

Anticipated Cost of Gas
New Hampshire Division
Period Covered: May 1, 2015 - October 31, 2015

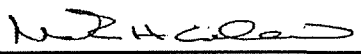
| (Col 1) | (Col 2) | (Col 3) |
|--|----------------|---------------------------|
| <u>ANTICIPATED DIRECT COST OF GAS</u> | | |
| Purchased Gas: | | |
| Demand Costs: | \$428,609 | |
| Supply Costs: | \$1,789,330 | |
| Storage & Peaking Gas: | | |
| Demand, Capacity: | \$456,665 | |
| Commodity Costs: | \$66,477 | |
| Hedging (Gain)/Cost | \$0 | |
| Interruptible Included Above | \$0 | |
| Inventory Finance Charge | \$0 | |
| Capacity Release, Asset Management, PNGTS Cost | \$0 | |
| Total Anticipated Direct Cost of Gas | | <u>\$2,741,083</u> |
| <u>ANTICIPATED INDIRECT COST OF GAS</u> | | |
| Adjustments: | | |
| Prior Period Under/(Over) Collection | (\$470,799) | |
| Interest | (\$11,419) | |
| Refunds | \$0 | |
| <u>Interruptible Margins</u> | <u>\$0</u> | |
| Total Adjustments | | (\$482,218) |
| Working Capital: | | |
| Total Anticipated Direct Cost of Gas | \$2,741,084 | |
| Working Capital Percentage | 0.082% | |
| Working Capital Allowance | \$2,258 | |
| Plus: Working Capital Reconciliation (Acct 182.11) | <u>(\$387)</u> | |
| Total Working Capital Allowance | | \$1,871 |
| Bad Debt: | | |
| Bad Debt Allowance | \$29,333 | |
| Plus: Bad Debt Reconciliation (Acct 182.16) | \$921 | |
| Total Bad Debt Allowance | | \$30,254 |
| Local Production and Storage Capacity | | \$0 |
| Miscellaneous Overhead-18.70% Allocated to Winter Season | | \$95,875 |
| Total Anticipated Indirect Cost of Gas | | (\$354,218) |
| Total Cost of Gas | | <u>\$2,386,865</u> |

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Treasurer

CALCULATION OF FIRM SALES COST OF GAS RATE

Period Covered: May 1, 2015 - October 31, 2015

| (Col 1) | (Col 2) | (Col 3) |
|---|-------------|---------------------------|
| Total Anticipated Direct Cost of Gas | \$2,741,083 | |
| Projected Prorated Sales (05/01/15- 10/31/15) | 7,371,305 | |
| Direct Cost of Gas Rate | | \$0.3719 per therm |
| Demand Cost of Gas Rate | \$885,275 | \$0.1201 per therm |
| Commodity Cost of Gas Rate | \$1,855,808 | \$0.2518 per therm |
| Total Direct Cost of Gas Rate | \$2,741,083 | \$0.3719 per therm |
| Total Anticipated Indirect Cost of Gas | (\$354,218) | |
| Projected Prorated Sales (05/01/15- 10/31/15) | 7,371,305 | |
| Indirect Cost of Gas | | (\$0.0481) per therm |
| TOTAL PERIOD AVERAGE COST OF GAS | | \$0.3238 per therm |

| | | |
|--|--------------------------|---------------------------|
| RESIDENTIAL COST OF GAS RATE - 05/01/15 | COGwr | \$0.3238 per therm |
| | Maximum (COG+25%) | \$0.4048 |

| | | |
|---|--------------------------|---------------------------|
| COM/IND LOW WINTER USE COST OF GAS RATE - 05/01/15 | COGwl | \$0.2612 per therm |
| | Maximum (COG+25%) | \$0.3265 |

| | |
|---|-----------------|
| C&I HLF DEMAND COSTS ALLOCATED PER SMBA | \$87,435 |
| PLUS: RESIDENTIAL DEMAND RELOCATION TO C7I HLF | \$611 |
| C&I HLF TOTAL ADJUSTED DEMAND COSTS | \$88,045 |
| C&I HLF PROJECTED PRORATED SALES (05/1/15-10/31/15) | 1,527,740 |
| DEMAND COST OF GAS RATE | \$0.0576 |

| | |
|---|-----------------|
| C&I HLF COMMODITY COSTS ALLOCATED PER SMBA | \$384,534 |
| PLUS: RESIDENTIAL COMMODITY COSTS | \$43 |
| C&I HLF TOTAL ADJUSTED COMMODITY COSTS | \$384,577 |
| C&I HLF PROJECTED PRORATED SALES (05/1/15-10/31/15) | 1,527,740 |
| COMMODITY COST OF GAS RATE | \$0.2517 |

| | |
|-----------------------------|-------------------|
| INDIRECT COST OF GAS | (\$0.0481) |
|-----------------------------|-------------------|

| | |
|---|-----------------|
| TOTAL C&I HLF COST OF GAS RATE | \$0.2612 |
|---|-----------------|

| | | |
|--|--------------------------|---------------------------|
| COM/IND HIGH WINTER USE COST OF GAS RATE - 05/01/15 | COGwh | \$0.3297 per therm |
| | Maximum (COG+25%) | \$0.4121 |

| | |
|---|-----------------|
| C&I LLF COMMODITY COSTS ALLOCATED PER SMBA | \$317,519 |
| PLUS RESIDENTIAL DEMAND REALLOCATION TO C&I LLF | \$2,217 |
| C&I LLF TOTAL ADJUSTED DEMAND COSTS | \$319,736 |
| C&I LLF PROJECTED PRORATED SALES (05/1/15-10/31/15) | 2,534,654 |
| DEMAND COST OF GAS RATE | \$0.1261 |

| | |
|---|-----------------|
| C&I LLF COMMODITY COSTS ALLOCATED PER SMBA | \$637,975 |
| PLUS: RESIDENTIAL COMMODITY REALLOCATION TO C&I LLF | \$72 |
| C&I LLF TOTAL ADJUSTED COMMODITY COSTS | \$638,047 |
| C&I LLF PROJECTED PRORATED SALES (05/1/15-10/31/15) | 2,534,654 |
| COMMODITY COST OF GAS RATE | \$0.2517 |

| | |
|-----------------------------|-------------------|
| INDIRECT COST OF GAS | (\$0.0481) |
|-----------------------------|-------------------|

| | |
|---|-----------------|
| TOTAL C&I LLF COST OF GAS RATE | \$0.3297 |
|---|-----------------|

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V. LOCAL DELIVERY ADJUSTMENT CLAUSE

credit (ITMC) times monthly firm sales and firm delivery service throughput during the year, and the actual margins for the year.

See Part V, Section 5.5 for Reconciliation formulas.

5.7 Application of ITMC to Bills

The ITMC (\$ per therm) shall be calculated to the nearest one one-hundredth of a cent per therm by period and will be applied to the monthly firm sales and firm delivery service throughput.

5.8 Information to be Filed with the NHPUC

Information pertaining to the Interruptible Transportation Margins will be filed with the NHPUC along with the gas cost information as required pursuant to the LDAC and COGC. Required filings include an annual report providing actual data and resulting updated projection of the end-of-period reconciliation balance, as well as an annual calculation of the ITM credit, which shall be included in an annual LDAC filing. Also, the annual ITM reconciliation balances shall be filed along with the other reconciliation balances included in the LDAC.

6. Residential Low Income Assistance and Regulatory Assessment ("RLIARA") Costs Allowable for LDAC

6.1 Purpose:

The purpose of this provision is to allow Northern Utilities, subject to the jurisdiction of the NHPUC, to recover the revenue shortfall (costs) associated with customers participating in the Residential Low Income Assistance Program, as well as the associated administrative costs, pursuant to DG 05-076. This rate shall also recover the change in the Company's annual NHPUC regulatory assessment. Such costs shall be recovered by applying the RLIARA Rate to all firm gas sales and firm delivery service throughput billed under the Company's sales and delivery service rate schedules.

6.2 Applicability:

The RLIARA Rate shall be applied to all firm sales and transportation tariff customers with the exception of special contract customers who are exempt from

V. LOCAL DELIVERY ADJUSTMENT CLAUSE

the LDAC. The RLIARA Rate shall be determined annually by the Company as defined below, subject to review and approval by the NHPUC as provided in this clause.

6.3 Residential Low Income Assistance and Regulatory Assessment Costs ("RLIARAC") Allowable for LDAC

The amount of Residential Low Income Assistance costs is comprised of the revenue shortfall plus the associated administrative costs. Such revenue shortfall shall be derived by applying the actual billing determinants of the customers enrolled under the Residential Low Income Assistance Program to the difference in the monthly customer charge and volumetric rates of the Residential Heating Rate, R-5, versus the Low Income Residential Heating Rate, R-10. The revenue shortfall and administrative costs shall be the amount approved by the NHPUC. Effective July 1, 2014, the amount of the NHPUC regulatory assessment to be charged, or credited, through this clause shall be calculated by taking the total assessment minus the amount in base rates of \$91,075 established in DG 13-086.

6.4 Effective Date of Residential Low Income Assistance and Regulatory Assessment Rate

Forty five (45) days prior to November 1 of each year, the Company will file with the NHPUC for its consideration and approval, the Company's request for a change in the RLIARA Rate applicable to all consumption of tariff customers eligible to receive delivery service for the subsequent twelve month period commencing with billings for gas consumed on and after November 1.

6.5 Definitions:

Residential Low Income Assistance Costs are the difference in revenues determined by comparing the delivery service revenues generated from customers participating in the Residential Low Income Assistance Program with revenues from those same customers under the regular Residential Heating R-5 rate schedule. Also, these costs include the associated administrative costs, which include associated Information Technology and start-up costs. The Company shall calculate the shortfall or reduced delivery service revenues by applying the monthly gas use of all customers of record under the Low Income Residential Heating Service R-10 rate schedule to the difference in the delivery service rates of the Low Income Residential Heating Service R-10 Rate and Residential Heating R-5 Rate.

V. LOCAL DELIVERY ADJUSTMENT CLAUSE

6.6 Residential Low Income Assistance and Regulatory Assessment ("RLIARA")

Rate Formula:

$$\text{RLIARA Rate} = \frac{\text{RLIARAC} + \text{RA}_{\text{RLIARA}}}{\text{A:TPvol}}$$

and:

$$\text{RLIARAC} = (\text{Cust} \times \text{DCust\$}) + (\text{Cust} \times \text{Avgthm} \times \text{Dbr}) + \text{AdminC} + \text{Assessment}$$

Where:

| | |
|------------------------|---|
| AdminC | Costs associated with administering the Residential Low Income Assistance Program, including IT and start-up costs. |
| Assessment | The amount of the annual NHPUC regulatory assessment, which is above or below the amount of \$91,075 in base rates established in Docket 13-086. |
| Avgthm | Estimated average therm use per customer for period determined from most recent historical therm use under the Company's Residential Low Income Assistance Program, or Residential Heating, rate schedules. |
| Cust | Estimated number of customers participating in the Residential Low Income Assistance Program. |
| Dbr | Difference between the Residential Heating R-5 and Low Income Residential Heating Service R-10 base rate charges. |
| DCust\$ | Difference between the Residential Heating R-5 and Low Income Residential Heating Service R-10 monthly customer charge. |
| RLIARAC | Costs, comprised of the revenue shortfall associated with customer participation in the Residential Low Income Assistance Program, plus associated administrative costs, as defined in section 6.5, and the non-distribution portion of the annual NHPUC regulatory assessment. |
| RA _{RLIARAPC} | Reconciliation Adjustment associated with Residential Low Income Assistance and Regulatory Assessment Costs and revenues - Account 175.9 balance, inclusive of the associated Account 175.9 interest, as outlined in Section 6.7. |
| A:TPvol | Forecast annual firm sales and firm delivery service throughput. |

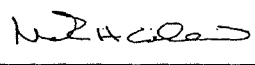
6.7 Reconciliation Adjustments

Account 175.9 shall contain the accumulated difference between revenues toward Residential Low Income Assistance and Regulatory Assessment costs as calculated by multiplying the (RLIARA) Rate times monthly firm throughput volumes and actual RLIARAC, comprised of the revenue shortfall and

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Local Delivery Adjustment Clause

| Rate Schedule | RLIARA | DSM | ERC | ITM | RCE | RPC | LDAC |
|---------------------------|----------|----------|----------|----------|----------|----------|----------|
| Residential Heating | \$0.0078 | \$0.0350 | \$0.0018 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0446 |
| Residential Non-Heating | \$0.0078 | \$0.0350 | \$0.0018 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0446 |
| Small C&I | \$0.0078 | \$0.0138 | \$0.0018 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0234 |
| Medium C&I | \$0.0078 | \$0.0138 | \$0.0018 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0234 |
| Large C&I | \$0.0078 | \$0.0138 | \$0.0018 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0234 |
| No Previous Sales Service | | | | | | | |

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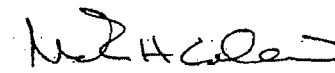
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NORTHERN UTILITIES - NEW HAMPSHIRE DIVISION
SUMMER SEASON RESIDENTIAL RATES

| Summer Season May 2015 - October 2015 | | Tariff Rates | Total Delivery Rates (Includes LDAC) | Total Billed Rates Tariff Rates, LDAC Plus Cost of Gas |
|--|------------------------------------|-------------------------|---|---|
| Residential Heating | <u>Tariff Rate R 5:</u> | | | |
| | Monthly Customer Charge | \$21.36 | \$21.36 | \$21.36 |
| | First 50 therms | \$0.5449 | \$0.5895 | \$0.9133 |
| | All usage over 50 therms | \$0.5449 | \$0.5895 | \$0.9133 |
| | LDAC | \$0.0446 | | |
| | <u>Gas Cost Adjustment:</u> | | | |
| | Cost of Gas | \$0.3238 | | |
| Residential Heating Low Income | <u>Tariff Rate R 10:</u> | | | |
| | Monthly Customer Charge | \$8.54 | \$8.54 | \$8.54 |
| | First 50 therms | \$0.2179 | \$0.2625 | \$0.5863 |
| | All usage over 50 therms | \$0.2179 | \$0.2625 | \$0.5863 |
| | LDAC | \$0.0446 | | |
| | <u>Gas Cost Adjustment:</u> | | | |
| | Cost of Gas | \$0.3238 | | |
| Residential Non-Heating | <u>Tariff Rate R 6:</u> | | | |
| | Monthly Customer Charge | \$21.36 | \$21.36 | \$21.36 |
| | First 10 therms | \$0.4214 | \$0.4660 | \$0.7898 |
| | All usage over 10 therms | \$0.4214 | \$0.4660 | \$0.7898 |
| | LDAC | \$0.0446 | | |
| | <u>Gas Cost Adjustment:</u> | | | |
| | Cost of Gas | \$0.3238 | | |
| Residential Non-Heating Low Income | <u>Tariff Rate R 11:</u> | | | |
| | Monthly Customer Charge | \$15.52 | \$15.52 | \$15.52 |
| | First 10 therms | \$0.3196 | \$0.3642 | \$0.6880 |
| | All usage over 10 therms | \$0.3196 | \$0.3642 | \$0.6880 |
| | LDAC | \$0.0446 | | |
| | <u>Gas Cost Adjustment:</u> | | | |
| | Cost of Gas | \$0.3238 | | |

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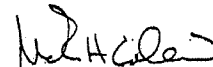
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Title:

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NORTHERN UTILITIES - NEW HAMPSHIRE DIVISION
SUMMER SEASON C&I RATES

| Summer Season May 2015 - October 2015 | | Tariff Rates | Total Delivery Rates (Includes LDAC) | Total Billed Rates Tariff Rates, LDAC Plus Cost of Gas |
|--|------------------------------------|-----------------|--|--|
| C&I Low Annual/High Winter | <u>Tariff Rate G 40:</u> | | | |
| | Monthly Customer Charge | \$67.45 | \$67.45 | \$67.45 |
| | First 75 therms | \$0.1615 | \$0.1849 | \$0.5146 |
| | All usage over 75 therms | \$0.1615 | \$0.1849 | \$0.5146 |
| | LDAC | \$0.0234 | | |
| C&I Low Annual/Low Winter | <u>Gas Cost Adjustment:</u> | | | |
| | Cost of Gas | \$0.3297 | | |
| | <u>Tariff Rate G 50:</u> | | | |
| | Monthly Customer Charge | \$67.45 | \$67.45 | \$67.45 |
| | First 75 therms | \$0.1615 | \$0.1849 | \$0.4461 |
| C&I Medium Annual/High Winter | All usage over 75 therms | \$0.1615 | \$0.1849 | \$0.4461 |
| | LDAC | \$0.0234 | | |
| | <u>Gas Cost Adjustment:</u> | | | |
| | Cost of Gas | \$0.2612 | | |
| | <u>Tariff Rate G 41:</u> | | | |
| C&I Medium Annual/Low Winter | Monthly Customer Charge | \$196.73 | \$196.73 | \$196.73 |
| | All usage | \$0.1622 | \$0.1856 | \$0.5153 |
| | LDAC | \$0.0234 | | |
| | <u>Gas Cost Adjustment:</u> | | | |
| | Cost of Gas | \$0.3297 | | |
| C&I High Annual/High Winter | <u>Tariff Rate G 51:</u> | | | |
| | Monthly Customer Charge | \$196.73 | \$196.73 | \$196.73 |
| | First 1,300 therms | \$0.1183 | \$0.1417 | \$0.4029 |
| | All usage over 1,300 therms | \$0.0958 | \$0.1192 | \$0.3804 |
| | LDAC | \$0.0234 | | |
| C&I High Annual/Low Winter | <u>Gas Cost Adjustment:</u> | | | |
| | Cost of Gas | \$0.2612 | | |
| | <u>Tariff Rate G 42:</u> | | | |
| | Monthly Customer Charge | \$1,124.19 | \$1,124.19 | \$1,124.19 |
| | All usage | \$0.1066 | \$0.1300 | \$0.4597 |
| C&I High Annual/Low Winter | LDAC | \$0.0234 | | |
| | <u>Gas Cost Adjustment:</u> | | | |
| | Cost of Gas | \$0.3297 | | |
| | <u>Tariff Rate G 52:</u> | | | |
| | Monthly Customer Charge | \$1,124.19 | \$1,124.19 | \$1,124.19 |
| C&I High Annual/Low Winter | All usage | \$0.0707 | \$0.0941 | \$0.3553 |
| | LDAC | \$0.0234 | | |
| | <u>Gas Cost Adjustment:</u> | | | |
| | Cost of Gas | \$0.2612 | | |
| | <u>Tariff Rate G 52:</u> | | | |

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NORTHERN UTILITIES - NEW HAMPSHIRE DIVISION
SUMMER SEASON C&I RATES

| Summer Season May 2015 - October 2015 | | Tariff Rates | Total Delivery Rates (Includes LDAC) |
|--|---------------------------------|-----------------|--|
| C&I Low Annual/High Winter | <u>Tariff Rate T 40:</u> | | |
| | Monthly Customer Charge | \$67.45 | \$67.45 |
| | First 75 therms | \$0.1615 | \$0.1849 |
| | All usage over 75 therms | \$0.1615 | \$0.1849 |
| | LDAC | \$0.0234 | |
| C&I Low Annual/Low Winter | <u>Tariff Rate T 50:</u> | | |
| | Monthly Customer Charge | \$67.45 | \$67.45 |
| | First 75 therms | \$0.1615 | \$0.1849 |
| | All usage over 75 therms | \$0.1615 | \$0.1849 |
| | LDAC | \$0.0234 | |
| C&I Medium Annual/High Winter | <u>Tariff Rate T 41:</u> | | |
| | Monthly Customer Charge | \$196.73 | \$196.73 |
| | All usage | \$0.1622 | \$0.1856 |
| | LDAC | \$0.0234 | |
| C&I Medium Annual/Low Winter | <u>Tariff Rate T 51:</u> | | |
| | Monthly Customer Charge | \$196.73 | \$196.73 |
| | First 1,000 therms | \$0.1183 | \$0.1417 |
| | All usage over 1,000 therms | \$0.0958 | \$0.1192 |
| | LDAC | \$0.0234 | |
| C&I High Annual/High Winter | <u>Tariff Rate T 42:</u> | | |
| | Monthly Customer Charge | \$1,124.19 | \$1,124.19 |
| | All usage | \$0.1066 | \$0.1300 |
| | LDAC | \$0.0234 | |
| C&I High Annual/Low Winter | <u>Tariff Rate T 52:</u> | | |
| | Monthly Customer Charge | \$1,124.19 | \$1,124.19 |
| | All usage | \$0.0707 | \$0.0941 |
| | LDAC | \$0.0234 | |
| C&I Interruptible Transportation | <u>Tariff Rate IT:</u> | | |
| | Monthly Customer Charge | \$170.21 | \$170.21 |
| | First 20,000 therms | \$0.0407 | \$0.0407 |
| | All usage over 20,000 therms | \$0.0347 | \$0.0347 |

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