

NORTHERN UTILITIES, INC.  
 NEW HAMPSHIRE DIVISION  
 NORTHERN UTILITIES, INC.  
 NEW HAMPSHIRE DIVISION

RECOVERY OF PAYMENTS TO GRANITE STATE  
 OVER SEVEN YEARS FOR \$6.95 MILLION  
 RELATED TO EXITING THE WELLS CONTRACT

Year 6	Total	Maine	NH	Year 7	
				Surcharge	Balance
Beginning Balance					
73	\$27,090	\$119,016	\$178,971	\$1,641	(\$51,924)
74	\$27,090	\$108,196	\$162,701	\$1,491	\$28,879
75	\$27,090	\$97,377	\$146,431	\$1,342	\$28,730
76	\$27,090	\$86,557	\$130,161	\$1,193	\$28,581
77	\$27,090	\$75,737	\$113,891	\$1,044	\$28,432
78	\$27,090	\$64,918	\$97,620	\$895	\$28,283
79	\$27,090	\$54,098	\$81,350	\$746	\$28,134
80	\$27,090	\$43,279	\$65,080	\$597	\$27,985
81	\$27,090	\$32,459	\$48,810	\$447	\$27,835
82	\$27,090	\$21,639	\$32,540	\$298	\$27,686
83	\$27,090	\$10,820	\$16,270	\$149	\$27,537
84	(\$0)	(\$0)	(\$0)	(\$0)	\$27,388
Year 7	\$325,076				\$27,239
Surcharge					\$284,785
					<b>\$0.053</b>

CALCULATION OF ENVIRONMENTAL RESPONSE COST RATE ADJUSTMENT

Line No.

Period	Order No.	Total Recovery Costs	Recovery Period 11/04 - 10/05	Recovery Costs This Period
<b><u>Remediation Costs</u></b>				
1 Jul 00-Jun 01 (1/7th per Year)		\$ 2,301,759	\$ 232,408	\$ 232,408
2 Jul 01-Jun 02 (1/7th per Year)		\$ 1,035,413	\$ 147,916	\$ 147,916
3 Jul 02-Jun 03 (1/7th per Year)		\$ 223,620	\$ 31,946	\$ 31,946
4 Jul 03-Jun 04 (1/7th per Year)		\$ 291,630	\$ 41,661	\$ 41,661
5 Jul 04-Jun 05 (1/7th per Year)		\$ 909,099	\$ 129,871	\$ 129,871
<b><u>Insurance and Third Party Expenses</u></b>				
6 Jul 04 - Jun 05		\$ -	\$ -	\$ -
<b><u>7 Prior reconciliation</u></b>				
8 Ending balance 10/31/04			\$	(43,928)
<b><u>9 Total</u></b>				
			\$	539,875
10 Firm Sales & Firm Transportation				53,673,770
11 <b><u>ERC Recovery/Passback Rate</u></b>			<b>\$</b>	<b>0.0101</b>

NORTHERN UTILITIES, INC. - NEW HAMPSHIRE DIVISION  
 REMEDIATION ADJUSTMENT CLAUSE COMPLIANCE FILING  
 2004 - 2005 ENVIRONMENTAL RESPONSE COSTS  
 SITE SPECIFIC EXPENSES

Line	Description	11/02 - 10/03	11/03 - 10/04	11/04 - 10/05	11/05 - 10/06	11/06 - 10/07	11/07 - 10/08	11/08 - 10/09	11/09 - 10/10	11/10 - 10/11	11/11 - 10/12
<b>ENVIRONMENTAL RESPONSE COST (ERC)</b>											
1	July 00 - June 01 Expenses Amortization (1/7)	\$ 2,301,759	\$ 328,823	\$ 328,823	\$ 232,408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	July 01 - June 02 Expenses Amortization (1/7)	\$ 1,035,413	\$ 147,916	\$ 147,916	\$ 147,916	\$ 134,206	\$ -	\$ -	\$ -	\$ -	\$ -
3	July 02 - June 03 Expenses Amortization (1/7)	\$ 223,620	\$ -	\$ 31,946	\$ 31,946	\$ 31,946	\$ -	\$ -	\$ -	\$ -	\$ -
4	July 03 - June 04 Expenses Amortization (1/7)	\$ 291,630	\$ -	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661
5	July 04 - June 05 Expenses Amortization (1/7)	\$ 909,099	\$ -	\$ -	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871
6	Subtotal (Line 1 through Line 5)	\$ 4,761,521	\$ 476,739	\$ 508,685	\$ 550,346	\$ 583,803	\$ 337,684	\$ 171,533	\$ 171,533	\$ 171,533	\$ 129,871
7	Add: Excess amortization from prior years (from schedule 5, Line 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -
8	Less: Excess amortization to be deferred (from schedule 5, Line 9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -
9	Total Environmental Response cost to be recovered (ERC)	\$ 4,761,521	\$ 476,739	\$ 508,685	\$ 550,346	\$ 583,803	\$ 337,684	\$ 171,533	\$ 171,533	\$ 171,533	\$ 129,871
<b>UNAMORTIZED ENVIRONMENTAL RESPONSE COST</b>											
10	July 2000 - June 2001 Unamortized beginning balance	\$ 328,823	\$ 328,823	\$ 328,823	\$ 232,408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	July 2001 - June 2002 Unamortized beginning balance	\$ 147,916	\$ 147,916	\$ 147,916	\$ 147,916	\$ 134,206	\$ -	\$ -	\$ -	\$ -	\$ -
12	July 2002 - June 2003 Unamortized beginning balance	\$ 31,946	\$ 31,946	\$ 31,946	\$ 31,946	\$ 31,946	\$ -	\$ -	\$ -	\$ -	\$ -
13	July 2003 - June 2004 Unamortized beginning balance	\$ -	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661
14	July 2004 - June 2005 Unamortized beginning balance	\$ -	\$ -	\$ -	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871
15	Total Unamortized beginning balance	\$ 476,739	\$ 508,685	\$ 550,346	\$ 583,803	\$ 337,684	\$ 171,533	\$ 171,533	\$ 171,533	\$ 171,533	\$ 129,871
16	INSURANCE/3RD PARTY EXPENSES (IE) Expenses (from schedule 2)	\$ 2,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	INSURANCE/3RD PARTY RECOVERIES (IR)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	UNDER/OVER Recovery from previous year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Total of Lines 15, 16, 17, 18,	\$ 478,967	\$ 508,685	\$ 550,346	\$ 583,803	\$ 337,684	\$ 171,533	\$ 171,533	\$ 171,533	\$ 171,533	\$ 129,871

Remediation Adjustment Clause Compliance Filing  
2004 - 2005 ENVIRONMENTAL RESPONSE COSTS  
Summary

LINE NO.	DESCRIPTION	LEGAL EXPENSE	CONSULTING EXPENSE	REMEDATION EXPENSE	INSURANCE & 3RD PARTY EXPENSES	OTHER EXPENSE	100% RECOVERABLE EXPENSE	INSURANCE & 3RD PARTY EXPENSE	INSURANCE & THIRD PARTY RECOVERIES
1	Portsmouth Gas Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Exeter Gas Works	\$ -	\$ 4,721	\$ 15,575	\$ -	\$ -	\$ 20,297	\$ -	\$ -
3	Rochester Gas Works	\$ 567,540	\$ 23,350	\$ 207,223	\$ -	\$ -	\$ 798,113	\$ -	\$ -
4	Dover Gas Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Somerworth Gas Works	\$ -	\$ 90,689	\$ -	\$ -	\$ -	\$ 90,689	\$ -	\$ -
<b>TOTALS</b>		\$ 567,540	\$ 118,761	\$ 222,798	\$ -	\$ -	\$ 909,099	\$ -	\$ -

**REMEDATION ADJUSTMENT CLAUSE COMPLIANCE FILING  
2004-2005 ENVIRONMENTAL RESPONSE COSTS**

Schedule 3A

**Exeter Gas Works  
Water Street and Green Street, Exeter, NH**

LINE	VENDOR NAME	INVOICE NO.	LEGAL CONSULTING EXPENSE	REMEDIATION EXPENSE	OTHER RECOVERABLE EXPENSE	100%
1	AMEC Earth & Environmental	106841			\$ 497.50	497.50
2	ENPRO Services, Inc.	12134-4		400.00	\$ 400.00	400.00
3	Owen Haskell, Inc.	2001-031.2		1,382.50	\$ 1,382.50	1,382.50
4	Paul J. Exner, P.E.	N56	774.48		\$ 774.48	774.48
5	Paul J. Exner, P.E.	N57	175.00		\$ 175.00	175.00
6	Paul J. Exner, P.E.	N58	140.00		\$ 140.00	140.00
7	Paul J. Exner, P.E.	N59	385.00		\$ 385.00	385.00
8	Paul J. Exner, P.E.	N60	805.00		\$ 805.00	805.00
9	Paul J. Exner, P.E.	N63	70.00		\$ 70.00	70.00
10	Paul J. Exner, P.E.	N65	324.35		\$ 324.35	324.35
11	Paul J. Exner, P.E.	N66	803.93		\$ 803.93	803.93
12	Paul J. Exner, P.E.	N67	746.05		\$ 746.05	746.05
13	The RETEC Group	42377		575.23	\$ 575.23	575.23
14	The RETEC Group	43122		699.12	\$ 699.12	699.12
15	The RETEC Group	43752		554.88	\$ 554.88	554.88
16	The RETEC Group	44553		991.88	\$ 991.88	991.88
17	The RETEC Group	45375		3,707.66	\$ 3,707.66	3,707.66
18	The RETEC Group	46046		432.00	\$ 432.00	432.00
19	The RETEC Group	46993		1,719.92	\$ 1,719.92	1,719.92
20	The RETEC Group	49471		576.85	\$ 576.85	576.85
21	The RETEC Group	49700		1,975.81	\$ 1,975.81	1,975.81
22	The RETEC Group	50681		2,559.58	\$ 2,559.58	2,559.58
			\$ 4,721.31	\$ 15,575.43	\$ -	\$ 20,296.74

REMEDATION ADJUSTMENT CLAUSE COMPLIANCE FILING  
2004-2005 ENVIRONMENTAL RESPONSE COSTS

Schedule 3B

Rochester Gas Works  
Route 125 and Spaulding Turnpike, Rochester, NH

LINE	VENDOR NAME	INVOICE NO.	LEGAL EXPENSE	CONSULTING EXPENSE	REMEDATION EXPENSE	OTHER EXPENSE	100% RECOVERABLE EXPENSE
1	Adecco	31813940		1,027.50		\$	1,027.50
2	Adecco	32383955		405.00		\$	405.00
3	Adecco	32602664		566.25		\$	566.25
4	Adecco	32911449		292.00		\$	292.00
5	Adecco	32985824		187.00		\$	187.00
6	Adecco	33157867		229.00		\$	229.00
7	Adecco	33266969		255.00		\$	255.00
8	Adecco	33404204		260.00		\$	260.00
9	Adecco	33545249		380.00		\$	380.00
10	Adecco	33631919		357.00		\$	357.00
11	Adecco	33806532		210.00		\$	210.00
12	Adecco	33931906		297.50		\$	297.50
13	Adecco	34066033		380.00		\$	380.00
14	Adecco	34229442		400.00		\$	400.00
15	Adecco	34371280		400.00		\$	400.00
16	Adecco	34542900		375.00		\$	375.00
17	Adecco	34664454		370.00		\$	370.00
18	Adecco	34724387		180.00		\$	180.00
19	Adecco	34926290		165.00		\$	165.00
20	Adecco	60321921		400.00		\$	400.00
21	Adecco	61163821		400.00		\$	400.00
22	Adecco	61180903		400.00		\$	400.00
23	Adecco	61199695		400.00		\$	400.00
24	Adecco	61305247		383.00		\$	383.00
25	Adecco	61341683		400.00		\$	400.00
26	Adecco	61358826		400.00		\$	400.00
27	Adecco	61375793		400.00		\$	400.00
28	Curry Printing	109809		28.35		\$	28.35
29	ENSR Corp.	314068			1,565.80	\$	1,565.80
30	ENSR Corp.	318548			974.30	\$	974.30
31	ENSR Corp.	320010			9,715.60	\$	9,715.60
32	ENSR Corp.	321645			11,181.49	\$	11,181.49
33	ENSR Corp.	324495			9,225.37	\$	9,225.37
	ENSR Corp.	326346			64,235.02	\$	64,235.02
	ENSR International	307936			1,346.68	\$	1,346.68
	ENSR International	312148			3,727.00	\$	3,727.00
37	Foley Hoag	304198	1,386.00			\$	1,386.00
38	Foley Hoag	307518	168.00			\$	168.00
39	Foley Hoag	312899	1,836.16			\$	1,836.16
40	Foley Hoag	314824	3,801.82			\$	3,801.82
41	Foley Hoag	317452	348.12			\$	348.12
39	Foley Hoag	Wire Transfer	560,000.00			\$	560,000.00
40	Owen Haskell, Inc.	99270.4			720.00	\$	720.00
41	Paul J. Exner, P.E.	N56		490.00		\$	490.00
42	Paul J. Exner, P.E.	N57		420.00		\$	420.00
43	Paul J. Exner, P.E.	N58		210.00		\$	210.00
44	Paul J. Exner, P.E.	N59		1,248.07		\$	1,248.07
45	Paul J. Exner, P.E.	N60		385.00		\$	385.00
46	Paul J. Exner, P.E.	N61		455.00		\$	455.00
47	Paul J. Exner, P.E.	N62		315.00		\$	315.00
48	Paul J. Exner, P.E.	N63		420.00		\$	420.00
49	Paul J. Exner, P.E.	N64		853.66		\$	853.66
50	Paul J. Exner, P.E.	N65		1,166.24		\$	1,166.24
51	Paul J. Exner, P.E.	N66		1,091.37		\$	1,091.37
52	Paul J. Exner, P.E.	N67		1,260.00		\$	1,260.00
53	The RETEC Group	42376			2,274.60	\$	2,274.60
54	The RETEC Group	43121			1,426.90	\$	1,426.90
55	The RETEC Group	43751			850.35	\$	850.35
56	The RETEC Group	44554			263.28	\$	263.28
57	The RETEC Group	45374			105.00	\$	105.00
58	The RETEC Group	46045			432.00	\$	432.00
59	The RETEC Group	49470			8,348.94	\$	8,348.94
60	The RETEC Group	49699			33,371.93	\$	33,371.93
61	The RETEC Group	50680			57,458.51	\$	57,458.51
62	Treasurer, State of New Hampshire	198712002		1,341.07		\$	1,341.07
63	Treasurer, State of New Hampshire	510160237-Q1		1,638.22		\$	1,638.22
64	Treasurer, State of New Hampshire	510160237-Q2		1,811.55		\$	1,811.55
65	Treasurer, State of New Hampshire	510183445-Qz		297.38		\$	297.38
			\$ 567,540.10	\$ 23,350.16	\$ 207,222.77	\$ -	\$ 798,113.03

**REMEDATION ADJUSTMENT CLAUSE COMPLIANCE FILING  
2004-2005 ENVIRONMENTAL RESPONSE COSTS**

Schedule 3C

**Somersworth Gas Works**

LINE	VENDOR NAME	INVOICE NO.	LEGAL EXPENSE	CONSULTING EXPENSE	REMEDIATION EXPENSE	OTHER EXPENSE	RECOVERABLE EXPENSE
1	Adecco	31421309		937.50			937.50
2	AMEC Earth & Environmental	106753		3,192.50			3,192.50
3	AMEC Earth & Environmental	106909		2,537.99			2,537.99
4	AMEC Earth & Environmental	106943		3,645.03			3,645.03
5	AMEC Earth & Environmental	107124		14,666.39			14,666.39
6	AMEC Earth & Environmental	107181		12,140.99			12,140.99
7	AMEC Earth & Environmental	107320		9,086.86			9,086.86
8	AMEC Earth & Environmental	107383		6,015.36			6,015.36
9	AMEC Earth & Environmental	107434		21,582.59			21,582.59
10	CDW Select, Inc.	OT15842		205.00			205.00
11	Environmental Standards	72955		722.42			722.42
12	Environmental Standards	73020		4,765.50			4,765.50
13	Ish, Inc.	40641		100.00			100.00
15	Paul J. Exner, P.E.	N56		875.00			875.00
14	Paul J. Exner, P.E.	N57		175.00			175.00
16	Paul J. Exner, P.E.	N58		210.00			210.00
17	Paul J. Exner, P.E.	N59		779.35			779.35
18	Paul J. Exner, P.E.	N60		280.00			280.00
19	Paul J. Exner, P.E.	N61		770.00			770.00
20	Paul J. Exner, P.E.	N62		980.00			980.00
21	Paul J. Exner, P.E.	N63		315.00			315.00
22	Paul J. Exner, P.E.	N64		770.00			770.00
23	Paul J. Exner, P.E.	N65		1,564.30			1,564.30
24	Paul J. Exner, P.E.	N66		1,194.03			1,194.03
25	Paul J. Exner, P.E.	N67		455.00			455.00
26	Treasurer, State of New Hampshire	198405052-02		2,723.32			2,723.32
			\$ -	\$ 90,689.13	\$ -	\$ -	\$ 90,689.13

COMPANY NAME

NORTHERN UTILITIES, INC.

EXETER GAS WORKS

LINE  
NO.

SCHEDULE 4A

1. SITE LOCATION: Water Street and Green Street in Exeter, NH
2. DATE SITE WAS FIRST INVESTIGATED AS A DISPOSAL SITE: 1982 by USEPA
3. SUMMARY OF MATERIAL DEVELOPMENTS AND INTERACTIONS WITH ENVIRONMENTAL AUTHORITIES (July 1, 2004 – June 30, 2005):
  - Northern continued a community outreach program with affected property owners and other interested parties, including Town of Exeter and Exeter Housing Authority officials.
  - Northern retained RETEC to support post-remediation activities, including the assessment of the effectiveness of the oxygen release compound injection program.
  - Northern was contacted by a neighbor of the former MGP site who planned to demolish his house and move an historic home to the parcel. Northern retained RETEC to conduct soil and soil gas sampling on the neighbor's parcel to assess the potential for MGP impacts and to protect the health of any construction workers. Northern began efforts to provide an easement to the neighbor in order to meet zoning setback requirements. Owen Haskell was contracted to conduct surveying related to the easement effort.
  - Northern retained RETEC to replace a groundwater well at the site that showed anomalous water quality results. AMEC, which conducted all the groundwater modeling for the project, was contracted to provide consulting on the well replacement. ENPRO managed the disposal of waste soil cuttings from the installation of the replacement well.
  - Northern retained the services of an independent contractor to manage the assessment and remediation of the site.
4. NEW HAMPSHIRE SITE REMEDIATION PROGRAM PHASE: Remediation and site closure.
5. NATURE AND SCOPE OF SITE CONTAMINATION: Areas containing residual materials from the historic operation and decommissioning of the former manufactured gas plant were discovered on small parcels of land on both sides of Water Street. These residuals, which include tars and oils, were found in the soil at discrete locations and in groundwater. The objective of the cleanup project, as discussed with the New Hampshire Department of Environmental Services, has been to stabilize affected soils to the extent practicable and to enhance the natural attenuation of any residuals in groundwater.

COMPANY NAME

NORTHERN UTILITIES, INC.

EXETER GAS WORKS

LINE  
NO.

SCHEDULE 4A

Northern prepared a project Completion Report that was submitted to NHDES in January 2002. The Completion Report documented that all construction work was completed in accordance with the Remedial Action Plan (RAP) that was submitted to the NHDES in October 2001. The remedy consisted of the in-situ solidification of MGP residuals on the main parcel by auger mixing using a formulation of Portland cement and organophilic clay followed by regrading and planting for site closure. The remedy also consisted of the injection of an oxygen release compound (ORC) into the soils and groundwater in the vicinity of the former settling lagoons on Exeter Housing Authority property.

6. HISTORY AND CURRENT STATUS OF USE AND OWNERSHIP OF SITE: The Exeter Gas Works operated from 1864 through 1955. The gas works was owned and operated by several companies during that time, including Exeter Gas Light Company in 1864, Strafford-York Gas Company in 1911, and Allied New Hampshire Gas Company in 1942. Allied New Hampshire Gas Company was a predecessor of Northern Utilities. Northern sold the eastern portion of the property to the Town of Exeter in 1978. In 1981 the eastern portion of the former MGP property was transferred to the Exeter Housing Authority. This portion of the site is currently used for elderly housing. The western portion of the former MGP is currently owned by Northern Utilities and is a landscaped lot.

7. LISTING AND STATUS OF INSURANCE AND 3<sup>RD</sup> PARTY LAWSUITS AND SETTLEMENTS: None

NAME OF SUIT: Not Applicable

DATE FILED: Not Applicable

STATUS (PENDING/SETTLED): Not Applicable

COMPANY NAME

NORTHERN UTILITIES, INC.

ROCHESTER GAS WORKS

LINE  
NO.

SCHEDULE 4B

1. SITE LOCATION: Route 125 and Spaulding Turnpike, Rochester, NH
2. DATE SITE WAS FIRST INVESTIGATED AS A DISPOSAL SITE: 1989 by property owner
3. SUMMARY OF MATERIAL DEVELOPMENTS AND INTERACTIONS WITH ENVIRONMENTAL AUTHORITIES (July 1, 2004 – June 30, 2005):
  - Northern completed the purchase of a parcel of land from AmeriGas that was the location of the former MGP operations in order to control potential future exposures to MGP residuals left at the site after remediation. The purchase and sale agreement and the transfer of funds were managed by Northern's attorneys at Foley Hoag. Owen Haskell was retained to provide surveying services during the property transfer.
  - Northern retained RETEC to plan and implement the demolition of the former MGP retort house at the Rochester site in order to eliminate potential exposures to MGP residuals.
  - Northern retained RETEC to conduct post-remediation sampling to assess the nature and extent of MGP residuals that continue to affect groundwater at the site. The sampling program utilized the TarGOST technology for the detection of coal tar in soil. The University of New Hampshire was also subcontracted through RETEC to conduct studies on the leaching characteristics of the coal tar into groundwater.
  - ENSR International was contracted by Northern to plan and implement an expansion of the phytoremediation program in order to control contaminated groundwater migrating toward Axe Handle Brook and the Cocheco River.
  - Northern paid the state hazardous waste tax to the New Hampshire Department of Environmental Services for the disposal of waste from the remediation of the former tar well.
  - Northern retained the services of an independent contractor to manage the assessment and remediation of the site.
  - Northern reimbursed the New Hampshire Department of Environmental Services for project oversight costs.

COMPANY NAME

**NORTHERN UTILITIES, INC.**

**ROCHESTER GAS WORKS**

LINE  
NO.

SCHEDULE 4B

- Northern retained temporary administrative staff through Adecco to assist in managing projects and maintaining site related documents, including scanning and filing electronic copies of documents on a central server.

4. NEW HAMPSHIRE SITE REMEDIATION PROGRAM PHASE: Site closure and monitoring

COMPANY NAME

NORTHERN UTILITIES, INC.

ROCHESTER GAS WORKS

LINE  
NO.

SCHEDULE 4B

5. NATURE AND SCOPE OF SITE CONTAMINATION: Areas containing residual materials from the historic operation and decommissioning of the former manufactured gas plant were discovered on the two-acre parcel. These residuals, which include tars and oils, were found in the soil at discrete locations and in groundwater. The objective of the cleanup project, as approved by the New Hampshire Department of Environmental Services, has been to remove affected soils to the extent practicable and to enhance the natural attenuation of any residuals.

Addenda to the remediation program have included the removal of a tar well that had previously been inaccessible because of propane storage equipment, the purchase of the former MGP parcel from AmeriGas, the demolition of an historic MGP structure, the implementation of a phytoremediation program to mitigate contaminated groundwater flow, and the further assessment of MGP residuals in the subsurface that continue to contaminate groundwater.

6. HISTORY AND CURRENT STATUS OF USE AND OWNERSHIP OF SITE: The Rochester Gas Light Company owned and operated the gas works from 1906 through 1911. The gas works was owned and operated by two companies after that time, Strafford-York Gas Company in 1911 and Allied New Hampshire Gas Company in 1942. The plant ceased operating in 1957. Allied New Hampshire Gas Company was a predecessor of Northern Utilities. Northern sold the property to Pyrofax Gas Corporation in 1971. Pyrofax sold the property to Petrolane Gas Service, Limited Partnership in 1987. AmeriGas purchased Petrolane in 1994. The property is currently used by Amerigas as a propane sales and distribution facility. Northern purchased the eastern portion of the property from Mr. Peter Field in 1990. This portion of the site is undeveloped and contains remnants of a railroad bed. Northern also owns land adjacent to the former gas works.

7. LISTING AND STATUS OF INSURANCE AND 3<sup>RD</sup> PARTY LAWSUITS AND SETTLEMENTS:

NAME OF SUIT: Field vs. Petrolane and Northern Utilities, and Petrolane vs. Northern Utilities

DATE FILED: 1988

STATUS: (PENDING/SETTLED): Settled 1994

COMPANY NAME

NORTHERN UTILITIES, INC.

SOMERSWORTH GAS WORKS

LINE  
NO.

SCHEDULE 4C

1. SITE LOCATION: Main Street and Depot Road in Somersworth, NH
2. DATE SITE WAS FIRST INVESTIGATED AS A DISPOSAL SITE: 1985 by New Hampshire Division of Public Health Services and New Hampshire Water Supply and Pollution Control Commission
3. SUMMARY OF MATERIAL DEVELOPMENTS AND INTERACTIONS WITH ENVIRONMENTAL AUTHORITIES (July 1, 2004 – June 30, 2005):
  - Northern retained AMEC to prepare the project Remedial Action Plan (RAP). This plan evaluated a number of potential remedial technologies. The plan was finalized and submitted to the NHDES in June 2004. Northern received and responded to comments from NHDES and submitted an addendum to the RAP in October 2004. The RAP was subsequently approved by NHDES.
  - Northern contracted with AMEC to act as prime contractor for design and remediation services. AMEC implemented a pre-design drilling investigation, completed the design and conducted a competitive procurement of both earthwork and in-situ chemical oxidation (ISCO) services.
  - Earthwork activities were awarded to ENPRO and were completed in April 2005. This consisted of the removal of subsurface bodies of tar and the jet grouting of a small area of MGP impacted soil below a foundation floor.
  - ISCO activities were awarded to GeoCleanse. AMEC and GeoCleanse prepared a detailed ISCO work plan that was submitted to, and approved by, NHDES. The installation of injector wells and the first round of oxidant injection were completed in June 2005. The injections were targeted at the locations of two former gas holders.
  - Environmental Standards, Inc. was retained to conduct an independent quality control audit of AMEC's sampling approach and laboratory services provided by Severn Trent Laboratory.
  - Northern made a payment to the NHDES for costs incurred by department staff during the oversight of Northern investigation and remediation activities.
    - A proportionate share of the cost of a scanner was charged to this site.
    - Northern retained the services of an independent contractor to manage the assessment and remediation of the site.
    - Northern collaborated with other gas distribution companies to retain the services of Ish, Inc. to research and evaluate innovative approaches to the remediation of coal tar and other MGP residues at sites like the Somersworth Gas Works. For convenience, Northern

NORTHERN UTILITIES, INC.

SOMERSWORTH GAS WORKS

LINE  
NO.

SCHEDULE 4C

allocated its proportionate share of the research costs to the Somersworth site.

4. NEW HAMPSHIRE SITE REMEDIATION PROGRAM PHASE: Remedy Implementation.
5. NATURE AND SCOPE OF SITE CONTAMINATION: Because the Somersworth site is very small, space constraints made it unlikely that significant amounts of MGP residuals were used as fill on-site. The extensive test-pit program at Somersworth substantiates the assertion that significant amounts of MGP residuals were not used as fill on-site. Tars and liquors that may have accumulated in sub-grade vessels did not result in substantial releases, as indicated by the absence of any significant oil-like material in test pits and borings in the upper 10 to 15 feet of soil at the site. Most of the Northern parcel is now covered with re-graded soil from local street work, with four inches of imported topsoil.

As indicated by the site-specific groundwater quality data, metals and high heavy organic compounds (e.g., PAHs) detected in soil do not leach to groundwater at significant concentrations. Two suspected sources of lighter-weight PAHs (e.g., naphthalene) and target volatile organic compounds (VOCs) detected in groundwater have been identified – two former gasholders on the Northern parcel. Oily residuals of limited extent have been found in soil at depth below these holders. This material is in periodic contact with the fluctuating water table. Because the MGP operations ceased more than 70 years ago, the period of rapid degradation of MGP-related chemicals in groundwater has probably occurred. The relatively stable groundwater quality data is indicative of natural biodegradation.

6. HISTORY AND CURRENT STATUS OF USE AND OWNERSHIP OF SITE: Available information indicates that the plant began operation as the Great Falls Gas Light Company in 1856 and may have been associated with the mills of the Great Falls Manufacturing Company. The plant was deeded to the Strafford-York Gas Company in 1911 (a predecessor of Allied New Hampshire Gas Company and subsequently Northern Utilities). The gas company leased two small parcels from the Great Falls Manufacturing Company in 1907, one to the north and one to the south of the main plant site. At its peak in 1917, the plant was supplying Rochester, East Rochester, Gonic, Somersworth, and Berwick, Maine. Available information indicates that the plant ceased production in 1928 and that the Rochester gas plant began supplying Somersworth with gas. It has been inferred from available information that the plant was demolished during the 1930's. Northern Utilities constructed a high-pressure Horton Sphere (gas ball) on the property in the 1940's as storage for propane and natural gas from the high-pressure main. The Horton Sphere was in operation into the 1980's when it was decommissioned and removed.

COMPANY NAME

**NORTHERN UTILITIES, INC.**

**SOMERSWORTH GAS WORKS**

LINE  
NO.

SCHEDULE 4C

7. LISTING AND STATUS OF INSURANCE AND 3<sup>RD</sup> PARTY LAWSUITS AND  
SETTLEMENTS: None

NAME OF SUIT: Not Applicable

DATE FILED: Not Applicable

STATUS (PENDING/SETTLED): Not Applicable

NORTHERN UTILITIES, INC. - NEW HAMPSHIRE DIVISION  
 CALCULATION OF EXCESS ENVIRONMENTAL  
 RESPONSE COST AMORTIZATION

Line No.	Description	July 00 - June 01	July 01 - June 02	July 02 - June 03	July 03 - June 04	July 04 - June 05
1	NH FIRM GAS REVENUES FROM PRIOR YEAR (includes total firm and transportation (excluding off-system revenues))	\$ 52,418,511	\$ 43,981,523	\$ 51,639,648	\$ 75,376,314	\$ 81,728,945
2	5% of Line 1	\$ 2,620,926	\$ 2,199,076	\$ 2,581,982	\$ 3,768,816	\$ 4,086,447
3	TOTAL ERC COST TO BE RECOVERED (FROM SCHEDULE 1 LINE 3)	\$ 328,823	\$ 476,739	\$ 508,685	\$ 550,346	\$ 583,803
4	EXCESS AMORTIZATION DEFERRED FROM PRIOR YEARS	\$ -	\$ -	\$ -	\$ -	\$ -
5	CARRYING CHARGES	\$ -	\$ -	\$ -	\$ -	\$ -
6	EXCESS AMORTIZATION FROM PRIOR YEARS PLUS CARRYING CHARGES (LINE 4 PLUS LINE 5)	\$ -	\$ -	\$ -	\$ -	\$ -
7	TOTAL POTENTIAL ERC COST TO RECOVERED (LINE 3 PLUS LINE 6)	\$ 328,823	\$ 476,739	\$ 508,685	\$ 550,346	\$ 583,803
8	EXCESS AMORTIZATION TO BE DEFERRED (LINE 2 LESS LINE 7; IF POSITIVE ENTER ZERO)	\$ -	\$ -	\$ -	\$ -	\$ -
9	EXCESS AMORTIZATION FROM PRIOR PLUS CARRYING CHARGES TO BE RECOVERED (LINE 7 MINUS LINE 3; IF NEGATIVE ENTER ZERO)	\$ -	\$ -	\$ -	\$ -	\$ -

ERC Recovery Allocation

	Allocation %	Recovery Amount	% of Recovery Total	Resolution Fee	% of Resolution Fee
Recovery Total		\$ -			
Dispute Resolution Fee				\$0.00	#DIV/0!
<b>Massachusetts</b>					
MGP Sites	100.00%	\$0.00		\$0.00	
Shareholder	50.00%	\$0.00		\$0.00	
Ratepayer	50.00%	\$0.00		\$0.00	
Non - MGP	0.00%	\$0.00		\$0.00	
<b>Total</b>	<b>50.00%</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>New Hampshire</b>					
MGP Sites	0.00%	\$0.00		\$0.00	
Ratepayer	100.00%	\$0.00		\$0.00	
Non - MGP	0.00%	\$0.00		\$0.00	
<b>Total</b>		<b>\$0.00</b>	<b>0.0%</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Maine</b>					
Shareholder	50.00%	\$0.00		\$0.00	
Ratepayer	50.00%	\$0.00		\$0.00	
<b>Total</b>		<b>\$0.00</b>	<b>0.0%</b>	<b>\$0.00</b>	<b>0.0%</b>

Northern Utilities, Inc. - New Hampshire Division  
 Allocation of Environmental Insurance Recoveries

ERC Recovery Allocation

	Allocation %	Recovery Amount	% of Recovery Total	Resolution Fee	% of Resolution Fee
Recovery Total		\$ -			
Dispute Resolution Fee				\$0.00	#DIV/0!
<b>Massachusetts</b>					
MGP Sites	0.00%	\$0.00		\$0.00	
Shareholder	0.00%	\$0.00		\$0.00	
Ratepayer	0.00%	\$0.00		\$0.00	
Non - MGP	0.00%	\$0.00		\$0.00	
<b>Total</b>		<b>\$0.00</b>	<b>0.0%</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>New Hampshire</b>					
MGP Sites	0.00%	\$0.00		\$0.00	
Ratepayer	0.00%	\$0.00		\$0.00	
Non - MGP	0.00%	\$0.00		\$0.00	
<b>Total</b>		<b>\$0.00</b>	<b>0.0%</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Maine</b>					
Shareholder	50.00%	\$0.00		\$0.00	
Ratepayer	50.00%	\$0.00		\$0.00	
<b>Total</b>		<b>\$0.00</b>	<b>0.0%</b>	<b>\$0.00</b>	<b>0.0%</b>

Northern Utilities, Inc.- New Hampshire Division  
2004-2005 ENVIRONMENTAL RESPONSE COSTS

Vendor Name	Invoice #	Total Invoice	Allocation Amount		
			NH	ME	MA
		\$0.00	59.6%	40.4%	0.0%
		\$0.00			
<b>Total</b>		\$0.00	\$0.00	\$0.00	\$0.00

**Total Insurance Expense**      **\$0.00**

**Total Insurance Recovery**      **\$0.00**

**Northern Utilities, Inc. - New Hampshire Division  
 Energy Efficiency Programs  
 Summary of Energy Efficiency Charges  
 Effective November 2005 - October 2006**

<b>CONSERVATION CHARGES (CC) per Therm</b>	<b>Residential</b>	<b>Commercial &amp; Industrial</b>
Implementation - Schedule 2 and Schedule 3	\$0.0062	\$0.0097
Year 2 Performance Incentive - Schedule 5	\$0.0015	\$0.0002
<b>CC's Effective November 1, 2005</b>	<b>\$0.0078</b>	<b>\$0.0099</b>

NORTHERN UTILITIES INC. - NEW HAMPSHIRE DIVISION

Residential Low Income Assistance Program - DG 05-076  
 RLIAP Recovery Rate Effective November 1, 2005

Residential Heating		November	December	January	February	March	April	May	June	July	August	September	October	Total Nov.-Oct
No. of Customers		18,447	18,534	18,592	18,600	18,664	18,604	17,918	17,982	17,923	17,866	17,898	18,049	18,258
Therms		1,182,599	1,984,903	2,867,334	3,354,151	2,563,636	2,006,916	1,159,958	532,460	405,380	332,690	348,750	504,412	17,243,189
Average Use		64.1	107.1	154.2	180.3	137.4	107.9	64.7	29.6	22.6	18.6	19.5	27.9	944.4

R-5

	Regular Rate	RLIAP Rate (50% of Reg)	Difference
Winter & Summer:			
Cust. Chg	\$9.50	\$4.75	\$4.75
First	\$0.4102	\$0.2051	\$0.21
Excess	\$0.2990	\$0.1495	\$0.15

Projected No. of RLIAP customers:  
 (1.4 times the no. FA custs of 730)

RLIAP Rate Calculation

Total Revenue Discount	\$227,565
Plus: Estimated Administrative Costs	\$40,000
Total Estimated Costs	\$267,565
Plus Forecast Interest	\$ 612
Total Estimated Costs to be Recovered	\$268,177
Nov. 05-Oct. 06 Firm Throughput (MMBtu)	5,367,066
RLIAP Recovery Rate	\$ 0.050
RLIAP Recovery Rate per therm	\$ 0.0050

RLIAP Recovery Rate Effective November 1, 2005

Line No.	Month	Year	Actual/Estimate	Beginning Mth Balance	RLIAP Costs	RLIAP Factor	Firm Throughput MMBtu	Collections	Ending Mth Bal.	Average Mth Bal.	Interest Rate	No. Days	Monthly Interest w/Interest	Balance w/Interest
				(1)	(2)	(3)	(4)	(5=4*3)	(6=1+2+5)	(7=(1+6)/2)	(8)	(9)	(10=7*8*9/3)	(11=6+10)
1	November	05	Est	\$40,000	\$17,491	0.05	386,509	(\$19,313)	\$38,178	\$39,089	6.50%	30	\$209	\$38,387
2	December	05	Est	\$38,387	\$24,059	0.05	630,067	(\$31,483)	\$30,963	\$34,675	6.50%	31	\$191	\$31,154
3	January	06	Est	\$31,154	\$31,259	0.05	922,276	(\$46,084)	\$16,330	\$23,742	6.50%	31	\$131	\$16,461
4	February	06	Est	\$16,461	\$35,248	0.05	831,562	(\$41,551)	\$10,158	\$13,310	6.50%	28	\$66	\$10,225
5	March	06	Est	\$10,225	\$28,682	0.05	727,345	(\$36,343)	\$2,564	\$6,394	6.50%	31	\$35	\$2,599
6	April	06	Est	\$2,599	\$24,178	0.05	567,319	(\$28,347)	(\$1,571)	\$514	6.50%	30	\$3	(\$1,568)
7	May	06	Est	(\$1,568)	\$17,587	0.05	354,415	(\$17,709)	(\$1,690)	(\$1,629)	6.50%	31	(\$9)	(\$1,699)
8	June	06	Est	(\$1,699)	\$11,061	0.05	214,133	(\$10,700)	(\$1,338)	(\$1,518)	6.50%	30	(\$8)	(\$1,346)
9	July	06	Est	(\$1,346)	\$9,595	0.05	182,166	(\$9,102)	(\$853)	(\$1,099)	6.50%	31	(\$6)	(\$859)
10	August	06	Est	(\$859)	\$8,753	0.05	158,112	(\$7,900)	(\$6)	(\$432)	6.50%	31	(\$6)	(\$8)
11	Sept	06	Est	(\$8)	\$8,939	0.05	170,977	(\$8,543)	\$388	\$190	6.50%	30	\$1	\$389
12	Oct	06	Est	\$389	\$10,712	0.05	222,185	(\$11,102)	(\$1)	\$194	6.50%	31	\$1	\$0
13	Total				\$227,565		5,367,066	(\$129,747)					\$612	