



October 14, 2011

Honorable Jaclyn A. Brillling
New York State Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, NY 12223

Re: Niagara Mohawk Power Corporation d/b/a National Grid
Annual Imbalance Reconciliation Filing PSC 219

Dear Secretary Brillling:

Niagara Mohawk Power Corporation d/b/a National Grid ("Company") hereby transmits for filing its annual reconciliation of purchase gas costs and gas cost recoveries for the twelve months ended August 31, 2011.

The Company over collected \$8.2 million for the twelve months ended August 31, 2011. This over collection consists of: 1) \$7.2 million gas expense over recoveries and 2) \$1.0 million loss under the Company's lost and unaccounted for ("LAUF") gas incentive mechanism. The LAUF incentive loss results from the fact that the actual LAUF rate for the period totaled 1.99% which exceeds the allowed LAUF rate of 1.62%.

Accordingly, the Company will refund the \$8.4 million over collection to firm sales customers provided service under SC 1, 2, 3, 12 and 13 through a \$0.1700 per dekatherm unit credit which includes interest and is set forth on the Monthly Cost of Gas ("MCG") Statement for the period from January 1, 2012 through December 31, 2012.

Work papers detailing our calculations and our responses to Staff's questions are included. If you have any questions about this filing please contact Melissa Nairn at (718) 403-2974 or Melissa.Nairn@us.ngrid.com.

Sincerely,

A handwritten signature in purple ink that reads "Melissa R. Nairn".

Melissa R. Nairn
Regulation & Gas Pricing

**NIAGARA MOHAWK
POWER CORPORATION
DBA
NATIONAL GRID**

**ANNUAL
IMBALANCE
RECONCILIATION**

12 MONTHS ENDED

AUGUST, 2011

NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID

**Annual Gas Cost Adjustment
12 Months Ended August 31, 2011**

Revenue:

GAC Revenue	\$ 327,228,636
Inter-dept Sales Credit	\$ -
Balancing	\$ 657,597
Off-System Sales	\$ 5,849,190
Transition Surcharge	\$ -
Interruptible Profits	\$ -
Wholesale Margin	\$ -
Marketer's Delivery Penalty Refunds	\$ 93,623
TC Penalty Refunds	\$ -
Cashouts	\$ 3,858,562
Total Adjusted GAC Revenue	\$ 337,687,608

Expense:

Actual Gas Expense	\$ 331,101,975
GCIM	\$ -
ISS Gas Expense	\$ -
R&D	\$ -
Pipeline Refunds	\$ (7,241) ¹
Gas Supplier Refunds	\$ -
Refunds less than \$10 K	\$ -
Total Adjusted Purchased Gas Expense	\$ 331,094,734

Current Period (Over) Under Collection \$ (6,592,874)

LAUF Adjustment \$ (1,031,808)

Annual Reconciliation Prior Period \$ -

Annual Reconciliation Prior Prior Period \$ (570,480)

MFC True-up Prior Period \$ -

MFC True-up Prior Prior Period \$ -

Total (Over) Under Collection \$ (8,195,161)

Total Principal Amount Due Customer \$ (8,195,161)

Total Interest Amount Due Customer \$ (197,676)

Total (Refund Amount) Surcharge Amount \$ (8,392,837)

Forecasted Mcf Sales (dt) 49,374,555

Principal Rate (Refund) Surcharge \$ (0.1660) per dt

Interest Rate (Refund) Surcharge \$ (0.0040) per dt

Total Rate (Refund) Surcharge \$ (0.1700) per dt

¹ Includes all Pipeline refunds excluding the Tennessee PCB Refunds

NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID
RECONCILIATION OF MONTHLY COST OF GAS REVENUES TO
PURCHASED GAS COSTS FOR TWELVE MONTHS ENDED AUGUST 31, 2011

Attachment 1
Page 1 of 16

MO/YR	PURCHASE COSTS		PURCHASES (Dts)	SALES (Dts)	MCG REVENUE RECOVERIES	BALANCING, STANDBY & IMBALANCE RECOVERIES	MCG DEFERRAL
	(1)		(2)	(3)	(4)	(5)	(6)=(1)-(4)-(5)
Sep-10	\$	7,113,581.71	1,012,772	935,589	\$ 5,345,158.58	\$ 79,714.79	\$ 1,688,708.34
Oct-10	\$	15,887,473.54	2,449,281	1,344,242	\$ 7,408,235.78	\$ 84,618.89	\$ 8,394,618.87
Nov-10	\$	31,938,642.18	5,097,500	3,247,322	\$ 20,224,495.04	\$ 100,042.75	\$ 11,614,104.39
Dec-10	\$	55,535,655.16	9,522,825	6,255,452	\$ 39,524,532.00	\$ 83,822.33	\$ 15,927,300.83
Jan-11	\$	62,666,658.96	10,354,743	8,962,057	\$ 57,637,009.03	\$ 73,220.46	\$ 4,956,429.47
Feb-11	\$	53,544,227.68	8,681,908	9,292,840	\$ 60,981,196.23	\$ 135,332.21	\$ (7,572,300.76)
Mar-11	\$	45,319,437.87	7,240,333	8,216,940	\$ 55,579,086.44	\$ 53,916.96	\$ (10,313,565.53)
Apr-11	\$	22,918,903.52	3,371,426	6,075,003	\$ 41,332,812.64	\$ 47,449.75	\$ (18,461,358.87)
May-11	\$	10,467,118.37	1,577,798	2,944,452	\$ 20,496,638.60	\$ 48,684.47	\$ (10,078,204.70)
Jun-11	\$	8,240,066.69	1,090,593	1,292,097	\$ 7,888,302.79	\$ 55,199.47	\$ 296,564.43
Jul-11	\$	6,895,952.85	810,044	973,807	\$ 5,640,770.55	\$ 63,000.85	\$ 1,192,181.45
Aug-11	\$	6,715,694.46	851,732	844,903	\$ 5,026,450.19	\$ 70,164.96	\$ 1,619,079.31
TOTALS	\$	327,243,412.99	52,060,955	50,384,705	\$ 327,084,687.87	\$ 895,167.89	\$ (736,442.77)

AVERAGE COMMODITY COST OF GAS	ALLOWED SYSTEM LOSS FACTOR	ACTUAL SYSTEM LOSS FACTOR	DIFFERENCE IN LOSS FACTORS	SALES IN PERIOD	LOSS DT'S/ALLOWED RECOVERY	LAUF Adjustment
(1)	(2)	(3)	(4) = (2) - (3)	(5)	(6) = (5) * (4)	(8) = (6) * (1)
5.53	1.62%	1.99%	-0.37%	50,384,705	(186,423) \$	(1,031,807.88)

ALLOWED EXPENSE PER	
CALCULATED PURCHASES	\$ 327,243,413
LAUF ADJUSTMENT	\$ (1,031,808)
MCG RECOVERIES	\$ 327,084,688
OTHER COMMODITY/DEMAND REVENUE	\$ 895,168
(OVER)/UNDER COLLECTION	<u>\$ (1,768,251)</u>

BALANCE OF GAS COSTS TO BE REFUNDED	\$ (1,768,251)
PLUS: AMOUNT TO BE REFUNDED (Att 1, Page 3 of 12)	\$ (6,426,911)

BALANCE	\$ (8,195,161)
PLUS: INTEREST (Attachment 1, Page 4 of 12)	\$ (197,676)

TOTAL AMOUNT TO BE COLLECTED/(REFUNDED)	<u>\$ (8,392,837)</u>
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ESTIMATED SC1,2, 3, 12 & 13 SALES 1/12-12/12 - DTH	49,374,555
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SURCHARGE (REFUND) - \$/DTH	<u>\$ (0.1700)</u>
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SURCHARGE (REFUND) - \$/THERM	<u>\$ (0.0170)</u>
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**NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID PURCHASES AND COSTS OF NATURAL GAS FOR
TWELVE MONTHS ENDED AUGUST 31,2011**

Attachment 1
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(DTS) MO/YR	VOLUMES DELIVERED	(Purchases) Cashout Overdeliveries	ESCO CAPACITY RELEASE	85% Share OSS CAPACITY RELEASES	NGV USE	(Sales) Cashout Underdeliveries	SALE FOR RESALE GAS COSTS	SC4 INTERRUPTIBLE SALES	SC8 STANDBY SALES SERVICE	BALANCE FOR PSC 219
	+	+	+	+	-	-	-	-	-	=
Sep-10	1,031,008	33,339	N/A	N/A	42	12,683	N/A	33,967	4,883	1,012,772
Oct-10	2,486,585	50,423	N/A	N/A	153	21,197	N/A	61,378	5,000	2,449,281
Nov-10	5,046,480	146,713	N/A	N/A	72	28,503	N/A	62,078	5,040	5,097,500
Dec-10	9,447,150	231,853	N/A	N/A	3	44,787	N/A	105,503	5,884	9,522,825
Jan-11	10,456,365	72,848	N/A	N/A	19	57,572	N/A	77,629	39,250	10,354,743
Feb-11	9,052,440	34,167	N/A	N/A	(3)	273,712	N/A	86,683	44,307	8,681,908
Mar-11	7,592,056	25,584	N/A	N/A	85	247,961	N/A	88,407	40,853	7,240,333
Apr-11	3,751,312	14,118	N/A	N/A	17	372,569	N/A	(851)	22,269	3,371,426
May-11	1,689,477	34,137	N/A	N/A	(7)	137,998	N/A	0	7,825	1,577,798
Jun-11	1,122,995	50,980	N/A	N/A	(21)	83,402	N/A	0	0	1,090,593
Jul-11	893,288	17,351	N/A	N/A	(0)	100,595	N/A	0	0	810,044
Aug-11	949,092	10,245	N/A	N/A	21	107,584	N/A	0	0	851,732
TOTALS	53,518,247	721,757	0	0	380	1,488,564	0	514,794	175,311	52,060,955

(DTS) MO/YR	VOLUMES DELIVERED	(Purchases) Cashout Overdeliveries	ESCO CAPACITY RELEASE	85% Share OSS CAPACITY RELEASES	NGV USE	(Sales) Cashout Underdeliveries	SALE FOR RESALE GAS COSTS	SC4 INTERRUPTIBLE SALES	SC8 STANDBY SALES SERVICE	BALANCE FOR PSC 219
	+	+	+	+	-	-	-	-	-	=
Sep-10	\$ 11,943,488.56	\$ 196,864.55	\$ (865,815.64)	\$ -	\$ 135.83	\$ 63,845.69	\$ 3,919,073.39	\$ 141,329.60	\$ 36,571.26	\$ 7,113,581.71
Oct-10	\$ 20,391,861.33	\$ 207,951.18	\$ (868,490.36)	\$ -	\$ 732.06	\$ 94,481.26	\$ 3,379,098.47	\$ 336,231.02	\$ 33,305.79	\$ 15,887,473.54
Nov-10	\$ 37,266,707.18	\$ 568,884.16	\$ (1,468,605.14)	\$ -	\$ 384.42	\$ 110,865.28	\$ 3,967,017.28	\$ 313,124.92	\$ 36,952.13	\$ 31,938,642.18
Dec-10	\$ 62,443,130.92	\$ 864,311.67	\$ (1,473,843.05)	\$ -	\$ 41.87	\$ 179,587.60	\$ 5,481,782.90	\$ 593,775.97	\$ 42,756.04	\$ 55,535,655.16
Jan-11	\$ 68,662,936.61	\$ 310,937.99	\$ (1,483,649.46)	\$ -	\$ 105.12	\$ 282,737.18	\$ 3,884,355.21	\$ 438,344.82	\$ 218,023.85	\$ 62,666,658.96
Feb-11	\$ 61,315,774.28	\$ 153,882.04	\$ (1,484,152.77)	\$ -	\$ 11.33	\$ 1,310,145.93	\$ 4,340,953.00	\$ 530,473.04	\$ 259,692.56	\$ 53,544,227.68
Mar-11	\$ 51,898,564.17	\$ 113,831.75	\$ (1,486,898.09)	\$ -	\$ 504.53	\$ 1,185,917.20	\$ 3,264,499.95	\$ 515,629.70	\$ 239,508.57	\$ 45,319,437.87
Apr-11	\$ 26,679,775.34	\$ 54,841.77	\$ (896,398.83)	\$ -	\$ 163.67	\$ 1,612,915.99	\$ 1,178,304.31	\$ (4,962.75)	\$ 132,893.54	\$ 22,918,903.52
May-11	\$ 12,797,480.44	\$ 136,603.62	\$ (905,553.99)	\$ -	\$ (127.97)	\$ 607,088.79	\$ 898,253.39	\$ -	\$ 56,197.49	\$ 10,467,118.37
Jun-11	\$ 10,349,673.09	\$ 224,042.49	\$ (913,268.38)	\$ -	\$ (158.57)	\$ 382,105.19	\$ 1,026,690.31	\$ -	\$ 11,743.58	\$ 8,240,066.69
Jul-11	\$ 8,849,482.74	\$ 73,026.37	\$ (914,949.92)	\$ -	\$ 12.37	\$ 471,026.97	\$ 628,340.21	\$ -	\$ 12,226.79	\$ 6,895,952.85
Aug-11	\$ 9,117,014.88	\$ 46,099.30	\$ (917,535.87)	\$ (288,063.90)	\$ 117.81	\$ 509,122.07	\$ 720,353.30	\$ -	\$ 12,226.78	\$ 6,715,694.46
TOTALS	\$ 381,715,889.52	\$ 2,951,276.89	\$ (13,679,161.49)	\$ (288,063.90)	\$ 1,922.47	\$ 6,809,839.15	\$ 32,688,721.71	\$ 2,863,946.32	\$ 1,092,098.38	\$ 327,243,412.99

**NIAGARA MOHAWK POWER
CORPORATION D/B/A NATIONAL GRID**

**Attachment 1
Page 3 of 16**

**SUMMARY OF REFUNDS & SURCHARGES
TO BE INCLUDED IN THE
AUGUST 31, 2011 MCG RECONCILIATION**

PSC 219

1) AUGUST 31, 2009 RECONCILIATION

BALANCE TO BE RECOVERED / (REFUNDED)	\$	(570,479.51)
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2) GAS SUPPLIER REFUNDS

PIPELINE REFUNDS INCLUDING INTEREST	\$	(7,241.07)
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**3) Gas Sale for Resale
Revenue (85% Share)**

BALANCE TO BE (REFUNDED)	\$	(5,849,190.13)
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TOTAL	\$	(6,426,910.70)
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**DEVELOPMENT OF DECLINING BALANCE INTEREST
BASED ON PROJECTED SALES FOR THE
PERIOD JAN 2012 THROUGH DEC 2012**

**ATTACHMENT 1
Page 4 of 16**

	Annual Interest	Monthly Interest	Principle Rate (per unit refund)
Interest effective 1/1/2011	3.35%	0.28%	Total to be collected / Forecasted Sales
Interest effective 1/1/2012	3.40%	0.28%	-0.1660

NIAGARA MOHAWK SALES (DTS) (1)		(REFUND) / SURCHARGE AMORTIZATION (2)	BALANCE	MONTHLY AVERAGE	INTEREST
Sep-11		\$ -	\$ (8,195,161.35)	\$ (8,195,161.35)	\$ (22,878.16)
Oct-11		\$ -	\$ (8,195,161.35)	\$ (8,195,161.35)	\$ (22,878.16)
Nov-11		\$ -	\$ (8,195,161.35)	\$ (8,195,161.35)	\$ (22,878.16)
Dec-11		\$ -	\$ (8,195,161.35)	\$ (8,195,161.35)	\$ (22,878.16)
Jan-12	8,542,538	\$ (1,417,885.69)	\$ (6,777,275.65)	\$ (7,486,218.50)	\$ (21,210.95)
Feb-12	8,882,962	\$ (1,474,389.19)	\$ (5,302,886.46)	\$ (6,040,081.06)	\$ (17,113.56)
Mar-12	7,864,069	\$ (1,305,273.81)	\$ (3,997,612.65)	\$ (4,650,249.56)	\$ (13,175.71)
Apr-12	5,383,598	\$ (893,566.63)	\$ (3,104,046.02)	\$ (3,550,829.34)	\$ (10,060.68)
May-12	2,542,568	\$ (422,014.05)	\$ (2,682,031.97)	\$ (2,893,039.00)	\$ (8,196.94)
Jun-12	1,334,005	\$ (221,417.39)	\$ (2,460,614.58)	\$ (2,571,323.28)	\$ (7,285.42)
Jul-12	884,515	\$ (146,811.31)	\$ (2,313,803.27)	\$ (2,387,208.93)	\$ (6,763.76)
Aug-12	939,650	\$ (155,962.62)	\$ (2,157,840.65)	\$ (2,235,821.96)	\$ (6,334.83)
Sep-12	1,351,177	\$ (224,267.56)	\$ (1,933,573.09)	\$ (2,045,706.87)	\$ (5,796.17)
Oct-12	1,879,405	\$ (311,942.61)	\$ (1,621,630.48)	\$ (1,777,601.79)	\$ (5,036.54)
Nov-12	3,621,574	\$ (601,106.82)	\$ (1,020,523.67)	\$ (1,321,077.07)	\$ (3,743.05)
Dec-12	6,148,494	\$ (1,020,523.67)	\$ -	\$ (510,261.83)	\$ (1,445.74)
TOTALS	49,374,555	\$ (8,195,161.35)			\$ (197,675.99)
TOTAL TO BE (REFUNDED)/ SURCHARGED					\$ (8,392,837.34)

**DEVELOPMENT OF PIPELINE REFUND INTEREST
BASED ON DATE RECEIVED FOR THE
PERIOD SEP 2010 THROUGH AUG 2011**

**ATTACHMENT 1
Page 5 of 16**

	Annual Interest	Monthly Interest
interest effective 1/1/10	4.20%	0.35%
interest effective 1/1/11	3.35%	0.28%

NIAGARA MOHAWK						
	REFUND RECEIVED		REFUND BALANCE		MONTHLY AVERAGE	INTEREST
Sep-10	\$ (3,658.46)	\$	(3,658.46)	\$	(3,658.46)	\$ (12.80)
Oct-10	\$ -	\$	(3,658.46)	\$	(3,658.46)	\$ (12.80)
Nov-10	\$ -	\$	(3,658.46)	\$	(3,658.46)	\$ (12.80)
Dec-10	\$ -	\$	(3,658.46)	\$	(3,658.46)	\$ (12.80)
Jan-11	\$ -	\$	(3,658.46)	\$	(3,658.46)	\$ (10.21)
Feb-11	\$ (3,388.20)	\$	(7,046.66)	\$	(5,352.56)	\$ (14.94)
Mar-11	\$ -	\$	(7,046.66)	\$	(7,046.66)	\$ (19.67)
Apr-11	\$ -	\$	(7,046.66)	\$	(7,046.66)	\$ (19.67)
May-11	\$ -	\$	(7,046.66)	\$	(7,046.66)	\$ (19.67)
Jun-11	\$ -	\$	(7,046.66)	\$	(7,046.66)	\$ (19.67)
Jul-11	\$ -	\$	(7,046.66)	\$	(7,046.66)	\$ (19.67)
Aug-11	\$ -	\$	(7,046.66)	\$	(7,046.66)	\$ (19.67)
TOTALS	\$ (7,046.66)				\$	(194.41)
TOTAL TO BE REFUNDED						\$ (7,241.07)

Gas Supplier Refunds

Transco Refund Sept 2010	\$ (3,658.46)
Transco Refund Feb 2011	\$ (3,388.20)
Interest to be refunded	\$ (194.41)

**DEVELOPMENT OF INTEREST ON REMAINING BALANCE
FROM 2008/09 ANNUAL RECONCILIATION
PERIOD JAN 2011 THROUGH AUG 2011**

**ATTACHMENT 1
Page 6 of 16**

	Annual Interest	Monthly Interest
interest effective 1/1/11	3.35%	0.28%

NIAGARA MOHAWK		REFUND	MONTHLY	
REFUND	BALANCE	BALANCE	AVERAGE	INTEREST
Jan-11 \$	(538,280.05)	\$ (538,280.05)	\$ (538,280.05)	\$ (1,502.70)
Feb-11 \$	-	\$ (538,280.05)	\$ (538,280.05)	\$ (1,502.70)
Mar-11 \$	-	\$ (538,280.05)	\$ (538,280.05)	\$ (1,502.70)
Apr-11 \$	-	\$ (538,280.05)	\$ (538,280.05)	\$ (1,502.70)
May-11 \$	-	\$ (538,280.05)	\$ (538,280.05)	\$ (1,502.70)
Jun-11 \$	-	\$ (538,280.05)	\$ (538,280.05)	\$ (1,502.70)
Jul-11 \$	-	\$ (538,280.05)	\$ (538,280.05)	\$ (1,502.70)
Aug-11 \$	-	\$ (538,280.05)	\$ (538,280.05)	\$ (1,502.70)
TOTALS \$	(538,280.05)			\$ (12,021.59)
TOTAL TO BE REFUNDED \$				(550,301.64)
Remaining Refund				
Remaning Refund as of Aug 2010 (1)		\$ (558,457.92)		
Amount Interest (2)		\$ (20,177.87)		
Amount Principal (3) = (1) - (2)		<u>\$ (538,280.05)</u>		
Additional Interest on Principal (4)		\$ (12,021.59)		
Adjusted Total Remaining Refund (1) + (4)		\$ (570,479.51)		

LOST & UNACCOUNTED FOR GAS (LAUF) ADJUSTMENT CALCULATION

	(A)	(B)	(C)
	Gas Supply Commodity Costs Plus Hedging	Total Variable Cost (1) = (2)	PURCHASES (Dt's)
Sep-10	\$ 8,565,471.78	\$ 8,565,471.78	1,012,772
Oct-10	\$ 16,928,607.78	\$ 16,928,607.78	2,449,281
Nov-10	\$ 31,598,547.27	\$ 31,598,547.27	5,097,500
Dec-10	\$ 56,760,399.20	\$ 56,760,399.20	9,522,825
Jan-11	\$ 62,979,589.33	\$ 62,979,589.33	10,354,743
Feb-11	\$ 55,677,987.78	\$ 55,677,987.78	8,681,908
Mar-11	\$ 46,215,208.24	\$ 46,215,208.24	7,240,333
Apr-11	\$ 23,099,211.68	\$ 23,099,211.68	3,371,426
May-11	\$ 9,327,085.90	\$ 9,327,085.90	1,577,798
Jun-11	\$ 6,711,245.87	\$ 6,711,245.87	1,090,593
Jul-11	\$ 5,187,148.93	\$ 5,187,148.93	810,044
Aug-11	\$ 5,458,056.30	\$ 5,458,056.30	851,732
	\$ 328,508,560.06	\$ 328,508,560.06	52,060,955

INVOICE VARIABLE COSTS	CASHOUT OVER - DELIVERIES	TOTAL VARIABLE COSTS	NGV USE	CASHOUT UNDER- DELIVERIES	SALE FOR RESALE COMMODITY COSTS	SC4 INTERRUPTIBLE SALES COMMODITY	SC8 STANDY SALES SERVICE COMMODITY	BALANCE FOR PSC 219
(1)	(2)	(3) = (2) + (1)	(4)	(5)	(6)	(7)	(8)	(9) = (3)-(4)-(5)-(6)-(7)-(8)
\$ 328,508,560.06	\$ 2,951,276.89	\$ 331,459,836.95	\$ 1,922.47	\$ 6,809,839.15	\$ 32,688,721.71	\$ 2,863,946.32	\$ 950,784.32	\$ 288,144,622.97

AVERAGE COMMODITY COST OF GAS	ALLOWED SYSTEM LOSS FACTOR	ACTUAL SYSTEM LOSS FACTOR	DIFFERENCE IN LOSS FACTORS	SALES IN PERIOD	LOSS DT'S/ALLOWED RECOVERY	LAUF Adjustment
(I) = (9) / (C)	(J)	(L)	(M) = (J) - (L)	(N)	(O) = (M) * (N)	(P) = (I) * (O)
\$ 5.53	1.62%	1.99%	-0.37%	\$50,384,705.40	(186,423)	\$ (1,031,807.88)

GAS YEAR 09/01/2010 08/31/2011	Sep-10		Fixed \$ Charges	SEPT 2010-Revised		Fixed \$ Charges	Oct-10		Fixed \$ Charges	OCT 2010-Revised		Fixed \$ Charges
	DTH	Commodity		DTH	Commodity		DTH	Commodity		DTH	Commodity	
COMMODITY												
CONTRACT GAS - Producer Dollars	1,033,681	\$	16,266,229.41	1,031,008	\$	16,858,277.75	2,190,834	\$	18,135,853.98	2,452,436	\$	18,828,565.12
Hedging Broker Fees		\$	-		\$	-		\$	-		\$	-
Hedging Adjustment	0	\$	-		\$	-		\$	2,166,005.00		\$	2,166,005.00
Storage Injections DTI	1,846,506			1,849,961			974,751			945,738		
Storage Injections NYSEG	0			0			0			0		
Storage Injections NFG Roselake	0			0			0			0		
Storage Injections Adjustment	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Prior Month Invoice True-Ups		\$	-		\$	-		\$	-		\$	-
TOTAL INVOICE COSTS (AS DELIVERED UNITS)	2,880,187	\$	16,266,229.41	2,880,969	\$	16,858,277.75	3,165,585	\$	20,301,858.98	3,398,174	\$	20,994,570.12
Minus Storage Injections DTI	-1,846,506	\$	(8,173,054.84)	-1,849,961	\$	(8,375,990.80)	-974,751	\$	(4,349,064.66)	-945,738	\$	(4,341,508.63)
Minus Storage Injections NYSEG	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Minus Storage Injections NFG Roselake	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Injection Adj	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Plus Withdrawals	0	\$	-	0	\$	-	34,603	\$	176,981.05	34,149	\$	174,982.11
Withdraw Adj	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Plus Withdrawal Out Charge		\$	-		\$	-		\$	-		\$	-
TOTAL - DELIVERED TO CUSTOMERS	1,033,681	\$	8,093,174.57	1,031,008	\$	8,482,286.96	2,225,437	\$	16,129,775.37	2,486,585	\$	16,828,043.59
CITY GATE DELIVERED DT'S (less Resale)	1,033,681			1,031,008			2,225,437			2,486,585		
City Gate Reco for checking purposes only	1,033,681			1,031,008			2,225,437			2,486,585		
Difference in DTH	0			0			0			0		
PIPELINE VARIABLE AND FIXED CHARGES												
TRANSPORTATION- COMMODITY CHARGES												
DTI includes withdrawal transportation		\$	18,390.85		\$	13,976.90		\$	42,451.29		\$	45,343.51
TENNESSEE		\$	-		\$	-		\$	-		\$	-
IR		\$	3,743.62		\$	3,738.90		\$	4,625.39		\$	4,702.27
TXG		\$	24,571.61		\$	22,933.46		\$	29,574.41		\$	25,736.92
TRANSCO		\$	3,409.54		\$	3,686.38		\$	5,273.14		\$	5,638.12
TOTAL TRANSPORTATION - COMMODITY		\$	50,115.62		\$	44,335.65		\$	81,924.23		\$	81,420.82
		\$	-		\$	-		\$	-		\$	-
		\$	-		\$	-		\$	-		\$	-
TRANSPORTATION DEMAND CHARGES												
TENN- FT-A& FT-B Reservation		\$	171,080.00		\$	171,080.00		\$	171,080.00		\$	169,902.83
TEXAS GAS FT(D1 + D2)		\$	261,120.00		\$	261,120.00		\$	269,824.00		\$	269,824.00
DTI TF-ALL SOURCES inc FT/FTNN GSS Reservation		\$	1,335,825.99		\$	1,335,825.99		\$	1,409,709.69		\$	1,409,709.69
IROQUOIS DEMAND CHARGES		\$	340,550.23		\$	340,387.80		\$	340,383.97		\$	340,383.97
TRANSCONTINENTAL (Zone 2 + Zone 3)		\$	114,899.29		\$	114,899.40		\$	118,729.27		\$	118,729.38
DTI GSS STORAGE DEMAND		\$	-		\$	822,403.83		\$	-		\$	822,403.83
DTI GSS STORAGE CAPACITY		\$	-		\$	332,299.76		\$	-		\$	332,299.76
TOTAL DEMAND CHARGES		\$	3,378,179.11		\$	3,378,016.78		\$	3,464,430.52		\$	3,463,253.54
STORAGE INJ CHARGE DTI		\$	38,776.63		\$	38,849.18		\$	19,743.11		\$	19,143.37
STORAGE INJ CHARGE NYSEG		\$	-		\$	-		\$	-		\$	-
STORAGE INJ CHARGE NFG		\$	-		\$	-		\$	-		\$	-
TOTAL COST	1,033,681	\$	8,182,066.81	1,031,008	\$	8,565,471.78	2,225,437	\$	16,231,442.71	2,486,585	\$	16,928,607.78
TOTAL COMMODITY & FIXED COSTS		\$	11,560,245.92		\$	11,943,488.56		\$	19,695,873.23		\$	20,391,861.33

GAS YEAR 09/01/2010 08/31/2011	Nov-10			NOV 2010-Revised			Dec-10			DEC 2010-Revised		
	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges
COMMODITY												
CONTRACT GAS - Producer Dollars	4,481,781	\$ 21,682,781.92		4,406,663	\$ 22,557,990.54		6,584,906	\$ 37,031,011.48		6,507,967	\$ 37,176,650.99	
Hedging Broker Fees		\$ -			\$ 1,977.80			\$ -			\$ 7,400.80	
Hedging Adjustment		\$ 5,810,705.00			\$ 5,810,705.00			\$ 4,133,445.00			\$ 4,133,445.00	
Storage Injections DTI	61,382	\$ -		61,382	\$ -		0	\$ -		0	\$ -	
Storage Injections NYSEG	0	\$ -		0	\$ -		0	\$ -		0	\$ -	
Storage Injections NFG Roselake	0	\$ -		0	\$ -		0	\$ -		0	\$ -	
Storage Injections Adjustment	0	\$ -		0	\$ -		0	\$ -		0	\$ -	
Prior Month Invoice True-Ups		\$ -			\$ -			\$ -			\$ -	
TOTAL INVOICE COSTS (AS DELIVERED UNITS)	4,543,163	\$ 27,493,486.92		4,468,045	\$ 28,370,673.34		6,584,906	\$ 41,164,456.48		6,507,967	\$ 41,317,496.79	
Minus Storage Injections DTI	-61,382	\$ 253,399.88	ERROR!	-61,382	\$ (258,144.30)		0	\$ -		0	\$ -	
Minus Storage Injections NYSEG	0	\$ -	Corrected in Revised	0	\$ -		0	\$ -		0	\$ -	
Minus Storage Injections NFG Roselake	0	\$ -		0	\$ -		0	\$ -		0	\$ -	
Injection Adj	0	\$ -		0	\$ -		0	\$ -		0	\$ -	
Plus Withdrawals	501,407	\$ 2,567,189.75		639,817	\$ 3,276,048.92		3,334,250	\$ 17,072,328.68		2,939,183	\$ 15,049,470.87	
Withdraw Adj.	0	\$ -		0	\$ -		0	\$ -		0	\$ -	
Plus Withdrawal Out Charge		\$ 7,172.41			\$ 10,411.83			\$ 60,016.50			\$ 52,905.29	
TOTAL - DELIVERED TO CUSTOMERS	4,983,188	\$ 30,321,248.95		5,046,480	\$ 31,398,989.79		9,919,156	\$ 58,296,801.66		9,447,150	\$ 56,419,872.95	
CITY GATE DELIVERED DT'S (less Resale)	4,983,188			5,046,480			9,919,156			9,447,150		
City Gate Reco for checking purposes only	4,983,188			5,046,480			9,919,156			9,447,150		
Difference in DTH	0			0			0			0		
PIPELINE VARIABLE AND FIXED CHARGES												
TRANSPORTATION- COMMODITY CHARGES												
DTI includes withdrawal transportation		\$ 100,583.56			\$ 113,270.84			\$ 221,090.89			\$ 236,806.62	
TENNESSEE		\$ 31,041.73			\$ 35,976.96			\$ 49,823.20			\$ 49,345.80	
IR		\$ 4,910.32			\$ 5,055.94			\$ 7,780.01			\$ 7,694.40	
TXG		\$ 41,631.46			\$ 34,279.32			\$ 39,203.57			\$ 35,409.67	
TRANSCO		\$ 8,932.76			\$ 10,974.42			\$ 11,745.08			\$ 11,269.76	
TOTAL TRANSPORTATION - COMMODITY		\$ 187,099.83	\$ -		\$ 199,557.48	\$ -		\$ 329,642.74	\$ -		\$ 340,526.25	\$ -
PRODUCERS RES CHARGES			\$ -			\$ -			\$ -			\$ -
PRODUCERS RES LETTER OF CREDIT FEES			\$ -			\$ -			\$ -			\$ -
TRANSPORTATION DEMAND CHARGES												
TENN- FT-A& FT-B Reservation		\$ 171,080.00			\$ 171,080.00			\$ 171,080.00			\$ 170,464.42	
TEXAS GAS FT(D1 + D2)		\$ 340,722.43			\$ 340,722.43			\$ 352,079.85			\$ 352,079.75	
DTI TF-ALL SOURCES including FT/FTNN GSS Reservation		\$ 3,564,671.22			\$ 3,541,157.50			\$ 3,533,011.50			\$ 3,541,157.50	
IROQUOIS DEMAND CHARGES		\$ 340,383.97			\$ 340,383.97			\$ 340,650.49			\$ 340,383.97	
TRANSCONTINENTAL (Zone 2 + Zone 3)		\$ 114,899.29			\$ 114,899.29			\$ 118,729.27			\$ 118,729.36	
DTI GSS STORAGE DEMAND		\$ -	\$ 822,403.83		\$ 827,616.96			\$ -	\$ 827,616.96		\$ 827,616.96	
DTI GSS STORAGE CAPACITY		\$ -	\$ 332,299.76		\$ 332,299.76			\$ -	\$ 332,299.76		\$ 332,299.76	
TOTAL DEMAND CHARGES		\$ -	\$ 5,686,460.51		\$ 5,668,159.91			\$ -	\$ 5,675,467.83		\$ 5,682,731.72	
STORAGE INJ CHARGE DTI		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -
STORAGE INJ CHARGE NYSEG		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -
STORAGE INJ CHARGE NFG		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -
TOTAL COST	4,983,188	\$ 30,508,348.79	\$ 5,686,460.51	5,046,480	\$ 31,598,547.27	\$ 5,668,159.91	9,919,156	\$ 58,626,444.40	\$ 5,675,467.83	9,447,150	\$ 56,760,399.20	\$ 5,682,731.72
TOTAL COMMODITY & FIXED COSTS			\$ 36,194,809.29			\$ 37,266,707.18			\$ 64,301,912.23			\$ 62,443,130.92

GAS YEAR 09/01/2010 08/31/2011	Jan-11			JAN 2011-Revised			Feb-11			FEB 2011-Revised		
	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges
CONTRACT GAS - Producer Dollars	6,991,723	\$	38,539,958.08	7,018,156	\$	39,227,361.62	5,237,965	\$	29,814,349.98	5,256,153	\$	30,579,280.55
Hedging Broker Fees		\$	-		\$	2,393.60		\$	-		\$	2,073.60
Hedging Adjustment		\$	5,768,440.00		\$	5,768,440.00		\$	5,277,420.00		\$	5,277,420.00
Storage Injections DTI	8,369	\$	-	8,369	\$	-	0	\$	-	0	\$	-
Storage Injections NYSEG	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Storage Injections NFG Roselake	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Storage Injections Adjustment	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Prior Month Invoice True-Ups		\$	-		\$	-		\$	-		\$	-
TOTAL INVOICE COSTS (AS DELIVERED UNITS)	7,000,092	\$	44,308,398.08	7,026,525	\$	44,998,195.22	5,237,965	\$	35,091,769.98	5,256,153	\$	35,858,774.15
Minus Storage Injections DTI	-8,369	\$	(42,534.61)	-8,369	\$	(42,521.56)	0	\$	-	0	\$	-
Minus Storage Injections NYSEG	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Minus Storage Injections NFG Roselake	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Injection Adj	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Plus Withdrawals	3,472,639	\$	17,780,822.81	3,438,209	\$	17,604,528.19	3,815,376	\$	19,535,715.55	3,796,287	\$	19,437,974.91
Withdraw Adj.	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Plus Withdrawal Out Charge		\$	62,356.86		\$	61,737.11		\$	68,676.77		\$	68,333.17
TOTAL - DELIVERED TO CUSTOMERS	10,464,362	\$	62,109,043.15	10,456,365	\$	62,621,938.97	9,053,341	\$	54,696,162.30	9,052,440	\$	55,365,082.24
CITY GATE DELIVERED DT'S (less Resale)	10,464,362			10,456,365			9,053,341			9,052,440		
City Gate Reco for checking purposes only	10,464,362			10,456,365			9,053,341			9,052,440		
Difference in DTH	0			0			0			0		
PIPELINE VARIABLE AND FIXED CHARGES												
TRANSPORTATION- COMMODITY CHARGES												
DTI includes withdrawal transportation		\$	250,619.31		\$	256,492.43		\$	210,339.63		\$	225,657.63
TENNESSEE		\$	98,086.69		\$	46,592.16		\$	42,248.89		\$	41,779.80
IR		\$	7,732.41		\$	7,864.90		\$	6,583.21		\$	6,541.15
TXG		\$	40,509.50		\$	35,432.03		\$	36,573.88		\$	31,987.84
TRANSCO		\$	11,287.82		\$	11,268.84		\$	10,031.46		\$	6,939.11
TOTAL TRANSPORTATION - COMMODITY		\$	408,235.73		\$	357,650.36		\$	305,777.07		\$	312,905.54
PRODUCERS RES CHARGES			\$ -			\$ -			\$ -			\$ -
PRODUCERS RES LETTER OF CREDIT FEES			\$ -			\$ -			\$ -			\$ -
TRANSPORTATION DEMAND CHARGES												
TENN- FT-A& FT-B Reservation		\$	171,080.00		\$	171,080.00		\$	171,080.00		\$	171,080.00
TEXAS GAS FT(D1 + D2)		\$	352,079.85		\$	352,079.71		\$	318,007.60		\$	318,007.50
DTI TF-ALL SOURCES including FT/FTNN GSS Reservation		\$	3,541,157.50		\$	3,541,157.50		\$	3,541,157.50		\$	3,541,157.40
IROQUOIS DEMAND CHARGES		\$	340,697.30		\$	340,383.97		\$	340,383.97		\$	340,385.43
TRANSCONTINENTAL (Zone 2 + Zone 3)		\$	118,729.27		\$	118,729.38		\$	107,239.34		\$	107,239.44
DTI GSS STORAGE DEMAND		\$	827,616.96		\$	827,616.96		\$	827,616.96		\$	827,616.96
DTI GSS STORAGE CAPACITY		\$	332,299.76		\$	332,299.76		\$	332,299.76		\$	332,299.76
TOTAL DEMAND CHARGES		\$	5,683,660.64		\$	5,683,347.28		\$	5,637,785.13		\$	5,637,786.50
STORAGE INJ CHARGE DTI		\$	-		\$	-		\$	-		\$	-
STORAGE INJ CHARGE NYSEG		\$	-		\$	-		\$	-		\$	-
STORAGE INJ CHARGE NFG		\$	-		\$	-		\$	-		\$	-
TOTAL COST	10,464,362	\$	62,517,278.88	10,456,365	\$	62,979,589.33	9,053,341	\$	55,001,939.37	9,052,440	\$	55,677,987.78
TOTAL COMMODITY & FIXED COSTS			\$ 68,200,939.52			\$ 68,662,936.61			\$ 60,639,724.50			\$ 61,315,774.28

GAS YEAR 09/01/2010 08/31/2011	Mar-11			MAR 2011-Revised			Apr-11			APR 2011-Revised		
	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges
COMMODITY												
CONTRACT GAS - Producer Dollars	4,909,279	\$	24,818,838.59	4,842,175	\$	26,638,481.49	3,558,425	\$	21,923,126.29	3,569,664	\$	22,484,385.57
Hedging Broker Fees		\$	-		\$	1,996.80		\$	-		\$	-
Hedging Adjustment		\$	5,229,715.00		\$	5,229,715.00		\$	3,451,105.00		\$	3,451,105.00
Storage Injections DTI	0	\$	-	10,744	\$	-	709,753	\$	-	786,900	\$	-
Storage Injections NYSEG	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Storage Injections NFG Roselake	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Storage Injections Adjustment	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Prior Month Invoice True-Ups		\$	-		\$	-		\$	-		\$	-
TOTAL INVOICE COSTS (AS DELIVERED UNITS)	4,909,279	\$	30,048,553.59	4,852,919	\$	31,870,193.29	4,268,178	\$	25,374,231.29	4,356,564	\$	25,935,490.57
Minus Storage Injections DTI	0	\$	-	-10,744	\$	(52,345.49)	-709,753	\$	(3,502,462.62)	-786,900	\$	(3,882,698.74)
Minus Storage Injections NYSEG	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Minus Storage Injections NFG Roselake	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Injection Adj	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Plus Withdrawals	2,842,619	\$	14,554,148.10	2,749,881	\$	14,078,288.16	181,673	\$	918,157.45	181,648	\$	917,185.29
Withdraw Adj.	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Plus Withdrawal Out Charge		\$	51,123.73		\$	49,304.47		\$	-		\$	-
TOTAL - DELIVERED TO CUSTOMERS	7,751,898	\$	44,653,825.42	7,592,056	\$	45,945,440.42	3,740,098	\$	22,789,926.13	3,751,312	\$	22,969,977.12
CITY GATE DELIVERED DT'S (less Resale)	7,751,898			7,592,056			3,740,098			3,751,312		
City Gate Reco for checking purposes only	7,751,898			7,592,056			3,740,098			3,751,312		
Difference in DTH	0			0			0			0		
PIPELINE VARIABLE AND FIXED CHARGES												
TRANSPORTATION- COMMODITY CHARGES												
DTI includes withdrawal transportation		\$	176,077.33		\$	177,791.18		\$	92,972.76		\$	82,438.22
TENNESSEE		\$	48,725.16		\$	50,222.79		\$	2,552.01		\$	2,305.04
IR		\$	6,327.08		\$	6,320.13		\$	4,834.51		\$	4,827.58
TXG		\$	35,515.31		\$	35,433.72		\$	26,186.09		\$	26,279.96
TRANSCO		\$	10,974.27		\$	-		\$	-		\$	-
TOTAL TRANSPORTATION - COMMODITY		\$	277,619.15		\$	269,767.82		\$	126,545.37		\$	115,850.80
PRODUCERS RES CHARGES			\$ -			\$ -			\$ -			\$ -
PRODUCERS RES LETTER OF CREDIT FEES			\$ -			\$ -			\$ -			\$ -
TRANSPORTATION DEMAND CHARGES												
TENN- FT-A& FT-B Reservation		\$	171,080.00		\$	171,080.00		\$	171,080.00		\$	169,560.15
TEXAS GAS FT(D1 + D2)		\$	352,079.85		\$	352,079.76		\$	261,120.00		\$	261,120.00
DTI TF-ALL SOURCES including FT/FTNN GSS Reservation		\$	3,541,157.50		\$	3,541,157.50		\$	1,635,272.56		\$	1,533,822.29
IROQUOIS DEMAND CHARGES		\$	340,618.29		\$	340,392.57		\$	340,504.60		\$	340,387.10
TRANSCONTINENTAL (Zone 2 + Zone 3)		\$	118,729.27		\$	118,729.38		\$	114,899.29		\$	115,757.40
DTI GSS STORAGE DEMAND		\$	-		\$	827,616.96		\$	-		\$	827,616.96
DTI GSS STORAGE CAPACITY		\$	-		\$	332,299.76		\$	-		\$	332,299.76
TOTAL DEMAND CHARGES		\$	-		\$	5,683,355.93		\$	-		\$	3,580,563.66
STORAGE INJ CHARGE DTI		\$	-		\$	-		\$	12,779.54		\$	13,383.76
STORAGE INJ CHARGE NYSEG		\$	-		\$	-		\$	-		\$	-
STORAGE INJ CHARGE NFG		\$	-		\$	-		\$	-		\$	-
TOTAL COST	7,751,898	\$	44,931,444.57	7,592,056	\$	46,215,208.24	3,740,098	\$	22,929,251.04	3,751,312	\$	23,099,211.68
TOTAL COMMODITY & FIXED COSTS			\$ 50,615,026.20			\$ 51,898,564.17			\$ 26,612,044.21			\$ 26,679,775.34

GAS YEAR 09/01/2010 08/31/2011	May-11		MAY 2011-Revised		Jun-11		JUN 2011-Revised	
	DTH	Commodity Fixed \$ Charges	DTH	Commodity Fixed \$ Charges	DTH	Commodity Fixed \$ Charges	DTH	Commodity Fixed \$ Charges
COMMODITY								
CONTRACT GAS - Producer Dollars	1,724,467	\$ 20,859,110.82	1,689,477	\$ 20,800,783.93	1,136,566	\$ 19,228,213.31	1,122,995	\$ 19,362,142.15
Hedging Broker Fees	\$	-	\$	-	\$	-	\$	-
Hedging Adjustment	\$	-	\$	-	\$	-	\$	-
Storage Injections DTI	2,324,783	\$	2,312,410	\$	2,489,544	\$	2,508,016	\$
Storage Injections NYSEG	0	\$	0	\$	0	\$	0	\$
Storage Injections NFG Roselake	0	\$	0	\$	0	\$	0	\$
Storage Injections Adjustment	0	\$	0	\$	0	\$	0	\$
Prior Month Invoice True-Ups					\$	-		
TOTAL INVOICE COSTS (AS DELIVERED UNITS)	4,049,250	\$ 20,859,110.82	4,001,887	\$ 20,800,783.93	3,626,110	\$ 19,228,213.31	3,631,011	\$ 19,362,142.15
Minus Storage Injections DTI	-2,324,783	\$ (11,739,242.17)	-2,312,410	\$ (11,592,656.84)	-2,489,544	\$ (12,674,825.48)	-2,508,016	\$ (12,756,179.92)
Minus Storage Injections NYSEG	0	\$	0	\$	0	\$	0	\$
Minus Storage Injections NFG Roselake	0	\$	0	\$	0	\$	0	\$
Injection Adj	0	\$	0	\$	0	\$	0	\$
Plus Withdrawals	0	\$	0	\$	0	\$	0	\$
Withdraw Adj.	0	\$	0	\$	0	\$	0	\$
Plus Withdrawal Out Charge	\$	-	\$	-	\$	-	\$	-
TOTAL - DELIVERED TO CUSTOMERS	1,724,467	\$ 9,119,868.66	1,689,477	\$ 9,208,127.08	1,136,566	\$ 6,553,387.83	1,122,995	\$ 6,605,962.23
CITY GATE DELIVERED DT'S (less Resale)	1,724,467		1,689,477		1,136,566		1,122,995	
City Gate Reco for checking purposes only	1,724,467		1,689,477		1,136,566		1,122,995	
Difference in DTH	0		0		0		0	
PIPELINE VARIABLE AND FIXED CHARGES								
TRANSPORTATION- COMMODITY CHARGES								
DTI includes withdrawal transportation	\$	47,800.13	\$	32,329.83	\$	25,822.99	\$	16,584.21
TENNESSEE	\$	-	\$	-	\$	-	\$	-
IR	\$	3,474.26	\$	3,474.26	\$	3,316.60	\$	3,309.18
TXG	\$	32,005.29	\$	27,156.00	\$	20,931.46	\$	24,690.51
TRANSCO	\$	-	\$	-	\$	-	\$	-
TOTAL TRANSPORTATION - COMMODITY	\$ 83,279.68	\$ -	\$ 62,960.09	\$ -	\$ 50,071.05	\$ -	\$ 44,583.90	\$ -
PRODUCERS RES CHARGES		\$ -		\$ -		\$ -		\$ -
PRODUCERS RES LETTER OF CREDIT FEES		\$ -		\$ -		\$ -		\$ -
TRANSPORTATION DEMAND CHARGES								
TENN- FT-A& FT-B Reservation	\$	171,080.00	\$	170,048.67	\$	352,573.20	\$	352,134.12
TEXAS GAS FT(D1 + D2)	\$	269,824.00	\$	269,824.00	\$	261,120.00	\$	261,120.00
DTI TF-ALL SOURCES including FT/FTNN GSS Reservation	\$	1,570,660.06	\$	1,417,519.75	\$	1,570,660.06	\$	1,409,117.10
IROQUOIS DEMAND CHARGES	\$	340,383.97	\$	340,384.76	\$	340,383.97	\$	340,381.88
TRANSCONTINENTAL (Zone 2 + Zone 3)	\$	119,616.09	\$	112,700.64	\$	115,757.51	\$	115,757.40
DTI GSS STORAGE DEMAND	\$ -	\$ 827,616.96	\$	827,616.96	\$ -	\$ 827,616.96	\$	827,616.96
DTI GSS STORAGE CAPACITY	\$ -	\$ 332,299.76	\$	332,299.76	\$ -	\$ 332,299.76	\$	332,299.76
TOTAL DEMAND CHARGES	\$ -	\$ 3,631,480.84	\$ 3,470,394.54	\$ 3,470,394.54	\$ -	\$ 3,800,411.46	\$ 3,638,427.22	\$ 3,638,427.22
STORAGE INJ CHARGE DTI	\$ 56,259.75	\$ -	\$ 55,998.72	\$ -	\$ 60,246.96	\$ -	\$ 60,699.74	\$ -
STORAGE INJ CHARGE NYSEG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STORAGE INJ CHARGE NFG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COST	1,724,467	\$ 9,259,408.09	1,689,477	\$ 9,327,085.90	1,136,566	\$ 6,663,705.84	1,122,995	\$ 6,711,245.87
TOTAL COMMODITY & FIXED COSTS		\$ 12,890,888.93		\$ 12,797,480.44		\$ 10,464,117.30		\$ 10,349,673.09

GAS YEAR	09/01/2010 08/31/2011		JUL-11 Commodity		Fixed \$ Charges		JUL 2011-Revised Commodity		Fixed \$ Charges		Aug-11 Commodity		Fixed \$ Charges		AUG 2011-Revised Commodity		Fixed \$ Charges		TOTAL	TOTAL	TOTAL			
COMMODITY	DTH				DTH			DTH			DTH			DTH			DTH			DTH	Commodity \$ Charges	Fixed \$ Charges		
CONTRACT GAS - Producer Dollars	907,630	\$	17,221,230.11		893,288	\$	17,301,461.44		942,832	\$	16,004,921.81		949,092	\$	15,969,582.57		39,739,073	\$	287,784,963.72					
Hedging Broker Fees		\$	-			\$	-			\$	-			\$	-			\$	-		\$	15,842.60		
Hedging Adjustment		\$	-			\$	-			\$	-			\$	-			\$	-		\$	31,836,835.00		
Storage Injections DTI	2,379,746	\$	-		2,381,891	\$	-		2,115,185	\$	-		2,114,512	\$	-		12,979,923	\$	-					
Storage Injections NYSEG	0	\$	-		0	\$	-		0	\$	-		0	\$	-		0	\$	-					
Storage Injections NFG Roselake	0	\$	-		0	\$	-		0	\$	-		0	\$	-		0	\$	-					
Storage Injections Adjustment	0	\$	-		0	\$	-		0	\$	-		0	\$	-		0	\$	-					
Prior Month Invoice True-Ups		\$	-			\$	-			\$	-			\$	-			\$	-					
TOTAL INVOICE COSTS (AS DELIVERED UNITS)	3,287,376	\$	17,221,230.11		3,275,179	\$	17,301,461.44		3,058,017	\$	16,004,921.81		3,063,604	\$	15,969,582.57		52,718,996	\$	319,637,641.32					
Minus Storage Injections DTI	-2,379,746	\$	(12,224,194.21)		-2,381,891	\$	(12,213,391.59)		-2,115,185	\$	(10,664,489.88)		-2,114,512	\$	(10,606,450.05)		-12,979,923	\$	(64,121,887.91)					
Minus Storage Injections NYSEG	0	\$	-		0	\$	-		0	\$	-		0	\$	-		0	\$	-					
Minus Storage Injections NFG Roselake	0	\$	-		0	\$	-		0	\$	-		0	\$	-		0	\$	-					
Injection Adj	0	\$	-		0	\$	-		0	\$	-		0	\$	-		0	\$	-					
Plus Withdrawals	0	\$	-		0	\$	-		0	\$	-		0	\$	-		13,779,174	\$	70,538,478.46					
Withdraw Adj.	0	\$	-		0	\$	-		0	\$	-		0	\$	-		0	\$	-					
Plus Withdrawal Out Charge		\$	-			\$	-			\$	-			\$	-			\$	-		\$	242,691.87		
TOTAL - DELIVERED TO CUSTOMERS	907,630	\$	4,997,035.90		893,288	\$	5,088,069.85		942,832	\$	5,340,431.93		949,092	\$	5,363,132.53		53,518,247	\$	326,296,923.73					
CITY GATE DELIVERED DT'S (less Resale)	907,630				893,288				942,832				949,092				53,518,247							
City Gate Reco for checking purposes only	907,630				893,288				942,832				949,092				53,518,247							
Difference in DTH	0				0				0				0				0							
PIPELINE VARIABLE AND FIXED CHARGES																								
TRANSPORTATION- COMMODITY CHARGES																								
DTI includes withdrawal transportation		\$	20,976.94			\$	10,951.69			\$	19,844.68			\$	13,470.00			\$	1,225,113.06					
TENNESSEE		\$	-			\$	-			\$	-			\$	-			\$	-		\$	226,222.55		
IR		\$	3,310.47			\$	3,339.00			\$	3,251.86			\$	3,125.64			\$	59,993.36					
TXG		\$	31,024.72			\$	27,146.63			\$	29,095.71			\$	27,156.00			\$	353,642.06					
TRANSCO		\$	-			\$	-			\$	-			\$	-			\$	-		\$	49,776.63		
TOTAL TRANSPORTATION - COMMODITY		\$	55,312.13	\$	-		\$	41,437.32	\$	-		\$	52,192.25	\$	-		\$	43,751.64	\$	-		\$	1,914,747.66	
PRODUCERS RES CHARGES																								
PRODUCERS RES LETTER OF CREDIT FEES		\$	-			\$	-			\$	-			\$	-			\$	-		\$	-		
TRANSPORTATION DEMAND CHARGES																								
TENN- FT-A& FT-B Reservation		\$	352,573.20			\$	354,969.63			\$	352,573.20			\$	351,567.21			\$	2,594,047.03					
TEXAS GAS FT(D1 + D2)		\$	269,824.00			\$	269,824.00			\$	269,824.00			\$	269,824.00			\$	3,577,625.23					
DTI FT-ALL SOURCES including FT/FTNN GSS Reservation		\$	1,417,519.82			\$	1,417,519.78			\$	1,417,519.82			\$	1,417,519.82			\$	27,646,821.42					
IROQUOIS DEMAND CHARGES		\$	340,487.70			\$	340,487.70			\$	340,515.25			\$	340,515.25			\$	4,084,858.37					
TRANSCONTINENTAL (Zone 2 + Zone 3)		\$	119,616.09			\$	119,615.98			\$	119,616.09			\$	119,615.98			\$	1,395,403.03					
DTI GSS STORAGE DEMAND		\$	-	\$	827,616.96		\$	827,616.96		\$	827,616.96		\$	827,616.96		\$	9,920,977.25		\$					
DTI GSS STORAGE CAPACITY		\$	-	\$	332,299.76		\$	332,299.76		\$	332,299.76		\$	332,299.76		\$	3,987,597.14		\$					
TOTAL DEMAND CHARGES		\$	-	\$	3,659,937.53		\$	3,662,333.81		\$	-	\$	3,659,965.08		\$	3,658,958.58		\$	53,207,329.47					
STORAGE INJ CHARGE DTI		\$	57,589.85		\$	-	\$	57,641.76		\$	-		\$	51,172.13		\$	-		\$	296,888.66		\$	-	
STORAGE INJ CHARGE NYSEG		\$	-		\$	-		\$	-		\$	-		\$	-		\$	-		\$	-			
STORAGE INJ CHARGE NFG		\$	-		\$	-		\$	-		\$	-		\$	-		\$	-		\$	-			
TOTAL COST	907,630	\$	5,109,937.88	\$	3,659,937.53	893,288	\$	5,187,148.93	\$	3,662,333.81	942,832	\$	5,443,811.66	\$	3,659,965.08	949,092	\$	5,458,056.30	\$	3,658,958.58	\$	328,508,560.06	\$	53,207,329.47
TOTAL COMMODITY & FIXED COSTS			\$	8,769,875.41			\$	8,849,482.74			\$	9,103,776.74			\$	9,117,014.88					\$	381,715,889.52		

January 1, 2012 - December 31, 2012 Sales Forecast

<u>Therms</u>	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
SC1 Res Non Heat	1,654,211	1,828,025	1,629,910	1,174,708	679,943	479,393	348,459	302,950	325,331	400,698	724,491	1,245,918
SC1 Res Heat	67,535,134	70,137,343	61,968,584	42,458,243	19,921,167	10,003,204	6,351,293	6,845,027	10,222,900	14,565,487	28,913,409	48,908,259
SC2 Res Non Heat	14,397	16,743	16,056	11,605	7,110	5,435	4,321	4,103	4,156	4,573	6,743	9,801
SC2 Res Heat	255,309	261,014	248,163	187,926	64,887	38,186	25,884	27,510	41,472	61,179	101,833	182,765
SC2 Comm Non Heat	391,019	390,113	372,878	277,057	175,426	163,405	136,109	130,674	139,993	136,470	200,438	286,018
SC2 Comm Heat	14,664,300	15,230,355	13,511,189	9,071,097	4,211,153	2,374,469	1,742,242	1,836,304	2,518,660	3,328,777	5,846,588	10,135,357
SC2 Industrial	319,261	338,417	278,623	201,424	79,016	53,360	22,409	24,584	20,981	35,984	85,233	221,203
SC3 Comm Non Heat	80,605	82,046	75,402	55,408	40,172	38,521	32,277	47,828	36,242	33,876	52,651	77,379
SC3 Comm Heat	294,857	301,435	299,915	223,745	150,793	109,642	99,949	102,494	120,678	158,517	200,920	290,982
SC3 Industrial	211,461	227,752	226,161	161,035	85,483	63,515	69,354	65,309	68,076	55,912	71,356	112,724
SC12 DG < 250 K	4,822	15,363	13,063	13,281	10,157	10,762	12,718	9,614	13,112	12,397	11,630	13,781
SC13 DG	0	1,018	745	452	375	157	134	106	164	180	446	754
Total	85,425,377	88,829,624	78,640,689	53,835,980	25,425,681	13,340,049	8,845,150	9,396,502	13,511,767	18,794,050	36,215,738	61,484,942
ANNUAL TOTAL											493,745,549	

Note that Service Classes Noted above are included in the MCG Revenues and the sales on Page 1

Attachment 1
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[illegible]

Total January 2011		4,908,170.85	815,572.00	0.00	4,908,170.85	3,826,414.95	1,081,755.90	919,492.52	162,263.39
Adj for January 2011	SFR	836,038.90	111,124	0.00	836,038.90	514,233.69	321,805.21	273,534.43	48,270.78
February 2011	SFR	4,902,924.92	812,965	0.00	4,902,924.92	3,676,674.55	1,226,250.37	1,042,312.81	183,937.56
		4,902,924.92	812,965	0.00	4,902,924.92	3,676,674.55	1,548,055.58	\$1,315,847.24	\$232,208.34
Adj for January 2011	Cap Rel						0.00	\$0.00	\$0.00
February 2011	Cap Rel						0.00	\$0.00	\$0.00
								\$0.00	\$0.00
Total February 2011		5,738,963.82	924,089.00	0.00	5,738,963.82	4,190,908.24	1,548,055.58	1,315,847.24	232,208.34
Adj for February 2011	SFR	875,685.10	155,236	0.00	875,685.10	664,278.44	211,406.66	179,695.66	31,711.00
March 2011	SFR	3,717,542.06	724,230	0.00	3,717,542.06	3,055,991.20	661,550.86	562,318.23	99,232.63
		3,717,542.06	724,230	0.00	3,717,542.06	3,055,991.20	872,957.52	\$742,013.89	\$130,943.63
Adj for February 2011	Cap Rel						0.00	\$0.00	\$0.00
March 2011	Cap Rel						0.00	\$0.00	\$0.00
								\$0.00	\$0.00
Total March 2011		4,593,227.16	879,466.00	0.00	4,593,227.16	3,720,269.64	872,957.52	742,013.89	130,943.63
Adj for March 2011	SFR	224,973.48	46,797	0.00	224,973.48	208,508.75	16,464.73	13,995.02	2,469.71
April 2011	SFR	1,093,037.00	237,200	0.00	1,093,037.00	1,064,077.33	28,959.67	24,615.72	4,343.95
		1,093,037.00	237,200	0.00	1,093,037.00	1,064,077.33	45,424.40	\$38,610.74	\$6,813.66
Adj for March 2011	Cap Rel						0.00	\$0.00	\$0.00
April 2011	Cap Rel						37,377.00	\$31,770.45	\$5,606.55
								\$31,770.45	\$5,606.55
Total April 2011		1,318,010.48	283,997.00	0.00	1,318,010.48	1,272,586.08	82,801.40	70,381.19	12,420.21
Adj for April 2011	SFR	117,760.00	25,000	0.00	117,760.00	114,226.98	3,533.02	3,003.07	529.95
May 2011	SFR	801,978.00	167,000	0.00	801,978.00	770,318.51	31,659.49	26,910.57	4,748.92
		801,978.00	167,000	0.00	801,978.00	770,318.51	35,192.51	\$29,913.63	\$5,278.88
Adj for April 2011	Cap Rel						0.00	\$0.00	\$0.00
May 2011	Cap Rel						64,326.90	\$54,677.87	\$9,649.04
								\$54,677.87	\$9,649.04
Total May 2011		919,738.00	192,000.00	0.00	919,738.00	884,545.49	99,519.41	84,591.50	14,927.91
Adj for May 2011	SFR	135,680.00	28,000	0.00	135,680.00	127,934.88	7,745.12	6,583.35	1,161.77
June 2011	SFR	1,003,912.00	206,125	0.00	1,003,912.00	971,555.06	32,356.94	27,503.40	4,853.54
		1,003,912.00	206,125	0.00	1,003,912.00	971,555.06	40,102.06	\$34,086.75	\$6,015.31
Adj for May 2011	Cap Rel						0.00	\$0.00	\$0.00
June 2011	Cap Rel						63,081.00	\$53,618.85	\$9,462.15
								\$53,618.85	\$9,462.15

Total June 2011		1,139,592.00	234,125.00	0.00	1,139,592.00	1,099,489.94	103,183.06	87,705.60	15,477.46
Adj for June 2011	SFR	58,610.00	12,000	0.00	58,610.00	55,135.25	3,474.75	2,953.54	521.21
July 2011	SFR	628,658.00	129,000	0.00	628,658.00	590,840.07	37,817.93	32,145.24	5,672.69
		628,658.00	129,000	0.00	628,658.00	590,840.07	41,292.68	\$35,098.78	\$6,193.90
Adj for June 2011	Cap Rel						0.00	\$0.00	\$0.00
July 2011	Cap Rel						64,326.90	\$54,677.87	\$9,649.04
								\$54,677.87	\$9,649.04
Total July 2011		687,268.00	141,000.00	0.00	687,268.00	645,975.32	105,619.58	89,776.64	15,842.94
Adj for July 2011	SFR	39,220.00	8,000	0.00	39,220.00	37,500.14	1,719.86	1,461.88	257.98
August 2011	SFR	718,312.50	49,050	0.00	718,312.50	679,949.52	38,362.98	32,608.53	5,754.45
		718,312.50	49,050	0.00	718,312.50	679,949.52	40,082.84	\$34,070.41	\$6,012.43
Adj for July 2011	Cap Rel						0.00	\$0.00	\$0.00
August 2011	Cap Rel						64,326.90	\$54,677.87	\$9,649.04
								\$54,677.87	\$9,649.04
Total August 2011		757,532.50	57,050.00	0.00	757,532.50	717,449.66	104,409.74	88,748.28	15,661.46
Adj for August 2011	SFR	42,297.50	10,000	0.00	42,297.50	40,403.78	1,893.72	1,609.66	284.06
September 2011	SFR	663,668.00	17,200	0.00	663,668.00	632,346.07	31,321.93	26,623.64	4,698.29
		663,668.00	17,200	0.00	663,668.00	632,346.07	33,215.65	\$28,233.30	\$4,982.35
Adj for August 2011	Cap Rel						0.00	\$0.00	\$0.00
September 2011	Cap Rel						63,081.00	\$53,618.85	\$9,462.15
								\$53,618.85	\$9,462.15
Total September 2011		705,965.50	27,200.00	0.00	705,965.50	672,749.85	96,296.65	81,852.15	14,444.50
Ytd Balance by account in the General Ledger September 09 - August 10					33,308,950.53	7,220,298.85		6,137,254.02	1,083,044.83
Used in Deferral					32,688,721.71	288,063.90		5,849,190.13	

Calculation of Lost and Unaccounted for Gas

TME

Aug-11

THRUPUT:

DELIVERY TO CUSTOMER METERS

MDTs

Retail Service

50,891.4 A

Company Use

31.8 B

Transportation

98,905.7 C

Total Customer Delivery

149,829.0 D=A+B+C

LESS:

Dedicated Line Customer

26,907.1 E

SC4 Interruptible Sales

506.4 F

Adjusted Customer Delivery

122,415.5 G=D-(E+F)

RECEIPT INTO OUR GATES

Total Receipts

152,364.8 H

LESS:

Dedicated Line Customer

26,995.6 I

SC4

514.6 J

Total Receipts for

Calculation

124,854.5 K=H-(I+J)

Net Loss & Unaccounted

2,439.0 L=K-G

% of Sales

1.99% M=L/G

NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID
("NMPC")
Annual Gas Cost Adjustment
12 Months Ended August 31, 2011

DEFINITIONS

1. System Receipts = Deliveries made to the Company by pipelines or local producers.
2. System Deliveries = Deliveries made by the Company to its customers.
3. Expense Adjustments = Billed by third parties to the Company
4. Revenue Adjustments = Billed by Company to its customers

QUESTIONS

Question 1:

Explain how the purchase gas expense is developed for the annual reconciliation period.

Response 1:

The Company determines purchase gas expense each month of the annual reconciliation period by estimating the current month's purchase expense (estimated accrual), adding the prior month's actual invoice costs to that estimate and then subtracting the prior month's estimated accrual.

Purchase gas expense consists of:

- commodity cost of gas delivered to the city gate
- commodity cost of gas withdrawn from storage
- demand charges
- financial gains / losses of the Company's hedging program
- hedging broker fees

Expenses excluded from purchase gas expense are:

- commodity cost of gas injected into storage

Question 2:

Identify each adjustment to purchase gas expense.

Response 2:

The following gas costs are excluded from purchase gas expense:

- SC 10 natural gas vehicle gas costs
- SC 4 interruptible sales gas costs
- SC 8 standby sales service gas costs

- Off-system sales gas costs
- Cashout costs for Energy Service Company (“ESCO”) under deliveries

The following costs / credits are included in purchase gas expense:

- ESCO capacity release credits
- Off-system capacity release credits (85% Share returned to customers)
- Cashout costs for ESCO over deliveries

Question 3:

Explain the source of reported system receipts (dth/mcf).

Response 3:

System receipts are obtained each month from the Company’s SCADA system report, Upstate Gate DTH Usage.

Question 4:

How does the Company validate the pipeline deliveries?

Response 4:

NMPC relies on its SCADA system to monitor and validate pipeline deliveries rather than maintaining check meters at each of its city gate delivery points.

At four of its city gate delivery points, NMPC’s SCADA system pulls in uncorrected volumetric reads throughout the gas day from the pipelines’ city gate meters. The SCADA system also pulls in other variables measured at the city gate by the pipeline such as, pressure, temperature and super compressibility. The SCADA system then applies these variables to the uncorrected volumetric reads using the AGA gas flow formula to compute delivered MCF. Finally, the SCADA system calculates delivered dekatherms by applying the BTU conversion factor to the corrected volume hourly throughout the day. NMPC then checks its calculated deliveries against the pipeline’s deliveries posted on the pipeline’s website.

At NMPC’s other city gate delivery points, it performs a reasonableness test on the pipelines’ metered quantities using delivered BTU as a check. Specifically, the Company determines the approximate BTU of the gas delivered by the pipelines (by dividing delivered dekatherms by delivered MCF) and then compares this computed BTU to what is measured by the Company at its gas chromatographs located in the vicinity of the city gate. Any differences in BTU may indicate an issue with delivered dekatherms.

Gas Control takes the lead in investigating and resolving any metering issues with the pipelines. At the conclusion of its investigation, Gas Control logs into the SCADA system any corrections to measured deliveries, if necessary.

Energy Accounting then ensures that the deliveries invoiced by the pipeline each month match what has been validated.

Question 5:

Explain how the GAC revenue is calculated.

Response 5:

The GAC revenue is obtained from the RP200S report generated each month at the end of the billing cycle by the CSS billing system. The RP200S report details the monthly revenue and terms billed to each of the Company's sales and delivery only service classifications. The GAC revenue specifically reflects the revenue billed to the SC 1, 2, 3, 12 and 13 firm sales customers.

Question 6:

Identify each adjustment to GAC revenue.

Response 6:

There are no adjustments to GAC revenue.

Question 7:

Explain the source of reported system deliveries (dth/mcf).

Response 7:

System deliveries are obtained from the CSS billing system RP200S report described in Response 5 above and reflect the monthly terms billed to the Company's sales and transportation customers.

Question 8:

Explain how negotiated contract volumes are handled in the annual reconciliation.

Response 8:

The Company's LAUF calculation excludes receipts and deliveries for Sithe/Independence Power Partners, L.P a power plant that is a dedicated line customer on the Company's distribution system.

Question 9:

Explain how the commodity cost of gas is derived.

Response 9:

The commodity cost of gas represents the Company's invoiced gas commodity costs with the following adjustments:

Gas commodity expenses added to invoiced gas commodity costs:

- commodity cost of gas withdrawn from storage
- financial gains / losses of the Company's hedging program
- hedging broker fees
- Cashout costs for ESCO over deliveries

Gas commodity expenses excluded from invoiced gas commodity costs:

- SC 10 natural gas vehicle gas costs
- SC 4 interruptible sales gas costs
- SC 8 standby sales service commodity gas costs
- Off-system sales commodity costs
- Cashout costs for ESCO under deliveries

Question 10:

How is Company use accounted for in the annual reconciliation?

Response 10:

In the annual reconciliation, Company use is included in the cost of gas. In the LAUF calculation, Company use is included in monthly gas deliveries.

Question 11:

Identify all of the prior period adjustments made in the filing.

Response 11:

This filing includes an adjustment for the reconciliation of the 2008/09 GAC Year annual reconciliation refund in which the \$570,459 remaining refund balance including interest is to be credited to customers.

Question 12:

Identify the source of the sales forecast used to develop the reconciliation rate.

Response 12:

The sales forecast is prepared by the Gas Forecasting group under the direction of Dale Kruchten, Director Energy Market Analytics.

Question 13:

Identify the hedging gains or losses in the reconciliation period

Response 13:

Net hedging losses totaled \$31,836,835.

Question 14:

Identify the costs of hedging in the reconciliation filing.

Response 14:

The Company incurred \$15,843 broker fees with NYMEX brokers to execute the hedges.

Question 15:

Identify the major drivers for the current period over/under.

Response 15:

The \$8.2 million balance excluding interest to be refunded to customers is due primarily to higher than forecasted revenue from off-system sales / capacity releases and the Company's LAUF incentive mechanism penalty.

The following is a breakdown of the key components of the deferral balance:

- Off-system sales / capacity release: \$5.85 million revenues to be refunded
- LAUF incentive mechanism: \$1.03 million penalty to be refunded
- Gas purchase expenses: \$740,000 over recovery to be refunded
- Reconciliation of GAC Year 2008/09 annual reconciliation refund: \$560,000 to be refunded