

February 22, 2010

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 4097 – 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 three months of actual data, and nine months of projected data, the October 31, 2010 deferred gas cost balance is an over-collection of \$ 6.9 million (see attached Schedule 1, page 2). This calculation is based on the November 1, 2009 starting balance of a \$ 9.9 million under-collection, plus actual gas costs and gas cost collections for November 2009 through January 2010 along with projected costs for February through October 2010. These projected costs are updated to reflect the February 17, 2010 NYMEX settle.

Details are provided on the attached schedules. Schedule 1, pages 1 and 2, summarizes the deferred gas cost activity by GCR category and by month. The Schedule 1 summary shows that for the month of January 2010, the Company incurred actual gas costs of \$ 50.1 million, working capital of \$ 370 thousand and GCR revenue collections of \$ 52.9 million, for a net over-collection of approximately \$ 2.4 million. Schedule 2 provides a breakdown of actual gas costs for November 2009 through January 2010 and projected gas costs for February through October 31, 2010. Schedule 3 summarizes actual gas cost revenue collections for November 2009 through January 2010 and projected gas cost revenue collections for February through October 2010. Schedule 4 shows the calculation of inventory finance charges. The calculation of working capital is presented on pages 1 and 2 of Schedule 5. Schedule 6 presents customer class specific throughput. Thank you for your attention to this matter.

If you have any questions, please do not hesitate to contact me at (401) 784-7667 or Gary Beland at (781) 907-2129.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 4097 Service List

**Docket No. 4097 – National Grid – Annual Gas Cost Recovery Filing
 (“GCR”) - Service List as of 10/5/09**

Name/Address	E-mail	Phone/FAX
Thomas R. Teehan, Esq. National Grid 280 Melrose St. Providence, RI 02907	Thomas.teehan@us.ngrid.com	401-784-7667
	Peter.Czekanski@us.ngrid.com	401-784-4321
	Joanne.scanlon@us.ngrid.com	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	Lwold@riag.ri.gov	401-222-2424
	Sscialabba@ripuc.state.ri.us	401-222-3016
	Mtobin@riag.ri.gov	
	dmacrae@riag.ri.gov	
David C. Fixler, Esq. (for Direct Energy) Rubin and Rudman LLP 50 Rowes Wharf, 3 rd Floor Boston, MA 02110	dfixler@rubinrudman.com	617-330-7000
Bruce Oliver Revilo Hill Associates 7103 Laketree Drive Fairfax Station, VA 22039	Boliver.rha@verizon.net	703-569-6480
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
	Sccamara@puc.state.ri.us	

	Nov-09 30 actual	Dec-09 31 actual	Jan-10 31 actual	Feb-10 28 fcst	Mar-10 31 fcst	Apr-10 30 fcst	May-10 31 fcst	Jun-10 30 fcst	Jul-10 31 fcst	Aug-10 31 fcst	Sep-10 30 fcst	Oct-10 31 fcst	Nov - Oct 365
I. Supply Fixed Cost Deferred													
Beginning Balance	(\$802,683)	(\$2,008,988)	(\$2,919,408)	(\$6,153,880)	(\$8,584,316)	(\$10,368,690)	(\$11,247,536)	(\$11,249,751)	(\$10,072,962)	(\$8,529,419)	(\$6,864,271)	(\$5,257,963)	
Supply Fixed Costs (net of cap rel)	\$1,841,268	\$1,804,066	\$2,016,419	\$2,514,271	\$2,518,055	\$2,300,794	\$2,065,655	\$2,477,914	\$2,477,975	\$2,477,975	\$2,477,914	\$2,477,975	\$27,450,282
Capacity Release	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	\$13,693	\$13,417	\$14,996	\$18,698	\$18,726	\$17,111	\$15,362	\$18,428	\$18,428	\$18,428	\$18,428	\$18,428	\$204,144
Total Supply Fixed Costs	\$1,854,961	\$1,817,483	\$2,031,415	\$2,532,970	\$2,536,782	\$2,317,905	\$2,081,017	\$2,496,342	\$2,496,403	\$2,496,403	\$2,496,342	\$2,496,403	\$27,654,425
Supply Fixed - Collections	\$1,747,051	\$2,570,825	\$5,106,609	\$4,801,871	\$4,156,637	\$3,031,186	\$1,916,833	\$1,154,138	\$788,528	\$668,625	\$729,343	\$978,464	\$27,650,111
Prelim. Ending Balance	(\$694,774)	(\$2,762,330)	(\$5,994,602)	(\$8,422,781)	(\$10,204,171)	(\$11,081,971)	(\$11,083,352)	(\$9,907,548)	(\$8,365,086)	(\$6,701,641)	(\$5,097,273)	(\$3,740,023)	
Month's Average Balance	(\$748,728)	(\$2,385,659)	(\$4,457,005)	(\$7,288,330)	(\$9,394,243)	(\$10,725,331)	(\$11,165,444)	(\$10,578,649)	(\$9,219,024)	(\$7,615,530)	(\$5,980,772)	(\$4,498,993)	
Interest Rate (BOA Prime minus 200 bps)	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	
Interest Applied	(\$769)	(\$2,533)	(\$4,732)	(\$6,989)	(\$9,973)	(\$11,019)	(\$11,854)	(\$10,868)	(\$9,787)	(\$8,085)	(\$6,145)	(\$4,776)	(\$87,530)
Gas Procurement Incentive/(penalty)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NGPMP Credit	\$1,313,445	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$3,013,445
Supply Fixed Ending Balance	\$617,902	(\$2,919,408)	(\$6,153,880)	(\$8,584,316)	(\$10,368,690)	(\$11,247,536)	(\$11,249,751)	(\$10,072,962)	(\$8,529,419)	(\$6,864,271)	(\$5,257,963)	(\$3,899,345)	
II. Storage Fixed Cost Deferred													
Beginning Balance	\$1,674,812	\$1,850,028	\$1,670,455	\$206,359	(\$1,028,248)	(\$1,993,131)	(\$2,263,863)	(\$1,821,952)	(\$1,471,592)	(\$956,545)	(\$393,057)	\$146,101	
Storage Fixed Costs	\$943,967	\$952,357	\$721,613	\$783,641	\$783,641	\$999,641	\$1,236,041	\$822,521	\$823,721	\$823,721	\$822,521	\$823,721	\$10,537,104
LNG Demand to DAC	(\$77,196)	(\$77,196)	(\$39,815)	(\$34,020)	(\$34,020)	(\$26,460)	(\$26,460)	(\$26,460)	(\$26,460)	(\$26,460)	(\$26,460)	(\$26,460)	(\$447,467)
Supply Related LNG O & M	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$618,591
Working Capital	\$6,829	\$6,892	\$5,454	\$5,958	\$5,958	\$7,621	\$9,379	\$6,304	\$6,312	\$6,312	\$6,304	\$6,312	\$79,635
Total Storage Fixed Costs	\$925,149	\$933,602	\$738,802	\$807,128	\$807,128	\$1,032,351	\$1,270,509	\$853,914	\$855,123	\$855,123	\$853,914	\$855,123	\$10,787,864
TSS Peaking Collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Fixed - Collections	\$751,743	\$1,115,042	\$2,203,893	\$2,041,342	\$1,770,408	\$1,300,897	\$826,431	\$501,863	\$338,787	\$290,919	\$314,628	\$424,099	\$11,880,052
Prelim. Ending Balance	\$1,848,218	\$1,668,587	\$205,364	(\$1,027,855)	(\$1,991,528)	(\$2,261,677)	(\$1,819,784)	(\$1,469,901)	(\$955,257)	(\$392,341)	\$146,228	\$577,125	
Month's Average Balance	\$1,761,515	\$1,759,307	\$937,909	(\$410,748)	(\$1,509,888)	(\$2,127,404)	(\$2,041,824)	(\$1,645,927)	(\$1,213,425)	(\$674,443)	(\$123,415)	\$361,613	
Interest Rate (BOA Prime minus 200 bps)	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	
Interest Applied	\$1,810	\$1,868	\$996	(\$394)	(\$1,603)	(\$2,186)	(\$2,168)	(\$1,691)	(\$1,288)	(\$716)	(\$127)	\$384	(\$5,115)
Storage Fixed Ending Balance	\$1,850,028	\$1,670,455	\$206,359	(\$1,028,248)	(\$1,993,131)	(\$2,263,863)	(\$1,821,952)	(\$1,471,592)	(\$956,545)	(\$393,057)	\$146,101	\$577,508	
III. Variable Supply Cost Deferred													
Beginning Balance	\$44,286,232	\$46,972,599	\$56,312,439	\$45,371,861	\$30,752,405	\$21,968,900	\$10,661,561	\$2,149,776	(\$2,988,812)	(\$5,164,752)	(\$6,124,141)	(\$6,894,486)	
Variable Supply Costs	\$18,065,386	\$31,739,269	\$33,753,812	\$27,104,239	\$27,160,524	\$15,021,067	\$8,293,738	\$5,094,501	\$4,833,150	\$5,013,954	\$5,700,144	\$11,578,001	\$193,357,785
Variable Delivery Storage	\$0	(\$29,074)	(\$89,361)	(\$69,473)	(\$23,075)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$210,983)
Variable Injections Storage	(\$5,163)	(\$488)	\$0	\$0	(\$1,472)	(\$16,828)	(\$17,350)	(\$13,932)	(\$8,143)	(\$7,185)	(\$361)	(\$9,372)	(\$80,294)
Fuel Cost Allocated to Storage	(\$33,017)	(\$125,895)	(\$380,174)	(\$291,966)	(\$131,130)	(\$95,451)	(\$95,917)	(\$76,073)	(\$40,273)	(\$32,183)	(\$2,695)	(\$54,242)	(\$1,359,015)
Working Capital	\$134,066	\$234,884	\$247,530	\$198,882	\$200,831	\$110,874	\$60,837	\$37,218	\$35,583	\$36,995	\$42,368	\$85,631	\$1,425,699
Total Supply Variable Costs	\$18,161,271	\$31,818,695	\$33,531,807	\$26,941,683	\$27,205,678	\$15,019,662	\$8,241,308	\$5,041,714	\$4,820,318	\$5,011,582	\$5,739,456	\$11,600,018	\$193,133,192
Supply Variable - Collections	\$15,520,233	\$22,531,906	\$44,516,981	\$41,597,620	\$36,017,154	\$26,343,754	\$16,759,890	\$10,179,871	\$6,991,932	\$5,964,982	\$6,503,117	\$8,639,485	\$241,566,924
Deferred Responsibility	\$1,527	\$1,746	\$9,352	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prelim. Ending Balance	\$46,925,744	\$56,257,643	\$45,317,914	\$30,715,924	\$21,940,929	\$10,644,807	\$2,142,979	(\$2,988,382)	(\$5,160,426)	(\$6,118,152)	(\$6,887,802)	(\$3,933,953)	
Month's Average Balance	\$45,605,988	\$51,615,121	\$50,815,177	\$38,043,893	\$26,346,667	\$16,306,854	\$6,402,270	(\$419,303)	(\$4,074,619)	(\$5,641,452)	(\$6,505,971)	(\$5,414,219)	
Interest Rate (BOA Prime minus 200 bps)	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	
Interest Applied	\$46,855	\$54,797	\$53,948	\$36,480	\$27,971	\$16,754	\$6,797	(\$431)	(\$4,326)	(\$5,989)	(\$6,684)	(\$5,748)	\$220,424
Gas Procurement Incentive/(penalty)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supply Variable Ending Balance	\$46,972,599	\$56,312,439	\$45,371,861	\$30,752,405	\$21,968,900	\$10,661,561	\$2,149,776	(\$2,988,812)	(\$5,164,752)	(\$6,124,141)	(\$6,894,486)	(\$3,939,701)	

	Nov-09 30 actual	Dec-09 31 actual	Jan-10 31 actual	Feb-10 28 fcst	Mar-10 31 fcst	Apr-10 30 fcst	May-10 31 fcst	Jun-10 30 fcst	Jul-10 31 fcst	Aug-10 31 fcst	Sep-10 30 fcst	Oct-10 31 fcst	Nov - Oct 365
<u>IVa. Storage Variable Product Cost Deferred</u>													
Beginning Balance	(\$30,418,752)	(\$29,547,847)	(\$25,329,368)	(\$13,137,611)	(\$2,506,254)	\$347,576	(\$197,393)	(\$369,238)	(\$289,936)	(\$75,945)	\$194,697	\$445,478	
Storage Variable Prod. Costs - LNG	\$31,545	\$743,101	\$820,931	\$601,207	\$127,823	\$123,231	\$124,682	\$116,253	\$120,344	\$120,127	\$115,625	\$119,762	\$3,164,631
Storage Variable Prod. Costs - UG	\$933,168	\$4,102,105	\$12,782,776	\$11,219,634	\$3,740,378	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,778,061
Supply Related LNG to DAC	(\$5,299)	(\$124,841)	(\$137,916)	(\$101,003)	(\$21,474)	(\$20,703)	(\$20,947)	(\$19,531)	(\$20,218)	(\$20,181)	(\$19,425)	(\$20,120)	(\$531,658)
Supply Related LNG O & M	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$35,844	\$430,129
Inventory Financing - LNG	\$48,072	\$44,219	\$41,050	\$31,426	\$30,440	\$33,947	\$42,400	\$42,321	\$42,244	\$42,177	\$42,122	\$42,073	\$482,491
Inventory Financing - UG	\$385,002	\$331,274	\$222,978	\$108,736	\$77,149	\$133,024	\$187,109	\$232,776	\$260,934	\$284,389	\$285,481	\$285,481	\$2,794,335
Working Capital	\$7,402	\$35,371	\$100,410	\$87,425	\$28,874	\$1,029	\$1,038	\$986	\$1,011	\$1,010	\$982	\$1,008	\$266,545
Total Storage Variable Product Costs	\$1,395,758	\$4,971,320	\$13,644,500	\$11,983,270	\$4,019,034	\$306,372	\$370,128	\$408,649	\$440,160	\$463,365	\$460,629	\$464,048	\$38,927,233
Storage Variable Product Collections	\$494,064	\$723,726	\$1,432,335	\$1,344,416	\$1,164,058	\$851,418	\$541,672	\$329,009	\$225,976	\$192,785	\$210,178	\$279,224	\$7,788,861
Prelim. Ending Balance	(\$29,517,058)	(\$25,300,253)	(\$13,117,203)	(\$2,498,757)	\$348,721	(\$197,470)	(\$368,937)	(\$289,597)	(\$75,751)	\$194,634	\$445,149	\$630,302	
Month's Average Balance	(\$29,967,905)	(\$27,424,050)	(\$19,223,285)	(\$7,818,184)	(\$1,078,766)	\$75,053	(\$283,165)	(\$329,418)	(\$182,844)	\$59,344	\$319,923	\$537,890	
Interest Rate (BOA Prime minus 200 bps)	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied	(\$30,789)	(\$29,115)	(\$20,408)	(\$7,497)	(\$1,145)	\$77	(\$301)	(\$338)	(\$194)	\$63	\$329	\$571	(\$88,747)
Storage Variable Product Ending Bal.	(\$29,547,847)	(\$25,329,368)	(\$13,137,611)	(\$2,506,254)	\$347,576	(\$197,393)	(\$369,238)	(\$289,936)	(\$75,945)	\$194,697	\$445,478	\$630,873	
<u>IVb. Stor Var Non-Prod Cost Deferred</u>													
Beginning Balance	(\$4,875,985)	(\$4,687,669)	(\$4,242,572)	(\$3,578,583)	(\$2,494,897)	(\$1,882,737)	(\$1,542,254)	(\$1,283,240)	(\$1,104,143)	(\$995,670)	(\$904,497)	(\$845,545)	
Storage Variable Non-prod. Costs	\$39,974	\$195,754	\$221,572	\$361,439	\$145,691	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$964,430
Variable Delivery Storage Costs	\$9,610	\$47,211	\$53,219	\$69,473	\$23,075	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,588
Variable Injection Storage Costs	\$2,094	\$1,472	\$523	\$0	\$1,472	\$16,828	\$17,350	\$13,932	\$8,143	\$7,185	\$361	\$9,372	\$78,732
Fuel Costs Allocated to Storage	\$7,844	\$6,675	\$3,041	\$291,966	\$131,130	\$95,451	\$95,917	\$76,073	\$40,273	\$32,183	\$2,695	\$54,242	\$837,488
Working Capital	\$443	\$1,867	\$2,070	\$5,376	\$2,241	\$835	\$842	\$669	\$360	\$293	\$23	\$473	\$15,493
Total Storage Var Non-product Costs	\$59,965	\$252,979	\$280,425	\$728,253	\$303,609	\$113,114	\$114,109	\$90,675	\$48,776	\$39,660	\$3,079	\$64,087	\$2,098,731
Storage Var Non-Product Collections	(\$133,262)	(\$196,856)	(\$387,713)	(\$358,343)	(\$310,875)	(\$229,127)	(\$146,404)	(\$89,648)	(\$60,811)	(\$52,521)	(\$56,772)	(\$75,829)	(\$2,098,161)
Prelim. Ending Balance	(\$4,682,759)	(\$4,237,834)	(\$3,574,434)	(\$2,491,987)	(\$1,880,414)	(\$1,540,496)	(\$1,281,741)	(\$1,102,917)	(\$994,556)	(\$903,488)	(\$844,646)	(\$705,629)	
Month's Average Balance	(\$4,779,372)	(\$4,462,751)	(\$3,908,503)	(\$3,035,285)	(\$2,187,656)	(\$1,711,616)	(\$1,411,998)	(\$1,193,079)	(\$1,049,349)	(\$949,579)	(\$874,572)	(\$775,587)	
Interest Rate (BOA Prime minus 200 bps)	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied	(\$4,910)	(\$4,738)	(\$4,149)	(\$2,911)	(\$2,323)	(\$1,759)	(\$1,499)	(\$1,226)	(\$1,114)	(\$1,008)	(\$899)	(\$823)	(\$27,358)
Storage Var Non-Product Ending Bal.	(\$4,687,669)	(\$4,242,572)	(\$3,578,583)	(\$2,494,897)	(\$1,882,737)	(\$1,542,254)	(\$1,283,240)	(\$1,104,143)	(\$995,670)	(\$904,497)	(\$845,545)	(\$706,452)	
<u>GCR Deferred Summary</u>													
Beginning Balance	\$9,863,623	\$15,244,987	\$25,727,275	\$23,165,448	\$16,595,990	\$8,529,219	(\$4,132,184)	(\$12,117,105)	(\$15,470,145)	(\$15,265,031)	(\$13,633,968)	(\$11,949,114)	
Gas Costs	\$22,274,646	\$39,697,402	\$50,078,061	\$42,676,964	\$34,615,600	\$18,651,933	\$11,989,612	\$8,827,689	\$8,599,085	\$8,803,095	\$9,485,315	\$15,367,827	\$271,067,229
Working Capital	\$162,432	\$292,431	\$370,459	\$316,340	\$256,631	\$137,470	\$87,458	\$63,604	\$61,695	\$63,039	\$68,105	\$111,852	\$1,991,516
Total Costs	\$22,437,078	\$39,989,833	\$50,448,521	\$42,993,303	\$34,872,231	\$18,789,403	\$12,077,070	\$8,891,293	\$8,660,780	\$8,866,134	\$9,553,420	\$15,479,679	\$273,058,745
Collections	\$18,381,356	\$26,746,389	\$52,881,457	\$49,426,906	\$42,797,383	\$31,298,128	\$19,898,421	\$12,075,233	\$8,284,411	\$7,064,790	\$7,700,494	\$10,245,443	\$286,800,412
Prelim. Ending Balance	\$13,919,345	\$28,488,431	\$23,294,339	\$16,731,845	\$8,670,838	(\$3,979,506)	(\$11,953,535)	(\$15,301,045)	(\$15,093,776)	(\$13,463,688)	(\$11,781,043)	(\$6,714,878)	
Month's Average Balance	\$11,891,484	\$21,866,709	\$24,510,807	\$19,948,646	\$12,633,414	\$2,274,856	(\$8,042,860)	(\$13,709,075)	(\$15,281,960)	(\$14,364,359)	(\$12,707,506)	(\$9,331,996)	
Interest Rate (BOA Prime minus 200 bps)	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Interest Applied	\$12,197	\$20,279	\$25,654	\$18,690	\$12,927	\$1,867	(\$9,024)	(\$14,554)	(\$16,709)	(\$15,735)	(\$13,525)	(\$10,393)	\$11,673
Gas Purchase Plan Incentives/(Penalties)	\$1,313,445	(\$1,313,445)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
NGPMP Credit		\$1,467,990	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$154,545	\$3,013,445
Ending Bal. W/ Interest	\$15,244,987	\$25,727,275	\$23,165,448	\$16,595,990	\$8,529,219	(\$4,132,184)	(\$12,117,105)	(\$15,470,145)	(\$15,265,031)	(\$13,633,968)	(\$11,949,114)	(\$6,879,816)	
Under/(Over)-collection	\$4,055,722	\$13,243,444	(\$2,432,936)	(\$6,433,603)	(\$7,925,152)	(\$12,508,725)	(\$7,821,351)	(\$3,183,940)	\$376,369	\$1,801,343	\$1,852,926	\$5,234,236	

Projected Gas Costs using 2-17-10 NYMEX	Nov-09 actual	Dec-09 actual	Jan-10 actual	Feb-10 fcst	Mar-10 fcst	Apr-10 fcst	May-10 fcst	Jun-10 fcst	Jul-10 fcst	Aug-10 fcst	Sep-10 fcst	Oct-10 fcst	Nov-Oct
SUPPLY FIXED COSTS - Pipeline & Supplier													
Algonquin	\$646,473	\$618,604	\$615,021	\$723,452	\$723,452	\$723,452	\$723,452	\$723,452	\$723,452	\$723,452	\$723,452	\$723,452	\$8,391,170
TETCO/Texas Eastern	\$500,954	\$538,562	\$594,551	\$747,967	\$747,967	\$747,967	\$747,967	\$747,967	\$747,967	\$747,967	\$747,967	\$747,967	\$8,365,766
Tennessee	\$694,705	\$684,131	\$679,313	\$774,541	\$774,541	\$774,541	\$774,541	\$774,541	\$774,541	\$774,541	\$774,541	\$774,541	\$9,029,015
Columbia	\$308,698	\$310,895	\$249,120	\$285,205	\$285,205	\$285,205	\$285,205	\$285,205	\$285,205	\$285,205	\$285,205	\$285,205	\$3,435,554
Westerly Lateral	\$60,149	\$60,153	\$58,883	\$58,879	\$58,879	\$58,879	\$58,879	\$58,879	\$58,879	\$58,879	\$58,879	\$58,879	\$709,097
Others	\$88,971	\$95,457	\$309,129	\$361,128	\$364,912	\$147,650	(\$87,488)	\$324,770	\$324,832	\$324,832	\$324,770	\$324,832	\$2,903,793
Less Credits from Mkter Releases	\$458,683	\$503,735	\$489,599	\$436,900	\$436,900	\$436,900	\$436,900	\$436,900	\$436,900	\$436,900	\$436,900	\$436,900	\$5,384,114
TOTAL SUPPLY FIXED COSTS - Pipeline & Supplier	\$1,841,268	\$1,804,066	\$2,016,419	\$2,514,271	\$2,518,055	\$2,300,794	\$2,065,655	\$2,477,914	\$2,477,975	\$2,477,975	\$2,477,914	\$2,477,975	\$27,450,282
STORAGE FIXED COSTS - Facilities													
Texas Eastern SS-1 Demand	\$88,743	\$89,527	\$86,713	\$97,190	\$97,190	\$97,190	\$97,190	\$97,190	\$97,190	\$97,190	\$97,190	\$97,190	\$1,139,690
Dominion GSS Demand	\$83,348	\$83,348	\$83,348	\$83,456	\$83,456	\$83,456	\$83,456	\$83,456	\$83,456	\$83,456	\$83,456	\$83,456	\$1,001,153
Tennessee FSMA Demand	\$39,428	\$39,428	\$40,627	\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$39,428	\$474,337
Columbia FSS Demand	\$0	\$0	\$0	\$9,725	\$9,725	\$9,725	\$9,725	\$9,725	\$9,725	\$9,725	\$9,725	\$9,725	\$87,521
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	\$1,890,000
TOTAL FIXED STORAGE COSTS	\$369,019	\$369,804	\$368,188	\$387,299	\$387,299	\$387,299	\$387,299	\$387,299	\$387,299	\$387,299	\$387,299	\$387,299	\$4,592,701
STORAGE FIXED COSTS - Delivery													
STORAGE DELIVERY FIXED COST \$	\$574,948	\$582,553	\$353,425	\$396,342	\$396,342	\$612,342	\$848,742	\$435,222	\$436,422	\$436,422	\$435,222	\$436,422	\$5,944,403
TOTAL STORAGE FIXED	\$943,967	\$952,357	\$721,613	\$783,641	\$783,641	\$999,641	\$1,236,041	\$822,521	\$823,721	\$823,721	\$822,521	\$823,721	\$10,537,104
TOTAL FIXED COSTS	\$2,785,234	\$2,756,423	\$2,738,032	\$3,297,912	\$3,301,696	\$3,300,435	\$3,301,696	\$3,300,435	\$3,301,696	\$3,301,696	\$3,300,435	\$3,301,696	\$37,987,386
VARIABLE SUPPLY COSTS (Includes Injections)													
Total Pipeline Commodity Charges	8,974,179	\$19,219,155	28,569,254	\$18,221,719	\$20,327,553	\$18,155,247	\$12,694,619	\$8,857,203	\$6,859,798	\$6,714,384	\$5,143,317	\$10,694,191	\$164,430,620
Hedging	\$9,053,170	\$13,942,299	\$6,955,611	\$8,882,520	\$7,418,190	\$2,071,890	\$885,504	\$643,209	\$667,409	\$574,247	\$662,090	\$883,810	\$52,639,949
Costs of Injections			\$0	\$0	\$585,219	\$5,206,070	\$5,286,386	\$4,405,911	\$2,694,057	\$2,274,677	\$105,263	\$0	\$20,557,582
TOTAL VARIABLE SUPPLY COSTS	\$18,027,350	\$33,161,453	\$35,524,865	\$27,104,239	\$27,160,524	\$15,021,067	\$8,293,738	\$5,094,501	\$4,833,150	\$5,013,954	\$5,700,144	\$11,578,001	\$196,512,986
VARIABLE STORAGE COSTS													
Underground Storage	\$933,168	\$4,102,105	\$12,782,776	\$11,219,634	\$3,740,378	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,778,061
LNG Withdrawals/Westerly Trucking	\$31,545	\$743,101	\$820,931	\$601,207	\$127,823	\$123,231	\$124,682	\$116,253	\$120,344	\$120,127	\$115,625	\$119,762	\$3,164,631
TOTAL VARIABLE STORAGE COSTS	\$964,712	\$4,845,206	\$13,603,707	\$11,820,842	\$3,868,201	\$123,231	\$124,682	\$116,253	\$120,344	\$120,127	\$115,625	\$119,762	\$35,942,692
TOTAL VARIABLE COSTS	\$18,992,062	\$38,006,659	\$49,128,572	\$38,925,081	\$31,028,725	\$15,144,297	\$8,418,420	\$5,210,755	\$4,953,494	\$5,134,081	\$5,815,769	\$11,697,764	\$232,455,678
TOTAL SUPPLY COSTS AFTER CREDITS	\$21,777,296	\$40,763,082	\$51,866,604	\$42,222,993	\$34,330,421	\$18,444,732	\$11,720,116	\$8,511,189	\$8,255,190	\$8,435,777	\$9,116,204	\$14,999,460	\$270,443,063
Storage Costs for FT-2 Calculation													
Storage Fixed Costs - Facilities	\$369,019	\$369,804	\$368,188	\$387,299	\$387,299	\$387,299	\$387,299	\$387,299	\$387,299	\$387,299	\$387,299	\$387,299	\$4,592,701
Storage Fixed Costs - Deliveries	\$574,948	\$582,553	\$353,425	\$396,342	\$396,342	\$612,342	\$848,742	\$435,222	\$436,422	\$436,422	\$435,222	\$436,422	\$5,944,403
Variable Delivery Costs	\$0	\$29,074	\$89,361	\$69,473	\$23,075	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$210,983
Variable Injection Costs	\$5,163	\$488	\$0	\$0	\$1,472	\$16,828	\$17,350	\$13,932	\$8,143	\$7,185	\$361	\$9,372	\$80,294
Fuel Costs Allocated to Storage	\$33,017	\$125,895	\$380,174	\$291,966	\$131,130	\$95,451	\$95,917	\$76,073	\$40,273	\$32,183	\$2,695	\$54,242	\$1,359,015
Total Storage Costs	\$982,146	\$1,107,814	\$1,191,149	\$1,145,080	\$939,317	\$1,111,920	\$1,349,308	\$912,526	\$872,137	\$863,089	\$825,577	\$887,335	\$12,187,396
Pipeline Variable	\$18,027,350	\$33,161,453	\$35,524,865	\$27,104,239	\$27,160,524	\$15,021,067	\$8,293,738	\$5,094,501	\$4,833,150	\$5,013,954	\$5,700,144	\$11,578,001	
Less Non-firm Gas Costs	\$181,276	\$338,069	\$95,540										
Less Company Use	\$122,766	\$122,766	\$556,038										
Less Manchester St Balancing	\$9,339	\$9,339	\$14,405										
Plus Cashout													
Less Mkter Over-takes	\$136,755	\$68,890	\$229,565										
Less Mkter W/drawals	\$158,988	\$1,071,261	\$1,082,834										
Plus Mkter Undertakes	\$468,531	\$112,153	\$122,972										
Plus Mkter Injections	\$0	\$0	\$0										
Storage Service Charge													
Plus Pipeline Srchg/Credit	\$178,630	\$75,987	\$84,357										
TOTAL FIRM COMMODITY COSTS	\$18,065,386	\$31,739,269	\$33,753,812	\$27,104,239	\$27,160,524	\$15,021,067	\$8,293,738	\$5,094,501	\$4,833,150	\$5,013,954	\$5,700,144	\$11,578,001	

	Nov-09 actual	Dec-09 actual	Jan-10 actual	Feb-10 fcst	Mar-10 fcst	Apr-10 fcst	May-10 fcst	Jun-09 fcst	Jul-10 fcst	Aug-10 fcst	Sep-10 fcst	Oct-10 fcst	Total Nov-Oct
<u>I. Supply Fixed Cost Collections --</u>													
(a) Low Load dth	1,599,798	2,394,199	4,798,717	4,532,312	3,921,026	2,839,646	1,770,403	1,043,737	703,852	587,734	641,995	882,580	25,715,999
Supply Fixed Cost Factor	\$1.0416	\$1.0352	\$1.0347	\$1.0345	\$1.0345	\$1.0345	\$1.0345	\$1.0345	\$1.0345	\$1.0345	\$1.0345	\$1.0345	\$1.0345
Low Load collections	\$1,666,284	\$2,478,486	\$4,965,365	\$4,688,677	\$4,056,301	\$2,937,614	\$1,831,482	\$1,079,746	\$728,135	\$608,011	\$664,144	\$913,029	\$26,617,273
(b) High Load dth	110,848	129,380	197,908	158,602	140,586	131,108	119,590	104,235	84,620	84,930	91,354	91,685	1,444,844
Supply Fixed Cost Factor	\$0.7286	\$0.7137	\$0.7137	\$0.7137	\$0.7137	\$0.7137	\$0.7137	\$0.7137	\$0.7137	\$0.7137	\$0.7137	\$0.7137	\$0.7137
High Load collections	\$80,767	\$92,339	\$141,244	\$113,194	\$100,336	\$93,571	\$85,351	\$74,392	\$60,393	\$60,614	\$65,199	\$65,435	\$1,032,838
sub-total Dth	1,710,647	2,523,579	4,996,625	4,690,914	4,061,612	2,970,754	1,889,993	1,147,972	788,472	672,664	733,349	974,264	27,160,844
TOTAL Supply Fixed Collections	\$1,747,051	\$2,570,825	\$5,106,609	\$4,801,871	\$4,156,637	\$3,031,186	\$1,916,833	\$1,154,138	\$788,528	\$668,625	\$729,343	\$978,464	\$27,650,111
<u>II. Storage Fixed Cost Collections --</u>													
(a) Low Load dth	1,599,798	2,394,199	4,798,717	4,532,312	3,921,026	2,839,646	1,770,403	1,043,737	703,852	587,734	641,995	882,580	25,715,999
Storage Fixed Cost Factor	\$0.4215	\$0.4189	\$0.4187	\$0.4186	\$0.4186	\$0.4186	\$0.4186	\$0.4186	\$0.4186	\$0.4186	\$0.4186	\$0.4186	\$0.4186
Low Load collections	\$674,245	\$1,002,893	\$2,009,186	\$1,897,226	\$1,641,341	\$1,188,676	\$741,091	\$436,908	\$294,632	\$246,026	\$268,739	\$369,448	\$10,770,411
(b) High Load dth	110,848	129,380	197,908	158,602	140,586	131,108	119,590	104,235	84,620	84,930	91,354	91,685	1,444,844
Storage Fixed Cost Factor	\$0.2946	\$0.2886	\$0.2886	\$0.2886	\$0.2886	\$0.2886	\$0.2886	\$0.2886	\$0.2886	\$0.2886	\$0.2886	\$0.2886	\$0.2886
High Load collections	\$32,660	\$37,339	\$57,114	\$45,773	\$40,573	\$37,838	\$34,514	\$30,082	\$24,421	\$24,511	\$26,365	\$26,460	\$417,649
(c) FT-2 dth	111,676	186,325	342,697	244,941	220,406	185,264	126,591	86,855	49,149	50,766	48,629	70,215	1,723,515
Storage Fixed Cost Factor	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015
FT-2 collection	\$44,838	\$74,810	\$137,593	\$98,344	\$88,493	\$74,384	\$50,826	\$34,872	\$19,733	\$20,383	\$19,524	\$28,191	\$691,992
sub-total Dth	1,822,323	2,709,904	5,339,321	4,935,855	4,282,018	3,156,018	2,016,584	1,234,827	837,621	723,430	781,977	1,044,480	\$28,884,358
TOTAL Storage Fixed Collections	\$751,743	\$1,115,042	\$2,203,893	\$2,041,342	\$1,770,408	\$1,300,897	\$826,431	\$501,863	\$338,787	\$290,919	\$314,628	\$424,099	\$11,880,052
<u>III. Variable Supply Cost Collections --</u>													
(a) Firm Sales dth	1,710,647	2,523,579	4,996,625	4,690,914	4,061,612	2,970,754	1,889,993	1,147,972	788,472	672,664	733,349	974,264	27,160,844
Variable Supply Cost Factor	\$8.9363	\$8.8734	\$8.8696	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677
Variable Supply collections	\$15,286,855	\$22,392,807	\$44,317,917	\$41,597,620	\$36,017,154	\$26,343,754	\$16,759,890	\$10,179,871	\$6,991,932	\$5,964,982	\$6,503,117	\$8,639,485	\$240,995,384
(b) TSS Sales dth	16,977	5,119	12,462										
TSS Variable Supply Cost F.	\$0.0000	\$0.0000	\$0.0000										
TSS Surcharge collections	\$0	\$0	\$0										
(c) NGV Sales dth	1,515	1,374	832	0	0	0	0	0	0	0	0	0	3,721
Variable Supply Cost Factor	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677	\$8.8677
Variable Supply collections	\$13,431	\$12,188	\$7,376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	32,994
(d) Default Sales dth	20,878	12,047	18,196										
Variable Supply Cost Factor	\$10.5348	\$10.5348	\$10.5348										
Variable Supply collections	\$219,947	\$126,911	\$191,688										
TOTAL Variable Supply Collections	\$15,520,233	\$22,531,906	\$44,516,981	\$41,597,620	\$36,017,154	\$26,343,754	\$16,759,890	\$10,179,871	\$6,991,932	\$5,964,982	\$6,503,117	\$8,639,485	\$241,566,924

	Nov-09 actual	Dec-09 actual	Jan-10 actual	Feb-10 fcst	Mar-10 fcst	Apr-10 fcst	May-10 fcst	Jun-09 fcst	Jul-10 fcst	Aug-10 fcst	Sep-10 fcst	Oct-10 fcst	Total Nov-Oct
<u>IVa. Storage Variable Product Cost Collections --</u>													
(a) Firm Sales dth	1,710,647	2,523,579	4,996,625	4,690,914	4,061,612	2,970,754	1,889,993	1,147,972	788,472	672,664	733,349	974,264	27,160,844
Variable Supply Cost Factor	\$0.2888	\$0.2868	\$0.2867	\$0.2866	\$0.2866	\$0.2866	\$0.2866	\$0.2866	\$0.2866	\$0.2866	\$0.2866	\$0.2866	\$0.2866
TOTAL Stor Var Product collections	\$494,064	\$723,726	\$1,432,335	\$1,344,416	\$1,164,058	\$851,418	\$541,672	\$329,009	\$225,976	\$192,785	\$210,178	\$279,224	\$7,788,861
<u>IVb. Storage Variable Non-product Cost Collections --</u>													
(a) Firm Sales dth	1,710,647	2,523,579	4,996,625	4,690,914	4,061,612	2,970,754	1,889,993	1,147,972	788,472	672,664	733,349	974,264	27,160,844
Variable Supply Cost Factor	(\$0.0732)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)
Stor Var Non-Product collec	(\$125,154)	(\$183,329)	(\$362,833)	(\$340,560)	(\$294,873)	(\$215,677)	(\$137,213)	(\$83,343)	(\$57,243)	(\$48,835)	(\$53,241)	(\$70,732)	(\$1,973,034)
(b) FT-2 dth	111,676	186,325	342,697	244,941	220,406	185,264	126,591	86,855	49,149	50,766	48,629	70,215	
Variable Supply Cost Factor	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)	(\$0.0726)
Stor Var Non-Product collec	(\$8,108)	(\$13,527)	(\$24,880)	(\$17,783)	(\$16,001)	(\$13,450)	(\$9,191)	(\$6,306)	(\$3,568)	(\$3,686)	(\$3,530)	(\$5,098)	(\$125,127)
Total Firm Sales/FT-2 dth	1,822,323	2,709,904	5,339,321	4,935,855	4,282,018	3,156,018	2,016,584	1,234,827	837,621	723,430	781,977	1,044,480	
TOTAL Stor Var Non-Product collec	(\$133,262)	(\$196,856)	(\$387,713)	(\$358,343)	(\$310,875)	(\$229,127)	(\$146,404)	(\$89,648)	(\$60,811)	(\$52,521)	(\$56,772)	(\$75,829)	(\$2,098,161)
Total Gas Cost Collections	\$18,379,829	\$26,744,643	\$52,872,105	\$49,426,906	\$42,797,383	\$31,298,128	\$19,898,421	\$12,075,233	\$8,284,411	\$7,064,790	\$7,700,494	\$10,245,443	\$286,787,787

Line No.	Description (a)	Reference (b)	Nov-09 (c)	Dec-09 (d)	Jan-10 (e)	Feb-10 (f)	Mar-10 (g)	Apr-10 (h)	May-10 (i)	Jun-10 (j)	Jul-10 (k)	Aug-10 (l)	Sep-10 (m)	Oct-10 (n)	Total (p)
1	Storage Inventory Balance		\$26,229,386	\$22,683,959	\$17,794,092	\$10,829,858	\$9,209,165	\$14,431,823	\$19,735,438	\$24,155,335	\$26,857,769	\$29,139,550	\$29,245,138	\$29,245,138	
2	Hedging		\$13,127,938	\$11,197,325	\$5,369,649	\$771,545	(\$761,361)	(\$82,948)	\$447,537	\$953,548	\$1,288,496	\$1,536,725	\$1,548,926	\$1,548,926	
	Hedge Collateral Carrying Average Balance		\$70,499,148	\$45,422,510	\$35,210,069										
	NE Money Pool Rate		0.21%	0.20%	0.20%										
	Hedge Collateral Carrying Costs		\$12,337	\$6,924	\$5,168										
3	Subtotal	(1) + (2)	\$39,357,324	\$33,881,284	\$23,163,742	\$11,601,404	\$8,447,804	\$14,348,875	\$20,182,975	\$25,108,883	\$28,146,266	\$30,676,275	\$30,794,064	\$30,794,064	
4	Cost of Capital	Rate Case	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	
5	Return on Working Capital Requirement	(3) * (4)	\$3,316,776	\$2,855,292	\$1,952,088	\$977,690	\$711,925	\$1,209,229	\$1,700,888	\$2,116,011	\$2,371,982	\$2,585,195	\$2,595,121	\$2,595,121	\$24,987,318
6	Weighted Cost of Debt	Rate Case	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	
7	Interest Charges Financed	(1) * (6)	\$896,466	\$775,291	\$608,165	\$370,142	\$314,750	\$490,415	\$689,812	\$858,169	\$961,981	\$1,048,451	\$1,052,477	\$1,052,477	\$9,118,596
8	Taxable Income	(5) - (7)	\$2,420,310	\$2,080,001	\$1,343,923	\$607,548	\$397,175	\$718,814	\$1,011,076	\$1,257,842	\$1,410,001	\$1,536,743	\$1,542,644	\$1,542,644	
9	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	
10	Return and Tax Requirement	(8) / (9)	\$3,723,555	\$3,200,002	\$2,067,573	\$934,689	\$611,039	\$1,105,868	\$1,555,502	\$1,935,142	\$2,169,233	\$2,364,221	\$2,373,298	\$2,373,298	\$24,413,419
11	Working Capital Requirement	(7) + (10)	\$4,620,020	\$3,975,292	\$2,675,738	\$1,304,831	\$925,789	\$1,596,282	\$2,245,314	\$2,793,311	\$3,131,214	\$3,412,672	\$3,425,776	\$3,425,776	\$33,532,015
12	Monthly Average	(11) / 12	\$385,002	\$331,274	\$222,978	\$108,736	\$77,149	\$133,024	\$187,109	\$232,776	\$260,934	\$284,389	\$285,481	\$285,481	\$2,794,335
13	LNG Inventory Balance		\$6,232,424	\$5,732,970	\$5,322,061	\$4,074,263	\$3,946,440	\$4,401,211	\$5,497,111	\$5,486,826	\$5,476,906	\$5,468,139	\$5,461,025	\$5,454,676	
14	Cost of Capital	Rate Case	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	
15	Return on Working Capital Requirement	(13) * (14)	\$525,228	\$483,137	\$448,508	\$343,352	\$332,580	\$370,905	\$463,260	\$462,394	\$461,558	\$460,819	\$460,219	\$459,684	\$5,271,644
16	Weighted Cost of Debt	Rate Case	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	
17	Interest Charges Financed	(13) * (16)	\$213,011	\$195,941	\$181,897	\$139,250	\$134,881	\$150,424	\$187,880	\$187,528	\$187,189	\$186,890	\$186,646	\$186,429	\$2,137,967
18	Taxable Income	(15) - (17)	\$312,216	\$287,196	\$266,611	\$204,102	\$197,699	\$220,481	\$275,381	\$274,865	\$274,368	\$273,929	\$273,573	\$273,255	
19	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	
20	Return and Tax Requirement	(18) / (19)	\$480,333	\$441,840	\$410,171	\$314,003	\$304,152	\$339,201	\$423,662	\$422,870	\$422,105	\$421,429	\$420,881	\$420,392	\$4,821,041
21	Working Capital Requirement	(17) + (20)	\$693,344	\$637,781	\$592,068	\$453,253	\$439,033	\$489,626	\$611,542	\$610,398	\$609,294	\$608,319	\$607,528	\$606,821	\$6,959,008
22	Monthly Average	(21) / 12	\$57,779	\$53,148	\$49,339	\$37,771	\$36,586	\$40,802	\$50,962	\$50,866	\$50,775	\$50,693	\$50,627	\$50,568	\$579,917
23	System Balancing Factor	Rate Case	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%	
24	Balancing Related Inventory Costs	(22) * (23)	\$9,707	\$8,929	\$8,289	\$6,346	\$6,146	\$6,855	\$8,562	\$8,546	\$8,530	\$8,516	\$8,505	\$8,495	\$97,426
25	Supply Related Inventory Costs	(22) - (24)	\$48,072	\$44,219	\$41,050	\$31,426	\$30,440	\$33,947	\$42,400	\$42,321	\$42,244	\$42,177	\$42,122	\$42,073	\$482,491

Line No.	Description (a)	Reference (b)	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Total
1	Supply Fixed Costs		\$1,841,268	\$1,804,066	\$2,016,419	\$2,514,271	\$2,518,055	\$2,300,794	\$2,065,655	\$2,477,914	\$2,477,975	\$2,477,975	\$2,477,914	\$2,477,975	\$27,450,282
2	Capacity Release Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Allowable Working Capital Costs	(1) - (2)	\$1,841,268	\$1,804,066	\$2,016,419	\$2,514,271	\$2,518,055	\$2,300,794	\$2,065,655	\$2,477,914	\$2,477,975	\$2,477,975	\$2,477,914	\$2,477,975	\$27,450,282
4	Number of Days Lag	Rate Case	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	
5	Working Capital Requirement	[(3) * (4)] / 365	\$123,087	\$120,601	\$134,796	\$168,077	\$168,330	\$153,806	\$138,088	\$165,647	\$165,651	\$165,651	\$165,647	\$165,651	
6	Cost of Capital	Rate Case	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	
7	Return on Working Capital Requirement	(5) * (6)	\$10,373	\$10,163	\$11,360	\$14,164	\$14,186	\$12,962	\$11,637	\$13,960	\$13,960	\$13,960	\$13,960	\$13,960	
8	Weighted Cost of Debt	Rate Case	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	
9	Interest Expense	(5) * (8)	\$4,207	\$4,122	\$4,607	\$5,745	\$5,753	\$5,257	\$4,720	\$5,661	\$5,662	\$5,662	\$5,661	\$5,662	
10	Taxable Income	(7) - (9)	\$6,166	\$6,042	\$6,753	\$8,420	\$8,433	\$7,705	\$6,918	\$8,298	\$8,298	\$8,298	\$8,298	\$8,298	
11	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	
12	Return and Tax Requirement	(10) / (11)	\$9,486	\$9,295	\$10,389	\$12,954	\$12,973	\$11,854	\$10,642	\$12,766	\$12,767	\$12,767	\$12,766	\$12,767	
13	Supply Fixed Working Capital Requirement	(9) + (12)	\$13,693	\$13,417	\$14,996	\$18,698	\$18,726	\$17,111	\$15,362	\$18,428	\$18,428	\$18,428	\$18,428	\$18,428	\$204,144
14	Storage Fixed Costs		\$943,967	\$952,357	\$721,613	\$783,641	\$783,641	\$999,641	\$1,236,041	\$822,521	\$823,721	\$823,721	\$822,521	\$823,721	\$10,537,104
15	Less: LNG Demand to DAC		\$77,196	\$77,196	\$39,815	\$34,020	\$34,020	\$26,460	\$26,460	\$26,460	\$26,460	\$26,460	\$26,460	\$26,460	\$447,467
16	Less: Credits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Plus: Supply Related LNG O&M Costs		\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$51,549	\$618,591
18	Allowable Working Capital Costs	(14) - (15) + (16)	\$918,320	\$926,710	\$733,348	\$801,170	\$801,170	\$1,024,730	\$1,261,130	\$847,610	\$848,810	\$848,810	\$847,610	\$848,810	\$10,708,229
19	Number of Days Lag	Rate Case	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	
20	Working Capital Requirement	[(17) * (18)] / 365	\$61,389	\$61,950	\$49,024	\$53,558	\$53,558	\$68,503	\$84,306	\$56,662	\$56,742	\$56,742	\$56,662	\$56,742	
21	Cost of Capital	Rate Case	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	
22	Return on Working Capital Requirement	(19) * (20)	\$5,173	\$5,221	\$4,131	\$4,513	\$4,513	\$5,773	\$7,105	\$4,775	\$4,782	\$4,782	\$4,775	\$4,782	
23	Weighted Cost of Debt	Rate Case	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	
24	Interest Expense	(19) * (22)	\$2,098	\$2,117	\$1,676	\$1,830	\$1,830	\$2,341	\$2,881	\$1,937	\$1,939	\$1,939	\$1,937	\$1,939	
25	Taxable Income	(19) - (23)	\$3,075	\$3,103	\$2,456	\$2,683	\$2,683	\$3,432	\$4,223	\$2,839	\$2,843	\$2,843	\$2,839	\$2,843	
26	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	
27	Return and Tax Requirement	(24) / (25)	\$4,731	\$4,774	\$3,778	\$4,128	\$4,128	\$5,279	\$6,497	\$4,367	\$4,373	\$4,373	\$4,367	\$4,373	
28	Storage Fixed Working Capital Requirement	(23) + (26)	\$6,829	\$6,892	\$5,454	\$5,958	\$5,958	\$7,621	\$9,379	\$6,304	\$6,312	\$6,312	\$6,304	\$6,312	\$79,635
1	Supply Variable Costs		\$18,065,386	\$31,739,269	\$33,753,812	\$27,104,239	\$27,160,524	\$15,021,067	\$8,293,738	\$5,094,501	\$4,833,150	\$5,013,954	\$5,700,144	\$11,578,001	\$193,357,785
2a	Less: Non-firm Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2b	Less: Variable Delivery Storage Costs		\$0	\$29,074	\$89,361	\$69,473	\$23,075	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$210,983
2c	Less: Variable Injection Storage Costs		\$5,163	\$488	\$0	\$0	\$1,472	\$16,828	\$17,350	\$13,932	\$8,143	\$7,185	\$361	\$9,372	\$80,294
2d	Less: Fuel Costs Allocated to Storage		\$33,017	\$125,895	\$380,174	\$291,966	\$131,130	\$95,451	\$95,917	\$76,073	\$40,273	\$32,183	\$2,695	\$54,242	\$1,359,015
2e	Less: Supply Refunds		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Total Credits		\$38,180	\$155,458	\$469,535	\$361,439	\$155,676	\$112,279	\$113,267	\$90,005	\$48,416	\$39,368	\$3,056	\$63,614	\$1,650,292
3	Allowable Working Capital Costs	(1) - (2)	\$18,027,206	\$31,583,811	\$33,284,277	\$26,742,800	\$27,004,848	\$14,908,788	\$8,180,471	\$5,004,496	\$4,784,734	\$4,974,587	\$5,697,088	\$11,514,387	\$191,707,493
4	Number of Days Lag	Rate Case	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	
5	Working Capital Requirement	[(3) * (4)] / 365	\$1,205,106	\$2,111,356	\$2,225,031	\$1,787,738	\$1,805,256	\$996,642	\$546,859	\$334,547	\$319,856	\$332,548	\$380,846	\$769,729	
6	Cost of Capital	Rate Case	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	8.43%	
7	Return on Working Capital Requirement	(5) * (6)	\$101,558	\$177,931	\$187,511	\$150,659	\$152,135	\$83,990	\$46,086	\$28,193	\$26,955	\$28,025	\$32,095	\$64,868	
8	Weighted Cost of Debt	Rate Case	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	
9	Interest Expense	(5) * (8)	\$41,188	\$72,162	\$76,047	\$61,101	\$61,700	\$34,063	\$18,690	\$11,434	\$10,932	\$11,366	\$13,017	\$26,308	
10	Taxable Income	(7) - (9)	\$60,370	\$105,769	\$111,464	\$89,558	\$90,435	\$49,927	\$27,395	\$16,759	\$16,023	\$16,659	\$19,079	\$38,560	
11	1 - Combined Tax Rate	Rate Case	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	
12	Return and Tax Requirement	(10) / (11)	\$92,878	\$162,722	\$171,483	\$137,781	\$139,131	\$76,811	\$42,146	\$25,784	\$24,651	\$25,629	\$29,352	\$59,323	
13	Supply Variable Working Capital Requirement	(9) + (12)	\$134,066	\$234,884	\$247,530	\$198,882	\$200,831	\$110,874	\$60,837	\$37,218	\$35,583	\$36,995	\$42,368	\$85,631	\$1,425,699

National Grid
Rhode Island Service Area
Gas Cost Working Capital Calculation

Line No.	Description (a)	Reference (b)	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Total
14	Storage Variable Product Costs		\$964,712	\$4,845,206	\$13,603,707	\$11,820,842	\$3,868,201	\$123,231	\$124,682	\$116,253	\$120,344	\$120,127	\$115,625	\$119,762	\$35,942,692
15	Less: Balancing Related LNG Commodity (to DAC)		(\$5,299)	(\$124,841)	(\$137,916)	(\$101,003)	(\$21,474)	(\$20,703)	(\$20,947)	(\$19,531)	(\$20,218)	(\$20,181)	(\$19,425)	(\$20,120)	(\$531,658)
16	Plus: Supply Related LNG O&M Costs		<u>\$35,844</u>	<u>\$35,844</u>	<u>\$35,844</u>	<u>\$35,844</u>	<u>\$35,844</u>	<u>\$35,844</u>	<u>\$35,844</u>	<u>\$35,844</u>	<u>\$35,844</u>	<u>\$35,844</u>	<u>\$35,844</u>	<u>\$35,844</u>	<u>\$430,129</u>
17	Allowable Working Capital Costs	(14) + (15) + (16)	\$995,257	\$4,756,209	\$13,501,634	\$11,755,683	\$3,882,571	\$138,372	\$139,580	\$132,567	\$135,970	\$135,789	\$132,044	\$135,486	\$35,841,163
18	Number of Days Lag	Rate Case	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	
19	Working Capital Requirement	[(17) * (18)] / 365	\$66,532	\$317,949	\$902,575	\$785,859	\$259,547	\$9,250	\$9,331	\$8,862	\$9,090	\$9,077	\$8,827	\$9,057	
20	Cost of Capital	Rate Case	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	
21	Return on Working Capital Requirement	(19) * (20)	\$5,607	\$26,795	\$76,063	\$66,227	\$21,873	\$780	\$786	\$747	\$766	\$765	\$744	\$763	
22	Weighted Cost of Debt	Rate Case	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	
23	Interest Expense	(19) * (22)	\$2,274	\$10,867	\$30,848	\$26,859	\$8,871	\$316	\$319	\$303	\$311	\$310	\$302	\$310	
24	Taxable Income	(19) - (23)	\$3,333	\$15,928	\$45,215	\$39,368	\$13,002	\$463	\$467	\$444	\$455	\$455	\$442	\$454	
25	1 - Combined Tax Rate	Rate Case	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	
26	Return and Tax Requirement	(24) / (25)	\$5,128	\$24,504	\$69,561	\$60,566	\$20,003	\$713	\$719	\$683	\$701	\$700	\$680	\$698	
27	Storage Var. Product Working Capital Requir.	(23) + (26)	<u>\$7,402</u>	<u>\$35,371</u>	<u>\$100,410</u>	<u>\$87,425</u>	<u>\$28,874</u>	<u>\$1,029</u>	<u>\$1,038</u>	<u>\$986</u>	<u>\$1,011</u>	<u>\$1,010</u>	<u>\$982</u>	<u>\$1,008</u>	<u>\$266,545</u>
1	Storage Variable Non-Product Costs		\$59,522	\$251,112	\$278,355	\$722,877	\$301,367	\$112,279	\$113,267	\$90,005	\$48,416	\$39,368	\$3,056	\$63,614	\$2,083,238
2	Credits		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
3	Allowable Working Capital Costs	(1) - (2)	\$59,522	\$251,112	\$278,355	\$722,877	\$301,367	\$112,279	\$113,267	\$90,005	\$48,416	\$39,368	\$3,056	\$63,614	\$2,083,238
4	Number of Days Lag	Rate Case	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40	
5	Working Capital Requirement	[(3) * (4)] / 365	\$3,979	\$16,787	\$18,608	\$48,324	\$20,146	\$7,506	\$7,572	\$6,017	\$3,237	\$2,632	\$204	\$4,253	
6	Cost of Capital	Rate Case	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	<u>8.43%</u>	
7	Return on Working Capital Requirement	(5) * (6)	\$335	\$1,415	\$1,568	\$4,072	\$1,698	\$633	\$638	\$507	\$273	\$222	\$17	\$358	
8	Weighted Cost of Debt	Rate Case	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	<u>3.42%</u>	
9	Interest Expense	(5) * (8)	\$136	\$574	\$636	\$1,652	\$689	\$257	\$259	\$206	\$111	\$90	\$7	\$145	
10	Taxable Income	(7) - (9)	\$199	\$841	\$932	\$2,421	\$1,009	\$376	\$379	\$301	\$162	\$132	\$10	\$213	
11	1 - Combined Tax Rate	Rate Case	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	
12	Return and Tax Requirement	(10) / (11)	\$307	\$1,294	\$1,434	\$3,724	\$1,553	\$578	\$584	\$464	\$249	\$203	\$16	\$328	
13	Storage Variable Non-product WC Requir.	(9) + (12)	<u>\$443</u>	<u>\$1,867</u>	<u>\$2,070</u>	<u>\$5,376</u>	<u>\$2,241</u>	<u>\$835</u>	<u>\$842</u>	<u>\$669</u>	<u>\$360</u>	<u>\$293</u>	<u>\$23</u>	<u>\$473</u>	<u>\$15,493</u>

