

Niagara Mohawk Power Corporation d/b/a National Grid

Attachment 1

Return Requirement on Gas Storage Inventory Rate - Effective June 1, 2012 to May 31, 2013

Year 4 - Forecasted Storage Inventory Commodity Costs: June 1, 2012 to May 31, 2013

Projected Weighted Average Storage Inventory Cost is developed from Dispatch Simulation Model using 5/29/2012 NYMEX

	Storage Inventory Balance (dt)	Wtd Avg Storage Inventory Cost (\$/dt)	Storage Inventory Costs (\$)	
05/16/2012-05/31/2012	4,707,903	\$ 4.0113	\$ 9,442,406	for 1/2 of month
06/30/2012	7,630,050	\$ 3.7178	\$ 28,367,000	
07/31/2012	10,227,513	\$ 3.5589	\$ 36,398,696	
08/31/2012	12,824,977	\$ 3.4181	\$ 43,837,054	
09/30/2012	14,610,733	\$ 3.3423	\$ 48,833,453	
10/31/2012	15,379,079	\$ 3.3092	\$ 50,892,448	
11/30/2012	14,738,284	\$ 3.3092	\$ 48,771,929	
12/31/2012	11,213,912	\$ 3.3092	\$ 37,109,078	
01/31/2013	7,208,943	\$ 3.3092	\$ 23,855,834	
02/28/2013	3,844,770	\$ 3.3092	\$ 12,723,113	
03/31/2013	961,192	\$ 3.3092	\$ 3,180,777	
04/30/2013	1,948,098	\$ 3.3753	\$ 6,575,415	
05/1/2013-05/15/2013	4,707,903	\$ 3.4272	\$ 8,067,463	for 1/2 of month
	110,003,357		\$ 358,054,665	
Monthly Average Storage Inventory Costs (11 and 2/2 Months)			\$ 29,837,889	
Balance of storage not used by SC 3			99.0828212%	
Monthly Average Storage Inventory Costs (11 and 2/2 Months) excl SC 3			\$ 29,564,222	
Pre-Tax Weighted Average Cost of Capital			10.69%	
Return Requirement			\$ 3,160,415	
Forecasted SC 1,2 12 and 13 Sales - TME May 2013			478,844,265	Therms
Year 4 Return Requirement on Gas Storage Inventory Rate (June 1, 2012 - May 31, 2013)			\$ 0.00660	\$/Therm
Year 2 Annual Imbalance Refund (September 1, 2011 - August 31, 2012)			\$ (0.00080)	\$/Therm
Total Rate Effective June 1, 2012			\$ 0.00580	\$/Therm