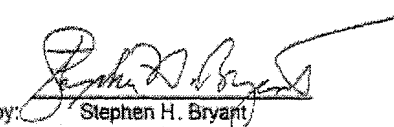


CALCULATION OF COST OF GAS ADJUSTMENT
 Period Covered: November 1, 2006 - April 30, 2007
 Anticipated Cost of Delivered and Produced Gas

Delivered:	Therms	Rate	Amount
Product: - Commodity			
Granite State Supply	3,152,263	\$ 0.883	2,784,418
Domestic Supply	14,694,072	\$ 0.868	12,752,708
Storage Withdrawals	19,251,688	\$ 0.772	14,853,592
Peaking Supply	395,006	\$ 0.996	393,337
Hedging (Gain)/Loss			980,544
Product: - Demand			
Granite State and Others	14,352,065	\$ 0.076	\$ 1,092,648
Pipeline Reservation			
Granite State and Others	3,068,918	\$ 0.537	\$ 1,646,632
Storage Demand			
Tennessee and Others	4,624,493	\$ 1.476	\$ 6,825,419
Capacity Release			\$ (178,900)
	37,493,028	Total Anticipated Cost of Gas	\$ 41,150,396

Issued: September 15, 2006
 Effective Date: November 1, 2006
 Authorized by NHPUC Order No. in Case No. dated

Issued by: 
 Title: Stephen H. Bryant
 President

Calculation of Anticipated Indirect Cost of Gas

Working Capital Calculation

Total Anticipated Direct Cost of Gas	\$	41,150,396
Summer Deferred	\$	1,247,278
Interruptible Profits	\$	(2,524)
Total Direct Cost of Gas (including Deferred)	\$	42,395,150

Total Direct Gas Costs-including Summer Deferred	\$	42,395,150
Working Capital Percentage (NHPUC No. 10 Section 4.06.1)		0.19%
Working Capital	\$	80,551
plus: Working Capital Reconciliation	\$	(4,233)
Total Working Capital Allowance	\$	76,318

Bad Debt Calculation

Total Anticipated Direct Cost of Gas	\$	42,395,150
plus: Total Working Capital	\$	76,318
	\$	42,471,468
Bad Debt Percentage (NHPUC No. 10 Section 4.06.1)		0.45%
Total Bad Debt Allowance	\$	191,122
plus: Bad Debt Reconciliation	\$	12,494
Total Bad Debt Allowance	\$	203,616

Working Capital Allowance	\$	76,318
Bad Debt Allowance	\$	190,403
Miscellaneous Overhead-76.80% Allocated to Winter Season	\$	95,460
Production and Storage Capacity	\$	686,673
Prior Period Over Collection	\$	2,262,217
Refunds	\$	-
Interest	\$	35,119
Total Anticipated Indirect Cost of Gas	\$	3,346,190
Total Anticipated Direct Cost of Gas	\$	42,395,150
Total Anticipated Period Cost of Gas	\$	45,741,340

Total Anticipated Indirect Cost of Gas Rate	\$	0.1375
Total Anticipated Direct Cost of Gas-Commodity	\$	0.9514
Total Anticipated Direct Cost of Gas-Demand	\$	0.2811
Total Anticipated Cost of Gas Adjustment	\$	1.3701

Forecasted November 2006 - April 2007 Therms 33,385,510

Forecasted Residential Winter Season Cost of Gas Rate

Minimum	\$	0.7612
Maximum	\$	1.1417

COGwrCommodity	\$	0.9514 / therm
COGwrDemand	\$	0.2811 / therm
COGwrIndirect	\$	0.1375 / therm
COGwr	\$	1.3701 / therm

Forecasted C & I Winter Season Low Winter Cost of Gas Rate

Minimum	\$	0.7612
Maximum	\$	1.1417

COGwl-Commodity	\$	0.9514 / therm
COGwl-Demand	\$	0.2792 / therm
COGwl-Indirect	\$	0.1375 / therm
COGwl-Total	\$	1.3682 / therm

Low Winter Ratio (Winter)	\$	0.9911
Correction Factor (CF)	\$	1.0021

Forecasted C & I Winter Summer Season High Winter Cost of Gas Rate

Minimum	\$	0.7612
Maximum	\$	1.1417

COGwh-Commodity	\$	0.9514 / therm
COGwh-Demand	\$	0.2950 / therm
COGwh-Indirect	\$	0.1375 / therm
COGwh-Total	\$	1.3839 / therm

High Winter Ratio (Winter)	\$	1.0471
Correction Factor (CF)	\$	1.0021

Issued: September 15, 2006
 Effective: With Service Rendered On and After November 1, 2006

Issued by: 
 Title: President

Local Delivery Adjustment Clause

Rate Schedule	RLIAP	DSM	ERC	ITM	WLNG	CCE	RCE	LDAC
	Residential Heating	\$ 0.0050	\$ 0.0128	\$ 0.0083	-	\$ -	\$ -	\$ -
Residential Non-Heating	\$ 0.0050	\$ 0.0128	\$ 0.0083	-	\$ -	\$ -	\$ -	\$ 0.0261
Small C&I	\$ 0.0050	\$ 0.0101	\$ 0.0083	-	\$ -	\$ -	\$ -	\$ 0.0234
Medium C&I	\$ 0.0050	\$ 0.0101	\$ 0.0083	-	\$ -	\$ -	\$ -	\$ 0.0234
Large C&I	\$ 0.0050	\$ 0.0101	\$ 0.0083	-	\$ -	\$ -	\$ -	\$ 0.0234
No Previous Sales Service								

Issued: September 15, 2006
 Effective: With Service Rendered On and After November 1, 2006
 Issued to Comply with Order No.

VII. DELIVERY SERVICE TERMS AND CONDITIONS

APPENDIX A

Schedule of Administrative Fees and Charges

I. Supplier Balancing Charge: \$0.78 per MMBtu of Daily Imbalance Volumes

- Updated effective every November 1 to reflect the Company’s latest balancing resources and associated capacity costs.
- Daily Imbalance Volumes represent the difference between ATV and ATV adjusted for actual EDDs.

II. Peaking Service Demand Charge: \$18.97 per MMBtu per MDPQ per month for November 2006 through April 2007.

- Updated effective every November 1 to reflect the Company’s Peaking resources and associated costs.

III. Supplier Services and Associated Fees:

<u>SERVICE</u>	<u>PRICING</u>
Pool Administration (required) Non-Daily Metered Pools only	• \$0.10/month/customer billed @ marketer level
Standard Passthrough Billing (required)	• \$0.60/customer/month billed @ marketer level
Standard Complete Billing (optional – Passthrough Billing fee not required if this service is elected)	• \$1.50/customer/month billed @ marketer level
Customer Administration (required)	• \$10/customer/switch billed @ marketer level

Issued: September 15, 2006
Effective: November 1, 2006

Issued by: _____
Title: President

VII. DELIVERY SERVICE TERMS AND CONDITIONS

APPENDIX C

Capacity Allocators

Capacity Allocators shall be calculated and filed with the Commission each year with the Winter Cost of Gas filing. The following Capacity Allocators shall be applicable for capacity assignments during the period of November 1, 2006 through October 31, 2007.

Commercial and Industrial

	<u>High Winter Use</u>	<u>Low Winter Use</u>
Pipeline:	18.51%	36.92%
Storage:	32.27%	24.98%
Peaking:	49.23%	38.10%

Issued: September 15, 2006
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Issued By: _____
Title: President