

nationalgrid

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October 11, 2007

Honorable Jaclyn A. Brillling, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, New York 12223-1350

Re: Niagara Mohawk Power Corporation d/b/a National Grid Annual Surcharge Refund Filing
PSC 219 Gas - Rule 17.7

Dear Secretary Brillling:

Enclosed for filing with the Commission are an original and six copies of Niagara Mohawk Power Corporation d/b/a National Grid's (or "Company") Annual Gas Cost Reconciliation filing in accordance with the Public Service Commission ("PSC") requirements set forth in 16 NYCRR 720-6.5(g) Annual Reconciliations and Rule 17.7 of the Company's PSC 219 Gas Tariff.

The reconciliation results in a refund of (\$4,791,549.84) to Service Classification Nos. 1, 2, 3 and 12 customers purchasing commodity from the Company. This amount includes (\$175,952.64) of interest reflected at rates of 5.40% and 5.51% effective January 1, 2007 and 2008 respectively. The total refund amount excluding interest is (\$4,615,597.20). The principle amount consists of an over-collection of gas costs in the period of (\$990,694.34), increased by (\$309,950.82) resulting from actual losses exceeding allowed losses by 0.07% and miscellaneous adjustments of (\$3,314,952.04).

The miscellaneous adjustments (Attachment 1 Page 3 of 12) consist of a (\$481,015) refundable balance of the Company's Annual Reconciliation for the period Twelve Months Ending August 31, 2005 and a gas supplier refund in the amount of (\$7,966.93) received from Transcontinental Gas Pipeline Corporation on January 22, 2007. In addition, the miscellaneous adjustments include a balance of (\$2,825,970.11) representing customers share or 85% of margin revenue realized from Gas Sale for Resale and Capacity Release transactions for the period September 2006 through August 2007.

The Company has calculated a total system loss factor of 1.83%. This results in a loss for the Company of (\$309,555.03) related to the Company's actual loss factor for the Twelve Months Ending August 2007 being above the Company's allowed loss factor of 1.76%. The details supporting the calculation of the Company's 1.83% loss factor and resulting loss are set forth on Attachment 2 and Attachment 1, Page 5 of 12 respectively. Questions related to the Company's Loss Study should be addressed to Amy Wisner on (315) 428-5880. Attachment 1, Pages 1-12, supports the remainder of National Grid's Annual Reconciliation filing. Note that Attachment 1, Page 5 details the Company's Lost & Unaccounted for Gas (LAUF) Adjustment Calculation in accordance with the Order in Case 04-G-1278 issued and effective April 5, 2005 Establishing Methodology For Lost & Unaccounted For Gas Adjustment and by Order Concerning Annual Reconciliation of Gas Cost in Case 06-G-1168 dated December 22, 2006.

Honorable Jaclyn A. Brillling, Secretary
Page Two
October 11, 2007

If you have any questions, please feel free to contact John Powers at (315) 428-5613 or Marcia Collier at (315) 428-5692.

Kindly acknowledge receipt and filing of the enclosures by date-stamping the enclosed copy of this letter and returning it in the postage-paid envelope provided for your convenience.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J. Powers', with a long horizontal flourish extending to the right.

John T. Powers
Principal Analyst, Gas Pricing

JTP/tlf (S:/GasRatesSupport/Jan/Corresp/JTP/2006-2007 Reconciliation Final Ltr.doc)

Enclosures

cc: Marcia Collier
Gary Ahern
Mark Eddy
Theresa Burns
Denise Gerbsch (PSC Staff)
Robert Visalli (PSC Staff)
Daniel Wheeler (PSC Staff)

**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, 2007**

MO/YR	PURCHASE COSTS	PURCHASES (Dts)	SALES (Dts)	BASE RATE RECOVERIES	ALLOWED GAC EXPENSE	MCG REVENUE RECOVERIES	OTHER COMMODITY/DEMAND REVENUE	MCG DEFERRAL
							(Balancing, DTR, SC11 Imbalance Penalty Revenues, Standby Charge, Rollover & Interruptible Penalty Revenue)	
SEPT 06	\$11,104,386.24	1,034,413	1,113,489	N/A	\$11,104,386.24	\$8,941,205.25	\$81,480.19	\$2,081,700.80
OCT 06	\$29,142,735.56	3,608,882	1,837,649	N/A	\$29,142,735.56	\$14,643,909.53	\$97,082.30	\$14,401,743.73
NOV 06	\$46,421,971.55	4,628,132	4,145,437	N/A	\$46,421,971.55	\$36,490,705.27	\$114,397.47	\$9,816,868.81
DEC 06	\$72,261,328.23	7,478,083	5,850,149	N/A	\$72,261,328.23	\$56,863,144.53	\$115,372.85	\$15,282,810.85
Jan 07	\$79,289,736.14	10,119,291	7,453,415	N/A	\$79,289,736.14	\$67,956,348.09	\$64,305.10	\$11,269,082.95
FEB 07	\$98,569,559.53	11,351,399	10,589,140	N/A	\$98,569,559.53	\$92,043,535.26	\$68,351.35	\$6,457,672.92
MAR 07	\$77,039,010.13	8,519,766	10,602,001	N/A	\$77,039,010.13	\$98,590,645.45	\$60,536.27	(\$21,612,171.59)
APR 07	\$46,730,014.89	5,231,013	7,048,068	N/A	\$46,730,014.89	\$68,161,329.69	\$73,539.70	(\$21,504,854.50)
MAY 07	\$15,665,079.63	1,644,872	3,650,256	N/A	\$15,665,079.63	\$35,635,938.64	\$75,762.00	(\$20,046,621.01)
JUN 07	\$12,715,555.16	1,309,346	1,571,973	N/A	\$12,715,555.16	\$14,766,689.00	\$48,271.45	(\$2,099,405.29)
JUL 07	\$10,906,364.92	1,113,254	1,106,440	N/A	\$10,906,364.92	\$9,502,923.56	\$52,080.23	\$1,351,361.13
AUG 07	\$10,671,831.55	1,342,189	966,914	N/A	\$10,671,831.55	\$6,982,507.32	\$78,207.37	\$3,611,116.86
TOTALS	\$510,517,573.53	57,380,641	55,934,931	N/A	\$510,517,573.53	\$510,578,881.59	\$929,386.28	(\$990,694.34)

AVERAGE COMMODITY COST OF GAS	ALLOWED SYSTEM LOSS FACTOR	ACTUAL SYSTEM LOSS FACTOR	DIFFERENCE IN LOSS FACTORS	SALES IN PERIOD	LOSS DTS/ALLOWED RECOVERY	AVERAGE COMMODITY COST OF GAS	LAUF Adjustment
\$7.92	1.76%	1.83%	-0.07%	55,934,930.60	(39,154.45)	\$7.92	(\$309,950.82)

ALLOWED EXPENSE PER CALCULATED PURCHASES	\$510,517,573.53
LAUF ADJUSTMENT	(\$309,950.82)
MCG RECOVERIES	\$510,578,881.59
OTHER COMMODITY/DEMAND REVENUE	\$929,386.28
(OVER)/UNDER COLLECTION	(\$1,300,645.16)

BALANCE OF GAS COSTS TO BE REFUNDED	(\$1,300,645.16)
PLUS: AMOUNT TO BE REFUNDED (Att 1, Page 3 of 12)	(\$3,314,952.04)
BALANCE	(\$4,615,597.20)
PLUS: INTEREST (Attachment 1, Page 4 of 12)	(\$175,952.64)
TOTAL AMOUNT TO BE COLLECTED/(REFUNDED)	(\$4,791,549.84)

TOTAL TO BE COLLECTED/(REFUNDED)	(\$4,791,549.84)
SC1, SC2, SC3 AND SC12DG SALES TME DEC 2008 Dth	55,220,753
AVERAGE RATE/THERM	<u>-0.008677082</u>
EFFECTIVE RATE/THERM	<u>-0.00868</u>

NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID

SUMMARY OF REFUNDS & SURCHARGES TO BE INCLUDED IN THE AUGUST 31, 2007 MCG RECONCILIATION		PSC 219
1) AUGUST 31, 2005 RECONCILIATION		
Balance To Be Refunded		(\$481,015.00)
3) GAS SUPPLIER REFUNDS		
Transcontinental Gas Pipeline		(\$7,966.93)
4) 85% Portion of Margins Realized from Gas Sale for Resale Transactions		
		(\$2,825,970.11)
TOTAL		(\$3,314,952.04)

DEVELOPMENT OF DECLINING BALANCE INTEREST
AT BEGINNING AND ENDING MONTHLY BALANCES
BASED ON PROJECTED SALES FOR THE
PERIOD JAN 2008 THROUGH DEC 2008

5.40% interest effective 1/1/07 0.004500 -0.08344
5.51% interest effective 1/1/08 0.004592

NIAGARA MOHAWK

	SALES (DTS)	REFUND AMORTIZATION	REFUND BALANCE	MONTHLY AVERAGE	INTEREST
Sep-07		\$0.00	(\$4,607,630.27)	(\$4,607,630.27)	(\$20,734.34)
Oct-07		\$0.00	(\$4,607,630.27)	(\$4,607,630.27)	(\$20,734.34)
Nov-07		\$0.00	(\$4,607,630.27)	(\$4,607,630.27)	(\$20,734.34)
Dec-07		\$0.00	(\$4,607,630.27)	(\$4,607,630.27)	(\$20,734.34)
Jan-08	10,141,703	(\$846,225.66)	(\$3,761,404.60)	(\$4,184,517.43)	(\$19,213.91)
Feb-08	9,978,041	(\$832,569.67)	(\$2,928,834.94)	(\$3,345,119.77)	(\$15,359.67)
Mar-08	8,744,590	(\$729,650.30)	(\$2,199,184.64)	(\$2,564,009.79)	(\$11,773.08)
Apr-08	6,335,190	(\$528,609.44)	(\$1,670,575.20)	(\$1,934,879.92)	(\$8,884.32)
May-08	3,430,018	(\$286,201.33)	(\$1,384,373.88)	(\$1,527,474.54)	(\$7,013.65)
Jun-08	1,705,931	(\$142,343.24)	(\$1,242,030.63)	(\$1,313,202.25)	(\$6,029.79)
Jul-08	1,076,169	(\$89,795.76)	(\$1,152,234.87)	(\$1,197,132.75)	(\$5,496.83)
Aug-08	822,156	(\$68,600.84)	(\$1,083,634.03)	(\$1,117,934.45)	(\$5,133.18)
Sep-08	909,185	(\$75,862.56)	(\$1,007,771.47)	(\$1,045,702.75)	(\$4,801.52)
Oct-08	1,659,642	(\$138,480.87)	(\$869,290.59)	(\$938,531.03)	(\$4,309.42)
Nov-08	3,636,508	(\$303,430.89)	(\$565,859.70)	(\$717,575.15)	(\$3,294.87)
Dec-08	6,781,620	(\$565,859.70)	\$0.00	(\$282,929.85)	(\$1,299.12)
TOTALS	55,220,753	(4,607,630)			(\$175,546.71)

Transcontinental Gas Pipeline
\$7,966.93

Transcontinental Gas Pipeline Gas Supplier Refund
FERC Docket No. RP01-245-000 et al.
Interest Accrued From Date of Receipt of 1/22/2007
Through December 31, 2008

5.40% interest effective 1/1/07 0.004500 -0.000144274
5.51% interest effective 1/1/08 0.004592

NIAGARA MOHAWK

	SALES (DTS)	REFUND AMORTIZATION	REFUND BALANCE	MONTHLY AVERAGE	INTEREST
01/22/2007		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$11.56)
Feb-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
Mar-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
Apr-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
May-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
Jun-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
Jul-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
Aug-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
Sep-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
Oct-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
Nov-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
Dec-07		\$0.00	(\$7,966.93)	(\$7,966.93)	(\$35.85)
Jan-08	10,141,703	(\$1,463.19)	(\$6,503.74)	(\$7,235.34)	(\$33.22)
Feb-08	9,978,041	(\$1,439.57)	(\$5,064.17)	(\$5,783.96)	(\$26.56)
Mar-08	8,744,590	(\$1,261.62)	(\$3,802.55)	(\$4,433.36)	(\$20.36)
Apr-08	6,335,190	(\$914.00)	(\$2,888.55)	(\$3,345.55)	(\$15.36)
May-08	3,430,018	(\$494.86)	(\$2,393.68)	(\$2,641.12)	(\$12.13)
Jun-08	1,705,931	(\$246.12)	(\$2,147.56)	(\$2,270.62)	(\$10.43)
Jul-08	1,076,169	(\$155.26)	(\$1,992.30)	(\$2,069.93)	(\$9.50)
Aug-08	822,156	(\$118.62)	(\$1,873.68)	(\$1,932.99)	(\$8.88)
Sep-08	909,185	(\$131.17)	(\$1,742.51)	(\$1,808.10)	(\$8.30)
Oct-08	1,659,642	(\$239.44)	(\$1,503.07)	(\$1,622.79)	(\$7.45)
Nov-08	3,636,508	(\$524.65)	(\$978.41)	(\$1,240.74)	(\$5.70)
Dec-08	6,781,620	(\$978.41)	\$0.00	(\$489.21)	(\$2.25)
Total	55,220,753				(\$405.93)

NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID

LOST & UNACCOUNTED FOR GAS (LAUF) ADJUSTMENT CALCULATION

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Variable Supply Costs from Gas Cost Level	Hedge Costs from Gas Cost Level	Variable Pipeline Cost from Gas Cost level	Variable Costs Adjustments From Subtractors level	Demand Costs from Gas Cost Level	Total Variable Cost (1)+(2)+(3)+(4)	PURCHASES (Dt's)
Sep-06	\$10,414,645.59	\$0.00	\$60,060.81	\$0.00	\$4,907,707.59	\$10,474,706.40	1,034,413
Oct-06	\$17,370,030.14	\$8,506,700.00	\$108,766.26	\$0.00	\$4,976,456.86	\$25,985,496.40	3,608,882
Nov-06	\$42,552,552.14	\$5,995,035.86	\$157,178.02	\$0.00	\$7,347,790.18	\$48,704,766.02	4,628,132
Dec-06	\$70,860,611.55	\$5,917,358.20	233,449.99	\$0.00	\$7,245,718.30	\$77,011,419.74	7,478,083
Jan-07	\$78,979,552.03	\$4,381,703.70	\$292,976.36	\$0.00	\$5,610,112.89	\$83,654,232.09	10,119,291
Feb-07	\$100,185,188.14	\$5,863,881.77	\$327,693.92	\$0.00	\$5,429,218.01	\$106,376,763.83	11,351,399
Mar-07	\$81,576,450.86	\$3,198,741.97	\$279,249.45	\$0.00	\$5,431,926.00	\$85,054,442.28	8,519,766
Apr-07	\$55,803,278.55	\$2,891,650.00	247,099.92	\$0.00	\$3,350,174.41	\$58,942,028.47	5,231,013
May-07	\$14,336,769.54	\$1,037.79	\$65,165.40	\$0.00	\$3,178,441.66	\$14,402,972.73	1,644,872
Jun-07	\$10,217,675.52	\$478.98	\$54,083.63	\$0.00	\$3,080,194.33	\$10,272,238.13	1,309,346
Jul-07	\$12,147,852.49	\$508.49	\$54,606.17	\$0.00	\$3,173,748.62	\$12,202,967.15	1,113,254
Aug-07	\$9,828,775.88	\$537.00	\$56,747.39	\$0.00	\$3,140,029.82	\$9,886,060.27	1,342,189
	\$504,273.382	\$36,757,633.76	\$1,937,077.32	\$0.00	\$56,871,519	\$542,968,093.51	57,380,641

	INVOICE COSTS	TRANSPORT LIABILITIES	CASHOUT OVER - DELIVERIES	CAPACITY RELEASE	TOTAL PURCHASES	ELECT & GAS DEPT USE	CO VEHICLE USE	NGV USE	CASHOUT UNDER- DELIVERIES	SALE FOR RESALE	SC4 COMMODITY	SC8 AND D1 CONTRACT DEMAND	SC9 COMMODITY	BALANCE FOR PSC 219	
Invoice Cost	\$599,839,612.18		-\$5,205.00	\$7,102,477.13	\$10,454,071.72	\$596,482,812.59	\$342,622.87	\$0.00	\$3,015.40	\$6,360,753.42	\$66,471,923.04	\$5,638,572.20	\$7,153,572.07	-\$5,219.94	\$510,517,573.53
Total Variable Cost	\$542,968,093.51		\$0.00	\$7,102,477.13	\$10,454,071.72	\$539,616,498.92	\$342,622.87	\$0.00	\$3,015.40	\$6,360,753.42	\$66,471,923.04	\$5,638,572.20	\$6,573,552.27	-\$5,219.94	\$454,231,279.66

powersj:
Excludes SC8 D1
Contract Demand
Recoveries

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	AVERAGE COMMODITY COST OF GAS	LAUF Adjustment
\$7.92	1.76%	1.83%	-0.07%	55,934,931	-39,154	\$7.92	-\$309,950.82

COMMODITY	DTH	Sep-06 Commodity	Fixed \$ Charges	DTH	Oct-06 Commodity	Fixed \$ Charges
CONTRACT GAS - Producer Dollars Adj to Producers Dollars (STILL DUE & Past Due) Capex Settlement Rebooked Amounts	1,407,427	\$27,679,510		3,662,421	\$22,705,754	
Hedging Broker Fees		\$0			\$0	
Hedging Adjustment		\$0			\$8,506,700	
Storage Injections DTI	2,662,741			1,048,557		\$0
Storage Injections NYSEG	-			-		\$8,506,700
Storage Injections NFG Roselake	-			-		
Storage Injections Adjustment	-			-		
Prior Month Invoice True-Ups	-	\$0.00		-		\$0.00
TOTAL INVOICE COSTS (AS DELIVERED UNITS)						
Minus Storage Injections DTI	4,070,188	27,679,510		4,710,978	31,212,454	
Minus Storage Injections NYSEG	(2,662,741)	(17,435,381)		(1,048,557)	(5,098,816)	
Minus Storage Injections NFG Roselake	-	-		-	-	
Injection Adj.	-	\$138,015.61		-	(\$297,945)	
Plus Withdrawals	-			-		(\$297,945)
Withdrawal Adj.	-	\$0		-		\$0
Plus Withdrawal Out Charge	-			-		\$0
TOTAL - DELIVERED TO CUSTOMERS	1,407,427	10,382,145		3,662,421	25,855,693	
CITY GATE DELIVERED DTIS (Less Resale)	1,407,427			3,662,421		
Difference in DTH	1,407,427			3,662,421		
PIPELINE VARIABLE AND FIXED CHARGES						
TRANSPORTATION- COMMODITY CHARGES						
DTI Includes withdrawal transportation		\$27,110			\$77,314	
IR		\$8,154			\$8,108	\$78,672
TENN		\$0			\$0	\$8,109
TXG		\$25,919			\$27,032	\$0
TRANSCO		\$0			\$0	\$26,784
NFG Transport FST		\$0			\$0	(\$4,799)
TETCO/ONG		\$0			\$0	\$0
TOTAL TRANSPORTATION - COMMODITY		61,183			112,455	\$0
PRODUCERS RES CHARGES						
PRODUCERS RES LETTER OF CREDIT FEES						
TRANSPORTATION DEMAND CHARGES						
TENN- FT-A& FT-B Reservation		\$0			\$0	\$0
TEXAS GAS FT(D1 + D2)		\$281,120			\$289,824	\$289,824
DTI TF-ALL SOURCES including FT/FTNN GSS Reservation		\$1,359,280			\$1,434,471	\$1,434,471
TEXAS EASTERN - Including Exit Fee		\$0			\$0	\$0
CARGILL (WESTERN GAS DEMAND CHARGES)		\$1,676,747			\$1,679,889	\$1,661,389
IRQUOIS DEMAND CHARGES		\$348,759			\$349,759	\$349,759
TRANSCONTINENTAL (Zone 2 + Zone 3)		\$100,678			\$104,032	\$104,032
NYSEG YEAGER RD STORAGE DEMAND CHARGE		\$0			\$0	\$0
NFG Roselake Demand		\$0			\$0	\$0
NFG Roselake Capacity		\$0			\$0	\$0
DTI GSS STORAGE DEMAND		\$824,682			\$824,682	\$824,682
DTI GSS STORAGE CAPACITY		\$332,300			\$332,300	\$332,300
TOTAL DEMAND CHARGES		\$4,904,564			\$4,994,956	\$4,976,457
STORAGE INJ CHARGE DTI						
STORAGE INJ CHARGE NYSEG		\$40,783			\$3,747	\$2,635
STORAGE INJ CHARGE NFG		\$0			\$0	\$0
TOTAL COST	1,407,427	\$10,484,110	\$4,904,564	3,662,421	\$25,971,895	\$25,985,496
					3,714,574	\$4,976,457

PIPELINE VARIABLE AND FIXED CHARGES

PRODUCERS RES CHARGES
PRODUCERS RES LETTER OF CREDIT FEES

TEXAS GAS F(01 + 02)
DTI TF-ALL SOURCES including FT/FTNN GSS Reserve
TEXAS EASTERN, including Exit Fee

COMMODITY	Jan-07			JAN-07 Revised			Feb-07			FEB-07 Revised		
	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges
CONTRACT GAS - Producer Dollars	5,251,335	\$46,373,871		5,141,220	\$46,393,842		5,894,763	\$61,741,754		5,842,880	\$61,653,682	
ADJ to Producers Dollars- (STILL DUE & Past Due)												
Cargill Settlement						\$0						
Rebooked Amounts												
Hedging Broker Fees		\$0			\$2,654			\$0			\$1,982	
Hedging Adjustment		\$4,379,050			\$4,379,050			\$5,861,900			\$5,861,900	
Storage Injections DTI	-			-			-			-		
Storage Injections NYSEG	-			-			-			-		
Storage Injections NFG Roselake	-			-			-			-		
Storage Injections Adjustment	-			-			-			-		
Prior Month Invoice True-Ups		\$0.00			\$0.00			\$0.00			\$0.00	
TOTAL INVOICE COSTS (AS DELIVERED UNITS)	5,251,335	50,752,921		5,141,220	50,775,546		5,894,763	67,603,654		5,842,880	67,517,564	
Minus Storage Injections DTI	-	-		-	-		-	-		-	-	
Minus Storage Injections NYSEG	-	-		-	-		-	-		-	-	
Minus Storage Injections NFG Roselake	-	-		-	-		-	-		-	-	
Injection Adj		\$0			\$0			\$0			\$0	
Plus Withdrawals	4,913,684	\$32,975,795		4,914,511	\$32,975,795		5,621,674	\$38,420,123		5,581,201	\$38,420,123	
Withdraw Adj.	-	(\$475,702)		-	(\$475,702)		-	\$5,844		-	\$5,844	
Plus Withdrawal Out Charge	-	\$85,602		-	\$85,617		-	\$99,735		-	\$105,539	
TOTAL - DELIVERED TO CUSTOMERS	10,165,019	83,338,616		10,055,731	83,361,256		11,516,437	106,129,356		11,424,081	106,049,070	
CITY GATE DELIVERED DT'S (less Resale)	10,165,019			10,055,731			11,516,437			11,424,081		
City Gate Delivered DT's (less Resale)	10,165,019			10,055,731			11,516,437			11,424,081		
Difference in DTH												
PIPELINE VARIABLE AND FIXED CHARGES												
TRANSPORTATION- COMMODITY CHARGES												
DTI includes withdrawal transportation		\$246,227			\$246,247			\$290,037			\$281,318	
IR		\$6,308			\$7,098			\$7,357			\$7,331	
TENN		\$0			\$0			\$0			\$0	
TXG		\$34,423			\$34,423			\$34,212			\$34,213	
TRANSCO		\$5,276			\$5,208			\$5,025			\$4,832	
NFG Transport FST		\$0			\$0			\$0			\$0	
TETCO/CNG		\$0			\$0			\$0			\$0	
TOTAL TRANSPORTATION - COMMODITY		292,234	-		292,976	-		336,630	-		327,694	-
PRODUCERS RES CHARGES			216,275			216,275			216,275			72,275
PRODUCERS RES LETTER OF CREDIT FEES												\$0
TRANSPORTATION DEMAND CHARGES												
TENN- FT-A& FT-B Reservation		\$0			\$0			\$0			\$0	
TEXAS GAS FT(D1 + D2)		\$352,080			\$352,080			\$318,008			\$325,253	
DTI TF-ALL SOURCES including FT/FTNN GSS Reserva		\$3,443,646			\$3,443,646			\$3,443,646			\$3,443,646	
TEXAS EASTERN - Including Exit Fee		\$0			\$0			\$0			\$0	
CARGILL (WESTERN GAS DEMAND CHARGES)		\$0			\$0			\$0			\$0	
IROQUOIS DEMAND CHARGES		\$349,759			\$340,838			\$340,838			\$340,384	
TRANSCONTINENTAL (Zone 2 + Zone 3)		\$104,032			\$104,032			\$93,964			\$93,965	
NYSEG YEAGER RD STORAGE DEMAND CHARGE		\$0			\$0			\$0			\$0	
NFG Roselake Demand		\$0			\$0			\$0			\$0	
NFG Roselake Capacity		\$0			\$0			\$0			\$0	
DTI GSS STORAGE DEMAND		\$821,396			\$821,396			\$821,396			\$821,396	
DTI GSS STORAGE CAPACITY		\$332,300			\$332,300			\$332,300			\$332,300	
TOTAL DEMAND CHARGES		\$5,403,213			\$5,393,838			\$5,350,152			\$5,356,943	
STORAGE INJ CHARGE DTI		\$0			\$0			\$0			\$0	
STORAGE INJ CHARGE NYSEG		\$0			\$0			\$0			\$0	
STORAGE INJ CHARGE NFG		\$0			\$0			\$0			\$0	
TOTAL COST	10,165,019	\$83,630,849	\$5,619,488	10,055,731	\$83,654,232	\$5,610,113	11,516,437	\$106,465,986	\$5,566,427	11,424,081	\$106,376,764	\$5,429,218

COMMODITY	DTH	Mar-07 Commodity	Fixed \$ Charges	DTH	Mar-07-Reviewed Commodity	Fixed \$ Charges	DTH	Apr-07 Commodity	Fixed \$ Charges	DTH	Apr-07-Reviewed Commodity	Fixed \$ Charges
CONTRACT GAS - Producer Dollars	6,426,555	\$66,396,670		6,476,352	\$66,430,011		5,409,360	\$66,810,252		5,538,608	\$66,691,589	
ADJ to Producers Dollars- (STILL DUE & Past Due)												
Cargill Settlement												
Rebooked Amounts												
Hedging Broker Fees		\$0			\$3,842			\$0			\$0	
Hedging Adjustment		\$3,194,900			\$3,194,900			\$2,891,650			\$2,891,650	
Storage Injections DTI	-			-			1,144,897			1,144,897		
Storage Injections NYSEG	-			-			-			-		
Storage Injections NFG Roselake	-			-			-			-		
Storage Injections Adjustment	-			-			-			-		
Prior Month Invoice True-Ups		\$0.00			\$0.00			\$0.00			\$0.00	
TOTAL INVOICE COSTS (AS DELIVERED UNITS)	6,426,555	69,591,570		6,476,352	69,628,753		6,554,257	69,701,902		6,683,505	69,583,239	
Minus Storage Injections DTI	-	-		-	-		(1,144,897)	(10,138,684)		(1,144,897)	(10,138,684)	
Minus Storage Injections NYSEG	-	-		-	-		-	-		-	-	
Minus Storage Injections NFG Roselake	-	-		-	-		-	-		-	-	
Injection Adj.		\$0			\$0		-	(\$778,258)		-	(\$778,258)	
Plus Withdrawals	2,518,059	\$15,691,549		2,213,420	\$15,691,549							
Withdraw Adj.	-	(\$583,823)		-	(\$583,823)		-			-		
Plus Withdrawal Out Charge	-	\$40,734		-	\$38,713		-	\$0		-	\$0	
TOTAL - DELIVERED TO CUSTOMERS	8,944,614	84,740,030		8,689,772	84,775,193		5,409,360	58,784,960		5,538,608	58,666,298	
CITY GATE DELIVERED DT'S (less Resale)	8,944,614			8,689,772			5,409,360			5,538,608		
Difference in DTH	8,944,614			8,689,772			5,409,360			5,538,608		
PIPELINE VARIABLE AND FIXED CHARGES												
TRANSPORTATION- COMMODITY CHARGES												
DTI includes withdrawal transportation		\$230,502			\$227,905			\$214,644			\$216,407	
IR		\$8,117			\$8,117			\$7,839			\$7,839	
TENN		\$0			\$0			\$0			\$0	
TXG		\$36,272			\$36,268			\$25,920			\$25,920	
TRANSCO		\$7,096			\$6,960			\$0			(\$3,066)	
NFG Transport FST		\$0			\$0			\$0			\$0	
TETCO/CNG		\$0			\$0			\$0			\$0	
TOTAL TRANSPORTATION - COMMODITY		281,986.48	-		279,249	-		248,403	-		247,099.92	-
PRODUCERS RES CHARGES			\$0			-			-			-
PRODUCERS RES LETTER OF CREDIT FEES			\$0									
TRANSPORTATION DEMAND CHARGES												
TENN- FT-A& FT-B Reservation		\$0			\$0			\$0			\$0	
TEXAS GAS FT(D1 + D2)		\$352,080			\$355,701			\$8,704			\$261,120	
DTI TF-ALL SOURCES including FT/FTNN GSS Reserva		\$3,443,646			\$3,443,646			\$1,460,796			\$1,460,796	
TEXAS EASTERN - Including Exit Fee		\$0			\$0			\$0			\$0	
CARGILL (WESTERN GAS DEMAND CHARGES)		\$0			\$0			\$0			\$0	
IROQUOIS DEMAND CHARGES		\$340,384			\$340,384			\$340,384			\$340,384	
TRANSCONTINENTAL (Zone 2 + Zone 3)		\$138,502			\$138,499			\$134,178			\$134,178	
NYSEG YEAGER RD STORAGE DEMAND CHARGE		\$0			\$0			\$0			\$0	
NFG Roselake Demand		\$0			\$0			\$0			\$0	
NFG Roselake Capacity		\$0			\$0			\$0			\$0	
DTI GSS STORAGE DEMAND		\$821,396			\$821,396			\$821,396			\$821,396	
DTI GSS STORAGE CAPACITY		\$332,300			\$332,300			\$332,300			\$332,300	
TOTAL DEMAND CHARGES		\$5,428,307			\$5,431,926			\$3,087,758			\$3,350,174	
STORAGE INJ CHARGE DTI		\$0			\$0			\$28,918			\$28,631	
STORAGE INJ CHARGE NYSEG		\$0			\$0			\$0			\$0	
STORAGE INJ CHARGE NFG		\$0			\$0			\$0			\$0	
TOTAL COST	8,944,614	\$85,022,017	\$5,428,307	8,689,772	\$85,054,442	\$5,431,926	5,409,360	\$58,062,281	\$3,097,758	5,538,608	\$58,942,028	\$3,350,174

COMMODITY	DTH	May-07 Commodity	Fixed \$ Charges	DTH	Jun-07 Commodity	Fixed \$ Charges
CONTRACT GAS - Producer Dollars ADJ to Producers Dollars - (STILL DUE & Past Due) Cargill Settlement Rebooked Amounts	1,708,063	\$29,908,329		1,687,731	\$29,908,675	
Hedging Broker Fees		\$0			\$1,038	
Hedging Adjustment		\$0			\$0	
Storage Injections DTI	1,997,384			1,997,384		
Storage Injections NYSEG	-			-		
Storage Injections NFG Roselake	-			-		
Storage Injections Adjustment	-			-		
Prior Month Invoice True-Ups		\$0.00			\$0.00	
TOTAL INVOICE COSTS (AS DELIVERED UNITS)	3,705,447	29,908,329		3,685,115	29,909,713	
Minus Storage Injections DTI	(1,997,384)	(15,740,359)		(1,997,384)	(15,740,359)	
Minus Storage Injections NYSEG	-	-		-	-	
Minus Storage Injections NFG Roselake	-	-		-	-	
Injection Adj.	-	\$105,537		-	\$105,537	
Plus Withdrawals	-			-		
Withdraw Adj.	-	\$0		-	\$0	
Plus Withdrawal Out Charge	-			-		
TOTAL - DELIVERED TO CUSTOMERS	1,708,063	14,273,507		1,687,731	14,274,891	
CITY GATE DELIVERED DTIS (less Resale)	1,708,063			1,687,731		
Difference in DTH	1,708,063			1,687,731		
PIPELINE VARIABLE AND FIXED CHARGES						
TRANSPORTATION - COMMODITY CHARGES						
DTI includes withdrawal transportation		\$30,742			\$30,281	
IR		\$8,100			\$7,839	
TENN		\$0			\$0	
TXG		\$26,784			\$25,870	
TRANSCO		\$0			\$0	
NFG Transport FST		\$0			\$0	
TETCO/ICNG		\$0			\$0	
TOTAL TRANSPORTATION - COMMODITY		65,626			54,145	
PRODUCERS RES CHARGES						
PRODUCERS RES LETTER OF CREDIT FEES						
TRANSPORTATION DEMAND CHARGES						
TENN- FT-AL FT-B Reservation		\$0			\$0	
TEXAS GAS FT(D1 + D2)		\$269,824			\$261,120	
DTI FT-ALL SOURCES including FT/FTNN GSS Reserve		\$1,342,833			\$1,300,833	
TEXAS EASTERN - including Exit Fee		\$0			\$0	
CARGILL (WESTERN GAS DEMAND CHARGES)		\$0			\$0	
IROQUOIS DEMAND CHARGES		\$340,384			\$340,384	
TRANSCONTINENTAL (Zone 2 + Zone 3)		\$71,704			\$69,391	
NYSEG YEAGER RD STORAGE DEMAND CHARGE		\$0			\$0	
NFG Roselake Demand		\$0			\$0	
NFG Roselake Capacity		\$0			\$0	
DTI GSS STORAGE DEMAND		\$821,396			\$821,396	
DTI GSS STORAGE CAPACITY		\$332,300			\$332,300	
TOTAL DEMAND CHARGES		\$3,178,442			\$3,125,424	
STORAGE INJ CHARGE DTI		\$62,519			\$65,348	
STORAGE INJ CHARGE NYSEG		\$0			\$0	
STORAGE INJ CHARGE NFG		\$0			\$0	
TOTAL COST	1,708,063	\$14,401,652	\$3,178,442	1,687,731	\$10,273,720	\$3,125,424
				1,255,665	\$10,272,238	\$3,080,194

COMMODITY	Jul-07			Jul-07			Aug-07			Aug-07		
	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges	DTH	Commodity	Fixed \$ Charges
CONTRACT GAS - Producer Dollars	1,133,428	\$32,426,056		1,121,666	\$32,789,121		1,432,250	\$26,436,237		1,465,332	\$26,436,244	
ADJ to Producers Dollars- (STILL DUE & Past Due)												
Cargill Settlement												
Rebooked Amounts												
Hedging Broker Fees		\$0			\$508			\$0			\$537	
Hedging Adjustment		\$0			\$0			\$0			\$0	
Storage Injections DTI	2,915,505			2,915,505			2,603,860			2,603,860		
Storage Injections NYSEG	-			-			-			-		
Storage Injections NFG Roselake	-			-			-			-		
Storage Injections Adjustment	-			-			-			-		
Prior Month Invoice True-Ups		\$0.00			\$0.00			\$0.00			\$0.00	
TOTAL INVOICE COSTS (AS DELIVERED UNITS)	4,048,933	32,426,056		4,037,171	32,789,629		4,036,110	26,436,237		4,069,192	26,436,781	
Minus Storage Injections DTI	(2,915,505)	(20,791,493)		(2,915,505)	(20,791,493)		(2,603,860)	(16,678,965)		(2,603,860)	(16,678,965)	
Minus Storage Injections NYSEG	-	-		-	-		-	-		-	-	
Minus Storage Injections NFG Roselake	-	-		-	-		-	-		-	-	
Injection Adj	-	\$92,488		-	\$92,488		-	\$20,679		-	\$20,679	
Plus Withdrawals												
Withdraw Adj.	-			-			-			-		
Plus Withdrawal Out Charge	-	\$0		-	\$0		-	\$0		-	\$0	
TOTAL - DELIVERED TO CUSTOMERS	1,133,428	11,727,050		1,121,666	12,090,624		1,432,250	9,777,951		1,465,332	9,778,495	
CITY GATE DELIVERED DT'S (less Resale)	1,133,428			1,121,666			1,432,250			1,465,332		
Difference in DTH	1,133,428			1,121,666			1,432,250			1,465,332		
PIPELINE VARIABLE AND FIXED CHARGES												
TRANSPORTATION- COMMODITY CHARGES												
DTI includes withdrawal transportation		\$19,750			\$19,472			\$25,838			\$26,785	
IR		\$8,108			\$8,108			\$8,108			\$8,108	
TENN		\$0			\$0			\$0			\$0	
TXG		\$26,577			\$26,577			\$26,784			\$26,784	
TRANSCO		\$0			\$448			\$0			(\$4,930)	
NFG Transport FST		\$0			\$0			\$0			\$0	
TETCO/CNG		\$0			\$0			\$0			\$0	
TOTAL TRANSPORTATION - COMMODITY		54,436	-		54,606	-		60,730	-		56,747	-
PRODUCERS RES CHARGES												
PRODUCERS RES LETTER OF CREDIT FEES			-			-			-			-
TRANSPORTATION DEMAND CHARGES												
TENN- FT-A& FT-B Reservation		\$0			\$0			\$0			\$0	
TEXAS GAS FT(D1 + D2)		\$269,824			\$269,824			\$269,824			\$269,824	
DTI TF-ALL SOURCES including FT/FTNN GSS Reserva		\$1,320,808			\$1,320,808			\$1,321,753			\$1,321,753	
TEXAS EASTERN - Including Exit Fee		\$0			\$0			\$0			\$0	
CARGILL (WESTERN GAS DEMAND CHARGES)		\$0			\$0			\$0			\$0	
IROQUOIS DEMAND CHARGES		\$340,384			\$340,384			\$340,384			\$340,384	
TRANSCONTINENTAL (Zone 2 + Zone 3)		\$71,704			\$89,036			\$75,206			\$54,373	
NYSEG YEAGER RD STORAGE DEMAND CHARGE		\$0			\$0			\$0			\$0	
NFG Roselake Demand		\$0			\$0			\$0			\$0	
NFG Roselake Capacity		\$0			\$0			\$0			\$0	
DTI GSS STORAGE DEMAND		\$821,396			\$821,396			\$821,396			\$821,396	
DTI GSS STORAGE CAPACITY		\$332,300			\$332,300			\$332,300			\$332,300	
TOTAL DEMAND CHARGES		\$3,156,416.65			\$3,173,749			\$3,160,863.13			\$3,140,029.82	
STORAGE INJ CHARGE DTI		\$57,796			\$57,737			\$51,033			\$50,818	
STORAGE INJ CHARGE NYSEG		\$0			\$0			\$0			\$0	
STORAGE INJ CHARGE NFG		\$0			\$0			\$0			\$0	
TOTAL COST	1,133,428	\$11,839,282	\$3,156,417	1,121,666	\$12,202,967	\$3,173,749	1,432,250	\$9,889,714	\$3,160,863	1,465,332	\$9,886,060	\$3,140,030

NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID

January 1, 2008 - December 31, 2008 Sales Forecast

<u>Therms</u>	<u>Jan-08</u>	<u>Feb-08</u>	<u>Mar-08</u>	<u>Apr-08</u>	<u>May-08</u>	<u>Jun-08</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>
SC1 Res Non Heat	1914742	1935475	1788692	1260908	830460	610726	432368	306888	353273	531639	882718	1539233
SC1 Res Heat	76871211	75031506	65329865	48420996	26728210	12890878	7707725	5677284	6300339	12046406	27692028	51314527
SC2 Res Non Heat	18396	17265	16178	11774	8397	4901	3523	2488	3633	4469	7596	13800
SC2 Res Heat	261080	254639	235476	166486	92828	38194	28433	20631	31231	45285	94639	189700
SC2 Comm Non Heat	458113	450169	389893	284579	164553	179108	147468	141542	155691	112639	218089	339276
SC2 Comm Heat	20776056	21016454	18728578	12462971	6004196	2974524	2173838	1825420	1964782	3440522	6832574	13529752
SC2 Industrial	427729	392053	329263	236629	121361	90439	60067	39344	24083	76754	173663	314434
SC3 Comm Non Heat	92241	91258	83388	69615	53920	43501	37554	36391	38359	47168	61030	76993
SC3 Comm Heat	439446	433574	386601	304399	211152	153858	104230	104230	104230	170952	253156	348436
SC3 Industrial	137508	137508	137459	113029	64589	52675	45976	46830	95718	100079	129073	129542
SC12 DG < 250 K	20510	20510	20510	20510	20510	20510	20510	20510	20510	20510	20510	20510
Total	101417032	99780411	87445903	63351896	34300176	17059314	10761692	8221558	9091849	16596423	36365076	67816203 552207533

Source: uggasrates/common/Budget - fy09/Sales Forecast FY09/Salesforecast06222007.xls

UNIFORM SYSTEM LOSS FACTOR

THRUPUT:	Aug-07
RECEIPT AT CUSTOMER'S METER	MDTs
Retail Service	56,627.4 A
Steam Plants	-
Turbines	0
Company Use	38.1 B
Ferc Sales for Resale @ City Gate	0.0
Total Sales	56,665.5 C=A+B
Transportation	77,225.0 D
Total Customer Delivery	133,890.5 E=C+D
LESS:	
Syr Sub	0
Electric Generation	
FERC SALE FOR RESALE	0.0
Cogen 1	
Cogen 2	
Cogen 3	
Cogen 4	
Cogen 5	
Cogen 6	
Cogen 7	15,132.9 F
Cogen 8	
Cogen9	
SC4	692.1 G
Total Customer Delivery	
For Calculation of Loss Factor	118,065.4 H=E-(F+G)

RECEIPT INTO OUR GATES

Total Receipts	136,186.1 I
LESS:	
Syr Sub	0
Electric Generation	
FERC SALE FOR RESALE	0.0
Cogen 1	
Cogen 2	
Cogen 3	
Cogen 4	
Cogen 5	
Cogen 6	
Cogen 7	15,216.8 J
Cogen 8	
Cogen 9	
SC4	704.3 K
Total Receipts for Calculation	120,265.0 L=I-(J+K)
Total Loss & Unaccounted subject to calculation	2,199.6 M=L-H
Less Company Use	38.1 N
Net Loss & Unaccounted	2,161.5 O=M-N
% of Sales	1.83% P=O/H