Var Non-Product Costs	(\$55,363)	\$112,840	\$206,787	\$29,480	(\$2,709)	(\$28,252)	(\$103,038)	(\$73,456)	(\$81,152)	(\$72,221)	(\$69,387)	(\$80,006)	(\$288,077)
Storage Var Non-Product Collections	\$160,488	\$274,914	\$383,136	\$394,941	\$357,366	\$276,587	\$159,363	\$86,507	\$67,272	\$57,073	\$66,551	\$83,823	\$3,363,711
Prelim. Ending Balance	(\$1,459,494)	(\$1,627,377)	(\$1,810,727)	(\$2,189,869)	(\$2,599,265)	(\$2,915,800)	(\$3,130,113)	(\$3,362,715)	(\$3,525,306)	(\$3,689,988)	(\$3,822,602)	(\$4,002,631)	\$2,363,649
Month's Average Balance	(\$1,361,568)	(\$1,548,491)	(\$1,722,553)	(\$1,999,639)	(\$2,394,248)	(\$2,762,880)	(\$3,058,917)	(\$3,283,233)	(\$3,451,094)	(\$3,605,341)	(\$3,754,333)	(\$3,920,717)	\$2,363,649
Interest Rate (BOA Prime minus 200 bps)	5.50%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Interest Applied	(\$6,110)	(\$7,001)	(\$7,681)	(\$8,341)	(\$10,676)	(\$11,922)	(\$13,639)	(\$14,167)	(\$15,368)	(\$16,076)	(\$16,200)	(\$17,482)	(\$14,683)
Storage Var Non-Product Ending Bal	(\$1,465,604)	(\$1,634,378)	(\$1,818,408)	(\$2,189,210)	(\$2,609,961)	(\$2,927,722)	(\$3,203,752)	(\$3,376,882)	(\$3,540,694)	(\$3,686,064)	(\$3,838,802)	(\$4,020,114)	\$2,363,649

GCR Deferred Summary.

Beginning Balance	(\$9,337,789)	\$4,559,316	\$21,289,103	\$26,839,933	\$33,828,608	\$48,285,107	\$5,410,835	(\$1,201,630)	(\$1,642,046)	(\$404,038)	\$2,222,247	\$4,539,681	\$301,447,391
Gas Costs	\$29,863,545	\$49,555,406	\$51,719,593	\$44,405,803	\$37,482,071	\$20,548,805	\$12,563,581	\$9,799,767	\$9,253,284	\$9,415,696	\$10,251,992	\$16,557,748	\$1,289,028
Working Capital	\$427,456	\$212,663	\$222,019	\$190,856	\$161,325	\$88,363	\$53,664	\$41,415	\$38,929	\$39,457	\$42,893	\$69,987	\$302,736,419
Total Costs	\$30,011,001	\$49,768,069	\$51,941,612	\$44,596,659	\$37,643,396	\$20,633,168	\$12,614,245	\$9,841,182	\$9,292,313	\$9,455,153	\$10,294,885	\$16,627,735	\$302,736,419
Collections	\$16,466,707	\$33,098,656	\$46,498,084	\$47,613,406	\$43,379,804	\$33,563,457	\$19,259,073	\$10,266,476	\$8,049,754	\$6,832,913	\$7,992,009	\$10,055,250	\$283,072,599
Prelim. Ending Balance	\$4,206,525	\$21,230,729	\$26,732,631	\$23,822,945	\$18,192,200	\$5,358,818	(\$1,210,933)	(\$1,635,924)	(\$399,486)	(\$2,182,202)	\$4,525,124	\$1,112,166	\$1,289,028
Month's Average Balance	(\$2,565,622)	\$12,895,023	\$24,010,857	\$25,331,319	\$21,060,404	\$11,822,962	\$2,099,921	(\$1,418,777)	(\$1,020,766)	\$907,062	\$3,373,685	\$7,825,924	\$283,072,599
Interest Rate (BOA Prime minus 200 bps)	5.50%	5.33%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Interest Applied	(\$11,598)	\$68,374	\$107,062	\$105,563	\$93,806	\$51,017	\$9,363	(\$6,122)	(\$4,551)	\$4,045	\$14,558	\$34,895	\$456,611
Gas Purchase Plan Incentives/(Penalties)	\$364,369	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Bal. W/ Interest	\$4,559,316	\$21,289,103	\$26,839,693	\$23,928,608	\$18,286,107	\$5,410,835	(\$1,201,630)	(\$1,642,046)	(\$404,038)	\$2,222,247	\$4,539,681	\$301,447,391	\$1,289,028

Under/(Over)-collection

	\$13,544,294	\$16,671,413	\$5,443,528	(\$3,016,747)	(\$5,736,408)	(\$12,926,289)	(\$6,621,828)	(\$434,294)	\$1,242,559	\$2,622,240	\$9,302,877	\$6,572,485	\$0
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Projected Gas costs using
01-09-2009 NYMEX

SUPPLY FIXED COSTS - Pipeline Delivery

	Nov-07 actual	Dec-07 actual	Jan-08 forecast	Feb-08 forecast	Mar-08 forecast	Apr-08 forecast	May-08 forecast	Jun-08 forecast	Jul-08 forecast	Aug-08 forecast	Sep-08 forecast	Oct-08 forecast	Nov-Oct
Conoco	\$1,690,261	\$2,454,119	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$611,785	\$4,334,380
Algonquin	\$115,543	(\$322,921)	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$212,548	\$5,910,567
Texas Eastern			\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$524,044	\$2,125,481
TETCO			\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$773,986	\$5,240,441
Tennessee			\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$10,610	\$7,739,857
NETNE			\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$106,100
Indiana			\$4,306	\$4,306	\$4,306	\$4,306	\$4,306	\$4,306	\$4,306	\$4,306	\$4,306	\$4,306	\$66,763
Novia			\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$29,749	\$45,140
Transcanada			\$27,930	\$27,930	\$27,930	\$27,930	\$27,930	\$27,930	\$27,930	\$27,930	\$27,930	\$27,930	\$292,696
Dominion			\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$2,346	\$73,462
Transco			\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$7,129	\$71,286
National Fuel			\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$41,865
Columbia			\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$283,164	\$2,831,640
Texas Gas			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Huntle	\$62,608	\$63,370	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$74,216	\$742,164
Westley Lateral			\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$61,426	\$614,226
Less Credits from Mktgr Releases													\$705,388
TOTAL SUPPLY FIXED COSTS - Pipeline	\$1,745,226	\$1,892,366	\$2,606,172	\$2,606,172	\$2,606,172	\$2,606,172	\$2,606,172	\$2,606,172	\$2,606,172	\$2,606,172	\$2,606,172	\$2,606,172	\$29,606,591

Supply Fixed - Supplier

	Nov-07 actual	Dec-07 actual	Jan-08 forecast	Feb-08 forecast	Mar-08 forecast	Apr-08 forecast	May-08 forecast	Jun-08 forecast	Jul-08 forecast	Aug-08 forecast	Sep-08 forecast	Oct-08 forecast	Nov-Oct
Conoco	\$270,882	\$220,426	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$440,508
Texas Eastern SS-1 Demand			\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$81,056	\$810,868
Texas Eastern SS-1 Capacity			\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$13,361	\$133,613
Texas Eastern FSS-1 Demand			\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$845	\$8,449
Texas Eastern FSS-1 Capacity			\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$6,103
Dominion GSS Demand			\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$21,381	\$213,906
Dominion GSS Capacity			\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$15,070	\$150,699
Dominion GSS-TE Demand			\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$26,882	\$268,819
Dominion GSS-TE Capacity			\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$19,957	\$199,967
Tennessee FSMA Demand			\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$24,344	\$243,444
Tennessee FSMA Capacity			\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$15,084	\$150,839
Columbia FSS Demand			\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$36,302
Columbia FSS Capacity			\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$59,148
Keyspan LNG Tank Lease Payment	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	\$1,575,000
TOTAL FIXED STORAGE COSTS	\$377,582	\$377,928	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$4,613,854

STORAGE FIXED COSTS - Delivery

	Nov-07 actual	Dec-07 actual	Jan-08 forecast	Feb-08 forecast	Mar-08 forecast	Apr-08 forecast	May-08 forecast	Jun-08 forecast	Jul-08 forecast	Aug-08 forecast	Sep-08 forecast	Oct-08 forecast	Nov-Oct
Conoco	\$444,797	\$451,648	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$5,724,791
Algonquin for TETCO SS-1	\$822,379	\$820,574	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$10,336,645
Algonquin delivery for FSS			\$3,795,835	\$3,795,835	\$3,795,835	\$3,795,835	\$3,795,835	\$3,795,835	\$3,795,835	\$3,795,835	\$3,795,835	\$3,795,835	\$43,576,785
Algonquin SCT for SS-1													
Algonquin SCT delivery for GSS, GSS-TE, Algonquin SCT delivery for GSS-TE													
Algonquin delivery for GSS Conv													
Tennessee delivery for GSS													
Tennessee delivery for FSMA													
TETCO delivery for GSS													
TETCO delivery for GSS-TE													
TETCO delivery for GSS Conv													
Dominion delivery for GSS Conv													
Dominion delivery for GSS													
Algonquin delivery for FSS													
Columbia Delivery for FSS													
Distriqns FLS call payment													
STORAGE DELIVERY FIXED COST \$	\$444,797	\$451,648	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$503,600	\$5,724,791

TOTAL STORAGE FIXED

	\$822,379	\$820,574	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$889,434	\$10,336,645
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TOTAL FIXED COSTS

	\$2,878,150	\$2,935,944	\$3,797,906	\$3,795,835	\$3,797,903	\$3,773,456	\$3,767,184	\$3,766,076	\$3,767,184	\$3,767,184	\$3,766,076	\$3,767,184	\$43,576,785
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Projected Gas costs using 01-09-2008 NYMEX	Nov-07 actual	Dec-07 actual	Jan-08 forecast	Feb-08 forecast	Mar-08 forecast	Apr-08 forecast	May-08 forecast	Jun-08 forecast	Jul-08 forecast	Aug-08 forecast	Sep-08 forecast	Oct-08 forecast	Nov-Oct
VARIABLE SUPPLY COSTS (Includes injections)													
Tennessee Zone 0			\$2,995,848	\$2,778,169	\$2,909,443	\$2,996,438	\$2,350,480	\$2,357,752	\$1,504,645	\$1,841,879	\$2,412,910	\$2,493,540	\$23,835,112
Tennessee Zone 1			\$5,955,823	\$5,318,388	\$5,054,936	\$2,965,230	\$0	\$0	\$0	\$0	\$0	\$0	\$17,217,287
Tennessee Connection			\$3,625,062	\$3,352,116	\$3,519,797	\$2,760,393	\$2,791,337	\$2,734,517	\$2,872,494	\$2,920,641	\$2,944,450	\$2,946,845	\$30,587,661
Tennessee Direct			\$363,417	\$323,765	\$133,945	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$821,127
TETCO STX			\$3,022,749	\$2,747,478	\$2,823,890	\$2,236,355	\$2,324,208	\$2,252,258	\$2,359,518	\$2,367,334	\$2,315,178	\$2,419,307	\$24,869,744
TETCO STA			\$560,265	\$235,615	\$31,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$827,679
TETCO WLA			\$2,308,814	\$999,781	\$318,400	\$1,583,577	\$0	\$0	\$0	\$0	\$0	\$0	\$4,930,573
TETCO WTX			\$3,264,431	\$2,965,856	\$3,040,486	\$2,400,316	\$2,429,633	\$2,457,765	\$2,554,923	\$2,589,828	\$2,506,467	\$0	\$24,227,736
TETCO NF			\$154,836	\$71,942	\$823	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$177,701
M3 Delivered			\$124,429	\$67,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375,111
Maumee Supplemental			\$8,021,148	\$7,774,267	\$7,750,728	\$7,609,925	\$89,189	\$162,593	\$123,173	\$17,744	\$88,894	\$3,140,695	\$34,758,136
Broadway Col			\$2,756,290	\$2,626,317	\$1,410,525	\$2,550,234	\$197,177	\$151,694	\$56,273	\$163,210	\$92,372	\$1,313,563	\$10,927,654
Columbia AGT			\$155,183	\$72,681	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$227,764
Dominion to B&W			\$13,424	\$10,039	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,463
Dominion to TETCO FTS			\$149,734	\$112,890	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$262,624
Transco at Wharton			\$5,232	\$2,910	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,142
ANE to Tennessee			\$926,997	\$297,716	\$306,280	\$229,087	\$236,956	\$231,566	\$241,939	\$244,258	\$238,932	\$247,115	\$2,536,925
Ningram to Tennessee			\$326,085	\$296,361	\$304,614	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$937,060
TETCO to B & W			\$161,244	\$114,786	\$74,690	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$355,710
DisrGas FCS			\$1,287,188	\$1,539,110	\$842,542	\$0	\$1,007,420	\$0	\$0	\$0	\$0	\$0	\$7,863,464
Hudline			\$469,735	\$136,575	\$0	\$1,927,167	\$721,497	\$0	\$0	\$0	\$108,768	\$1,970,429	\$7,863,464
Hedging (01-09-08 NYMEX for Projections)			\$286,078	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,481,092
Suppliers			\$26,278,018	\$41,493,119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$544,507
Total Pipeline Commodity Charges			\$26,465,907	\$41,748,965	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892
Costs of injections			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL VARIABLE SUPPLY COSTS			\$26,465,907	\$41,748,965	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892
VARIABLE STORAGE COSTS			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Underground Storage			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LNG Withdrawals/Western Trucking			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LP			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL VARIABLE STORAGE COSTS			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL VARIABLE COSTS			\$26,465,907	\$41,748,965	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892
TOTAL SUPPLY COSTS			\$26,465,907	\$41,748,965	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892
TOTAL CAPACITY RELEASE CREDITS			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SUPPLY COSTS AFTER CREDITS			\$26,465,907	\$41,748,965	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892
Storage Costs for FT-2 Calculation			\$377,582	\$377,926	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$385,835	\$4,613,854
Storage Fixed Costs - Facilities			\$444,797	\$451,640	\$503,690	\$480,261	\$472,891	\$472,891	\$472,891	\$472,891	\$472,891	\$472,891	\$5,724,791
Storage Fixed Costs - Deliveries			\$8,786	\$21,008	\$54,918	\$69,421	\$28,038	\$3,721	\$0	\$1,461	\$173	\$867	\$188,834
Variable Delivery Costs			\$2,367	\$611	\$0	\$9,116	\$9,055	\$9,301	\$9,157	\$9,165	\$9,161	\$9,619	\$68,973
Variable Injection Costs			\$45,256	\$154,586	\$332,752	\$378,680	\$392,219	\$393,830	\$70,185	\$62,305	\$60,352	\$60,175	\$1,544,342
Fuel Costs Allocated to Storage			\$879,789	\$1,005,770	\$1,073,195	\$936,433	\$961,310	\$931,855	\$939,519	\$930,626	\$928,481	\$938,378	\$12,140,683
Total Storage Costs			\$216,485	\$216,485	\$216,485	\$216,485	\$216,485	\$216,485	\$216,485	\$216,485	\$216,485	\$216,485	\$216,485
Pipeline Variable			\$464,361	\$666,905	\$73,628	\$7,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Non-firm Gas Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Company Use			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Manchester St. Balancing			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus Cashout			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Miller Over-Inkies			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Miller Withdrawals			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus Miller Undertakes			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus Miller Injections			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Services Chicago			\$340,866	\$108,472	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus Pipeline Study/Credit			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL FIRM COMMODITY COSTS			\$26,465,907	\$41,748,965	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892	\$37,044,892

I. Supply Fixed Cost Collections --

	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Total
	actual	actual	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	Nov-Oct
(a) Resid. & Small C & I dth	1,144,190	2,471,389	3,424,971	3,471,961	3,156,113	2,461,000	1,380,747	716,238	555,863	461,763	537,003	676,915	20,458,153
Supply Fixed Cost Factor	\$1,0236	\$1,0648	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644	\$1,0644
Res & Small C & I collections	\$1,171,220	\$2,631,538	\$3,645,539	\$3,695,555	\$3,359,367	\$2,619,488	\$1,460,667	\$762,364	\$591,661	\$491,501	\$571,586	\$720,508	\$21,729,994
(b) C & I Medium dth	231,919	432,716	618,691	642,054	587,617	448,212	271,215	149,685	123,770	108,749	129,158	155,635	3,899,421
Supply Fixed Cost Factor	\$0,8621	\$1,0200	\$1,0198	\$1,0198	\$1,0198	\$1,0198	\$1,0198	\$1,0198	\$1,0198	\$1,0198	\$1,0198	\$1,0198	\$1,0198
C & I Medium collections	\$227,758	\$441,365	\$630,941	\$654,767	\$599,252	\$457,087	\$276,585	\$152,649	\$126,221	\$110,902	\$131,715	\$158,717	\$3,967,959
(c) C & I Large LLF dth	89,985	118,894	226,387	244,063	223,000	152,326	87,236	36,827	26,093	19,383	26,903	51,317	1,302,414
Supply Fixed Cost Factor	\$1,0230	\$1,0108	\$1,0103	\$1,0103	\$1,0103	\$1,0103	\$1,0103	\$1,0103	\$1,0103	\$1,0103	\$1,0103	\$1,0103	\$1,0103
C & I Large LLF collections	\$92,051	\$120,173	\$228,719	\$246,577	\$225,297	\$153,895	\$88,135	\$37,206	\$26,362	\$19,583	\$27,180	\$31,846	\$1,317,024
(d) C & I Large HLF dth	39,869	48,246	50,894	45,217	48,325	44,204	33,395	31,392	24,483	22,042	28,804	28,380	445,251
Supply Fixed Cost Factor	\$0,8065	\$0,9069	\$0,9069	\$0,9069	\$0,9069	\$0,9069	\$0,9069	\$0,9069	\$0,9069	\$0,9069	\$0,9069	\$0,9069	\$0,9069
C & I Large HLF collections	\$32,155	\$43,756	\$46,156	\$41,007	\$43,826	\$40,089	\$30,286	\$28,469	\$22,204	\$19,990	\$26,122	\$25,738	\$389,798
(e) C & I Extra Large LLF dth	7,350	14,901	15,017	20,748	20,017	11,546	3,207	1,986	886	1,190	1,197	3,348	101,393
Supply Fixed Cost Factor	\$0,9962	\$1,0024	\$1,0024	\$1,0024	\$1,0024	\$1,0024	\$1,0024	\$1,0024	\$1,0024	\$1,0024	\$1,0024	\$1,0024	\$1,0024
C & I XL LLF collections	\$7,322	\$14,937	\$15,053	\$20,798	\$20,065	\$11,574	\$3,215	\$1,991	\$888	\$1,193	\$1,200	\$3,356	\$101,592
(f) C & I Extra Large HLF dth	20,467	25,235	39,607	57,044	47,431	41,708	37,113	30,549	26,912	30,802	29,844	31,198	417,710
Supply Fixed Cost Factor	\$0,6848	\$0,8420	\$0,8420	\$0,8420	\$0,8420	\$0,8420	\$0,8420	\$0,8420	\$0,8420	\$0,8420	\$0,8420	\$0,8420	\$0,8420
C & I XL HLF collections	\$14,045	\$21,249	\$33,349	\$48,031	\$39,937	\$35,118	\$31,249	\$25,722	\$22,660	\$25,767	\$25,129	\$26,269	\$948,495
sub-total Dth	1,533,780	3,111,391	4,375,567	4,481,087	4,082,503	3,158,996	1,812,913	966,677	758,007	643,729	752,909	946,793	26,824,342
sub-total Supply Fixed Collections	\$1,544,521	\$3,273,018	\$4,599,757	\$4,706,735	\$4,287,744	\$3,317,251	\$1,899,137	\$1,008,401	\$789,996	\$668,936	\$782,932	\$986,434	\$27,864,862
II. Storage Fixed Cost Collections --													
(a) Resid. & Small C & I dth	1,144,190	2,471,389	3,424,971	3,471,961	3,156,113	2,461,000	1,380,747	716,238	555,863	461,763	537,003	676,915	20,458,153
Storage Fixed Cost Factor	\$0,3708	\$0,3747	\$0,3746	\$0,3746	\$0,3746	\$0,3746	\$0,3746	\$0,3746	\$0,3746	\$0,3746	\$0,3746	\$0,3746	\$0,3746
Res & Small C & I collections	\$424,241	\$926,131	\$1,282,994	\$1,300,597	\$1,182,280	\$921,891	\$517,228	\$268,303	\$208,226	\$172,976	\$201,161	\$253,572	\$7,659,600
(b) C & I Medium dth	231,919	432,716	618,691	642,054	587,617	448,212	271,215	149,685	123,770	108,749	129,158	155,635	3,899,421
Storage Fixed Cost Factor	\$0,3793	\$0,4100	\$0,4099	\$0,4099	\$0,4099	\$0,4099	\$0,4099	\$0,4099	\$0,4099	\$0,4099	\$0,4099	\$0,4099	\$0,4099
C & I Medium collections	\$87,967	\$177,403	\$253,601	\$263,178	\$240,864	\$183,722	\$111,171	\$61,356	\$50,733	\$44,576	\$52,942	\$63,795	\$1,591,308
(c) C & I Large LLF dth	89,985	118,894	226,387	244,063	223,000	152,326	87,236	36,827	26,093	19,383	26,903	51,317	1,302,414
Storage Fixed Cost Factor	\$0,4232	\$0,4591	\$0,4589	\$0,4589	\$0,4589	\$0,4589	\$0,4589	\$0,4589	\$0,4589	\$0,4589	\$0,4589	\$0,4589	\$0,4589
C & I Large LLF collections	\$38,086	\$54,585	\$103,889	\$112,001	\$102,335	\$69,902	\$40,033	\$16,900	\$11,974	\$8,895	\$12,346	\$23,549	\$594,495
(d) C & I Large HLF dth	39,869	48,246	50,894	45,217	48,325	44,204	33,395	31,392	24,483	22,042	28,804	28,380	445,251
Storage Fixed Cost Factor	\$0,2827	\$0,3067	\$0,3067	\$0,3067	\$0,3067	\$0,3067	\$0,3067	\$0,3067	\$0,3067	\$0,3067	\$0,3067	\$0,3067	\$0,3067
C & I Large HLF collections	\$11,269	\$14,798	\$15,609	\$13,868	\$14,821	\$13,557	\$10,242	\$9,628	\$7,509	\$6,760	\$8,834	\$8,704	\$135,599
(e) C & I XL LLF dth	7,350	14,901	15,017	20,748	20,017	11,546	3,207	1,986	886	1,190	1,197	3,348	101,393
Storage Fixed Cost Factor	\$0,4029	\$0,4364	\$0,4364	\$0,4364	\$0,4364	\$0,4364	\$0,4364	\$0,4364	\$0,4364	\$0,4364	\$0,4364	\$0,4364	\$0,4364
C & I XL LLF collections	\$2,961	\$6,503	\$6,553	\$9,054	\$8,735	\$5,039	\$1,400	\$867	\$387	\$519	\$522	\$1,461	\$44,001
(f) C & I XL HLF dth	20,467	25,235	39,607	57,044	47,431	41,708	37,113	30,549	26,912	30,802	29,844	31,198	417,710
Storage Fixed Cost Factor	\$0,2360	\$0,2722	\$0,2722	\$0,2722	\$0,2722	\$0,2722	\$0,2722	\$0,2722	\$0,2722	\$0,2722	\$0,2722	\$0,2722	\$0,2722
C & I XL HLF collections	\$4,830	\$6,869	\$10,781	\$15,527	\$12,911	\$11,353	\$10,102	\$8,315	\$7,325	\$8,330	\$8,124	\$8,492	\$112,959
(g) FT-2 dth	55,279	122,119	137,225	135,423	126,755	98,798	64,043	40,468	34,363	28,499	30,961	40,522	914,455
Storage Fixed Cost Factor	\$0,3657	\$0,4052	\$0,4052	\$0,4052	\$0,4052	\$0,4052	\$0,4052	\$0,4052	\$0,4052	\$0,4052	\$0,4052	\$0,4052	\$0,4052
FT-2 collector	\$20,216	\$49,483	\$55,608	\$54,877	\$51,365	\$40,036	\$25,952	\$16,399	\$13,925	\$11,549	\$12,546	\$16,421	\$368,377

	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Total
	actual	actual	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	fcst	Nov-Oct
sub-total Dth	1,589,059	3,233,500	4,512,792	4,616,510	4,209,258	3,257,794	1,876,956	1,007,145	792,370	672,228	783,970	987,315	27,538,797
sub-total Storage Fixed Collections	\$589,570	\$1,235,772	\$1,729,035	\$1,769,102	\$1,613,311	\$1,245,500	\$716,128	\$381,768	\$300,079	\$253,605	\$296,475	\$375,994	\$10,506,339
III. Variable Supply Cost Collections --													
(a) Firm Sales dth	1,533,780	3,111,381	4,375,587	4,481,087	4,082,503	3,158,996	1,812,913	966,677	758,007	643,729	752,909	946,793	26,624,342
Variable Supply Cost Factor	\$8,0040	\$7,7380	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348
Variable Supply collections	\$12,276,300	\$24,075,963	\$33,844,136	\$34,660,312	\$31,577,344	\$24,434,202	\$14,022,519	\$7,477,053	\$5,863,033	\$4,979,115	\$5,823,601	\$7,323,254	\$206,356,832
(b) TSS Sales dth	855	2,673											
TSS Variable Supply Cost F.	\$0.00	\$0.00											
TSS Surcharge collections	\$0	\$0											
(c) NGV Sales dth	-84	1,601	0	0	0	0	0	0	0	0	0	0	1,728
Variable Supply Cost Factor	\$8,2500	\$7,7345	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348	\$7,7348
Variable Supply collections	(\$693)	\$12,383	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(d) Default Sales dth	303	(149)											
Variable Supply Cost Factor	\$11,01	\$12,08											
Variable Supply collections	\$3,336	(\$1,799)											
TOTAL Variable Supply Collections	\$12,278,943	\$24,086,547	\$33,844,136	\$34,660,312	\$31,577,344	\$24,434,202	\$14,022,519	\$7,477,053	\$5,863,033	\$4,979,115	\$5,823,601	\$7,323,254	\$206,370,059
IVa. Storage Variable Product Cost Collections --													
(a) Firm Sales dth	1,533,780	3,111,381	4,375,587	4,481,087	4,082,503	3,158,996	1,812,913	966,677	758,007	643,729	752,909	946,793	26,624,342
Variable Supply Cost Factor	\$1,2343	\$1,3585	\$1,3680	\$1,3580	\$1,3580	\$1,3580	\$1,3580	\$1,3580	\$1,3580	\$1,3580	\$1,3580	\$1,3580	\$1,3580
Stor Var Product collections	\$1,893,185	\$4,226,705	\$5,942,020	\$6,085,316	\$5,544,039	\$4,289,917	\$2,461,936	\$1,312,747	\$1,029,374	\$874,184	\$1,022,450	\$1,285,745	\$35,967,618
IVb. Storage Variable Non-product Cost Collections --													
(a) Firm Sales dth	1,533,780	3,111,381	4,375,587	4,481,087	4,082,503	3,158,996	1,812,913	966,677	758,007	643,729	752,909	946,793	26,624,342
Variable Supply Cost Factor	\$0.1011	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849
Stor Var Non-Product collec	\$155,033	\$264,246	\$371,486	\$380,444	\$346,605	\$268,199	\$153,916	\$82,071	\$64,355	\$54,653	\$63,922	\$80,383	\$2,285,313
(b) FT-2 dth	55,279	122,119	137,225	135,423	126,755	98,798	64,043	40,468	34,363	28,499	30,961	40,522	914,455
Variable Supply Cost Factor	\$0.0987	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849	\$0.0849
Stor Var Non-Product collec	\$5,455	\$10,368	\$11,650	\$11,497	\$10,761	\$8,388	\$5,437	\$3,436	\$2,917	\$2,420	\$2,629	\$3,440	\$78,398
(c) Total Firm Sales/FT-2 dth	1,589,059	3,233,500	4,512,792	4,616,510	4,209,258	3,257,794	1,876,956	1,007,145	792,370	672,228	783,870	987,315	27,538,797
Stor Var Non-Product collec	\$160,488	\$274,614	\$383,136	\$391,941	\$357,366	\$276,587	\$159,353	\$85,507	\$67,272	\$57,073	\$66,551	\$83,823	\$2,363,711
Total Gas Cost Collections	\$16,466,707	\$33,096,856	\$46,498,084	\$47,613,406	\$43,379,804	\$33,563,457	\$19,259,073	\$10,265,476	\$8,049,754	\$6,832,913	\$7,992,009	\$10,055,250	\$283,072,589

National Grid
Rhode Island Service Area
Gas Cost Inventory Financing Calculation

Line No.	Description (a)	Reference (b)	Nov-07 (c)	Dec-07 (d)	Jan-08 (e)	Feb-08 (f)	Mar-08 (g)	Apr-08 (h)	May-08 (i)	Jun-08 (j)	Jul-08 (k)	Aug-08 (l)	Sep-08 (m)	Oct-08 (n)	Total (p)
1	Storage Inventory Balance		\$35,073,963	\$31,296,195	\$30,967,183	\$20,612,137	\$10,997,537	\$5,323,466	\$11,669,490	\$15,265,566	\$19,205,922	\$23,284,298	\$27,512,045	\$31,549,056	\$23,991,309
2	Cost of Capital	Rate Case (1)	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
3	Return on Working Capital Requirement	(1) - (2)	\$3,203,589	\$2,858,444	\$2,828,484	\$1,882,673	\$986,274	\$489,235	\$1,065,869	\$1,394,328	\$1,754,232	\$2,126,744	\$2,512,898	\$2,881,539	\$2,881,539
4	Weighted Cost of Debt	Rate Case (1) * (4)	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
5	Interest Charges Financed		\$1,483,211	\$1,323,414	\$1,309,543	\$871,648	\$461,259	\$225,119	\$493,481	\$645,552	\$812,182	\$984,649	\$1,163,432	\$1,331,107	\$1,107,598
6	Taxable Income	(3) - (5)	\$1,720,378	\$1,536,029	\$1,518,940	\$1,011,025	\$535,015	\$261,116	\$572,388	\$748,776	\$942,050	\$1,142,095	\$1,349,466	\$1,547,432	\$1,547,432
7	1 - Combined Tax Rate	Rate Case (6) / (7)	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
8	Return and Tax Requirement		\$2,646,735	\$2,361,584	\$2,336,831	\$1,555,424	\$823,099	\$401,717	\$880,598	\$1,151,963	\$1,449,308	\$1,757,069	\$2,076,101	\$2,380,665	\$19,821,094
9	Working Capital Requirement	(5) + (8)	\$4,129,946	\$3,684,998	\$3,646,375	\$2,427,072	\$1,284,358	\$628,836	\$1,374,078	\$1,797,515	\$2,281,490	\$2,741,718	\$3,239,533	\$3,714,772	\$30,928,692
10	Monthly Average	(9) / 12	\$344,162	\$307,083	\$303,865	\$202,256	\$107,030	\$52,236	\$114,507	\$149,793	\$188,458	\$228,476	\$269,961	\$309,564	\$2,577,391
11	LNG Inventory Balance		\$7,062,425	\$6,831,248	\$7,226,542	\$6,810,918	\$7,177,954	\$7,125,157	\$7,045,249	\$7,608,713	\$7,622,557	\$7,637,257	\$7,625,332	\$7,468,412	\$7,689,204
12	Cost of Capital	Rate Case (11) * (12)	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
13	Return on Working Capital Requirement		\$645,068	\$623,953	\$669,059	\$622,096	\$655,621	\$650,798	\$643,500	\$694,965	\$696,230	\$697,573	\$696,483	\$681,968	\$7,968,314
14	Weighted Cost of Debt	Rate Case (11) * (14)	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
15	Interest Charges Financed		\$298,657	\$288,881	\$305,597	\$288,021	\$303,542	\$301,309	\$297,930	\$321,758	\$322,343	\$322,965	\$322,461	\$315,740	\$3,689,204
16	Taxable Income	(13) - (15)	\$346,412	\$336,073	\$354,462	\$334,076	\$352,079	\$349,489	\$345,569	\$373,207	\$373,886	\$374,607	\$374,023	\$366,228	\$3,689,204
17	1 - Combined Tax Rate	Rate Case (16) / (17)	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
18	Return and Tax Requirement		\$532,941	\$515,496	\$545,326	\$513,962	\$541,669	\$537,675	\$531,645	\$574,165	\$575,210	\$576,319	\$575,419	\$563,427	\$6,583,247
19	Working Capital Requirement	(15) + (18)	\$831,598	\$804,377	\$850,923	\$801,983	\$845,202	\$838,985	\$823,576	\$895,923	\$897,553	\$899,284	\$897,880	\$879,167	\$10,272,451
20	Monthly Average	(19) / 12	\$69,300	\$67,031	\$70,910	\$66,832	\$70,433	\$69,915	\$69,131	\$74,660	\$74,796	\$74,940	\$74,823	\$73,264	\$856,038
21	System Balancing Factor	Rate Case (20) * (21)	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%
22	Balancing Related Inventory Costs		\$14,130	\$13,668	\$14,459	\$13,627	\$14,361	\$14,256	\$14,096	\$15,223	\$15,251	\$15,280	\$15,256	\$14,939	\$174,546
23	Supply Related Inventory Costs	(21) - (22)	\$55,170	\$53,364	\$56,452	\$53,205	\$56,072	\$55,660	\$55,035	\$59,437	\$59,545	\$59,660	\$59,567	\$58,325	\$681,491
24	Propane Inventory Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Cost of Capital	Rate Case (24) * (25)	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
26	Return on Working Capital Requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Weighted Cost of Debt	Rate Case (24) * (27)	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
28	Interest Charges Financed		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	Taxable Income	(26) - (28)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	1 - Combined Tax Rate	Rate Case (29) / (30)	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
31	Return and Tax Requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Working Capital Requirement	(28) + (31)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Monthly Average	(32) / 12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

National Grid
Rhode Island Service Area
Gas Cost Working Capital Calculation

Line No.	Description (a)	Reference (b)	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Total
1	Supply Fixed Costs	(b)	\$2,055,771	\$2,106,370	\$2,276,020	\$2,274,249	\$2,276,317	\$2,365,209	\$2,366,317	\$2,365,209	\$2,366,317	\$2,366,317	\$2,365,209	\$2,366,317	\$27,549,624
2	Capacity Release Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$2,055,771	\$2,106,370	\$2,276,020	\$2,274,249	\$2,276,317	\$2,365,209	\$2,366,317	\$2,365,209	\$2,366,317	\$2,366,317	\$2,365,209	\$2,366,317	\$27,549,624
4	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40
5	Working Capital Requirement	(3) * (4) / 365	\$75,472	\$77,330	\$83,558	\$83,434	\$83,569	\$86,832	\$86,873	\$86,832	\$86,873	\$86,873	\$86,832	\$86,873	\$96,873
6	Cost of Capital	Rate Case	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
7	Return on Working Capital Requirement	(5) * (6)	\$6,893	\$7,063	\$7,632	\$7,632	\$7,633	\$7,931	\$7,935	\$7,935	\$7,935	\$7,935	\$7,931	\$7,935	\$9,935
8	Weighted Cost of Debt	Rate Case	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
9	Interest Expense	(5) * (8)	\$3,192	\$3,270	\$3,534	\$3,531	\$3,534	\$3,672	\$3,674	\$3,672	\$3,674	\$3,674	\$3,672	\$3,674	\$4,233
10	Taxable Income	(7) - (9)	\$3,702	\$3,793	\$4,099	\$4,095	\$4,099	\$4,259	\$4,261	\$4,259	\$4,261	\$4,261	\$4,259	\$4,261	\$4,261
11	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
12	Return and Tax Requirement	(10) / (11)	\$5,695	\$5,835	\$6,305	\$6,306	\$6,306	\$6,553	\$6,556	\$6,553	\$6,556	\$6,556	\$6,553	\$6,556	\$6,556
13	Supply Fixed Working Capital Requirement	(9) + (12)	\$8,887	\$9,108	\$9,839	\$9,831	\$9,840	\$10,224	\$10,224	\$10,224	\$10,224	\$10,224	\$10,224	\$10,224	\$119,003
14	Storage Fixed Costs		\$822,379	\$829,574	\$889,434	\$889,434	\$889,434	\$866,095	\$868,716	\$868,716	\$868,716	\$868,716	\$868,716	\$868,716	\$958,716
15	Less: LNG Demand to DAC		\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$56,282	\$675,382
16	Less: Credits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Plus: Supply Related LNG O&M Costs		\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$43,241	\$518,894
18	Allowable Working Capital Costs	(14) - (15) + (16)	\$899,338	\$916,533	\$976,394	\$976,394	\$976,394	\$953,055	\$945,675	\$945,675	\$945,675	\$945,675	\$945,675	\$945,675	\$1,018,217
19	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40
20	Working Capital Requirement	[(17) * (19)] / 365	\$29,973	\$29,977	\$32,174	\$32,174	\$32,174	\$31,318	\$31,047	\$31,047	\$31,047	\$31,047	\$31,047	\$31,047	\$31,047
21	Cost of Capital	Rate Case	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
22	Return on Working Capital Requirement	(19) * (20)	\$2,714	\$2,738	\$2,938	\$2,938	\$2,939	\$2,860	\$2,836	\$2,836	\$2,836	\$2,836	\$2,836	\$2,836	\$2,836
23	Weighted Cost of Debt	Rate Case	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
24	Interest Expense	(19) * (22)	\$1,256	\$1,268	\$1,361	\$1,361	\$1,324	\$1,324	\$1,313	\$1,313	\$1,313	\$1,313	\$1,313	\$1,313	\$1,313
25	Taxable Income	(19) - (23)	\$1,457	\$1,470	\$1,578	\$1,578	\$1,578	\$1,536	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523	\$1,523
26	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
27	Return and Tax Requirement	(24) / (25)	\$2,242	\$2,262	\$2,428	\$2,428	\$2,363	\$2,363	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343	\$2,343
28	Storage Fixed Working Capital Requirement	(23) + (26)	\$3,499	\$3,550	\$3,789	\$3,789	\$3,789	\$3,688	\$3,656	\$3,656	\$3,656	\$3,656	\$3,656	\$3,656	\$44,016
1	Supply Variable Costs		\$26,455,907	\$41,431,894	\$37,044,892	\$31,038,910	\$28,550,412	\$16,843,107	\$9,030,115	\$6,201,155	\$5,619,992	\$5,741,847	\$6,542,189	\$12,893,916	\$227,313,247
2a	Less: Non-firm Sales														\$0
2b	Less: Variable Delivery Storage Costs		(\$8,786)	(\$21,008)	(\$54,948)	(\$59,421)	(\$28,038)	\$0	(\$3,721)	\$0	(\$1,461)	(\$440)	(\$173)	(\$867)	(\$189,834)
2c	Less: Variable Injection Storage Costs		(\$2,867)	(\$611)	(\$721)	\$0	(\$9,116)	(\$9,656)	(\$9,301)	(\$9,157)	(\$9,165)	(\$9,165)	(\$9,165)	(\$9,165)	(\$9,873)
2d	Less: Fuel Costs Allocated to Storage		(\$46,256)	(\$154,586)	(\$332,792)	(\$378,990)	(\$155,722)	(\$61,271)	(\$69,219)	(\$63,839)	(\$70,185)	(\$82,305)	(\$60,352)	(\$69,175)	(\$1,544,342)
2e	Less: Supply Refunds														\$0
2	Total Credits		(\$57,409)	(\$176,205)	(\$388,351)	(\$448,102)	(\$183,761)	(\$70,389)	(\$102,935)	(\$73,139)	(\$80,803)	(\$71,910)	(\$69,086)	(\$79,082)	(\$1,892,049)
3	Allowable Working Capital Costs	(1) - (2)	\$26,523,316	\$41,608,099	\$37,433,193	\$31,486,111	\$28,734,173	\$16,913,494	\$9,132,710	\$6,274,295	\$5,700,795	\$5,813,757	\$6,611,875	\$12,893,478	\$225,115,256
4	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40
5	Working Capital Requirement	(3) * (4) / 365	\$973,793	\$1,527,550	\$1,374,260	\$1,155,928	\$1,054,898	\$620,634	\$335,283	\$230,344	\$209,289	\$213,437	\$242,737	\$472,682	\$7,768,200
6	Cost of Capital	Rate Case	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
7	Return on Working Capital Requirement	(5) * (6)	\$89,839	\$139,522	\$125,522	\$105,590	\$96,352	\$56,715	\$38,624	\$21,939	\$19,116	\$19,495	\$22,171	\$43,201	\$70,300
8	Weighted Cost of Debt	Rate Case	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
9	Interest Expense	(5) * (8)	\$4,177	\$64,596	\$58,115	\$48,382	\$44,610	\$26,258	\$14,178	\$9,741	\$8,860	\$9,026	\$10,265	\$20,002	\$26,002
10	Taxable Income	(7) - (9)	\$47,762	\$74,925	\$67,407	\$56,998	\$51,743	\$30,457	\$16,446	\$11,298	\$10,268	\$10,469	\$11,906	\$23,200	\$43,200
11	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
12	Return and Tax Requirement	(10) / (11)	\$73,479	\$115,270	\$103,704	\$87,228	\$79,604	\$46,857	\$25,301	\$17,382	\$15,793	\$16,106	\$18,317	\$35,692	\$65,692
13	Supply Variable Working Capital Requirement	(9) + (12)	\$114,657	\$179,866	\$161,819	\$136,110	\$124,214	\$73,115	\$39,479	\$27,123	\$24,644	\$25,132	\$28,582	\$55,894	\$90,434

Line No.	Description (a)	Reference (b)	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Total
14	Storage Variable Product Costs														
15	Less: Balancing Related LNG Commodity (to DAC)		\$151,309 (\$30,852)	\$4,779,408 (\$288,260)	\$10,711,072 (\$173,755)	\$9,599,496 (\$55,717)	\$5,460,240 (\$36,128)	\$3,428,649 (\$36,028)	\$177,711 (\$36,235)	\$173,998 (\$36,356)	\$179,952 (\$36,611)	\$179,958 (\$36,694)	\$174,520 (\$35,586)	\$180,373 (\$36,778)	\$32,049,987 (\$806,989)
16	Plus: Supply Related LNG O&M Costs		\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$30,455	\$304,550
17	Allowable Working Capital Costs	(14) + (15) + (16)	\$150,913	\$4,551,603	\$10,587,773	\$9,454,235	\$5,484,568	\$3,388,277	\$171,332	\$168,498	\$173,397	\$173,720	\$169,391	\$174,931	\$31,808,355
18	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40
19	Working Capital Requirement	[(17) * (18)] / 365	\$5,540	\$167,100	\$387,988	\$348,188	\$201,351	\$12,419	\$6,312	\$6,186	\$6,366	\$6,378	\$6,219	\$6,378	\$6,390
20	Cost of Capital	Rate Case	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
21	Return on Working Capital Requirement	(19) * (20)	\$506	\$15,263	\$35,436	\$31,903	\$18,391	\$1,134	\$577	\$565	\$581	\$583	\$568	\$584	\$584
22	Weighted Cost of Debt	Rate Case	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
23	Interest Expense	(19) * (22)	\$234	\$7,096	\$16,406	\$14,724	\$8,515	\$525	\$267	\$262	\$269	\$270	\$263	\$270	\$270
24	Taxable Income	(19) * (23)	\$272	\$8,196	\$19,030	\$17,079	\$9,876	\$609	\$310	\$303	\$312	\$313	\$305	\$313	\$313
25	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
26	Return and Tax Requirement	(24) / (25)	\$418	\$12,610	\$29,277	\$26,275	\$15,194	\$937	\$476	\$467	\$480	\$481	\$469	\$482	\$482
27	Storage Var. Product Working Capital Requir.	(23) * (26)	\$652	\$19,676	\$45,683	\$40,999	\$23,709	\$1,462	\$743	\$728	\$750	\$751	\$732	\$752	\$196,639
1	Storage Variable Non-Product Costs														
2	Credits		(\$55,125)	\$112,355	\$205,997	\$29,353	(\$52,482)	(\$29,126)	(\$102,595)	(\$73,139)	(\$85,893)	(\$71,910)	(\$93,686)	(\$79,662)	(\$285,923)
3	Allowable Working Capital Costs	(1) - (2)	\$55,125	\$112,355	\$205,997	\$29,353	(\$52,482)	(\$29,126)	(\$102,595)	(\$73,139)	(\$85,893)	(\$71,910)	(\$93,686)	(\$79,662)	(\$285,923)
4	Number of Days Lag	Rate Case	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40	13.40
5	Working Capital Requirement	[(3) * (4)] / 365	(\$2,024)	\$4,125	\$7,559	\$1,078	(\$1,927)	(\$1,069)	(\$3,766)	(\$2,685)	(\$2,966)	(\$2,640)	(\$2,558)	(\$2,925)	(\$2,925)
6	Cost of Capital	Rate Case	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%	9.13%
7	Return on Working Capital Requirement	(5) * (6)	(\$185)	\$377	\$690	\$98	(\$176)	(\$98)	(\$344)	(\$245)	(\$271)	(\$241)	(\$234)	(\$267)	(\$267)
8	Weighted Cost of Debt	Rate Case	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
9	Interest Expense	(5) * (8)	(\$86)	\$174	\$320	\$46	(\$81)	(\$45)	(\$159)	(\$114)	(\$125)	(\$112)	(\$108)	(\$124)	(\$124)
10	Taxable Income	(7) - (9)	(\$99)	\$202	\$371	\$53	(\$95)	(\$52)	(\$185)	(\$132)	(\$146)	(\$129)	(\$125)	(\$143)	(\$143)
11	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
12	Return and Tax Requirement	(10) / (11)	(\$153)	\$311	\$570	\$81	(\$145)	(\$81)	(\$284)	(\$203)	(\$224)	(\$199)	(\$193)	(\$221)	(\$221)
13	Storage Variable Non-product WC Requir.	(9) + (12)	(\$238)	\$486	\$890	\$127	(\$227)	(\$126)	(\$444)	(\$316)	(\$349)	(\$311)	(\$301)	(\$344)	(\$1,154)

Line No.	Rate Class (a)	Nov-07 (b) actual	Dec-07 (c) actual	Jan-08 (d) forecast	Feb-08 (e) forecast	Mar-08 (f) forecast	Apr-08 (g) forecast	May-08 (h) forecast	Jun-08 (i) forecast	Jul-08 (j) forecast	Aug-08 (k) forecast	Sep-08 (l) forecast	Oct-08 (m) forecast	Nov-08 (p)
1	SALES (dth)													
2	Residential Non-Heating	50,306	52,403	48,664	62,826	60,626	58,899	53,009	41,002	38,969	32,100	37,481	36,750	603,625
3	Residential Heating	961,120	2,129,765	2,050,990	2,975,144	2,706,404	2,122,475	1,193,422	608,690	484,775	394,120	445,813	567,633	17,509,351
4	Small C&I	132,764	280,221	405,317	433,991	389,983	279,656	134,316	66,546	52,099	45,543	53,709	72,632	2,346,777
5	Medium C&I	231,919	436,850	618,691	642,054	619,617	448,212	271,215	148,085	123,770	108,749	129,158	165,635	3,897,585
6	Large LLF	89,865	118,087	226,397	244,063	223,000	162,326	87,236	36,827	26,993	24,483	26,903	51,317	1,307,867
7	Large HLF	39,869	48,246	50,894	46,217	44,204	33,963	31,392	24,483	24,483	22,042	28,804	28,804	445,251
8	Extra Large LLF	14,901	15,017	15,017	20,748	20,017	11,546	3,207	1,986	886	1,190	1,197	3,348	101,993
9	Extra Large HLF	25,235	25,235	39,607	57,044	47,431	41,708	37,113	30,549	26,912	30,602	29,844	31,198	417,710
10	Total Sales	1,533,780	3,108,708	4,375,867	4,487,987	4,082,553	3,158,996	1,812,913	966,677	758,967	643,729	752,969	946,793	26,621,669
11	ISS													
12	Medium	756	1,866											2,622
13	Large LLF	99	807											906
14	Large HLF	0	0											0
15	Extra Large LLF	0	0											0
16	Extra Large HLF	0	0											0
17	Total ISS	855	2,673											3,528
18	FT-2 TRANSPORTATION													
19	FT-2 Medium	30,624	60,913	75,513	71,839	60,062	56,300	38,158	25,993	22,177	10,405	21,511	24,505	515,900
20	FT-2 Large LLF	15,373	48,525	47,848	51,434	43,975	31,768	19,720	7,151	5,836	2,605	2,700	9,036	284,771
21	FT-2 Large HLF	6,769	8,198	8,319	7,209	8,416	7,191	5,700	6,190	5,145	5,174	5,508	4,691	78,570
22	FT-2 Extra Large LLF	407	1,940	2,121	3,293	3,084	1,501	72	0	0	6	0	959	13,383
23	FT-2 Extra Large HLF	2,206	2,543	3,664	1,648	2,218	2,038	1,393	1,134	1,205	1,309	1,242	1,331	21,821
24	Total FT-2 Transportation	55,279	122,119	137,225	135,423	126,755	96,796	64,043	40,466	34,363	28,499	30,961	40,522	914,455
25	Sales & FT-2 THROUGHPUT													
26	Residential Non-Heating	50,306	62,403	68,664	92,926	60,626	58,899	53,009	41,002	38,969	32,100	37,481	36,750	603,625
27	Residential Heating	961,120	2,129,765	2,050,990	2,975,144	2,706,404	2,122,475	1,193,422	608,690	484,775	394,120	445,813	567,633	17,509,351
28	Small C&I	132,764	280,221	405,317	433,991	389,983	279,656	134,316	66,546	52,099	45,543	53,709	72,632	2,346,777
29	Medium C&I	263,199	493,629	694,204	713,893	656,679	504,512	309,373	175,678	145,947	128,154	150,969	180,140	4,416,977
30	Large LLF	105,457	167,419	274,035	295,497	266,975	194,094	105,956	43,978	31,929	21,998	29,603	60,353	1,587,294
31	Large HLF	46,638	56,444	59,273	52,426	56,741	51,385	39,095	37,562	29,628	27,216	34,312	33,071	523,821
32	Extra Large LLF	7,757	16,841	17,138	24,041	23,101	13,047	3,279	1,986	886	1,198	1,197	4,307	114,776
33	Extra Large HLF	22,673	27,778	43,171	56,692	49,649	43,746	38,506	31,663	28,117	31,911	31,095	32,529	419,541
34	Total Sales & FT-2 Throughput	1,599,914	3,293,500	4,512,792	4,616,510	4,259,258	3,257,784	1,876,956	1,007,145	792,370	672,228	793,870	987,315	27,539,852
35	FT-1 TRANSPORTATION													
36	FT-1 Medium	69,627	101,420	94,536	92,575	77,492	50,199	66,189	26,129	22,257	21,346	43,328	83,305	748,312
37	FT-1 Large LLF	114,183	199,282	195,200	171,455	160,143	96,551	110,890	29,646	16,873	16,461	21,846	51,269	1,163,769
38	FT-1 Large HLF	33,674	51,221	47,478	47,433	50,180	36,047	42,378	29,415	26,800	28,228	37,708	28,537	459,209
39	FT-1 Extra Large LLF	63,151	115,069	81,746	117,032	111,368	62,667	24,629	27,966	25,338	29,165	32,705	71,120	761,596
40	FT-1 Extra Large HLF	308,920	465,389	291,532	353,902	375,875	294,214	278,052	270,202	267,556	274,157	266,411	291,046	3,727,047
41	Default	303	(149)											
42	Total FT-1 Transportation	689,658	911,252	710,492	782,607	775,058	539,379	522,008	374,348	358,624	369,357	401,998	525,277	6,859,903
43	Total THROUGHPUT													
44	Residential Non-Heating	50,306	62,403	68,664	92,926	60,626	58,899	53,009	41,002	38,969	32,100	37,481	36,750	603,625
45	Residential Heating	961,120	2,129,765	2,050,990	2,975,144	2,706,404	2,122,475	1,193,422	608,690	484,775	394,120	445,813	567,633	17,509,351
46	Small C&I	132,764	280,221	405,317	433,991	389,983	279,656	134,316	66,546	52,099	45,543	53,709	72,632	2,346,777
47	Medium C&I	332,726	595,058	798,740	896,468	734,171	584,711	375,562	201,807	168,204	149,500	193,997	263,445	5,164,389
48	Large LLF	219,840	307,665	469,235	427,118	426,952	280,824	146,816	64,624	48,909	35,444	51,420	111,622	2,751,053
49	Large HLF	80,312	107,565	106,751	100,169	106,921	87,442	81,473	66,997	56,228	55,444	72,920	61,908	983,930
50	Extra Large LLF	70,908	131,930	98,984	141,073	134,463	75,414	27,808	29,942	26,224	30,361	33,902	75,427	876,342
51	Extra Large HLF	331,158	483,158	334,703	412,494	425,524	337,950	316,558	301,895	295,673	306,068	297,497	323,575	4,166,586
52	Default	303	(149)											
53	Total Throughput	2,179,872	4,144,732	5,223,284	5,399,117	4,984,316	3,797,172	2,369,964	1,381,493	1,150,994	1,041,565	1,185,868	1,512,992	34,399,555

**Docket No. 3868 – National Grid – Annual Gas Cost Recovery Filing
 (“GCR”) - Service List as of 1/11/08**

Name/Address	E-mail	Phone/FAX
Laura Olton, Esq. National Grid 280 Melrose St. Providence, RI 02907	Laura.olton@us.ngrid.com	401-784-7667
	Peter.Czekanski@us.ngrid.com	401-784-4321
	Joanne.scanlon@us.ngrid.com	
Paul Roberti, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	Proberti@riag.ri.gov	401-222-2424
	Sscialabba@ripuc.state.ri.us	401-222-3016
	RDIMeglio@riag.ri.gov	
Bruce Oliver Revilo Hill Associates 7103 Laketree Drive Fairfax Station, VA 22039	Boliver.rha@verizon.net	703-569-6480
David Efron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	Djeffron@aol.com	603-964-6526
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	Lmassaro@puc.state.ri.us	401-780-2107
	plucarelli@puc.state.ri.us	401-941-1691
	Tmassaro@puc.state.ri.us	
John Farley, TEC-RI	jfarley316@hotmail.com	401-621-2240