

Income Statement

Niagara Mohawk, a National Grid Company
PSC Case No. 08-G-0609
Company Corrections and Updates
Key Revenue Requirement Inputs
For the Rate year Ending March 31, 2010

WORKPAPER - Corrections & Updates

FORECAST Capital Structure - per A. Dinkel
last update: email 4/15/08

**w/ NEW
ROE
& Rev Req**

**Calc
Rate Yr
Pre Rev Req**

	Total NM Annual Avg	Weighting Percent	Cost	Weighted Cost	Cost	Weighted Cost
Long Term Debt	\$ 2,610,482	45.28%	5.85%	2.65%	5.85%	2.65%
Notes Payable	206,196	3.58%	3.44%	0.12%	3.44%	0.12%
Gas Supplier Refunds	-	0.00%	5.35%	0.00%	5.35%	0.00%
Customer Deposits	37,888	0.66%	3.75%	0.02%	3.75%	0.02%
Preferred Stock	29,264	0.51%	3.62%	0.02%	3.62%	0.02%
Common Equity	2,881,504	49.98%	11.00%	5.50%	2.16%	1.08%
Total	\$5,765,334	100.00%		8.31%	per RY P&L --->	3.89%

C&U

OTHER REVENUE REQUIREMENT INPUTS

Add'l UCB SBC Rev w/grt

Fcast Bad Debts exp RYE 3/31/10 \$ 15,681 + \$ 207 on \$11,507 C&U

Total Fcast Oper Revenue RYE 3/31/10 \$ 871,949 C&U

Forecast Rate Year Rates to apply to Rev Req

Bad Debt % for Rev Req **1.8%** based on Bad Debt workpapers
GRT rate for Rev Req **1.7%** based on GRT study pre-Rev Req (approx 64% of Delivery Rev gets GRT)
Federal Income Tax rate **35.0%**
NYS Income Tax rate **7.1%**

Historic Year EBCAP (excl - \$31.7m Supply WC) \$ 8,946 C&U positive = reduction to Rate Base, negative = addition

General Inflation (from 12/31/07 to 3/31/10) **5.3267%**

Therms	Apr-2009	May-2009	Jun-2009	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009	Jan-2010	Feb-2010	Mar-2010	TME Mar-2010
SC1 Res Non Heat	1,207,516	772,002	557,171	403,253	287,843	334,138	516,070	811,847	1,447,627	1,749,719	1,768,612	1,650,189	11,505,987
SC1 Res Heat	47,954,820	25,486,845	11,832,645	7,565,177	5,509,434	6,097,091	12,189,611	26,268,793	50,787,181	73,591,712	71,819,158	63,899,994	402,780,261
SC2 Res Non Heat	11,925	7,797	4,101	2,886	1,883	3,078	4,239	7,022	14,011	19,068	17,757	16,981	110,746
SC2 Res Heat	166,294	87,747	32,434	27,117	20,146	31,874	49,672	90,826	192,272	254,630	250,676	237,280	1,440,968
SC2 Comm Non Heat	286,872	153,359	174,428	141,557	135,718	151,550	111,966	215,003	355,902	463,908	459,036	402,678	3,051,977
SC2 Comm Heat	13,119,797	6,008,763	2,400,755	2,163,605	1,802,743	1,953,191	3,700,082	7,010,848	14,474,236	21,615,795	21,985,254	19,953,563	116,196,632
SC2 Industrial	240,816	114,151	80,251	57,908	38,888	25,276	84,833	166,662	318,756	425,406	391,818	339,137	2,283,702
SC3 Comm Non Heat	69,859	53,139	42,403	37,267	36,242	36,361	60,274	77,260	91,885	91,885	91,082	84,126	728,787
SC3 Comm Heat	306,178	210,540	153,412	103,928	103,928	103,928	170,456	248,962	350,353	437,639	432,849	391,335	3,013,508
SC3 Industrial	112,701	64,402	52,522	45,643	46,694	95,440	99,789	128,699	129,166	137,109	137,109	137,060	1,188,534
SC4 Comm Heat	515,740	252,600	252,600	252,600	252,600	252,600	477,315	610,587	791,040	886,860	791,040	705,921	6,041,503
SC5 Firm	5,529,978	4,772,149	4,320,681	4,067,160	4,523,448	4,597,475	6,008,619	6,595,156	7,719,801	8,490,802	7,608,610	7,265,054	71,496,733
SC6 Interruptible	6,715,338	6,715,338	6,820,171	7,421,188	7,034,001	6,789,396	6,715,338	6,715,338	6,715,338	6,715,338	6,715,338	6,833,747	81,905,889
SC7 Firm	4,956,445	2,316,382	1,576,282	1,701,227	1,604,728	1,676,105	4,008,049	6,048,434	8,735,740	10,177,600	8,789,609	7,615,672	59,204,273
SC8 Trans includes STBY	9,783,943	8,489,492	7,645,928	7,153,174	7,598,127	7,562,076	10,152,097	10,638,594	11,805,003	14,213,415	12,601,505	13,097,791	120,721,145
SC1 Res Non Heat MB	233,142	134,489	64,677	81,811	52,458	59,780	83,118	151,000	258,480	352,610	351,055	323,004	2,148,524
SC1 Res Heat MB	11,060,408	5,784,129	2,900,094	1,861,254	1,406,106	1,791,687	3,172,293	6,821,261	12,830,473	18,683,008	18,629,242	16,358,828	101,298,781
SC2 Res Non Heat MB	1,112	649	353	210	181	240	501	848	1,317	1,722	1,699	1,507	10,337
SC2 Res Heat MB	122,245	61,475	36,177	25,691	19,592	22,876	37,795	70,325	133,476	180,540	194,249	166,223	1,070,664
SC2 Comm Non Heat MB	332,643	267,159	239,956	202,873	202,728	203,080	248,320	295,321	361,998	419,058	415,907	388,817	3,575,860
SC2 Comm Heat MB	9,478,072	4,377,070	2,312,428	975,457	1,312,303	1,173,571	2,756,076	6,492,463	11,754,169	16,322,898	16,125,078	14,042,422	87,122,027
SC2 Industrial MB	130,422	73,904	51,316	45,505	38,194	44,567	44,567	89,538	133,515	187,127	211,871	188,392	1,248,918
SC10 Natural Gas Vehicles	10	10	10	10	10	10	10	10	10	10	10	10	120
SC12 DG < 250 K	20,510	20,510	20,510	20,510	20,510	20,510	20,510	20,510	20,510	20,510	20,510	20,510	248,120
NYSEG Transp	209,071	114,774	74,247	68,231	69,008	75,874	172,403	282,993	442,254	522,318	442,647	362,160	2,833,980
Special Contracts	23,462,154	18,345,505	36,633,431	47,395,463	41,682,251	34,145,033	12,004,041	15,272,403	15,381,662	11,634,214	27,205,178	24,520,028	307,681,363
Total	136,028,011	84,662,160	78,099,063	81,798,905	73,799,564	67,248,827	62,869,559	95,122,635	145,211,560	187,694,699	197,456,909	179,012,427	1,388,904,319

Throughput

Total w/o SC4,6,10,9, and NYSEG	105,125,698	59,233,933	34,318,604	26,663,413	24,761,694	25,985,814	43,500,452	72,241,304	121,881,258	167,835,959	162,302,696	146,590,561	990,441,484
EDZR	2,690,935	1,953,728	1,432,550	1,197,327	1,124,276	1,092,110	1,160,495	1,571,031	2,473,858	2,428,055	3,190,854	3,240,042	23,583,259
Total EDZR	4,088,270	486,486	338,688	248,339	207,562	194,899	206,378	272,346	428,855	420,568	553,150	561,677	4,088,270
Throughput w/o EDZR	101,968,277	58,941,519	32,637,715	25,258,524	23,442,519	24,704,482	42,103,579	70,397,927	118,978,543	164,989,336	158,558,692	142,788,842	962,769,955

SBC

Effective Oct 2008 - Dec 2009	\$/Therm	\$ 928,931.00	\$ 516,737.24	\$ 297,329.58	\$ 230,105.15	\$ 213,561.35	\$ 225,057.83	\$ 383,563.61	\$ 641,325.12	\$ 1,083,894.53	\$ 2,402,244.73	\$ 2,308,614.56	\$ 2,079,005.54	\$ 11,312,370.23
Effective Jan 2010 - Dec 2010	\$/Therm	0.01458												

Program Cost Component

Effective Oct 2008 - Dec 2009	\$/Therm	\$ 845,317.01	\$ 472,045.20	\$ 270,566.65	\$ 209,393.16	\$ 194,338.49	\$ 204,800.15	\$ 349,038.67	\$ 583,598.82	\$ 986,332.12	\$ 2,192,708.27	\$ 2,107,245.02	\$ 1,897,683.71	\$ 10,313,047.26
Effective Jan 2010 - Dec 2010	\$/Therm	0.01329												

Performance Incentive Component

Effective Oct 2008 - Dec 2009	\$/Therm	\$ 74,436.84	\$ 41,567.31	\$ 23,825.53	\$ 18,438.72	\$ 17,113.04	\$ 18,034.27	\$ 30,735.61	\$ 51,390.49	\$ 86,854.34	\$ 209,536.46	\$ 201,389.54	\$ 181,341.83	\$ 954,643.98
Effective Jan 2010 - Dec 2010	\$/Therm	0.00127												

Lost Revenue Component

Effective Oct 2008 - Dec 2009	\$/Therm	\$ 9,177.14	\$ 5,124.74	\$ 2,937.39	\$ 2,273.27	\$ 2,109.83	\$ 2,223.40	\$ 3,789.32	\$ 6,335.81	\$ 10,708.07	\$ -	\$ -	\$ -	\$ 44,678.98
	\$/Therm	0.00008												

Total 11,312,370.23

Assumes implementation of Revenue Decoupling Mechanism

08/27/2008

+395,033.55

GRAT \$811 4.00 945

TME 3/31/10
Allocated to Gas

Gas Depreciation	\$	42,175,202	\$	42,175,202
Common Depreciation Expense	\$	9,563,081	\$	1,434,462
Total to Gas			\$	43,609,665

*C&U
Depreciation Exp.
Summary Output*

Operating Revenues

	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	
Number of Reconnections	208	183	203	233	112	79	99	86	56	39	44	231	1573
Current Rate	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	
Existing Revenue as shown on Exhibit	\$ 8,528	\$ 7,503	\$ 8,323	\$ 9,553	\$ 4,592	\$ 3,239	\$ 4,059	\$ 3,526	\$ 2,296	\$ 1,599	\$ 1,804	\$ 9,471	\$ 64,493
Proposed Rate	\$ 53.13	\$ 53.13	\$ 53.13	\$ 53.13	\$ 53.13	\$ 53.13	\$ 53.13	\$ 53.13	\$ 53.13	\$ 53.13	\$ 53.13	\$ 53.13	
	11051	9723	10785	12379	5951	4197	5260	4569	2975	2072	2338	12273	\$ 83,573
Rate Increase Amount													\$ 19,080

Income Taxer

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Taxes AND

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NIAGARA MOHAWK POWER CORPORATION
FEDERAL INCOME TAX (FIT) ACCRUAL
FOR YEAR ENDED 03/31/2010

		FOR THE YEAR	From 4/1/09 to 3/31/10
	ACTIVITY		
Current Provision	410100/236101	5,537,000	5,537,000
Current Provision-AMT	410100/236101	<u>5,537,000</u>	<u>5,537,000</u>
DEFERRED FEDERAL INCOME TAX-CURRENT YEAR:			
Depreciation Differences	410100/282250	9,539,000	9,539,000
Cost of Removal	410100/282250	<u>986,000</u>	<u>986,000</u>
TOTAL CURRENT YEAR	0	<u>10,525,000</u>	<u>10,525,000</u>
DEFERRED FEDERAL INCOME TAX-PRIOR YEAR:			
Cost of Removal	282250/411100	(1,018,000)	(1,018,000)
HRP - Severance & Pension Deferral	283400/411100	(2,000)	(2,000)
Voluntary Early Retirement Offer (VERO)	283400/411100	(67,000)	(67,000)
NYS SALES TAX AUDIT ASSESSMENT (1988-1992)	283400/411100	(23,000)	(23,000)
Incentive Return on Retirement Funding	283400/411100	(1,542,000)	(1,542,000)
PENSION SETTLEMENT LOSS FY2003	283400/411100	(770,000)	(770,000)
80/20 Rev Sharing Mechanism	283400/411100	(1,841,000)	(1,841,000)
SIR Expenditures Deferred - Gas	283400/411100	(950,000)	(950,000)
Pension Expense Deferred	283400/411100	(3,306,000)	(3,306,000)
OPEB Expense Deferred	283400/411100	(6,068,000)	(6,068,000)
Gas Contingency Reserve	410100/190350	1,303,000	1,303,000
IBM CUSTOMER SYSTEM SETTLEMENT AGREEMENT	410100/190350	131,000	131,000
Gas Non-Core Revenue Sharing	410100/190350	417,000	417,000
GRT Customer Refund (2000) - Gas	410100/190350	919,000	919,000
LOSS ON SALE OF BUILDING	410100/190350	22,000	22,000
BONUS DEPRECIATION ADJUSTMENT	410100/190350	877,000	877,000
GRT AUDIT REFUND (1991-1994)	410100/190350	81,000	81,000
KEYSPAN ENERGY MERGER SAVINGS	410100/190350	62,000	62,000
Medicare Act tax benefit defer	410100/190350	1,428,000	1,428,000
Gas R&D Ventures Deferral	410100/190350	37,000	37,000
FIT on Deferred SIT	410100/190350	<u>385,000</u>	<u>385,000</u>
TOTAL PRIOR YEARS DFTT	0	<u>(9,925,000)</u>	<u>(9,925,000)</u>
TOTAL FIT CHARGED TO EXPENSE		<u>6,137,000</u>	<u>6,137,000</u>
FEDERAL INCOME TAX CHARGED TO OTHER INCOME:			
ITC	255000/420000	(285,000)	(285,000)
TOTAL CHARGED TO OTHER INCOME		<u>(285,000)</u>	<u>(285,000)</u>
NET FEDERAL INCOME TAX EXPENSE		<u>5,852,000</u>	<u>5,852,000</u>

NIAGARA MOHAWK POWER CORPORATION
STATE INCOME TAX (SIT) ACCRUAL
FOR YEAR ENDED 03/31/10

		FOR THE YEAR	From 4/1/09 to 3/31/10
Current Provision	409121/236417	1,559,000	1,559,000
DEFERRED STATE INCOME TAX-CURRENT YEAR:			
Depreciation Differences	411150/282650	830,000	830,000
Cost of Removal	411150/282650	250,000	250,000
TOTAL CURRENT YEAR	0	1,080,000	1,080,000
DEFERRED STATE INCOME TAX-PRIOR YEAR:			
Voluntary Early Retirement Offer (VERO)	283500/411150	(14,000)	(14,000)
Incentive Return on Retirement Funding	283500/411150	(313,000)	(313,000)
PENSION SETTLEMENT LOSS FY2003	283500/411150	(156,000)	(156,000)
80/20 Rev Sharing Mechanism	283500/411150	(374,000)	(374,000)
SIR Expenditures Deferred - Gas	283500/411150	(193,000)	(193,000)
Pension Expense Deferred	283500/411150	(671,000)	(671,000)
OPEB Expense Deferred	283500/411150	(1,231,000)	(1,231,000)
SIR Invest & Remediation Exp- Elect.	283500/411150	(5,000)	(5,000)
LOSS ON SALE OF BUILDING	410150/190650	4,000	4,000
GRT Customer Refund (2000) - Gas	410150/190650	187,000	187,000
BONUS DEPRECIATION ADJUSTMENT	410150/190650	178,000	178,000
GRT AUDIT REFUND (1991-1994)	410150/190650	16,000	16,000
KEYSPAN ENERGY MERGER SAVINGS	410150/190650	12,000	12,000
Gas Non-Core Revenue Sharing	410150/190650	84,000	84,000
Medicare Act tax benefit defer	410150/190650	290,000	290,000
Gas R&D Ventures Deferral	410150/190650	7,000	7,000
TOTAL PRIOR YEARS SIT	0	(2,179,000)	(2,179,000)
TOTAL SIT CHARGED TO EXPENSE		460,000	460,000
STATE INCOME TAX CHARGED TO OTHER INCOME:			
TOTAL CHARGED TO OTHER INCOME		0	0
NET STATE INCOME TAX EXPENSE		460,000	460,000
FAS 109 ADJUSTMENTS			
Gas Contingency Reserve	190651/254530	398,000	398,000
IBM CUSTOMER SYSTEM SETTLEMENT AGREEMENT	190651/254530	27,000	27,000
TOTAL FAS 109 ADJUSTMENTS	0	425,000	425,000

TOTAL STATE ACCRUAL ADJUSTMENTS

885,000 885,000

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

PSC Case No. 08-G-0609

Company Corrections and Updates

Tax Deduction for Gas Interest Expense

For the Rate Year Ending March 31, 2010

(\$000's)

	<u>Original Filing</u> <u>Rate Year Ending</u> <u>March 31, 2010</u>	<u>Corrections &</u> <u>Updates</u>	<u>Corrections &</u> <u>Updates Filing</u> <u>Rate Year Ending</u> <u>March 31, 2010</u>
Avg Rate Base Per Books	\$ 1,135,355	\$ (17,168)	\$ 1,118,187
Plus: Forecast of Avg Interest Bearing CWIP	14,288	-	14,288
Less: Rate Base moved to GAC	-	-	-
Less: Excess Earnings Adj (EBCAP)	41,206	(513)	40,693
Rate Base	<u>1,108,437</u>	<u>(16,655)</u>	<u>1,091,782</u>
Weighted Cost of LTD Debt	2.65%	0%	2.65%
Weighted Cost of Notes payable	0.12%	0%	0.12%
Weighted Cost of Gas Supplier Ref	0.00%	0%	0.00%
Weighted Cost of Cust Deposits	0.02%	0%	0.02%
subtotal weighted cost of debt	<u>2.79%</u>	<u>0.00%</u>	<u>2.79%</u>
Total Income Tax Interest Deduction	<u>\$ 30,925</u>	<u>\$ (464)</u>	<u>\$ 30,461</u>

Date of Request: 7/7/08

Request No.: RAV-24

NMPC Req. No.: NM 166 DPS-162 RAV-24 A SUPP

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 08-G-0609 Gas Rate Case

Request for Information

FROM: Robert Visalli

Request:

Regarding Exhibit PAL-5, Schedule 2, Sheet 1 (Federal Income Taxes) and Exhibit PAL-7, Summary (ADFIT), please provide the following information:

- A.
 1. Fully explain why a rate year federal income tax deduction was not taken for "dividends paid on certain preferred stock of public utilities".
 2. Include the actual federal income tax deduction for this item for each of the past three fiscal years, split between electric and gas.
 3. If a rate year deduction should have been forecasted, provide the amount, along with the supporting calculation and explanation as to how the amount was derived.
- B.
 1. Fully explain why rate year federal income tax credits were not taken for each of the following items:
 - a. Federal telephone excise tax
 - b. Federal tax paid on fuels
 - c. Empowerment zone and renewal community employment credit
 2. Include the actual federal income tax credits for each of the past three fiscal years, split between electric and gas.
 3. If rate year tax credits should have been forecasted for any or all of the above potential tax credits, provide the amounts, along with supporting calculations and explanations as to how the amounts were derived.
- C.
 1. Fully explain why a rate year federal income tax "reach-out" deduction was not forecasted for property taxes.
 2. Include the actual federal income tax property tax "reach-out" deduction for each of the past three fiscal years, split between electric and gas.
 3. If a rate year "reach-out" deduction should have been forecasted, provide the amount, along with the supporting calculation and explanation as to how the amount was derived.
- D. Please provide the Excel spreadsheet which provides the build-up of gas ADFIT from 12/31/07 actuals thru 3/31/10, by period (e.g., YE 12/31/07, FYE 3/31/08, FYE 3/31/09 and RYE 3/31/10), by component. ADFIT related to "Non Rate Base Adjustments" should be itemized & shown as a separate component.

Response:

This response is a correction to the response previously provided for RAV-24 A, Part 3.

(3) The initial response used a 13.67% (historic) Gas allocation when calculating the tax deduction relevant to three particular Preferred Stock dividend payments. After discussion with DPS Staff, the Company agrees the gas allocation should be representative of the Rate Year forecast. The following shows the development of a revised Gas allocation percentage of 18.9%:

Interest Tax Deduction
PAL-8 Vol A, Pg 35

		<u>RY Forecast</u>
Rate Base	\$	1,135,355
plus		
IBCWP	\$	14,288
less		
EBCAP	\$	41,206
Rate Base	\$	1,108,437
AED-1, Sched 2, Sht 3	PS Cap %	<u>0.5%</u>
Est. GAS Rate Base supported by PS	\$	5,542
AED-1, Sched 2, Sht 3	Total PS	\$ 29,265
Est. GAS PS % of Total PS		<u>18.9%</u>

The revised table below shows the Rate Year tax deduction would be \$80,000 for gas, resulting in a decrease in Gas federal tax expense of \$28,000. This is a deduction for federal income tax purposes only and is a permanent timing difference so there are no deferred taxes associated with this item. As stated in the initial response, this tax reduction was not included in the Company's filing, so this will be included in Corrections & Updates.

Revised table:

NIAGARA MOHAWK POWER CORPORATION
DEDUCTION FOR DIVIDENDS PAID ON CERTAIN PREFERRED STOCK
SECTION 247 DEDUCTION
FOR RATE YEAR ENDED 3/31/2010

3.40% FORMER CENTRAL NEW YORK POWER COMPANY	196,000
3.60% FORMER BUFFALO NIAGARA ELECTRIC CORPORATION	494,000
3.90% FORMER NEW YORK POWER & LIGHT CORPORATION	<u>370,000</u>
	<u>1,060,000</u>
14/35'S THEREOF (FEDERAL DEDUCTION)	<u>424,000</u>
GAS PERCENTAGE	18.9%
GAS DEDUCTION FOR FEDERAL INCOME TAXES	80,000
GAS FEDERAL INCOME TAX REDUCTION	28,000

Name of Respondent:

Sue Wilder

Date of Reply:

July 18, 2008

WORKPAPER
Exhibit (PAL-SP)
Schedule 3

Witness: P.A. Luvera

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Statement of Accumulated Deferred Federal and State Taxes
For the Year Ending December 31, 2007 and the Rate Year Ending March 31, 2010
(\$000's)

Corrections & Updates

	2008-2009			Without Rate Relief				Average	With Rate Relief				Average
	Balance 12/31/07	Net Additions & Adjustments & C&U	Non Rate Base Adjustments	03/31/09 Balance	2009-2010 Additions	2009-2010 Deductions	03/31/10 Balance		03/31/09 Balance	2009-2010 Additions	2009-2010 Deductions	03/31/10 Balance	
Other - Federal	\$ (122,242)	\$ (19,624)	\$ 101,065	\$ (40,801)		\$ 3,440	(37,361)	\$ (39,081)	\$ (40,801)		\$ 3,440	\$ (37,361)	\$ (39,081)
Other - State	(24,840)	(1,686)	21,523	(5,003)		591	(4,412)	(4,708)	(5,003)		591	(4,412)	(4,708)
Investment Tax Credit (Federal Only)	5,637	(356)		5,281		(285)	4,996	5,139	5,281		(285)	4,996	5,139
Depreciation - Federal	267,731	17,547	(86,483)	198,796	10,525	(1,018)	208,303	203,550	198,796	10,525	(1,018)	208,303	203,550
Depreciation - State	10,518	1,013	(6)	11,525	1,080		12,605	12,065	11,525	1,080		12,605	12,065
Other - Federal	43,945	22,826	(54,474)	12,297		(3,406)	8,891	10,594	12,297		(3,406)	8,891	10,594
Other - State	21,477	4,794	(23,561)	2,709		(692)	2,017	2,363	2,709		(692)	2,017	2,363
Total	\$ 202,225	\$ 24,514	\$ (41,935)	\$ 184,804	\$ 11,605	\$ (1,370)	195,039	\$ 189,922	\$ 184,804	\$ 11,605	\$ (1,370)	\$ 195,039	\$ 189,922

Date of Request 8/14/08

Request No. RAV-49

NMPC Req. No. NM 279 DPS-271 RAV-49 A

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid
Case 08-G-0609 Gas Rate Case
Request for Information

FROM: Robert Visalli

Request:

Regarding the Company's rate year forecast of Gas ADFIT and ADSIT as set forth on pages 74 – 79 of Exhibit ____ (PAL-8) Volume A, please provide the following information:

- A. Per Exhibit ____ (PAL-7), Schedule 6, the Company is forecasting an average unbilled revenue regulatory asset of \$13,946,000, mostly offset by an average unbilled revenue regulatory liability of \$13,298,000. However, the ADFIT for unbilled revenues included in the rate year forecast is \$16,152,000.
 - a. Please explain and provide supporting workpapers / calculations for the \$16,152,000 amount
 - b. Please explain how this ADFIT amount relates to the unbilled revenue regulatory asset of \$13,946,000, mostly offset by an average unbilled revenue regulatory liability of \$13,298,000. Provide supporting workpapers / calculations. If an adjustment is required to correct the \$16,152,000, fully explain how the adjustment was derived, and provide supporting workpapers / calculations.
- B. Fully explain what the \$929,000 rate year ADFIT adjustment related to "Capitalized 263A Inventory Costs" represents and why it should be accorded rate base treatment.
- C. Same as B. for the \$6,545,951 rate year ADFIT adjustment related to "FAS 158 – OPEB". Also explain why this OPEB component appears to be receiving different ratemaking treatment (i.e., being included in rate base) than all other OPEB items (i.e., not being included in rate base)
- D. Per Exhibit ____ (PAL-7), Schedule 6, the Company is forecasting an average "Gas Non-Core Revenue Sharing" liability in rate year rate base of \$447,000. However, the rate year ADFIT for Gas Non-Core Revenue Sharing is \$2,440,000. Provide the same information on this item as requested in A. above.
- E. Same as B. for the \$769,000 rate year ADFIT adjustment related to "Merger Rate Plan Delay".
- F.
 - a. Same as B. for the \$4,558,184 rate year ADFIT adjustment related to "FIT on Deferred SIT".
 - b. Show how this amount of ADFIT ties into the Company's rate year forecast of Deferred SIT.

- G. Same as A for the \$3,158,000 ADSIT adjustment for unbilled revenues included in the rate year forecast.
- H. Same as B. for the 73,000 ADSIT adjustment for Capitalized 263A Inventory Costs.
- I. Same as C. for the \$1,514,729 ADSIT related to FAS 158 – OPEB.
- J. Per Exhibit ____ (PAL-7), Schedule 6, the Company is forecasting an average “80/20 revenue sharing mechanism” asset in rate year rate base of \$1,972,000. However, the rate year ADFIT for 80/20 revenue sharing mechanism is (\$598,500). Provide the same information on this item as requested in A. above.
- K. Per Exhibit ____ (PAL-7), Schedule 6, the Company is forecasting an average “incentive return on retirement funding” asset in rate year rate base of \$10,842,000. However, the rate year ADFIT for incentive return on retirement funding is (\$9,871,000). Provide the same information on this item as requested in A. above.
- L. Same as K. for the (\$2,106,500) ADSIT adjustment for incentive return on retirement funding.
- M. Please provide a reconciliation between the \$1,878,000 average rate year ADFIT for cost of removal per page 77 of Exhibit ____ (PAL-8), Volume A and the average rate year ADFIT for cost of removal that can be derived from page 40 of Exhibit ____ (PAL-8), Volume A. Include supporting calculations and, to the extent there is a difference, explain which average rate year ADFIT for cost of removal should be used for revenue requirement in this case.

Response:

A.

- a. The \$16,152,000 in ADFIT relates to tax unbilled revenues. The latest tax unbilled revenues reflected in the historic year are for the FYE 3/31/07. Unbilled revenues for tax are calculated march of each fiscal year. Attachment 1 is the tax return workpaper for FYE 3/31/07 showing gas unbilled revenues for tax of \$72,681,194.

			<u>Timing Difference</u>	<u>Federal Rate</u>	<u>ADFIT</u>
Attachment 1	FYE 3/31/07	Gas Unbilled Revenues for Tax	72,681,194	35.00%	25,438,000

- b. This ADFIT does not relate to the unbilled revenue regulatory asset and unbilled revenue regulatory liability.

			<u>Timing Difference</u>	<u>Federal Rate</u>	<u>ADFIT</u>
Attachment 2	FYE 3/31/07	Gas Utility Revenues Accrued	(17,700,000)	35.00%	(6,195,000)
Attachment 3	FYE 3/31/07	Accrued Unbilled Revenues			
		Deferred	17,052,000	35.00%	5,968,000
					<u>(227,000)</u>

The \$227,000 of deferred taxes is located on page 78 (Attachment 4).

The timing differences for electric unbilled revenues reversed in 1999 when the book methodology for electric unbilled revenues was changed to the same method used on the tax return. \$10,061,000 of deferred taxes related to unbilled revenues is currently classified as electric. See Attachment 5, which also indicates that the deferred taxes related to unbilled revenues for electric are not included in rate base.

The Company is presently underprovided for ADFIT related to tax unbilled revenues. ADFIT should total \$25,438,000 instead of the \$16,152,000 currently shown. The Company proposes the following: Transfer ADFIT of \$9,448,000 currently shown as electric to gas. Transfer the (\$162,000) still remaining in Unbilled Revenues for Rates to the 190 Taxes (Attachment 4).

Gas Tax Unbilled Revenues ADFIT	16,152,000
Electric Tax Unbilled Revenues ADFIT	9,448,000
Unbilled Revenues for Rates - Gas	<u>(162,000)</u>
	<u>25,438,000</u>

Name of Respondent:

Sue Wilder

Date of Reply:

August 29, 2008

SS 42

NIAGARA MOHAWK POWER CORPORATION
GAS UNBILLED REVENUES
FYE 3/31/07

GROSS UNBILLED REVENUES	\$73,803,000	
GROSS RECEIPTS	(1,121,806)	
NET 3/31/07 UNBILLED REVENUES	72,681,194	
LESS 3/31/06 NET UNBILLED REVENUES	65,232,167	
NET INCREASE IN UNBILLED REVENUES	7,449,027	ADDBACK

NIAGARA MOHAWK POWER CORPORATION
ACCRUED UTILITY REVENUES
PEOPLESFT ACTIVITIES 173000 & 173001
FYE 3/31/07

	<u>173000</u>	<u>173001</u>	
	<u>ELECTRIC</u>	<u>GAS</u>	<u>TOTAL</u>
BALANCE AT 3/31/06	\$132,652,000.01	\$6,200,000.00	\$138,852,000.01
ADD: ACCRUALS (OFFSET TO ACTIVITY 254511) <u>II-13</u>		11,500,000.00	\$11,500,000.00
ACCUALS (OFFSET TO INCOME)	19,443,999.99		\$19,443,999.99

BALANCE AT 3/31/07	\$152,096,000.00	\$17,700,000.00	\$169,796,000.00
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WTB-2

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WTB-2

Gas Unbilled Revenues

FINANCIAL STATEMENT TREATMENT - See WP II 13
 SEE WP SS 42 FOR TAX TREATMENT

Electric Unbilled Revenues

Books methodology of calculating unbilled revenues now agrees with the tax methodology and requires no schedule M adjustment.

NIAGARA MOHAWK POWER CORPORATION
ACCRUED UNBILLED REVENUES DEFERRED - GAS
PEOPLESFT ACTIVITY 254511
FYE 3/31/07

BALANCE AT MARCH 31, 2006	\$5,552,000.00
ADD DEFERRAL (OFFSET TO INCOME)	\$0.00
ADD DEFERRAL (OFFSET TO ACTIVITY 173001) <i>G</i>	\$11,500,000.00
DEDUCT REVERSAL (OFFSET TO ACTIVITY 173001)	\$0.00
DEDUCT AMORTIZATION	\$0.00
BALANCE AT MARCH 31, 2007	\$17,052,000.00

WTB-11

	AMOUNT
APRIL 6123	100,000.00
MAY 6123	(1,000,000.00)
JUNE 6123	(2,200,000.00)
JULY 6123	3,200,000.00
AUGUST 6123	(1,200,000.00)
SEPTEMBER 6123	(1,100,000.00)
OCTOBER 6123	700,000.00
NOVEMBER 6123	400,000.00
DECEMBER 6123	(6,900,000.00)
JANUARY 6123	(1,700,000.00)
FEBRUARY 6123	(1,400,000.00)
MARCH 6123	(400,000.00)
TOTAL	(\$11,500,000.00)

TAX TREATMENT ON WP SS 42.

NEW YORK STATE

All post 1999

05/08/08
12:17:39 PM

NIAGARA MOHAWK POWER CORPORATION DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES
FOR THE RATE YEAR ENDING MARCH 31, 2010

Excluded from Rate Base			Balance 03/31/2009	Additions	Deductions	Balance 03/31/2010
Deferred Item						
DO NOT USE	Executive Deferred Compensation Trust	35.00%	567,684			567,684
DO NOT USE	Gas Revenue Sharing	35.00%	875,000			875,000
DO NOT USE	Unbilled revenues for Rates	34.00%	(162,000)			(162,000)
DO NOT USE	Unbilled revenues for Rates	35.00%	(227,000)			(227,000)
	Bond Redemption & Amort	35.00%	(1,339,000)			(1,339,000)
182458	FAS 158 Pension	35.00%	(11,298,090)			(11,298,090)
182459	FAS 158 OPEB	35.00%	(17,765,861)			(17,765,861)
182501/182502	Fuel Deferral	35.00%	(14,928,000)			(14,928,000)
DO NOT USE	TOP Gas Deferral	35.00%	34,000			34,000
182510/511	SFAS 106 OPEB	35.00%	1,032,000			1,032,000
182518	NYS Sales Tax Audit Assessment(1984-1988)	35.00%	35,000			35,000
DO NOT USE	FAS 112 OPEB	35.00%	140,000			140,000
182326	PENSION SETTLEMENT LOSS FY2003	35.00%	(2,034,000)		815,000	(1,219,000)
DO NOT USE	IRS Interest Assessment (1989-1990)	35.00%	(31,000)			(31,000)
DO NOT USE	UCB Regulatory Asset	35.00%	(783,000)			(783,000)
182518	NYS Sales Tax Audit (6/88-11/92)	35.00%	(64,000)		25,000	(39,000)
182533	80/20 Rev Sharing Mechanism	35.00%	(1,519,000)		1,841,000	322,000
182537	SRI Expenditures Deferred - Gas	35.00%	(2,960,000)		1,071,000	(1,889,000)
182549	Electronic Data Interchange (EDI)	35.00%	(42,000)			(42,000)
182550	Merger Fair Value Pension Adjustment-Gas	35.00%	(2,552,000)			(2,552,000)
182550	Merger Fair Value OPEB Adjustment-Gas	35.00%	(8,326,000)			(8,326,000)
182553/562	Pension Expense Deferred	35.00%	(10,582,000)		3,566,000	(6,995,000)
182554/561	OPEB Expense Deferred	35.00%	(16,050,000)		6,758,000	(9,292,000)
182551	Voluntary Early Retirement Offer (VERO)	35.00%	(224,000)		67,000	(157,000)
182324	Enhanced Severance Plan	35.00%	(5,000)			(5,000)
182326	Pension - AML	35.00%	(8,856,956)			(8,856,956)
182563	Incentive Return on Retirement Funding - Electric/Gas	35.00%	(10,713,000)		1,604,000	(9,029,000)
186510/515/520	Other WIP - PACE	35.00%	757,000			757,000
DO NOT USE	Insulation Credits	34.00%	(2,015,000)			(2,015,000)
DO NOT USE	Gas Project Fund Costs Deferred	35.00%	(3,000)			(3,000)
DO NOT USE	Land Management Program Costs	35.00%	1,000			1,000
	SERP Pension Intangible Asset	35.00%	(675,000)			(675,000)
253027	HPP - Severance & Pension Enhancement Deferral	35.00%	(3,000)		2,000	(1,000)
DO NOT USE	NM Suburban - Weaver Gas	35.00%	392,000			392,000
	SERP Unrealized Appreciation	35.00%	(107,602)			(107,602)
	Deferred Gains/Losses on Hedging Activity	35.00%	1,729,961			1,729,961
Total a/c 283400/401			(107,830,864)	0	15,829,000	(92,001,864)
Account 283402 (263.00 003) - Federal:						
	FAS 109		19,000			19,000
Account 283403 (263.00 004) - Federal:						
	FAS 109		27,267,000			27,267,000
Account 283404 (263.00 005) - Federal:						
	FAS 109		13,161,308			13,161,308
Account 283500/503 (263.01 001 & 002) - New York State:						
DO NOT USE	Worthless Stock	7.50%	18,000			18,000
	Executive Deferred Compensation Trust	7.50%	86,225			86,225
	Bond Redemption & Amortization	7.50%	(79,000)			(79,000)

Attachment 5

Federal

	PeopleSoft Activity		9 12/31/06	9 12/31/07	GAS ONLY 03/31/09	GAS ONLY 03/31/10
A/C 149	190350	ELECTRIC GAS TOTAL	(702,419) (81,834) (784,253)	(770,659) (111,791) (882,450)	(122,468) (122,468)	(116,426) (116,426)
A/C 149 003	190352	ELECTRIC GAS	2,856 14	2,856 14	14	14
149 004	190353	ELECTRIC GAS	(13,445) (7,115)	(12,442) (7,115)	(7,115)	(7,115)
149 005	190354	ELECTRIC GAS	(5,751) (3,350)	(5,210) (3,350)	(3,350)	(3,350)
A/C 243	255000	ELECTRIC GAS TOTAL	30,137 5,918 36,055	27,596 5,637 33,233	5,281 5,281	4,996 4,996
A/C 261	281058	ELECTRIC GAS TOTAL	0	0	0	0
A/C 261 003	281058					
A/C 262	282250	ELECTRIC GAS TOTAL	645,804 163,069 808,873	640,833 181,249 822,082	198,797 198,797	208,303 208,303
A/C 262.003	282470	ELECTRIC GAS	(17,416) (3,956)	(17,416) (3,956)	(3,956)	(3,956)
A/C 262.004	282471	ELECTRIC GAS	143,263 60,806	136,281 60,806	60,806	60,806
A/C 262.005	282472	ELECTRIC GAS	21,549 29,632	17,789 29,632	29,632	29,632
a/c 263	283400	ELECTRIC GAS TOTAL	1,292,028 58,365 1,350,393	1,283,577 84,392 1,367,969	107,831 107,831	92,002 92,002
a/c 263.003	283402	ELECTRIC GAS	(59) (19)	(59) (19)	(19)	(19)
a/c 263.004	283403	ELECTRIC GAS	(965) (27,267)	(155) (27,267)	(27,267)	(27,267)
a/c 263.005	283404	ELECTRIC GAS	(1,890) (13,161)	(1,454) (13,161)	(13,161)	(13,161)
		FAS 109 ADJ. Electric Gas				
TOTAL		ELECTRIC GAS TOTAL	1,393,692 181,102 1,574,794	1,301,537 195,071 1,496,608	0 225,025 225,025	0 224,459 224,459
FAS 109:		ELECTRIC GAS	128,142 35,584	120,190 35,584	0 35,584	0 35,584
WITHOUT FAS 109		ELECTRIC GAS	1,265,550 145,518	1,181,347 159,487	0 189,441	0 188,875
A/C 149 Tax 131.11	Tax Tax	ELECTRIC Unbilled Revenues Inventory Adjustment	(10,061) (70)	(10,061) (70)		

Date of Request: 8/14/08 Request No.: RAV-49
NMPC Req. No.: NM 279 DPS-271 RAV-49 B, C, E, G-I

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid
Case 08-G-0609 Gas Rate Case
Request for Information

FROM: Robert Visalli

Request:

Regarding the Company's rate year forecast of Gas ADFIT and ADSIT as set forth on pages 74 – 79 of Exhibit ___ (PAL-8) Volume A, please provide the following information:

- A. Per Exhibit ___ (PAL-7), Schedule 6, the Company is forecasting an average unbilled revenue regulatory asset of \$13,946,000, mostly offset by an average unbilled revenue regulatory liability of \$13,298,000. However, the ADFIT for unbilled revenues included in the rate year forecast is \$16,152,000.
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- B. Fully explain what the \$929,000 rate year ADFIT adjustment related to "Capitalized 263A Inventory Costs" represents and why it should be accorded rate base treatment.
- C. Same as B. for the \$6,545,951 rate year ADFIT adjustment related to "FAS 158 – OPEB". Also explain why this OPEB component appears to be receiving different ratemaking treatment (i.e., being included in rate base) than all other OPEB items (i.e., not being included in rate base)
- D. Per Exhibit ___ (PAL-7), Schedule 6, the Company is forecasting an average "Gas Non-Core Revenue Sharing" liability in rate year rate base of \$447,000. However, the rate year ADFIT for Gas Non-Core Revenue Sharing is \$2,440,000. Provide the same information on this item as requested in A. above.
- E. Same as B. for the \$769,000 rate year ADFIT adjustment related to "Merger Rate Plan Delay".
- F.
 - a. Same as B. for the \$4,558,184 rate year ADFIT adjustment related to "FIT on Deferred SIT".
 - b. Show how this amount of ADFIT ties into the Company's rate year forecast of Deferred SIT.

- G. Same as A for the \$3,158,000 ADSIT adjustment for unbilled revenues included in the rate year forecast.
- H. Same as B. for the 73,000 ADSIT adjustment for Capitalized 263A Inventory Costs.
- I. Same as C. for the \$1,514,729 ADSIT related to FAS 158 – OPEB.
- J. Per Exhibit ____ (PAL-7), Schedule 6, the Company is forecasting an average “80/20 revenue sharing mechanism” asset in rate year rate base of \$1,972,000. However, the rate year ADFIT for 80/20 revenue sharing mechanism is (\$598,500). Provide the same information on this item as requested in A. above.
- K. Per Exhibit ____ (PAL-7), Schedule 6, the Company is forecasting an average “incentive return on retirement funding” asset in rate year rate base of \$10,842,000. However, the rate year ADFIT for incentive return on retirement funding is (\$9,871,000). Provide the same information on this item as requested in A. above.
- L. Same as K. for the (\$2,106,500) ADSIT adjustment for incentive return on retirement funding.
- M. Please provide a reconciliation between the \$1,878,000 average rate year ADFIT for cost of removal per page 77 of Exhibit ____ (PAL-8), Volume A and the average rate year ADFIT for cost of removal that can be derived from page 40 of Exhibit ____ (PAL-8), Volume A. Include supporting calculations and, to the extent there is a difference, explain which average rate year ADFIT for cost of removal should be used for revenue requirement in this case.

Response:

This response addresses parts B, C, E, G, H, and I only. Remaining parts were answered separately.

B. 263A refers to Internal Revenue Code section 263A, capitalization and inclusion in inventory of certain expenses. Attachment 1 is a copy of the entire section 263A of the Internal Revenue Code.

263A is a book/tax timing difference related to gas inventory in storage. The Internal Revenue Service requires the capitalization of direct and indirect costs related to gas inventory in storage.

For income tax purposes, the Company capitalizes direct labor costs (including overhead) related to gas purchasing, a percentage of gas operations general and administrative costs based on direct purchasing and other direct storage costs (capacity storage charges for the year, upstream transportation costs and injection costs). See Attachment 2 for the calculation used in the March 31, 2007 income tax returns.

As gas inventory in storage is included in rate base, the deferred taxes related to the book/tax timing difference should also be included in rate base.

C. This is an error and will be eliminated from rate base in Corrections and Updates.

E. This is an error and will be eliminated from rate base in Corrections and Updates. The ADSIT of \$165,000 (PAL-8, Vol A, pg 76) will also be eliminated.

G. In 2000, the Company became subject to NYS income tax. The rate in effect for 2000 was 8%, which reduced to 7.5% in 2001. The \$3,158,000 ADSIT is associated with tax unbilled revenues. There is a book/tax timing difference for gas unbilled revenues. The electric difference was reversed in 1999, when electric books adopted the tax methodology of calculation.

Attachment G-1 shows the tax return workpaper for gas unbilled revenues in 2000. NYS income taxes were provided at 8% on the \$25,965,973 in the amount of \$2,077,000. From 2000 through March 31, 2007, gas unbilled revenues for tax have increased from \$58,275,196 to \$72,681,194. See Attachment 2 which is the tax return workpaper for gas unbilled revenues from 3/31/07. The net increase from 2000 to 3/31/07 was \$14,405,998. NYS income taxes were provided on the increase at 7.5% for a total of \$1,080,000.

<u>Tax Unbilled Revenues</u>	<u>Amount</u>	<u>State Rate</u>	<u>ADSIT</u>
2000	25,965,973	8.00%	2,077,000
1/1/2001 to 3/31/2007	14,405,998	7.50%	1,080,000
Rounding			<u>1,000</u>
			<u>3,158,000</u>

Unbilled revenues ADSIT is included in rate base as the two unbilled revenue accounts 173001 and 254511 are both included in rate base per Exhibit (PAL-7), Schedule 6, Sheet 1 of 2.

H. Same response as provided in B above.

I. This is an error and will be eliminated from rate base in Corrections and Updates.

Name of Respondent:
Sue Wilder / Ken Brann

Date of Reply:
August 26, 2008

Code Sec. 263A(c)(3)(A)(i)

- (3) in the case of a plant which will have more than 1 crop or yield, the period before the first marketable crop or yield from such plant, or
 - (4) in the case of any other plant, the period before such plant is reasonably expected to be disposed of.
- For purposes of this subsection, the term "plant" means a plant growing in a farming business of any taxpayer produced in such business shall be treated as a disposition.
- (B) Rule for determining period in the case of a plant grown in commercial quantities in the United States. The period for such plant, if grown in the United States shall be based on the nationwide average productive period for such plant.
- (C) Farming business. For purposes of this section—
- (A) In general. The term "farming business" means the trade or business of farming.
 - (B) Certain trades and businesses included. The term "farming business" shall include the trade or business of—
 - (i) operating a nursery or seed farm, or
 - (ii) the raising or harvesting of trees bearing fruit, nuts, or other crops, or ornamental trees.
- For purposes of clause (i), an evergreen tree which is more than 6 years old at the time severed from its roots shall not be treated as an ornamental tree.
- (D) Certain inventory valuation methods permitted. The Secretary shall by regulations permit the taxpayer to use reasonable inventory valuation methods to compute the amount required to be capitalized under subsection (a) in the case of any plant.
- (E) Special rules for allocation of interest to property produced by the taxpayer.
- (1) Interest capitalized only in certain cases. Subsection (a) shall only apply to interest costs which are—
 - (A) paid or incurred during the production period, and
 - (B) allocable to property which is described in subsection (b)(1) and which has—
 - (i) a long useful life,
 - (ii) an estimated production period exceeding 2 years, or
 - (iii) an estimated production period exceeding 1 year and a cost exceeding \$1,000,000.
- (2) Allocation rules.
- (A) In general. In determining the amount of interest required to be capitalized under subsection (a) with respect to any property—
 - (i) interest on any indebtedness directly attributable to production expenditures with respect to such property shall be allocated to such property, and
 - (ii) interest on any other indebtedness shall be allocated to such property in the amount that the taxpayer's interest costs could have been reduced if production expenditures (not attributable to indebtedness described in clause (i)) had not been incurred.
- (B) Exception for qualified residence interest. Subparagraph (A) shall not apply to any qualified residence interest (within the meaning of section 163(h)).
- (C) Special rules for flow-through entities. Except as provided in regulations, in the case of any flow-through entity, this paragraph shall be applied first at the entity level and then at the beneficiary level.
- (3) Interest relating to property used to produce property. This subsection shall apply to any interest on indebtedness allocable (as determined under paragraph (2)) to property used to produce property to which this subsection

Limitations on deduction

- applies to the extent such interest is allocable (as determined) to the production property.
- (4) Definition. For purposes of this subsection—
- (A) Long useful life. Property has a long useful life if such property is—
 - (i) real property, or
 - (ii) property with a class life of 20 years or more (as determined under section 168).
- (B) Production period. The term "production period" means the period beginning on the date on which production of the property begins, and
- (i) ending on the date on which the property is ready to be placed in service or is ready to be held for sale.
- (C) Production expenditures. The term "production expenditures" means the costs (whether or not incurred during the production period) required to be capitalized under subsection (a) with respect to the property.
- (D) Production. For purposes of this section—
- (1) In general. The term "produce" includes construct, build, install, manufacture, develop, or improve.
 - (2) Treatment of property produced under contract for the taxpayer. The taxpayer shall be treated as producing any property produced for the taxpayer under a contract by the taxpayer (whether under such contract or otherwise) shall be taken into account in applying subsection (a) to the taxpayer.
 - (3) Exception for free lance authors, photographers, and artists.
 - (4) In general. Nothing in this section shall require the capitalization of any qualified creative expense.
 - (5) Qualified creative expense. For purposes of this subsection, the term "qualified creative expense" means any expense—
 - (A) which is paid or incurred by an individual in the trade or business of such individual (other than as an employee of such individual), and
 - (B) which, without regard to this section, would be allocable as a deductible for the taxable year.
- Such term does not include any expense related to printing, photographic plates, motion picture film, video tapes, or similar items.
- (4) Definition. For purposes of this subsection—
- (A) Writer. The term "writer" means any individual if the personal efforts of such individual create (or are reasonably to be expected to create) a literary manuscript, musical composition (including any accompanying words), or other work.
 - (B) Photographer. The term "photographer" means any individual if the personal efforts of such individual create (or are reasonably to be expected to create) a photograph or photographic negative or transparency.
 - (C) Artist. In general. The term "artist" means any individual if the personal efforts of such individual create (or are reasonably to be expected to create) a picture, painting, sculpture, statue, carving, drawing, cartoon, graphic design, or original print edition.
 - (ii) Criteria. In determining whether any expense is paid or incurred in the trade or business of being an artist, the following criteria shall be taken into account:

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- (D) The originality and uniqueness of the item created (or to be created).
 - (E) The performance of artistic value over the lifetime of the item created (or to be created).
 - (F) Treatment of certain corporations.
 - (G) In general. If—
 - (i) substantially all of the stock of a corporation is owned by a qualified employee-owner and members of his family (as defined in section 2612(c)(4)), and
 - (ii) the principal activity of such corporation is the performance of personal services directly related to such services are substantially performed by the qualified employee-owner,
- this subsection shall apply to any expense of such corporation which directly relates to the activities of such employee-owner in the same manner as if such expense were incurred by such employee-owner.
- (H) Qualified employee-owner. For purposes of this subsection, the term "qualified employee-owner" means any individual who is an employee-owner of the corporation (as defined in section 259A(b)(2)) and who is a writer, photographer, or artist.
- (5) Regulations. The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including—
- (i) regulations to prevent the use of artificial devices, persons, or entities or intermediaries to avoid the application of this section, and
 - (ii) regulations providing for simplified procedures for the application of this section in the case of property described in subsection (b)(2).
- In 2005, P.L. 109-131, added "artist" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 2004, P.L. 108-199, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 2003, P.L. 108-159, added "artist" after "photographer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 2002, P.L. 107-155, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 2001, P.L. 106-182, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 2000, P.L. 106-182, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1999, P.L. 106-182, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1998, P.L. 105-336, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1997, P.L. 105-336, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1996, P.L. 104-188, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1995, P.L. 104-188, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1994, P.L. 103-660, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1993, P.L. 103-660, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1992, P.L. 102-584, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1991, P.L. 102-584, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1990, P.L. 101-508, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1989, P.L. 101-508, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1988, P.L. 100-647, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1987, P.L. 100-647, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1986, P.L. 99-514, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1985, P.L. 99-514, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1984, P.L. 98-369, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1983, P.L. 98-369, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1982, P.L. 97-248, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1981, P.L. 97-248, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1980, P.L. 96-498, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1979, P.L. 96-498, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1978, P.L. 95-600, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1977, P.L. 95-600, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1976, P.L. 94-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1975, P.L. 94-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1974, P.L. 93-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1973, P.L. 93-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1972, P.L. 92-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1971, P.L. 92-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1970, P.L. 91-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1969, P.L. 91-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1968, P.L. 90-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1967, P.L. 90-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1966, P.L. 89-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1965, P.L. 89-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1964, P.L. 88-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1963, P.L. 88-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1962, P.L. 87-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1961, P.L. 87-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1960, P.L. 86-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1959, P.L. 86-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1958, P.L. 85-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1957, P.L. 85-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1956, P.L. 84-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1955, P.L. 84-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1954, P.L. 83-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1953, P.L. 83-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1952, P.L. 82-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1951, P.L. 82-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1950, P.L. 81-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1949, P.L. 81-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1948, P.L. 80-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1947, P.L. 80-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1946, P.L. 79-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1945, P.L. 79-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1944, P.L. 78-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1943, P.L. 78-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1942, P.L. 77-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1941, P.L. 77-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1940, P.L. 76-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1939, P.L. 76-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1938, P.L. 75-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1937, P.L. 75-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1936, P.L. 74-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1935, P.L. 74-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1934, P.L. 73-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1933, P.L. 73-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1932, P.L. 72-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1931, P.L. 72-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1930, P.L. 71-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1929, P.L. 71-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1928, P.L. 70-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1927, P.L. 70-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1926, P.L. 69-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1925, P.L. 69-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1924, P.L. 68-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1923, P.L. 68-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1922, P.L. 67-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1921, P.L. 67-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1920, P.L. 66-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1919, P.L. 66-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1918, P.L. 65-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1917, P.L. 65-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1916, P.L. 64-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1915, P.L. 64-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1914, P.L. 63-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1913, P.L. 63-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1912, P.L. 62-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1911, P.L. 62-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1910, P.L. 61-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1909, P.L. 61-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1908, P.L. 60-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1907, P.L. 60-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1906, P.L. 59-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1905, P.L. 59-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1904, P.L. 58-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1903, P.L. 58-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1902, P.L. 57-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1901, P.L. 57-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1900, P.L. 56-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1899, P.L. 56-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1898, P.L. 55-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1897, P.L. 55-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1896, P.L. 54-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1895, P.L. 54-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1894, P.L. 53-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1893, P.L. 53-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1892, P.L. 52-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1891, P.L. 52-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1890, P.L. 51-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1889, P.L. 51-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1888, P.L. 50-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1887, P.L. 50-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1886, P.L. 49-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1885, P.L. 49-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1884, P.L. 48-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1883, P.L. 48-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1882, P.L. 47-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1881, P.L. 47-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1880, P.L. 46-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1879, P.L. 46-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1878, P.L. 45-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1877, P.L. 45-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1876, P.L. 44-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1875, P.L. 44-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1874, P.L. 43-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1873, P.L. 43-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1872, P.L. 42-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1871, P.L. 42-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1870, P.L. 41-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1869, P.L. 41-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1868, P.L. 40-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1867, P.L. 40-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1866, P.L. 39-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1865, P.L. 39-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1864, P.L. 38-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1863, P.L. 38-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1862, P.L. 37-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1861, P.L. 37-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1860, P.L. 36-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1859, P.L. 36-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1858, P.L. 35-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1857, P.L. 35-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1856, P.L. 34-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1855, P.L. 34-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1854, P.L. 33-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1853, P.L. 33-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1852, P.L. 32-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1851, P.L. 32-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1850, P.L. 31-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1849, P.L. 31-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1848, P.L. 30-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1847, P.L. 30-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1846, P.L. 29-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1845, P.L. 29-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1844, P.L. 28-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1843, P.L. 28-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1842, P.L. 27-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1841, P.L. 27-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1840, P.L. 26-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1839, P.L. 26-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1838, P.L. 25-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1837, P.L. 25-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1836, P.L. 24-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1835, P.L. 24-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1834, P.L. 23-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1833, P.L. 23-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1832, P.L. 22-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1831, P.L. 22-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1830, P.L. 21-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1829, P.L. 21-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1828, P.L. 20-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1827, P.L. 20-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1826, P.L. 19-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1825, P.L. 19-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1824, P.L. 18-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1823, P.L. 18-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1822, P.L. 17-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1821, P.L. 17-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1820, P.L. 16-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1819, P.L. 16-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1818, P.L. 15-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1817, P.L. 15-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1816, P.L. 14-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1815, P.L. 14-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1814, P.L. 13-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1813, P.L. 13-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1812, P.L. 12-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1811, P.L. 12-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1810, P.L. 11-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1809, P.L. 11-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1808, P.L. 10-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1807, P.L. 10-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1806, P.L. 9-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1805, P.L. 9-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1804, P.L. 8-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1803, P.L. 8-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1802, P.L. 7-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1801, P.L. 7-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1800, P.L. 6-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1799, P.L. 6-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1798, P.L. 5-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1797, P.L. 5-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(B)(ii).
- In 1796, P.L. 4-413, added "photographer" after "writer" in section 263A(c)(3)(A)(i)(

55 35

Niagara Mohawk

26-Oct-07

Section 263(A) Computation - March 2007

Direct Labor:

Gas Purchasing Department Payroll	\$172,555	
Number of Employees in Department	<u>4,41667</u>	
Average Labor Cost per employee	39,069	
Est. Full Employee Time Relative to Gas in Storage	<u>3,20833</u>	
Purchasing Labor Cost Relating to Gas Storage	125,346	
Add: Overhead @	110.9%	<u>328,737</u>
Gas Purchasing Direct Labor with Overhead Cost Allocation		\$454,083

Gas Operations - General and Administrative Cost:

Total G&A Costs to be Allocated: (per PSC Report, page 77)		
Total Operation Costs	\$47,202,648	
General Plant Maintenance Costs	\$106,551	
Less: Gas Purchasing Direct Labor with Overhead Cost Allocation	<u>(454,083)</u>	
Total G&A Costs to be Allocated		46,855,116
Direct Purchasing Labor - Gas Storage		125,346
Gas Operations Direct Labor:		
Total - Operating & Expense Report	38,560,408	
Less: G&A Labor (per PSC Report, page 77)	<u>(8,759,642)</u>	
Gas Operations Direct Labor		29,800,766

Allocation % for G&A Costs based upon Direct Purchasing	<u>0.42061%</u>	
Allocation of G&A Costs to Inventory		197,079

Other Direct Storage Costs:

Capacity storage charges for year -	3,987,597	
Upstream Transportation Cost - All Gas -	95,955	
Injection Cost	<u>315,502</u>	
Total Other Direct Storage Costs:		<u>\$4,399,054</u>

Total 263(A) Costs Eligible to be Capitalized to Gas Inventory \$5,050,216

Cost Allocation:

Ending Inventory in units	645,541	
Total Gas Purchases in units Charged to Inventory	<u>13,837,268</u>	
Ratio - Ending Inventory to Total Gas Purchases (not to be greater than 100%)		4.67%

TOTAL THIS YEAR 263(A) COSTS ALLOCATED TO INVENTORY

\$235,604

ADDBACK

Prior Period 263(A) Cost Capitalized on Prior Period Remaining Inventory

Beginning Inventory in units	2,919,395	
Withdraws	<u>16,127,419</u>	
Prior Period Remaining Inventory in units	(13,208,024)	
Prior Period Remaining Inventory as a percentage	-452.42%	
Prior Period Total 263(A) Cost Capitalized	<u>1,021,696</u>	
Allocated P.P. 263(A) Cost Capitalized Remaining on Prior Period Remaining Inventory		0
Prior Period Total 263(A) Cost Capitalized		<u>\$1,021,696</u>

Net M Reversal of Prior Period 263(A) Capitalization Cost

\$1,021,696

DEDUCT

Form 1120, Schedule A - Cost of Goods Sold.

	BOOK	TAX
1 Inventory at beginning of year	\$23,575,574	\$24,597,270
2 Purchases	86,133,667	86,133,667
3 Cost of Labor		
4a Additional section 263A costs		0
b Other cost		
5 Total Add lines 1 through 4b	109,709,241	110,730,937
6 Inventory at end of year	4,277,252	4,512,857
7 Costs of goods sold Subtract line 6 from line 5	<u>105,431,989</u>	<u>106,218,080</u>

8a. Check all methods used for valuing closing inventory:

- (iv) X Other > Weighted Average Cost.
d. Do the rules of section 263A apply to the corporation? X - Yes
e. Was there any changes in determining quantities, costs, or valuations between opening and closing inventory?

X - No

SS 35a

Input Data and Source Reference:	Dollars	Units	
Current Year Book Ending Inventory:	4,277,252	645,541	Gas Supply 2 Day Booking
Prior Year Book Ending Inventory:	23,575,574	2,919,395	Prior year Sec. 263A worksheet
Prior Year 263A End of Year Capital Cost:	1,021,696		Prior year Sec. 263A worksheet
263A Cost Carry Forward from Prior Year:	0		Prior year Sec. 263A worksheet
Current Year Gas Supply Operations - Non-Labor	296,368		Query, Cost Center 80580
Current Year Gas Supply Operations - Labor	172,555		Query, Cost Center 80580
Gas Total Operation Cost	47,202,648		PSC Annual Report, page 77 (Gas Rate Dept. Report)
Gas Total General Plant Maintenance Costs	106,551		PSC Annual Report, page 77 (Gas Rate Dept. Report)
Total - Operating & Expense Report	38,560,408		FERC Annual Report, page 355
G&A Labor	8,759,642		PSC Annual Report, page 77 (Gas Rate Dept. Report)
Capacity storage cost for year:	3,987,597		Gas Supply & Finance Booking - Final Copy, page 7 - See Below
Upstream Transportation Cost - All Gas	471,921		Gas Supply & Finance Booking - Final Copy, page 2 - See Below
Injection Cost	315,502		Gas Supply & Finance Booking - Final Copy, page 3 - See Below
Cost of purchased gas charged to inventory:	86,133,667	13,837,268	See Below
Gas withdrawn from storage	107,015,639	16,127,419	See Below
Total Gas Purchased for all purposes		68,053,905	Gas Supply & Finance Booking - Final Copy, page 1

Gas Supply Final Bookings	Capacity	Upstream	Injection
April	332,300	30,135	33,019
May	332,300	32,147	56,558
June	332,300	31,725	55,228
July	332,300	36,443	49,455
August	332,300	42,159	43,138
September	332,300	34,960	40,783
October	332,300	34,010	14,470
November	332,300	43,955	15,715
December	332,300	46,963	189
January	332,300	43,294	1,984
February	332,300	48,857	0
March	332,300	47,274	4,963
Total	3,987,597	471,921	315,502

	Dollars	Units	Date	
Cost of purchased gas charged to inventory:	86,133,667	13,837,268	12/31/06	PSC Annual Report, page 13
Less: January thru March, 2005	0	0		Prior Years Workpaper SS 35
Plus: January thru March, 2006	0	0		Gas Supply 2 Day Booking
	<u>86,133,667</u>	<u>13,837,268</u>		
Gas withdrawn from storage	104,655,885	13,475,384	12/31/06	PSC Annual Report, page 13
Less: January thru March, 2005	(84,727,713)	(10,491,575)		Prior Years Workpaper SS 35
Plus: January thru March, 2006	87,087,467	13,143,610		Gas Supply 2 Day Booking
	<u>107,015,639</u>	<u>16,127,419</u>		

Attachment 1

SS 42

NIAGARA MOHAWK POWER CORPORATION
GAS UNBILLED REVENUES
DECEMBER 31, 2000

GROSS UNBILLED REVENUES	\$59,920,000
GROSS RECEIPTS	(1,644,804)
NET 2000 UNBILLED REVENUES	58,275,196
LESS 1999 NET UNBILLED REVENUES	32,309,223
NET INCREASE IN UNBILLED REVENUES	25,965,973
	=====
	ADDBACK

1999 SS42

SS 42

NIAGARA MOHAWK POWER CORPORATION
GAS UNBILLED REVENUES
FYE 3/31/07

GROSS UNBILLED REVENUES	\$73,803,000	
GROSS RECEIPTS	(1,121,806)	
NET 3/31/07 UNBILLED REVENUES	72,681,194	
LESS 3/31/06 NET UNBILLED REVENUES	65,232,167	
NET INCREASE IN UNBILLED REVENUES	7,449,027	ADDBACK

NIAGARA MOHAWK POWER CORPORATION, DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES - CORRECTIONS & UPDATES PSC Case No. 08-G-0608
FOR THE YEAR ENDING DECEMBER 31, 2007 AND ROLLED FORWARD TO MARCH 31, 2009

	Balance 12/31/2007	2008-2009 Net Additions	Adjustments/Non Rate Base	C&U	Balance 3/31/09
<u>Account 190350/351 (149.00 001 & 002) - Federal:</u>					
Unbilled Revenues	16,152,000			9,286,000	25,438,000
Capitalized 263A Inventory Costs	1,027,000	(98,000)			929,000
Inventory Adjustment	13,000	(12,000)	(1,000)		0
DO NOT USE Preferred Stock Litigation	39,000				39,000
Alternative Minimum Tax	(3,342,014)	3,342,014			0
182459 FAS 158 - OPEB	6,417,500	128,451	(6,545,951)		0
DO NOT USE Officers Incentive Compensation	263,000		(263,000)		0
DO NOT USE Payroll Taxes on Merger Compensation	(12,000)		12,000		0
242207 Management Incentive Comp.	(221,000)		221,000		0
242204 GOALS	50,000	(79,000)	29,000		0
DO NOT USE ARB	111,000		(111,000)		0
242202 Workman's Compensation - Self-Insured	129,000		(129,000)		0
242209 Liability for Separation Allowance Costs	33,000	(148,000)	115,000		0
242201 Healthcare Settlement Lag	222,000		(222,000)		0
242211 Stock Appreciation Rights (SARS)	341,000		(341,000)		0
DO NOT USE Tenn Pipeline Liability	185,000		(185,000)		0
242305 MCG - Tariff Customer Refund (2002)	(1,542,000)		1,542,000		0
242000 MCG - Tariff Customer Refund (2003)	4,140,000		(4,140,000)		0
253000 Miscellaneous Compensation Reserve	160,000		(160,000)		0
253117 AML	9,615,040		(9,615,040)		0
253024 VERP/VERO	(12,598,000)	15,669,000	(3,071,000)		0
253024 VERP	575,000		(575,000)		0
253024 VERP	240,000		(240,000)		0
253106 Other Post Retirement Benefit Liability	22,959,371	(406,000)	(22,553,371)		0
253017 ESCO Uncollectible Reserve	3,000		(3,000)		0
253027 Pension Expense (Book/Tax Differences)	9,171,349	(12,462,197)	3,290,848		0
253112 Other Post Employment Benefit Liability	2,332,000		(2,332,000)		0
253106 OPEB Internal Reserves	(882,315)		882,315		0
253003 Executive Deferred Compensation Liability	(180,000)		180,000		0
253031 Supplemental Executive Retirement Plan	(1,584,478)	(134,520)	1,718,998		0
253106 OPEB Liability - Directors & Executives	18,529,253	4,516,782	(23,046,035)		0
253480 Interest Reserve - FIN 48	447,000		(447,000)		0
254325 Medicare Act tax benefit defer	2,920,000	1,263,000			4,183,000
254351 Gas R&D Ventures Deferral	80,000	26,000			106,000
DO NOT USE Pension Expense (TU)	(166,000)		166,000		0
254509 Gas Net Revenue Sharing Mechanism	(852,000)				(852,000)
254512 Gas Non-Core Revenue Sharing	2,732,000	(84,000)			2,648,000
254520 LOSS ON SALE OF BUILDING	0	20,000			20,000
254514 Gas Contingency Reserve	5,823,000	(1,637,000)	(4,186,000)		0
254515 IBM Settlement	0				0
254528 SFAS 88 Curtailment/Settlement Gains	700,000		(700,000)		0
254529 IRS Audit Refund/Liability (1989-1990)	4,000				4,000
254537 SIR Expenditures Deferred - Gas	(735,000)	29,000	706,000		0
254544 Merger Rate Plan Delay	769,000			(769,000)	0
254549 Currently Provided Incidental Services	21,000				21,000
254551 GRT Customer Refund (2000) - Gas	1,978,000	740,000	(2,718,000)		0
254553 Gas Millenium Refund	110,000	21,000			131,000
254559 Bonus Depreciation Adjustment	2,537,000	399,000			2,936,000
254560 Pension/OPEB Interest on Recovery	185,000				185,000
254561 Station Service Sales Growth Deferral	126,000				126,000
254563 GRT Audit Refund (91-94) - Gas	42,000	(42,000)			0
254567 NIMO-NEG Merger Savings	(22,000)				(22,000)
KEYSPAN ENERGY MERGER SAVINGS	0	81,000			81,000
Fed Tax Refund (1991-1995)	608,000		(608,000)		0
144000/144001 Bad Debt Reserve	14,436,000		(14,436,000)		0
228200 Injuries & Damages Reserve	495,000	(155,000)	(340,000)		0
Carrying Charges	612,000	(612,000)			0
DO NOT USE Vacation Pay	11,000	51,000			62,000
DO NOT USE Line Pack Gas	46,000				46,000
190300 Fin 48 Reserves	789,520		(789,520)		0
190480 Fin 48 Reserves - NMR LLC	1,719,550		(1,719,550)		0
Pre-Acquisition Insurance Premiums	70,000	(58,000)			12,000
190481 FIT on Deferred SIT	3,959,684	748,000			4,707,684
Total a/c 190350 & 190351	111,791,460	11,106,530	(90,614,306)	8,517,000	40,800,684

NIAGARA MOHAWK POWER CORPORATION, DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES - CORRECTIONS & UPDATES **PSC Case No. 08-G-0608**
FOR THE YEAR ENDING DECEMBER 31, 2007 AND ROLLED FORWARD TO MARCH 31, 2009

	Balance 12/31/2007	2008-2009 Net Additions	Adjustments/Non Rate Base	C&U	Balance 3/31/09
<u>Account 190352 (149.00 003) - Federal:</u>					
FAS 109	(14,000)		14,000		0
<u>Account 190353 (149.00 004) - Federal:</u>					
FAS 109	7,115,000		(7,115,000)		0
<u>Account 190354 (149.00 005) - Federal:</u>					
FAS 109	3,350,000		(3,350,000)		0
<u>Account 190650/653 (149.01 001 & 002) - New York State:</u>					
Unbilled Revenues	3,158,000				3,158,000
Capitalized 263A Inventory Costs	94,000	(21,000)			73,000
Inventory Adjustment	3,000	(3,000)			0
182459 FAS 158 - OPEB	1,486,680	28,049	(1,514,729)		0
DO NOT USE Officers Incentive Compensation	57,000		(57,000)		0
DO NOT USE Payroll Taxes	(3,000)		3,000		0
242207 Management Incentive Comp.	(57,000)		57,000		0
242000 NRG Reserve	27,000		(27,000)		0
242202 Self Insured Worker's Compensation	80,000		(80,000)		0
242209 Liability for Separation Allowance Costs	41,000	(32,000)	(9,000)		0
242201 Healthcare Settlement Lag	47,000		(47,000)		0
242211 Stock Appreciation Rights (SARS)	82,000		(82,000)		0
Tenn Pipeline Liability	40,000		(40,000)		0
242305 MCG - Tariff Customer Refund (2002)	(329,000)		329,000		0
242204 GOALS	15,000	(17,000)	2,000		0
ARB	27,000		(27,000)		0
242000 MCG - Tariff Customer Refund (2003)	887,000		(887,000)		0
253000 Miscellaneous Compensation Reserve	34,000		(34,000)		0
253117 AML	2,217,855		(2,217,855)		0
253106 Other Post Retirement Benefit Liability	6,936,002	404,197	(7,340,199)		0
253024 VERP-Voluntary Retirement Plan	(1,805,000)	3,358,000	(1,553,000)		0
253027 Pension Expense (Book/Tax Differences)	1,346,349	(2,659,950)	1,313,601		0
253112 Other Post Employment Benefit Liability	(15,000)		15,000		0
253106 OPEB - Internal Reserve	(156,136)		156,136		0
253003 Executive Deferred Compensation Liability	(39,000)		39,000		0
253031 Supplemental Executive Retirement Plan	(344,646)	(30,207)	374,853		0
253106 OPEB Liability - Directors & Executives	4,255,650	495,091	(4,750,741)		0
253480 Interest Reserve - FIN 48	91,000		(91,000)		0
254325 Medicare Act tax benefit defer	618,000	256,000			874,000
254351 Gas R&D Ventures Deferral	17,000	5,000			22,000
254509 Gas Net Revenue Sharing Mechanism	8,000				8,000
254520 LOSS ON SALE OF BUILDING	3,000	4,000			7,000
254512 Gas Non-Core Revenue Sharing	147,000	(17,000)			130,000
254514 Gas Contingency Reserve	11,000		(11,000)		0
254528 SFAS 88 Curtailment/Settlement Gains	150,000		(150,000)		0
254529 IRS Audit Refund/Liability (1989-1990)	1,000				1,000
254537 SIR Expenditures Deferred - Gas	(14,000)	7,000	7,000		0
254544 Merger Rate Plan Delay	165,000			(165,000)	0
254549 Currently Provided Incidental Services	4,000				4,000
254551 GRT Customer Refund (2000) - Gas	475,000	152,000	(627,000)		0
254553 Gas Millenium Refund	23,000	4,000			27,000
254559 Bonus Depreciation Adjustment	540,000	79,000			619,000
254560 Pension/OPEB Interest on Recovery	39,000				39,000
254561 Station Service Sales Growth Deferral	27,000				27,000
254563 GRT Audit Refund (91-94) - Gas	0				0
254567 NIMO-NEG Merger Savings	(4,000)				(4,000)
KEYSPAN ENERGY MERGER SAVINGS	0	16,000			16,000
Fed Tax Refund (1991-1995)	130,000		(130,000)		0
144000/144001 Bad Debt Reserve	2,656,000		(2,656,000)		0
228200 Injuries & Damages Reserve	109,000	(33,000)	(76,000)		0
Carrying Charges	131,000	(131,000)			0
Pre-Acquisition Insurance Premiums	15,000	(13,000)			2,000
190780 Fin 48 Reserve	348,823		(348,823)		0
Total a/c 190650 & 190651	23,776,577	1,851,180	(20,459,757)	(165,000)	5,003,000

NIAGARA MOHAWK POWER CORPORATION, DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES - CORRECTIONS & UPDATES PSC Case No. 08-G-0608
FOR THE YEAR ENDING DECEMBER 31, 2007 AND ROLLED FORWARD TO MARCH 31, 2009

	Balance 12/31/2007	2008-2009 Net Additions	Adjustments/Non Rate Base	C&U	Balance 3/31/09	
<u>Account 190654 (149.01 003) - New York State:</u>						
FAS 109	425,000		(425,000)		0	
<u>Account 190651 (149.01 004) - New York State:</u>						
DO NOT USE						
242209	Real Estate Taxes Paid	(768,000)	768,000		0	
253027	Stock Incentive Plan	(327,000)	327,000		0	
253112	Liability for Separation Allowance Costs	(77,000)	77,000		0	
253106	Pension Expense (Book/Tax Differences)	(276,000)	276,000		0	
253031	Other Post Employment Benefit Liability	156,000	(156,000)		0	
	OPEB Internal Reserves	5,000	(5,000)		0	
	Supplemental Executive Retirement Plan	(17,000)	17,000		0	
	Pension Settlement Amortization	36,000	(36,000)		0	
254509	Gas Net Revenue Sharing Mechanism	5,000	(5,000)		0	
254512	Gas Non-Core Revenue Sharing	328,000	(328,000)		0	
254513	Customer Service Penalty	(51,000)	51,000		0	
254514	Gas Contingency Reserve	1,482,000	(1,482,000)		0	
	Merit Recovery	(7,000)	7,000		0	
254515	IBM Settlement	0			0	
254528	SFAS 88 Curtailment/Settlement Gains	389,000	(389,000)		0	
254537	SIR Expenditures Deferred - Gas	56,000	(56,000)		0	
	Total a/c 190651	934,000	0	(934,000)	0	
<u>Account 190652 (149.01 005) - New York State:</u>						
FAS 109	(296,000)		296,000		0	
<u>Account 255000 (243.00) - Federal:</u>						
Regular	(5,637,000)	356,000			(5,281,000)	
<u>Account 282250/251 (262.00 001 & 002) - Federal:</u>						
	Contributions in aid of construction	5,955,000	403,000	(6,358,000)	0	
	Contributions in aid of construction	651,000		(651,000)	0	
	Contributions in aid of construction	209,000		(209,000)	0	
	Construction Period Interest	7,312,000	(143,000)	(7,169,000)	0	
	Construction Period Interest	1,930,000		(1,930,000)	0	
	Interest Charged to Construction-Debt Component	(444,000)	(145,000)	589,000	0	
	Sales Tax Capital Items	(53,000)		53,000	0	
	Capitalized Overheads	174,000		(174,000)	0	
	Tax Basis/Depreciation	(195,435,730)	(17,327,434)	13,967,000	(198,796,164)	
	ARO - Accretion Expense	17,000		(17,000)	0	
	Cost of Removal	(1,564,000)	(335,000)	1,899,000	0	
	Total ac/ 282250 & 282251	(181,248,730)	(17,547,434)	0	0	(198,796,164)
<u>Account 282470 (262.00 003) - Federal:</u>						
FAS 109	3,955,863		(3,955,863)		0	
<u>Account 282471 (262.00 004) - Federal:</u>						
FAS 109	(60,806,000)		60,806,000		0	
<u>Account 282472 (262.00 005) - Federal:</u>						
FAS 109	(29,632,385)		29,632,385		0	
<u>Account 282650/651 (262.01 001 & 002) - New York State:</u>						
	Depreciation Differences	(10,707,931)	(784,800)	(32,000)	(11,524,731)	
	Construction Period Interest	317,000	(31,000)	(286,000)	0	
	Interest Charged to Construction-Debt Component	(79,000)	(31,000)	110,000	0	
	Contributions in aid of construction	937,000	86,000	(1,023,000)	0	
	Cost of Removal	(983,000)	(252,000)	1,235,000	0	
	ARO - Accretion Expense	4,000		(4,000)	0	

NIAGARA MOHAWK POWER CORPORATION, DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES - CORRECTIONS & UPDATES PSC Case No. 08-G-0608
FOR THE YEAR ENDING DECEMBER 31, 2007 AND ROLLED FORWARD TO MARCH 31, 2009

	Balance 12/31/2007	2008-2009 Net Additions	Adjustments/Non Rate Base	C&U	Balance 3/31/09
Total ac/ 282650 & 282651	(10,511,931)	(1,012,800)	0	0	(11,524,731)
<u>Account 282870 (262.01 003) - New York State</u>					
FAS 109	2,000		(2,000)		0
<u>Account 282871 (262.01 004) - New York State</u>					
AFDUC - Other	(46,000)		46,000		0
FAS 109	36,000		(36,000)		0
	(10,000)	0	10,000	-	0
<u>Account 282872 (262.01 005) - New York State</u>					
FAS 109	2,000		(2,000)		0
<u>Account 283400/401, 283111 (263.00 001 & 002) - Federal:</u>					
DO NOT USE Merit Recovery	(154,000)		154,000		0
DO NOT USE Worthless Stock	5,000		(5,000)		0
Executive Deferred Compensation Trust	609,811	(42,127)	(567,684)		0
DO NOT USE Gas Revenue Sharing	875,000		(875,000)		0
DO NOT USE Unbilled revenues for Rates	(162,000)			162,000	0
DO NOT USE Unbilled revenues for Rates	(227,000)				(227,000)
Bond Redemption & Amort.	(1,339,000)		1,339,000		0
182458 FAS 158 Pension	(8,646,287)	(2,651,803)	11,298,090		0
182459 FAS 158 OPEB	(10,120,212)	(7,645,649)	17,765,861		0
182501/182502 Fuel Deferral	(14,928,000)		14,928,000		0
DO NOT USE TOP gas deferral	34,000		(34,000)		0
182510/511 SFAS 106 OPEB	1,504,000	(472,000)			1,032,000
182518 NYS Sales Tax Audit Assessment(1984-1988)	35,000				35,000
DO NOT USE FAS 112 OPEB	140,000		(140,000)		0
182328 PENSION SETTLEMENT LOSS FY2003	(1,711,000)	(323,000)	2,034,000		0
DO NOT USE IRS Interest Assessment (1989-1990)	(31,000)				(31,000)
DO NOT USE UCB Regulatory Asset	(783,000)				(783,000)
182518 NYS Sales Tax Audit (6/88-11/92)	(64,000)				(64,000)
182533 80/20 Rev Sharing Mechanism	(1,825,000)	306,000			(1,519,000)
182537 SIR Expenditures Deferred - Gas	(1,560,000)	(1,400,000)	2,960,000		0
182549 Electronic Data Interchange (EDI)	(42,000)				(42,000)
182550 Merger Fair Value Pension Adjustment-Gas	(4,115,000)	1,563,000	2,552,000		0
182550 Merger Fair Value OPEB Adjustment-Gas	(8,326,000)		8,326,000		0
182553/562 Pension Expense Deferred	(8,990,000)	(1,469,000)	10,459,000		0
182554/561 OPEB Expense Deferred	(8,266,000)	(7,456,000)	15,722,000		0
182551 Voluntary Early Retirement Offer (VERO)	(385,000)	161,000	224,000		0
182324 Enhanced Severance Plan	(9,000)	4,000			(5,000)
182326 Pension - AML	(8,856,956)		8,856,956		0
182563 Incentive Return on Retirement Funding	(9,664,000)	(1,029,000)			(10,693,000)
186510/515/520 Other WIP - PACE	757,000		(757,000)		0
DO NOT USE Insulation Credits	(2,015,000)		2,015,000		0
DO NOT USE Gas Project Fund Costs Deferred	(3,000)		3,000		0
DO NOT USE Land Management Program Costs	1,000		(1,000)		0
SERP- Pension Intangible Asset	(675,000)		675,000		0
253027 HRP - Severance & Pension Enhancement Deferral	(3,000)		3,000		0
DO NOT USE NM Suburban - Weaver Gas	392,000		(392,000)		0
SERP-Unrealized Appreciation	(114,075)	6,473	107,602		0
Deferred Gains/Losses on Hedging Activity	4,269,901	(2,539,940)	(1,729,961)		0
Total a/c 283400/401	(84,391,818)	(22,988,046)	94,920,864	162,000	(12,297,000)
<u>Account 283402 (263.00 003) - Federal:</u>					
FAS 109	19,000		(19,000)		0
<u>Account 283403 (263.00 004) - Federal:</u>					
FAS 109	27,267,000		(27,267,000)		0

NIAGARA MOHAWK POWER CORPORATION, DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES - CORRECTIONS & UPDATES **PSC Case No. 08-G-0608**
FOR THE YEAR ENDING DECEMBER 31, 2007 AND ROLLED FORWARD TO MARCH 31, 2009

	Balance 12/31/2007	2008-2009 Net Additions	Adjustments/Non Rate Base	C&U	Balance 3/31/09
<u>Account 283404 (263.00 005) - Federal:</u>					
FAS 109	13,161,308		(13,161,308)		0
<u>Account 283500/503 (263.01 001 & 002) - New York State:</u>					
DO NOT USE Worthless Stock	18,000		(18,000)		0
Executive Deferred Compensation Trust	95,322	(9,097)	(86,225)		0
Bond Redemption & Amortization	(79,000)				(79,000)
182458 FAS 158 Pension	(2,029,349)	(579,050)	2,608,399		0
182459 FAS 158 OPEB	(2,421,548)	(1,669,510)	4,091,058		0
182501/182502 Fuel Deferral	(3,504,000)		3,504,000		0
182510/511 Other Post Retirement Benefits	(4,000)				(4,000)
182518 NYS Sales Tax Audit Assessment (1988-1992) - Gas	(4,000)				(4,000)
182533 80/20 Rev Sharing Mechanism	(393,000)	54,000			(339,000)
182537 SIR Expenditures Deferred - Gas	(335,000)	(284,000)	619,000		0
182549 Electronic Data Interchange (EDI) Costs	(9,000)				(9,000)
182550 Merger Fair Value Pension Adjustment-Gas	(884,000)	335,000	549,000		0
182550 Merger Fair Value OPEB Adjustment-Gas	(1,797,000)		1,797,000		0
182553/562 Pension Expense Deferred	(1,913,000)	(303,000)	2,216,000		0
182554/561 OPEB Expense Deferred	(1,759,000)	(1,541,000)	3,300,000		0
182551 Voluntary Early Retirement Offer (VERO)	(83,000)	33,000	50,000		0
182324 Enhanced Severance Plan	(2,000)	1,000			(1,000)
182326 Pension - AML	(2,043,000)		2,043,000		0
182563 Incentive Return on Retirement Funding	(2,065,000)	(209,000)			(2,274,000)
182328 PENSION SETTLEMENT LOSS FY2003	(366,000)	(69,000)	435,000		0
182329 ACCTG CHANGE CAPITAL ITEM	1,000				1,000
SERP-Unrealized Appreciation	(26,561)	1,413	25,148		0
Deferred Gains/Losses on Hedging Activity	(789,422)	(554,620)	1,344,042		0
Total a/c 283500/503	(20,392,558)	(4,793,864)	22,477,422	-	(2,709,000)
<u>Account 283504 (263.01 003) - New York State:</u>					
FAS 109	140,000		(140,000)		0
<u>Account 283501 (263.01 004) - New York State:</u>					
Subsidiaries	(2,000)		2,000		0
Accrued Utility Revenues - Gas	(885,000)		885,000		0
Unamortized Debt Discount	(425,000)		425,000		0
182501/182502 Fuel Deferral	140,000		(140,000)		0
Carrying Charges	4,000		(4,000)		0
	(1,168,000)	0	1,168,000	-	0
<u>Account 283502 (263.01 005) - New York State:</u>					
FAS 109	(56,000)		56,000		0
GRAND TOTAL	(202,225,214)	(33,028,434)	41,935,437	8,514,000	(184,804,211)

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NIAGARA MOHAWK POWER CORPORATION DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES
FOR THE RATE YEAR ENDING MARCH 31, 2010

Excluded from Rate Base

Deferred Item		Balance 03/31/2009	Additions	Deductions	Balance 03/31/2010
Account 190350/351 (149.00 001 & 002) - Federal:					
Unbilled Revenues	35.00%	25,438,000			25,438,000
Capitalized 263A Inventory Costs	35.00%	929,000			929,000
Inventory Adjustment	35.00%	1,000			1,000
DO NOT USE Preferred Stock Litigation	35.00%	39,000			39,000
182459 FAS 158 - OPEB	35.00%	6,545,951			6,545,951
DO NOT USE Officers Incentive Compensation	35.00%	263,000			263,000
DO NOT USE Payroll Taxes on Merger Compensation	35.00%	(12,000)			(12,000)
242207 Management Incentive Comp	35.00%	(221,000)			(221,000)
242204 GOALS	35.00%	(29,000)			(29,000)
DO NOT USE ARB	35.00%	111,000			111,000
242202 Workman's Compensation - Self-Insured	35.00%	129,000			129,000
242209 Liability for Separation Allowance Costs	35.00%	(115,000)			(115,000)
242201 Healthcare Settlement Lag	35.00%	222,000			222,000
242211 Stock Appreciation Rights (SARS)	35.00%	341,000			341,000
DO NOT USE Tenn Pipeline Liability	35.00%	185,000			185,000
242305 MCG - Tariff Customer Refund (2002)	35.00%	(1,542,000)			(1,542,000)
242000 MCG - Tariff Customer Refund (2003)	35.00%	4,140,000			4,140,000
253000 Miscellaneous Compensation Reserve	35.00%	160,000			160,000
253117 AML	35.00%	9,615,040			9,615,040
253024 VERP/VERO	35.00%	3,071,000			3,071,000
253024 VERP	34.00%	575,000			575,000
253024 VERP	39.95%	240,000			240,000
253106 Other Post Retirement Benefit Liability	35.00%	22,553,371			22,553,371
253017 ESCO Uncollectible Reserve	35.00%	3,000			3,000
253027 Pension Expense (Book/Tax Differences)	35.00%	(3,290,848)			(3,290,848)
253112 Other Post Employment Benefit Liability	35.00%	2,332,000			2,332,000
253106 OPEB Internal Reserves	35.00%	(882,315)			(882,315)
253003 Executive Deferred Compensation Liability	35.00%	(180,000)			(180,000)
253031 Supplemental Executive Retirement Plan	35.00%	(1,718,998)			(1,718,998)
253106 OPEB Liability - Directors & Executives	35.00%	23,046,035			23,046,035
253480 Interest Reserve - FIN 48	35.00%	447,000			447,000
254325 Medicare Act tax benefit defer	35.00%	4,183,000		(1,428,000)	2,755,000
254351 Gas R&D Ventures Deferral	35.00%	106,000		(37,000)	69,000
DO NOT USE Pension Expense (TU)	35.00%	(166,000)			(166,000)
254509 Gas Net Revenue Sharing Mechanism	35.00%	(852,000)			(852,000)
254512 Gas Non-Core Revenue Sharing	35.00%	2,648,000		(417,000)	2,231,000
254520 LOSS ON SALE OF BUILDING	35.00%	20,000		(22,000)	(2,000)
254514 Gas Contingency Reserve	35.00%	4,186,000		(1,303,000)	2,883,000
254515 IBM Settlement	35.00%	0		(131,000)	(131,000)
254528 SFAS 88 Curtailment/Settlement Gains	35.00%	700,000			700,000
254529 IRS Audit Refund/Liability (1989-1990)	35.00%	4,000			4,000
254537 SIR Expenditures Deferred - Gas	35.00%	(706,000)			(706,000)
254544 Merger Rate Plan Delay	35.00%	0			0
254549 Currently Provided Incidental Services	35.00%	21,000			21,000
254551 GRT Customer Refund (2000) - Gas	35.00%	2,718,000		(919,000)	1,799,000
254553 Gas Millennium Refund	35.00%	131,000			131,000
254559 Bonus Depreciation Adjustment	35.00%	2,936,000		(877,000)	2,059,000
254560 Pension/OPEB Interest on Recovery	35.00%	185,000			185,000
254561 Station Service Sales Growth Deferral	35.00%	126,000			126,000
254563 GRT Audit Refund (91-94) - Gas	35.00%	0		(81,000)	(81,000)
254567 NIMO-NEG Merger Savings	35.00%	(22,000)			(22,000)

Corrections & Updates

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**NIAGARA MOHAWK POWER CORPORATION DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES
FOR THE RATE YEAR ENDING MARCH 31, 2010**

Excluded from Rate Base

Deferred Item		Balance 03/31/2009	Additions	Deductions	Balance 03/31/2010
KEYSPAN ENERGY MERGER SAVINGS	35.00%	81,000		(62,000)	19,000
Fed Tax Refund (1991-1995)	35.00%	608,000			608,000
144000/144001 Bad Debt Reserve	35.00%	14,436,000			14,436,000
228200 Injuries & Damages Reserve	35.00%	340,000			340,000
DO NOT USE Vacation Pay	35.00%	62,000			62,000
DO NOT USE Line Pack Gas	35.00%	46,000			46,000
190300 Fin 48 Reserves	35.00%	789,520			789,520
190480 Fin 48 Reserves - NMR LLC	35.00%	1,719,550			1,719,550
Pre-Acquisition Insurance Premiums	35.00%	12,000			12,000
190481 FIT on Deferred SIT	35.00%	4,707,684		(385,000)	4,322,684
Total a/c 190350 & 190351		131,414,990	0	(5,662,000)	125,752,990

Account 190352 (149.00 003) - Federal:

FAS 109		(14,000)			(14,000)
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Account 190353 (149.00 004) - Federal:

FAS 109		7,115,000			7,115,000
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Account 190354 (149.00 005) - Federal:

FAS 109		3,350,000			3,350,000
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Account 190650/653 (149.01 001 & 002) - New York State:

Unbilled Revenues	7.50%	3,158,000			3,158,000
Capitalized 263A Inventory Costs	7.50%	73,000			73,000
182459 FAS 158 - OPEB	7.50%	1,514,729			1,514,729
DO NOT USE Officers Incentive Compensation	7.50%	57,000			57,000
DO NOT USE Payroll Taxes	7.50%	(3,000)			(3,000)
242207 Management Incentive Comp	7.50%	(57,000)			(57,000)
242000 NRG Reserve	7.50%	27,000			27,000
242202 Self Insured Worker's Compensation	7.50%	80,000			80,000
242209 Liability for Separation Allowance Costs	7.50%	9,000			9,000
242201 Healthcare Settlement Lag	7.50%	47,000			47,000
242211 Stock Appreciation Rights (SARS)	7.50%	82,000			82,000
Tenn Pipeline Liability	7.50%	40,000			40,000
242305 MCG - Tariff Customer Refund (2002)	7.50%	(329,000)			(329,000)
242204 GOALS	7.50%	(2,000)			(2,000)
ARB	7.50%	27,000			27,000
242000 MCG - Tariff Customer Refund (2003)	7.50%	887,000			887,000
253000 Miscellaneous Compensation Reserve	7.50%	34,000			34,000
253117 AML	7.50%	2,217,855			2,217,855
253106 Other Post Retirement Benefit Liability	7.50%	7,340,199			7,340,199
253024 VERP-Voluntary Retirement Plan	7.50%	1,553,000			1,553,000
253027 Pension Expense (Book/Tax Differences)	7.50%	(1,313,601)			(1,313,601)
253112 Other Post Employment Benefit Liability	7.50%	(15,000)			(15,000)
253106 OPEB - Internal Reserve	7.50%	(156,136)			(156,136)
253003 Executive Deferred Compensation Liability	7.50%	(39,000)			(39,000)
253031 Supplemental Executive Retirement Plan	7.50%	(374,853)			(374,853)
253106 OPEB Liability - Directors & Executives	7.50%	4,750,741			4,750,741
253480 Interest Reserve - FIN 48	7.10%	91,000			91,000
254325 Medicare Act tax benefit defer	7.50%	874,000		(290,000)	584,000

Corrections & Updates

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NIAGARA MOHAWK POWER CORPORATION DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES
FOR THE RATE YEAR ENDING MARCH 31, 2010

Excluded from Rate Base			Balance 03/31/2009	Additions	Deductions	Balance 03/31/2010
Deferred Item						
254351	Gas R&D Ventures Deferral	7.50%	22,000		(7,000)	15,000
254509	Gas Net Revenue Sharing Mechanism	7.50%	8,000			8,000
254520	LOSS ON SALE OF BUILDING	7.50%	7,000		(4,000)	3,000
254512	Gas Non-Core Revenue Sharing	7.50%	130,000		(84,000)	46,000
254514	Gas Contingency Reserve	7.50%	11,000			11,000
254528	SFAS 88 Curtailment/Settlement Gains	7.50%	150,000			150,000
254529	IRS Audit Refund/Liability (1989-1990)	7.50%	1,000			1,000
254537	SIR Expenditures Deferred - Gas	7.50%	(7,000)			(7,000)
254544	Merger Rate Plan Delay	7.50%	0			0
254549	Currently Provided Incidental Services	7.50%	4,000			4,000
254551	GRT Customer Refund (2000) - Gas	7.50%	627,000		(187,000)	440,000
254553	Gas Millenium Refund	7.50%	27,000			27,000
254559	Bonus Depreciation Adjustment	7.50%	619,000		(178,000)	441,000
254560	Pension/OPEB Interest on Recovery	7.50%	39,000			39,000
254561	Station Service Sales Growth Deferral	7.50%	27,000			27,000
254563	GRT Audit Refund (91-94) - Gas	7.50%	0		(16,000)	(16,000)
254567	NIMO-NEG Merger Savings	7.10%	(4,000)			(4,000)
	KEYSPAN ENERGY MERGER SAVINGS	7.10%	16,000		(12,000)	4,000
	Fed Tax Refund (1991-1995)	7.50%	130,000			130,000
144000/144001	Bad Debt Reserve	7.50%	2,656,000			2,656,000
228200	Injures & Damages Reserve	7.50%	76,000			76,000
	Pre-Acquisition Insurance Premiums	7.50%	2,000			2,000
190780	Fin 48 Reserve	7.10%	348,823			348,823
Total a/c 190650 & 190651			25,462,757	0	(778,000)	24,684,757

Account 190654 (149.01 003) - New York State:

FAS 109	7.50%	425,000			425,000
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Account 190651 (149.01 004) - New York State:

DO NOT USE	Real Estate Taxes Paid	7.50%	(768,000)		(768,000)
	Stock Incentive Plan	7.50%	(327,000)		(327,000)
242209	Liability for Separation Allowance Costs	7.50%	(77,000)		(77,000)
253027	Pension Expense (Book/Tax Differences)	7.50%	(276,000)		(276,000)
253112	Other Post Employment Benefit Liability	7.50%	156,000		156,000
253106	OPEB Internal Reserves	7.50%	5,000		5,000
253031	Supplemental Executive Retirement Plan	7.50%	(17,000)		(17,000)
	Pension Settlement Amortization	7.50%	36,000		36,000
254509	Gas Net Revenue Sharing Mechanism	7.50%	5,000		5,000
254512	Gas Non-Core Revenue Sharing	7.50%	328,000		328,000
254513	Customer Service Penalty	7.50%	(51,000)		(51,000)
254514	Gas Contingency Reserve	7.50%	1,007,000	(398,000)	609,000
	Merit Recovery	7.50%	(7,000)		(7,000)
254515	IBM Settlement	7.50%	0	(27,000)	(27,000)
254528	SFAS 88 Curtailment/Settlement Gains	7.50%	389,000		389,000
254537	SIR Expenditures Deferred - Gas	7.50%	56,000		56,000
Total a/c 190651			459,000	(425,000)	34,000

Account 190652 (149.01 005) - New York State:

FAS 109	7.50%	(296,000)			(296,000)
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Corrections & Updates

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NIAGARA MOHAWK POWER CORPORATION DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES
FOR THE RATE YEAR ENDING MARCH 31, 2010

Excluded from Rate Base

Deferred Item	Balance 03/31/2009	Additions	Deductions	Balance 03/31/2010
<u>Account 255000 (243.00) - Federal:</u>				
Regular	(5,281,000)		285,000	(4,996,000)
Total a/c 255000	(5,281,000)	0	285,000	(4,996,000)

Account 282250/251 (262.00 001 & 002) - Federal:

Contributions in aid of construction	35.00%	0		0
Contributions in aid of construction	34.00%	0		0
Contributions in aid of construction	39.95%	0		0
Construction Period Interest	35.00%	0		0
Construction Period Interest	34.00%	0		0
Interest Charged to Construction-Debt Component	35.00%	0		0
Sales Tax Capital Items	39.95%	0		0
Capitalized Overheads	46.00%	0		0
Tax Basis/Depreciation		(198,796,164)	(10,525,000)	1,018,000
ARO - Accretion Expense	35.00%	0		0
Cost of Removal		0		0
Total ac/ 282250 & 282251		(198,796,164)	(10,525,000)	1,018,000

Account 282470 (262.00 003) - Federal:

FAS 109	3,955,863			3,955,863
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Account 282471 (262.00 004) - Federal:

FAS 109	(60,806,000)			(60,806,000)
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Account 282472 (262.00 005) - Federal:

FAS 109	(29,632,385)			(29,632,385)
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Account 282650/651 (262.01 001 & 002) - New York State:

Depreciation Differences	7.50%	(11,524,731)	(1,080,000)	(12,604,731)
Construction Period Interest	7.50%	0		0
Interest Charged to Construction-Debt Component	7.50%	0		0
Contributions in aid of construction	7.50%	0		0
Cost of Removal	7.50%	0		0
ARO - Accretion Expense	7.10%	0		0
Total ac/ 282650 & 282651		(11,524,731)	(1,080,000)	0

Account 282870 (262.01 003) - New York State

FAS 109	7.50%	2,000		2,000
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Account 282871 (262.01 004) - New York State

AFDUC - Other	7.50%	(46,000)	0	(46,000)
FAS 109	7.50%	36,000		36,000
		(10,000)	0	0

Account 282872 (262.01 005) - New York State

FAS 109	7.50%	2,000		2,000
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Account 283400/401, 283111 (263.00 001 & 002) - Federal:

DO NOT USE Merit Recovery	35.00%	(154,000)		(154,000)
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Corrections & Updates

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**NIAGARA MOHAWK POWER CORPORATION DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES
FOR THE RATE YEAR ENDING MARCH 31, 2010**

Excluded from Rate Base

Deferred Item			Balance 03/31/2009	Additions	Deductions	Balance 03/31/2010
DO NOT USE	Worthless Stock	35.00%	5,000			5,000
	Executive Deferred Compensation Trust	35.00%	567,684			567,684
DO NOT USE	Gas Revenue Sharing	35.00%	875,000			875,000
DO NOT USE	Unbilled revenues for Rates	34.00%	0			0
DO NOT USE	Unbilled revenues for Rates	35.00%	(227,000)			(227,000)
	Bond Redemption & Amort	35.00%	(1,339,000)			(1,339,000)
182458	FAS 158 Pension	35.00%	(11,298,090)			(11,298,090)
182459	FAS 158 OPEB	35.00%	(17,765,861)			(17,765,861)
182501/182502	Fuel Deferral	35.00%	(14,928,000)			(14,928,000)
DO NOT USE	TOP gas deferral	35.00%	34,000			34,000
182510/511	SFAS 106 OPEB	35.00%	1,032,000			1,032,000
182518	NYS Sales Tax Audit Assessment(1984-1988)	35.00%	35,000			35,000
DO NOT USE	FAS 112 OPEB	35.00%	140,000			140,000
182328	PENSION SETTLEMENT LOSS FY2003	35.00%	(2,034,000)		770,000	(1,264,000)
DO NOT USE	IRS Interest Assessment (1989-1990)	35.00%	(31,000)			(31,000)
DO NOT USE	UCB Regulatory Asset	35.00%	(783,000)			(783,000)
182518	NYS Sales Tax Audit (6/88-11/92)	35.00%	(64,000)		23,000	(41,000)
182533	80/20 Rev Sharing Mechanism	35.00%	(1,519,000)		1,841,000	322,000
182537	SIR Expenditures Deferred - Gas	35.00%	(2,960,000)		950,000	(2,010,000)
182549	Electronic Data Interchange (EDI)	35.00%	(42,000)			(42,000)
182550	Merger Fair Value Pension Adjustment-Gas	35.00%	(2,552,000)			(2,552,000)
182550	Merger Fair Value OPEB Adjustment-Gas	35.00%	(8,326,000)			(8,326,000)
182553/562	Pension Expense Deferred	35.00%	(10,459,000)		3,306,000	(7,153,000)
182554/561	OPEB Expense Deferred	35.00%	(15,722,000)		6,068,000	(9,654,000)
182551	Voluntary Early Retirement Offer (VERO)	35.00%	(224,000)		67,000	(157,000)
182324	Enhanced Severance Plan	35.00%	(5,000)			(5,000)
182326	Pension - AML	35.00%	(8,856,956)			(8,856,956)
182563	Incentive Return on Retirement Funding - Electric/Gas	35.00%	(10,693,000)		1,542,000	(9,151,000)
186510/515/520	Other WIP - PACE	35.00%	757,000			757,000
DO NOT USE	Insulation Credits	34.00%	(2,015,000)			(2,015,000)
DO NOT USE	Gas Project Fund Costs Deferred	35.00%	(3,000)			(3,000)
DO NOT USE	Land Management Program Costs	35.00%	1,000			1,000
	SERP - Pension Intangible Asset	35.00%	(675,000)			(675,000)
253027	HRP - Severance & Pension Enhancement Deferral	35.00%	(3,000)		2,000	(1,000)
DO NOT USE	NM Suburban - Weaver Gas	35.00%	392,000			392,000
	SERP Unrealized Appreciation	35.00%	(107,602)			(107,602)
	Deferred Gains/Losses on Hedging Activity	35.00%	1,729,961			1,729,961
Total a/c 283400/401			(107,217,864)	0	14,569,000	(92,648,864)
Account 283402 (263.00 003) - Federal:						
FAS 109			19,000			19,000
Account 283403 (263.00 004) - Federal:						
FAS 109			27,267,000			27,267,000
Account 283404 (263.00 005) - Federal:						
FAS 109			13,161,308			13,161,308
Account 283500/503 (263.01 001 & 002) - New York State:						
DO NOT USE	Worthless Stock	7.50%	18,000			18,000
	Executive Deferred Compensation Trust	7.50%	86,225			86,225

Corrections & Updates

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**NIAGARA MOHAWK POWER CORPORATION DBA NATIONAL GRID
ACCUMULATED DEFERRED INCOME TAX BALANCES
FOR THE RATE YEAR ENDING MARCH 31, 2010**

Excluded from Rate Base

Deferred Item		Balance 03/31/2009	Additions	Deductions	Balance 03/31/2010	
	Bond Redemption & Amortization	7.50%	(79,000)		(79,000)	
182458	FAS 158 Pension	7.50%	(2,608,399)		(2,608,399)	
182459	FAS 158 OPEB	7.50%	(4,091,058)		(4,091,058)	
182501/182502	Fuel Deferral	7.50%	(3,504,000)		(3,504,000)	
182510/511	Other Post Retirement Benefits	7.50%	(4,000)		(4,000)	
182518	NYS Sales Tax Audit Assessment (1988-1992) - Gas	7.50%	(4,000)	5,000	1,000	
182533	80/20 Rev Sharing Mechanism	7.50%	(339,000)	374,000	35,000	
182537	SIR Expenditures Deferred - Gas	7.50%	(619,000)	193,000	(426,000)	
182549	Electronic Data Interchange (EDI) Costs	7.50%	(9,000)		(9,000)	
182550	Merger Fair Value Pension Adjustment-Gas	7.50%	(549,000)		(549,000)	
182550	Merger Fair Value OPEB Adjustment-Gas	7.50%	(1,797,000)		(1,797,000)	
182553/562	Pension Expense Deferred	7.50%	(2,216,000)	671,000	(1,545,000)	
182554/561	OPEB Expense Deferred	7.50%	(3,300,000)	1,231,000	(2,069,000)	
182551	Voluntary Early Retirement Offer (VERO)	7.50%	(50,000)	14,000	(36,000)	
182324	Enhanced Severance Plan	7.50%	(1,000)		(1,000)	
182326	Pension - AML	7.50%	(2,043,000)		(2,043,000)	
182563	Incentive Return on Retirement Funding - Electric/Gas	7.50%	(2,274,000)	313,000	(1,961,000)	
182328	PENSION SETTLEMENT-LOSS FY2003	7.50%	(435,000)	156,000	(279,000)	
182329	ACCTG CHANGE CAPITAL ITEM	7.50%	1,000		1,000	
	SERP-Unrealized Appreciation	7.50%	(25,148)		(25,148)	
	Deferred Gains/Losses on Hedging Activity	7.50%	(1,344,042)		(1,344,042)	
Total a/c 283500/503			(25,186,422)	0	2,957,000	(22,229,422)
Account 283504 (263.01 003) - New York State:						
	FAS 109	7.50%	140,000		140,000	
Account 283501 (263.01 004) - New York State:						
	Subsidiaries	7.50%	(2,000)		(2,000)	
	Accrued Utility Revenues - Gas	7.50%	(885,000)		(885,000)	
	Unamortized Debt Discount	7.50%	(383,000)		(383,000)	
182501/182502	Fuel Deferral	7.50%	140,000		140,000	
	Carrying Charges	7.50%	4,000		4,000	
			(1,126,000)	0	0	(1,126,000)
Account 283502 (263.01 005) - New York State:						
	FAS 109		(56,000)		(56,000)	
GRAND TOTAL			(227,172,648)	(12,030,000)	12,389,000	(226,813,648)

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Taxes

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1 ROLLFORWARD FEDERAL DEFERRED TAXES EXCLUDING DEPRECIATION
2 FOR THE PERIOD 1/1/08 TO 3/31/09
3 Corrections & Updates

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From 1/1/08
03/31/09
SCHEDULE M
TOTAL

6 NET INCOME BEFORE FEDERAL TAX

8 ADDITIONS

9 INCOME SUBJECT TO TAX NOT RECORDED ON BOOKS THIS YEAR

10 254512 GAS NON-CORE REVENUE SHARING
11 254553 GAS MILLENNIUM FUND
12 254559 BONUS DEPRECIATION ADJUSTMENT
13 KEYSpan ENERGY MERGER SAVINGS
14 EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON THIS RETURN
15 182551 VOLUNTARY EARLY RETIREMENT OFFER (VERO)
16 254325 Medicare Act tax benefit defer
17 254351 Gas R&D Ventures Deferral
18 254520 LOSS ON SALE OF BUILDING

20 TOTAL ADDBACKS

22 DEDUCTIONS

23 INCOME ON BOOKS NOT INCLUDED ON RETURN THIS YEAR

24 182563 INCENTIVE RETURN ON RETIREMENT FUNDING- Electr/Gas
25 254551 GRT CUSTOMER REFUND (2000) - GAS

26 DEDUCTIONS ON RETURN NOT CHARGED AGAINST BOOK INCOME THIS YEAR

27 NEW YORK STATE INCOME TAXES - CURRENT PROVISION
28 409129 OTHER STATE INCOME TAXES
29 182533 80/20 REV SHARING MECHANISM
30 182537 SIR EXPENDITURES DEFERRED - GAS
31 182553/182562 PENSION EXPENSE DEFERRED-ELECTRIC&GAS
32 182554/182561 OPEB EXPENSE DEFERRED-ELECTRIC & GAS
33 182324 ENHANCED SEVERANCE PLAN
34 254514 GAS CONTINGENCY RESERVE

36 TOTAL DEDUCTIONS

38 DIV CER PREFERRED STOCKS

39 70% of 419201 & 41920 70% DIVIDENDS RECEIVED DEDUCTION

41 TAXABLE NET INCOME

43 ITC Reversals
44 FIT on SIT

46 TOTAL FIT EXPENSE

47

ADJUSTMENTS	TAXABLE INCOME	DEFERRABLE BASIS	DFTT PROVISION	DFTT REVERSALS	NET FIT
	0				0
(239,000)	(239,000)	239,000	84,000		0
59,000	59,000	(59,000)	(21,000)		0
1,638,000	1,638,000	(1,638,000)	(573,000)		0
231,000	231,000	(231,000)	(81,000)		0
0	0				0
461,000	461,000			161,000	0
3,609,000	3,609,000	(3,609,000)	(1,263,000)		0
75,000	75,000	(75,000)	(26,000)		0
56,000	56,000			20,000	0
5,890,000	5,890,000	(5,373,000)	(1,880,000)	181,000	0
(2,940,000)	(2,940,000)	2,940,000	1,029,000		0
1,596,000	1,596,000			559,000	0
	350,000	350,000			123,000
0	0				0
2,696,000	2,696,000	(2,696,000)	(944,000)		0
(4,001,000)	(4,001,000)	4,001,000	1,400,000		0
(2,852,000)	(2,852,000)	2,852,000	998,000		0
(14,200,000)	(14,200,000)	14,200,000	4,970,000		0
12,000	12,000	(12,000)	(4,000)		0
(7,072,000)	(7,072,000)			(1,431,000)	(1,044,000)
(26,761,000)	(26,411,000)	21,285,000	7,449,000	(872,000)	(921,000)
	0				0
	0				0
(20,871,000)	(20,521,000)	15,912,000	5,569,000	(691,000)	(921,000)
					(356,000)
					(343,000)
					(1,620,000)

1 ROLLFORWARD STATE DEFERRED TAXES EXCLUDING DEPRECIATION

2 FOR THE PERIOD 1/1/08 TO 3/31/09

28-Aug-08

3 Corrections & Updates

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9 NET INCOME BEFORE FEDERAL TAX

10

11 ADDITIONS

12 INCOME SUBJECT TO TAX NOT RECORDED ON BOOKS THIS YEAR

13 254512 GAS NON-CORE REVENUE SHARING (239,000)

14 254553 GAS MILLENTUM FUND 59,000

15 254559 BONUS DEPRECIATION ADJUSTMENT 1,638,000

16 0 KEYSpan ENERGY MERGER SAVINGS 231,000

17 EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON THIS RETURN

18 182551 VOLUNTARY EARLY RETIREMENT OFFER (VERO) 461,000

19 254325 Medicare Act tax benefit defer 3,609,000

20 254351 Gas R&D Ventures Deferral 75,000

21 254520 LOSS ON SALE OF BUILDING 56,000

22

23 TOTAL ADDBACKS

24

25 DEDUCTIONS

26 INCOME ON BOOKS NOT INCLUDED ON RETURN THIS YEAR

27 182563 INCENTIVE RETURN ON RETIREMENT FUNDING- Electr/Gas (2,940,000)

28 254551 GRT CUSTOMER REFUND (2000) - GAS 1,596,000

29 DEDUCTIONS ON RETURN NOT CHARGED AGAINST BOOK INCOME THIS YEAR

30 0 NEW YORK STATE INCOME TAXES - CURRENT PROVISION 0

31 409129 OTHER STATE INCOME TAXES 0

32 182533 80/20 REV SHARING MECHANISM 2,696,000

33 182537 SIR EXPENDITURES DEFERRED - GAS (4,001,000)

34 182553/182562 PENSION EXPENSE DEFERRED-ELECTRIC&GAS (2,852,000)

35 182554/182561 OPEB EXPENSE DEFERRED-ELECTRIC & GAS (14,200,000)

36 182324 ENHANCED SEVERANCE PLAN 12,000

37 254514 GAS CONTINGENCY RESERVE (7,072,000)

38 TOTAL DEDUCTIONS

39

40 DIV CER PREFERRED STOCKS

41

42 TAXABLE NET INCOME

43

	From 1/1/08 3/31/09 SCHEDULE M TOTAL	NYS Adjust.	Taxable Income	Deferred Items	DSIT Provision	DSIT Reversals	Net SIT	FAS 109 Adjustments
NET INCOME BEFORE FEDERAL TAX	0		0				0	
ADDITIONS								
INCOME SUBJECT TO TAX NOT RECORDED ON BOOKS THIS YEAR								
254512 GAS NON-CORE REVENUE SHARING	(239,000)		(239,000)	239,000	17,000		0	
254553 GAS MILLENTUM FUND	59,000		59,000	(59,000)	(4,000)		0	
254559 BONUS DEPRECIATION ADJUSTMENT	1,638,000		1,638,000	(1,638,000)	(116,000)		0	
0 KEYSpan ENERGY MERGER SAVINGS	231,000		231,000	(231,000)	(16,000)		0	
EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON THIS RETURN								
182551 VOLUNTARY EARLY RETIREMENT OFFER (VERO)	461,000		461,000			33,000	0	
254325 Medicare Act tax benefit defer	3,609,000		3,609,000	(3,609,000)	(256,000)		0	
254351 Gas R&D Ventures Deferral	75,000		75,000	(75,000)	(5,000)		0	
254520 LOSS ON SALE OF BUILDING	56,000		56,000		0	4,000	0	
TOTAL ADDBACKS	5,890,000	0	5,890,000	(5,373,000)	(380,000)	37,000	0	0
DEDUCTIONS								
INCOME ON BOOKS NOT INCLUDED ON RETURN THIS YEAR								
182563 INCENTIVE RETURN ON RETIREMENT FUNDING- Electr/Gas	(2,940,000)		(2,940,000)	2,940,000	209,000		0	
254551 GRT CUSTOMER REFUND (2000) - GAS	1,596,000		1,596,000			113,000	0	
DEDUCTIONS ON RETURN NOT CHARGED AGAINST BOOK INCOME THIS YEAR								
0 NEW YORK STATE INCOME TAXES - CURRENT PROVISION	0	0	0				0	
409129 OTHER STATE INCOME TAXES	0	0	0	0			0	
182533 80/20 REV SHARING MECHANISM	2,696,000		2,696,000	(2,696,000)	(191,000)		0	
182537 SIR EXPENDITURES DEFERRED - GAS	(4,001,000)		(4,001,000)	4,001,000	284,000		0	
182553/182562 PENSION EXPENSE DEFERRED-ELECTRIC&GAS	(2,852,000)		(2,852,000)	2,852,000	202,000		0	
182554/182561 OPEB EXPENSE DEFERRED-ELECTRIC & GAS	(14,200,000)		(14,200,000)	14,200,000	1,008,000		0	
182324 ENHANCED SEVERANCE PLAN	12,000		12,000	(12,000)	(1,000)		0	
254514 GAS CONTINGENCY RESERVE	(7,072,000)		(7,072,000)				(502,000)	437,000
TOTAL DEDUCTIONS	(26,761,000)	0	(26,761,000)	21,285,000	1,511,000	113,000	(502,000)	437,000
DIV CER PREFERRED STOCKS	0	0	0				0	
TAXABLE NET INCOME	(20,871,000)	0	(20,871,000)	15,912,000	1,131,000	150,000	(502,000)	437,000

NIAGARA MOHAWK POWER CORPORATION
ROLLFORWARD FEDERAL DEFERRED TAXES (EXCLUDING DEPRECIATION)
FOR PERIOD 1/1/08 TO 3/31/09

	DEBIT/CREDIT	ACTIVITY	FOR THE PERIOD	From 1/1/08 to 3/31/09
DEFERRED FEDERAL INCOME TAX-CURRENT YEAR:				
Pension Expense Deferred	940.01/263.00 001	410100/283400	998,000	998,000
OPEB Expense Deferred	940.01/263.00 001	410100/283400	4,970,000	4,970,000
Incentive Return on Retirement Funding	940.01/263.00 001	410100/283400	1,029,000	1,029,000
Enhanced Severance Plan	940.01/263.00 001	410100/283400	(4,000)	(4,000)
80/20 Rev Sharing Mechanism	940.01/263.00 001	410100/283400	(944,000)	(944,000)
SIR Expenditures Deferred - Gas	940.01/263.00 001	410100/283400	1,400,000	1,400,000
Gas Non-Core Revenue Sharing	149.00 001/945.01	190350/411100	84,000	84,000
Bonus Depreciation Adjustment	149.00 001/945.01	190350/411100	(573,000)	(573,000)
Gas Millenium Fund	149.00 001/945.01	190350/411100	(21,000)	(21,000)
Medicare Act tax benefit defer	149.00 001/945.01	190350/411100	(1,263,000)	(1,263,000)
KEYSAPN ENERGY MERGER SAVINGS	149.00 001/945.02	190350/411100	(81,000)	(81,000)
Gas R&D Ventures Deferral	149.00 001/945.01	190350/411100	(26,000)	(26,000)
TOTAL CURRENT YEAR	0		5,569,000	5,569,000
DEFERRED FEDERAL INCOME TAX-PRIOR YEAR:				
Voluntary Early Retirement Offer (VERO)	263.00 001/945.01	283400/411100	(161,000)	(161,000)
Enhanced Severance Plan	263.00 001/945.01	283400/411100	0	0
Gas Contingency Reserve	940.01/149.00 001	410100/190350	1,431,000	1,431,000
GRT Customer Refund (2000) - Gas	940.01/149.00 001	410100/190350	(559,000)	(559,000)
LOSS ON SALE OF BUILDING	940.01/149.00 001	410100/190350	(20,000)	(20,000)
FIT on Deferred SIT	940.01/149.00 001	410100/190350	(343,000)	(343,000)
TOTAL PRIOR YEARS DFIT	0		348,000	348,000
TOTAL FIT CHARGED TO EXPENSE			5,917,000	5,917,000
FEDERAL INCOME TAX CHARGED TO OTHER INCOME:				
ITC	243.00/910.80	255000/420000	(356,000)	(356,000)
TOTAL CHARGED TO OTHER INCOME			(356,000)	(356,000)
NET FEDERAL INCOME TAX EXPENSE			5,561,000	5,561,000

NIAGARA MOHAWK POWER CORPORATION
ROLLFORWARD STATE DEFERRED TAXES (EXCLUDING DEPRECIATION)
FOR PERIOD 1/1/08 TO 3/31/09

	DEBIT/CREDIT		FOR THE PERIOD	From 1/1/08 to 3/31/09
DEFERRED STATE INCOME TAX-CURRENT YEAR:				
Pension Expense Deferred	940.05/263.01 001	411150/283500	202,000	202,000
OPEB Expense Deferred	940.05/263.01 001	411150/283500	1,008,000	1,008,000
Incentive Return on Retirement Funding	940.05/263.01 001	411150/283500	209,000	209,000
Enhanced Severance Plan	940.05/263.01 001	411150/283500	(1,000)	(1,000)
80/20 Rev Sharing Mechanism	940.05/263.01 001	411150/283500	(191,000)	(191,000)
SIR Expenditures Deferred - Gas	940.05/263.01 001	411150/283500	284,000	284,000
Gas Non-Core Revenue Sharing	149.01 001/945.05	190650/411150	17,000	17,000
Bonus Depreciation Adjustment	149.01 001/945.05	190650/411150	(116,000)	(116,000)
Gas Millenium Refund	149.01 001/945.05	190650/411150	(4,000)	(4,000)
Medicare Act tax benefit defer	149.01 001/945.05	190650/411150	(256,000)	(256,000)
KEYSPAN ENERGY MERGER SAVINGS	149.01 001/945.05	190650/411150	(16,000)	(16,000)
Gas R&D Ventures Deferral	149.01 001/945.05	190650/411150	(5,000)	(5,000)
TOTAL CURRENT YEAR	0		1,131,000	1,131,000
DEFERRED STATE INCOME TAX-PRIOR YEAR:				
Voluntary Early Retirement Offer (VERO)	263.01 001/945.05	283500/411150	(33,000)	(33,000)
LOSS ON SALE OF BUILDING	940.05/149.01 001	410150/190650	(4,000)	(4,000)
GRT Customer Refund (2000) - Gas	940.05/149.01 001	410150/190650	(113,000)	(113,000)
Gas Contingency Reserve	940.05/149.01 001	410150/190650	0	0
TOTAL PRIOR YEARS SIT	0		(150,000)	(150,000)
TOTAL SIT CHARGED TO EXPENSE			981,000	981,000
STATE INCOME TAX CHARGED TO OTHER INCOME:				
TOTAL CHARGED TO OTHER INCOME			0	0
NET STATE INCOME TAX EXPENSE			981,000	981,000
FAS 109 ADJUSTMENTS				
Gas Contingency Reserve	149.01 004/246.00 121	190651/254530	437,000	437,000
TOTAL FAS 109 ADJUSTMENTS	0		437,000	437,000
TOTAL STATE ACCRUAL ADJUSTMENTS			1,418,000	1,418,000

NIAGARA MOHAWK POWER CORPORATION DBA NATIONAL GRID
ROLLFORWARD ACCUMULATED DEFERRED INCOME TAXES
FOR THE PERIOD 1/1/08 TO 3/31/09

Corrections & Updates

08/28/08

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Excluded from Rate Base

Deferred Item		Balance 12/31/07	Additions	Deductions	C&U	Adjustments	Balance 03/31/09
Account 190350/351 (149.00.001 & 002) - Federal:							
Unbilled Revenues	35.00%	16,152,000			9,286,000	0	25,438,000
Capitalized 263A Inventory Costs	35.00%	1,027,000			0	(98,000)	929,000
Inventory Adjustment	35.00%	13,000			0	(12,000)	1,000
DO NOT USE Preferred Stock Litigation	35.00%	39,000			0	0	39,000
Alternative Minimum Tax		(3,342,014)			0	3,342,014	0
182459 FAS 158 - OPEB	35.00%	6,417,500			0	128,451	6,545,951
DO NOT USE Officers Incentive Compensation	35.00%	263,000			0	0	263,000
DO NOT USE Payroll Taxes on Merger Compensation	35.00%	(12,000)			0	0	(12,000)
242207 Management Incentive Comp	35.00%	(221,000)			0	0	(221,000)
242204 GOALS	35.00%	50,000			0	(79,000)	(29,000)
DO NOT USE ARB	35.00%	111,000			0	0	111,000
242202 Workman's Compensation - Self-Insured	35.00%	129,000			0	0	129,000
242209 Liability for Separation Allowance Costs	35.00%	33,000			0	(148,000)	(115,000)
242201 Healthcare Settlement Lag	35.00%	222,000			0	0	222,000
242211 Stock Appreciation Rights (SARS)	35.00%	341,000			0	0	341,000
DO NOT USE Tenn Pipeline Liability	35.00%	185,000			0	0	185,000
242305 MCG - Tariff Customer Refund (2002)	35.00%	(1,542,000)			0	0	(1,542,000)
242000 MCG - Tariff Customer Refund (2003)	35.00%	4,140,000			0	0	4,140,000
253000 Miscellaneous Compensation Reserve	35.00%	160,000			0	0	160,000
253117 AML	35.00%	9,815,040			0	0	9,815,040
253024 VERP/VERO	35.00%	(12,598,000)			0	15,869,000	3,071,000
253024 VERP	34.00%	575,000			0	0	575,000
253024 VERP	39.95%	240,000			0	0	240,000
253106 Other Post Retirement Benefit Liability	35.00%	22,959,371			0	(406,000)	22,553,371
254562/254563 NYS GRT Refunds Received (91-94)	35.00%	42,000			0	(42,000)	0
253017 ESCO Uncollectible Reserve	35.00%	3,000			0	0	3,000
253027 Pension Expense (Book/Tax Differences)	35.00%	9,171,343			0	(12,482,197)	(3,290,854)
253112 Other Post Employment Benefit Liability	35.00%	2,332,000			0	0	2,332,000
253106 OPEB Internal Reserves	35.00%	(882,315)			0	0	(882,315)
253003 Executive Deferred Compensation Liability	35.00%	(180,000)			0	0	(180,000)
253031 Supplemental Executive Retirement Plan	35.00%	(1,584,478)			0	(134,520)	(1,718,998)
253106 OPEB Liability - Directors & Executives	35.00%	18,529,253			0	4,516,782	23,046,035
253480 Interest Reserve - FIN 48	35.00%	447,000			0	0	447,000
254325 Medicare Act tax benefit deferral	35.00%	2,920,000	1,263,000		0	0	4,183,000
254351 Gas R&D Ventures Deferral	35.00%	80,000	26,000		0	0	106,000
DO NOT USE Pension Expense (TU)	35.00%	(168,000)			0	0	(168,000)
254509 Gas Net Revenue Sharing Mechanism	35.00%	(852,000)			0	0	(852,000)
254512 Gas Non-Core Revenue Sharing	35.00%	2,732,000	(84,000)		0	0	2,648,000
254520 LOSS ON SALE OF BUILDING	35.00%	0		20,000	0	0	20,000
254514 Gas Contingency Reserve	35.00%	5,823,000		(1,431,000)	0	(206,000)	4,186,000
254528 SFAS 88 Curtailment/Settlement Gains	35.00%	700,000			0	0	700,000
254529 IRS Audit Refund/Liability (1989-1990)	35.00%	4,000			0	0	4,000
254537 SIR Expenditures Deferred - Gas	35.00%	(735,000)			0	29,000	(706,000)
254544 Merger Rate Plan Delay	35.00%	769,000			(769,000)	0	0
254549 Currently Provided Incidental Services	35.00%	21,000			0	0	21,000
254551 GRT Customer Refund (2000) - Gas	35.00%	1,978,000		558,000	0	181,000	2,718,000
254553 Gas Millennium Refund	35.00%	110,000	21,000		0	0	131,000
254559 Bonus Depreciation Adjustment	35.00%	2,537,000	573,000		0	(174,000)	2,936,000
254560 Pension/OPEB Interest on Recovery	35.00%	185,000			0	0	185,000
254561 Station Service Sales Growth Deferral	35.00%	126,000			0	0	126,000
254567 NIMO-NEG Merger Savings	35.00%	(22,000)			0	0	(22,000)
KEYSPAN ENERGY MERGER SAVINGS	35.00%	0	81,000		0	0	81,000
Fed Tax Refund (1991-1995)	35.00%	608,000			0	0	608,000
144000/144001 Bad Debt Reserve	35.00%	14,436,000			0	0	14,436,000
228200 Injuries & Damages Reserve	35.00%	495,000			0	(155,000)	340,000
DO NOT USE Carrying Charges	35.00%	612,000			0	(612,000)	0
DO NOT USE Vacation Pay	35.00%	11,000			0	51,000	62,000
DO NOT USE Line Pack Gas	35.00%	46,000			0	0	46,000
190300 Fin 48 Reserves	35.00%	789,520			0	0	789,520
190480 Fin 48 Reserves - NMR LLC	35.00%	1,719,550			0	0	1,719,550
Pre-Acquisition Insurance Premiums	35.00%	70,000			0	(58,000)	12,000
190481 FIT on Deferred SIT	35.00%	3,959,684	343,000		0	405,000	4,707,684

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Excluded from Rate Base		Balance					Balance
Deferred Item		12/31/07	Additions	Deductions	C&U	Adjustments	03/31/09
Total a/c 190350 & 190351		111,791,460	2,223,000	(852,000)	8,517,000	9,735,530	131,414,990
Account 190352 (149.00 003) - Federal:							
FAS 109		(14,000)			0	0	(14,000)
Account 190353 (149.00 004) - Federal:							
FAS 109		7,115,000			0	0	7,115,000
Account 190354 (149.00 005) - Federal:							
FAS 109		3,350,000			0	0	3,350,000
Account 190650/653 (149.01 001 & 002) - New York State:							
	Unbilled Revenues	7.50%	3,158,000		0	0	3,158,000
	Capitalized 263A Inventory Costs	7.50%	94,000		0	(21,000)	73,000
	Inventory Adjustment	7.50%	3,000		0	(3,000)	0
182459	FAS 158 - OPEB	7.50%	1,488,680		0	28,049	1,514,729
DO NOT USE	Officers Incentive Compensation	7.50%	57,000		0	0	57,000
DO NOT USE	Payroll Taxes	7.50%	(3,000)		0	0	(3,000)
242207	Management Incentive Comp.	7.50%	(57,000)		0	0	(57,000)
242000	NRG Reserve	7.50%	27,000		0	0	27,000
242202	Self Insured Worker's Compensation	7.50%	80,000		0	0	80,000
242209	Liability for Separation Allowance Costs	7.50%	41,000		0	(32,000)	9,000
242201	Healthcare Settlement Lag	7.50%	47,000		0	0	47,000
242211	Stock Appreciation Rights (SARS)	7.50%	82,000		0	0	82,000
	Tenn Pipeline Liability	7.50%	40,000		0	0	40,000
242305	MCG - Tariff Customer Refund (2002)	7.50%	(329,000)		0	0	(329,000)
242204	GOALS	7.50%	15,000		0	(17,000)	(2,000)
	ARB	7.50%	27,000		0	0	27,000
242000	MCG - Tariff Customer Refund (2003)	7.50%	887,000		0	0	887,000
253000	Miscellaneous Compensation Reserve	7.50%	34,000		0	0	34,000
253117	AML	7.50%	2,217,855		0	0	2,217,855
253106	Other Post Retirement Benefit Liability	7.50%	8,936,002		0	404,197	7,340,196
253024	VERP - Voluntary Retirement Plan	7.50%	(1,805,000)		0	3,358,000	1,553,000
253027	Pension Expense (Book/Tax Differences)	7.50%	1,348,349		0	(2,659,950)	(1,311,601)
253112	Other Post Employment Benefit Liability	7.50%	(15,000)		0	0	(15,000)
253106	OPEB - Internal Reserve	7.50%	(156,136)		0	0	(156,136)
253003	Executive Deferred Compensation Liability	7.50%	(39,000)		0	0	(39,000)
253031	Supplemental Executive Retirement Plan	7.50%	(344,646)		0	(30,207)	(374,853)
253106	OPEB Liability - Directors & Executives	7.50%	4,256,650		0	495,091	4,750,741
253480	Interest Reserve - FIN 48	7.10%	91,000		0	0	91,000
254325	Medicare Act tax benefit defer	7.50%	618,000	256,000	0	0	874,000
254351	Gas R&D Ventures Deferral	7.50%	17,000	5,000	0	0	22,000
254509	Gas Net Revenue Sharing Mechanism	7.50%	8,000		0	0	8,000
254520	LOSS ON SALE OF BUILDING	7.50%	3,000		4,000	0	7,000
254512	Gas Non-Core Revenue Sharing	7.50%	147,000	(17,000)	0	0	130,000
254514	Gas Contingency Reserve	7.50%	11,000		0	0	11,000
254528	SFAS 88 Curtailment/Settlement Gains	7.50%	150,000		0	0	150,000
254529	IRS Audit Refund/Liability (1989-1990)	7.50%	1,000		0	0	1,000
254537	SIR Expenditures Deferred - Gas	7.50%	(14,000)		0	7,000	(7,000)
254544	Merger Rate Plan Delay	7.50%	165,000		(165,000)	0	0
254549	Currently Provided Incidental Services	7.50%	4,000		0	0	4,000
254551	GRT Customer Refund (2000) - Gas	7.50%	475,000		113,000	39,000	627,000
254553	Gas Millenium Refund	7.50%	23,000	4,000	0	0	27,000
254559	Bonus Depreciation Adjustment	7.50%	540,000	116,000	0	(37,000)	619,000
254560	Pension/OPEB Interest on Recovery	7.50%	39,000		0	0	39,000
254561	Station Service Sales Growth Deferral	7.50%	27,000		0	0	27,000
254567	NIMO-NEG Merger Savings	7.10%	(4,000)		0	0	(4,000)
	KEYSPAN ENERGY MERGER SAVINGS	7.10%	0	16,000	0	0	16,000
	Fed Tax Refund (1991-1995)	7.50%	130,000		0	0	130,000
144000/144001	Bad Debt Reserve	7.50%	2,656,000		0	0	2,656,000
228200	Injuries & Damages Reserve	7.50%	109,000		0	(33,000)	76,000

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Excluded from Rate Base			Balance					Balance
Deferred Item			12/31/07	Additions	Deductions	C&U	Adjustments	03/31/09
DO NOT USE	Carrying Charges	7.50%	131,000			0	(131,000)	0
	Pre-Acquisition Insurance Premiums	7.50%	15,000			0	(13,000)	2,000
190780	Fin 48 Reserve	7.10%	348,823			0	0	348,823
Total a/c 190650 & 190651			23,776,577	380,000	117,000	(165,000)	1,354,180	25,462,757

Account 190654 (149.01 003) - New York State:

FAS 109	7.50%	425,000			0	0	425,000
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Account 190651 (149.01 004) - New York State:

DO NOT USE	Real Estate Taxes Paid	7.50%	(768,000)			0	0	(768,000)
	Stock Incentive Plan	7.50%	(327,000)			0	0	(327,000)
242209	Liability for Separation Allowance Costs	7.50%	(77,000)			0	0	(77,000)
253027	Pension Expense (Book/Tax Differences)	7.50%	(276,000)			0	0	(276,000)
253112	Other Post Employment Benefit Liability	7.50%	158,000			0	0	158,000
253106	OPEB Internal Reserves	7.50%	5,000			0	0	5,000
253031	Supplemental Executive Retirement Plan	7.50%	(17,000)			0	0	(17,000)
	Pension Settlement Amortization	7.50%	36,000			0	0	36,000
254509	Gas Net Revenue Sharing Mechanism	7.50%	5,000			0	0	5,000
254512	Gas Non-Core Revenue Sharing	7.50%	328,000			0	0	328,000
254513	Customer Service Penalty	7.50%	(51,000)			0	0	(51,000)
254514	Gas Contingency Reserve	7.50%	1,482,000	(437,000)		0	(38,000)	1,007,000
	Ment Recovery	7.50%	(7,000)			0	0	(7,000)
254528	SFAS 88 Curtailment/Settlement Gains	7.50%	389,000			0	0	389,000
254537	SIR Expenditures Deferred - Gas	7.50%	56,000			0	0	56,000
Total a/c 190651			934,000	(437,000)	0	0	(38,000)	459,000

Account 190652 (149.01 005) - New York State:

FAS 109	7.50%	(298,000)			0	0	(298,000)
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Account 255000 (243.00) - Federal:

Regular		(5,637,000)		356,000	0	0	(5,281,000)
Total a/c 255000			(5,637,000)	0	356,000	0	(5,281,000)

Account 282250/251 (262.00 001 & 002) - Federal:

Contributions in aid of construction	35.00%	5,955,000		(6,358,000)		403,000	0
Contributions in aid of construction	34.00%	651,000		(651,000)		0	0
Contributions in aid of construction	39.95%	209,000		(209,000)		0	0
Construction Period Interest	35.00%	7,312,000		(7,169,000)		(143,000)	0
Construction Period Interest	34.00%	1,930,000		(1,930,000)		0	0
Interest Charged to Construction-Debt Component	35.00%	(444,000)		589,000		(145,000)	0
Sales Tax Capital Items	39.95%	(53,000)		53,000		0	0
Capitalized Overheads	46.00%	174,000		(174,000)		0	0
Tax Basis/Depreciation		(195,435,730)	(21,488,831)	13,967,000		4,161,397	(198,796,164)
ARO - Accretion Expense	35.00%	17,000		(17,000)		0	0
Cost of Removal		(1,564,000)		1,899,000		(335,000)	0
Total a/c 282250 & 282251			(181,248,730)	(21,488,831)	0	3,941,397	(198,796,164)

Account 282470 (262.00 003) - Federal:

FAS 109		3,955,863			0	0	3,955,863
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Account 282471 (262.00 004) - Federal:

FAS 109		(60,806,000)			0	0	(60,806,000)
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Account 282472 (262.00 005) - Federal:

FAS 109		(29,632,385)			0	0	(29,632,385)
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Account 282650/651 (262.01 001 & 002) - New York State:

Depreciation Differences	7.50%	(10,707,931)	(519,800)		(32,000)	(265,000)	(11,524,731)
Construction Period Interest	7.50%	317,000			(286,000)	(31,000)	0

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Deferred Item		Balance 12/31/07	Additions	Deductions	C&U	Adjustments	Balance 03/31/09
Interest Charged to Construction-Debt Component	7.50%	(79,000)			110,000	(31,000)	0
Contributions in aid of construction	7.50%	937,000			(1,023,000)	86,000	0
Cost of Removal	7.50%	(983,000)			1,235,000	(252,000)	0
ARO - Accretion Expense	7.10%	4,000			(4,000)	0	0
Total ac/ 282650 & 282651		(10,511,931)	(519,800)	0	0	(493,000)	(11,524,731)

Account 282870 (262.01 003) - New York State

FAS 109	7.50%	2,000			0	0	2,000
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Account 282871 (262.01 004) - New York State

AFDUC - Other	7.50%	(48,000)	0		0	0	(48,000)
FAS 109	7.50%	36,000			0	0	36,000
		(10,000)	0	0	0	0	(10,000)

Account 282872 (262.01 005) - New York State

FAS 109	7.50%	2,000			0	0	2,000
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Account 283400/401, 283111 (263.00 001 & 002) - Federal:

DO NOT USE	Ment Recovery	35.00%	(154,000)		0	0	(154,000)
DO NOT USE	Worthless Stock	35.00%	5,000		0	0	5,000
	Executive Deferred Compensation Trust	35.00%	609,811		0	(42,127)	567,684
DO NOT USE	Gas Revenue Sharing	35.00%	875,000		0	0	875,000
DO NOT USE	Unbilled revenues for Rates	34.00%	(162,000)		162,000	0	0
DO NOT USE	Unbilled revenues for Rates	35.00%	(227,000)		0	0	(227,000)
	Bond Redemption & Amort.	35.00%	(1,339,000)		0	0	(1,339,000)
182458	FAS 158 Pension	35.00%	(8,846,287)		0	(2,651,803)	(11,298,090)
182459	FAS 158 OPEB	35.00%	(10,120,212)		0	(7,645,649)	(17,765,861)
182501/182502	Fuel Deferral	35.00%	(14,928,000)		0	0	(14,928,000)
DO NOT USE	TOP gas deferral	35.00%	34,000		0	0	34,000
182510/511	SFAS 106 OPEB	35.00%	1,504,000		0	(472,000)	1,032,000
182518	NYS Sales Tax Audit Assessment(1984-1988)	35.00%	35,000		0	0	35,000
DO NOT USE	FAS 112 OPEB	35.00%	140,000		0	0	140,000
182328	PENSION SETTLEMENT LOSS FY2003	35.00%	(1,711,000)		0	(323,000)	(2,034,000)
DO NOT USE	IRS Interest Assessment (1989-1990)	35.00%	(31,000)		0	0	(31,000)
DO NOT USE	UCB Regulatory Asset	35.00%	(783,000)		0	0	(783,000)
182518	NYS Sales Tax Audit (6/88-11/92)	35.00%	(64,000)		0	0	(64,000)
182533	80/20 Rev Sharing Mechanism	35.00%	(1,825,000)	944,000	0	(638,000)	(1,519,000)
182537	SIR Expenditures Deferred - Gas	35.00%	(1,560,000)	(1,400,000)	0	0	(2,960,000)
182549	Electronic Data Interchange (EDI)	35.00%	(42,000)		0	0	(42,000)
182550	Merger Fair Value Pension Adjustment-Gas	35.00%	(4,115,000)		0	1,563,000	(2,552,000)
182550	Merger Fair Value OPEB Adjustment-Gas	35.00%	(8,328,000)		0	0	(8,328,000)
182553/562	Pension Expense Deferred	35.00%	(8,990,000)	(998,000)	0	(471,000)	(10,459,000)
182554/561	OPEB Expense Deferred	35.00%	(8,266,000)	(4,970,000)	0	(2,488,000)	(15,722,000)
182551	Voluntary Early Retirement Offer (VERO)	35.00%	(385,000)		0	0	(385,000)
182324	Enhanced Severance Plan	35.00%	(9,000)	4,000	0	0	(5,000)
182326	Pension - AML	35.00%	(8,856,956)		0	0	(8,856,956)
182563	Incentive Return on Retirement Funding - Electric/Gas	35.00%	(9,664,000)	(1,029,000)	0	0	(10,693,000)
186510/515/520	Other WIP - PACE	35.00%	757,000		0	0	757,000
DO NOT USE	Insulation Credits	34.00%	(2,015,000)		0	0	(2,015,000)
DO NOT USE	Gas Project Fund Costs Deferred	35.00%	(3,000)		0	0	(3,000)
DO NOT USE	Land Management Program Costs	35.00%	1,000		0	0	1,000
	SERP - Pension Intangible Asset	35.00%	(675,000)		0	0	(675,000)
253027	HRP - Severance & Pension Enhancement Deferral	35.00%	(3,000)		0	0	(3,000)
DO NOT USE	NM Suburban - Weaver Gas	35.00%	392,000		0	0	392,000
	SERP-Unrealized Appreciation	35.00%	(114,075)		0	6,473	(107,602)
	Deferred Gains/Losses on Hedging Activity	35.00%	4,269,901		0	(2,539,940)	1,729,961
Total a/c 283400/401		(84,391,818)	(7,449,000)	161,000	162,000	(15,700,046)	(107,217,864)

Account 283402 (263.00 003) - Federal:

FAS 109		19,000			0	0	19,000
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Deferred Item		Balance 12/31/07	Additions	Deductions	C&U	Balance 03/31/09
Account 283403 (263.00 004) - Federal:						
FAS 109		27,267,000			0	27,267,000
Account 283404 (263.00 005) - Federal:						
FAS 109		13,161,308			0	13,161,308
Account 283500/503 (263.01 001 & 002) - New York State:						
DO NOT USE						
Worthless Stock	7.50%	18,000			0	18,000
Executive Deferred Compensation Trust	7.50%	85,322			0	85,322
Bond Redemption & Amortization	7.50%	(79,000)			0	(79,000)
182458 FAS 158 Pension	7.50%	(2,029,349)			0	(2,029,349)
182459 FAS 158 OPEB	7.50%	(2,421,548)			0	(2,421,548)
182501/182502 Fuel Deferral	7.50%	(3,504,000)			0	(3,504,000)
182510/511 Other Post Retirement Benefits	7.50%	(4,000)			0	(4,000)
182518 NYS Sales Tax Audit Assessment (1988-1992) - Gas	7.50%	(4,000)			0	(4,000)
182533 80/20 Rev Sharing Mechanism	7.50%	(393,000)	191,000		0	(202,000)
182537 SIR Expenditures Deferred - Gas	7.50%	(335,000)	(284,000)		0	(619,000)
182549 Electronic Data Interchange (EDI) Costs	7.50%	(9,000)			0	(9,000)
182550 Merger Fair Value Pension Adjustment-Gas	7.50%	(884,000)			0	(884,000)
182550 Merger Fair Value OPEB Adjustment-Gas	7.50%	(1,797,000)			0	(1,797,000)
182553/562 Pension Expense Deferred	7.50%	(1,913,000)	(202,000)		0	(2,115,000)
182554/561 OPEB Expense Deferred	7.50%	(1,759,000)	(1,008,000)		0	(2,767,000)
182551 Voluntary Early Retirement Offer (VERO)	7.50%	(83,000)		33,000	0	(50,000)
182324 Enhanced Severance Plan	7.50%	(2,000)	1,000		0	(1,000)
182326 Pension - AML	7.50%	(2,043,000)			0	(2,043,000)
182563 Incentive Return on Retirement Funding - Electric/Gas	7.50%	(2,065,000)	(209,000)		0	(2,274,000)
182328 PENSION SETTLEMENT LOSS FY2003	7.50%	(366,000)			0	(366,000)
182329 ACCTG CHANGE CAPITAL ITEM	7.50%	1,000			0	1,000
SERP-Unrealized Appreciation	7.50%	(26,561)			0	(26,561)
Deferred Gains/Losses on Hedging Activity	7.50%	(789,422)			0	(789,422)
Total a/c 283500/503		(20,392,558)	(1,511,000)	33,000	0	(21,870,558)
Account 283504 (263.01 003) - New York State:						
FAS 109	7.50%	140,000			0	140,000
Account 283501 (263.01 004) - New York State:						
Subsidiaries	7.50%	(2,000)			0	(2,000)
Accrued Utility Revenues - Gas	7.50%	(885,000)			0	(885,000)
Unamortized Debt Discount	7.50%	(425,000)			0	(425,000)
182501/182502 Fuel Deferral	7.50%	140,000			0	140,000
Carrying Charges	7.50%	4,000			0	4,000
		(1,168,000)	0	0	0	(1,168,000)
Account 283502 (263.01 005) - New York State:						
FAS 109		(58,000)			0	(58,000)
GRAND TOTAL						
		(202,225,214)	(28,802,631)	(185,000)	8,514,000	(222,702,845)

NIAGARA MOHAWK POWER CORPORATION DBA NATIONAL GRID
ROLL FORWARD DEPRECIATION
FOR THE PERIOD 1/1/08 TO 3/31/09

Net Increase
to ADIT

Federal

2008	11,747,420	Per Tom's Report Summary
2008	(13,160,000)	Actuals booked to 12/31/07
2009	22,901,411	Per Tom's Report Summary
	<u>21,488,831</u>	

NYS

2008	1,313,928	Per Tom's Report Summary
2008	(2,031,000)	Actuals booked to 12/31/07
2009	1,236,872	Per Tom's Report Summary
	<u>519,800</u>	

Date of Request: 6/30/08

Request No.: RAV-22

NMPC Req. No.: NM 148 DPS-145 RAV-22

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 08-G-0609 Gas Rate Case

Request for Information

FROM: Robert Visalli

Request:

Regarding Exhibit PAL-7, Schedule 6, pages 1 and 2 (rate year rate base for regulatory assets and liabilities), please provide the following information:

- A. (1) Please explain the basis for the \$7.650M rate base forecast for "NYMEX – SSB Gas Hedge". (2) How can the Company predict at this time if the hedge will be positive or negative? (3) Include supporting workpapers and calculations for the \$7.650M forecast. (4) Did the Company forecast related ADFIT and ADSIT offsets? If not, why not.
- B. Same as A. for the \$8.220M rate base forecast for "NYMEX – ABN AMRO Gas Hedge".
- C. Fully explain why the Company did not include a rate year forecast for the gas ratepayers' share of synergy savings from the New England Gas Merger? If an adjustment is appropriate, please provide the amount, and an explanation with supporting calculations of how the amount was derived.
- D. For the component "Unamortized Debt Expense", (1) fully explain why the included a \$10M addition in 8/31/09 instead of \$5.0M (i.e., \$250M of debt is assumed to be issued and the Company is forecasted a 2% debt expense rate); (2) did the Company include a ADFIT and ADSIT offset for the \$15M debt expense add in 10/1/08 and the \$10M debt expense add in 8/31/09? If so, show how these amounts are reflected in the rate year ADFIT & ADSIT components of gas rate base. If not, explain why such offsets are not appropriate.

Response:

A. Any forecast of hedges is uncertain and could be higher or lower than what was in the Historical Year. The Company used the Historical Year basis to forecast this balance. The Rate Year forecast for the NYMEX SSB Gas Hedge was based on the Historic Test Year 2007 average balance plus inflation of 5.3267 % per EP-3.

PAL-7, Sched 6, Sheet 1 (Rate Base)			
(\$000's)			
	HY Avg	Inflation	RY Fcst
NYMEX SSB Gas Hedge	\$ 7,265	5.3267%	\$ 7,650

Since the Company's tax return follows the books for hedges, there is no tax timing difference and consequently no ADIT.

B. The Forecast basis is the same as described in Part A above. The Rate Year forecast for the NYMEX ABN AMRO Gas Hedge was based on the Historic Test Year 2007 average balance plus inflation of 5.3267 % per EP-3.

PAL-7, Sched 6, Sheet 1 (Rate Base)			
(\$000's)			
	HY Avg	Inflation	RY Fcst
NYMEX ABN AMRO Gas Hedge	\$ 7,804	5.3267%	\$ 8,220

Again, since the Company's tax return follows the books for hedges, there is no tax timing difference and consequently no ADIT.

C. The Rate Year forecast of New England Gas (NEG) net synergy savings was flowed back to customers (reduced the revenue requirement) in the adjustment to lower O&M expense as shown on EP-1, Schedule 46, Sheet 3. The amount of the adjustment is further discussed in response to DPS information request RAV- 15.

D. The forecast debt issue is actually \$500 million, which at the 2% expense rate equals the \$10 million addition to unamortized debt expense shown on PAL-7, Schedule 6, Sheet 2. To lend clarity, the \$250 million shown on AED-1, Schedule 2, Sheet 1, represents a half-year amount subject to the interest rate. AED-1, Schedule 2, Sheet 3, shows the long-term debt level increasing \$500 million in October 2009. However, PAL-7 does need to be corrected to delay the addition two months (from the 8/31/09 date to 10/1/09 per AED-1). This will be considered in the Company's Corrections and Updates.

Both the \$15 million and \$10 million forecast of debt expenses are for related to new debt and have no tax timing differences and therefore no Accumulated Deferred Income Tax (ADIT) treatment.

Name of Respondent:
Ken Brann

Date of Reply:
7/11/08

Date of Request: 6/30/08 Request No.: RAV-21
NMPC Req. No.: NM 147 DPS-144 RAV-21 B, C, D

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid
Case 08-G-0609 Gas Rate Case
Request for Information

FROM: Robert Visalli

Request:

Regarding the Company's response to IR RAV-7 (EBCap), please provide the following information:

- A. As shown on page 7, in the historic test year (HTY), the average balance of temporary cash investments (TCIs) was \$16.312M. (1) Fully explain why this amount was not deducted from capitalization dedicated to earnings base, as was done with the \$111.972M of TCIs in the historic test year of the MJP (see attachment 1A, line 16); (2) Fully explain why the Company believes that not deducting TCIs from capitalization for EBCap purposes in this rate case does not create a mismatch between earnings base and capitalization; and (3) The footnote on page 7 states "Joint Proposal (Att 17 pg 1) calls for TCI investments to be capped at \$20 million on average throughout the year. Any excess is to be subtracted from average common equity (electric filings only)." What relevance, if any, does this footnote have to how TCIs should be treated for ratemaking purposes in the current gas rate case? Explain in full if the Company believes there is some such relevance.
- B. Page 2 of Attachment 1A lists 6 components of "FIN 48", which total, on average, \$51.358M in the HTY. (1) Fully explain what each component represents; (2) Provide separate explanations as to why the Company added each of these 6 components back to capitalization for EBCap purposes; (3) provide the backup to the HTY amounts for each component.
- C. As shown on page 14, line 43, the average HTY balance of "Amort of Deferral Recoveries" of negative \$66.667M was used to reduce HTY rate base (and HTY earnings base). On page 2, line 22 of Attachment 1A, the average HTY balance of "NiMO - Amort of Def Recoveries - P&O pc" of \$138.851M was used to increase the capitalization devoted to earnings base. (1) Please provide the computations that support these two HTY amounts; include the source documentation and account numbers for each item; (2) All else equal, the imputation of these two adjustments into the EBCap computation have the effect of reducing EBCap by \$205.518M. However, as shown on the December 2007 Attachment 11 Deferral Report, the average HTY balance of all regulatory asset amortizations was only \$200.000M. Please provide an explanation and reconciliation of this \$5.518M difference; (3) Fully explain how it is possible for HTY EBCap to be impacted by anything more than \$200.000M, on average, for regulatory asset amortizations

- in the HTY; (4) Indicate if an adjustment should be made to the Company's computed EBCap amount to reflect the Company's response to C. 1-3. If so, provide the adjustment amount with supporting calculations and explanation.
- D. On page 4 of the December 2007 Financial Report, the balance in "Other Special Deposits" was \$56.845M. (1) Please provide the HTY average broken down by component; (2) Fully explain why each such component was not included in the HTY EBCap computation; (3) If any correcting EBCap adjustments are needed to correct any erroneous omission, please provide the rate year rate base impacts of each such adjustment.
 - E. (1) – (3). Same as D. (1) – (3) above for "Miscellaneous & Accrued Assets"; (4) Fully explain the inconsistent treatment of including "Miscellaneous & Accrued Liabilities" in the HTY EBCap computation, but not "Miscellaneous & Accrued Assets".
 - F. (1) – (3). Same as D. (1) – (3) above for "Derivative Instrument Assets".
 - G. Please provide the backup and related breakdown of the adjustments made to HTY ADFIT and ADSIT for "rate case adjustments". Provide a brief explanation for each such component as to why the adjustment is appropriate for EBCap purposes. Refer to page 18 of the Company's response to IR RAV-7.
 - H. (1) Provide the breakdown of the \$6.860M adjustment made to HTY capitalization for "Def Cr – Miscellaneous"; (2) Explain why it is appropriate to adjust HTY capitalization for each such component.
 - I. Same as H.(1) – (2) for the \$24.812M adjustment made to HTY capitalization for "Curr & Accr Liab - Miscellaneous".

Response:

This response is to Parts B, C and D only. Other parts will be answered separately.

B. (1) In July 2006, the Financial Accounting Standards Board (FASB) issued FIN 48 which prescribes guidance to address inconsistencies among entities with the measurement and recognition in accounting for income tax purposes for financial statement purposes. Specifically, FIN 48 establishes criteria for the timing of the recognition of income tax benefits. FIN 48 requires the financial statement recognition of an income tax benefit when the company determines that it is more-likely-than-not that the tax position will be ultimately sustained. FIN 48 also requires that Companies categorize tax reserves as current and long-term based on when payments are expected to be made. Niagara Mohawk Power Corporation adopted FIN 48 on April 1, 2007. The 253 accounts listed in Attachment 1A of the response to IR RAV-7 represent tax and related estimated interest reserves (federal & state) that are considered long-term under FIN 48. The 236 accounts listed in that same attachment represent federal & state taxes payable within twelve months.

(2). These FIN 48 accounts are non-cash type reserves and therefore are adjusted out of HY Capitalization.

(3). Attachment 1 shows the HY monthly balances for the FIN 48 accounts. Only a portion of two accounts, # 236200 and # 236417, was FIN 48 related. On Attachment 1, the FIN 48 portion of those two accounts are labeled 236200F and 236417F. Attachments 1A and 1B supported the derivation of the FIN 48 amounts in those two accounts.

C. (1) Attachment 2 shows the monthly balances.

(2) and (3) There is another account (# 182565) included in the Rate Base shown in the response to RAV-7, Page 14, line 36, equal to the \$5.518 million difference in question. The sum of the three pieces equals the expected \$200.0 million of deferral recovery.

D. (1) Attachment 3 shows the HY monthly balances for the Special Deposits account # 134000. The NYMEX hedge portions are included in Rate Base, but the Company is proposing a correction (see #2 below). The remainder of the # 134000 Special Deposits account is comprised largely of deposits related to Health & Dental plans and a relatively smaller amount related to Worker's Compensation, and was treated as general working capital.

(2) The NYMEX hedges were included in the Rate Year Rate Base in PAL-7, Schedule 6, Sheet 1 for an amount of \$15.870 million. The rationale was these balance sheet accounts reflect cash expenditures by the Company for ratepayers benefit. However, upon further review, it was learned that these accounts earn interest from the respective brokers, and therefore there is no need to recover a carrying charge (return on Rate Base) from ratepayers. In Corrections & Updates, the Company will reclass these accounts, and the similar Electric accounts, out of Rate Base, and move them to the group of accounts that are subtracted from capitalization when calculating the EBCAP adjustment. The net affect is a \$15.870 million reduction in the Forecast of Gas Rate Base and a small reduction in the EBCAP adjustment (approx \$.075 million). For tax purposes, these hedge accounts are treated same as books meaning there are no tax timing differences and no ADIT impacts. This correction will reduce the revenue requirement by approximately \$2.0 million.

Name of Respondent:
Ken Brann

Date of Reply:
July 18, 2008

Attachment 1A

18-Apr-08
11:48:57 AM

F = FIN 48

NIAGARA MOHAWK POWER CORPORATION
TAXES ACCRUED - FEDERAL INCOME TAX - PRIOR YEAR
ACTIVITY 236200
FOR YEAR ENDED 3/31/08

BALANCE @ 3/31/07

(4,589,566.87)

* ADD.
No Intercompany Tax Payment - 03/01-03/02 Appeals related to 3/31/05
Parent Co Tax Benefit - 03/01-03/02 Appeals related to 3/31/05
Intercompany Tax Payment - 03/01-03/02 Appeals related to 3/31/02
Intercompany Interest Payment - 03/01-03/02 Appeals related to 3/31/05
Intercompany Interest Payment - 03/01-03/02 Appeals related to 3/31/03
F Federal and State Interest Accrual
F Tax & Interest Reserve related to NMR, LLC issue 03/31/03
F Fin 48 Casualty Loss
No Intercompany Tax Payment - 03/31/07 Extension Request
F Fin 48 Casualty Loss

22,315,446.00 April 6007B_RM
230,779.00 April 6032_SB_3
3,582,000.00 April 6007B_RM
3,368,000.00 April 6007B_RM
3,855,000.00 April 6007B_RM
18,855,000.00 June 8032_JA
41,000,000.00 June 9032_JA1
13,354,600.00 June 9032_JA2
8,679,000.00 July 6007A_RM_2
1,082,900.00 August 9032_JA2

* DEDUCT:
F Federal and State Interest Accrual
F Fin 48 Casualty Loss
F Fin 48 NMR, LLC
F Fin 48 NMR, LLC
F 2nd Quarter Reserve Adjustments
F 2nd Quarter Reserve Adjustments
F 2nd Quarter Reserve Adjustments
F 2nd Quarter Reserve Adjustments

14,437,500.00 August 9032_JA2
41,000,000.00 August 9032_JA2
41,000,000.00 September 01311
314,499.90 September 01311
13,000,000.00 September 01311
2,000,000.00 September 01311
71,251.05 September 01311

Balance per Subledger

12/31/07

(9,089,040.92)

(9,089,040.92)

0.00

Per GL

provided by
S. Wilder Tax Dept

Attachment 1B

18-Apr-08
11:48:57 AM

NIAGARA MOHAWK POWER CORPORATION
TAXES ACCRUED - STATE FRANCHISE - NYS
ACTIVITY 236417
FOR YEAR ENDED 3/31/08

F = Fin 48

BALANCE @ 3/31/07

8,988,850.05

NO * ADD:
FYE 3/31/08 STATE CURRENT PROVISION
F Tax & Interest Reserve related to NMR, LLC issue 03/31/03
F Fin 48 Casualty Loss
F 2nd Quarter Reserve Adjustments
F 2nd Quarter Reserve Adjustments

CV

18,774,000.00
13,000,000.00 June 9032_JA1
3,094,000.00 June 9032_JA2
159,219.31 September 01311
3,765.00 September 36311

* DEDUCT:
F Tax & Interest Reserve related to NMR, LLC issue 03/31/03
F Fin 48 Casualty Loss
F Payment on CT-3360 for 03/02
F 2nd Quarter Reserve Adjustments
F 2nd Quarter Reserve Adjustments
F 2nd Quarter Reserve Adjustments
F 2nd Quarter Reserve Adjustments
NO 2nd Quarter Estimated Tax Payment
NO 3rd Quarter Estimated Tax Payment

Dr

13,000,000.00 August 9032_JA2
3,094,000.00 August 9032_JA2
145,682.00 AP00147168
3,000,000.00 September 01311
3,160,112.00 September 01311
342,500.00 September 01311
78,000.00 September 01311
7,300,000.00 AP00149290
2,500,000.00

Balance per Subledger

12/31/07

6,578,159.74

6,578,159.74
Per GL

Difference

0.00

Current Provision Posted Per Subledger

April	162,000.00
May	(5,659,000.00)
June	239,000.00
July	(3,068,000.00)
August	(4,249,000.00)
September	711,000.00
October	(2,854,000.00)
November	(4,217,000.00)
December	161,000.00
January	
February	
March	
	<u>(18,774,000.00)</u>

Difference between booked and calculated

Provided by
J. Wilder Tax Dept

Attachment 1

FIN 48 accounts
Whole \$

Use 1207r1

Reg Acct	Description	Sum of 12/31/2006	Sum of 01/31/2007	Sum of 02/28/2007	Sum of 03/31/2007	Sum of 04/30/2007	Sum of 05/31/2007	Sum of 06/30/2007	Sum of 07/31/2007	Sum of 08/31/2007	Sum of 09/30/2007	Sum of 10/31/2007	Sum of 11/30/2007	Sum of 12/31/2007	Sum of TME Dec
253460	Long-Term Interest Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,564,303	\$ 38,513,589	\$ 38,513,589	\$ 38,513,589	\$ 42,199,048	\$ 12,767,050
253482	FIN48 SIT - Timing Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,797,463	\$ 4,797,463	\$ 4,797,463	\$ 4,797,463	\$ 1,399,260
253483	FIN48 FIT - Permanent Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,000,000	\$ 82,000,000	\$ 82,000,000	\$ 82,000,000	\$ 82,000,000	\$ 27,333,333
253484	FIN48 SIT - Permanent Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,000,000	\$ 17,615,385	\$ 17,615,385	\$ 17,615,385	\$ 17,615,385	\$ 6,221,154
236200F	FIN 48 portion of 236200 per Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,209,600	\$ 73,209,600	\$ 18,855,000	\$ (37,530,751)	\$ (37,530,751)	\$ (37,530,751)	\$ (37,530,751)	\$ 2,820,381
236417F	FIN 48 portion of 236417 per Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,094,000	\$ 16,094,000	\$ -	\$ (6,417,628)	\$ (6,417,628)	\$ (6,417,628)	\$ (6,417,628)	\$ 810,525
Grand Total FIN 48 amounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,303,600	\$ 89,303,600	\$ 89,419,303	\$ 98,978,058	\$ 98,978,058	\$ 98,978,058	\$ 102,663,517	\$ 51,357,703

Account Activity During the month (per S Wilkie worksheet)

236200F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,855,000	\$ -	\$ 1,082,900	\$ (41,000,000)	\$ -	\$ -
										\$ 41,000,000		\$ (14,437,500)	\$ (314,500)		
										\$ 13,354,600		\$ (41,000,000)	\$ (13,000,000)		
										\$ 73,209,600		\$ (54,354,600)	\$ (2,000,000)		
												\$ (71,251)			
												\$ (56,385,751)			
236417F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,000,000	\$ -	\$ (13,000,000)	\$ 159,219	\$ -	\$ -
										\$ 3,094,000		\$ (3,094,000)	\$ 3,765		
										\$ 16,094,000		\$ (10,094,000)	\$ (3,000,000)		
												\$ (3,160,112)			
												\$ (342,500)			
												\$ (78,000)			
												\$ (6,417,628)			

Non-Fin 48 \$ amounts in accounts 236200 & 236417

Reg Acct	Description	Sum of 12/31/2006	Sum of 01/31/2007	Sum of 02/28/2007	Sum of 03/31/2007	Sum of 04/30/2007	Sum of 05/31/2007	Sum of 06/30/2007	Sum of 07/31/2007	Sum of 08/31/2007	Sum of 09/30/2007	Sum of 10/31/2007	Sum of 11/30/2007	Sum of 12/31/2007	Sum of TME Dec
236200	Taxes Acct-Federal Inc.-Prior Yr	\$ (3,123,484)	\$ (3,123,484)	\$ (3,123,484)	\$ 4,589,567	\$ 37,940,792	\$ 37,940,792	\$ 37,940,792	\$ 46,619,792	\$ 46,619,792	\$ 46,619,792	\$ 46,619,792	\$ 46,619,792	\$ 37,530,751	\$ 30,205,631
236417	Tx Acct-St Franch-NY	\$ (10,589,566)	\$ (18,075,566)	\$ (6,188,050)	\$ (8,988,850)	\$ (9,150,850)	\$ (3,491,850)	\$ (3,730,850)	\$ (682,850)	\$ 3,440,468	\$ (4,570,532)	\$ (1,716,532)	\$ 2,500,468	\$ 6,417,628	\$ (4,393,464)
Grand Total		\$ (13,713,050)	\$ (21,199,050)	\$ (9,312,134)	\$ (4,399,283)	\$ 28,789,942	\$ 34,448,942	\$ 34,209,942	\$ 45,956,942	\$ 50,060,260	\$ 42,049,260	\$ 44,903,260	\$ 49,120,260	\$ 43,948,379	\$ 25,812,167
chk Total 236200		\$ (3,123,484)	\$ (3,123,484)	\$ (3,123,484)	\$ 4,589,567	\$ 37,940,792	\$ 37,940,792	\$ 37,940,792	\$ 46,619,792	\$ 46,619,792	\$ 46,619,792	\$ 46,619,792	\$ 46,619,792	\$ 37,530,751	\$ 30,205,631
Total 236200		\$ (10,589,566)	\$ (18,075,566)	\$ (6,188,050)	\$ (8,988,850)	\$ (9,150,850)	\$ (3,491,850)	\$ 12,363,150	\$ 15,431,150	\$ 3,440,468	\$ (10,988,160)	\$ (8,134,160)	\$ (3,917,160)	\$ -	\$ -

Attachment 2

**Split of Deferral Recoveries between Pension & OPEb, and all Other
P&O portion excluded from Rate Base (and ADIT)
(Whole \$)**

	Excluded from RB		Rate Base			General Ledger	
	P&O Portion of Recovery 182565P		Remaining Portion of Deferral Recovery			182565	254050
Bal @ Dec 31, 2006	(70,268,124)		70,268,124	(99,999,999)	(99,999,999)	-	(99,999,999)
Jan	(81,698,683)		81,698,683	(116,666,667)	(116,666,667)	-	(116,666,667)
Feb	(93,129,242)		93,129,242	(133,333,334)	(133,333,334)	-	(133,333,334)
Mar	(104,559,801)		104,559,801	(150,000,001)	(150,000,001)	-	(150,000,001)
Apr	(115,990,360)		115,990,360	(166,666,668)	(166,666,668)	-	(166,666,668)
May	(127,420,919)		127,420,919	(183,333,335)	(183,333,335)	-	(183,333,335)
Jun	(138,851,478)		(61,148,524)	-	(200,000,002)	(200,000,002)	
Jul	(150,282,037)		(66,384,632)	-	(216,666,669)	(216,666,669)	
Aug	(161,712,596)		(71,620,740)	-	(233,333,336)	(233,333,336)	
Sep	(173,143,155)		(76,856,848)	-	(250,000,003)	(250,000,003)	
Oct	(184,573,714)		(82,092,956)	-	(266,666,670)	(266,666,670)	
Nov	(196,004,273)		(87,329,064)	-	(283,333,337)	(283,333,337)	
Bal @ Dec 31, 2007	(207,434,832)		(92,565,168)	-	(300,000,000)	(300,000,000)	
12 mos	(1,666,217,736)		66,217,719	(800,000,005)			
Avg Bal	(138,851,478)		5,518,143	(66,666,667)	(200,000,002)		

Hedges treated as Rate Base in Original Filing. ~~Company proposes to change this to EBCAP item in Corrections & Updates.~~

[illegible]

		(\$000s)
PAL-7 Sch B Sheet 1	<u>Proposed Correction & Updates</u>	
	Eliminate RY Ratios for NYARC hedges	\$ (15,670)
	Modify ENCAP adj to Rate Base for NY change	\$ 67 (see below)
	Net RY Rate Base Correction(15,603)	\$
PAL-1	after-tax return	8.31%
	approximate pre-tax return	13.76%
	other impacts (interest tax dtd GRT etc)	\$ (2,175)
	Adverse impact derived w/ RR model	\$ 222
		\$ (1,953) = (\$2 MM)

Modify EBCAP adj for HY revision	
Filed EBCAP adj to Rate Base (PA1-7 Summary)	\$ (41,706)
Revised EBCAP adj	\$ (41,139)
	\$ 67

Date of Request 6/30/08

Request No. RAV-21

NMPC Req. No. NM 147 DPS-144 RAV-21 E,H,I

NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid

Case 08-G-0609 Gas Rate Case

Request for Information

FROM: Robert Visalli

Request:

Regarding the Company's response to IR RAV-7 (EBCap), please provide the following information:

- A. As shown on page 7, in the historic test year (HTY), the average balance of temporary cash investments (TCIs) was \$16.312M. (1) Fully explain why this amount was not deducted from capitalization dedicated to earnings base, as was done with the \$111.972M of TCIs in the historic test year of the MJP (see attachment 1A, line 16); (2) Fully explain why the Company believes that not deducting TCIs from capitalization for EBCap purposes in this rate case does not create a mismatch between earnings base and capitalization; and (3) The footnote on page 7 states "Joint Proposal (Att 17 pg 1) calls for TCI investments to be capped at \$20 million on average throughout the year. Any excess is to be subtracted from average common equity (electric filings only)." What relevance, if any, does this footnote have to how TCIs should be treated for ratemaking purposes in the current gas rate case? Explain in full if the Company believes there is some such relevance.
- B. Page 2 of Attachment 1A lists 6 components of "FIN 48", which total, on average, \$51.358M in the HTY. (1) Fully explain what each component represents; (2) Provide separate explanations as to why the Company added each of these 6 components back to capitalization for EBCap purposes; (3) provide the backup to the HTY amounts for each component.
- C. As shown on page 14, line 43, the average HTY balance of "Amort of Deferral Recoveries" of negative \$66.667M was used to reduce HTY rate base (and HTY earnings base). On page 2, line 22 of Attachment 1A, the average HTY balance of "NiMO - Amort of Def Recoveries - P&O pc" of \$138.851M was used to increase the capitalization devoted to earnings base. (1) Please provide the computations that support these two HTY amounts; include the source documentation and account numbers for each item; (2) All else equal, the imputation of these two adjustments into the EBCap computation have the effect of reducing EBCap by \$205.518M. However, as shown on the December 2007 Attachment 11 Deferral Report, the average HTY balance of all regulatory asset amortizations was only \$200.000M. Please provide an explanation and reconciliation of this \$5.518M difference; (3) Fully explain how it is possible for HTY EBCap to be impacted by anything more than \$200.000M, on average, for regulatory asset amortizations

- in the HTY; (4) Indicate if an adjustment should be made to the Company's computed EBCap amount to reflect the Company's response to C. 1-3. If so, provide the adjustment amount with supporting calculations and explanation.
- D. On page 4 of the December 2007 Financial Report, the balance in "Other Special Deposits" was \$56.845M. (1) Please provide the HTY average broken down by component; (2) Fully explain why each such component was not included in the HTY EBCap computation; (3) If any correcting EBCap adjustments are needed to correct any erroneous omission, please provide the rate year rate base impacts of each such adjustment.
- E. (1) – (3). Same as D. (1) – (3) above for "Miscellaneous & Accrued Assets"; (4) Fully explain the inconsistent treatment of including "Miscellaneous & Accrued Liabilities" in the HTY EBCap computation, but not "Miscellaneous & Accrued Assets".
- F. (1) – (3). Same as D. (1) – (3) above for "Derivative Instrument Assets".
- G. Please provide the backup and related breakdown of the adjustments made to HTY ADFIT and ADSIT for "rate case adjustments". Provide a brief explanation for each such component as to why the adjustment is appropriate for EBCap purposes. Refer to page 18 of the Company's response to IR RAV-7.
- H. (1) Provide the breakdown of the \$6.860M adjustment made to HTY capitalization for "Def Cr – Miscellaneous"; (2) Explain why it is appropriate to adjust HTY capitalization for each such component.
- I. Same as H.(1) – (2) for the \$24.812M adjustment made to HTY capitalization for "Curr & Accr Liab - Miscellaneous".

Response:

This response is to Parts E, H and I only. Other parts will be answered separately.

E. (1)-(3)

Miscellaneous & Accrued Assets is account # 174000 and is comprised predominantly of dollars spent and captured in job order accounts until projects are completed and the costs can be properly accounted for (i.e. most are billable projects, so a bill goes out to either a customer or other party). Since the Company has expended the funds, this account was included in Rate Base. The average balance in this account in the HY 2007 was as follows:

Account # 174000 Misc & Accrued Assets (Whole \$)

Dec	2006	\$	5,512,185
Jan	2007	\$	3,257,457
Feb		\$	3,367,024
Mar		\$	1,822,354
Apr		\$	1,205,465
May		\$	1,428,491
Jun		\$	1,484,070
Jul		\$	1,492,960
Aug		\$	1,700,641
Sep		\$	962,342
Oct		\$	1,657,208
Nov		\$	4,063,901
Dec	2007	\$	2,143,962
Avg		\$	2,189,166

(4) As stated, the #174000 Misc & Accrued Assets reflects cash spent, as opposed to the # 242000 account Misc & Accrued Liabilities, which was comprised largely of the non-cash NRG reserve through September 2007. Account # 242000 is addressed below in Part I.

H. (1) **Attachment 1** provides the detail and monthly balances of account # 253000 Def Credit Miscellaneous for the HY 2007.

(2) This account is generally used for non-cash type reserves and was therefore adjusted out of HY Capitalization. Capitalization is generally affected through retained earnings with no supporting Rate Base. To avoid EBCAP impact, Capitalization was adjusted by this account (subtracting this account offsets related retained earnings impacts). There is one item that will be revised in Corrections & Updates. That is the Verizon debit average balance that should have been recorded to accounts receivable. This correction will have the effect of lowering the EBCAP adjustment, thereby increasing Rate Base by the \$4.239 million average balance shown in Attachment 1.

I. (1) **Attachment 2** provides the detail and monthly balances of account # 242000 Current & Accrued Liabilities - Miscellaneous for the HY 2007.

(2) The vast majority of the average balance in this account was non-cash in nature (see Attachment 2). Capitalization was affected (downward) through retained earnings yet there was no Rate Base being supported. To avoid EBCAP impact, Capitalization was adjusted by this account (subtracting this account increases Capitalization, thereby offsetting the retained earnings impact).

Name of Respondent:

Ken Brann

Date of Reply:

July 18, 2008

Attachment 1

Account # 263000 Deferred Credit Absc													HY 2007		Other side of JE 7	
positive Bal = Credit bal (Whole \$)													Avg Bal		P&L or Bal SH 7	
	Dec06	Jan07	Feb07	Mar07	Apr07	May07	Jun07	Jul07	Aug07	Sep07	Oct07	Nov07	Dec07			Cash / Non-cash 7
1 Wegmans Prepaid CTC	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)			
2 CATV	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)			
3 Purchase Power Overpay	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000			
4 Security Deposit	569 765	569 765	569 765	569 765	569 765	569 765	569 765	569 765	569 765	569 765	569 765	569 765	569 765			
5 Sale for Resale Transactions	(573 234)	(573 234)	(573 234)	(573 234)	(573 234)	(573 234)	(573 234)	(573 234)	(573 234)	(573 234)	(573 234)	(573 234)	(573 234)			
6 gas margin sharing payments	(3 205 496)	(3 472 621)	(3 739 746)	(4 006 871)	(4 273 995)	(4 541 120)	(4 808 245)	(5 075 370)	(5 342 494)	(5 609 619)	(5 876 744)	(6 143 869)	(6 410 994)			
7 Verizon	1 175 000	1 175 000	1 175 000	1 175 000	1 175 000	1 175 000	1 175 000	1 175 000	1 175 000	1 175 000	1 175 000	1 175 000	1 175 000			
8 Fourth Branch	2 623 739	2 623 739	2 623 739	2 623 739	2 623 739	2 623 739	2 623 739	2 623 739	2 623 739	2 623 739	2 623 739	2 623 739	2 623 739			
9 NY AG Claim - Clean Air Settle	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000			
10 Transm Interconn rev reserve	683 488	683 488	683 488	683 488	683 488	683 488	683 488	683 488	683 488	683 488	683 488	683 488	683 488			
11 Other Man's Streetlights	-	-	-	-	-	-	-	-	-	-	-	-	-			
12 Gas	300 000	300 000	300 000	300 000	300 000	300 000	300 000	300 000	300 000	300 000	300 000	300 000	300 000			
13 AES Somerset Metering Issue	(135 974)	(135 974)	(135 974)	(135 974)	(135 974)	(135 974)	(135 974)	(135 974)	(135 974)	(135 974)	(135 974)	(135 974)	(135 974)			
14 Exelon	0	0	0	0	0	0	0	0	0	0	0	0	0			
15 ESCO	0	0	0	0	0	0	0	0	0	0	0	0	0			
16 A/R from Co-Tenants D&D Fund	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)			
17 Payments from Co-Tenants	-	-	-	-	-	-	-	-	-	-	-	-	-			
18 Location Based Market Price	1 957 502	1 901 441	1 901 441	1 901 441	1 901 441	1 901 441	1 901 441	1 901 441	1 901 441	1 901 441	1 901 441	1 901 441	1 901 441			
19 Severance Etc	1 696 300	1 696 300	1 696 300	1 696 300	1 696 300	1 696 300	1 696 300	1 696 300	1 696 300	1 696 300	1 696 300	1 696 300	1 696 300			
20 Service Quality Penalty	-	-	-	-	-	-	-	-	-	-	-	-	-			
21 Transmission Adj	-	-	-	-	-	-	-	-	-	-	-	-	-			
22 Merant Amer Energy Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-			
23 NJR Resources	-	-	-	-	-	-	-	-	-	-	-	-	-			
24 Reserve for doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-			
25 NY Power for Jobs	-	-	-	-	-	-	-	-	-	-	-	-	-			
26 City of Waterford Trans	-	-	-	-	-	-	-	-	-	-	-	-	-			
27 Misc Transmission - 6050	-	-	-	-	-	-	-	-	-	-	-	-	-			
28 Direct Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-			
29 NYISO	-	-	-	-	-	-	-	-	-	-	-	-	-			
30 Other	112 755	112 755	112 755	112 755	112 755	112 755	112 755	112 755	112 755	112 755	112 755	112 755	112 755			
31 CY 2003 Excess Op'n	-	-	-	-	-	-	-	-	-	-	-	-	-			
32 Trans to FAS 106 in March	-	-	-	-	-	-	-	-	-	-	-	-	-			
33	-	-	-	-	-	-	-	-	-	-	-	-	-			
34	-	-	-	-	-	-	-	-	-	-	-	-	-			
35 Total a/c# 263000	\$ 6,165,844	\$ 5,862,650	\$ 5,995,534	\$ 6,132,110	\$ 6,264,905	\$ 6,397,690	\$ 6,530,475	\$ 6,663,260	\$ 6,796,046	\$ 6,928,831	\$ 7,061,616	\$ 7,194,401	\$ 7,327,186	\$ 6,869,194		
36																
37																
38																
39																
40																
41																
42																
43																
44																
45																
46																
47																
48																
49																
50																

Verizon	(4,239,162)	this debit should be A/R Working Capital	
Non-cash Avg Bal included above	\$ 11 090 356		
NY AG Claim - Clean Air Settle	2 623 739		
Severance Etc	1 903 777		
Transm Interconn rev reserve	1 820 975		
Service Quality Penalty	1 820 063		
Fourth Branch	1 175 000		
Reserve for Doubtful a/c's	791 657		
Other Man's Streetlights	681 436		
AES Somerset Metering Issue	300 000		
	11 105 657		
	100%		

Net Plant/Depreciation

C+U

Gas Plant

wp's

Inflation

12/31/2008 2.3750%
 03/31/2010 2.8632%
 03/31/2011 5.1467%
 03/31/2012 7.5811%
 03/31/2013 9.6362%

Plant Accounts

Gas Capex Forecast by
 Plant Account

	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents												
374G - Land and land rights												
375G - Structures and Improvements												
376G - Mains	\$ 1,454,667	\$ 1,454,667	\$ 1,454,667	\$ 2,835,340	\$ 3,544,175	\$ 3,544,175	\$ 2,835,340	\$ 3,544,175	\$ 3,898,593	\$ 4,607,428	\$ 2,835,340	\$ 1,772,088
378G - Meas. and reg. stat. eq-Gen	\$ 332,667	\$ 332,667	\$ 332,667	\$ 240,000	\$ 300,000	\$ 300,000	\$ 240,000	\$ 300,000	\$ 300,000	\$ 350,000	\$ 240,000	\$ 150,000
380G - Services	\$ 1,222,667	\$ 1,222,667	\$ 1,222,667	\$ 1,600,704	\$ 2,000,880	\$ 2,000,880	\$ 1,600,704	\$ 2,000,880	\$ 2,200,968	\$ 2,501,144	\$ 1,600,704	\$ 1,000,440
381G - Meters	\$ 785,667	\$ 785,667	\$ 785,667	\$ 444,640	\$ 555,800	\$ 555,800	\$ 444,640	\$ 555,800	\$ 611,350	\$ 722,540	\$ 444,640	\$ 277,500
382G - Meter installations	\$ 250,000	\$ 250,000	\$ 250,000	\$ 104,045	\$ 130,056	\$ 130,056	\$ 104,045	\$ 130,056	\$ 143,061	\$ 166,073	\$ 104,045	\$ 65,028
383G - House regulator												
384G - House regulator installations												
385G - Ind. measuring and regulating												
390G - Structures and Improvements												
391G - Office furniture and equip												
393G - Stores equipment												
394G - Tools, shop and garage equip	\$ 384,000	\$ 384,000	\$ 384,000	\$ 53,600	\$ 67,000	\$ 67,000	\$ 53,600	\$ 67,000	\$ 73,700	\$ 87,100	\$ 53,600	\$ 33,500
395G - Laboratory equipment												
395G - Power operated equipment												
397G - Communication equipment	\$ 540,667	\$ 540,667	\$ 540,667	\$ 29,104	\$ 36,380	\$ 36,380	\$ 29,104	\$ 36,380	\$ 40,017	\$ 47,283	\$ 29,104	\$ 18,180
398G - Miscellaneous equipment												
365G - Land and Land Rights												
366G - Structures and Improvements												
367G - Mains				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
368G - Measure/reg station equip												
374G - Land and land rights												
365G - Land and Land Rights	\$ 4,970,333	\$ 4,970,333	\$ 4,970,333	\$ 5,307,432	\$ 6,634,290	\$ 6,634,290	\$ 5,307,432	\$ 6,634,290	\$ 7,297,719	\$ 8,624,578	\$ 5,307,432	\$ 3,317,145
				66,342,904								

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
Gas Capex Forecast by Plant Account	6%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	8%
302G - Franchises and consents												
374G - Land and land rights												
379G - Structures and Improvements												
376G - Mains	\$ 1,772,088	\$ 1,772,088	\$ 2,480,923	\$ 2,917,089	\$ 3,646,361	\$ 3,646,361	\$ 2,917,089	\$ 3,646,361	\$ 4,010,997	\$ 4,740,269	\$ 2,917,089	\$ 1,823,180
376G - Mains, and reg. stat. eq-Gen	\$ 150,000	\$ 150,000	\$ 210,000	\$ 409,820	\$ 508,850	\$ 508,850	\$ 406,820	\$ 508,850	\$ 559,515	\$ 661,214	\$ 406,820	\$ 254,325
380G - Services	\$ 1,000,440	\$ 1,000,440	\$ 1,400,816	\$ 1,897,366	\$ 2,484,245	\$ 2,484,245	\$ 1,937,355	\$ 2,484,245	\$ 2,732,669	\$ 3,229,510	\$ 1,937,355	\$ 1,242,122
381G - Meters	\$ 277,500	\$ 277,500	\$ 380,060	\$ 457,450	\$ 571,825	\$ 571,825	\$ 457,450	\$ 571,825	\$ 629,007	\$ 743,372	\$ 457,450	\$ 285,912
382G - Meter installations	\$ 65,028	\$ 65,028	\$ 91,039	\$ 107,045	\$ 133,806	\$ 133,806	\$ 107,045	\$ 133,806	\$ 147,188	\$ 173,947	\$ 107,045	\$ 66,903
383G - House regulator												
384G - House regulator installations												
385G - Ind. measuring and regulating												
390G - Structures and Improvements												
391G - Office furniture and equip												
393G - Stores equipment												
394G - Tools, shop and garage equip	\$ 33,500	\$ 33,500	\$ 46,900	\$ 55,992	\$ 69,990	\$ 69,990	\$ 55,992	\$ 69,990	\$ 76,988	\$ 90,987	\$ 55,992	\$ 34,995
395G - Laboratory equipment												
396G - Power operated equipment												
397G - Communication equipment	\$ 18,190	\$ 18,190	\$ 25,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment												
365G - Land and Land Rights												
366G - Structures and Improvements												
367G - Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
368G - Measuring station equip												
374G - Land and land rights												
365G - Land and Land Rights	\$ 3,317,145	\$ 3,317,145	\$ 4,644,003	\$ 5,831,900	\$ 7,414,875	\$ 7,414,875	\$ 5,831,900	\$ 7,414,875	\$ 8,156,363	\$ 9,639,338	\$ 5,831,900	\$ 3,707,438
				74,148,755								

Inflation

12/31/2006
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents												
374G - Land and land rights												
375G - Structures and Improvements												
376G - Mains	\$ 1,823,180	\$ 1,823,180	\$ 2,552,452	\$ 2,981,266	\$ 3,726,583	\$ 3,726,583	\$ 2,981,266	\$ 3,726,583	\$ 4,099,241	\$ 4,844,558	\$ 2,981,266	\$ 1,863,292
378G - Mss. and reg. stat. eq-Gen	\$ 254,326	\$ 254,326	\$ 356,055	\$ 293,505	\$ 366,882	\$ 366,882	\$ 293,505	\$ 366,882	\$ 403,370	\$ 476,946	\$ 293,505	\$ 183,441
380G - Services	\$ 1,242,122	\$ 1,242,122	\$ 1,738,071	\$ 2,034,269	\$ 2,542,862	\$ 2,542,862	\$ 2,034,269	\$ 2,542,862	\$ 2,797,148	\$ 3,305,720	\$ 2,034,269	\$ 1,271,431
381G - Meters	\$ 285,912	\$ 285,912	\$ 400,277	\$ 467,524	\$ 594,405	\$ 594,405	\$ 467,524	\$ 594,405	\$ 642,546	\$ 759,727	\$ 467,524	\$ 292,203
382G - Meter installations	\$ 66,903	\$ 66,903	\$ 93,664	\$ 109,400	\$ 136,749	\$ 136,749	\$ 109,400	\$ 136,749	\$ 150,424	\$ 177,774	\$ 109,400	\$ 68,375
383G - House regulator												
384G - House regulator installations												
385G - Ind. measuring and regulating												
390G - Structures and Improvements												
391G - Office furniture and equip												
393G - Signs equipment												
394G - Tools, shop and garage equip	\$ 34,995	\$ 34,995	\$ 48,993	\$ 58,300	\$ 72,875	\$ 72,875	\$ 58,300	\$ 72,875	\$ 80,162	\$ 94,737	\$ 58,300	\$ 36,437
395G - Laboratory equipment												
396G - Power operated equipment												
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment												
365G - Land and Land Rights												
366G - Structures and Improvements												
367G - Mains	\$ -	\$ -	\$ -	\$ 164,613	\$ 205,766	\$ 205,766	\$ 164,613	\$ 205,766	\$ 226,343	\$ 267,496	\$ 164,613	\$ 102,863
369G - Measure/reg station equip												
374G - Land and land rights												
365G - Land and Land Rights	\$ 3,707,438	\$ 3,707,438	\$ 5,190,413	\$ 6,108,898	\$ 7,636,123	\$ 7,636,123	\$ 6,108,898	\$ 7,636,123	\$ 8,399,735	\$ 9,926,990	\$ 6,108,898	\$ 3,818,061
				76,361,228								

Initiation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	8%
302G - Franchises and consents												
374G - Land and land rights												
375G - Structures and Improvements												
376G - Mains	\$ 1,863,282	\$ 1,863,292	\$ 2,608,608	\$ 3,044,819	\$ 3,805,774	\$ 3,805,774	\$ 3,044,819	\$ 3,805,774	\$ 4,186,352	\$ 4,947,506	\$ 3,044,819	\$ 1,902,687
378G - Mains and reg. stat. eq.-Gen	\$ 183,441	\$ 183,441	\$ 299,817	\$ 299,773	\$ 374,717	\$ 374,717	\$ 299,773	\$ 374,717	\$ 412,188	\$ 487,132	\$ 299,773	\$ 187,358
350Q - Services	\$ 1,271,431	\$ 1,271,431	\$ 1,780,003	\$ 2,077,877	\$ 2,597,346	\$ 2,597,346	\$ 2,077,877	\$ 2,597,346	\$ 2,857,081	\$ 3,376,550	\$ 2,077,877	\$ 1,298,673
381G - Meters	\$ 292,203	\$ 292,203	\$ 409,084	\$ 477,459	\$ 596,824	\$ 596,824	\$ 477,459	\$ 596,824	\$ 656,507	\$ 775,871	\$ 477,459	\$ 298,412
382G - Meter installations	\$ 68,375	\$ 68,375	\$ 95,725	\$ 111,724	\$ 139,655	\$ 139,655	\$ 111,724	\$ 139,655	\$ 153,621	\$ 181,552	\$ 111,724	\$ 69,828
383G - House regulator												
384G - House regulator installations												
385G - Ind. measuring and regulating												
390G - Structures and Improvements												
391G - Office furniture and equip												
393G - Stores equipment												
394G - Tools, shop and garage equip	\$ 36,437	\$ 36,437	\$ 51,012	\$ 62,604	\$ 78,255	\$ 78,255	\$ 62,604	\$ 78,255	\$ 88,080	\$ 101,731	\$ 62,604	\$ 39,127
395G - Laboratory equipment												
396G - Power operated equipment												
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment												
365G - Land and Land Rights												
366G - Structures and Improvements												
367G - Mains	\$ 102,883	\$ 102,883	\$ 144,036	\$ 1,514,112	\$ 1,892,641	\$ 1,892,641	\$ 1,514,112	\$ 1,892,641	\$ 2,081,905	\$ 2,460,433	\$ 1,514,112	\$ 946,320
369G - Measure/reg station equip												
374G - Land and land rights												
365G - Land and Land Rights	\$ 3,818,061	\$ 3,818,061	\$ 5,345,286	\$ 7,588,170	\$ 9,485,212	\$ 9,485,212	\$ 7,588,170	\$ 9,485,212	\$ 10,433,733	\$ 12,330,776	\$ 7,588,170	\$ 4,742,606
				94652120.01								

inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013**Plant Accounts**

	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents												
374G - Land and land rights												
375G - Structures and improvements												
376G - Mains	\$ 1,002,887	\$ 1,002,887	\$ 2,684,042									
376G - Mains and reg. stat. eq.-Gen	\$ 197,358	\$ 197,358	\$ 262,302									
360G - Services	\$ 1,298,873	\$ 1,298,873	\$ 1,818,142									
381G - Meters	\$ 298,412	\$ 298,412	\$ 417,777									
382G - Meter installations	\$ 69,828	\$ 69,828	\$ 97,759									
383G - House regulator												
384G - House regulator installations												
385G - Ind. measuring and regulating												
390G - Structures and improvements												
391G - Office furniture and equip												
393G - Stores equipment												
594G - Tools, shop and garage equip	\$ 39,127	\$ 39,127	\$ 54,778									
395G - Laboratory equipment												
396G - Power operated equipment												
397G - Communication equipment	\$ -	\$ -	\$ -									
398G - Miscellaneous equipment												
365G - Land and Land Rights												
366G - Structures and improvements												
367G - Mains	\$ 940,320	\$ 940,320	\$ 1,324,848									
369G - Measure/reg station equip												
374G - Land and land rights												
365G - Land and Land Rights	\$ 4,742,606	\$ 4,742,606	\$ 6,639,648									

Inflation

12/31/2006

03/31/2010

03/31/2011

03/31/2012

03/31/2013

1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Gas Capex Forecast by
Plant Account

300G - Franchises and consents
374G - Land and land rights
375G - Structures and Improvements
376G - Mains
378G - Meas. and reg. stat. eq.-Gen
380G - Services
381G - Meters
382G - Meter installations
383G - House regulator
384G - House regulator installations
385G - Ind. measuring and regulating
390G - Structures and Improvements
391G - Office furniture and equip
393G - Stores equipment
394G - Tools, shop and garage equip
395G - Laboratory equipment
396G - Power operated equipment
397G - Communication equipment
398G - Miscellaneous equipment
355G - Land and Land Rights
366G - Structures and Improvements
367G - Mains
369G - Measure/reg station equip
374G - Land and land rights
365G - Land and Land Rights

inflation

12/31/2008 2.3750%
 03/31/2010 2.8832%
 03/31/2011 5.1467%
 03/31/2012 7.3811%
 03/31/2013 9.6362%

Plant Accounts

Gas Capex Forecast by
 Plant Account

Gas Capex Forecast
Growth

CNx055-058
 CN3663
 CNx045,046
 CNx047,048
 CNx051,052
 CNx050,049
 CNx053,54

New Meter Labor \$ 750,000
 Meter Purchases - Growth \$ 1,457,000
 Franchise New Main
 Franchise New Services
 Franchise New Services
 New Main \$ 1,675,000
 New Services \$ 1,816,000
 \$ 5,688,000

2009
 \$ 1,300,559
 \$ 1,796,000
 \$ 5,888,750
 \$ 9,787,500
 \$ 18,772,809

Mandated

CNx041,42,43,44
 CN3663
 CNx060,59
 CNx064
 CNx030,31
 CNx032
 CNx034,33
 CNx040,38
 CNx040,39

Meters - PT's \$ 900,000
 Meter Purchases - Non-growth
 Government \$ 281,000
 Cast Iron Encroachment \$ 888,000
 Exposures \$ -
 Third Party Damage \$ -
 Main Renewals \$ 1,542,000
 Bare Steel HP Inside Sets
 Service Renewals \$ 1,852,000
 \$ 8,441,000

\$ 2,264,000
 \$ 1,499,000
 \$ 7,000,000
 \$ 1,310,000
 \$ 100,000
 \$ 34,000
 \$ 21,100,000
 \$ 1,500,000
 \$ 8,721,300
 \$ 43,536,300

Reliability

CNx038,37
 CNx036
 C00608-604

Regulator Station \$ 886,000
 System Enhancement \$ 112,000
 SCADA \$ 50,000
 Andrews Rd GR Station
 New Pipeline to Malta to support growth

\$ 3,000,000
 \$ -
 \$ 170,000
 \$ -

GEMS Upgrade \$ 1,622,000
 \$ 2,670,000

\$ 363,795
 \$ 3,533,795

Discretionary

CNx062

Tools \$ 1,102,000
 \$ 1,102,000

\$ 500,000
 \$ 500,000

Other Gas Capital Allocations

Facilities
 Customer Service (non-AMR)
 Information Services
 Contingency
 All Other/Rounding

\$ 1,500,000
 \$ 300,000
 \$ 200,000
 \$ -
 \$ -
 \$ 2,000,000 \$ - \$ - \$ - \$ - \$ -
 \$ 68,342,904 \$ - \$ - \$ - \$ - \$ -

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

[illegible]

Plant Accounts

Gas Capex Forecast by Plant Account

Gas Capex Forecast Growth

2010

CN055-058	New Meter Labor
CN3663	Meter Purchases -Growth
CN045,046	Franchise New Main
CN047,048	Franchise New Services
CN051,052	Franchise New Services
CN050,049	New Main
CN053,54	New Services

\$	1,338,057
\$	1,847,782
\$	-
\$	-
\$	-
\$	6,058,534
\$	10,069,693
\$	<u>19,314,067</u>

Mandated

CNx041,42,43,44	Meters - PTE
CNx3663	Meter Purchases - Non-g
CNx060,59	Government
CNx064	Cast Iron Encroachment
CNx030,31	Exposures
CNx032	Third Party Damage
CNx034,33	Main Renewals
CNx040,38	Bar Steel HP Inside Sets
CNx040,39	Service Renewals

\$	2,329,276
\$	1,541,190
\$	7,201,824
\$	1,357,029
\$	102,883
\$	34,980
\$	21,708,355
\$	5,800,000
\$	8,972,753
\$	<u>49,048,291</u>

Reliability

CNx038,37
CNx036
C00602-604

\$	3,088,498
\$	500,000
\$	174,901
\$	1,500,000
\$	-

GEMS Upgrade

\$ 5,261,397

Discretionary

CNx052 Tools

\$	525,000
<u>\$</u>	<u>525,000</u>

\$ 74,148,755

Other Gas Capital Allocations

Facilities
Customer Service (non-AMR)
Information Services
Contingency
All Other/Rounding

2,895,000
255,000
165,000

\$ 3,315,000

\$ 77,453,755

Initiation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	10%	8%	5%

Gas Capex Forecast
Growth

CNx055-058	New Meter Labor	\$	1,367,495
CNx3663	Meter Purchases -Growth	\$	1,688,435
CNx045,046	Franchise New Main		
CNx047,048	Franchise New Services		
CNx051,052	Franchise New Services		
CNx050,049	New Main	\$	6,181,826
CNx053,54	New Services	\$	10,291,233
		\$	19,738,569

Mandated

CNx041,42,43,44	Meters - PT's	\$	2,340,521
CNx660	Meter Purchases - Non-g/	\$	1,375,060
CNx060,59	Government	\$	7,360,268
CNx064	Cast Iron Encroachment	\$	1,386,685
CNx030,31	Exposures	\$	105,147
CNx032	Third Party Damage	\$	35,750
CNx034,33	Main Renewals	\$	22,165,954
CNx040,38	Bare Steel HP Inside Set	\$	5,967,226
CNx040,39	Service Renewals	\$	9,170,159
		\$	50,167,008

Reliability

CNx038,37	Regulator Station	\$	3,154,401
CNx036	System Enhancement	\$	514,416
C0602-604	SCADA	\$	178,749
	Andrews Rd GR Station		
	New Pipeline to Malta to	\$	2,057,664
	GEMS Upgrade		
		\$	5,905,230

Discretionary

CNx062	Tools	\$	550,000
		\$	550,000
		\$	76,361,228

Other Gas Capital Allocations

Facilities	1,425,000
Customer Service (non-AMR)	255,000
Information Services	165,000
Contingency	-
All Other/Rounding	-
	\$ 1,845,000
	\$ 78,206,228

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/11 2/28/11 3/31/11 4/30/11 5/31/11 6/30/11 7/31/11 8/31/11 9/30/11 10/31/11 11/30/11 12/31/11

Plant Accounts

Gas Capex Forecast by
Plant Account

5% 5% 7% 8% 10% 10% 8% 10% 11% 13% 8% 5%

Gas Capex Forecast
Growth

		2012
CNx055-058	New Meter Labor	\$ 1,396,555
CNx3663	Meter Purchases -Growth	\$ 1,828,565
CNx045,046	Franchise New Main	
CNx047,048	Franchise New Services	
CNx051,052	Franchise New Services	
CNx050,049	New Main	\$ 6,323,405
CNx053,54	New Services	\$ 10,509,925
		<u>\$ 20,156,449</u>

Mandated

CNx041,42,43,44	Meters - PT's	\$ 2,431,108
CNx3663	Meter Purchases - Non-g	\$ 1,808,589
CNx050,59	Government	\$ 7,516,877
CNx064	Cast Iron Encroachment	\$ 1,416,357
CNx030,31	Exposures	\$ 107,381
CNx032	Third Party Damage	\$ 36,510
CNx034,33	Main Renewals	\$ 22,657,412
CNx040,38	Bare Steel HP Inside Set	\$ 6,098,509
CNx040,39	Service Renewals	\$ 9,365,028
		<u>\$ 61,237,550</u>

Reliability

CNx038,37	Regulator Station	\$ 3,221,433
CNx038	System Enhancement	\$ 525,734
CO6002-604	SCADA	\$ 182,548
	Andrew Rd GR Station	
	New Pipeline to Malta to :	\$ 16,926,406
	GEMS Upgrade	
		<u>\$ 22,856,121</u>

Discretionary

CNx062	Tools	\$ 600,000
		<u>\$ 600,000</u>
		<u>\$ 94,652,120</u>

Other Gas Capital Allocations

Facilities	1,380,000
Customer Service (non-AMRI)	255,000
Information Services	165,000
Contingency	-
All Other/Rounding	-
	<u>\$ 1,800,000</u>
	<u>\$ 96,652,120</u>

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/12 2/29/12 3/31/12 4/30/12 5/31/12 6/30/12 7/31/12 8/31/12 9/30/12 10/31/12 11/30/12 12/31/12

Plant Accounts

Gas Capex Forecast by
Plant AccountGas Capex Forecast
Growth

		2013
CNx055-058	New Meter Labor	\$ 1,425,683
CNx063	Meter Purchases - Growth	\$ 1,959,066
CNx045,046	Franchise New Main	
CNx047,048	Franchise New Services	
CNx051,052	Franchise New Services	
CNx050,049	New Main	\$ 6,456,202
CNx053,54	New Services	\$ 10,730,643
		<u>\$ 20,581,794</u>

Mandated

CNx041,42,43,44	Meters - PT's	\$ 2,482,164
CNx063	Meter Purchases - Non-g	\$ 1,642,350
CNx060,59	Government	\$ 7,674,534
CNx064	Cast Iron Encroachment	\$ 1,446,101
CNx003,31	Exposures	\$ 109,636
CNx032	Third Party Damage	\$ 37,276
CNx004,33	Main Renewals	\$ 23,133,238
CNx040,38	Bare Steel HP Inside Set	\$ 8,228,104
CNx040,39	Service Renewals	\$ 9,561,702
		<u>\$ 52,315,106</u>

Reliability

CNx038,37	Regulator Station	\$ 3,289,086
CNx06	System Enhancement	\$ 536,606
CO0602-604	SCADA	\$ 166,362
	Andrews Rd GR Station	
	New Pipeline to Malta to	
	GEMS Upgrade	
		<u>\$ 4,012,374</u>

Discretionary

CNx062	Tools	\$ 650,000
		<u>\$ 650,000</u>
		<u>\$ 77,559,274</u>

Other Gas Capital Allocations

Facilities
Customer Service (non-AMR)
Information Services
Contingency
All Other/Rounding

\$	-
\$	<u>77,559,274</u>

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

**Gas Capex Forecast
Growth**

CNx055-058
CN3663
CNx045,046
CNx047,048
CNx051,052
CNx050,049
CNx053,54

Gas Capex Forecast by
Plant Account

New Meter Labor
Meter Purchases -Growth
Franchise New Main
Franchise New Services
Franchise New Services
New Main
New Services

Mandated

CNx041,42,43,44
CN3663
CNx060,59
CNx064
CNx030,31
CNx032
CNx034,33
CNx040,38
CNx040,39

Meters - PT's
Meter Purchases - Non-g
Government
Cast Iron Encroachment
Exposures
Third Party Damage
Main Renewals
Bare Steel HP Inside Set
Service Renewals

Reliability

CNx038,37
CNx036
C00602-604

Regulator Station
System Enhancement
SCADA
Andrews Rd GR Station
New Pipeline to Malts to :
GEMS Upgrade

Discretionary

CNx062

Tools

Other Gas Capital Allocations

Facilities
Customer Service (non-AMRI)
Information Services
Contingency
All Other/Rounding

Inflation

12/31/2008 2.3750%
 03/31/2010 2.832%
 03/31/2011 5.1467%
 03/31/2012 7.3811%
 03/31/2013 9.6362%

Plant Accounts

Gas Capex Forecast by
 Plant Account

Closing based on 3
 months lag in
 construction
 expenditures

CWP Balance
 at 12/31/07

Closings to Plant In Service
 Plant Accounts

		1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
		5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
374G - Land and land rights	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
375G - Structures and Improvements	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
376G - Mains	\$	3,883,952	\$ 1,294,651	\$ 1,294,651	\$ 1,294,651	\$ 1,454,667	\$ 1,454,667	\$ 2,835,340	\$ 3,544,175	\$ 3,544,175	\$ 2,835,340	\$ 3,544,175	\$ 3,883,952
378G - Meas. and reg. stat. eq.-Gen	\$	888,218	\$ 296,073	\$ 296,073	\$ 296,073	\$ 332,667	\$ 332,667	\$ 240,000	\$ 300,000	\$ 300,000	\$ 240,000	\$ 300,000	\$ 330,000
380G - Services	\$	3,264,513	\$ 1,088,171	\$ 1,088,171	\$ 1,088,171	\$ 1,222,667	\$ 1,222,667	\$ 1,600,704	\$ 2,000,880	\$ 2,000,880	\$ 1,600,704	\$ 2,000,880	\$ 2,200,968
331G - Meters	\$	2,097,725	\$ 699,242	\$ 699,242	\$ 699,242	\$ 785,667	\$ 785,667	\$ 444,640	\$ 555,800	\$ 555,800	\$ 444,640	\$ 555,800	\$ 611,380
382G - Meter installations	\$	667,499	\$ 222,500	\$ 222,500	\$ 222,500	\$ 250,000	\$ 250,000	\$ 104,045	\$ 130,056	\$ 130,056	\$ 104,045	\$ 130,056	\$ 143,061
383G - House regulator	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
384G - House regulator installations	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
385G - Ind. measuring and regulating	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
390G - Structures and Improvements	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
391G - Office furniture and equip	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
395G - Stores equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
394G - Tools, shop and garage equip	\$	1,025,276	\$ 341,759	\$ 341,759	\$ 341,759	\$ 384,000	\$ 384,000	\$ 53,600	\$ 67,000	\$ 67,000	\$ 53,600	\$ 67,000	\$ 73,700
395G - Laboratory equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
395G - Power operated equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
397G - Communication equipment	\$	1,443,577	\$ 481,192	\$ 481,192	\$ 481,192	\$ 540,667	\$ 540,667	\$ 29,104	\$ 36,380	\$ 36,380	\$ 29,104	\$ 36,380	\$ 40,017
398G - Miscellaneous equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
365G - Land and Land Rights	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
366G - Structures and Improvements	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
367G - Mains	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
368G - Measure/reg station equip	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
374G - Land and land rights	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
369G - Land and Land Rights	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
TOTAL	\$	13,270,761	\$ 4,423,587	\$ 4,423,587	\$ 4,423,587	\$ 4,970,333	\$ 4,970,333	\$ 5,307,432	\$ 6,634,290	\$ 6,634,290	\$ 5,307,432	\$ 6,634,290	\$ 7,297,719
Check					\$ 14,911,000								\$ 65,997,217
Stub period													
FY09					\$ 66,342,904								
FY10					\$ 74,523,755								
FY11					\$ 76,361,228								
FY12					\$ 94,852,120								

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

Closing based on 3
month lag in
construction
expenditure

Closings to Plant In Service

Plant Accounts

	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
302G - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
376G - Mains	\$ 4,607,428	\$ 2,835,340	\$ 1,772,088	\$ 1,772,088	\$ 1,772,088	\$ 2,480,823	\$ 2,517,089	\$ 3,646,361	\$ 3,646,361	\$ 2,917,089	\$ 3,646,361	\$ 4,010,997
378G - Meas. and reg. stat. eq-Gen	\$ 390,000	\$ 240,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 210,000	\$ 256,920	\$ 388,650	\$ 388,650	\$ 241,820	\$ 313,650	\$ 1,039,515
380G - Services	\$ 2,601,144	\$ 1,600,704	\$ 1,000,440	\$ 1,000,440	\$ 1,000,440	\$ 1,400,616	\$ 1,987,336	\$ 2,484,245	\$ 2,484,245	\$ 1,987,336	\$ 2,484,245	\$ 2,732,669
381G - Meters	\$ 722,540	\$ 444,640	\$ 277,900	\$ 277,900	\$ 277,900	\$ 369,090	\$ 457,460	\$ 571,825	\$ 571,825	\$ 457,460	\$ 571,825	\$ 629,007
382G - Meter installations	\$ 168,073	\$ 104,045	\$ 65,028	\$ 65,028	\$ 65,028	\$ 91,039	\$ 107,045	\$ 133,806	\$ 133,806	\$ 107,045	\$ 133,806	\$ 147,185
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
390G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
393G - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394G - Tools, shop and garage equip	\$ 87,100	\$ 53,800	\$ 33,500	\$ 33,500	\$ 33,500	\$ 46,900	\$ 55,992	\$ 69,990	\$ 69,990	\$ 55,992	\$ 69,990	\$ 76,989
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Communication equipment	\$ 47,293	\$ 29,104	\$ 18,190	\$ 18,190	\$ 18,190	\$ 25,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
399G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
366G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
367G - Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
369G - Measure/reg station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 8,624,578	\$ 5,307,432	\$ 3,317,145	\$ 3,317,145	\$ 3,317,145	\$ 4,644,003	\$ 5,781,500	\$ 7,294,875	\$ 7,294,875	\$ 5,766,000	\$ 7,219,875	\$ 9,536,363
Check												\$ 71,392,239

Stub period
FY09
FY10
FY11
FY12

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant AccountClosing based on 3
month lag in
construction
expendituresClosings to Plant in Service
Plant Accounts

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
376G - Mains	\$ 4,740,269	\$ 2,917,089	\$ 1,823,180	\$ 1,823,180	\$ 1,823,180	\$ 2,552,432	\$ 2,681,266	\$ 3,726,583	\$ 3,726,583	\$ 2,681,266	\$ 3,726,583	\$ 4,099,241
378G - Meas. and reg. stat. eq.-Gas	\$ 566,244	\$ 331,920	\$ 179,325	\$ 254,325	\$ 254,325	\$ 356,055	\$ 293,505	\$ 366,882	\$ 366,882	\$ 293,505	\$ 366,882	\$ 403,570
380G - Services	\$ 3,229,516	\$ 1,897,396	\$ 1,242,122	\$ 1,242,122	\$ 1,242,122	\$ 1,738,071	\$ 2,034,289	\$ 2,542,862	\$ 2,542,862	\$ 2,034,289	\$ 2,542,862	\$ 2,797,148
381G - Meters	\$ 743,372	\$ 457,450	\$ 285,912	\$ 285,912	\$ 285,912	\$ 400,277	\$ 467,524	\$ 584,405	\$ 584,405	\$ 467,524	\$ 584,405	\$ 642,846
382G - Meter installations	\$ 173,947	\$ 107,045	\$ 66,903	\$ 66,903	\$ 66,903	\$ 93,664	\$ 109,400	\$ 136,749	\$ 136,749	\$ 109,400	\$ 136,749	\$ 150,424
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
386G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
393G - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394G - Tools, shop and garage equip	\$ 90,987	\$ 55,992	\$ 34,995	\$ 34,995	\$ 34,995	\$ 48,993	\$ 58,300	\$ 72,875	\$ 72,875	\$ 58,300	\$ 72,875	\$ 80,162
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
366G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
367G - Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
368G - Measure/reg station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 9,564,338	\$ 5,856,500	\$ 3,632,438	\$ 3,707,438	\$ 3,707,438	\$ 5,190,413	\$ 5,944,285	\$ 7,430,356	\$ 7,430,356	\$ 5,944,285	\$ 7,430,356	\$ 8,173,392

Check

Stub period
FY09
FY10
FY11
FY12

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant AccountClosing based on 3
month lag in
construction
expendituresClosings to Plant In Service
Plant Accounts

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchise and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
376G - Mains	\$ 4,844,558	\$ 2,981,296	\$ 1,863,292	\$ 1,863,292	\$ 1,863,292	\$ 2,608,608	\$ 3,044,619	\$ 3,805,774	\$ 3,805,774	\$ 3,044,619	\$ 3,805,774	\$ 4,165,352
378G - Mains and reg. stat. eq.-Gas	\$ 476,946	\$ 253,505	\$ 183,441	\$ 183,441	\$ 183,441	\$ 256,817	\$ 299,773	\$ 374,717	\$ 374,717	\$ 299,773	\$ 374,717	\$ 412,188
380G - Services	\$ 3,305,720	\$ 2,034,289	\$ 1,271,431	\$ 1,271,431	\$ 1,271,431	\$ 1,780,003	\$ 2,077,877	\$ 2,597,346	\$ 2,597,346	\$ 2,077,877	\$ 2,597,346	\$ 2,857,081
381G - Meters	\$ 759,727	\$ 467,524	\$ 292,203	\$ 292,203	\$ 292,203	\$ 409,034	\$ 477,459	\$ 595,824	\$ 595,824	\$ 477,459	\$ 595,824	\$ 656,507
382G - Meter installations	\$ 177,774	\$ 109,400	\$ 66,375	\$ 66,375	\$ 66,375	\$ 95,725	\$ 111,724	\$ 139,655	\$ 139,655	\$ 111,724	\$ 139,655	\$ 150,621
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
390G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
393G - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394G - Tools, shop and garage equip	\$ 94,737	\$ 56,300	\$ 36,437	\$ 36,437	\$ 36,437	\$ 51,012	\$ 62,604	\$ 78,255	\$ 78,255	\$ 62,604	\$ 78,255	\$ 85,080
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
395G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
366G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
367G - Mains	\$ -	\$ -	\$ -	\$ 2,057,664	\$ -	\$ -	\$ 1,514,112	\$ 1,892,641	\$ 1,892,641	\$ 1,514,112	\$ 1,892,641	\$ 2,081,905
369G - Measure/reg station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
368G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 9,659,463	\$ 5,944,285	\$ 3,715,178	\$ 5,772,842	\$ 3,715,178	\$ 5,201,249	\$ 7,568,170	\$ 9,485,212	\$ 9,485,212	\$ 7,568,170	\$ 9,485,212	\$ 10,433,733

Check

Stub period
FY09
FY10
FY11
FY12

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

Closing based on 3
month lag in
construction
expenditures

Closures to Plant In Service
Plant Accounts

	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
302G - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
376G - Mains	\$ 4,947,506	\$ 3,044,619	\$ 1,002,887	\$ 1,902,887	\$ 1,902,887	\$ 1,902,887	\$ 2,664,042					
376G - Mains and reg. stat. eq.-Gen	\$ 487,132	\$ 299,773	\$ 187,358	\$ 187,358	\$ 187,358	\$ 187,358	\$ 282,302					
380G - Services	\$ 3,976,550	\$ 2,077,877	\$ 1,298,673	\$ 1,298,673	\$ 1,298,673	\$ 1,298,673	\$ 1,818,142					
381G - Meters	\$ 775,871	\$ 477,459	\$ 298,412	\$ 298,412	\$ 298,412	\$ 298,412	\$ 417,777					
382G - Meter installations	\$ 181,552	\$ 111,724	\$ 69,828	\$ 69,828	\$ 69,828	\$ 69,828	\$ 97,759					
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
386G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
391G - Office furniture and equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
392G - Storage equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
394G - Tools, shop and garage equip	\$ 101,731	\$ 82,604	\$ 39,127	\$ 39,127	\$ 39,127	\$ 39,127	\$ 54,778					
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
398G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
399G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
388G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
366G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
367G - Mains	\$ 2,460,433	\$ 1,514,112	\$ 946,320	\$ 946,320	\$ 946,320	\$ 946,320	\$ 1,324,648					
369G - Measure/reg station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
TOTAL	\$ 12,330,776	\$ 7,588,170	\$ 4,742,606	\$ 4,742,606	\$ 4,742,606	\$ 4,742,606	\$ 6,639,648					

Check
Stub period
FY09
FY10
FY11
FY12

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Gas Capex Forecast by
Plant Account

Closing based on 3
month lag in
construction
expenditures

Closings to Plant In Service
Plant Accounts

302G - Franchises and consents
374G - Land and land rights
375G - Structures and Improvements
376G - Mains
378G - Meas. and reg. stat. eq.-Gen
380G - Services
381G - Meters
382G - Meter installations
383G - House regulator
384G - House regulator installations
385G - Ind. measuring and regulating
390G - Structures and improvements
391G - Office furniture and equip
393G - Stores equipment
394G - Tools, shop and garage equip
395G - Laboratory equipment
395G - Power operated equipment
397G - Communication equipment
398G - Miscellaneous equipment
365G - Land and Land Rights
366G - Structures and improvements
367G - Mains
369G - Measure/reg station equip
374G - Land and land rights
385G - Land and Land Rights
TOTAL
Check

Stub period
FY09
FY10
FY11
FY12

Inflation

12/31/2008 2.3750%
 03/31/2010 2.8832%
 03/31/2011 5.1467%
 03/31/2012 7.3811%
 03/31/2013 9.5362%

Plant Accounts

Gas Capex Forecast by
 Plant Account

Retirements to Plant in service

Plant Accounts

	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and improvements	\$ -	\$ -	\$ (779)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,950)	\$ (2,838)	\$ -	\$ -
376G - Mains	\$ (66,594)	\$ (28,545)	\$ (94,985)	\$ (8,878)	\$ (3,127)	\$ (58,496)	\$ (61,696)	\$ (37,637)	\$ (15,840)	\$ (126,341)	\$ (298,848)	\$ (79,486)
378G - Meas. and reg. stat. eq.-Gen	\$ -	\$ (29,783)	\$ (62,225)	\$ (15,974)	\$ -	\$ (2,834)	\$ (29,727)	\$ (21,702)	\$ (25,704)	\$ (9,421)	\$ -	\$ (1,110)
380G - Services	\$ (130,813)	\$ (68,371)	\$ (1,842,698)	\$ (60,047)	\$ (172,517)	\$ (432,351)	\$ (345,053)	\$ (158,500)	\$ (625,334)	\$ (349,736)	\$ (331,625)	\$ (221,350)
381G - Meters	\$ -	\$ (4,610)	\$ -	\$ (1)	\$ -	\$ -	\$ (145,723)	\$ -	\$ -	\$ -	\$ -	\$ -
382G - Meter installations	\$ -	\$ (20,022)	\$ -	\$ (84)	\$ -	\$ -	\$ -	\$ (27,562)	\$ -	\$ (88)	\$ -	\$ -
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,038,898)	\$ -	\$ -	\$ -
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
390G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (78,469)	\$ -	\$ -	\$ -	\$ -	\$ -
393G - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394G - Tools, shop and garage equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
399G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
366G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
367G - Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,330)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
369G - Measure/reg station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (875)	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ (197,396)	\$ (151,331)	\$ (2,000,687)	\$ (84,986)	\$ (175,644)	\$ (504,010)	\$ (686,568)	\$ (247,636)	\$ (1,709,415)	\$ (498,847)	\$ (628,472)	\$ (301,947) \$ (7,165,139)

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Retirements to Plant in service	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
Plant Accounts												
302G - Franchises and consents	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
374G - Land and land rights	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
375G - Structures and improvements	\$ - \$	- \$	(779) \$	- \$	- \$	- \$	(8,000) \$	(1,350) \$	(2,638) \$	(1,263) \$	- \$	-
376G - Mains	\$ (66,584) \$	(28,545) \$	(84,865) \$	(8,879) \$	(3,127) \$	(59,496) \$	(61,596) \$	(37,837) \$	(15,640) \$	(138,341) \$	(298,846) \$	(79,466) \$
378G - Maaa, and reg. stat. eq.-Gen	\$ - \$	(29,783) \$	(82,225) \$	(15,974) \$	- \$	(2,834) \$	(29,727) \$	(21,702) \$	(25,704) \$	(9,421) \$	- \$	(1,110) \$
380G - Services	\$ (130,813) \$	(89,271) \$	(1,842,698) \$	(60,047) \$	(172,517) \$	(432,351) \$	(345,053) \$	(158,500) \$	(625,334) \$	(349,736) \$	(331,625) \$	(221,350) \$
381G - Meters	\$ - \$	(4,510) \$	- \$	(1) \$	- \$	- \$	(145,723) \$	- \$	- \$	- \$	- \$	-
382G - Meter installations	\$ - \$	(20,022) \$	- \$	(94) \$	- \$	- \$	- \$	(27,662) \$	- \$	(86) \$	- \$	-
383G - House regulator	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
384G - House regulator installations	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(1,038,898) \$	- \$	- \$	-
385G - Ind. measuring and regulating	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
390G - Structures and improvements	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
391G - Office furniture and equip	\$ - \$	- \$	- \$	- \$	- \$	- \$	(78,469) \$	- \$	- \$	- \$	- \$	-
393G - Stores equipment	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
394G - Tools, shop and garage equip	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
395G - Laboratory equipment	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
396G - Power operated equipment	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
397G - Communication equipment	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
398G - Miscellaneous equipment	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
355G - Land and Land Rights	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
366G - Structures and improvements	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
367G - Mains	\$ - \$	- \$	- \$	- \$	- \$	(9,330) \$	- \$	- \$	- \$	- \$	- \$	-
369G - Measure/reg station equip	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
374G - Land and land rights	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	(875) \$	- \$	- \$	- \$	-
365G - Land and Land Rights	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
TOTAL	\$ (197,396) \$	(151,331) \$	(2,000,687) \$	(84,986) \$	(175,644) \$	(504,010) \$	(666,568) \$	(247,836) \$	(1,709,418) \$	(496,847) \$	(628,472) \$	(301,947) \$
												(7,165,139)

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Retirements to Plant in service	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
Plant Accounts												
302G - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and improvements	\$ -	\$ -	\$ (779)	\$ -	\$ -	\$ -	\$ (6,000)	\$ (1,360)	\$ (2,638)	\$ (1,263)	\$ -	\$ -
376G - Mains	\$ (66,584)	\$ (28,545)	\$ (94,385)	\$ (8,873)	\$ (3,127)	\$ (59,496)	\$ (81,596)	\$ (37,637)	\$ (15,940)	\$ (136,341)	\$ (296,846)	\$ (79,486)
378G - Meas. and reg. stat. eq.-Gen	\$ -	\$ (28,783)	\$ (62,226)	\$ (15,874)	\$ -	\$ (2,834)	\$ (28,727)	\$ (21,702)	\$ (25,704)	\$ (9,421)	\$ -	\$ (1,110)
380G - Services	\$ (130,813)	\$ (68,371)	\$ (1,842,688)	\$ (60,047)	\$ (172,517)	\$ (432,351)	\$ (345,053)	\$ (158,500)	\$ (625,334)	\$ (349,736)	\$ (331,626)	\$ (221,350)
381G - Meters	\$ -	\$ (4,810)	\$ -	\$ (1)	\$ -	\$ -	\$ (145,723)	\$ -	\$ -	\$ -	\$ -	\$ -
385G - Meter installations	\$ -	\$ (20,022)	\$ -	\$ (84)	\$ -	\$ -	\$ -	\$ (27,562)	\$ -	\$ (86)	\$ -	\$ -
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,038,698)	\$ -	\$ -	\$ -
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
380G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (78,468)	\$ -	\$ -	\$ -	\$ -	\$ -
393G - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394G - Tools, shop and garage equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
366G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
367G - Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,330)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
368G - Measuring station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (875)	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ (197,396)	\$ (151,331)	\$ (2,000,687)	\$ (84,988)	\$ (175,644)	\$ (504,010)	\$ (666,588)	\$ (247,636)	\$ (1,709,415)	\$ (496,847)	\$ (628,472)	\$ (301,847)

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Caper Forecast by
Plant Account

Retirements to Plant in service

Plant Accounts

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and Improvements	\$ -	\$ -	\$ (778)	\$ -	\$ -	\$ -	\$ (6,000)	\$ (1,360)	\$ (2,638)	\$ (1,263)	\$ -	\$ -
376G - Mains	\$ (66,584)	\$ (28,545)	\$ (94,085)	\$ (8,879)	\$ (3,127)	\$ (59,496)	\$ (51,596)	\$ (37,837)	\$ (15,840)	\$ (136,341)	\$ (295,846)	\$ (79,486)
378G - Mass. and reg. stat. eq.-Gas	\$ -	\$ (29,783)	\$ (62,225)	\$ (15,974)	\$ -	\$ (2,834)	\$ (29,727)	\$ (21,702)	\$ (25,704)	\$ (6,421)	\$ -	\$ (1,110)
380G - Services	\$ (130,813)	\$ (68,371)	\$ (1,842,698)	\$ (60,047)	\$ (172,517)	\$ (432,351)	\$ (345,053)	\$ (158,500)	\$ (625,334)	\$ (349,736)	\$ (331,625)	\$ (221,350)
381G - Meters	\$ -	\$ (4,610)	\$ -	\$ (7)	\$ -	\$ -	\$ (145,723)	\$ -	\$ -	\$ -	\$ -	\$ -
382G - Meter installations	\$ -	\$ (20,022)	\$ -	\$ (84)	\$ -	\$ -	\$ -	\$ (27,562)	\$ -	\$ (86)	\$ -	\$ -
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,039,898)	\$ -	\$ -	\$ -
385G - Ind. massaging and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
390G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (78,469)	\$ -	\$ -	\$ -	\$ -	\$ -
393G - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394G - Tools, shop and garage equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
399G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
367G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
367G - Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,330)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
369G - Measuring station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (875)	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ (197,398)	\$ (151,331)	\$ (2,000,687)	\$ (84,956)	\$ (175,644)	\$ (504,010)	\$ (666,568)	\$ (247,836)	\$ (1,709,415)	\$ (496,047)	\$ (628,472)	\$ (301,947)

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant AccountRetirements to Plant in service
Plant Accounts

	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and improvements	\$ -	\$ -	\$ (779)	\$ -	\$ -	\$ -	\$ (5,000)	\$ (1,360)	\$ (2,038)	\$ (1,253)	\$ -	\$ -
378G - Mains	\$ (66,584)	\$ (28,545)	\$ (94,955)	\$ (8,879)	\$ (3,127)	\$ (59,498)	\$ (61,596)	\$ (37,837)	\$ (15,840)	\$ (136,541)	\$ (295,846)	\$ (79,486)
378G - Mains and reg. stat. eq.-Gen	\$ -	\$ (29,783)	\$ (62,225)	\$ (15,974)	\$ -	\$ (2,834)	\$ (29,727)	\$ (21,702)	\$ (25,704)	\$ (9,421)	\$ -	\$ (1,110)
380G - Services	\$ (130,813)	\$ (66,371)	\$ (1,842,698)	\$ (50,047)	\$ (172,517)	\$ (432,351)	\$ (345,083)	\$ (158,500)	\$ (625,334)	\$ (349,736)	\$ (331,625)	\$ (221,350)
381G - Meters	\$ -	\$ (4,610)	\$ -	\$ (11)	\$ -	\$ -	\$ (145,723)	\$ -	\$ -	\$ -	\$ -	\$ -
382G - Meter installations	\$ -	\$ (20,022)	\$ -	\$ (84)	\$ -	\$ -	\$ -	\$ (27,562)	\$ -	\$ (86)	\$ -	\$ -
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,039,898)	\$ -	\$ -	\$ -	\$ -
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
385G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (78,469)	\$ -	\$ -	\$ -	\$ -	\$ -
393G - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394G - Tools, shop and garage equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
395G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,330)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Measure/reg station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (875)	\$ -	\$ -	\$ -	\$ -
386G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ (197,398)	\$ (151,331)	\$ (2,000,887)	\$ (84,988)	\$ (175,944)	\$ (504,010)	\$ (566,588)	\$ (247,836)	\$ (1,709,418)	\$ (496,547)	\$ (628,472)	\$ (301,947)

Inflation	12/31/2006																			
	03/31/2010																			
	03/31/2011																			
	03/31/2012																			
	03/31/2013	1/31/13	2/28/13	3/31/13	4/30/13	5/31/13	6/30/13	7/31/13	8/31/13	9/30/13	10/31/13									

Plant Accounts

Gas Capex Forecast by
Plant Account

Retirements to Plant In service

Plant Accounts

362G - Franchises and consents
 374G - Land and land rights
 375G - Structures and improvements
 376G - Mains
 378G - Meas. and reg. stat. eq.-Gen
 380G - Services
 381G - Meters
 382G - Meter installations
 383G - House regulator
 384G - House regulator installations
 385G - Ind. measuring and regulating
 390G - Structures and improvements
 391G - Office furniture and equip
 393G - Stores equipment
 394G - Tools, shop and garage equip
 395G - Laboratory equipment
 396G - Power operated equipment
 397G - Communication equipment
 398G - Miscellaneous equipment
 399G - Land and Land Rights
 399G - Structures and improvements
 367G - Mains
 389G - Measure/reg station equip
 374G - Land and land rights
 395G - Land and Land Rights
TOTAL

\$ -

Inflation

12/31/2008 2.37501%
 03/31/2010 2.8832%
 03/31/2011 5.1467%
 03/31/2012 7.3811%
 03/31/2013 9.6362%

Plant Accounts

Gas Capex Forecast by
 Plant Account

	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
	5%	5%	7%	8%	10%	10%	6%	10%	11%	13%	8%	5%
Cost of Removal Plant Accounts	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
302G - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
376G - Mains	\$ 70,916	\$ 87,540	\$ 35,865	\$ 113,617	\$ 240,346	\$ 208,417	\$ 135,521	\$ 164,796	\$ 132,758	\$ 117,482	\$ 161,312	\$ 134,561
378G - Mains and reg. stat. eq.-Gen	\$ 16,218	\$ 20,020	\$ 8,202	\$ 9,617	\$ 20,344	\$ 17,728	\$ 11,471	\$ 13,949	\$ 11,237	\$ 9,944	\$ 13,654	\$ 11,390
380G - Services	\$ 59,806	\$ 73,579	\$ 30,145	\$ 64,143	\$ 135,689	\$ 118,227	\$ 76,509	\$ 93,036	\$ 74,949	\$ 66,325	\$ 91,089	\$ 75,967
381G - Meters	\$ 36,302	\$ 47,261	\$ 19,371	\$ 17,618	\$ 37,691	\$ 32,641	\$ 21,253	\$ 25,843	\$ 20,819	\$ 18,424	\$ 25,237	\$ 21,102
383G - Meter installations	\$ 12,188	\$ 15,045	\$ 6,164	\$ 4,169	\$ 8,820	\$ 7,885	\$ 4,973	\$ 6,047	\$ 4,872	\$ 4,311	\$ 5,919	\$ 4,938
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
390G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
381G - Office furniture and equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
383G - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394G - Tools, shop and garage equip	\$ 18,720	\$ 23,109	\$ 9,468	\$ 2,148	\$ 4,544	\$ 3,599	\$ 2,562	\$ 3,115	\$ 2,510	\$ 2,221	\$ 3,049	\$ 2,544
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Communication equipment	\$ 28,358	\$ 32,537	\$ 13,330	\$ 1,166	\$ 2,467	\$ 2,150	\$ 1,391	\$ 1,682	\$ 1,363	\$ 1,206	\$ 1,656	\$ 1,381
398G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
366G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
367G - Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
369G - Measure/reg station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	242,308	299,109	122,544	212,678	449,901	392,004	253,680	308,473	248,508	219,913	301,857	251,684

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Cost of Removal/ Plant Accounts	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
302G - Franchise and consents	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
374G - Land and land rights	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
375G - Structures and improvements	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
376G - Mains	\$ 129,446 \$	159,790 \$	65,466 \$	105,106 \$	222,343 \$	193,730 \$	125,370 \$	152,452 \$	122,814 \$	108,682 \$	143,228 \$	124,482
378G - Meas. and reg. stat. eq.-Gen	\$ 10,957 \$	13,526 \$	5,541 \$	14,662 \$	31,016 \$	27,024 \$	17,488 \$	21,266 \$	17,132 \$	15,161 \$	20,817 \$	17,365
380G - Services	\$ 73,078 \$	90,210 \$	38,959 \$	71,608 \$	151,481 \$	131,887 \$	85,414 \$	103,894 \$	83,672 \$	74,044 \$	101,668 \$	84,609
381G - Meters	\$ 20,300 \$	25,055 \$	10,265 \$	16,483 \$	34,858 \$	30,361 \$	19,661 \$	23,908 \$	19,260 \$	17,044 \$	23,402 \$	19,521
382G - Meter installations	\$ 4,750 \$	5,864 \$	2,402 \$	3,857 \$	6,159 \$	7,109 \$	4,601 \$	5,594 \$	4,507 \$	3,890 \$	5,476 \$	4,565
383G - House regulator	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
384G - House regulator installations	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
385G - Ind. measuring and regulating	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
390G - Structures and improvements	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
391G - Office furniture and equip	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
393G - Stores equipment	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
394G - Tools, shop and garage equip	\$ 2,447 \$	3,021 \$	1,238 \$	2,017 \$	4,268 \$	3,719 \$	2,406 \$	2,626 \$	2,357 \$	2,086 \$	2,864 \$	2,389
395G - Laboratory equipment	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
396G - Power operated equipment	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
397G - Communication equipment	\$ 1,329 \$	1,640 \$	672 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
398G - Miscellaneous equipment	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
365G - Land and Land Rights	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
366G - Structures and improvements	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
367G - Mains	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
369G - Measure/reg station equip	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
374G - Land and land rights	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
365G - Land and Land Rights	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
TOTAL	242,308	299,109	129,544 3,302,867	213,734	452,134	393,650	254,839	310,011	249,742	221,005	303,456	253,194

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Cost of Removal	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
Plant Accounts												
302G - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
376G - Mains	\$ 119,750	\$ 147,821	\$ 60,562	\$ 106,601	\$ 225,505	\$ 196,453	\$ 127,153	\$ 154,820	\$ 124,561	\$ 110,228	\$ 151,351	\$ 126,252
378G - Meas. and reg. stat. eq.-Gen	\$ 16,704	\$ 20,620	\$ 8,448	\$ 10,495	\$ 22,201	\$ 19,344	\$ 12,518	\$ 15,222	\$ 12,263	\$ 10,652	\$ 14,800	\$ 12,430
380G - Services	\$ 81,585	\$ 100,710	\$ 41,261	\$ 72,740	\$ 153,875	\$ 134,073	\$ 86,764	\$ 105,506	\$ 84,995	\$ 75,215	\$ 103,276	\$ 88,149
381G - Meters	\$ 18,779	\$ 23,181	\$ 9,497	\$ 16,717	\$ 35,364	\$ 30,813	\$ 19,940	\$ 24,248	\$ 19,534	\$ 17,286	\$ 23,739	\$ 19,709
382G - Meter installations	\$ 4,394	\$ 5,424	\$ 2,222	\$ 3,912	\$ 8,275	\$ 7,210	\$ 4,568	\$ 5,674	\$ 4,571	\$ 4,045	\$ 5,554	\$ 4,533
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
390G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
393G - Signs equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394G - Tools, shop and garage equip	\$ 2,299	\$ 2,837	\$ 1,162	\$ 2,085	\$ 4,410	\$ 3,842	\$ 2,487	\$ 3,024	\$ 2,436	\$ 2,155	\$ 2,960	\$ 2,469
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
366G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
367G - Mains	\$ -	\$ -	\$ -	\$ 5,866	\$ 12,451	\$ 10,849	\$ 7,021	\$ 8,537	\$ 6,878	\$ 6,088	\$ 8,357	\$ 6,971
368G - Measure/reg station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	243,511	300,594	123,153 3,319,363	218,436	462,082	402,617	260,548	316,831	255,237	225,867	310,132	258,703

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
Plant Accounts	6%	5%	7%	6%	10%	10%	8%	10%	11%	13%	8%	5%
Gas Capex Forecast by Plant Account												
Cost of Removal Plant Accounts	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
302G - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
375G - Structures and improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
376G - Mains	\$ 121,463	\$ 148,923	\$ 61,423	\$ 88,505	\$ 189,342	\$ 154,875	\$ 106,782	\$ 129,824	\$ 104,585	\$ 92,551	\$ 127,079	\$ 101,976
378G - Meas. and reg. stat. eq.-Gen	\$ 11,957	\$ 14,760	\$ 6,047	\$ 8,813	\$ 15,643	\$ 16,244	\$ 10,512	\$ 12,783	\$ 10,297	\$ 9,113	\$ 12,512	\$ 10,041
380G - Services	\$ 82,874	\$ 102,301	\$ 41,913	\$ 61,086	\$ 129,221	\$ 112,592	\$ 72,862	\$ 88,602	\$ 71,377	\$ 63,164	\$ 86,729	\$ 69,598
381G - Meters	\$ 19,046	\$ 23,511	\$ 9,632	\$ 14,036	\$ 26,693	\$ 25,872	\$ 16,742	\$ 20,359	\$ 16,401	\$ 14,514	\$ 19,829	\$ 15,992
382G - Meter installations	\$ 4,437	\$ 5,502	\$ 2,254	\$ 3,264	\$ 5,948	\$ 6,054	\$ 3,918	\$ 4,764	\$ 3,838	\$ 3,396	\$ 4,663	\$ 3,742
383G - House regulator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384G - House regulator installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
390G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
393G - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394G - Tools, shop and garage equip	\$ 2,375	\$ 2,932	\$ 1,201	\$ 1,840	\$ 3,893	\$ 3,392	\$ 2,195	\$ 2,669	\$ 2,150	\$ 1,903	\$ 2,613	\$ 2,097
395G - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396G - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397G - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398G - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
366G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
367G - Mains	\$ 6,706	\$ 8,278	\$ 3,392	\$ 4,512	\$ 94,161	\$ 82,044	\$ 53,093	\$ 64,563	\$ 52,011	\$ 46,026	\$ 63,198	\$ 50,713
369G - Measuring station equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374G - Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365G - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	248,868	307,207	125,862 3,392,391	223,078	471,501	411,173	266,085	323,564	260,660	230,667	316,723	254,157

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts	Gas Capex Forecast by Plant Account											
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Cost of Removal	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
Plant Accounts												
302G - Franchises and consents	\$ -	\$ -	\$ -									
374G - Land and land rights	\$ -	\$ -	\$ -									
375G - Structures and Improvements	\$ -	\$ -	\$ -									
376G - Mains	\$ 101,876	\$ 125,881	\$ 51,573									
378G - Meters and reg. stat. eq.-Gen	\$ 10,041	\$ 12,394	\$ 5,076									
380G - Services	\$ 69,596	\$ 85,910	\$ 35,107									
381G - Meters	\$ 15,992	\$ 19,741	\$ 8,088									
382G - Meter Installations	\$ 3,742	\$ 4,619	\$ 1,893									
383G - House regulator	\$ -	\$ -	\$ -									
384G - House regulator installations	\$ -	\$ -	\$ -									
385G - Ind. measuring and regulating	\$ -	\$ -	\$ -									
390G - Structures and Improvements	\$ -	\$ -	\$ -									
391G - Office furniture and equip	\$ -	\$ -	\$ -									
393G - Stores equipment	\$ -	\$ -	\$ -									
394G - Tools, shop and garage equip	\$ 2,097	\$ 2,588	\$ 1,050									
395G - Laboratory equipment	\$ -	\$ -	\$ -									
396G - Power operated equipment	\$ -	\$ -	\$ -									
397G - Communication equipment	\$ -	\$ -	\$ -									
398G - Miscellaneous equipment	\$ -	\$ -	\$ -									
385G - Land and Land Rights	\$ -	\$ -	\$ -									
365G - Structures and Improvements	\$ -	\$ -	\$ -									
367G - Mains	\$ 50,713	\$ 62,601	\$ 25,648									
369G - Measure/reg station equip	\$ -	\$ -	\$ -									
374G - Land and land rights	\$ -	\$ -	\$ -									
385G - Land and Land Rights	\$ -	\$ -	\$ -									
TOTAL	254,157	313,735	128,537									

Plant Account	Gas Capex Forecast by Plant Account									
Cost of Removal	1/31/13	2/28/13	3/31/13	4/30/13	5/31/13	6/30/13	7/31/13	8/31/13	9/30/13	10/31/13

TOTAL

inflation

12/31/2008 2.3750%
 03/31/2010 2.6832%
 03/31/2011 5.1467%
 03/31/2012 7.3611%
 03/31/2013 9.6352%

Plant Accounts

Gas Capex Forecast by
 Plant Account

	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08

Plant In Service Balances

Plant Accounts

		P/S Balances at 12/31/07													
		1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08		
\$	2,424,837	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	
		\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	
		\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	\$ 4,436,317	
		758,817,109	760,045,176	761,311,282	762,510,947	763,956,735	765,408,275	766,803,445	769,577,189	773,080,527	776,611,882	779,310,882	782,558,190	786,377,296	
		41,604,804	41,900,877	42,167,266	42,401,114	42,717,806	43,050,473	43,380,306	43,590,579	43,868,877	44,143,172	44,373,751	44,673,751	45,002,641	
		542,161,507	543,118,665	544,138,665	545,384,138	546,599,907	548,387,223	547,642,874	549,485,254	550,860,800	552,111,768	553,781,023	555,760,641	557,897,381	
		60,024,929	60,724,171	61,418,800	62,118,045	62,803,711	63,689,378	64,475,044	64,773,961	65,329,761	65,885,561	66,330,201	66,886,001	67,497,381	
		42,597,174	42,819,674	43,022,152	43,244,651	43,494,567	43,744,567	43,994,567	44,098,611	44,201,105	44,331,181	44,435,119	44,565,175	44,708,237	
		4,780,428	4,780,428	4,780,428	4,780,428	4,780,428	4,780,428	4,780,428	4,780,428	4,780,428	4,780,428	4,780,428	4,780,428	4,780,428	
		6,324,705	6,324,705	6,324,705	6,324,705	6,324,705	6,324,705	6,324,705	6,324,705	6,324,705	6,324,705	6,324,705	6,324,705	6,324,705	
		5,132,198	5,132,198	5,132,198	5,132,198	5,132,198	5,132,198	5,132,198	5,132,198	5,132,198	5,132,198	5,132,198	5,132,198	5,132,198	
		2,752,449	2,752,449	2,752,449	2,752,449	2,752,449	2,752,449	2,752,449	2,752,449	2,752,449	2,752,449	2,752,449	2,752,449	2,752,449	
		3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	
		15,222,028	15,563,785	15,805,845	16,247,304	16,631,304	17,015,304	17,399,304	17,482,904	17,519,904	17,586,904	17,640,904	17,707,904	17,781,204	
		1,579,607	1,579,607	1,579,607	1,579,607	1,579,607	1,579,607	1,579,607	1,579,607	1,579,607	1,579,607	1,579,607	1,579,607	1,579,607	
		51,880	51,880	51,880	51,880	51,880	51,880	51,880	51,880	51,880	51,880	51,880	51,880	51,880	
		41,591,676	42,072,659	42,554,061	43,035,253	43,575,920	44,116,587	44,657,253	44,688,357	44,722,736	44,759,116	44,788,219	44,824,599	44,864,816	
		4,002,311	4,002,311	4,002,311	4,002,311	4,002,311	4,002,311	4,002,311	4,002,311	4,002,311	4,002,311	4,002,311	4,002,311	4,002,311	
	5,841,635	5,581,772	5,581,772	5,581,772	5,581,772	5,581,772	5,581,772	5,581,772	5,581,772	5,581,772	5,581,772	5,581,772	5,581,772	5,581,772	
	2,018,313	2,018,313	2,018,313	2,018,313	2,018,313	2,018,313	2,018,313	2,018,313	2,018,313	2,018,313	2,018,313	2,018,313	2,018,313		
	105,622,095	105,622,095	105,622,095	105,622,095	105,622,095	105,622,095	105,612,765	105,612,765	105,612,765	105,612,765	105,612,765	105,612,765	105,612,765		
	10,077,076	10,077,076	10,077,076	10,077,076	10,077,076	10,077,076	10,077,076	10,077,076	10,077,076	10,077,076	10,077,076	10,077,076	10,077,076		
	10,254	10,254	10,254	10,254	10,254	10,254	10,254	10,254	10,254	10,254	10,254	10,254	10,254		
	259,863	259,863	259,863	259,863	259,863	259,863	259,863	259,863	259,863	259,863	259,863	259,863	259,863		
	1,566,464,723	1,670,650,513	1,674,963,169	1,677,385,069	1,682,271,416	1,687,065,106	1,691,532,490	1,695,173,293	1,702,559,747	1,707,484,863	1,712,225,206	1,718,301,027	1,725,298,600		
	1,666,464,722												1,725,298,600		

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

Plant In Service Balances

Plant Accounts

ticked and tied

		1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
		5%	5%	7%	8%	10%	10%	8%	10%	11%	10%	8%	5%
302G - Franchise and consents	\$	9,398,263	\$ 9,398,263	\$ 9,395,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263
374G - Land and land rights	\$	2,424,837	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583
375G - Structures and Improvements	\$	4,424,278	\$ 4,424,278	\$ 4,423,499	\$ 4,423,499	\$ 4,423,499	\$ 4,423,499	\$ 4,417,499	\$ 4,416,139	\$ 4,413,501	\$ 4,412,238	\$ 4,412,238	\$ 4,412,238
376G - Mains	\$	790,918,140	\$ 793,724,936	\$ 795,402,038	\$ 797,165,246	\$ 798,934,207	\$ 801,355,634	\$ 804,211,126	\$ 807,819,650	\$ 811,450,170	\$ 814,230,918	\$ 817,580,433	\$ 821,511,943
378G - Mass. and reg. stat. eq.-Gen	\$	45,392,641	\$ 45,602,858	\$ 45,680,632	\$ 45,824,658	\$ 45,974,658	\$ 46,181,825	\$ 46,409,017	\$ 46,775,965	\$ 47,108,910	\$ 47,341,406	\$ 47,555,058	\$ 49,593,482
380G - Services	\$	558,830,972	\$ 559,765,305	\$ 558,921,047	\$ 559,891,439	\$ 560,688,362	\$ 561,657,628	\$ 563,299,970	\$ 565,625,715	\$ 567,484,628	\$ 569,122,288	\$ 571,274,904	\$ 573,785,223
381G - Meters	\$	58,218,521	\$ 58,659,951	\$ 58,957,851	\$ 59,215,750	\$ 59,453,650	\$ 59,682,710	\$ 70,194,447	\$ 70,788,271	\$ 71,338,096	\$ 71,795,556	\$ 72,357,361	\$ 72,996,386
382G - Meter installations	\$	44,877,309	\$ 44,951,332	\$ 45,026,380	\$ 45,081,304	\$ 45,156,332	\$ 45,247,371	\$ 45,354,416	\$ 45,480,659	\$ 45,594,464	\$ 45,701,423	\$ 45,835,222	\$ 45,982,415
383G - House regulator	\$	4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428
384G - House regulator installations	\$	5,284,807	\$ 5,284,807	\$ 5,284,807	\$ 5,284,807	\$ 5,284,807	\$ 5,284,807	\$ 5,284,807	\$ 5,284,807	\$ 5,284,807	\$ 5,284,807	\$ 5,284,807	\$ 5,284,807
385G - Ind. measuring and regulating	\$	5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198
390G - Structures and Improvements	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$	2,673,980	\$ 2,673,980	\$ 2,673,980	\$ 2,673,980	\$ 2,673,980	\$ 2,595,511	\$ 2,595,511	\$ 2,595,511	\$ 2,595,511	\$ 2,595,511	\$ 2,595,511	\$ 2,595,511
393G - Stores equipment	\$	3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262
394G - Tools, shop and garage equip	\$	17,868,304	\$ 17,921,904	\$ 17,955,404	\$ 17,995,904	\$ 18,022,404	\$ 18,069,304	\$ 18,125,296	\$ 18,195,286	\$ 18,265,276	\$ 18,321,266	\$ 18,391,256	\$ 18,468,248
395G - Laboratory equipment	\$	1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607
396G - Power operated equipment	\$	51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880
397G - Communication equipment	\$	44,911,910	\$ 44,941,013	\$ 44,959,203	\$ 44,977,293	\$ 44,995,583	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048
398G - Miscellaneous equipment	\$	4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311
399G - Land and Land Rights	\$	5,841,635	\$ 5,841,635	\$ 5,841,635	\$ 5,841,635	\$ 5,841,635	\$ 5,841,635	\$ 5,841,635	\$ 5,841,635	\$ 5,841,635	\$ 5,841,635	\$ 5,841,635	\$ 5,841,635
399G - Structures and Improvements	\$	2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331
399G - Mains	\$	105,612,765	\$ 105,612,765	\$ 105,612,765	\$ 105,612,765	\$ 105,612,765	\$ 105,603,436	\$ 105,603,436	\$ 105,603,436	\$ 105,603,436	\$ 105,603,436	\$ 105,603,436	\$ 105,603,436
399G - Measure/reg station equip	\$	10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076
374G - Land and Land Rights	\$	9,379	\$ 9,379	\$ 9,379	\$ 9,379	\$ 9,379	\$ 9,379	\$ 9,379	\$ 8,504	\$ 8,504	\$ 8,504	\$ 8,504	\$ 8,504
365G - Land and Land Rights	\$	259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863
TOTAL		\$1,733,723,981	\$1,738,880,082	\$1,740,196,540	\$1,743,428,699	\$1,746,570,201	\$1,750,710,194	\$1,755,625,596	\$1,762,872,366	\$1,768,428,026	\$1,773,698,079	\$1,780,289,483	\$1,785,523,899

0.54

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

Plant In Service Balances

Plant Accounts

ticked and tied

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263	\$ 9,398,263
374G - Land and land rights	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583
375G - Structures and Improvements	\$ 4,412,238	\$ 4,412,238	\$ 4,411,459	\$ 4,411,459	\$ 4,411,459	\$ 4,411,459	\$ 4,405,459	\$ 4,404,099	\$ 4,401,461	\$ 4,400,188	\$ 4,400,159	\$ 4,400,188
376G - Mains	\$ 826,185,628	\$ 829,074,172	\$ 830,802,367	\$ 832,616,668	\$ 834,436,722	\$ 836,929,678	\$ 838,840,349	\$ 843,538,095	\$ 847,248,838	\$ 850,093,784	\$ 853,523,500	\$ 857,543,255
378G - Meas. and reg. stat. eq.-Gen	\$ 50,179,707	\$ 50,481,843	\$ 50,598,943	\$ 50,837,293	\$ 51,091,618	\$ 51,444,839	\$ 51,708,618	\$ 52,053,787	\$ 52,394,974	\$ 52,876,059	\$ 53,045,940	\$ 53,448,400
350G - Services	\$ 578,884,928	\$ 578,603,953	\$ 578,203,377	\$ 578,385,452	\$ 580,455,057	\$ 581,781,878	\$ 583,450,914	\$ 585,835,276	\$ 587,732,804	\$ 589,437,357	\$ 591,648,594	\$ 594,224,392
391G - Meters	\$ 73,738,761	\$ 74,192,610	\$ 74,478,523	\$ 74,764,435	\$ 75,050,347	\$ 75,450,824	\$ 75,772,405	\$ 76,356,881	\$ 76,941,236	\$ 77,498,760	\$ 77,993,166	\$ 78,535,012
382G - Meter Installations	\$ 46,156,362	\$ 46,243,385	\$ 46,310,288	\$ 46,377,106	\$ 46,444,009	\$ 46,537,673	\$ 46,647,073	\$ 46,756,260	\$ 46,833,009	\$ 47,002,323	\$ 47,139,072	\$ 47,289,497
383G - House regulator	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428
384G - House regulator installations	\$ 4,244,908	\$ 4,244,908	\$ 4,244,908	\$ 4,244,908	\$ 4,244,908	\$ 4,244,908	\$ 4,244,908	\$ 4,244,908	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010
385G - Ind. measuring and regulating	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198
390G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$ 2,595,511	\$ 2,595,511	\$ 2,595,511	\$ 2,595,511	\$ 2,595,511	\$ 2,595,511	\$ 2,517,042	\$ 2,517,042	\$ 2,517,042	\$ 2,517,042	\$ 2,517,042	\$ 2,517,042
393G - Store equipment	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262
394G - Tools, shop and garage equip	\$ 18,599,235	\$ 18,615,227	\$ 18,650,222	\$ 18,685,217	\$ 18,720,212	\$ 18,769,205	\$ 18,827,505	\$ 18,900,380	\$ 18,973,255	\$ 19,031,555	\$ 19,104,430	\$ 19,184,592
395G - Laboratory equipment	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607
396G - Power operated equipment	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880
397G - Communication equipment	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048
398G - Miscellaneous equipment	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311
365G - Land and Land Rights	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772
366G - Structures and Improvements	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331
367G - Mains	\$ 105,594,106	\$ 105,603,436	\$ 105,603,436	\$ 105,603,436	\$ 105,603,436	\$ 105,594,106	\$ 105,594,106	\$ 105,594,106	\$ 105,594,106	\$ 105,594,106	\$ 105,594,106	\$ 105,594,106
368G - Measure/reg station equip	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076
374G - Land and land rights	\$ 8,504	\$ 8,504	\$ 8,504	\$ 8,504	\$ 8,504	\$ 8,504	\$ 8,504	\$ 8,504	\$ 7,629	\$ 7,629	\$ 7,629	\$ 7,629
365G - Land and Land Rights	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863
TOTAL	\$1,788,890,841	\$1,804,598,410	\$1,806,228,161	\$1,809,850,813	\$1,813,382,407	\$1,818,068,809	\$1,823,346,526	\$1,830,529,046	\$1,836,249,398	\$1,841,697,426	\$1,848,498,311	\$1,856,370,756

0.54

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

Plant In Service Balances

Plant Accounts

ticked and tied

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
322G - Franchises and consents	\$ 9,399,263	\$ 9,399,263	\$ 9,399,263	\$ 9,399,263	\$ 9,399,263	\$ 9,399,263	\$ 9,399,263	\$ 9,399,263	\$ 9,399,263	\$ 9,399,263	\$ 9,399,263	\$ 9,399,263
374G - Land and land rights	\$ 2,424,837	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583
375G - Structures and Improvements	\$ 4,400,198	\$ 4,400,198	\$ 4,399,419	\$ 4,399,419	\$ 4,399,419	\$ 4,399,419	\$ 4,399,419	\$ 4,399,419	\$ 4,399,419	\$ 4,399,419	\$ 4,399,419	\$ 4,399,419
376G - Mains	\$ 682,321,230	\$ 665,273,952	\$ 667,042,258	\$ 668,896,870	\$ 670,756,835	\$ 673,305,947	\$ 676,286,971	\$ 680,056,908	\$ 683,846,842	\$ 686,755,120	\$ 690,264,049	\$ 694,370,913
378G - Meas. and reg. stat. eq-Gen	\$ 53,625,346	\$ 54,189,068	\$ 54,310,284	\$ 54,477,750	\$ 54,661,191	\$ 54,915,175	\$ 55,185,221	\$ 55,538,236	\$ 55,887,248	\$ 56,177,600	\$ 56,552,317	\$ 56,963,395
380G - Services	\$ 597,359,219	\$ 598,365,219	\$ 598,793,951	\$ 600,005,334	\$ 601,104,248	\$ 602,451,901	\$ 604,184,724	\$ 606,623,571	\$ 608,595,583	\$ 610,323,724	\$ 612,589,445	\$ 615,225,176
381G - Meters	\$ 79,395,739	\$ 79,858,653	\$ 80,150,856	\$ 80,443,057	\$ 80,735,260	\$ 81,144,344	\$ 81,476,050	\$ 82,072,904	\$ 82,669,728	\$ 83,147,187	\$ 83,744,012	\$ 84,400,516
382G - Meter Installations	\$ 47,467,271	\$ 47,555,649	\$ 47,625,023	\$ 47,693,314	\$ 47,761,689	\$ 47,857,413	\$ 47,969,138	\$ 48,081,231	\$ 48,220,586	\$ 48,392,524	\$ 48,472,150	\$ 48,625,601
383G - House regulator	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428	\$ 4,780,428
384G - House regulator installations	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010	\$ 3,205,010
385G - Ind. measuring and regulating	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198	\$ 5,132,198
390G - Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391G - Office furniture and equip	\$ 2,517,042	\$ 2,517,042	\$ 2,517,042	\$ 2,517,042	\$ 2,517,042	\$ 2,517,042	\$ 2,438,573	\$ 2,438,573	\$ 2,438,573	\$ 2,438,573	\$ 2,438,573	\$ 2,438,573
393G - Stores equipment	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262
394G - Tools, shop and garage equip	\$ 19,279,330	\$ 19,337,630	\$ 19,374,067	\$ 19,410,305	\$ 19,446,842	\$ 19,497,955	\$ 19,560,358	\$ 19,638,813	\$ 19,717,068	\$ 19,779,672	\$ 19,857,927	\$ 19,944,007
395G - Laboratory equipment	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607	\$ 1,579,607
396G - Power operated equipment	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880	\$ 51,880
397G - Communication equipment	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048	\$ 45,021,048
399G - Miscellaneous equipment	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311	\$ 4,002,311
365G - Land and Land Rights	\$ 5,841,635	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772
366G - Structures and Improvements	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331	\$ 2,018,331
367G - Mains	\$ 105,594,106	\$ 106,594,106	\$ 105,594,106	\$ 107,651,770	\$ 107,651,770	\$ 107,651,770	\$ 107,651,770	\$ 111,049,193	\$ 112,941,834	\$ 114,455,948	\$ 115,340,557	\$ 118,430,491
368G - Measure/reg station equip	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076	\$ 10,077,076
374G - Land and land rights	\$ 7,629	\$ 7,629	\$ 7,629	\$ 7,629	\$ 7,629	\$ 7,629	\$ 7,629	\$ 7,629	\$ 7,629	\$ 7,629	\$ 7,629	\$ 7,629
365G - Land and Land Rights	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863	\$ 259,863
TOTAL	\$1,865,832,823	\$1,871,625,777	\$1,873,340,268	\$1,879,028,124	\$1,882,567,659	\$1,887,354,895	\$1,894,186,499	\$1,903,428,876	\$1,911,189,672	\$1,918,260,595	\$1,927,147,735	\$1,937,278,521

0.54

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013Plant AccountsGas Capex Forecast by
Plant AccountPlant In Service BalancesPlant Accounts

ticked and tied

		1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12
302G - Franchises and consents		\$ 9,398,253	\$ 9,398,253	\$ 9,398,253			
374G - Land and land rights	\$ 2,424,837	\$ 2,414,583	\$ 2,414,583	\$ 2,414,583			
375G - Structures and improvements		\$ 4,388,158	\$ 4,388,158	\$ 4,387,379			
376G - Mains		\$ 899,251,836	\$ 902,267,911	\$ 904,075,512			
376G - Mains and reg. stat. eq.-Gen		\$ 57,450,527	\$ 57,720,517	\$ 57,845,650			
380G - Services		\$ 618,470,913	\$ 620,480,418	\$ 619,936,394			
381G - Meters		\$ 85,176,350	\$ 85,649,239	\$ 85,947,651			
382G - Meter installations		\$ 48,607,353	\$ 48,699,055	\$ 48,966,593			
383G - House regulator		\$ 4,780,428	\$ 4,780,428	\$ 4,780,428			
384G - House regulator installations		\$ 2,165,112	\$ 2,165,112	\$ 2,165,112			
385G - Ind. measuring and regulating		\$ 5,132,198	\$ 5,132,198	\$ 5,132,198			
390G - Structures and improvements		\$ -	\$ -	\$ -			
391G - Office furniture and equip		\$ 2,438,573	\$ 2,438,573	\$ 2,438,573			
393G - Stores equipment		\$ 3,262	\$ 3,262	\$ 3,262			
394G - Tools, shop and garage equip		\$ 20,045,738	\$ 20,103,342	\$ 20,147,469			
395G - Laboratory equipment		\$ 1,579,607	\$ 1,579,607	\$ 1,579,607			
396G - Power operated equipment		\$ 51,880	\$ 51,880	\$ 51,880			
397G - Communication equipment		\$ 45,021,048	\$ 45,021,048	\$ 45,021,048			
398G - Miscellaneous equipment		\$ 4,002,311	\$ 4,002,311	\$ 4,002,311			
399G - Land and Land Rights	5,841,635	\$ 5,581,772	\$ 5,581,772	\$ 5,581,772			
366G - Structures and improvements		\$ 2,018,331	\$ 2,018,331	\$ 2,018,331			
367G - Mains		\$ 120,890,924	\$ 122,405,037	\$ 123,351,357			
369G - Measure/reg station equip		\$ 10,077,076	\$ 10,077,076	\$ 10,077,076			
374G - Land and land rights		\$ 6,754	\$ 6,754	\$ 6,754			
368G - Land and Land Rights		\$ 259,863	\$ 259,863	\$ 259,863			
TOTAL		\$1,949,412,901	\$1,956,849,739	\$1,959,591,658			

0.54

Plant Accounts

Plant Accounts ticked and tied

TOTAL 0.54

Inflation

12/31/2008 2.3750%
 03/31/2010 2.8832%
 03/31/2011 5.1467%
 03/31/2012 7.3811%
 03/31/2013 9.6382%

Plant Accounts

Gas Capex Forecast by
 Plant Account

Depreciation Expense

Plant Accounts

			1/31/08	2/28/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
	Existing Rates	New Rates	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	6%	5%
362G - Franchises and consents	10.00%	10.00%	78,319	78,319	78,319	78,319	78,319	78,319	78,319	78,319	78,319	78,319	78,319	78,319
374G - Land and land rights	1.00%	1.00%	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012
375G - Structures and improvements	2.67%	2.78%	9,871	9,871	9,871	9,869	9,869	9,869	9,869	9,869	9,869	9,847	9,844	9,844
376G - Mains	1.85%	2.23%	1,189,843	1,171,738	1,173,688	1,175,538	1,177,767	1,180,004	1,182,155	1,184,432	1,191,837	1,197,277	1,201,438	1,206,444
378G - Meas. and reg. stat. eq.-Gen	3.13%	3.39%	108,544	109,317	110,011	110,621	111,448	112,316	113,176	113,725	114,451	115,166	115,768	116,551
380G - Services	2.44%	2.18%	1,102,395	1,104,342	1,106,415	1,104,881	1,107,245	1,109,380	1,110,987	1,113,541	1,117,287	1,120,084	1,122,627	1,126,021
381G - Meters	3.33%	3.29%	186,569	186,510	170,437	172,376	174,336	176,338	178,318	179,748	181,290	182,832	184,068	185,809
382G - Meter installations	3.33%	3.15%	118,207	118,825	119,385	120,004	120,697	121,391	122,085	122,374	122,658	123,019	123,307	123,668
383G - House regulator	3.33%	2.63%	13,266	13,266	13,266	13,266	13,266	13,266	13,266	13,266	13,266	13,266	13,266	13,266
384G - House regulator installations	3.33%	3.04%	17,551	17,551	17,551	17,551	17,551	17,551	17,551	17,551	17,551	14,665	14,665	14,665
385G - Ind. measuring and regulating	2.75%	5.00%	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761
390G - Structures and improvements	2.67%	-	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	2.94%	5.00%	6,744	6,744	6,744	6,744	6,744	6,744	6,551	6,551	6,551	6,551	6,551	6,551
393G - Stores equipment	2.50%	5.00%	7	7	7	7	7	7	7	7	7	7	7	7
394G - Tools, shop and garage equip	3.40%	5.00%	43,070	44,037	45,004	45,971	47,057	48,144	49,231	49,382	49,572	49,761	49,913	50,103
395G - Laboratory equipment	2.50%	5.00%	3,291	3,291	3,291	3,291	3,291	3,291	3,291	3,291	3,291	3,291	3,291	3,291
396G - Power operated equipment	7.14%	5.00%	309	309	309	309	309	309	309	309	309	309	309	309
397G - Communication equipment	5.46%	5.00%	189,309	191,499	193,689	195,879	198,340	200,801	203,262	203,394	203,560	203,725	203,868	204,023
398G - Miscellaneous equipment	5.00%	5.00%	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676
399G - Land and Land Rights	1.00%	1.00%	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651
399G - Structures and improvements	2.86%	2.67%	4,474	4,474	4,474	4,474	4,474	4,474	4,474	4,474	4,474	4,474	4,474	4,474
397G - Mains	1.85%	1.60%	162,834	162,834	162,834	162,834	162,834	162,834	162,820	162,820	162,820	162,820	162,820	162,820
399G - Measure/reg station equip	3.00%	3.00%	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193
374G - Land and land rights	1.00%	1.00%	9	9	9	9	9	9	9	9	9	8	8	8
365G - Land and Land Rights	1.00%	1.00%	217	217	217	217	217	217	217	217	217	217	217	217
TOTAL			3,235,120	3,265,448	3,275,815	3,282,453	3,294,294	3,305,958	3,318,681	3,325,558	3,337,612	3,345,991	3,353,041	3,360,482
			39,061,445											

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

		1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
Plant Accounts	Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Depreciation Expense	Existing Rates	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
302G - Franchises and consents	10.00%	76,319	76,319	76,319									
374G - Land and land rights	1.00%	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012
375G - Structures and improvements	2.67%	9,844	9,844	9,844	10,248	10,248	10,248	10,248	10,248	10,248	10,225	10,222	10,222
376G - Mains	1.85%	1,212,332	1,219,332	1,223,659	1,477,576	1,480,851	1,484,137	1,488,635	1,493,940	1,500,643	1,507,388	1,512,553	1,518,775
378G - Meas. and reg. stat. eq.-Gen	3.13%	117,409	118,428	118,975	129,168	129,547	129,971	130,557	131,199	132,236	133,177	133,835	134,721
380G - Services	2.44%	1,130,047	1,135,070	1,139,185	1,015,373	1,017,082	1,018,586	1,020,345	1,023,328	1,027,553	1,030,930	1,033,905	1,037,816
381G - Meters	3.33%	187,305	189,310	190,531	189,005	189,787	190,528	191,555	192,450	194,018	195,585	195,839	196,407
382G - Meter installations	3.33%	124,065	124,535	124,798	118,194	118,395	118,535	118,774	119,095	119,334	119,585	119,866	120,317
383G - House regulator	3.33%	13,265	13,265	13,265	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477
384G - House regulator installations	3.33%	14,665	14,665	14,665	13,388	13,388	13,388	13,388	13,388	13,388	10,754	10,754	10,754
386G - Ind. measuring and regulating	2.75%	11,761	11,761	11,761	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384
390G - Structures and improvements	2.67%	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	2.94%	6,551	6,551	6,551	11,142	11,142	11,142	11,142	10,815	10,815	10,815	10,815	10,815
393G - Stores equipment	2.50%	7	7	7	14	14	14	14	14	14	14	14	14
394G - Tools, shop and garage equip	3.40%	50,311	50,558	50,709	74,814	74,954	75,093	75,289	75,522	75,814	76,105	76,339	76,630
395G - Laboratory equipment	2.50%	3,291	3,291	3,291	5,582	5,582	5,582	5,582	5,582	5,582	5,582	5,582	5,582
396G - Power operated equipment	7.14%	309	309	309	216	216	216	216	216	216	216	216	216
397G - Communication equipment	5.46%	204,206	204,421	204,553	187,330	187,406	187,482	187,588	187,588	187,588	187,588	187,588	187,588
398G - Miscellaneous equipment	5.00%	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676
365G - Land and Land Rights	1.00%	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651
365G - Structures and improvements	2.66%	4,474	4,474	4,474	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491
367G - Mains	1.85%	162,820	162,920	162,920	140,817	140,817	140,817	140,805	140,805	140,805	140,805	140,805	140,805
368G - Measure/reg station equip	3.00%	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193
374G - Land and land rights	1.00%	8	8	8	8	8	8	8	8	7	7	7	7
365G - Land and Land Rights	1.00%	217	217	217	217	217	217	217	217	217	217	217	217
TOTAL		3,379,738	3,395,714	3,405,444	3,458,975	3,465,485	3,471,848	3,480,285	3,490,244	3,504,344	3,514,976	3,525,540	3,536,770

Inflation

12/31/2008
03/31/2010
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Plant Accounts		5%	6%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Gas Capex Forecast by Plant Account													
Depreciation Expense													
Plant Accounts	Existing Rates	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
302G - Franchises and consents	10.00%												
374G - Land and land rights	1.00%	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012
375G - Structures and Improvements	2.67%	10,222	10,222	10,222	10,220	10,220	10,220	10,220	10,208	10,203	10,197	10,194	10,194
376G - Mains	1.85%	1,526,070	1,534,761	1,540,127	1,543,337	1,546,707	1,550,068	1,554,719	1,560,143	1,566,999	1,573,889	1,578,174	1,583,545
378G - Meas. and reg. stat. eq.-Gen	3.13%	140,201	141,859	142,713	143,044	143,718	144,437	145,435	146,181	147,157	148,121	148,924	149,961
380G - Services	2.44%	1,042,378	1,048,008	1,051,494	1,050,403	1,052,350	1,054,493	1,056,867	1,059,936	1,064,267	1,067,751	1,070,811	1,074,628
381G - Meters	3.33%	200,132	202,170	203,411	204,155	204,979	205,763	206,660	207,743	209,545	210,947	212,229	213,631
382G - Meter Installations	3.33%	120,704	121,160	121,389	121,555	121,740	121,916	122,161	122,440	122,735	123,094	123,381	123,740
383G - Meter regulator	3.33%	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477
384G - House regulator installations	3.33%	10,754	10,754	10,754	10,754	10,754	10,754	10,754	10,754	10,754	8,119	8,119	8,119
385G-Ind. measuring and regulating	2.75%	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384
390G - Structures and Improvements	2.67%	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	2.94%	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,488	10,488	10,488	10,488	10,488
393G - Stores equipment	2.50%	14	14	14	14	14	14	14	14	14	14	14	14
394G - Tools, shop and garage equip	3.40%	76,951	77,330	77,563	77,709	77,855	78,001	78,205	78,448	78,752	79,055	79,298	79,602
395G - Laboratory equipment	2.90%	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582
395G - Power operated equipment	7.14%	216	216	216	216	216	216	216	216	216	216	216	216
397G - Communication equipment	6.46%	187,588	187,588	187,588	187,588	187,588	187,588	187,588	187,588	187,588	187,588	187,588	187,588
398G - Miscellaneous equipment	5.00%	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676
399G - Land and Land Rights	1.00%	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651
386G - Structures and Improvements	2.66%	140,805	140,805	140,805	140,805	140,805	140,805	140,792	140,792	140,792	140,792	140,792	140,792
387G - Mains	1.85%	140,805	140,805	140,805	140,805	140,805	140,805	140,792	140,792	140,792	140,792	140,792	140,792
389G - Measuring/reg station equip	3.00%	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193
374G - Land and land rights	1.00%	7	7	7	7	7	7	7	7	6	6	6	6
395G - Land and Land Rights	1.00%	217	217	217	217	217	217	217	217	217	217	217	217
TOTAL		3,658,547	3,577,390	3,588,789	3,592,353	3,599,650	3,605,798	3,616,336	3,628,646	3,640,894	3,651,980	3,662,917	3,676,607

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts	Gas Capex Forecast by Plant Account													
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%		
Depreciation Expense														
Plant Accounts														
	Existing Rates	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11	
302G - Franchises and consents	10.00%													
374G - Land and land rights	1.00%	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	
375G - Structures and improvements	2.67%		10,194	10,192	10,192	10,192	10,192	10,192	10,178	10,175	10,169	10,166	10,166	
376G - Mains	1.85%	1,593,012	1,601,888	1,607,373	1,610,658	1,614,103	1,617,559	1,622,234	1,627,835	1,634,835	1,641,875	1,647,278	1,653,700	
378G - Mass. and reg. stat. eq.-Gen	3.13%	151,099	152,448	153,163	153,536	154,009	154,528	155,248	156,009	157,007	157,994	158,815	159,874	
380G - Services	2.44%	1,078,908	1,085,275	1,088,847	1,087,809	1,090,010	1,092,008	1,094,454	1,097,602	1,102,003	1,105,515	1,108,755	1,112,871	
381G - Meters	3.33%	215,594	217,577	218,948	219,747	220,548	221,349	222,471	223,380	225,017	228,653	227,862	229,598	
382G - Meter installations	3.33%	124,135	124,602	124,836	125,016	125,195	125,374	125,626	125,919	126,213	126,500	126,873	127,239	
383G - House regulator	3.33%	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477	10,477	
384G - House regulator installations	3.33%	8,119	8,119	8,119	8,119	8,119	8,119	8,119	8,119	8,119	5,485	5,485	5,485	
385G - Ind. measuring and regulating	2.75%	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384	21,384	
390G - Structures and improvements	2.67%													
391G - Office furniture and equipment	2.94%	10,488	10,488	10,488	10,488	10,488	10,488	10,488	10,161	10,161	10,161	10,161	10,161	
393G - Stores equipment	2.50%	14	14	14	14	14	14	14	14	14	14	14	14	
394G - Tools, shop and garage equipment	3.40%	79,536	80,331	80,573	80,725	80,877	81,029	81,241	81,502	81,828	82,154	82,415	82,741	
395G - Laboratory equipment	2.50%	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	
396G - Power operated equipment	7.14%	216	216	216	216	216	216	216	216	216	216	216	216	
397G - Communication equipment	5.48%	187,588	187,588	187,588	187,588	187,588	187,588	187,588	187,588	187,588	187,588	187,588	187,588	
398G - Miscellaneous equipment	5.00%	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	16,676	
399G - Land and Land Rights	1.00%	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	4,651	
365G - Structures and improvements	2.66%	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	
367G - Mains	1.85%	140,792	140,792	140,792	140,792	143,536	143,536	143,523	145,542	148,066	150,589	152,503	155,131	
368G - Measure/reg station equip	3.00%	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	25,193	
374G - Land and land rights	1.00%	8	8	8	8	8	8	8	8	8	8	8	8	
385G - Land and Land Rights	1.00%	217	217	217	217	217	217	217	217	217	217	217	217	
TOTAL		3,692,385	3,711,319	3,722,868	3,728,589	3,739,853	3,743,688	3,753,161	3,765,755	3,782,859	3,798,781	3,810,022	3,828,569	

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2015

Plant Accounts		5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Gas Capex Forecast by Plant Account													
Depreciation Expense Plant Accounts	Existing Rates	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
302G - Franchises and consents	10.00%					-	-	-	-	-	-	-	-
374G - Land and land rights	1.00%	2,012	2,012	2,012	2,012	-	-	-	-	-	-	-	-
375G - Structures and improvements	2.67%	10,166	10,166	10,166	10,166	-	-	-	-	-	-	-	-
376G - Mains	1.85%	1,061,425	1,070,492	1,076,095	1,079,453	-	-	-	-	-	-	-	-
378G - Meas. and reg. stat. eq.-Gen	3.13%	161,036	162,413	163,177	163,530	-	-	-	-	-	-	-	-
380G - Services	2.44%	1,117,659	1,123,555	1,127,206	1,126,218	-	-	-	-	-	-	-	-
381G - Meters	3.33%	291,398	293,525	294,822	295,540	-	-	-	-	-	-	-	-
382G - Meter installations	3.33%	127,643	128,119	128,360	128,543	-	-	-	-	-	-	-	-
383G - House regulator	3.33%	10,477	10,477	10,477	10,477	-	-	-	-	-	-	-	-
384G - House regulator installations	3.33%	5,485	5,485	5,485	5,485	-	-	-	-	-	-	-	-
385G - Ind. measuring and regulating	2.75%	21,384	21,384	21,384	21,384	-	-	-	-	-	-	-	-
390G - Structures and improvements	2.67%	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	2.94%	10,161	10,161	10,161	10,161	-	-	-	-	-	-	-	-
393G - Stores equipment	2.50%	14	14	14	14	-	-	-	-	-	-	-	-
394G - Tools, shop and garage equip	3.40%	83,100	83,524	83,785	83,948	-	-	-	-	-	-	-	-
395G - Laboratory equipment	2.50%	6,582	6,582	6,582	6,582	-	-	-	-	-	-	-	-
395G - Power operated equipment	7.14%	216	216	216	216	-	-	-	-	-	-	-	-
397G - Communication equipment	5.46%	187,588	187,588	187,588	187,588	-	-	-	-	-	-	-	-
398G - Miscellaneous equipment	5.00%	16,676	16,676	16,676	16,676	-	-	-	-	-	-	-	-
365G - Land and Land Rights	1.00%	4,651	4,651	4,651	4,651	-	-	-	-	-	-	-	-
366G - Structures and improvements	2.86%	4,491	4,491	4,491	4,491	-	-	-	-	-	-	-	-
367G - Mains	1.85%	157,907	161,188	163,207	164,468	-	-	-	-	-	-	-	-
368G - Measure/reg station equip	3.00%	25,193	25,193	25,193	25,193	-	-	-	-	-	-	-	-
374G - Land and land rights	1.00%	6	6	6	6	-	-	-	-	-	-	-	-
366G - Land and Land Rights	1.00%	217	217	217	217	-	-	-	-	-	-	-	-
TOTAL		3,845,486	3,868,135	3,881,558	3,887,116	-	-	-	-	-	-	-	-
				45,537,694									

Plant Accounts

Depreciation Expense

302G - Franchise and consents	10.00%
3740 - Land and land rights	1.00%
3750 - Structures and improvements	2.87%
3760 - Mains	1.85%
3789 - Mass and reg. atq.-Gen	3.13%
3800 - Services	2.44%
3810 - Meters	3.33%
3820 - Meter installations	3.33%
3830 - House regulator	3.33%
3840 - House regulator installations	3.33%
3860 - Ind. measuring and regulating	2.75%
3900 - Structures and improvements	2.75%
3910 - Office furniture and equip	2.94%
3930 - Stores equipment	2.50%
3940 - Tools, shop and garage equip	3.40%
3950 - Laboratory equipment	2.50%
3960 - Power operating equipment	7.14%
3970 - Communication equipment	5.86%
3980 - Miscellaneous equipment	5.00%
3993 - Land and Land Rights	1.00%
3996 - Structures and improvements	2.65%
3979 - Mains	1.85%
3992 - Measure/reg station equip	3.00%
3740 - Land and land rights	1.00%
3950 - Land and Land Rights	1.00%
TOTAL:	

Inflation

12/31/2008	2.3750%
03/31/2010	2.8832%
03/31/2011	5.1467%
03/31/2012	7.3811%
03/31/2013	9.6362%

Plant Accounts

Gas Capex Forecast by
Plant Account

1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
5%	5%	7%	8%	10%	10%	6%	10%	11%	13%	8%	5%

RWIP

Plant Accounts

RWIP Balances
at 12/31/07

1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
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302G - Franchises and consents	\$ -
374G - Land and land rights	\$ -
375G - Structures and Improvements	\$ -
376G - Mains	\$ (773,294)
378G - Meas. and reg. stat. eq.-Gen	\$ (176,830)
380G - Services	\$ (848,914)
381G - Meters	\$ (417,824)
382G - Meter installations	\$ (132,889)
383G - House regulator	\$ -
384G - House regulator installations	\$ -
385G - Ind. measuring and regulating	\$ -
390G - Structures and Improvements	\$ -
391G - Office furniture and equip	\$ -
393G - Stores equipment	\$ -
394G - Tools, shop and garage equip	\$ (204,117)
395G - Laboratory equipment	\$ -
396G - Power operated equipment	\$ -
397G - Communication equipment	\$ (287,394)
398G - Miscellaneous equipment	\$ -
355G - Land and Land Rights	\$ -
366G - Structures and Improvements	\$ -
367G - Mains	\$ -
369G - Measure/reg station equip	\$ -
374G - Land and land rights	\$ -
355G - Land and Land Rights	\$ -
TOTAL	\$ (2,642,002)

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

RWIP

Plant Accounts

1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
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- 352G - Franchises and consents
- 374G - Land and land rights
- 375G - Structures and improvements
- 376G - Mains
- 378G - Meas. and reg. stat. eq.-Gen
- 380G - Services
- 381G - Meters
- 382G - Meter installations
- 383G - House regulator
- 384G - House regulator installations
- 385G - Ind. measuring and regulating
- 389G - Structures and improvements
- 391G - Office furniture and equip
- 393G - Stores equipment
- 394G - Tools, shop and garage equip
- 395G - Laboratory equipment
- 396G - Power operated equipment
- 397G - Communication equipment
- 398G - Miscellaneous equipment
- 399G - Land and Land Rights
- 399G - Structures and improvements
- 399G - Mains
- 399G - Measure/reg station equip
- 374G - Land and land rights
- 399G - Land and Land Rights
- TOTAL**

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

RWIP

Plant Accounts

302G - Franchises and consents
374G - Land and land rights
375G - Structures and Improvements
376G - Mains
378G - Meas. and reg. stat. eq.-Gen
380G - Services
381G - Meters
382G - Meter installations
383G - House regulator
384G - House regulator installations
385G - Ind. measuring and regulating
390G - Structures and Improvements
391G - Office furniture and equip
393G - Stores equipment
394G - Tools, shop and garage equip
395G - Laboratory equipment
396G - Power operated equipment
397G - Communication equipment
398G - Miscellaneous equipment
385G - Land and Land Rights
386G - Structures and Improvements
387G - Mains
389G - Measure/reg station equip
374G - Land and land rights
365G - Land and Land Rights

TOTAL

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
Gas Capex Forecast by Plant Account	5%	5%	7%	6%	10%	10%	6%	10%	11%	13%	6%	5%

RWIP

Plant Accounts

- 322G - Franchises and consents
- 374G - Land and land rights
- 375G - Structures and Improvements
- 376G - Mains
- 378G - Mess. and reg. stat. eq.-Gen
- 380G - Services
- 381G - Meters
- 382G - Meter installations
- 383G - House regulator
- 384G - House regulator installations
- 385G - Ind. measuring and regulating
- 390G - Structures and improvements
- 391G - Office furniture and equip
- 393G - Stores equipment
- 394G - Tools, shop and garage equip
- 395G - Laboratory equipment
- 396G - Power operated equipment
- 397G - Communication equipment
- 398G - Miscellaneous equipment
- 399G - Land and Land Rights
- 366G - Structures and Improvements
- 367G - Mains
- 369G - Measure/reg station equip
- 374G - Land and land rights
- 395G - Land and Land Rights

TOTAL

1/31/11 2/28/11 3/31/11 4/30/11 5/31/11 6/30/11 7/31/11 8/31/11 9/30/11 10/31/11 11/30/11 12/31/11

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

RWIP

Plant Accounts

302G - Franchise and consents
374G - Land and land rights
375G - Structures and Improvements
378G - Mains
378G - Meas. and reg. stat. eq.-Gas
380G - Services
381G - Meters
382G - Meter installations
383G - House regulator
384G - House regulator installations
385G - Ind. measuring and regulating
390G - Structures and Improvements
391G - Office furniture and equip
393G - Stores equipment
394G - Tools, shop and garage equip
395G - Laboratory equipment
398G - Power operated equipment
397G - Communication equipment
398G - Miscellaneous equipment
365G - Land and Land Rights
366G - Structures and Improvements
367G - Mains
369G - Measure/reg station equip
374G - Land and land rights
365G - Land and Land Rights
TOTAL

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Gas Capex Forecast by
Plant Account

RWP

Plant Accounts

326G - Franchise and consents
374G - Land and land rights
375G - Structures and improvements
376G - Mains
378G - Meas. and reg. stat. eq.-Gen
380G - Services
381G - Meters
382G - Meter installations
383G - House regulator
384G - House regulator installations
385G - Ind. measuring and regulating
390G - Structures and improvements
391G - Office furniture and equip
393G - Stores equipment
394G - Tools, shop and garage equip
395G - Laboratory equipment
396G - Power operated equipment
397G - Communication equipment
398G - Miscellaneous equipment
399G - Land and Land Rights
399G - Structures and improvements
397G - Mains
399G - Measure/reg station equip
374G - Land and land rights
365G - Land and Land Rights

TOTAL

Initiation

12/31/2008 2.3750%
 03/31/2010 2.8832%
 03/31/2011 5.1457%
 03/31/2012 7.3811%
 03/31/2013 9.5362%

Plant Accounts

Gas Capex Forecast by
 Plant Account

DEPR Reserve
Balance at
12/31/07

Depreciation Reserve
 Plant Accounts

	12/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents	8,196,371	8,274,660	8,353,009	8,431,328	8,509,646	8,587,965	8,666,284	8,744,603	8,822,922	8,901,241	8,979,560	9,057,878
374G - Land and land rights	1,127,859	1,128,911	1,131,923	1,133,935	1,135,948	1,137,960	1,139,972	1,141,984	1,143,995	1,146,008	1,148,021	1,150,033
375G - Structures and Improvements	1,654,708	1,664,579	1,674,450	1,683,541	1,693,410	1,703,280	1,713,149	1,717,018	1,725,514	1,732,728	1,741,312	1,751,156
376G - Mains	256,857,140	257,182,833	258,236,484	259,281,322	260,334,363	261,288,657	262,179,749	263,164,787	264,148,565	265,191,824	266,135,278	266,878,557
378G - Mains, and reg. stat. eq.-Gen	11,214,531	11,130,027	11,045,541	11,220,125	11,314,155	11,405,258	11,497,014	11,568,952	11,647,065	11,724,573	11,822,488	12,028,538
380G - Services	208,789,655	209,162,570	210,124,902	209,356,535	210,339,225	211,138,265	211,697,067	212,386,462	213,248,497	213,665,500	214,369,522	215,069,455
381G - Meters	28,146,926	27,857,569	27,974,188	28,125,254	28,279,814	28,416,680	28,560,577	28,672,520	28,726,424	28,888,895	29,051,304	29,210,073
382G - Meter installations	8,616,174	8,589,305	8,673,063	8,766,286	8,802,036	8,913,914	9,127,620	9,244,732	9,333,496	9,451,282	9,569,904	9,687,292
383G - House regulator	1,439,479	1,452,745	1,466,010	1,479,278	1,492,542	1,505,807	1,519,073	1,532,339	1,545,605	1,558,870	1,572,136	1,585,402
384G - House regulator installations	(584,324)	(367,279)	(347,722)	(332,171)	(314,620)	(297,069)	(279,518)	(261,967)	(244,416)	(1,286,763)	(1,252,090)	(1,222,767)
385G - Ind. measuring and regulating	2,189,031	2,200,752	2,212,554	2,224,315	2,236,076	2,247,837	2,259,599	2,271,360	2,283,121	2,294,883	2,306,644	2,318,405
390G - Structures and Improvements	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	1,333,600	1,340,344	1,347,087	1,353,831	1,360,574	1,367,318	1,374,061	1,380,805	1,387,548	1,394,291	1,401,035	1,407,778
393G - Stores equipment	1,051	1,056	1,065	1,071	1,079	1,085	1,092	1,099	1,105	1,112	1,119	1,126
394G - Tools, shop and garage equip	4,840,510	4,891,143	4,942,071	4,993,000	5,043,928	5,094,856	5,145,784	5,196,712	5,247,640	5,298,568	5,349,496	5,400,424
395G - Laboratory equipment	468,801	472,062	475,323	478,584	481,845	485,106	488,367	491,628	494,889	498,150	501,411	504,672
396G - Power operated equipment	49,222	49,231	49,539	49,848	50,157	50,466	50,774	51,083	51,391	51,700	52,009	52,318
397G - Communication equipment	7,945,081	7,820,638	7,978,600	8,159,059	8,354,671	8,550,544	8,749,196	8,951,066	9,152,769	9,354,966	9,557,486	9,759,688
398G - Miscellaneous equipment	2,395,197	2,412,673	2,429,350	2,446,026	2,462,702	2,479,378	2,496,055	2,512,731	2,529,407	2,546,084	2,562,760	2,579,436
365G - Land and Land Rights	635,015	657,666	662,318	666,969	671,621	676,272	680,924	685,575	690,227	694,878	699,530	704,181
366G - Structures and Improvements	528,219	532,693	537,167	541,641	546,115	550,589	555,063	559,537	564,011	568,485	572,959	577,433
387G - Mains	33,396,073	33,558,907	33,721,741	33,884,575	34,047,409	34,210,243	34,373,077	34,535,911	34,698,745	34,861,579	35,024,413	35,187,247
369G - Measuring station equip	3,057,943	3,083,136	3,108,328	3,133,521	3,158,714	3,183,906	3,209,099	3,234,292	3,259,485	3,284,677	3,309,870	3,335,063
374G - Land and land rights	627	636	644	653	661	670	678	687	(103)	(172)	(164)	(148)
365G - Land and Land Rights	-	217	433	650	866	1,083	1,299	1,516	1,732	1,949	2,166	2,382
TOTAL	582,497,369	582,858,180	585,683,187	586,835,770	589,820,559	592,489,308	594,899,250	597,255,983	600,065,223	601,444,912	604,074,083	606,498,695

Net Plant

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Depreciation Reserve												
Plant Accounts												
302G - Franchises and consents	9,214,516	9,292,835	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154
374G - Land and land rights	1,154,057	1,156,069	1,158,081	1,159,093	1,162,106	1,164,119	1,166,130	1,168,142	1,170,154	1,172,166	1,174,179	1,176,191
375G - Structures and improvements	1,770,844	1,780,688	1,789,753	1,800,001	1,810,249	1,820,497	1,824,744	1,833,618	1,841,211	1,850,173	1,850,394	1,870,616
376G - Mains	268,887,256	269,918,253	270,981,461	272,345,051	273,600,433	274,831,344	276,133,014	277,436,665	278,798,654	280,061,019	281,127,498	282,442,305
378G - Mass. and reg. stat. eq.-Gen	12,132,990	12,208,107	12,239,315	12,357,847	12,456,378	12,556,490	12,639,832	12,728,062	12,817,491	12,926,057	13,039,075	13,155,322
380G - Services	216,924,314	217,800,802	217,059,330	217,943,048	218,636,131	219,090,379	219,660,257	220,441,221	220,759,708	221,366,918	221,967,529	222,599,187
381G - Meters	29,541,585	29,701,227	29,861,492	30,054,013	30,205,911	30,399,059	30,395,270	30,563,912	30,736,570	30,917,112	31,090,549	31,269,435
382G - Meter installations	9,925,338	10,023,987	10,145,352	10,260,605	10,370,811	10,482,237	10,596,411	10,682,310	10,797,137	10,912,748	11,027,239	11,142,988
383G - House regulator	1,611,933	1,625,199	1,636,464	1,649,941	1,659,419	1,669,896	1,680,373	1,690,850	1,701,327	1,711,804	1,722,281	1,732,758
384G - House regulator installations	(1,208,101)	(1,193,435)	(1,178,771)	(1,165,383)	(1,151,594)	(1,138,608)	(1,125,219)	(1,111,830)	(2,138,340)	(2,127,586)	(2,115,833)	(2,106,079)
385G - Ind. measuring and regulating	2,341,923	2,353,669	2,365,450	2,386,834	2,408,219	2,429,603	2,450,987	2,472,371	2,493,755	2,515,139	2,536,524	2,557,908
390G - Structures and improvements	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	1,341,643	1,348,194	1,354,746	1,365,887	1,377,029	1,388,170	1,320,843	1,331,658	1,342,472	1,353,287	1,364,101	1,374,916
393G - Stores equipment	1,139	1,146	1,153	1,167	1,180	1,194	1,207	1,221	1,234	1,248	1,262	1,275
394G - Tools, shop and garage equip	5,177,954	5,225,491	5,274,952	5,347,759	5,418,445	5,490,920	5,562,702	5,635,288	5,706,754	5,782,773	5,856,246	5,930,469
395G - Laboratory equipment	511,935	514,873	518,164	524,745	531,327	537,909	544,490	551,072	557,654	564,236	570,817	577,399
396G - Power operated equipment	52,935	53,244	53,552	53,768	53,985	54,201	54,417	54,633	54,849	55,065	55,282	55,498
397G - Communication equipment	10,165,207	10,367,987	10,571,869	10,759,199	10,946,605	11,134,088	11,321,674	11,509,262	11,696,849	11,884,437	12,072,025	12,259,612
398G - Miscellaneous equipment	2,512,759	2,629,465	2,646,141	2,662,818	2,679,494	2,696,170	2,712,847	2,729,523	2,746,199	2,762,875	2,779,552	2,796,228
399G - Land and Land Rights	715,464	718,136	722,787	727,439	732,090	736,742	741,393	746,045	750,696	755,347	759,999	764,650
366G - Structures and Improvements	586,381	590,855	595,329	599,819	604,310	608,801	613,292	617,782	622,273	626,764	631,255	635,746
367G - Mains	35,503,485	35,666,305	35,829,125	35,969,942	36,110,759	36,242,246	36,383,051	36,523,855	36,664,660	36,805,464	36,946,269	37,087,073
368G - Measure/reg station equip	3,385,448	3,410,641	3,435,833	3,461,026	3,486,219	3,511,411	3,536,604	3,561,797	3,586,989	3,612,182	3,637,375	3,662,568
374G - Land and land rights	(141)	(153)	(165)	(177)	(189)	(201)	(213)	(225)	(237)	(249)	(261)	(273)
365G - Land and Land Rights	2,815	3,032	3,248	3,465	3,681	3,898	4,115	4,331	4,548	4,764	4,981	5,197
TOTAL	612,251,380	615,196,654	616,476,687	619,639,122	622,476,829	625,050,716	627,605,494	630,541,891	632,087,077	634,884,202	637,477,814	640,461,504

Net Plant

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant AccountDepreciation Reserve
Plant Accounts

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154
374G - Land and land rights	1,178,203	1,180,215	1,182,227	1,184,239	1,186,251	1,188,264	1,190,276	1,192,288	1,194,300	1,196,312	1,198,324	1,200,336
375G - Structures and Improvements	1,880,838	1,891,059	1,900,502	1,910,722	1,920,942	1,931,162	1,935,382	1,944,228	1,951,792	1,960,726	1,970,920	1,981,114
376G - Mains	283,782,051	285,140,446	286,525,025	287,952,582	289,270,957	290,568,094	291,931,035	293,298,721	294,725,315	296,052,637	297,183,613	298,563,419
378G - Meas. and reg. stat. eq.-Gas	13,278,818	13,370,273	13,442,313	13,558,887	13,660,404	13,660,404	13,660,404	13,660,404	14,015,109	14,124,288	14,252,147	14,522,592
380G - Services	223,350,168	224,408,094	225,575,830	224,493,745	225,219,403	225,707,472	226,332,523	227,128,453	227,482,391	228,125,191	228,761,102	229,528,431
381G - Meters	31,450,768	31,625,166	31,819,080	32,006,557	32,176,173	32,351,123	32,392,320	32,575,815	32,765,626	32,959,287	33,147,781	33,341,814
382G - Meter installations	11,259,298	11,355,012	11,474,178	11,591,747	11,705,212	11,837,412	11,837,412	12,025,625	12,144,789	12,263,752	12,381,579	12,500,587
383G - House regulator	1,743,235	1,753,712	1,764,190	1,774,867	1,785,144	1,795,621	1,806,958	1,816,575	1,827,052	1,837,529	1,848,006	1,858,484
384G - House regulator installations	(2,055,325)	(2,084,571)	(2,073,917)	(2,063,054)	(2,052,310)	(2,041,556)	(2,030,802)	(2,020,049)	(3,049,193)	(3,041,074)	(3,032,955)	(3,024,835)
385G - Ind. measuring and regulating	2,579,292	2,600,676	2,622,060	2,643,444	2,664,829	2,686,213	2,707,597	2,728,981	2,750,365	2,771,749	2,793,133	2,814,518
390G - Structures and Improvements	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	1,385,731	1,398,545	1,407,360	1,418,175	1,428,989	1,439,804	1,372,149	1,382,637	1,393,125	1,403,612	1,414,100	1,424,588
393G - Stores equipment	1,288	1,302	1,316	1,330	1,343	1,357	1,370	1,384	1,398	1,411	1,425	1,438
394G - Tools, shop and garage equip	6,005,141	6,076,634	6,156,035	6,231,890	6,305,105	6,379,263	6,454,982	6,530,406	6,606,722	6,683,621	6,759,960	6,837,053
395G - Laboratory equipment	583,991	590,562	597,144	603,726	610,307	616,889	623,471	630,053	636,634	643,216	649,798	656,379
396G - Power operated equipment	55,714	55,930	56,146	56,362	56,579	56,795	57,011	57,227	57,443	57,659	57,875	58,092
397G - Communication equipment	12,447,200	12,634,758	12,822,378	13,009,963	13,197,551	13,385,139	13,572,726	13,760,314	13,947,902	14,135,489	14,323,077	14,510,665
398G - Miscellaneous equipment	2,812,904	2,825,581	2,845,257	2,862,333	2,879,610	2,896,296	2,912,962	2,929,638	2,946,315	2,962,991	2,979,667	2,996,344
399G - Land and Land Rights	769,302	773,953	778,605	783,256	787,908	792,559	797,211	801,862	806,514	811,165	815,817	820,468
399G - Structures and Improvements	640,236	644,727	649,218	653,709	658,200	662,690	667,181	671,672	676,163	680,653	685,144	689,635
397G - Mains	37,227,878	37,368,683	37,509,487	37,644,406	37,772,759	37,893,385	38,027,156	38,159,410	38,293,325	38,428,031	38,560,466	38,694,287
395G - Measure/reg station equip	3,687,760	3,712,953	3,738,148	3,763,338	3,788,531	3,813,724	3,838,916	3,864,109	3,889,302	3,914,494	3,939,687	3,964,880
374G - Land and land rights	(929)	(918)	(911)	(904)	(897)	(890)	(883)	(875)	(868)	(861)	(854)	(847)
395G - Land and Land Rights	5,414	5,830	5,847	6,063	6,280	6,497	6,713	6,930	7,146	7,363	7,579	7,796
TOTAL	643,579,143	646,704,608	648,168,567	651,456,498	654,420,422	657,120,593	659,806,513	662,871,781	664,548,134	667,477,381	670,201,694	673,317,651

Net Plant

Initiation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

Depreciation Reserve

Plant Accounts

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
202G - Franchises and consents	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154	9,371,154
374G - Land and land rights	1,202,349	1,204,361	1,206,373	1,208,385	1,210,397	1,212,409	1,214,422	1,216,434	1,218,446	1,220,458	1,222,470	1,224,482
375G - Structures and Improvements	1,991,308	2,001,501	2,010,916	2,021,108	2,031,300	2,041,492	2,045,684	2,054,502	2,062,039	2,070,945	2,081,111	2,091,277
376G - Mains	299,968,395	301,391,815	302,642,780	304,335,052	305,776,685	307,169,773	308,623,709	310,083,883	311,598,292	313,011,275	314,234,627	315,706,950
378G - Mains and reg. stat. eq.-Gen	14,661,734	14,769,639	14,864,559	14,963,309	15,116,674	15,254,125	15,369,132	15,490,658	15,611,662	15,751,122	15,897,424	16,048,147
380G - Services	230,334,251	231,308,654	230,513,000	231,479,766	232,288,608	232,915,101	233,491,640	234,342,141	234,747,463	235,440,178	236,190,579	236,932,504
381G - Meters	33,536,361	33,727,517	33,937,230	34,142,940	34,353,795	34,529,273	34,589,276	34,792,299	35,000,914	35,213,053	35,421,086	35,634,692
382G - Meter installations	12,620,385	12,719,443	12,642,025	12,963,672	13,081,919	13,201,238	13,322,947	13,416,540	13,536,915	13,662,013	13,784,223	13,907,720
383G - House regulator	1,868,951	1,879,438	1,889,315	1,900,392	1,910,869	1,921,348	1,931,823	1,942,300	1,952,778	1,963,255	1,973,732	1,984,209
384G - House regulator installations	(3,016,716)	(3,028,599)	(3,000,477)	(2,992,358)	(2,984,239)	(2,976,119)	(2,968,000)	(2,959,880)	(3,001,659)	(3,086,174)	(3,060,689)	(3,075,204)
385G - Ind. measuring and regulating	2,835,502	2,857,285	2,878,670	2,900,054	2,921,438	2,942,823	2,964,207	2,985,591	3,006,975	3,028,359	3,049,743	3,071,128
390G - Structures and Improvements	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	1,435,076	1,445,563	1,456,051	1,466,539	1,477,028	1,487,514	1,419,533	1,420,693	1,439,854	1,450,015	1,460,175	1,470,336
393G - Stores equipment	1,452	1,466	1,479	1,493	1,506	1,520	1,534	1,547	1,561	1,574	1,588	1,601
394G - Tools, shop and garage equip	6,914,653	6,892,052	7,071,424	7,162,309	7,227,293	7,304,930	7,383,976	7,482,809	7,542,487	7,822,738	7,702,540	7,783,185
395G - Laboratory equipment	662,961	669,543	678,124	682,706	689,288	695,869	702,451	709,033	715,615	722,196	728,778	735,360
396G - Power operated equipment	56,308	58,524	58,740	58,956	59,173	59,389	59,605	59,821	60,037	60,253	60,470	60,686
397G - Communication equipment	14,698,253	14,885,840	15,073,428	15,261,015	15,448,603	15,636,191	15,823,779	16,011,366	16,198,954	16,386,542	16,574,130	16,761,717
398G - Miscellaneous equipment	3,013,820	3,023,696	3,046,372	3,063,049	3,079,725	3,096,401	3,113,078	3,129,754	3,146,430	3,163,107	3,179,783	3,196,459
365G - Land and Land Rights	925,120	923,771	934,423	939,074	943,726	948,377	953,028	957,680	962,331	966,983	971,634	976,285
366G - Structures and Improvements	694,128	698,617	703,107	707,598	712,089	716,580	721,071	725,561	730,052	734,543	739,034	743,524
367G - Mains	39,828,373	39,960,887	39,098,288	39,194,568	39,243,942	39,296,104	39,368,534	39,487,513	39,563,568	39,668,131	39,757,541	39,851,959
365G - Measure/reg station equip	3,990,073	4,015,266	4,040,458	4,065,651	4,090,843	4,116,036	4,141,229	4,166,421	4,191,614	4,216,807	4,241,999	4,267,192
374G - Land and land rights	(1,719)	(1,713)	(1,706)	(1,700)	(1,694)	(1,687)	(1,681)	(2,550)	(2,544)	(2,538)	(2,533)	(2,527)
365G - Land and Land Rights	8,012	8,229	8,446	8,662	8,878	9,095	9,312	9,529	9,745	9,961	10,178	10,395
TOTAL	676,563,770	679,816,551	681,412,870	684,831,394	687,920,433	690,748,035	693,568,443	696,763,798	698,576,682	701,645,949	704,510,777	707,781,243

Net Plant

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant AccountDepreciation Reserve
Plant Accounts

	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
302G - Franchises and consents	9,371,154	9,371,154	9,371,154									
374G - Land and land rights	1,226,494	1,228,507	1,230,519									
375G - Structures and improvements	2,101,443	2,111,609	2,120,939									
376G - Mains	317,199,926	318,715,892	320,245,429									
378G - Mgas and reg. stat. eq.-Gas	16,197,143	16,317,379	16,413,252									
380G - Services	237,669,754	238,639,027	239,088,338									
381G - Meters	35,850,099	36,059,273	36,286,007									
382G - Meter installations	14,031,621	14,135,099	14,261,566									
383G - House regulator	1,994,686	2,005,163	2,016,640									
384G - House regulator installations	(3,669,719)	(3,664,235)	(3,658,750)									
385G - Ind. measuring and regulating	3,092,512	3,113,896	3,135,280									
390G - Structures and improvements	-	-	-									
391G - Office furniture and equip	1,460,497	1,490,668	1,500,818									
393G - Stores equipment	1,615	1,629	1,642									
394G - Tools, shop and garage equip	7,664,188	7,946,124	8,027,940									
395G - Laboratory equipment	741,941	748,523	755,105									
396G - Power operated equipment	60,902	61,118	61,334									
397G - Communication equipment	16,949,306	17,136,893	17,324,460									
398G - Miscellaneous equipment	3,213,135	3,229,912	3,246,488									
365G - Land and Land Rights	880,937	885,589	890,240									
366G - Structures and improvements	748,015	752,506	756,997									
367G - Mains	39,969,153	40,067,739	40,203,299									
369G - Measure/reg station equip	4,292,385	4,317,578	4,342,770									
374G - Land and land rights	(2,521)	(2,519)	(2,510)									
365G - Land and Land Rights	10,611	10,828	11,044									
TOTAL	711,175,175	714,578,243	716,330,898									

Net Plant

Plant Accounts

Plant Accounts

Not Plant

Inflation

12/31/2008 2.3750%
 03/31/2010 2.8832%
 03/31/2011 5.1467%
 03/31/2012 7.3811%
 03/31/2013 9.6362%

Plant Accounts

Gas Capex Forecast by
 Plant Account

	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
Plant Accounts	6%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Net Plant												
Balance at												
12/31/07												
302G - Franchises and consents	1,201,892	1,120,573	1,045,254	966,936	888,617	810,298	731,879	653,660	575,341	497,022	418,704	340,385
374G - Land and land rights	1,286,684	1,284,672	1,282,659	1,280,647	1,278,635	1,276,623	1,274,611	1,272,599	1,270,586	1,268,574	1,266,562	1,264,550
375G - Structures and Improvements	2,781,609	2,771,739	2,761,868	2,751,997	2,742,128	2,732,259	2,722,390	2,712,521	2,702,655	2,692,812	2,682,965	2,673,121
376G - Mains	501,959,859	502,862,343	503,072,798	503,229,825	503,622,371	504,139,618	504,623,697	506,412,403	508,934,942	511,420,038	513,175,584	515,679,633
378G - Meas. and reg. stat. eq-Gen	30,390,373	30,770,950	30,977,726	31,171,989	31,403,651	31,645,215	31,883,292	32,021,587	32,221,812	32,418,559	32,553,377	32,751,263
380G - Services	333,391,812	333,930,295	334,013,703	334,025,604	334,207,338	334,458,643	334,699,156	335,236,362	336,236,758	337,195,300	337,742,246	338,711,568
381G - Meters	31,873,003	32,856,602	33,444,615	33,992,791	34,623,897	35,272,697	35,814,467	36,201,441	36,603,337	36,998,866	37,278,697	37,675,688
382G - Meter Installations	33,981,000	34,230,369	34,349,039	34,458,365	34,592,531	34,730,653	34,868,947	34,853,879	34,867,609	34,879,879	34,865,215	34,877,883
383G - House regulator	3,340,949	3,327,684	3,314,418	3,301,152	3,287,887	3,274,621	3,261,355	3,248,080	3,234,824	3,221,558	3,208,293	3,195,027
384G - House regulator installations	8,709,529	8,691,878	8,674,427	8,656,878	8,639,325	8,621,774	8,604,223	8,586,672	8,569,121	8,551,570	8,534,004	8,522,239
385G - Ind. measuring and regulating	2,943,167	2,931,406	2,918,645	2,907,883	2,896,122	2,884,361	2,872,599	2,860,838	2,849,077	2,837,316	2,825,554	2,813,793
390G - Structures and Improvements	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	1,418,849	1,412,106	1,405,362	1,398,619	1,391,875	1,385,132	1,378,388	1,371,645	1,365,094	1,358,542	1,351,991	1,345,440
393G - Stores equipment	-	2,204	2,198	2,191	2,184	2,177	2,170	2,164	2,157	2,150	2,143	2,136
394G - Tools, shop and garage equip	10,361,116	10,002,642	11,223,473	11,528,696	11,809,873	12,211,359	12,551,174	12,556,105	12,578,839	12,598,777	12,604,836	12,614,873
395G - Laboratory equipment	1,110,806	1,107,515	1,104,224	1,100,933	1,097,642	1,094,351	1,091,060	1,087,770	1,084,479	1,081,188	1,077,897	1,074,606
396G - Power operated equipment	2,958	2,649	2,341	2,032	1,723	1,415	1,106	797	489	180	(129)	(748)
397G - Communication equipment	33,646,555	34,252,231	34,574,461	34,875,295	35,221,249	35,566,042	35,908,058	35,735,291	35,569,967	35,404,150	35,230,734	35,064,911
398G - Miscellaneous equipment	1,606,314	1,585,637	1,572,961	1,556,285	1,539,609	1,522,932	1,506,256	1,489,580	1,472,903	1,456,227	1,439,551	1,422,874
399G - Land and Land Rights	4,925,757	4,921,106	4,918,454	4,914,803	4,910,151	4,905,500	4,900,848	4,896,197	4,891,545	4,886,894	4,882,242	4,877,591
366G - Structures and Improvements	1,483,112	1,485,638	1,481,161	1,476,680	1,472,216	1,467,743	1,463,269	1,458,795	1,454,321	1,449,847	1,445,373	1,440,899
367G - Mains	72,226,022	72,063,168	71,900,354	71,737,520	71,574,686	71,411,852	71,249,018	71,086,184	70,923,378	70,760,559	70,597,739	70,434,919
368G - Measure/reg station equip	7,019,133	6,993,840	6,968,748	6,943,555	6,918,362	6,893,170	6,867,977	6,842,784	6,817,592	6,792,399	6,767,206	6,742,014
374G - Land and land rights	8,627	8,619	8,610	8,602	8,593	8,585	8,576	8,568	8,559	8,551	8,543	8,536
365G - Land and Land Rights	257,863	259,647	259,430	259,214	258,997	258,780	258,564	258,347	258,131	257,914	257,698	257,481
TOTAL	1,083,967,354	1,087,822,733	1,089,279,992	1,090,550,299	1,092,450,857	1,094,576,738	1,096,633,190	1,098,677,310	1,102,494,524	1,106,036,711	1,108,221,125	1,111,802,332

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
	5%	5%	7%	6%	10%	10%	8%	10%	11%	13%	8%	5%
Plant Accounts	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
302G - Franchises and consents	183,747	105,428	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109
374G - Land and land rights	1,260,526	1,258,514	1,258,501	1,254,489	1,252,477	1,250,465	1,248,453	1,246,441	1,244,429	1,242,416	1,240,404	1,238,392
375G - Structures and Improvements	2,653,433	2,643,589	2,633,745	2,623,498	2,613,250	2,603,002	2,592,754	2,582,506	2,572,258	2,562,009	2,551,761	2,541,513
376G - Mains	522,030,885	523,809,683	524,420,577	524,820,195	525,333,774	526,624,290	528,078,112	530,382,985	532,651,516	534,169,899	536,452,935	539,069,638
378G - Meters and reg. stat. eq.-Gen	33,255,851	33,354,751	33,431,318	33,496,812	33,518,281	33,625,334	33,769,188	34,047,920	34,291,448	34,415,351	34,615,983	34,838,141
380G - Services	341,406,658	341,562,503	341,851,716	341,918,392	342,053,231	342,567,240	343,510,713	345,184,494	348,724,857	347,795,357	349,307,375	351,087,038
381G - Meters	38,678,936	38,958,724	39,056,359	39,161,737	39,294,739	39,513,651	39,799,176	40,202,459	40,599,525	40,878,444	41,276,632	41,726,953
382G - Meter installations	34,951,972	34,937,345	34,860,008	34,830,699	34,785,621	34,765,134	34,756,004	34,776,349	34,797,327	34,768,674	34,807,990	34,839,427
383G - House regulator	3,168,496	3,155,230	3,141,964	3,131,487	3,121,010	3,110,533	3,100,056	3,089,579	3,079,101	3,068,624	3,058,147	3,047,670
384G - House regulator installations	6,452,568	6,478,243	6,493,678	6,490,189	6,486,801	6,483,413	6,410,025	6,398,637	6,383,249	6,372,495	6,361,741	6,350,867
385G - Ind. measuring and regulating	2,790,270	2,778,509	2,766,748	2,745,364	2,723,980	2,702,595	2,681,211	2,659,827	2,638,443	2,617,059	2,595,675	2,574,290
386G - Structures and Improvements	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	1,332,337	1,325,788	1,319,235	1,308,093	1,296,952	1,285,810	1,274,668	1,263,524	1,252,039	1,242,225	1,231,410	1,220,595
393G - Stores equipment	2,123	2,118	2,109	2,096	2,082	2,068	2,055	2,041	2,028	2,014	2,000	1,987
394G - Tools, shop and garage equip	12,630,350	12,596,419	12,650,442	12,641,145	12,633,959	12,679,484	12,562,594	12,559,988	12,556,522	12,538,495	12,535,011	12,537,759
395G - Laboratory equipment	1,068,025	1,064,734	1,061,443	1,054,851	1,049,279	1,041,896	1,035,116	1,028,334	1,021,953	1,015,571	1,008,789	1,002,208
396G - Power operated equipment	(1,055)	(1,354)	(1,672)	(1,888)	(2,105)	(2,321)	(2,537)	(2,753)	(2,969)	(3,185)	(3,402)	(3,618)
397G - Communication equipment	34,746,703	34,573,028	34,387,334	34,218,194	34,048,978	33,688,932	33,699,374	33,511,787	33,324,199	33,136,611	32,949,024	32,761,436
398G - Miscellaneous equipment	1,369,822	1,372,846	1,356,169	1,339,493	1,322,817	1,306,140	1,289,464	1,272,788	1,256,112	1,239,436	1,222,759	1,206,083
399G - Land and Land Rights	4,848,298	4,853,836	4,858,985	4,854,330	4,849,682	4,845,030	4,840,379	4,835,727	4,831,076	4,826,425	4,821,773	4,817,122
399G - Land and Land Rights	1,431,951	1,427,477	1,423,003	1,418,512	1,414,021	1,409,530	1,405,040	1,400,549	1,396,059	1,391,567	1,387,077	1,382,586
399G - Mains	70,109,280	69,948,460	69,783,641	69,642,824	69,502,007	69,361,190	69,220,385	69,079,580	68,938,776	68,797,971	68,657,167	68,516,362
399G - Measure/reg station equip	6,691,628	6,666,435	6,641,243	6,616,050	6,590,857	6,565,665	6,540,472	6,515,279	6,490,087	6,464,894	6,439,701	6,414,509
374G - Land and land rights	8,520	9,512	9,504	9,496	9,489	9,481	9,473	9,465	9,458	9,451	9,444	9,437
395G - Land and Land Rights	257,048	256,931	256,815	256,698	256,582	256,465	256,349	256,232	256,116	255,999	255,882	255,766
TOTAL	1,121,472,601	1,123,683,428	1,123,717,673	1,123,769,578	1,124,093,372	1,125,659,478	1,128,216,032	1,132,330,675	1,138,340,848	1,138,813,877	1,142,811,569	1,149,062,538

1,140,888,133

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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Plant Accounts

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
302G - Franchises and consents	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109
374G - Land and land rights	1,236,380	1,234,368	1,232,356	1,230,343	1,228,331	1,226,319	1,224,307	1,222,295	1,220,283	1,218,271	1,216,259	1,214,246
375G - Structures and improvements	2,531,400	2,521,178	2,510,957	2,500,737	2,490,517	2,480,297	2,470,077	2,459,871	2,449,668	2,439,472	2,429,278	2,419,084
376G - Mains	542,403,678	543,933,728	544,277,342	544,663,786	545,165,785	546,364,814	547,918,314	550,239,374	552,523,522	554,041,127	556,339,887	558,979,836
376G - Meas. and reg. stat. eq.-Gen	36,900,838	37,111,570	37,156,630	37,278,406	37,411,214	37,642,170	37,892,785	38,038,688	38,270,676	38,426,912	38,659,770	38,925,808
380G - Services	383,355,781	384,395,838	384,827,747	384,892,207	385,235,654	386,064,205	387,118,391	388,706,624	390,270,413	391,312,166	392,887,492	394,895,981
381G - Meters	42,283,673	42,567,444	42,659,443	42,757,877	42,874,174	43,009,502	43,380,106	43,781,016	44,175,610	44,449,473	44,845,384	45,294,198
382G - Meter installations	34,897,064	34,888,373	34,836,109	34,785,359	34,738,797	34,717,756	34,709,660	34,729,635	34,748,220	34,738,570	34,757,463	34,788,810
383G - House regulator	3,037,193	3,026,716	3,016,239	3,005,762	2,995,285	2,984,808	2,974,330	2,963,853	2,953,376	2,942,899	2,932,422	2,921,945
384G - House regulator installations	6,340,233	6,329,490	6,318,726	6,307,972	6,297,218	6,286,465	6,275,711	6,264,957	6,254,203	6,243,449	6,232,695	6,221,941
385G - Ind. measuring and regulating	2,552,906	2,531,622	2,510,138	2,488,754	2,467,370	2,445,985	2,424,601	2,403,217	2,381,833	2,360,449	2,339,065	2,317,680
390G - Structures and improvements	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	1,209,781	1,198,996	1,188,151	1,177,337	1,166,522	1,155,708	1,144,893	1,134,405	1,123,918	1,113,430	1,102,942	1,092,455
393G - Stores equipment	1,973	1,950	1,946	1,933	1,919	1,905	1,892	1,878	1,865	1,851	1,837	1,824
394G - Tools, shop and garage equip	12,554,094	12,535,593	12,494,187	12,453,558	12,415,107	12,369,942	12,372,523	12,368,974	12,366,333	12,347,934	12,347,500	12,347,500
395G - Laboratory equipment	985,826	989,044	982,463	975,881	969,299	962,717	956,136	949,554	942,972	936,391	929,809	923,227
395G - Power operated equipment	(8,834)	(4,050)	(4,266)	(4,482)	(4,699)	(4,915)	(5,131)	(5,347)	(5,563)	(5,779)	(5,995)	(6,212)
397G - Communication equipment	36,573,848	32,368,260	32,198,673	32,011,085	31,823,497	31,635,910	31,448,322	31,260,734	31,073,147	30,885,559	30,697,971	30,510,383
398G - Miscellaneous equipment	1,169,408	1,172,730	1,156,054	1,138,377	1,122,701	1,106,025	1,089,349	1,072,672	1,056,996	1,039,320	1,022,643	1,005,967
399G - Land and Land Rights	4,812,470	4,807,819	4,803,167	4,798,516	4,793,864	4,789,213	4,784,561	4,779,910	4,775,258	4,770,607	4,765,955	4,761,304
399G - Structures and improvements	1,378,095	1,373,504	1,369,113	1,364,623	1,360,132	1,355,641	1,351,150	1,346,659	1,342,169	1,337,678	1,333,187	1,328,696
397G - Mains	68,375,557	68,234,753	68,093,948	67,953,030	67,812,112	67,671,194	67,530,276	67,389,358	67,248,440	67,107,522	66,966,604	66,825,686
399G - Measur/reg station equip	6,389,316	6,364,123	6,338,931	6,313,738	6,288,545	6,263,352	6,238,160	6,212,967	6,187,774	6,162,582	6,137,389	6,112,196
374G - Land and land rights	9,430	9,423	9,416	9,408	9,401	9,394	9,387	9,380	9,374	9,367	9,361	9,355
365G - Land and Land Rights	254,449	254,233	254,016	253,800	253,583	253,367	253,150	252,934	252,717	252,500	252,284	252,067
TOTAL	1,155,311,698	1,157,891,802	1,158,058,594	1,158,392,115	1,158,961,986	1,160,948,217	1,163,536,714	1,167,657,255	1,171,701,853	1,174,220,045	1,178,297,617	1,183,053,105

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
	5%	5%	7%	6%	10%	10%	8%	10%	11%	13%	8%	5%
Plant Accounts	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
302G - Franchisee and consents	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109	27,109
374G - Land and land rights	1,212,234	1,210,222	1,208,210	1,204,193	1,204,185	1,202,173	1,200,161	1,198,149	1,196,137	1,194,125	1,192,113	1,190,100
375G - Structures and improvements	2,408,890	2,398,696	2,389,503	2,378,311	2,368,119	2,357,927	2,347,735	2,337,557	2,327,382	2,317,213	2,307,047	2,296,881
376G - Mains	562,352,835	563,882,137	564,199,478	564,541,818	564,990,149	566,136,174	567,565,252	569,973,025	572,248,550	573,743,845	576,029,421	578,653,953
378G - Mass. and reg. stat. eq.-Gen	39,263,612	39,419,430	39,495,725	39,494,443	39,542,517	39,661,050	39,816,089	40,047,579	40,275,588	40,426,478	40,654,893	40,917,248
380G - Services	367,005,048	368,056,363	368,880,600	368,525,568	368,936,210	369,630,800	370,853,084	372,281,430	373,948,121	374,883,546	376,458,888	378,572,672
391G - Meters	45,857,377	46,130,738	46,213,625	46,300,118	46,401,465	46,515,071	46,638,802	47,280,608	47,568,814	47,831,194	48,382,325	48,766,826
392G - Meter installations	34,848,006	34,837,206	34,782,998	34,729,642	34,679,770	34,656,174	34,646,190	34,664,691	34,681,971	34,670,511	34,687,957	34,718,081
393G - House regulator	2,911,488	2,900,991	2,890,514	2,880,036	2,869,559	2,859,082	2,848,605	2,838,128	2,827,651	2,817,174	2,806,697	2,796,220
394G - House regulator installations	6,221,728	6,213,607	6,205,487	6,197,368	6,189,248	6,181,129	6,173,010	6,164,890	6,156,771	6,151,288	6,145,801	6,140,316
395G - Ind. measuring and regulating	2,295,295	2,274,912	2,253,528	2,232,144	2,210,760	2,189,376	2,167,991	2,146,607	2,125,223	2,103,839	2,082,455	2,061,071
396G - Structures and Improvements	-	-	-	-	-	-	-	-	-	-	-	-
391G - Office furniture and equip	1,081,967	1,071,479	1,060,991	1,050,504	1,040,016	1,029,528	1,019,041	1,008,553	998,065	987,578	977,090	966,602
393G - Stores equipment	1,810	1,767	1,783	1,769	1,756	1,742	1,729	1,715	1,701	1,688	1,674	1,661
394G - Tools, shop and garage equip	12,394,876	12,345,578	12,302,643	12,260,195	12,219,649	12,179,025	12,138,325	12,097,604	12,056,864	12,016,104	11,975,324	11,934,524
395G - Laboratory equipment	916,546	910,054	903,432	896,801	890,169	883,537	876,905	870,274	863,642	857,010	850,379	843,747
396G - Power operated equipment	(6,428)	(6,644)	(6,860)	(7,076)	(7,293)	(7,509)	(7,725)	(7,941)	(8,157)	(8,373)	(8,589)	(8,806)
397G - Communication equipment	30,322,796	30,135,209	29,947,620	29,760,033	29,572,445	29,384,857	29,197,270	29,009,682	28,822,094	28,634,506	28,446,919	28,259,331
398G - Miscellaneous equipment	899,291	972,614	955,938	939,262	922,586	905,909	889,233	872,557	855,880	839,204	822,528	805,852
395G - Land and Land Rights	4,756,632	4,752,001	4,747,349	4,742,696	4,738,043	4,733,389	4,728,734	4,724,079	4,719,424	4,714,769	4,710,113	4,705,458
396G - Structures and improvements	1,324,206	1,319,715	1,315,224	1,310,733	1,306,242	1,301,752	1,297,261	1,292,770	1,288,279	1,283,788	1,279,297	1,274,806
397G - Mains	66,765,733	66,633,219	66,500,705	66,457,202	66,403,699	66,349,196	66,294,693	66,240,190	66,185,687	66,131,184	66,076,681	66,022,178
399G - Measure/reg station equip	6,067,004	6,051,811	6,036,618	6,011,426	5,986,233	5,961,040	5,935,847	5,910,655	5,885,462	5,860,269	5,835,077	5,809,884
374G - Land and land rights	9,349	9,342	9,336	9,329	9,323	9,317	9,310	9,304	9,298	9,292	9,286	9,280
395G - Land and Land Rights	251,851	251,634	251,418	251,201	250,985	250,768	250,551	250,335	250,119	249,902	249,685	249,468
TOTAL	1,189,269,053	1,191,809,228	1,194,329,398	1,196,849,730	1,199,370,062	1,201,890,394	1,204,410,726	1,206,931,058	1,209,451,390	1,211,971,722	1,214,492,054	1,217,012,386
	Avg Net Plant before NIBCWIP		1,172,738,682									

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

	1/31/12	2/28/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

Plant Accounts

	1/31/12	2/28/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
302G - Franchises and consents	27,109	27,109	27,109									
374G - Land and land rights	1,188,058	1,185,076	1,184,064									
375G - Structures and improvements	2,286,715	2,276,549	2,266,383									
375G - Mains	562,052,010	563,552,018	563,830,384									
378G - Meas. and reg. stat. eq.-Gen	41,253,384	41,403,136	41,432,399									
380G - Services	380,601,159	381,641,391	381,848,055									
381G - Meters	49,325,291	49,589,966	49,661,644									
382G - Meter installations	34,779,732	34,763,957	34,707,317									
383G - House regulator	2,785,743	2,775,245	2,704,780									
384G - House regulator installations	6,134,831	6,129,346	6,123,661									
385G - Ind. measuring and regulating	2,039,666	2,018,302	1,996,918									
390G - Structures and improvements	-	-	-									
391G - Office furniture and equip	958,076	947,916	937,755									
392G - Stores equipment	1,647	1,634	1,620									
394G - Tools, shop and garage equip	12,181,550	12,163,218	12,119,651									
395G - Laboratory equipment	837,665	831,064	824,502									
395G - Power operated equipment	(9,022)	(9,238)	(9,454)									
397G - Communication equipment	28,071,743	27,884,156	27,696,568									
398G - Miscellaneous equipment	785,175	772,499	765,823									
365G - Land and Land Rights	4,700,835	4,698,183	4,691,532									
366G - Structures and improvements	1,270,316	1,265,825	1,261,335									
367G - Mains	80,921,771	82,367,237	83,146,059									
365G - Measur/reg station equip	5,764,691	5,739,499	5,734,306									
374G - Land and land rights	9,276	9,270	9,264									
365G - Land and Land Rights	248,252	248,036	248,919									
TOTAL	1,238,237,725	1,242,271,456	1,243,280,670									
	Avg Net Plant before NIBCWIP		1,214,345,298									

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Gas Capex Forecast by
Plant Account

Plant Accounts

302G - Franchise and consents
374G - Land and land rights
375G - Structures and Improvements
376G - Mains
378G - Meters and reg. stat. eq.-Gen
380G - Services
381G - Meters
382G - Meter installations
383G - House regulator
384G - House regulator installations
385G - Ind. measuring and regulating
390G - Structures and improvements
391G - Office furniture and equip
393G - Stores equipment
394G - Tools, shop and garage equip
395G - Laboratory equipment
395G - Power operated equipment
397G - Communication equipment
398G - Miscellaneous equipment
365G - Land and Land Rights
366G - Structures and improvements
367G - Mains
369G - Measure/reg station equip
374G - Land and land rights
365G - Land and Land Rights
TOTAL

Inflation

12/31/2008 2.3750%
 03/31/2010 2.8532%
 03/31/2011 5.1487%
 03/31/2012 7.3511%
 03/31/2013 9.6362%

Plant Accounts

Gas Capex Forecast by
 Plant Account

Total CWIP
 Balances at
 12/31/07

	1/31/08	2/28/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	9%	5%
CWIP Balances												
Beginning Balance	13,270,761	13,817,508	14,364,254	14,911,000	15,248,099	16,912,058	18,576,013	18,576,013	18,576,013	19,239,442	22,556,587	21,229,729
Additions	\$ 4,970,333	\$ 4,970,333	\$ 4,970,333	\$ 5,307,432	\$ 6,634,290	\$ 6,634,290	\$ 5,307,432	\$ 6,634,290	\$ 7,297,719	\$ 8,624,578	\$ 5,307,432	\$ 3,317,145
Closings	\$ 4,423,587	\$ 4,423,587	\$ 4,423,587	\$ 4,970,333	\$ 4,970,333	\$ 4,970,333	\$ 5,307,432	\$ 6,634,290	\$ 6,634,290	\$ 5,307,432	\$ 6,634,290	\$ 7,297,719
Ending Balance	13,270,761	13,817,508	14,364,254	14,911,000	15,248,099	16,912,058	18,576,013	18,576,013	18,576,013	19,239,442	22,556,587	21,229,729
NIBCWIP	3,697,284	3,849,810	4,001,835	4,154,281	4,248,178	4,711,762	5,175,347	5,175,347	5,175,347	5,360,181	6,284,350	5,914,682
NIBCWIP %	27.86%											
IBCWIP	9,567,898	10,362,319	10,755,739	10,999,921	12,200,264	13,400,666	13,400,666	13,400,666	13,400,666	13,879,261	16,272,237	15,315,047
												12,443,478

Initiation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
	5%	5%	7%	8%	10%	10%	8%	10%	11%	15%	8%	5%
CWIP Balances	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
Beginning Balances	17,249,155	11,941,723	9,851,436	11,278,294	13,893,049	17,990,778	20,761,651	20,911,651	21,031,651	21,823,139	25,795,577	24,507,501
Additions	\$ 3,317,145	\$ 3,317,145	\$ 4,644,003	\$ 5,931,900	\$ 7,414,875	\$ 7,414,875	\$ 5,831,900	\$ 7,414,875	\$ 8,150,363	\$ 9,693,338	\$ 5,931,900	\$ 3,707,438
Closings	\$ 8,624,578	\$ 5,307,432	\$ 3,317,145	\$ 3,317,145	\$ 3,317,145	\$ 4,644,003	\$ 5,781,900	\$ 7,294,875	\$ 7,284,875	\$ 5,766,500	\$ 7,219,875	\$ 9,536,383
Ending Balance	11,941,723	9,951,436	11,278,294	13,893,049	17,990,778	20,761,651	20,911,651	21,031,651	21,823,139	25,795,577	24,507,601	18,678,676
NBCWIP	3,327,009	2,772,507	3,142,175	3,670,656	5,012,299	5,784,274	5,828,065	5,859,497	6,107,869	7,186,745	6,827,910	5,203,949
NBCWIP %												
BCWIP	8,614,714	7,178,929	8,136,119	10,222,393	12,978,480	14,977,377	15,083,587	15,172,154	15,715,270	18,608,832	17,679,691	13,474,727

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Gas Capex Forecast by Plant Account

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Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Gas Capex Forecast by
Plant Account

1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
CWP Balances												
Beginning Balances	20,651,788	14,810,386	12,684,162	14,314,270	16,129,597	21,899,631	26,183,594	28,183,594	26,183,594	27,132,115	31,874,721	29,977,678
Additions	\$ 3,918,061	\$ 3,818,061	\$ 5,345,285	\$ 7,588,170	\$ 9,485,212	\$ 9,485,212	\$ 7,588,170	\$ 9,485,212	\$ 10,433,733	\$ 12,330,776	\$ 7,588,170	\$ 4,748,606
Closings	\$ 9,659,463	\$ 5,944,285	\$ 3,715,178	\$ 5,772,842	\$ 3,715,178	\$ 5,201,249	\$ 7,588,170	\$ 9,485,212	\$ 6,465,212	\$ 7,588,170	\$ 9,485,212	\$ 10,433,733
Ending Balance	14,810,386	12,684,162	14,314,270	16,129,597	21,899,631	26,183,594	26,183,594	28,183,594	27,132,115	31,874,721	29,977,678	24,286,551
NBCWIP	4,126,229	3,533,855	3,688,009	4,483,766	6,101,320	7,294,848	7,294,848	7,294,848	7,559,109	8,680,417	8,351,894	6,766,325
NBCWIP %												
IBCWIP	10,684,157	9,150,307	10,326,260	11,645,831	15,798,311	18,888,746	18,888,746	18,888,748	19,573,006	22,694,304	21,625,764	17,520,227

Avg NBCWIP 5,382,760
Avg IBCWIP 13,937,725
Avg IBCWIP Common @ 15% 42,260

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
Gas Capex Forecast by Plant Account	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

CWIP Balances

Beginning Balances

	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
Beginning Balances	24,286,551	16,698,382	13,852,818									
Additions	\$ 4,742,606	\$ 4,742,606	\$ 6,639,648									
Closings	\$ 12,330,776	\$ 7,588,170	\$ 4,742,606									
Ending Balance	16,698,382	13,852,818	15,749,860									

NIBCWIP

NIBCWIP %

NIBCWIP	4,652,232	3,859,447	4,387,870									
IBCWIP	12,046,150	9,993,371	11,361,990									

Avg NIBCWIP 6,394,754

Avg IBCWIP 16,558,108

Avg IBCWIP Common @ 15% 36,897

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Gas Capex Forecast by
Plant Account

CWIP Balances
Beginning Balances
Additions
Closings
Ending Balance

NISCWIP

NISCWIP %

NISCWIP %

C+U
Common Plant
wp's

Inflation

12/31/2008 2.3750%
 03/31/2010 2.8832%
 03/31/2011 5.1467%
 03/31/2012 7.3811%
 03/31/2013 9.6362%

Plant Accounts

Common Capex
 Forecast by Plant
 Account

	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%
301 - Organization											
302 - Franchises and consents											
303 - Misc Intangible Plant											
308 - Land and Land Rights											
390 - Structures and Improvements	\$ 475,000	\$ 475,000	\$ 475,000	\$ 800,000	\$ 1,000,000	\$ 1,000,000	\$ 800,000	\$ 1,000,000	\$ 1,100,000	\$ 1,300,000	\$ 800,000
391 G - Office furniture and equip	\$ 277,778	\$ 277,778	\$ 277,778	\$ 266,667	\$ 333,333	\$ 333,333	\$ 266,667	\$ 333,333	\$ 366,667	\$ 433,333	\$ 266,667
392 - Transportation Equipment											
393 - Stores equipment											
394 - Tools, shop and garage equip											
395 - Laboratory equipment											
396 - Power operated equipment											
397 - Communication equipment											
398 - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
399 - Other Tangible Property											
	\$ 752,778	\$ 752,778	\$ 752,778	\$ 1,066,667	\$ 1,333,333	\$ 1,333,333	\$ 1,066,667	\$ 1,333,333	\$ 1,466,667	\$ 1,733,333	\$ 1,066,667
				13,333,333							

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 12/31/08

Plant Accounts

Common Capex
Forecast by Plant
Account

5%

301 - Organization
302 - Franchises and consents
303 - Misc Intangible Plant
389 - Land and Land Rights
390 - Structures and improvements
391G - Office furniture and equip
392 - Transportation Equipment
393 - Stores equipment
394 - Tools, shop and garage equip
395 - Laboratory equipment
396 - Power operated equipment
397 - Communication equipment
398 - Miscellaneous equipment
399 - Other Tangible Property

\$ 500,000
\$ 166,667

\$ -

\$ 666,667

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
301 - Organization												
302 - Franchises and consents												
303 - Misc Intangible Plant												
309 - Land and Land Rights												
390 - Structures and Improvements	\$ 500,000	\$ 500,000	\$ 700,000	\$ 1,544,000	\$ 1,930,000	\$ 1,930,000	\$ 1,544,000	\$ 1,930,000	\$ 2,123,000	\$ 2,509,000	\$ 1,544,000	\$ 965,000
391 G - Office furniture and equip	\$ 168,667	\$ 168,667	\$ 233,333	\$ 224,000	\$ 280,000	\$ 280,000	\$ 224,000	\$ 280,000	\$ 308,000	\$ 364,000	\$ 224,000	\$ 140,000
392 - Transportation Equipment												
393 - Stores equipment												
394 - Tools, shop and garage equip												
395 - Laboratory equipment												
396 - Power operated equipment												
397 - Communication equipment												
398 - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
399 - Other Tangible Property												
	\$ 666,667	\$ 666,667	\$ 933,333	\$ 1,768,000	\$ 2,210,000	\$ 2,210,000	\$ 1,768,000	\$ 2,210,000	\$ 2,431,000	\$ 2,873,000	\$ 1,768,000	\$ 1,106,000
				22,100,000								

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
	5%	5%	7%	6%	10%	10%	6%	10%	11%	13%	8%	5%
301 - Organization												
302 - Franchises and consents												
303 - Misc Intangible Plant												
309 - Land and Land Rights												
390 - Structures and improvements	\$ 965,000	\$ 965,000	\$ 1,351,000	\$ 760,000	\$ 950,000	\$ 950,000	\$ 760,000	\$ 950,000	\$ 1,045,000	\$ 1,235,000	\$ 760,000	\$ 475,000
391G - Office furniture and equip	\$ 140,000	\$ 140,000	\$ 155,000	\$ 224,000	\$ 280,000	\$ 280,000	\$ 224,000	\$ 280,000	\$ 308,000	\$ 364,000	\$ 224,000	\$ 140,000
392 - Transportation Equipment												
393 - Stores equipment												
394 - Tools, shop and garage equip												
395 - Laboratory equipment												
396 - Power operated equipment												
397 - Communication equipment												
398 - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
399 - Other Tangible Property												
	\$ 1,105,000	\$ 1,105,000	\$ 1,547,000	\$ 984,000	\$ 1,230,000	\$ 1,230,000	\$ 984,000	\$ 1,230,000	\$ 1,353,000	\$ 1,599,000	\$ 984,000	\$ 615,000
				12,300,000								

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

301 - Organization
302 - Franchises and consents
303 - Misc Intangible Plant
389 - Land and Land Rights
390 - Structures and Improvements
391G - Office furniture and equip
392 - Transportation Equipment
393 - Stores equipment
394 - Tools, shop and garage equip
395 - Laboratory equipment
396 - Power operated equipment
397 - Communication equipment
398 - Miscellaneous equipment
399 - Other Tangible Porperty

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
\$ 475,000	\$ 475,000	\$ 665,000	\$ 736,000	\$ 920,000	\$ 920,000	\$ 736,000	\$ 920,000	\$ 1,012,000	\$ 1,196,000	\$ 736,000	\$ 460,000	
\$ 140,000	\$ 140,000	\$ 196,000	\$ 224,000	\$ 280,000	\$ 280,000	\$ 224,000	\$ 280,000	\$ 308,000	\$ 364,000	\$ 224,000	\$ 140,000	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 615,000	\$ 615,000	\$ 861,000	\$ 960,000	\$ 1,200,000	\$ 1,200,000	\$ 960,000	\$ 1,200,000	\$ 1,320,000	\$ 1,560,000	\$ 960,000	\$ 600,000	

12,000,000

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/12 2/29/12 3/31/12 4/30/12 5/31/12 6/30/12 7/31/12 8/31/12 9/30/12 10/31/12 11/30/12 12/31/12

Plant Accounts

Common Capex
Forecast by Plant
Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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- 301 - Organization
- 302 - Franchises and consents
- 303 - Misc intangible Plant
- 389 - Land and Land Rights
- 390 - Structures and improvements
- 391G - Office furniture and equip
- 392 - Transportation Equipment
- 393 - Stores equipment
- 394 - Tools, shop and garage equip
- 395 - Laboratory equipment
- 396 - Power operated equipment
- 397 - Communication equipment
- 398 - Miscellaneous equipment
- 399 - Other Tangible Property

\$ 460,000 \$ 460,000 \$ 644,000
\$ 140,000 \$ 140,000 \$ 196,000

\$ - \$ - \$ -

\$ 600,000 \$ 600,000 \$ 840,000

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Common Capex
Forecast by Plant
Account

- 301 - Organization
- 302 - Franchises and consents
- 303 - Misc Intangible Plant
- 308 - Land and Land Rights
- 330 - Structures and improvements
- 331 G - Office furniture and equip
- 332 - Transportation Equipment
- 333 - Stores equipment
- 394 - Tools, shop and garage equip
- 395 - Laboratory equipment
- 396 - Power operated equipment
- 397 - Communication equipment
- 398 - Miscellaneous equipment
- 399 - Other Tangible Property

Inflation

12/31/2008	2.3750%
03/31/2010	2.6832%
03/31/2011	5.1467%
03/31/2012	7.3811%
03/31/2013	9.6362%

1/31/08 2/29/08 3/31/08 4/30/08 5/31/08 6/30/08 7/31/08 8/31/08 9/30/08 10/31/08 11/30/08

Plant Accounts

Common Capex
Forecast by Plant
Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%
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Gas Capex Forecast
Growth

2008 Stub Year

2009

CNx055-058	New Meter Labor	\$ 750,000
CNx3663	Meter Purchases -Growth	\$ 1,457,000
CNx045,046	Franchise New Main	
CNx047,048	Franchise New Services	
CNx051,052	Franchise New Services	
CNx050,049	New Main	\$ 1,675,000
CNx053,54	New Services	\$ 1,816,000
		<u>\$ 5,699,000</u>

\$ 1,300,559
\$ 1,796,000
\$ 9,787,500
\$ 5,888,750
<u>\$ 18,772,809</u>

Mandated

CNx041,42,43,44	Meters - PT's	\$ 900,000
CNx3663	Meter Purchases - Non-growth	
CNx060,59	Government	\$ 261,000
CNx064	Cast Iron Encroachment	\$ 886,000
CNx030,31	Exposures	\$ -
CNx032	Third Party Damage	\$ -
CNx034,33	Main Renewals	\$ 1,542,000
CNx040,38	Bare Steel HP Inside Sets	
CNx040,39	Service Renewals	\$ 1,852,000
		<u>\$ 5,441,000</u>

\$ 2,264,000
\$ 2,198,000
\$ 7,000,000
\$ 1,319,000
\$ 100,000
\$ 34,000
\$ 21,100,000
\$ 5,800,000
\$ 8,721,300
<u>\$ 48,536,300</u>

Reliability

CNx038,37	Regulator Station	\$ 886,000
CNx036	System Enhancement	\$ 112,000
C00602-604	SCADA	\$ 50,000
	Andrews Rd GR Station	
	New Pipeline to Malta to support growth	
	GEMS Upgrade	\$ 1,622,000
		<u>\$ 2,670,000</u>

\$ 3,000,000
\$ 500,000
\$ 170,000
\$ 1,500,000

\$ 363,795
<u>\$ 5,533,795</u>

Discretionary

CNx062	Tools	\$ 1,102,000
		<u>\$ 1,102,000</u>
		<u>\$ 14,911,000</u>

\$ 500,000
<u>\$ 500,000</u>

<u>\$ 73,342,904</u>

Other Gas Capital Allocations

Facilities	1,425,000
Customer Service (non-AMR)	500,000
Information Services	333,333
Contingency	-
All Other/Rounding	-
	<u>\$ 2,258,333</u>
	<u>\$ 17,169,333</u>

\$ 10,000,000												
\$ 2,000,000												
\$ 1,333,333												
\$ -												
\$ -												
\$ 13,333,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 86,576,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Inflation	12/31/2008	
	03/31/2010	
	03/31/2011	
	03/31/2012	
	03/31/2013	12/31/08

Plant Accounts

Common Capex
Forecast by Plant
Account

5%

**Gas Capex Forecast
Growth**

CNx055-058	New Meter Labor
CN3663	Meter Purchases - Gro
CNx045,046	Franchise New Main
CNx047,048	Franchise New Service
CNx051,052	Franchise New Service
CNx050,049	New Main
CNx053,54	New Services

Mandated

CNx041,42,43,44	Meters - PT's
CN3663	Meter Purchases - Nor
CNx060,59	Government
CNx064	Cast Iron Encroachme
CNx030,31	Exposures
CNx032	Third Party Damage
CNx034,33	Main Renewals
CNx040,38	Bare Steel HP Inside
CNx040,39	Service Renewals

Reliability

CNx038,37	Regulator Station
CNx036	System Enhancement
C00602-604	SCADA
	Andrews Rd GR Static
	New Pipeline to Malta
	GEMS Upgrade

Discretionary

CNx062	Tools
--------	-------

Other Gas Capital Allocations

Facilities
Customer Service (non-AMR)
Information Services
Contingency
All Other/Rounding

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/09 2/28/09 3/31/09 4/30/09 5/31/09 6/30/09 7/31/09 8/31/09 9/30/09 10/31/09 11/30/09 12/31/09

Plant Accounts

Common Capex
Forecast by Plant
Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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Gas Capex Forecast
Growth

2010

CNx055-058	New Meter Labor	\$ 1,338,057
CNx3653	Meter Purchases - Gro	\$ 1,847,782
CNx045,046	Franchise New Main	\$ -
CNx047,048	Franchise New Service	\$ -
CNx051,052	Franchise New Service	\$ -
CNx050,049	New Main	\$ 10,069,693
CNx053,54	New Services	\$ 6,058,534
		<u>\$ 19,314,067</u>

Mandated

CNx041,42,43,44	Meters - PTs	\$ 2,329,276
CNx3653	Meter Purchases - No	
CNx060,59	Government	\$ 7,201,824
CNx064	Cast Iron Entrenchme	\$ 1,357,029
CNx030,31	Exposures	\$ 102,883
CNx032	Third Party Damage	\$ 34,980
CNx034,33	Main Renewals	\$ 21,708,355
CNx040,38	Bare Steel HP Inside	\$ 5,997,228
CNx040,39	Service Renewals	\$ 8,972,753
		<u>\$ 47,874,328</u>

Reliability

CNx038,37	Regulator Station	\$ 3,088,496
CNx036	System Enhancement	\$ 514,416
C00602-604	SCADA	\$ 174,901
	Andrews Rd GR Static	
	New Pipeline to Milla	\$ 2,057,654
	GEMS Upgrade	
		<u>\$ 5,833,477</u>

Discretionary

CNx062	Tools	\$ 525,000
		<u>\$ 525,000</u>
		<u>\$ 73,346,870</u>

Other Gas Capital Allocations

Facilities	19,300,000
Customer Service (non-AMR)	1,700,000
Information Services	1,100,000
Contingency	-
All Other/Rounding	-
	<u>\$ 22,100,000</u>
	<u>\$ 95,446,870</u>

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/10 2/28/10 3/31/10 4/30/10 5/31/10 6/30/10 7/31/10 8/31/10 9/30/10 10/31/10 11/30/10 12/31/10

Plant AccountsCommon Capex
Forecast by Plant
Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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**Gas Capex Forecast
Growth**

2011

CNx055-058	New Meter Labor	\$ 1,367,495
CN3663	Meter Purchases - Gro	\$ 1,888,435
CNx045,046	Franchise New Main	
CNx047,048	Franchise New Service	
CNx051,052	Franchise New Service	
CNx050,049	New Main	\$ 10,291,233
CNx053,54	New Services	\$ 6,191,826
		<u>\$ 19,738,989</u>

Mandated

CNx041,42,43,44	Meters - PT's	\$ 2,380,521
CN3663	Meter Purchases - Nor	
CNx060,59	Government	\$ 7,360,269
CNx064	Cast Iron Encroachment	\$ 1,386,885
CNx030,31	Exposures	\$ 105,147
CNx032	Third Party Damage	\$ 35,750
CNx034,33	Main Renewals	\$ 22,185,954
CNx040,38	Bare Steel HP Inside t	\$ 6,098,509
CNx040,39	Service Renewals	\$ 9,170,159
		<u>\$ 48,723,193</u>

Reliability

CNx038,37	Regulator Station	\$ 3,154,401
CNx036	System Enhancement	\$ 525,734
C00602-604	SCADA	\$ 178,749
	Andrews Rd GR Static	
	New Pipeline to Malta	\$ 18,926,406
	GEMS Upgrade	
		<u>\$ 22,785,290</u>

Discretionary

CNx062	Tools	\$ 550,000
		<u>\$ 550,000</u>
		<u>\$ 91,797,472</u>

Other Gas Capital Allocations

Facilities	9,500,000
Customer Service (non-AMR)	1,700,000
Information Services	1,100,000
Contingency	-
All Other/Rounding	-
	<u>\$ 12,300,000</u>
	<u>\$ 104,097,472</u>

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/11 2/28/11 3/31/11 4/30/11 5/31/11 6/30/11 7/31/11 8/31/11 9/30/11 10/31/11 11/30/11 12/31/11

Plant Accounts

Common Capex
Forecast by Plant
Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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Gas Capex Forecast
Growth

2012

CNx055-058	New Meter Labor	\$ 1,398,555
CNx3663	Meter Purchases - Gro	\$ 1,928,565
CNx048,046	Franchise New Main	
CNx047,048	Franchise New Service	
CNx051,052	Franchise New Service	
CNx050,049	New Main	\$ 10,509,925
CNx053,54	New Services	\$ 6,323,405
		<u>\$ 20,158,449</u>

Mandated

CNx041,42,43,44	Meters - PT's	\$ 2,431,108
CNx3663	Meter Purchases - Nor	
CNx060,59	Government	\$ 7,516,677
CNx054	Cast Iron Encroachment	\$ 1,416,357
CNx030,31	Exposures	\$ 107,381
CNx032	Third Party Damage	\$ 36,510
CNx034,33	Main Renewals	\$ 22,657,412
CNx040,38	Bare Steel HP Inside	\$ 6,228,104
CNx040,39	Service Renewals	\$ 9,365,028
		<u>\$ 49,758,876</u>

Reliability

CNx038,37	Regulator Station	\$ 3,221,433
CNx038	System Enhancement	\$ 536,906
C00602-604	SCADA	\$ 182,548
	Andrews Rd GR Static	
	New Pipeline to Malta	
	GEMS Upgrade	

\$ 3,940,886

Discretionary

CNx062	Tools	\$ 600,000
		<u>\$ 600,000</u>

\$ 74,457,911

Other Gas Capital Allocations

Facilities	9,200,000
Customer Service (non-AMR)	1,700,000
Information Services	1,100,000
Contingency	-
All Other/Rounding	-

\$ 12,000,000\$ 86,457,911

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/12 2/29/12 3/31/12 4/30/12 5/31/12 6/30/12 7/31/12 8/31/12 9/30/12 10/31/12 11/30/12 12/31/12

Plant Accounts

Common Capex
Forecast by Plant
Account

5%	6%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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Gas Capex Forecast

Growth

		2013
CNx055-058	New Meter Labor	\$ 1,425,883
CNx363	Meter Purchases - Gro	\$ 1,959,065
CNx045,046	Franchise New Main	
CNx047,048	Franchise New Service	
CNx051,052	Franchise New Service	
CNx050,049	New Main	\$ 10,730,643
CNx053,54	New Services	\$ 6,456,202
		<u>\$ 20,581,794</u>

Mandated

CNx041,42,43,44	Meters - PT's	\$ 2,482,164
CNx363	Meter Purchases - Noi	
CNx060,59	Government	\$ 7,674,534
CNx064	Cast Iron Encroachment	\$ 1,446,101
CNx030,31	Exposures	\$ 109,636
CNx032	Third Party Damage	\$ 37,276
CNx034,33	Main Renewals	\$ 23,133,238
CNx040,38	Bare Steel HP Inside t	\$ 6,358,900
CNx040,39	Service Renewals	\$ 9,581,702
		<u>\$ 50,803,551</u>

Reliability

CNx038,37	Regulator Station	\$ 3,289,086
CNx036	System Enhancement	\$ 546,181
C00602-604	SCADA	\$ 186,382
	Andrews Rd GR Static	
	New Pipeline to Malta	
	GEMS Upgrade	
		<u>\$ 4,023,649</u>

Discretionary

CNx062	Tools	\$ 650,000
		<u>\$ 650,000</u>

Other Gas Capital Allocations

Facilities
Customer Service (non-AMR)
Information Services
Contingency
All Other/Rounding

\$ -

\$ 76,058,994

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Common Capex
Forecast by Plant
Account

**Gas Capex Forecast
Growth**

CNx055-058	New Meter Labor
CNx3663	Meter Purchases - Gro
CNx045,046	Franchise New Main
CNx047,048	Franchise New Service
CNx051,052	Franchise New Service
CNx050,049	New Main
CNx053,54	New Services

Mandated

CNx041,42,43,44	Meters - PT's
CNx3663	Meter Purchases - Nor
CNx060,59	Government
CNx064	Cast Iron Encroachment
CNx030,31	Exposures
CNx032	Third Party Damage
CNx034,23	Main Renewals
CNx040,38	Bare Steel HP Inside
CNx040,39	Service Renewals

Reliability

CNx038,37	Regulator Station
CNx036	System Enhancement
C00602-604	SCADA
	Andrews Rd GR Static
	New Pipeline to Malta
	GEMS Upgrade

Discretionary

CNx062	Tools
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Other Gas Capital Allocations

Facilities
Customer Service (non-AMR)
Information Services
Contingency
All Other/Rounding

12/31/2008	2.3750%
03/31/2010	2.8632%
03/31/2011	5.1467%
03/31/2012	7.3811%
03/31/2013	9.6362%

Common Capex
Forecast by Plant
Account
Closing based on 3
month lag in
construction
expenditures

CWIP
Balances at
12/31/07

[illegible]

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 12/31/08

5%

Closing based on 3 month lag in construction expenditures

12/31/08

301 - Organization	\$ -
302 - Franchises and consents	\$ -
303 - Misc Intangible Plant	\$ -
389 - Land and Land Rights	\$ -
390 - Structures and Improvements	\$ 1,100,000
391G - Office furniture and equip	\$ 366,667
392 - Transportation Equipment	\$ -
393 - Stores equipment	\$ -
394 - Tools, shop and garage equip	\$ -
395 - Laboratory equipment	\$ -
396 - Power operated equipment	\$ -
397 - Communication equipment	\$ -
398 - Miscellaneous equipment	\$ -
399 - Other Tangible Porperty	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
TOTAL	\$ 1,466,667
Check	\$ 16,045,277
Stub period	\$ 16,045,277

Stub period
FY09
FY10
FY11
FY12

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex
Forecast by Plant
Account
Closing based on 3
month lag in
construction
expenditures

1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
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[illegible]

Stub period
FY09
FY10
FY11
FY12

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex
Forecast by Plant
Account
Closing based on 3
month lag in
construction
expenditures

1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
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5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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[illegible]

Stub period
FY09
FY10
FY11
FY12

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex
Forecast by Plant
Account
Closing based on 3
month lag in
construction
expenditures

1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

[illegible]

TOTAL
Check

Stub period
FY09
FY10
FY11
FY12

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex
Forecast by Plant
Account
Closing based on 3
month lag in
construction
expenditures

1/31/12	2/28/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

1/31/12	2/28/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
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[illegible]

Stub period
FY09
FY10
FY11
FY12

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Common Capex
Forecast by Plant
Account
Closing based on 3
month lag in
construction
expenditures

Closings to Plant in Service

Plant Accounts

301 - Organization
302 - Franchises and consents
303 - Misc Intangible Plant
389 - Land and Land Rights
390 - Structures and improvements
391B - Office furniture and equip
392 - Transportation Equipment
393 - Stores equipment
394 - Tools, shop and garage equip
395 - Laboratory equipment
396 - Power operated equipment
397 - Communication equipment
398 - Miscellaneous equipment
399 - Other Tangible Property

TOTAL

Check

Stub period
FY09
FY10
FY11
FY12

Inflation

12/31/2008 2.3750%
 03/31/2010 2.8832%
 03/31/2011 5.1467%
 03/31/2012 7.3811%
 03/31/2013 9.6362%

Plant Accounts

Common Capex
 Forecast by Plant
 Account

1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08
5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%

Retirements to Plant in servicePlant Accounts

301 - Organization
 302 - Franchises and consents
 303 - Misc Intangible Plant
 389 - Land and Land Rights
 390 - Structures and improvements
 391 G - Office furniture and equip
 392 - Transportation Equipment
 393 - Stores equipment
 394 - Tools, shop and garage equip
 395 - Laboratory equipment
 396 - Power operated equipment
 397 - Communication equipment
 398 - Miscellaneous equipment
 399 - Other Tangible Property

1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08
\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550
\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714
\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446
\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126
\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044

TOTAL

\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880
4354561										

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 12/31/08

5%

12/31/08

12/31/08

301 - Organization	
302 - Franchises and consents	
303 - Misc Intangible Plant	
309 - Land and Land Rights	
380 - Structures and Improvements	\$ 116,550
391G - Office Furniture and Equip	\$ 108,714
392 - Transportation Equipment	\$ 41,446
393 - Stores equipment	
394 - Tools, shop and garage equip	
395 - Laboratory equipment	
396 - Power operated equipment	
397 - Communication equipment	\$ 20,126
398 - Miscellaneous equipment	\$ 76,044
399 - Other Tangible Property	

<u>TOTAL</u>	\$	362,880
	\$	4,354,561

Inflation

12/31/2009
03/31/2010
03/31/2011
03/31/2012
03/31/2013Plant AccountsCommon Capex
Forecast by Plant
Account

1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

Retirements to Plant in service
Plant Accounts

1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
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301 - Organization

302 - Franchises and consents

303 - Misc Intangible Plant

389 - Land and Land Rights

390 - Structures and improvements

391G - Office furniture and equip

392 - Transportation Equipment

393 - Stores equipment

394 - Tools, shop and garage equip

395 - Laboratory equipment

396 - Power operated equipment

397 - Communication equipment

398 - Miscellaneous equipment

399 - Other Tangible Property

\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550
\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714
\$ 41,448	\$ 41,448	\$ 41,448	\$ 41,448	\$ 41,448	\$ 41,448	\$ 41,448	\$ 41,448	\$ 41,448	\$ 41,448	\$ 41,448	\$ 41,448
\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126
\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044

TOTAL

\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880
											\$ 4,354,561

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013Plant AccountsCommon Capex
Forecast by Plant
Account

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

Retirements to Plant in servicePlant Accounts

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
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301 - Organization

302 - Franchises and consents

303 - Misc Intangible Plant

389 - Land and Land Rights

390 - Structures and Improvements

391G - Office furniture and equip

392 - Transportation Equipment

393 - Stores equipment

394 - Tools, shop and garage equip

395 - Laboratory equipment

396 - Power operated equipment

397 - Communication equipment

398 - Miscellaneous equipment

399 - Other Tangible Property

\$	116,550	\$	116,550	\$	116,550	\$	116,550	\$	116,550	\$	116,550	\$	116,550	\$	116,550	\$	116,550
\$	108,714	\$	108,714	\$	108,714	\$	108,714	\$	108,714	\$	108,714	\$	108,714	\$	108,714	\$	108,714
\$	41,446	\$	41,446	\$	41,446	\$	41,446	\$	41,446	\$	41,446	\$	41,446	\$	41,446	\$	41,446
\$	20,126	\$	20,126	\$	20,126	\$	20,126	\$	20,126	\$	20,126	\$	20,126	\$	20,126	\$	20,126
\$	76,044	\$	76,044	\$	76,044	\$	76,044	\$	76,044	\$	76,044	\$	76,044	\$	76,044	\$	76,044

TOTAL

\$	362,880	\$	362,880	\$	362,880	\$	362,880	\$	362,880	\$	362,880	\$	362,880	\$	362,880	\$	362,880
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12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
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- 301 - Organization
- 302 - Franchises and consents
- 303 - Misc intangible Plant
- 309 - Land and Land Rights
- 390 - Structures and improvements
- 391G - Office furniture and equip
- 392 - Transportation Equipment
- 393 - Stores equipment
- 394 - Tools, shop and garage equip
- 395 - Laboratory equipment
- 396 - Power operated equipment
- 397 - Communication equipment
- 398 - Miscellaneous equipment
- 399 - Other Tangible Property

[illegible]

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

Retirements to Plant in service
Plant Accounts

1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
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301 - Organization
302 - Franchises and consents
303 - Misc intangible Plant
389 - Land and Land Rights
390 - Structures and improvements
391G - Office furniture and equip
392 - Transportation Equipment
393 - Stores equipment
394 - Tools, shop and garage equip
395 - Laboratory equipment
396 - Power operated equipment
397 - Communication equipment
398 - Miscellaneous equipment
399 - Other Tangible Property

\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550	\$ 116,550
\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714	\$ 108,714
\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446	\$ 41,446
\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126	\$ 20,126
\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044	\$ 76,044

TOTAL

\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880	\$ 362,880
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Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Common Capex
Forecast by Plant
Account

Retirements to Plant in service
Plant Accounts

301 - Organization
302 - Franchises and consents
303 - Misc Intangible Plant
389 - Land and Land Rights
390 - Structures and Improvements
391G - Office furniture and equip
392 - Transportation Equipment
393 - Stores equipment
394 - Tools, shop and garage equip
395 - Laboratory equipment
396 - Power operated equipment
397 - Communication equipment
398 - Miscellaneous equipment
399 - Other Tangible Property

\$ -

TOTAL

Inflation

12/31/2008 2.3750%
03/31/2010 2.8832%
03/31/2011 5.1467%
03/31/2012 7.3611%
03/31/2013 9.6362%

Plant Accounts

Common Capex
Forecast by Plant
Account

	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08
	5%	6%	7%	8%	10%	10%	8%	10%	11%	13%	8%
Cost of Removal Plant Accounts	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08
301 - Organization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
302 - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
303 - Misc Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
389 - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
390 - Structures and improvements	\$ 70,963	\$ 70,963	\$ 70,963	\$ 84,346	\$ 84,346	\$ 84,346	\$ 84,346	\$ 84,346	\$ 84,346	\$ 84,346	\$ 84,346
391G - Office furniture and equip	\$ 41,499	\$ 41,499	\$ 41,499	\$ 28,115	\$ 28,115	\$ 28,115	\$ 28,115	\$ 28,115	\$ 28,115	\$ 28,115	\$ 28,115
392 - Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
393 - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394 - Tools, shop and garage equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
395 - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396 - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397 - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398 - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
399 - Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	112,461	112,461	112,461	112,461	112,461	112,461	112,461	112,461	112,461	112,461	112,461

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 12/31/08

5%

12/31/08

Plant Accounts

[illegible]

TOTAL

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex
Forecast by Plant
Account

TOTAL

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

TOTAL

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
<u>Cost of Removal</u>	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
<u>Plant Accounts</u>												
301 - Organization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
302 - Franchises and consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
303 - Misc Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
389 - Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
390 - Structures and Improvements	\$ 86,860	\$ 86,860	\$ 86,860	\$ 86,860	\$ 86,220	\$ 86,220	\$ 86,220	\$ 86,220	\$ 86,220	\$ 86,220	\$ 86,220	\$ 86,220
391G - Office furniture and equip	\$ 25,601	\$ 25,601	\$ 25,601	\$ 26,241	\$ 26,241	\$ 26,241	\$ 25,241	\$ 26,241	\$ 26,241	\$ 26,241	\$ 26,241	\$ 26,241
392 - Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
393 - Stores equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
394 - Tools, shop and garage equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
395 - Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396 - Power operated equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
397 - Communication equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
398 - Miscellaneous equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
399 - Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>TOTAL</u>	\$ 112,461	\$ 112,461	\$ 112,461	\$ 112,461	\$ 112,461	\$ 112,461	\$ 112,461	\$ 112,461	\$ 112,461	\$ 112,461	\$ 112,461	\$ 112,461

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

TOTAL

Plant Accounts

Cost of Removal

1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

TOTAL

178

12/31/2008	
03/31/2010	
03/31/2011	
03/31/2012	
03/31/2013	12/31/08

Common Capex Forecast by Plant Account

5%

12/31/08

391 - Organization	\$	-
392 - Franchises and consents	\$	-
393 - Misc Intangible Plant	\$	-
389 - Land and Land Rights	\$	5,360,943
390 - Structures and improvements	\$	179,498,503
391G - Office furniture and equip	\$	62,317,395
392 - Transportation Equipment	\$	4,961,641
393 - Stores equipment	\$	5,135,120
394 - Tools, shop and garage equip	\$	10,757,947
395 - Laboratory equipment	\$	108,149
396 - Power operated equipment	\$	2,556
397 - Communication equipment	\$	72,037,541
398 - Miscellaneous equipment	\$	1,584,166
399 - Other Tangible Property	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
TOTAL	\$	331,823,961
	\$	331,823,961

Inflation

12/31/2008
09/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Plant in Service Balances	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
Plant Accounts												
301 - Organization	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
302 - Franchises and consents	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
303 - Misc Intangible Plant	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
389 - Land and Land Rights	\$ 5,360,943	\$ 5,360,943	\$ 5,360,943	\$ 5,360,943	\$ 5,360,943	\$ 5,360,943	\$ 5,360,943	\$ 5,360,943	\$ 5,360,943	\$ 5,360,943	\$ 5,360,943	\$ 5,360,943
390 - Structures and Improvements	\$ 180,915,053	\$ 181,831,604	\$ 182,448,154	\$ 183,064,704	\$ 183,681,255	\$ 184,297,805	\$ 185,422,355	\$ 186,548,906	\$ 187,675,456	\$ 188,800,006	\$ 189,726,557	\$ 190,954,107
391G - Office furniture and equip	\$ 52,859,443	\$ 53,234,823	\$ 53,510,204	\$ 53,785,584	\$ 54,060,965	\$ 54,403,012	\$ 54,735,726	\$ 55,124,440	\$ 55,513,154	\$ 55,845,868	\$ 56,234,582	\$ 56,651,296
392 - Transportation Equipment	\$ 5,003,087	\$ 5,044,539	\$ 5,085,979	\$ 5,127,425	\$ 5,168,871	\$ 5,210,317	\$ 5,251,763	\$ 5,293,209	\$ 5,334,655	\$ 5,376,101	\$ 5,417,547	\$ 5,458,993
393 - Stores equipment	\$ 5,195,120	\$ 5,195,120	\$ 5,195,120	\$ 5,195,120	\$ 5,195,120	\$ 5,195,120	\$ 5,195,120	\$ 5,195,120	\$ 5,195,120	\$ 5,195,120	\$ 5,195,120	\$ 5,195,120
394 - Tools, shop and garage equip	\$ 10,757,947	\$ 10,757,947	\$ 10,757,947	\$ 10,757,947	\$ 10,757,947	\$ 10,757,947	\$ 10,757,947	\$ 10,757,947	\$ 10,757,947	\$ 10,757,947	\$ 10,757,947	\$ 10,757,947
395 - Laboratory equipment	\$ 108,149	\$ 108,149	\$ 108,149	\$ 108,149	\$ 108,149	\$ 108,149	\$ 108,149	\$ 108,149	\$ 108,149	\$ 108,149	\$ 108,149	\$ 108,149
396 - Power operated equipment	\$ 2,556	\$ 2,556	\$ 2,556	\$ 2,556	\$ 2,556	\$ 2,556	\$ 2,556	\$ 2,556	\$ 2,556	\$ 2,556	\$ 2,556	\$ 2,556
397 - Communication equipment	\$ 72,077,667	\$ 72,077,793	\$ 72,097,918	\$ 72,118,044	\$ 72,138,170	\$ 72,158,296	\$ 72,178,421	\$ 72,198,547	\$ 72,218,673	\$ 72,238,799	\$ 72,258,924	\$ 72,279,050
398 - Miscellaneous equipment	\$ 1,660,210	\$ 1,736,254	\$ 1,812,298	\$ 1,888,342	\$ 1,964,386	\$ 2,040,431	\$ 2,116,475	\$ 2,192,519	\$ 2,268,563	\$ 2,344,607	\$ 2,420,651	\$ 2,496,695
399 - Other Tangible Property	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
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	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
TOTAL	\$ 333,920,175	\$ 335,349,722	\$ 336,379,268	\$ 337,408,815	\$ 338,438,362	\$ 339,734,575	\$ 341,129,455	\$ 342,782,335	\$ 344,435,215	\$ 345,830,096	\$ 347,482,976	\$ 349,264,856
												\$ 349,264,856

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
1												
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10/1/15	2/1/16	3/1/16	4/1/16	5/1/16	6/1/16	7/1/16	8/1/16	9/1/16	10/1/16	11/1/16	12/1/16
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[illegible]

12/31/2009
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

182

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12
---------	---------	---------	---------	---------	---------

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
----	----	----	----	-----	-----	----	-----	-----	-----	----	----

301 - Organization	\$	-	\$	-	\$	-
302 - Franchises and consents	\$	-	\$	-	\$	-
303 - Misc Intangible Plant	\$	-	\$	-	\$	-
369 - Land and Land Rights	\$	5,360,943	\$	5,360,943	\$	5,360,943
390 - Structures and improvements	\$	223,350,866	\$	224,203,116	\$	224,779,966
391 G - Office furniture and equip	\$	65,333,144	\$	55,666,859	\$	65,914,872
392 - Transportation Equipment	\$	6,495,143	\$	6,536,589	\$	6,678,035
393 - Stores equipment	\$	5,195,120	\$	5,195,120	\$	5,195,120
394 - Tools, shop and garage equip	\$	10,757,947	\$	10,757,947	\$	10,757,947
395 - Laboratory equipment	\$	108,149	\$	108,149	\$	108,149
396 - Power operated equipment	\$	2,558	\$	2,558	\$	2,558
397 - Communication equipment	\$	72,782,194	\$	72,800,130	\$	72,822,445
398 - Miscellaneous equipment	\$	4,397,797	\$	4,473,841	\$	4,549,885
399 - Other Tangible Property	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-
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	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-
TOTAL	\$	393,783,859	\$	395,106,738	\$	396,069,619

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Common Capex
Forecast by Plant
Account

Plant In Service Balances

Plant Accounts

301 - Organization
302 - Franchises and consents
303 - Misc Intangible Plant
389 - Land and Land Rights
390 - Structures and improvements
391G - Office furniture and equip
392 - Transportation Equipment
393 - Stores equipment
394 - Tools, shop and garage equip
395 - Laboratory equipment
396 - Power operated equipment
397 - Communication equipment
398 - Miscellaneous equipment
399 - Other Tangible Property

TOTAL

185

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 12/31/08

Plant Accounts

5%

Common Capex
Forecast by Plant
Account

Depreciation Expense

Plant Accounts

Existing Rates 12/31/08

301 - Organization	-	-
302 - Franchises and consents	-	-
303 - Misc Intangible Plant	-	-
309 - Land and Land Rights	-	-
390 - Structures and improvements	1.91%	283,765
391G - Office furniture and equip	2.38%	102,820
392 - Transportation Equipment	10.00%	41,002
393 - Stores equipment	2.50%	10,823
394 - Tools, shop and garage equip	2.38%	21,337
395 - Laboratory equipment	2.50%	225
396 - Power operated equipment	10.00%	21
397 - Communication equipment	5.10%	306,074
398 - Miscellaneous equipment	2.85%	3,594
399 - Other Tangible Property	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
TOTAL		769,662

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

Depreciation Expense

Plant Accounts

		1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
		5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
Existing Rates		1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
301 - Organization		-	-	-	-	-	-	-	-	-	-	-	-
302 - Franchises and consents		-	-	-	-	-	-	-	-	-	-	-	-
303 - Misc Intangible Plant		-	-	-	-	-	-	-	-	-	-	-	-
389 - Land and Land Rights		-	-	-	-	-	-	-	-	-	-	-	-
390 - Structures and improvements	1.91%	285,702	287,956	289,415	290,397	291,378	292,359	293,659	295,131	296,924	298,717	300,188	301,981
391G - Office furniture and equip	2.38%	103,763	104,838	105,582	106,129	106,675	107,221	107,899	108,559	109,330	110,101	110,761	111,532
392 - Transportation Equipment	10.00%	41,347	41,692	42,038	42,383	42,729	43,074	43,419	43,765	44,110	44,455	44,801	45,146
393 - Stores equipment	2.50%	10,823	10,823	10,823	10,823	10,823	10,823	10,823	10,823	10,823	10,823	10,823	10,823
394 - Tools, shop and garage equip	2.38%	21,337	21,337	21,337	21,337	21,337	21,337	21,337	21,337	21,337	21,337	21,337	21,337
395 - Laboratory equipment	2.50%	225	225	225	225	225	225	225	225	225	225	225	225
396 - Power operated equipment	10.00%	21	21	21	21	21	21	21	21	21	21	21	21
397 - Communication equipment	5.10%	306,160	306,245	306,331	306,416	306,502	306,587	306,673	306,758	306,844	306,929	307,015	307,100
398 - Miscellaneous equipment	2.86%	3,776	3,957	4,138	4,319	4,501	4,682	4,863	5,044	5,226	5,407	5,588	5,769
399 - Other Tangible Property		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		773,153	777,095	779,911 9,150,168	782,050	784,190	786,330	788,920	791,663	794,840	798,016	800,759	803,936

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013**Plant Accounts**Common Capex
Forecast by Plant
Account**Depreciation Expense****Plant Accounts**

		1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
		5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	5%	5%
Existing Rates													
301 - Organization		-	-	-	-	-	-	-	-	-	-	-	-
302 - Franchises and consents		-	-	-	-	-	-	-	-	-	-	-	-
303 - Misc Intangible Plant		-	-	-	-	-	-	-	-	-	-	-	-
389 - Land and Land Rights		-	-	-	-	-	-	-	-	-	-	-	-
390 - Structures and Improvements	1.91%	336,338	338,487	339,883	340,824	341,766	342,707	343,651	345,308	346,958	348,608	349,965	351,615
391G - Office furniture and equip	2.38%	120,499	121,437	122,097	122,590	123,083	123,576	124,181	124,841	125,612	126,383	127,042	127,813
392 - Transportation Equipment	10.00%	49,636	49,882	50,327	50,672	51,018	51,363	51,709	52,054	52,399	52,745	53,090	53,435
393 - Stores equipment	2.50%	10,823	10,823	10,823	10,823	10,823	10,823	10,823	10,823	10,823	10,823	10,823	10,823
394 - Tools, shop and garage equip	2.38%	21,337	21,337	21,337	21,337	21,337	21,337	21,337	21,337	21,337	21,337	21,337	21,337
395 - Laboratory equipment	2.50%	225	225	225	225	225	225	225	225	225	225	225	225
396 - Power operated equipment	10.00%	21	21	21	21	21	21	21	21	21	21	21	21
397 - Communication equipment	5.10%	308,212	308,293	308,383	308,469	308,555	308,640	308,726	308,811	308,897	308,982	309,068	309,153
398 - Miscellaneous equipment	2.86%	8,125	8,307	8,488	8,669	8,850	9,032	9,213	9,394	9,575	9,756	9,938	10,119
399 - Other Tangible Property		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		855,216	858,917	861,584	863,531	865,678	867,725	870,185	872,614	875,847	878,880	881,509	884,542
				10,126,687									

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex
Forecast by Plant
Account

Existing Rat

TOTAL

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Common Capex
Forecast by Plant
Account

Depreciation Expense

Plant Accounts

Existing Rates

301 - Organization	
302 - Franchises and consents	
303 - Misc Intangible Plant	
389 - Land and Land Rights	
390 - Structures and improvements	1.91%
391G - Office furniture and equip	2.38%
392 - Transportation Equipment	10.00%
393 - Stores equipment	2.50%
394 - Tools, shop and garage equip	2.38%
395 - Laboratory equipment	2.50%
396 - Power operated equipment	10.00%
397 - Communication equipment	5.10%
398 - Miscellaneous equipment	2.86%
399 - Other Tangible Property	

TOTAL

[illegible]

TOTAL	(2,558,503)
--------------	-------------

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 12/31/08

Plant Accounts

Common Capex
Forecast by Plant
Account

5%

RWP

12/31/08

Plant Accounts

301 - Organization
302 - Franchises and consents
303 - Misc Intangible Plant
389 - Land and Land Rights
390 - Structures and Improvements
391G - Office furniture and equip
392 - Transportation Equipment
393 - Stores equipment
394 - Tools, shop and garage equip
395 - Laboratory equipment
396 - Power operated equipment
397 - Communication equipment
398 - Miscellaneous equipment
399 - Other Tangible Property

TOTAL

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/09 2/28/09 3/31/09 4/30/09 5/31/09 6/30/09 7/31/09 8/31/09 9/30/09 10/31/09 11/30/09 12/31/09

Plant Accounts

Common Capex
Forecast by Plant
Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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RWIP

Plant Accounts

1/31/09 2/28/09 3/31/09 4/30/09 5/31/09 6/30/09 7/31/09 8/31/09 9/30/09 10/31/09 11/30/09 12/31/09

- 301 - Organization
- 302 - Franchises and consents
- 303 - Misc Intangible Plant
- 389 - Land and Land Rights
- 390 - Structures and Improvements
- 391G - Office furniture and equip
- 392 - Transportation Equipment
- 393 - Stores equipment
- 394 - Tools, shop and garage equip
- 395 - Laboratory equipment
- 396 - Power operated equipment
- 397 - Communication equipment
- 398 - Miscellaneous equipment
- 399 - Other Tangible Property

TOTAL

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/10 2/28/10 3/31/10 4/30/10 5/31/10 6/30/10 7/31/10 8/31/10 9/30/10 10/31/10 11/30/10 12/31/10

Plant Accounts

Common Capex
Forecast by Plant
Account

5%	5%	7%	6%	10%	10%	8%	10%	11%	13%	8%	5%
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RWIP

Plant Accounts

1/31/10 2/28/10 3/31/10 4/30/10 5/31/10 6/30/10 7/31/10 8/31/10 9/30/10 10/31/10 11/30/10 12/31/10

- 301 - Organization
- 302 - Franchises and consents
- 303 - Misc Intangible Plant
- 309 - Land and Land Rights
- 390 - Structures and Improvements
- 391G - Office furniture and equip
- 392 - Transportation Equipment
- 393 - Stores equipment
- 394 - Tools, shop and garage equip
- 395 - Laboratory equipment
- 396 - Power operated equipment
- 397 - Communication equipment
- 398 - Miscellaneous equipment
- 399 - Other Tangible Property

TOTAL

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/11 2/28/11 3/31/11 4/30/11 5/31/11 6/30/11 7/31/11 8/31/11 9/30/11 10/31/11 11/30/11 12/31/11

Plant Accounts

Common Capex
Forecast by Plant
Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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RWIP

Plant Accounts

1/31/11 2/28/11 3/31/11 4/30/11 5/31/11 6/30/11 7/31/11 8/31/11 9/30/11 10/31/11 11/30/11 12/31/11

- 301 - Organization
- 302 - Franchises and consents
- 303 - Misc Intangible Plant
- 389 - Land and Land Rights
- 390 - Structures and improvements
- 391G - Office furniture and equip
- 392 - Transportation Equipment
- 393 - Stores equipment
- 394 - Tools, shop and garage equip
- 395 - Laboratory equipment
- 396 - Power operated equipment
- 397 - Communication equipment
- 398 - Miscellaneous equipment
- 399 - Other Tangible Property

TOTAL

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/12 2/29/12 3/31/12 4/30/12 5/31/12 6/30/12 7/31/12 8/31/12 9/30/12 10/31/12 11/30/12 12/31/12

Plant Accounts

Common Capex
Forecast by Plant
Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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RWIP

Plant Accounts

1/31/12 2/29/12 3/31/12 4/30/12 5/31/12 6/30/12 7/31/12 8/31/12 9/30/12 10/31/12 11/30/12 12/31/12

- 301 - Organization
- 302 - Franchise and consents
- 303 - Misc Intangible Plant
- 389 - Land and Land Rights
- 390 - Structures and Improvements
- 391G - Office furniture and equip
- 392 - Transportation Equipment
- 393 - Stores equipment
- 394 - Tools, shop and garage equip
- 395 - Laboratory equipment
- 396 - Power operated equipment
- 397 - Communication equipment
- 398 - Miscellaneous equipment
- 399 - Other Tangible Property

TOTAL

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Common Capex
Forecast by Plant
Account

RWIP

Plant Accounts

301 - Organization
302 - Franchises and consents
303 - Misc Intangible Plant
369 - Land and Land Rights
390 - Structures and Improvements
391A - Office furniture and equip
392 - Transportation Equipment
393 - Stores equipment
394 - Tools, shop and garage equip
395 - Laboratory equipment
396 - Power operated equipment
397 - Communication equipment
398 - Miscellaneous equipment
399 - Other Tangible Property

TOTAL

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

1/31/09 2/28/09 3/31/09 4/30/09 5/31/09 6/30/09 7/31/09 8/31/09 9/30/09 10/31/09 11/30/09 12/31/09

Plant AccountsCommon Capex
Forecast by Plant
Account

5% 5% 7% 8% 10% 10% 8% 10% 11% 13% 8% 5%

Depreciation Reserve

1/31/09 2/28/09 3/31/09 4/30/09 5/31/09 6/30/09 7/31/09 8/31/09 9/30/09 10/31/09 11/30/09 12/31/09

Plant Accounts

301 - Organization	-	-	-	-	-	-	-	-	-	-	-	-
302 - Franchise and consents	-	-	-	-	-	-	-	-	-	-	-	-
303 - Misc Intangible Plant	-	-	-	-	-	-	-	-	-	-	-	-
389 - Land and Land Rights	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881
390 - Structures and Improvements	51,583,837	51,903,998	52,225,618	52,534,352	52,844,067	53,154,764	53,466,761	53,780,229	54,095,490	54,412,544	54,731,070	55,051,389
391G - Office furniture and equip	14,797,212	14,982,649	15,168,830	15,369,424	15,570,564	15,772,250	15,974,615	16,177,640	16,381,435	16,586,002	16,791,228	16,997,226
392 - Transportation Equipment	2,324,391	2,407,530	2,491,013	2,574,843	2,659,017	2,743,537	2,828,402	2,913,613	2,999,169	3,085,071	3,171,317	3,257,910
393 - Stores equipment	1,672,683	1,683,506	1,694,329	1,705,152	1,715,976	1,726,799	1,737,622	1,748,445	1,759,268	1,770,091	1,780,915	1,791,738
394 - Tools, shop and garage equip	3,449,772	3,471,109	3,492,445	3,513,782	3,535,118	3,556,455	3,577,791	3,599,128	3,620,465	3,641,801	3,663,138	3,684,474
395 - Laboratory equipment	34,821	35,046	35,272	35,497	35,722	35,947	36,173	36,398	36,623	36,849	37,074	37,299
396 - Power operated equipment	1,051	1,052	1,073	1,095	1,116	1,137	1,158	1,180	1,201	1,222	1,244	1,265
397 - Communication equipment	25,396,745	25,713,115	26,039,572	26,366,114	26,692,741	27,019,454	27,346,253	27,673,137	28,000,106	28,327,161	28,654,302	28,981,528
398 - Miscellaneous equipment	1,145,533	1,225,534	1,305,716	1,386,060	1,466,624	1,547,350	1,628,257	1,709,346	1,790,615	1,872,066	1,953,698	2,035,511
399 - Other Tangible Property	-	-	-	-	-	-	-	-	-	-	-	-

TOTAL

101,976,906 103,004,420 104,034,749 105,067,218 106,101,827 107,138,575 108,177,914 109,219,996 110,265,254 111,313,689 112,364,867 113,419,221

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

202

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013**Plant Accounts**Common Capex
Forecast by Plant
Account

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
	5%	5%	7%	8%	10%	10%	6%	10%	11%	13%	8%	5%
Depreciation Reserve	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
Plant Accounts												
301 - Organization	-	-	-	-	-	-	-	-	-	-	-	-
302 - Franchises and consents	-	-	-	-	-	-	-	-	-	-	-	-
303 - Misc Intangible Plant	-	-	-	-	-	-	-	-	-	-	-	-
309 - Land and Land Rights	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881	1,580,881
390 - Structures and improvements	59,598,707	59,966,885	60,336,457	60,707,511	61,079,707	61,452,744	61,827,026	62,202,664	62,579,952	62,958,890	63,339,184	63,721,129
391G - Office furniture and equip	19,623,715	19,828,265	20,033,474	20,238,537	20,444,093	20,650,142	20,856,795	21,064,110	21,272,194	21,481,050	21,690,565	21,900,851
392 - Transportation Equipment	4,415,038	4,506,466	4,598,239	4,690,357	4,782,821	4,875,630	4,968,785	5,062,285	5,155,130	5,250,321	5,344,857	5,439,738
393 - Stores equipment	1,932,439	1,943,262	1,954,085	1,964,908	1,975,732	1,986,555	1,997,378	2,008,201	2,019,024	2,029,847	2,040,671	2,051,494
394 - Tools, shop and garage equip	3,961,850	3,983,187	4,004,523	4,025,860	4,047,197	4,068,533	4,089,870	4,111,206	4,132,543	4,153,880	4,175,218	4,196,553
395 - Laboratory equipment	40,228	40,454	40,679	40,904	41,130	41,355	41,580	41,805	42,031	42,256	42,481	42,707
396 - Power operated equipment	1,542	1,563	1,584	1,605	1,627	1,648	1,670	1,691	1,712	1,734	1,755	1,776
397 - Communication equipment	33,243,252	33,571,676	33,900,185	34,228,780	34,557,460	34,886,226	35,215,077	35,544,014	35,873,036	36,202,144	36,531,338	36,860,617
398 - Miscellaneous equipment	3,115,577	3,199,928	3,284,460	3,369,173	3,454,067	3,539,143	3,624,399	3,709,838	3,795,457	3,881,257	3,967,239	4,053,402
399 - Other Tangible Property	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	127,613,230	128,622,566	129,734,568	130,848,618	131,964,714	133,082,857	134,203,461	135,326,694	136,452,960	137,582,259	138,714,187	139,849,148

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

Depreciation Reserve**Plant Accounts**

	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
301 - Organization	-	-	-									
302 - Franchises and consents	-	-	-									
303 - Misc Intangible Plant	-	-	-									
389 - Land and Land Rights	1,580,881	1,580,881	1,580,881									
390 - Structures and Improvements	64,104,870	64,490,700	64,877,887									
391G - Office furniture and equip	22,111,964	22,324,014	22,536,725									
392 - Transportation Equipment	5,534,965	5,630,537	5,726,455									
393 - Stores equipment	2,062,317	2,073,140	2,083,963									
394 - Tools, shop and garage equip	4,217,889	4,239,226	4,260,563									
395 - Laboratory equipment	42,932	43,157	43,383									
396 - Power operated equipment	1,797	1,819	1,840									
397 - Communication equipment	37,189,981	37,519,431	37,848,867									
398 - Miscellaneous equipment	4,139,746	4,226,272	4,312,979									
399 - Other Tangible Property	-	-	-									
-	-	-	-									
-	-	-	-									
-	-	-	-									
-	-	-	-									
-	-	-	-									
-	-	-	-									
-	-	-	-									
-	-	-	-									
-	-	-	-									
TOTAL	140,987,344	142,129,178	143,273,642									

Inflation 12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Common Capex
Forecast by Plant
Account

Depreciation Reserve
Plant Accounts

- 301 - Organization
- 302 - Franchises and consents
- 303 - Misc Intangible Plant
- 389 - Land and Land Rights
- 390 - Structures and improvements
- 391G - Office furniture and equip
- 392 - Transportation Equipment
- 393 - Stores equipment
- 394 - Tools, shop and garage equip
- 395 - Laboratory equipment
- 396 - Power operated equipment
- 397 - Communication equipment
- 398 - Miscellaneous equipment
- 399 - Other Tangible Porperty

TOTAL

206

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 12/31/08

Plant Accounts

Common Capex
Forecast by Plant
Account

5%

Net Plant

Plant Accounts

12/31/08

301 - Organization	-
302 - Franchise and consents	-
303 - Misc Intangible Plant	-
389 - Land and Land Rights	3,780,062
390 - Structures and Improvements	128,232,572
391G - Office furniture and equip	37,704,544
392 - Transportation Equipment	2,720,043
393 - Stores equipment	3,533,260
394 - Tools, shop and garage equip	7,329,512
395 - Laboratory equipment	73,553
396 - Power operated equipment	1,547
397 - Communication equipment	46,977,082
398 - Miscellaneous equipment	518,452
399 - Other Tangible Property	-
	-
	-
	-
	-
	-
	-
	-
	-
<u>TOTAL</u>	230,870,627

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
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[illegible]

TOTAL	231,943,268	232,345,301	232,344,519	232,341,597	232,336,535	232,596,000	232,951,541	233,562,339	234,169,961	234,516,407	235,118,109	235,845,634
			234,724,579									

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
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TOTAL	236,827,767	237,161,078	237,104,640	246,246,110	246,170,842	248,351,479	246,610,588	247,113,031	247,612,393	247,862,674	248,356,288	248,969,821
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12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
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1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
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[illegible]

249,826,067	250,063,611	249,929,489	249,793,319	249,655,103	249,760,840	249,953,116	250,402,763	250,839,377	251,032,958	251,463,911	252,011,830
Avg Net Plant before NIBCWIP		247,391,664									

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Common Capex Forecast by Plant Account

3	1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
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252,796,514	252,977,560	252,795,976
Avg Net Plant before NIBCWIP		251,005,002

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Common Capex
Forecast by Plant
Account

Net Plant

Plant Accounts

301 - Organization
302 - Franchises and consents
303 - Misc Intangible Plant
389 - Land and Land Rights
390 - Structures and improvements
391G - Office furniture and equip
392 - Transportation Equipment
393 - Stores equipment
394 - Tools, shop and garage equip
395 - Laboratory equipment
396 - Power operated equipment
397 - Communication equipment
398 - Miscellaneous equipment
399 - Other Tangible Property

TOTAL

Inflation

12/31/2008 2.3750%
 03/31/2010 2.8832%
 03/31/2011 5.1467%
 03/31/2012 7.3811%
 03/31/2013 9.8362%

Plant Accounts

Common Capex
 Forecast by Plant
 Account

		1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08
		5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%
	<u>Total C/WIP</u> <u>Balance at</u> <u>12/31/07</u>	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08
<u>C/WIP Balances</u>												
Beginning Balances		6,186,944	4,877,407	3,567,870	2,258,333	2,572,222	3,152,778	3,733,333	3,733,333	3,733,333	3,866,667	4,533,333
Additions	\$	752,778	\$ 752,778	\$ 752,778	\$ 1,066,667	\$ 1,333,333	\$ 1,333,333	\$ 1,066,667	\$ 1,333,333	\$ 1,466,667	\$ 1,733,333	\$ 1,066,667
Closings	\$	2,062,315	\$ 2,062,315	\$ 2,062,315	\$ 752,778	\$ 752,778	\$ 752,778	\$ 1,066,667	\$ 1,333,333	\$ 1,333,333	\$ 1,066,667	\$ 1,333,333
Ending Balance		6,186,944	4,877,407	3,567,870	2,258,333	2,572,222	3,152,778	3,733,333	3,733,333	3,866,667	4,533,333	4,266,667
NIBC/WIP		5,684,926	4,481,647	3,278,368	2,075,089	2,363,508	2,896,957	3,430,405	3,430,405	3,552,919	4,165,492	3,920,463
NIBC/WIP %		91.89%										
IBCWIP		395,760	289,502	189,245	208,714	255,821	302,928	302,928	302,928	313,747	367,842	346,204

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

12/31/08

Plant Accounts

Common Capex
Forecast by Plant
Account

5%

CWIP Balances

12/31/08

Beginning Balances

4,268,667

Additions

\$ 666,667

Closings

\$ 1,466,667

Ending Balance

3,466,667

NBCWIP

3,185,376

NBCWIP %

IBCWIP 281,291

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
5%	5%	7%	5%	10%	10%	8%	10%	11%	13%	8%	5%

	1/31/09	2/28/09	3/31/09	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09
CWP Balances												
Beginning Balances	3,466,667	2,400,000	2,000,000	2,266,667	3,368,000	4,911,333	5,188,000	6,924,000	7,844,000	8,985,000	10,826,000	11,304,000
Additions	\$ 666,667	\$ 666,667	\$ 933,333	\$ 1,768,000	\$ 2,210,000	\$ 1,768,000	\$ 2,210,000	\$ 2,431,000	\$ 2,879,000	\$ 1,768,000	\$ 1,105,000	
Closings	\$ 1,733,333	\$ 1,066,667	\$ 666,667	\$ 666,667	\$ 666,667	\$ 933,333	\$ 1,032,000	\$ 1,290,000	\$ 1,032,000	\$ 1,290,000	\$ 1,419,000	
Ending Balance	2,400,000	2,000,000	2,266,667	3,368,000	4,911,333	6,188,000	6,924,000	7,844,000	8,985,000	10,826,000	11,304,000	10,990,000
NIBCWP	2,205,260	1,837,717	2,082,746	3,094,715	4,512,820	5,685,898	6,382,176	7,207,526	8,255,944	9,947,562	10,388,776	10,098,255
NIBCWP %												
IBCWIP	194,740	162,283	183,921	273,285	398,513	502,104	541,824	636,474	729,056	878,438	917,224	891,745
Gas portion @		15%										

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
	5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%
CWIP Balances	1/31/10	2/28/10	3/31/10	4/30/10	5/31/10	6/30/10	7/31/10	8/31/10	9/30/10	10/31/10	11/30/10	12/31/10
Beginning Balances	10,990,000	10,418,000	10,491,000	11,393,000	2,532,000	3,117,000	3,444,000	3,444,000	3,444,000	3,567,000	4,182,000	3,938,000
Additions	\$ 1,105,000	\$ 1,105,000	\$ 1,547,000	\$ 984,000	\$ 1,230,000	\$ 1,230,000	\$ 984,000	\$ 1,230,000	\$ 1,353,000	\$ 1,599,000	\$ 984,000	\$ 815,000
Closings	\$ 1,677,000	\$ 1,032,000	\$ 645,000	\$ 9,845,000	\$ 645,000	\$ 903,000	\$ 984,000	\$ 1,230,000	\$ 1,230,000	\$ 984,000	\$ 1,230,000	\$ 1,353,000
Ending Balance	10,418,000	10,491,000	11,393,000	2,532,000	3,117,000	3,444,000	3,444,000	3,444,000	3,567,000	4,182,000	3,938,000	3,198,000
NIBCWIP	9,572,668	9,639,744	10,468,555	2,326,550	2,864,082	3,164,549	3,164,549	3,164,549	3,277,568	3,842,668	3,616,627	2,938,509
NIBCWIP %												
ISCWIP	845,332	851,256	924,445	205,450	252,918	279,451	279,451	279,451	289,432	335,334	319,373	259,491
			869,953									
			100,493									

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

CWIP Balances

Beginning Balances

	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	12/31/11
Beginning Balances	3,198,000	2,214,000	1,845,000	2,091,000	2,436,000	3,021,000	3,360,000	3,360,000	3,360,000	3,480,000	4,080,000	3,840,000

Additions	\$ 615,000	\$ 615,000	\$ 861,000	\$ 950,000	\$ 1,200,000	\$ 1,200,000	\$ 960,000	\$ 1,200,000	\$ 1,320,000	\$ 1,560,000	\$ 960,000	\$ 600,000
-----------	------------	------------	------------	------------	--------------	--------------	------------	--------------	--------------	--------------	------------	------------

Closings	\$ 1,599,000	\$ 984,000	\$ 615,000	\$ 615,000	\$ 615,000	\$ 861,000	\$ 960,000	\$ 1,200,000	\$ 1,200,000	\$ 960,000	\$ 1,200,000	\$ 1,320,000
----------	--------------	------------	------------	------------	------------	------------	------------	--------------	--------------	------------	--------------	--------------

Ending Balance	2,214,000	1,845,000	2,091,000	2,436,000	3,021,000	3,360,000	3,360,000	3,360,000	3,480,000	4,080,000	3,840,000	3,120,000
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NIBCWIP	2,094,353	1,695,294	1,921,333	2,238,339	2,775,871	3,087,365	3,087,365	3,087,365	3,197,628	3,748,943	3,528,417	2,866,838
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NIBCWIP %												
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IBCWIP	179,647	149,706	169,667	197,661	245,129	272,635	272,635	272,635	282,372	331,057	311,583	253,162
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Avg NIBCWIP 3,190,353
Avg IBCWIP 261,730

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013

Plant Accounts

Common Capex
Forecast by Plant
Account

1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
5%	5%	7%	8%	10%	10%	8%	10%	11%	13%	8%	5%

CWIP Balances

Beginning Balances
Additions
Closings
Ending Balance

1/31/12	2/29/12	3/31/12	4/30/12	5/31/12	6/30/12	7/31/12	8/31/12	9/30/12	10/31/12	11/30/12	12/31/12
3,120,000	2,160,000	1,800,000									
\$ 800,000	\$ 600,000	\$ 840,000									
\$ 1,560,000	\$ 980,000	\$ 600,000									
2,160,000	1,800,000	2,040,000									

NIBCWIP
NIBCWIP %

1,984,734 1,853,845 1,874,471

IBCWIP 175,266 146,055 165,529

Avg NIBCWIP 2,762,893
Avg IBCWIP 243,982

Inflation

12/31/2008
03/31/2010
03/31/2011
03/31/2012
03/31/2013 1/31/13 2/28/13 3/31/13 4/30/13 5/31/13 6/30/13 7/31/13 8/31/13 9/30/13 10/31/13

Plant Accounts

Common Capex
Forecast by Plant
Account

CWP Balances
Beginning Balances
Additions
Closings
Ending Balance

NIBC/WIP
NIBC/WIP %

IBC/WIP %

Working Capital

C+U

WP

Working Capital - Pre-payment
Correction

• FIN 48

Purpose: To explain why the FIN 48 accounts were included as "Capitalization Adjustments" as shown in response to RAV-7 (EBCAP Support).

(note: RAV-7 is not attached since it simply lists the FIN 48 accounts and doesn't really provide any further insight that would help in this response).

The following two paragraphs, from annual report disclosures, provide general background of FIN 48.

New Accounting Standards:

FASB issued Interpretation No. 48

In July, 2006, the FASB issued Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." FIN 48 clarifies the accounting and reporting for uncertainties in income tax law. FIN 48 prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure for uncertain tax positions taken or expected to be taken in income tax returns. The cumulative effect of applying the provision of this interpretation is required to be reported separately as an adjustment to the opening balance of retained earnings in the year of adoption. FIN 48 is effective for fiscal years beginning after December 15, 2006 and will be effective for the Company in the first quarter of its 2008 fiscal year. Niagara Mohawk Power Corporation adopted FIN 48 effective April 1, 2007.

From Niagara Mohawk Power Corporation's income tax footnote for the three quarters ended December 31, 2007 - In July 2006, the Financial Accounting Standards Board (FASB) issued FIN 48 which prescribes guidance to address inconsistencies among entities with the measurement and recognition in accounting for income tax purposes for financial statement purposes. Specifically, FIN 48 establishes criteria for the timing of the recognition of income tax benefits. FIN 48 requires the financial statement recognition of an income tax benefit when the company determines that it is more-likely-than-not that the tax position will be ultimately sustained.

Note that FERC does not allow reclassification of tax reserves associated with timing differences out of Accumulated Deferred Income Taxes. The rate case historic balance sheet was prepared on the basis of FERC rules.

With respect to permanent tax differences, which have an effect on the effective tax rate of an entity and ultimately capitalization, FIN 48 establishes a stricter standard for determining when tax reserves should be recorded, and requires the accrual of interest on the amount of the expected obligation to the federal or state tax authority. Adjustments to tax reserves for estimated outcomes are non-cash items, but with a corresponding impact on capitalization. With respect to balance sheet classification, the sole effect is to move

tax reserves and interest accrued out of the current tax payable account to a separate FIN 48 liability account and FIN 48 interest accrued account.

Correction & Update (kjb)

Upon further analysis, we discovered there was significant non-cash tax reserves included as credits in the Current Tax Payable accounts (236200 and 236417) in the period before FIN 48 was instituted. Those accounts are treated as Rate Base. The non-cash reserves should not be Rate Base, and therefore need to be removed in Corrections & Updates (affects Rate Base Prepayments, and ADIT).

Corrections & Updates
FIN 48 accounts
Whole \$
positive = Credit bal

Corrections & Updates
Use 1207r EB Offset Capitalization Adj.

C&U consists of removing large Tax Reserves (non-cash) that were treated as credits or reductions to Rate Base (Prepays PAL-7, Sch 3). Thus, C&U results in significant increase to Rate Base, as these credits are moved to Capitalization adj.

Reg Acct	Description	Sum of 12/31/2006	Sum of 01/31/2007	Sum of 02/28/2007	Sum of 03/31/2007	Sum of 04/30/2007	Sum of 05/31/2007	Sum of 06/30/2007	Sum of 07/31/2007	Sum of 08/31/2007	Sum of 09/30/2007	Sum of 10/31/2007	Sum of 11/30/2007	Sum of 12/31/2007	Sum of TME Dec 07 Avg
253480	Long-Term Interest Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,864,809	\$ 38,813,889	\$ 38,813,889	\$ 38,813,889	\$ 43,199,048	\$ 12,767,050
253482	FIN48 SIT - Timing Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,797,483	\$ 4,797,483	\$ 4,797,483	\$ 4,797,483	\$ 1,399,260
253483	FIN48 FIT - Permanent Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,000,000	\$ 82,000,000	\$ 82,000,000	\$ 82,000,000	\$ 82,000,000	\$ 27,333,333
253484	FIN48 SIT - Permanent Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,000,000	\$ 17,818,388	\$ 17,818,388	\$ 17,818,388	\$ 17,818,388	\$ 6,221,154
236200F	FIN 48 portion of 236200 per Tax	\$ 1,793,673	\$ 1,793,673	\$ 1,793,673	\$ 1,793,673	\$ 45,793,673	\$ 45,793,673	\$ 119,003,273	\$ 119,003,273	\$ 64,648,673	\$ 8,262,922	\$ 8,262,922	\$ 8,262,922	\$ 8,262,922	\$ 2,826,381
236417F	FIN 48 portion of 236417 per Tax	\$ 3,754,505	\$ 3,754,505	\$ 3,754,505	\$ 3,754,505	\$ 3,754,505	\$ 3,754,505	\$ 19,848,505	\$ 19,848,505	\$ 3,754,505	\$ (2,663,123)	\$ (2,663,123)	\$ (2,663,123)	\$ (2,663,123)	\$ 810,525
	Grand Total FIN 48 amounts	\$ 5,548,178	\$ 5,548,178	\$ 5,548,178	\$ 5,548,178	\$ 49,548,178	\$ 49,548,178	\$ 138,851,778	\$ 138,851,778	\$ 138,967,461	\$ 148,526,236	\$ 148,526,236	\$ 148,526,236	\$ 152,211,695	\$ 51,357,703

Account Activity During the month (per S Wilder orig worksheet AND 8/26/08 analysis of pre-FIN48 reserves in the Cur Payable a/c's)

236200	\$ 1,793,673	\$ -	\$ -	\$ -	\$ -	\$ 44,000,000	\$ -	\$ 18,865,000	\$ -	\$ 1,082,900	\$ (41,000,000)	\$ -	\$ -	\$ -	\$ -
								\$ 41,000,000		\$ (14,437,500)	\$ (314,500)	\$ -	\$ -	\$ -	\$ -
								\$ 13,364,500		\$ (41,000,000)	\$ (13,000,000)				
								\$ 73,209,600		\$ (54,354,600)	\$ (2,000,000)				
										\$ (71,281)					
										\$ (56,385,751)					
236417	\$ 3,754,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,000,000	\$ -	\$ (13,000,000)	\$ 169,219	\$ -	\$ -	\$ -	\$ -
								\$ 3,094,000		\$ (3,094,000)	\$ 3,765				
								\$ 16,094,000		\$ (16,094,000)	\$ (3,000,000)				
										\$ (3,160,112)					
										\$ (342,500)					
										\$ (79,000)					
										\$ (6,417,628)					

Corrections & Updates

PP Rate Base

Non-Fin 48 \$ amounts in accounts 236200 & 236417

Reg Acct	Description	Sum of 12/31/2006	Sum of 01/31/2007	Sum of 02/28/2007	Sum of 03/31/2007	Sum of 04/30/2007	Sum of 05/31/2007	Sum of 06/30/2007	Sum of 07/31/2007	Sum of 08/31/2007	Sum of 09/30/2007	Sum of 10/31/2007	Sum of 11/30/2007	Sum of 12/31/2007	Sum of TME Dec 07 Avg
236200	Taxes Accr-Federal Inc-PriorYr	\$ (4,917,157)	\$ (4,917,157)	\$ (4,917,157)	\$ 2,785,894	\$ (7,852,881)	\$ (7,852,881)	\$ (7,852,881)	\$ 826,119	\$ 826,119	\$ 826,119	\$ 826,119	\$ 826,119	\$ (8,262,922)	\$ (2,754,709)
236417	Tx Accr-St Franch-NY	\$ (14,344,071)	\$ (21,830,071)	\$ (9,943,155)	\$ (12,743,355)	\$ (12,905,355)	\$ (7,246,355)	\$ (7,465,355)	\$ (4,417,355)	\$ (314,037)	\$ (8,325,037)	\$ (5,471,037)	\$ (1,254,037)	\$ 2,663,123	\$ (8,147,969)
	Grand Total	\$ (19,261,228)	\$ (26,747,228)	\$ (14,860,312)	\$ (9,947,461)	\$ (20,758,236)	\$ (15,099,236)	\$ (15,338,236)	\$ (3,591,238)	\$ 512,082	\$ (7,498,918)	\$ (4,644,918)	\$ (4,27,918)	\$ (5,599,799)	\$ (10,902,678)

ORIGINAL FILING

PP Rate Base

Reg Acct	Description	Sum of 12/31/2006	Sum of 01/31/2007	Sum of 02/28/2007	Sum of 03/31/2007	Sum of 04/30/2007	Sum of 05/31/2007	Sum of 06/30/2007	Sum of 07/31/2007	Sum of 08/31/2007	Sum of 09/30/2007	Sum of 10/31/2007	Sum of 11/30/2007	Sum of 12/31/2007	Sum of TME Dec 07 Avg
236200	Taxes Accr-Federal Inc-PriorYr	(3,123,484)	(3,123,484)	(3,123,484)	4,889,567	37,940,792	37,940,792	37,940,792	46,619,792	46,619,792	46,619,792	46,619,792	46,619,792	37,630,781	\$ 30,205,631
236417	Tx Accr-St Franch-NY	(10,589,566)	(18,075,666)	(6,188,650)	(8,998,850)	(9,150,850)	(3,491,850)	(3,730,850)	(882,980)	3,440,468	(4,070,823)	(1,718,632)	2,500,468	6,417,828	\$ (4,393,464)
	EB Offset Capitalization Adj	(13,713,050)	(21,199,050)	(9,312,134)	(4,399,283)	28,789,942	34,448,942	34,209,942	45,956,942	50,060,260	42,049,260	44,903,260	49,120,260	43,948,379	\$ 25,812,167
236200F	Taxes Accr-Federal Inc-PriorYr	-	-	-	-	-	-	73,209,600	73,209,600	18,855,000	(37,530,781)	(37,530,781)	(37,530,781)	(37,530,781)	\$ 2,826,381
236417F	Tx Accr-St Franch-NY	-	-	-	-	-	-	16,094,000	16,094,000	-	(6,417,628)	(6,417,628)	(6,417,628)	(6,417,628)	\$ 810,525
		-	-	-	-	-	-	89,303,600	89,303,600	18,855,000	(43,948,379)	(43,948,379)	(43,948,379)	(43,948,379)	\$ 3,636,906

Control Totals per Reg Bal sheet (Bpt # 6891)

Total 236200 Bal Sht	(3,123,484)	(3,123,484)	(3,123,484)	4,889,567	37,940,792	37,940,792	111,150,392	119,829,392	65,474,792	9,089,041	9,089,041	9,089,041	9,089,041	-	33,032,012
Total 236417 Bal Sht	(10,589,566)	(18,075,666)	(6,188,650)	(8,998,850)	(9,150,850)	(3,491,850)	12,363,150	15,431,150	3,440,468	(10,988,160)	(8,134,160)	(3,917,160)	-	-	(3,582,938)
	(13,713,050)	(21,199,050)	(9,312,134)	(4,399,283)	28,789,942	34,448,942	123,513,542	135,260,542	68,915,260	(1,899,119)	954,881	5,171,881	-	-	29,449,073

positive = Credit bal

[illegible]

National Grid USA		Listing of March 2007 Post Submission Entries									
Hyperion Entry #	BU	Segment	People Soft Activity	Reg Account	Exp Type	Account	Workorder	People Soft Account Description		Debit	Credit
PSA 36	00037	OTH	236200			620001		Accrued FIT		28,000,000.00	
	00037	OTH	409160		400	331025		Current Taxes - PY Adj			28,000,000.00
	80002	OTH	409160		400	331025	9940000114	Current Taxes - PY Adj		41,000,000.00	
	80002	OTH	409123		400	331025	9940000114	Current Taxes - PY Adj		3,000,000.00	
	80002	OTH	236200			620001	9940000114	Accrued FIT			44,000,000.00

**Excess Earnings
Base**

Excess Earnings Base

C+U
WP.

CY07 EBCAP

- 1) Couple Δ 's to ADIT Rate Base
- 2) Δ 's to Capitalization Adjs
 - a) Reg Asset Nymex
 - b) Verizon in #253 a/c.
 - c) ADIT Δ 's
- 3) 1 Δ Rde Base (excl. ADIT)
 - a) Nymex
 - b) Pre-paid

PSC Case No. 08-G-0609 Company Corrections and Updates

Comparison of Average Historic Rate Base and Capitalization

ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

(\$000's)

	Reference	TOTAL	ELECTRIC	GAS
1 (A) AVERAGE RATE BASE - PER BOOKS	pg.2 ln 11	\$ 5,882,167	\$ 4,827,138	\$ 1,055,029
2 (B) ADD: Average interest-bearing				
3 CWIP	pg.3 ln 15	82,923	76,076	6,847
4 (C) TOTAL EARNINGS BASE (A+B)		\$ 5,965,090	\$ 4,903,214	\$ 1,061,876
5				
6 Percent		100.00%	82.20%	17.80%
7 (D) AVERAGE CAPITALIZATION (CE excludes merger Goodwill, and may be adj for TCI if required):				
8 Long Term Debt	pg.4 ln 18	\$ 2,524,247		
9 Notes Payable	pg.4 ln 18	478,304		
10 Gas Supplier Refunds	pg.5 ln 17	4,480		
11 Customer Deposits	pg.5 ln 41	39,750		
12 Preferred Stock	pg.6 ln 17	40,663		
13 Common Equity (excludes merger GW; incl TCI ac	pg.6 ln 54	2,848,612		
14				
15 Avg. Allocated to Elec / Gas based on Earnings Base		\$ 5,936,056	\$ 4,879,438	\$ 1,056,618
16 (E) Add dividends declared but unpaid				
17 representing the timing difference				
18 between declaration and payment	pg.8 ln 17 +46	293	241	52
19 (F) SUBTOTAL (D+E)		\$ 5,936,349	\$ 4,879,679	\$ 1,056,670
20				
21 LESS Average Investments in:				
22 Detailed balance sheet accounts	pg.9 ln 40	\$ (160,826)		
23 Accumulated Def Inc Tax Adjustment	pg.18 ln 17 + 42 also pg 9 ln 96	181,836		
24 Goodwill	Activity 114102	n/a		
25 (G) Total Deductions		\$ 21,010	\$ 17,270	\$ 3,740
26				
27 (H) Capitalization Dedicated to Public				
28 Service (F-G)		\$ 5,915,339	\$ 4,862,409	\$ 1,052,930
29 (J) Excess Earnings Base (Total Earnings Base)				
30 less Average Capitalization Devoted to				
31 Service Current Customers) (C-H)		\$ 49,751	\$ 40,805	\$ 8,946
32				
33 Original Filing (before Supply reclass) PAL-7, Sch 7		\$ 53,990	\$ 44,531	\$ 9,459
34 Change		\$ (4,239)	\$ (3,726)	\$ (513)
35				
36				
37				
38				

1 Goodwill related to the NM merger with National Grid is excluded from the equity component of capitalization, pursuant to section 6.1 of the approved Stipulation Agreement. See page 6 Common Equity section.

Niagara Mohawk, a National Grid Company
PSC Case No. 08-G-0609 Company Corrections and Updates

Page 2

Rate Base Summary

ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

(\$000's)

	<u>Reference</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
1 Net Utility Plant	pg. 11 ln 15	\$ 5,027,802	\$ 3,917,090	\$ 1,110,712
2				
3 Regulatory Assets / Liabilities	pg. 14 ln 91	2,262,154	2,245,917	16,237
4				
5 Accumulated Deferred Income Taxes - Federal	pg. 18 ln 17	(1,568,937)	(1,411,075)	(157,862)
6				
7 Accumulated Deferred Income Taxes - State	pg. 18 ln 42	(81,818)	(73,339)	(8,479)
8				
9 Working Capital	pg. 15 ln 12	242,967	148,545	94,422
10				
11 subtotal avg. before EBCAP adj.		5,882,167	4,827,138	1,055,029
12				
13 Excess Earnings Base	pg. 1 ln 31	(49,751)	(40,805)	(8,946)
14				
15 Total Rate Base		<u>\$ 5,832,416</u>	<u>\$ 4,786,333</u>	<u>\$ 1,046,083</u>
16				
17				
18				
19				
20				
21 Original Filing - ADFIT		(1,530,431)	(1,370,436)	(159,995)
22 <u>Changes</u>		-	-	-
23 RAV-49 C FAS158 Opeb ADIT in wrong a/c (not RB)		(38,506)	(31,960)	(6,546) PAL-8, Vol A, pg 74
24 RAV-49 E Reclass Merger Delay should be ALL Elec		-	769	(769) PAL-8, Vol A, pg 74
25 RAV-49 A Reclass ADIT re: Tax Unbilled Revenue		-	(9,448)	9,448
26				
27 subtotal C&U changes		(38,506)	(40,639)	2,133
28 C&U Filing - ADFIT		<u>(1,568,937)</u>	<u>(1,411,075)</u>	<u>(157,862)</u>
29				
30 Original Filing - ADSIT		(72,906)	(66,107)	(6,799)
31 <u>Changes</u>		-	-	-
32 RAV-49 C FAS158 Opeb ADIT in wrong a/c (not RB)		(8,912)	(7,397)	(1,515) PAL-8, Vol A, pg 75
33 RAV-49 E Reclass Merger Delay should be ALL Elec		-	165	(165) PAL-8, Vol A, pg 76
34				
35				
36 subtotal C&U changes		(8,912)	(7,232)	(1,680)
37 C&U Filing - ADSIT		<u>(81,818)</u>	<u>(73,339)</u>	<u>(8,479)</u>

Niagara Mohawk, a National Grid Company
Adjustment to Earnings Base - Interest Bearing CWIP
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

	(\$000's)		
	Total	Electric	Gas
1 Total avg. CWIP (see below)	\$ 116,774	\$ 106,508	\$ 10,266
2			
3 PS&I	-	-	-
4	116,774	106,508	10,266
5			
6 Less:			
7 Orders without Allowance (see below)	(33,851)	(30,432)	(3,419)
8 CWIP included in Rate Base	-	-	-
9			
10 Avg. Interest Bearing CWIP	82,923	76,076	6,847
11			
12 Plus:			
13 Nuclear Fuel CWIP (a/c# 10401000)	-	-	-
14			
15 Average Interest Bearing CWIP	\$ 82,923	\$ 76,076	\$ 6,847

	(Whole \$)					
	Total CWIP (1)			Orders without Allowance (1)		
	Elec	Gas	Common	Elec	Gas	Common
27 Reg Account #s:	107000 & 107135					
28 Plant Account #s:	101.02	102.12	103.22	Based on EXPLICIT MONTHLY AFUDC PPT Rpt# 2023.		
29 Dec-06	\$ 91,022,938	\$ 10,290,556	\$ 6,116,645	\$ 30,726,360	\$ 6,351,342	\$ 4,322,491
30 Jan-07	100,999,871	5,423,730	5,753,117	44,333,772	1,592,116	4,744,628
31 Feb-07	102,988,973	5,653,093	6,123,265	42,448,668	1,407,706	5,085,301
32 Mar-07	106,672,949	6,915,333	6,228,081	40,249,719	2,254,078	5,166,814
33 Apr-07	110,386,439	7,295,238	6,606,166	35,976,821	1,766,834	5,458,122
34 May-07	92,110,184	10,767,913	6,253,003	14,567,962	4,594,207	5,814,261
35 Jun-07	95,913,696	8,887,403	6,391,823	12,869,580	2,242,891	5,942,117
36 Jul-07	95,859,496	9,509,264	6,701,807	13,447,843	1,782,891	6,232,127
37 Aug-07	93,042,393	10,799,129	7,049,863	16,395,988	2,276,347	6,575,074
38 Sep-07	99,055,801	11,954,458	7,230,617	19,162,360	2,720,771	6,751,139
39 Oct-07	106,348,792	11,333,286	7,393,390	21,004,348	2,514,888	6,896,472
40 Nov-07	111,384,922	10,926,328	7,753,774	25,189,248	2,214,783	7,252,156
41 Dec-07	100,268,932	13,270,762	6,186,944	7,780,434	3,697,284	5,684,926
42						
43 12 month average	100,867,454	9,270,486	6,636,392	25,408,309	2,532,652	5,910,160
44	85.0%	15.0%		85.0%	15.0%	
45 Alloc of Common	5,640,933	995,459	(6,636,392)	5,023,636	886,524	(5,910,160)
46						
47 Total	\$106,508,387	\$ 10,265,945	\$ -	\$ 30,431,945	\$ 3,419,176	\$ -
48 (1) excludes PSI costs						

Long Term Debt (LTD) (Whole \$)							Notes Payable (NP) (Whole \$)								
	Act# 22xxx	Less	Less	Adjusted LTD	Mthly Avg LTD	Weighted Avg		Act# 233099	Acctg	Act# 233035	Acctg				
	Total LTD	Nuc Fuel Disp	Unreg Gen	Balances	Int Rate	LTD Int Rate		Nat Grid USA Svc Co. (MP)		NM Holdings		Total N/P	Avg N/P	Weighted Avg	
								Notes Payable	Int Rate	Notes Payable	Int Rate	Balance	Int Rate	N/P Int Rate	
1	Dec-08	2,849,141,633	.	.	2,649,141,633	5.85%	0.26%	882,000,000	5.27%	37,300,000	5.28%	689,300,000	5.27%	0.32%	(1/2 month)
2	Jan-07	2,849,189,188	.	.	2,649,159,186	5.70%	0.50%	549,000,000	5.27%	43,800,000	5.27%	592,800,000	5.27%	0.54%	
3	Feb-07	2,849,179,739	.	.	2,649,176,739	5.70%	0.50%	535,500,000	5.26%	43,800,000	5.28%	579,300,000	5.26%	0.53%	
4	Mar-07	2,849,194,292	.	.	2,649,194,292	5.82%	0.51%	361,500,000	5.26%	43,800,000	5.28%	395,300,000	5.26%	0.36%	
5	Apr-07	2,849,211,845	.	.	2,649,211,845	5.82%	0.51%	321,500,000	5.28%	11,300,000	5.28%	332,800,000	5.26%	0.30%	
6	May-07	2,449,229,398	.	.	2,449,229,398	6.00%	0.49%	417,000,000	5.26%	26,100,000	5.26%	443,100,000	5.26%	0.41%	
7	Jun-07	2,449,246,951	.	.	2,449,246,951	5.59%	0.45%	428,000,000	5.27%	32,800,000	5.26%	460,800,000	5.27%	0.42%	
8	Jul-07	2,449,264,504	.	.	2,449,264,504	5.60%	0.45%	466,800,000	5.27%	28,600,000	5.28%	496,100,000	5.27%	0.46%	
9	Aug-07	2,449,282,057	.	.	2,449,282,057	5.62%	0.45%	410,500,000	5.03%	28,600,000	5.24%	440,100,000	5.60%	0.43%	
10	Sep-07	2,449,299,610	.	.	2,449,299,610	5.65%	0.46%	483,000,000	5.43%	28,600,000	5.28%	512,600,000	5.44%	0.49%	
11	Oct-07	2,449,317,163	.	.	2,449,317,163	5.65%	0.46%	483,500,000	4.99%	.	5.05%	483,500,000	4.99%	0.42%	
12	Nov-07	2,449,334,716	.	.	2,449,334,716	5.60%	0.45%	432,500,000	4.69%	18,000,000	4.72%	447,500,000	4.69%	0.37%	
13	Dec-07	2,449,352,269	.	.	2,449,352,269	5.73%	0.23%	400,500,000	5.10%	21,700,000	4.90%	422,200,000	5.09%	0.19%	(1/2 month)
14															
15	Total (Dec @ 1/2)	\$ 30,290,963,409	\$ -	\$ -	\$ 30,290,963,409			\$ 5,404,750,000		\$ 334,900,000		\$ 5,739,650,000			
16															
17	Divided by 12 =	\$ 2,524,246,951	\$ -	\$ -	\$ 2,524,246,951			\$ 450,395,833		\$ 27,908,333		\$ 478,304,167			
18															

Calculation of LTD Interest Expense (Whole \$)

		Act# 431xxx	Act# 430002	Act# 430006		
	Total Int Exp	Less	Less Money Pool	Less N/P NMH	Adjusted	
	(excl AFDC #432)	Other Int Exp	N/P STD Int Exp	N/P STD Int Exp	LTD Int Exp	
22						
23						
24	Dec-06	17,276,176	1,618,578	2,577,103	170,931	\$ 12,909,564
25	Jan-07	17,801,851	2,414,673	2,626,436	199,604	\$ 12,563,878
26	Feb-07	17,210,022	2,380,772	2,079,528	179,181	\$ 12,590,533
27	Mar-07	20,322,577	5,319,472	1,948,419	188,390	\$ 12,858,296
28	Apr-07	15,957,693	1,609,522	1,300,827	181,990	\$ 12,855,556
29	May-07	16,216,234	2,246,680	1,604,811	116,058	\$ 12,249,687
30	Jun-07	30,292,249	17,031,827	1,701,624	142,794	\$ 11,416,004
31	Jul-07	15,415,154	1,893,814	1,921,793	163,364	\$ 11,436,183
32	Aug-07	2,603,302	(10,691,084)	1,683,321	133,602	\$ 11,477,503
33	Sep-07	21,910,941	8,318,903	1,928,293	138,827	\$ 11,525,118
34	Oct-07	15,607,988	2,237,849	2,010,183	124,587	\$ 11,535,389
35	Nov-07	18,451,769	5,258,470	1,718,149	57,033	\$ 11,422,117
36	Dec-07	16,823,082	3,505,775	1,531,929	88,713	\$ 11,696,965
37						
38	Total Int Exp	\$ 226,489,220	\$ 43,222,251	\$ 24,828,094	\$ 1,902,082	\$ 156,536,793

Source 12 Month Rolling Regulatory Income Stmt #6886 & JE Detail.

Niagara Mohawk, a National Grid Company
Gas Supplier Refunds and Customer Deposits

TACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

(Whole \$)

Act# 242305 Updated Jan 1
 (\$0 if Debit Bal) by PSC

Gas Supplier Refunds

Gas Refunds Bal	Sup Refund Avg Rate	Weighted Avg Rate
-----------------	---------------------	-------------------

1	Dec-06	8,075,724	4.75%	0.36%	(1/2 month)
2	Jan-07	7,473,687	5.40%	0.75%	
3	Feb-07	6,216,675	5.40%	0.62%	
4	Mar-07	4,947,774	5.40%	0.50%	
5	Apr-07	4,105,102	5.40%	0.41%	
6	May-07	3,669,879	5.40%	0.37%	
7	Jun-07	3,484,001	5.40%	0.35%	
8	Jul-07	3,353,769	5.40%	0.34%	
9	Aug-07	3,240,276	5.40%	0.33%	
10	Sep-07	3,120,890	5.40%	0.31%	
11	Oct-07	2,990,964	5.40%	0.30%	
12	Nov-07	2,612,705	5.40%	0.26%	
13	Dec-07	9,024,177	5.40%	0.45%	(1/2 month)

14
 15 12 Month Total (Dec @ 1/2) \$ 53,765,673

(\$000's)

16
 17 12 Month Avg Bal. \$ 4,480,473 \$ 4,480 5.35% 12 month %

(Whole \$)

Act# 235000 Updated Jan 1.
 & 252000 by PSC

Customer Deposits

Deposit Bal	Cust Deposit Avg Rate	Weighted Avg Rate
-------------	-----------------------	-------------------

25	Dec-06	39,584,044	3.00%	0.12%	(1/2 month)
26	Jan-07	39,201,830	3.65%	0.30%	
27	Feb-07	39,534,019	3.65%	0.30%	
28	Mar-07	40,870,471	3.65%	0.31%	
29	Apr-07	40,953,680	3.65%	0.31%	
30	May-07	41,404,658	3.65%	0.32%	
31	Jun-07	41,473,050	3.65%	0.32%	
32	Jul-07	39,932,068	3.65%	0.31%	
33	Aug-07	39,612,353	3.65%	0.30%	
34	Sep-07	38,494,578	3.65%	0.29%	
35	Oct-07	38,573,201	3.65%	0.30%	
36	Nov-07	38,213,771	3.65%	0.29%	
37	Dec-07	37,887,825	3.65%	0.14%	(1/2 month)

38
 39 12 Month Total (Dec @ 1/2) \$ 476,999,614

(\$000's)

40
 41 12 Month Avg Bal. \$ 39,749,968 \$ 39,750 3.61% 12 month %

Niagara Mohawk, a National Grid Company

Preferred Stock and Common Equity

ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

Activities # 204xxx

(Whole \$)

NY Acctg

Weighted

Preferred Stock

New

Avg Dividend

Avg

	Balance	Rate	
1 Dec-06	41,171,500	3.95%	0.17% (i/2 month)
2 Jan-07	41,171,500	3.95%	0.33%
3 Feb-07	41,171,500	3.95%	0.33%
4 Mar-07	41,171,500	3.95%	0.33%
5 Apr-07	41,171,500	3.95%	0.33%
6 May-07	41,171,500	3.95%	0.33%
7 Jun-07	41,171,500	3.95%	0.33%
8 Jul-07	41,171,500	3.95%	0.33%
9 Aug-07	41,171,500	3.95%	0.33%
10 Sep-07	41,170,300	3.95%	0.33%
11 Oct-07	41,170,300	3.95%	0.33%
12 Nov-07	41,170,300	3.95%	0.33%
13 Dec-07	28,963,000	3.95%	0.12% (i/2 month)

12 Mo Tot (Dec @ 1/2) \$ 487,950,150

12 Month Avg Bal. (Whole \$) = \$ 40,662,513

17 Rounded Avg (\$000's) = \$ 40,663

3.92% 12 month %

Source: Reg Bal Sht # 6891

Common Equity

Activity # 201100	Activities # 210100, 211100	Activities # 215100, # 219xxx	Chk to Total CE (Whole \$)	Activities # 219 01,6,8,10,12	Per Books (Whole \$)	Stipulation sec 6.1	REMOVED OF GW	REVISED TOTAL
Par Value & Premium	Paid in	Retained	subtotal CE	Less: OCI RE	Total	PD IN SURP		
Common Stock	Surplus	Earnings						
31 Dec-06	\$ 187,364,863	\$ 2,929,499,520	\$ 917,716,317	\$ 4,034,580,700	\$ -	\$ 4,034,580,700	\$ (1,214,576,369)	\$ 2,820,004,331
32 Jan-07	187,364,863	2,929,499,520	949,081,098	4,065,945,481	-	4,065,945,481	(1,214,576,369)	2,851,369,112
33 Feb-07	187,364,863	2,929,499,520	991,122,249	4,107,986,632	-	4,107,986,632	(1,214,576,369)	2,893,410,262
34 Mar-07	187,364,863	2,913,384,113	990,930,469	4,091,679,465	-	4,091,679,465	(1,242,460,962)	2,849,218,503
35 Apr-07	187,364,863	2,913,384,113	995,779,693	4,096,528,669	-	4,096,528,669	(1,242,460,962)	2,854,067,706
36 May-07	187,364,863	2,913,384,113	1,021,127,233	4,121,876,209	-	4,121,876,209	(1,242,460,962)	2,879,415,246
37 Jun-07	187,364,863	2,913,384,113	983,396,476	4,084,145,452	-	4,084,145,452	(1,300,960,962)	2,783,184,489
38 Jul-07	187,364,863	2,913,384,113	1,010,108,454	4,110,857,430	-	4,110,857,430	(1,300,960,962)	2,809,896,468
39 Aug-07	187,364,863	2,913,384,113	1,032,654,468	4,133,403,443	-	4,133,403,443	(1,291,910,962)	2,841,492,481
40 Sep-07	187,364,863	2,913,384,552	1,016,193,611	4,116,943,026	-	4,116,943,026	(1,291,910,962)	2,825,032,064
41 Oct-07	187,364,863	2,913,384,552	1,045,845,206	4,146,594,621	-	4,146,594,621	(1,291,910,962)	2,854,683,659
42 Nov-07	187,364,863	2,913,384,552	1,066,778,400	4,167,527,815	-	4,167,527,815	(1,291,910,962)	2,875,616,853
43 Dec-07	187,364,863	2,913,140,406	1,103,317,891	4,203,823,160	-	4,203,823,160	(1,291,910,962)	2,911,912,198

12 Mo Tot (Dec @ 1/2) \$ 2,248,378,356 \$ 35,000,777,334 \$ 12,113,534,481 \$ 49,362,690,172 \$ - \$ 49,362,690,172 \$ (15,179,345,065) \$ 34,183,345,107

12 Month Avg Bal. \$ 187,364,863 \$ 2,916,731,445 \$ 1,009,461,207 \$ 4,113,557,514 \$ - \$ 4,113,557,514 \$ (1,264,945,422) \$ 2,848,612,092

Excess TCI Investment over \$20.0 million (see next pg)
(a reduction to equity, per Joint Proposal Att 17, Pg 1)

no excess

\$

Source: Reg Bal Sht # 6891

Goodwill timing Adjustment created by Merger *

Adjusted Common Equity (Whole \$)

\$ 4,113,557,514 \$ (1,264,945,422) \$ 2,848,612,092

Adjusted Total Common Equity (rounded \$000's)

\$ 4,113,558 \$ (1,264,945) \$ 2,848,612

82.36% Electric CE (000's)

Per Books \$ 3,387,926

TCI adj \$ -

Stipulation sec 6.1 GW Adj \$ (1,041,809)

Revised Before Cap \$ 2,346,117

Niagara Mohawk, a National Grid Company
Excess Temporary Cash Investment - A Reduction to Common Equity
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

Temporary Cash Investment (Whole \$)

		(Whole \$)
	Act# 131000, 135000, 136000	Total
Dec-06	17,622,884	\$ 17,622,884
Jan-07	12,009,566	12,009,566
Feb-07	18,258,896	18,258,896
Mar-07	15,745,980	15,745,980
Apr-07	30,170,816	30,170,816
May-07	15,366,348	15,366,348
Jun-07	14,809,181	14,809,181
Jul-07	23,042,183	23,042,183
Aug-07	12,326,689	12,326,689
Sep-07	14,813,387	14,813,387
Oct-07	10,101,637	10,101,637
Nov-07	8,702,978	8,702,978
Dec-07	23,168,575	23,168,575
12 Mo Tot (Dec @ 1/2)	\$ 195,743,391	\$ 195,743,391
12 Month Avg Bal.	\$ 16,311,949	\$ 16,311,949

Limit of Cap adjustment * **\$ 20,000,000**
 Excess to reduce Equity (Whole \$, posted to previous Equity page) **no excess**

* Joint Proposal (Att. 17 pg1) calls for TCI investments to be capped at \$20 million on average throughout the year.
 Any excess is to be subtracted from average common equity (electric filings only).

Niagara Mohawk, a National Grid Company
Excess Equity % of Total Capitalization - A Reduction to Common Equity
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007
 (\$000's)

Calculation of Common Equity Limit and Adjustment (if required)

JP Att. 17 Equity Caps	%	Add'l Ref: JP 1.2.5.2.2 Capital Structure
2002	41.0%	pro-rated JP cap
2003	42.0%	
2004	42.5%	
2005-2011	43.0%	

PLUS amount of additional funding set forth in the Pension & OPEB Memorandum of Agreement (MOA)

	Sources	
Add'l Pen & Opeb funding	MOA Att 1, pg 1	\$ 309,446
Total Capitalization adjusted to incl TCI cap & excl Goodwill		\$ 5,936,056
Additional % due to Pen & OPEB funding		5.2%
Adjusted Equity Cap		48.2%

Capital Structure per books (Total)

	Before CAP adj	non-equity	Required	No CAP adj Req (1)
	Avg Amount	% to Total	Adjustment (1)	Avg Capital
				Excl Funding
Long Term Debt	\$ 2,524,247	81.8%	\$ -	\$ 2,524,247
Notes Payable	478,304	15.5%	-	478,304
Gas Supplier Refunds	4,480	0.1%	-	4,480
Customer Deposits	39,750	1.3%	-	39,750
Preferred Stock	40,663	1.3%	-	40,663
Common Equity (EXCLUDES GW; and TCI adj if applicable)	2,848,612		-	2,848,612
		100.0%		
Total Capitalization	\$ 5,936,056		\$ -	\$ 5,936,056
Equity % of total capitalization	48.0%			48.0%
% Over (Under) Adjusted Equity Cap	-0.2%			

Niagara Mohawk, a National Grid Company
Timing Difference between Dividends Declared vs. Paid
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

Preferred Dividends

source : "Stmt of RE" in Blue Book

Month Declared (1)	(\$ Whole) Amount (2)	Date Declared (3)	Date Paid (4)	Number of Days Between Declaration and Payment (5)	Number of Units (col 2 x 5) (6)
1 January-07 (Pref)	\$ 406,443	01/25/07	03/31/07	65	\$ 26,418,795
2					
3 April-07 (Pref)	406,444	04/26/07	06/30/07	65	26,418,860
4					
5 July-07 (Pref)	406,444	07/26/07	09/30/07	66	26,825,304
6					
7 October-07 (Pref)	406,433	10/25/07	12/31/07	67	27,231,011
8					
9					
10	<u>\$ 1,625,764</u>			<u>263</u>	<u>\$ 106,893,970</u>

Weighted Average Days

65.7**COMPUTATION OF AMOUNT REPRESENTED BY TIMING DIFFERENCE**

65.7 DAYS / 365 DAYS x $\frac{\text{(Whole \$)}}{\text{(\$000's)}}$ \$ 1,625,764 = \$ 292,638 = \$ 293

Common Dividends

Not applicable since merger

MONTH Declared (1)	AMOUNT (2)	DATE DECLARED (3)	DATE PAID (4)	NUMBER OF DAYS BETWEEN DECLARATION AND PAYMENT (5)	NUMBER OF UNITS COL 2x5 (6)
31 January-07 (Com)	\$ -			0	\$ -
32					
33 April-07 (Com)	\$ -			0	-
34					
35 July-07 (Com)	\$ -			0	-
36					
37 October-07 (Com)	\$ -			0	-
38					
39	<u>\$ -</u>			<u>0</u>	<u>\$ -</u>

Weighted Average Days

0.0**COMPUTATION OF AMOUNT REPRESENTED BY TIMING DIFFERENCE**

0.0 DAYS / 365 DAYS x $\frac{\text{(Whole \$)}}{\text{(\$000's)}}$ \$ - = \$ -

Niagara Mohawk, a National Grid Company
PSC Case No. 08-G-0609 Company Corrections and Updates
Capitalization Adjustments
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

Page 9

		(\$000's)	
		12 Mos	
		Ended Dec'07	
Activities	Descr	Avg Bal	
1	121000 Non Utility Property	\$	10,717
2	122000 Accum Prov for Depreciation-NU		(825)
3	123130 Inv in Sub Company		5,216
4	124000 Oth Inv-Cash Surr Val-Life Ins		2,444
5	124002 Oth Inv-Miscellaneous		24
6	124900 Oth Invest Rollforward-Contra		(71)
7	124902 Oth Invest - Additions		71
8	128000 Rabbi Trust Investment		10,503
9	128003 NIMO-SERP Trust Account		20,804
10	128900 Oth Invest-Rollforward Contra		(237)
11	128902 Oth Invest-Additions		237
12	131000 Cash-General Funds		16,714
13	131001 Cash Receipts Misc AR		(4,320)
14	131040 Cash Clearing CSS		3,882
15	135000 Cash-Working Funds-General		35
16	136000 Temporary Cash Investments		-
17	182328 Pension Settlement Loss FY2003		32,798
18	182505 NIMO-Commodity Adj Clause		1,932
19	182537 SIR Expenditures Def-Gas		4,131
20	242000 Curr&Accr Liab-Miscellaneous		(24,812)
21	242006 Co-Tenant Advances		(41)
22	253000 Def Cr-Miscellaneous		(6,860)
23	253003 Def Incentive Comp		(4,516)
24	253006 Def Cr-Hazardous Waste		0
25	253014 NY-CapReim-Sterling Pwr-Oneida		(11,436)
26	253015 NY-Cap Reim-City of Salamanca		(710)
27	253021 NY-Energy Serv Company Dep		(1,847)
28	253023 NY-Def Gain UMICO Demutualizatn		(1,128)
29	253026 Nucl Empl Settlement Liability		(509)
30	253112 FAS 112		(35,102)
31	254500 NIMO-Proc-Sale of Allow-Albany		(1,719)
32	254501 NIMO-CinAirAct Auct Proc-Rsetn		(162)
33	254514 NIMO-Gas Contingency Reserve		(28,936)
34	254531 NIMO-Diana-Dolgeville Settlmnt		(4,922)
35	254543 NIMO-Commodity Adj Clause		(6,296)
36	254550 GRT Cust Refund 2000-Electric		(681)
37	254551 GRT Cust Refund 2000-Gas		(5,941)
38	Various Related accounts largely offsetting (see next pg)		(173,601)
39	CORRECTIONS & UPDATES (see next page)		44,336
40	Grand Total	\$	(160,826)

SUPPORT FOR "VARIOUS" LINE ABOVE

Niagara Mohawk, a National Grid Company
Capitalization Adjustments Various Related Accounts
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

Page 10

		(\$000's)	
		12 Mos	
		Ended Dec'07	
Pension & OPEB (largely offsetting)		Avg Bal	
Reg Acct	Descr		
1	182326 AML Reg Asset	\$	18,488
2	182328 Pension Settlement Loss FY2003		32,798
3	182458 FAS158-Pension		136,317
4	182459 FAS158-OPEB		188,650
5	182510 NIMO-Oth Postretire Benef-Elec		15,698
6	182511 NIMO-Oth Postretire Benef-Gas		2,619
7	182550 Pension/FAS106 Purch Accty Adj		198,101
8	182553 Pension Exp Deferred-Electric		129,223
9	182554 OPEB Exp Deferred-Electric		152,053
10	182562 Pension Exp Deferred-Gas		22,379
11	182561 OPEB Expense Deferred-Gas		33,027
12	186110 Intangible Pension Asset		7,145
13	253027 Pension Costs		(131,933)
14	253106 FAS 106 Recovery		(724,402)
15	253117 Additional Minimum Pens Liab		(26,047)
16	253911 Pension Prov - Beg Bal		790
17	253916 Pension Prov - At Disposal		(790)
18	254528 NIMO-Pension/OPEB Curtail Gain		(25,552)
19	253031 Def Incentive Comp-Pensions		(8,284)
20			

				(5000's)
				12 Mos
21		Net Avg Bal	\$	20,280
22	182565P	NMO-Amort of Def Recoveries- P&O pc	\$	(138,851) avg bal: P&O recovery \$70m by Dec'06 and \$207m by D
23	254050	Amort of Deferral Recoveries	\$	- Pens & OPEB recovery reflected all above (in 182565)
24		Net Avg Bal	\$	(118,571)
25				
26		Indexed SWAP Contracts		<u>Avg Bal</u>
27	182522	NMO-Indexed Swap Contracts	\$	209,741
28	253030	Indexed Swap Contracts		<u>(209,741)</u>
29		Net Avg Bal	\$	-
30				
31		FIN 48		
32	253450	Long-Term Interest Payable	\$	(12,767)
33	253482	FIN48 SIT -Timing Issues		(1,399)
34	253483	FIN48 SIT - Permanent Issues		(27,333)
35	253494	FIN48 SIT - Permanent Issues		(6,221)
36	236200F	FIN 48 portion of 236200 per Tax wp's		(2,826)
37	236417F	FIN 48 portion of 236417 per Tax wp's		<u>(811)</u>
38		Net Avg Bal	\$	(51,358) offset in ADIT and GW
39				
40		Derivative Acctg (largely offsetting)		
41	<u>Reg Acct</u>	<u>Desc</u>		<u>Avg Bal</u>
42	182345	Gas futures Reg Liability	\$	18,248
43	254545	Gas futures Reg Liability		(1,306)
44	175000	Deriv Instr Assets-Current		1,330
45	176000	Deriv Instr Assets Hedges-Curr		669
46	245000	Deriv Instr Liab Hedges-Curr		(9,179)
47	244000	Deriv Instr Liab-Current		<u>(12,932)</u>
48		Net Avg Bal	\$	(2,970)
49		Gas Supply Optimization		
50	<u>Reg Acct</u>	<u>Desc</u>		<u>Avg Bal</u>
51	143235	A/R-Other Gas Sales	\$	253
52	253235	NMO-Def Rev Other Gas Sales		(253)
53	175100	Deriv Instr Assets-Other Curr		180
54	252235	A/P-Other Gas Purchases		(203)
55	254535	NMO-Ord Gas Futures Reg Liab		<u>23</u>
56		Net Avg Bal	\$	-
57		Net Plant - Asset Retirement Obligations (ARO)		
58	<u>Reg Acct</u>	<u>Desc</u>		<u>Avg Bal</u>
59	101010	Utility Plant in Service-ARO	\$	1,980
60	182343	Asset Ret Oblig Reg Asset		8,037
61	250000	Asset Retirement Obligation		<u>(10,719)</u>
62		Net Avg Bal	\$	(702)
63		Net Plant - Property Under Capital Leases		
64	<u>Reg Acct</u>	<u>Desc</u>		<u>Avg Bal</u>
65	101100	Property Under Cap Leases	\$	3,918
66	227000	Prop Und Capital Leases		(3,323)
67	243000	Prop Und Cap Lease-Curr-Elim		<u>(595)</u>
68		Net Avg Bal	\$	-
69		Environmental / Haz Waste		
70	<u>Reg Acct</u>	<u>Desc</u>		<u>Avg Bal</u>
71	182305	Environmental Response Fund	\$	401,356
72	253941	Hazwaste Prov - Beg Bal		(398,056)
73	253942	Hazwaste Prov - Chrg to P&L		(9,221)
74	253944	Hazwaste Prov - Utilization		<u>5,920</u>
75		Net Avg Bal	\$	-
76				
77		Grand Total Net Avg Balance (\$000's) - carried fwd to pg 9	\$	<u>(173,601)</u>
78				
79		CORRECTIONS & UPDATES - Reg Acct Adj to Capitalization		
80	134000	RAV-21 D NYMEX Contracts get broker interest	48,575	was Rate Base in Orig Filing
81	253000	RAV-21 H Def Cr-Misc - Verizon debit s/b be A/R (WC)	(4,239)	was a Cap Adj in Orig Filing
82				
83				
84				
85				
86		Total C&U	\$	<u>44,336</u>
87				
88				
89		CORRECTIONS & UPDATES - ADIT Adj to Capitalization		
90	Fed&State	RAV-49 C FAS158 Opeb ADIT in the wrong a/c (not R)	47,418	was Rate Base in Orig Filing
		RAV- INF (not sent) non-cash Tax		
		Reserves pre FIN 48 in Cur Pay 236200 & 236417 (crs)		
91	Fed&State	236417 (crs)	(35,715)	was Rate Base in Orig Filing
92				
93				
94				
95				
96		Total C&U	\$	<u>10,703</u>

Niagara Mohawk, a National Grid Company
Summary of Net Utility Plant
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007
(\$000)

Description	Reference	Average Monthly Balance Per Books		
		Total	Electric	Gas
1 Gross Utility Plant	pg. 12 ln 22	\$ 7,710,569	\$ 6,023,991	\$ 1,686,578
2				
3 Non-Interest Bearing CWIP	pg. 12 ln 51	35,619	32,190	3,429
4				
5 Total Utility Plant		7,746,188	6,056,181	1,690,007
6				
7				
8 Accum. Depreciation Reserve	pg. 13 ln 24	(2,747,983)	(2,165,819)	(582,164)
9				
10 Retirement WIP	pg. 13 ln 52	29,597	26,728	2,869
11				
12 Net Accumulated Provision for				
13 Depreciation		(2,718,387)	(2,139,091)	(579,295)
14				
15 Total Net Utility Plant		\$ 5,027,802	\$ 3,917,090	\$ 1,110,712

Niagara Mohawk, a National Grid Company
Monthly Balances of Gross Utility Plant
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007
(\$000)

<u>Balance at Month End</u>	<u>Electric Plant in Service(1)</u>	<u>Gas Plant in Service</u>	<u>Common Plant in Service</u>
1 Dec-06 (1/2 month)	\$ 2,848,219	\$ 811,376	\$ 146,503
2 Jan-07	5,707,918	1,630,054	294,044
3 Feb-07	5,719,092	1,631,885	294,068
4 Mar-07	5,711,494	1,628,196	294,563
5 Apr-07	5,721,085	1,630,373	294,574
6 May-07	5,750,583	1,635,509	295,377
7 Jun-07	5,766,519	1,641,557	294,383
8 Jul-07	5,780,647	1,644,994	293,135
9 Aug-07	5,804,922	1,649,001	293,400
10 Sep-07	5,823,915	1,651,815	294,555
11 Oct-07	5,843,043	1,657,659	293,990
12 Nov-07	5,863,021	1,663,006	294,123
13 Dec-07 (1/2 month)	<u>2,939,771</u>	<u>832,741</u>	<u>155,712</u>
14			
15 Total	69,280,229	19,708,166	3,538,427
16			
17			
18 Allocation of Common (2)	<u>3,007,663</u>	<u>530,764</u>	<u>(3,538,427)</u>
19			
20 Total	72,287,892	20,238,930	-
21			
22 Average (12) Monthly Balance	<u>\$ 6,023,991</u>	<u>\$ 1,686,578</u>	<u>\$ -</u>
23			
24			
25 Note: (1) Excludes New York Power Pool			
26			
27 (2) Electric - 85.0%			
28 Gas - 15.0%			

Niagara Mohawk, a National Grid Company
Monthly Balances of Non-Interest Bearing CWP
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007
(\$000)

<u>Balance at Month End</u>	<u>Electric (1)</u>	<u>Gas</u>	<u>Common</u>
29 Dec-06 (1/2 month)	\$ 15,839	\$ 3,182	\$ 2,161
30 Jan-07	45,403	1,602	4,745
31 Feb-07	43,683	1,418	5,085
32 Mar-07	41,486	2,264	5,167
33 Apr-07	37,138	1,777	5,458
34 May-07	15,946	4,604	5,814
35 Jun-07	14,406	2,253	5,942
36 Jul-07	15,408	1,793	6,232
37 Aug-07	18,628	2,286	6,575
38 Sep-07	21,446	2,731	6,751
39 Oct-07	23,509	2,525	6,896
40 Nov-07	27,829	2,225	7,252
41 Dec-07 (1/2 month)	<u>5,274</u>	<u>1,854</u>	<u>2,842</u>
42			
43 Total (including PSI)	325,995	30,514	70,920
44			
45 Allocation of Common (Note 2):	<u>60,282</u>	<u>10,638</u>	<u>(70,920)</u>
46			
47			
48 Total (including PSI)	386,277	41,152	-
49			
50			
51 Average (12) Monthly Balances	<u>\$ 32,190</u>	<u>\$ 3,429</u>	<u>\$ -</u>
52			
53			
54 Note: (1) Excludes New York Power Pool			
55			
56 (2) Electric - 85.0%			
57 Gas - 15.0%			

Niagara Mohawk, a National Grid Company
Monthly Balances of Depreciation Reserve
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007
(\$000)

<u>Balance at Month End</u>		<u>Electric Plant in Service (1)</u>	<u>Gas Plant in Service</u>	<u>Common Plant in Service</u>
1	Dec-06 (1/2 month)	\$ 1,034,233	\$ 279,200	\$ 39,784
2	Jan-07	2,076,937	560,967	80,559
3	Feb-07	2,087,720	563,702	81,550
4	Mar-07	2,053,474	560,512	85,037
5	Apr-07	2,064,519	563,500	86,028
6	May-07	2,075,552	566,130	87,258
7	Jun-07	2,083,388	568,518	87,033
8	Jul-07	2,092,732	570,981	86,122
9	Aug-07	2,102,432	573,728	86,857
10	Sep-07	2,112,475	574,957	87,983
11	Oct-07	2,123,016	577,552	89,098
12	Nov-07	2,133,434	579,957	90,234
13	Dec-07 (1/2 month)	1,071,475	291,249	45,918
14				
15	Total	25,111,387	6,830,953	1,033,461
16				
17				
18				
19	Allocation of Common (2)	878,442	155,019	(1,033,461)
20				
21	Total	25,989,829	6,985,972	-
22				
23				
24	Average (12) Monthly Balance	\$ 2,165,819	\$ 582,164	\$ -
25				
26				
27	Note: (1) Excludes New York Power Pool			
28				
29	(2) Electric - 85.0%			
30	Gas - 15.0%			

Niagara Mohawk, a National Grid Company
Monthly Balances of Retirement Work in Progress
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007
(\$000)

<u>Balance at Month End</u>		<u>Electric</u>	<u>Gas</u>	<u>Common</u>
31	Dec-06 (1/2 month)	\$ 13,336	\$ 1,222	\$ 1,141
32	Jan-07	24,708	2,289	2,310
33	Feb-07	25,578	2,300	2,361
34	Mar-07	25,351	2,210	2,421
35	Apr-07	24,968	2,318	2,586
36	May-07	24,683	2,380	2,542
37	Jun-07	23,394	2,408	2,485
38	Jul-07	23,748	2,592	2,902
39	Aug-07	23,265	2,681	2,518
40	Sep-07	23,992	2,640	2,499
41	Oct-07	23,992	2,715	2,620
42	Nov-07	24,836	2,804	2,651
43	Dec-07 (1/2 month)	13,117	1,321	1,279
44				
45	Total	294,968	29,880	30,315
46				
47	Allocation of Common (Note 1):	25,768	4,547	(30,315)
48				
49	Total	320,736	34,427	-
50				
51				
52	Average (12) Monthly Balance	\$ 26,728	\$ 2,869	\$ -
53				
54				
55	Note (1): Electric - 85.0%			
56	Gas - 15.0%			

Rate Base - Regulatory Assets and Liabilities
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

Psoft Activity	Description	Avg Bal (\$000's)		
		Total	Electric	Gas
1	134000 NYMEX Gas Contracts & Electric Swap Hedge	\$ 48,575	\$ 33,958	\$ 14,617
2	173000 Unbilled Revenue-Electric	139,987	139,987	-
3	173001 Unbilled Revenue-Gas (largely offset by 25451	12,063	-	12,063
4	181000 Unamortized Debt Expense	26,988	22,130	4,858
5	182306 Storm Costs	107,017	107,017	-
6	182324 Enhanced Severance Plan	192	159	33
7	182329 NIMO Acctg Change Capital Item	2,742	2,439	303
8	182503 NIMO-RPS prog cost deferral	16	16	-
9	182504 NIMO-Excs AFDC Elec Plt in Srv	274	274	-
10	182514 NYAFUDC-Elec Plnt in Sv(91-96)	607	607	-
11	182515 PFJ Tax Credit	6,448	6,448	-
12	182518 NY Sls Tx Audit Assmt(88-98)Gas	185	(0)	185
13	182520 NIMO-SBC Program Cost Deferred	777	777	-
14	182521 NIMO-Customer Serv Backout Cr	10,310	10,310	-
15	182525 NY-NYPA Tran Access Chrg(NTAC)	13,051	13,051	-
16	182526 NIMO-NYISO Tariff Sched 1 Cost	85,614	85,614	-
17	182527 NIMO-NYISO Tariff Sched 2 Cost	13,287	13,287	-
18	182529 NY-Fss/Hyd Auctn Incent(Dist)	18,556	18,556	-
19	182533 80/20 Rev Sharing Mechanism	8,824	(0)	8,824
20	182541 NIMO-Transm Revenue Adj Clause	4,416	4,416	-
21	182545 Elevated Voltage Deferral	4,479	4,479	-
22	182546 Low Income Allow Disc Prog	2,036	2,036	-
23	182547 NY-Cust Sv Bckout Cr 9/01-8/03	91,257	91,257	-
24	182549 NY-Electr Data Interchnge Cost	3,849	3,849	-
25	182551 NY Merger Empl Separation Cost	7,452	6,185	1,267
26	182552 NY Merger Rate Plan Strnd Cost	2,097,632	2,097,632	-
27	182555 Religious Rate Revenue	2,947	2,947	-
28	182556 NIMO City of Buffalo Settlement	684	684	-
29	182557 NY Cust Outreach&Education Prg	-	-	-
30	182558 SC7 Standby Service Lost Rev	1,173	1,173	-
31	182559 SIR Expenditures Deferred Elec	48,444	48,444	-
32	182560 Generation Stranded Cost Adj	44,276	44,276	-
33	182562 Pension Exp Deferred-Gas	-	-	-
34	182563 Incent Return on Ret Funding	53,473	44,383	9,090
35	182564 NIMO Oth Disputed Station Svc	13,090	13,090	-
36	182565 NIMO-Amort of Defer Recoveries	5,518	5,518	-
37	183000 Prelim Survey & Investigation	1,758	1,758	-
38	183100 PrelimSurvey&Investigation-Gas	10	-	10
39	189000 Loss on Reacquired Debt	50,089	41,073	9,016
40	253016 NY-NYS GRT Audit Refund(91-94)	(828)	(687)	(141)
41	253018 NY-TCC Auction Revenues	(16,734)	(16,734)	-
42	253025 NY-Nucl Fuel Disposal Costs	(160,138)	(160,138)	-
43	254050 Amort of Deferral Recoveries	(66,667)	(66,667)	-
44	254095 RPS Program Cost Deferred	(220)	(220)	-
45	254325 Medicare Act tax benefit defer	(43,353)	(35,988)	(7,365)
46	254350 Electric R&D Ventures Deferral	(18)	(18)	-
47	254351 Gas R&D Ventures Deferral	(209)	(0)	(209)
48	254502 NIMO-Purch ERC'S-Economic Dev	(951)	(951)	-
49	254503 NIMO-Gain - Redmpt-10.2% Bonds	-	-	-
50	254504 NIMO-Gain-Redmpt-8.35% Bonds	(513)	(513)	-
51	254509 NIMO-Gas Net Rev Share Mech	-	-	-
52	254510 NIMO-IRS Audit Refund (83-84)	(307)	(307)	-
53	254511 NIMO-Accr Unbilled Rev Def-Gas (see 173001	(11,415)	1	(11,415)
54	254512 NIMO-Gas Non-Core Rev Sharing	(2,983)	0	(2,983)
55	254513 NIMO-Electric Cust Svc Penalty	(26,693)	(26,693)	-
56	254515 NIMO-IBM Cust Sys Stimnt Agree	(1,090)	0	(1,090)
57	254516 NIMO-Environ Ins Recovery-Net	(10,266)	(10,266)	-
58	254518 NIMO-Pwrchoice Appx E Net Prop	(79,599)	(79,599)	-
59	254520 NIMO-Loss on Sale of Building	(1,705)	(1,705)	-
60	254521 NIMO-SBC deferral	(23)	(23)	-
61	254522 NIMO-MRA Debt Int Rate Savings	(92,534)	(92,534)	-
62	254524 NIMO-Petr BusTax Aud Ref 90-96	(5,753)	(5,753)	-
63	254525 NIMO-Exit Fees Deferred	(4,911)	(4,911)	-
64	254526 NIMO-Attil Rule EmployTrnsf CR	(167)	(167)	-
65	254529 NIMO-IRS Audit Ref Liab 89-90	(48)	(48)	-
66	254532 NIMO-Elec Serv Re-Estab Charge	(464)	(464)	-
67	254541 NIMO-Transm Revenue Adj Clause	(155)	(155)	-
68	254544 NIMO-Merger Rate Plan Delay	(12,555)	(12,555)	-
69	254547 NYS Sales Tax Refund 92-98	(1,477)	(1,477)	-
70	254548 Economic Development Fund	(14,056)	(14,056)	-
71	254549 Curr Prov Incidental Svc Rvls	(336)	(336)	-
72	254552 Meter Read Cnct/Discont Svc Chg	(116)	(116)	-
73	254553 Gas Millenium Fund Deferral	(241)	0	(241)
74	254554 NYPA Res HydroPwr Benefit Recon	(14,446)	(14,446)	-
75	254556 Low Income Allow Discount Prog	-	-	-
76	254557 NYPA ISO Memo of Understanding	(16,677)	(16,677)	-
77	254558 CTC Reset Reserve	-	-	-
78	254559 Bonus Depreciation Adjustment	(22,860)	(17,430)	(5,430)
79	254560 NIMO-Pens/OPEB Int on Recovery	(2,192)	(2,192)	-
80	254561 NIMO-Sta Svc Sales Growth Def	(1,623)	(1,623)	-
81	254562 NIMO-GRT Aud Ref (91-94)-Elec	(2,613)	(2,613)	-
82	254563 NIMO-GRT Aud Ref (91-94)-Gas	(538)	(0)	(538)
83	254564 NIMO-MHP Program Deferral	(67)	(67)	-
84	254565 NIMO-Serv Aggreg Lost Revenue	(76)	(76)	-
85	254567 NIMO-NEG Merger Savings	250	250	-
86	CORRECTIONS & UPDATES			
87	134000 RAV-21 D NYMEX Contracts get broker intere	(48,575)	(33,958)	(14,617)
88				
89				
90				
91	Grand Total	\$ 2,262,154	\$ 2,245,917	\$ 16,237

Niagara Mohawk, a National Grid Company
PSC Case No. 08-G-0609 Company Corrections and Updates

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Rate Base - Summary of Working Capital

ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007
(\$000's)

<u>Description</u>		<u>Reference</u>	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
1	Cash Allowance	pg. 16 ln 16	\$ 85,619	\$ 71,064	\$ 14,555
2					
3	Material and Supplies in Stock - General	pg. 16 ln 20	26,603	22,080	4,523
4					
5	Gas Underground Storage	pg. 16 ln 27	64,185	-	64,185
6					
7	Deferred Fuel Costs	pg. 16 ln 29	924	924	-
8					
9	Prepayments	pg. 17 ln 16	65,636	54,477	11,159
10					
11					
12	Total Working Capital		\$ 242,967	\$ 148,545	\$ 94,422

Niagara Mohawk, a National Grid Company
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Working Capital - Cash Allowance

ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007
(\$000's)

Description	Total	Electric	Gas
1 Departmental Expense (1)	\$ 684,955	\$ 568,513	\$ 116,442
2 Joint Proposal Allocation	100%	83%	17%
3			
4 Remove major non-cash items included Dept expense :			
5 Other	-	none	none
6 Subtotal	-	-	-
7			
8 Add major cash items not included in Dept expense:			
9 Other	-	-	-
10 Subtotal	-	-	-
11			
12 Total Adjustments	-	-	-
13			
14 Adjusted Amounts	684,955	568,513	116,442
15			
16 Departmental Cash Allowance - 1/8 (45 days)	\$ 85,619	\$ 71,064	\$ 14,555
17			
(1) The Departmental expenses used for cash allowance calc. are before adjustments except that they are reallocated between electric & gas based on the Joint Proposal. Bad debts and SBC expenses are excluded.			

Niagara Mohawk, a National Grid Company
PSC Case No. 08-G-0609 Company Corrections and Updates
Working Capital - Materials & Supplies and Gas Storage

ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007
(\$000's)

Description	Activity #	Average Balances		
		Total	Electric	Gas
20 Materials & Supplies (1)	154000, 163000 163010, 163100	\$ 26,603	\$ 22,080	\$ 4,523
21				
22 (1) Elec / gas allocation of M&S is based on total O&M shown on				
23 Cash Allowance page.		100%	83%	17%
24				
25				
26				
27 Gas Stored Underground - Current	164000	\$ 64,185	\$ -	\$ 64,185
28				
29 Fuel Costs Deferred	182501	\$ 924	\$ 924	\$ -

Niagara Mohawk, a National Grid Company
PSC Case No. 08-G-0609 Company Corrections and Updates
Working Capital - Prepayments
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007
(\$000's)

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Description	Activities #	Average Balances (\$000's)		
		Total	Electric	Gas
1 Dec-06	16500x Prepayments			
2 Jan-07	and 23600x Accrued Taxes			
3 Feb-07	1/2 month	46,194	\$ 38,341	\$ 7,853
4 Mar-07		158,907	131,893	27,014
5 Apr-07		88,417	73,386	15,031
6 May-07		72,304	60,012	12,292
7 Jun-07		25,108	20,840	4,268
8 Jul-07		(33,845)	(28,091)	(5,754)
9 Aug-07		(40,864)	(33,917)	(6,947)
10 Sep-07		(46,991)	(39,003)	(7,988)
11 Oct-07		(82,819)	(68,740)	(14,079)
12 Nov-07		92,002	76,362	15,640
13 Dec-07		56,858	47,192	9,666
		8,416	6,985	1,431
	1/2 month	3,359	2,788	571
	12 mo total	347,046	288,048	58,998
16 Total Prepayments avg bal. (Original Filing)		\$ 28,921	\$ 24,004	\$ 4,917
17 (1) Elec / gas allocation based on total O&M	pg. 16 ln 2	100%	83%	17%
19 Corrections & Updates				
20 RAV- INF (not sent) non-cash Tax				
21 Reserves pre FIN 48 in Cur Pay 236200 &				
22 236417 (crs)		36,715	30,473	6,242
23 Total Prepayments avg bal. (C&U Filing)		\$ 65,636	\$ 54,477	\$ 11,159
24 RY Forecast Change w/ inflation	5.3267% General inflation			6,574

Accum. Deferred Income Taxes - Rate Base and Capitalization Adjustments
ATTACHMENT 2: WORKPAPER For the Rate Year Ended December 31, 2007

FEDERAL

ACCUMULATED DEFERRED FEDERAL INCOME TAXES FOR THE YEAR ENDED
 December 31, 2007

ACCUMULATED DEFERRED FEDERAL INCOME TAXES FOR THE YEAR ENDED
 December 31, 2007

	ACTUAL *			ACTUAL WITHOUT FAS 109 BALANCES			RATE CASE ADJUSTMENTS			RATE CASE		
	TOTAL	ELEC	GAS	TOTAL	ELEC	GAS	TOTAL	ELEC	GAS	TOTAL	ELEC	GAS
2 pt Avg	1,535,702	1,347,818	188,087	1,375,952	1,223,449	152,503	154,479	148,887	7,492	1,530,431	1,370,436	159,995
* Includes FAS 109 DFIT balances.												

STATE

(\$000's)

Accum. Deferred Income Taxes - Rate Base and Capitalization Adjustments

ACCUMULATED DEFERRED STATE INCOME TAXES FOR THE YEAR ENDED
 December 31, 2007

ACCUMULATED DEFERRED STATE INCOME TAXES FOR THE YEAR ENDED
 December 31, 2007

	ACTUAL *			ACTUAL WITHOUT FAS 109 BALANCES			RATE CASE ADJUSTMENTS			RATE CASE		
	TOTAL	ELEC	GAS	TOTAL	ELEC	GAS	TOTAL	ELEC	GAS	TOTAL	ELEC	GAS
2 pt Avg	3,007	(3,071)	6,078	56,252	50,173	6,079	16,654	15,934	720	72,906	66,107	6,799

* Includes FAS 109 DFIT balances.

Source: NY Acctg