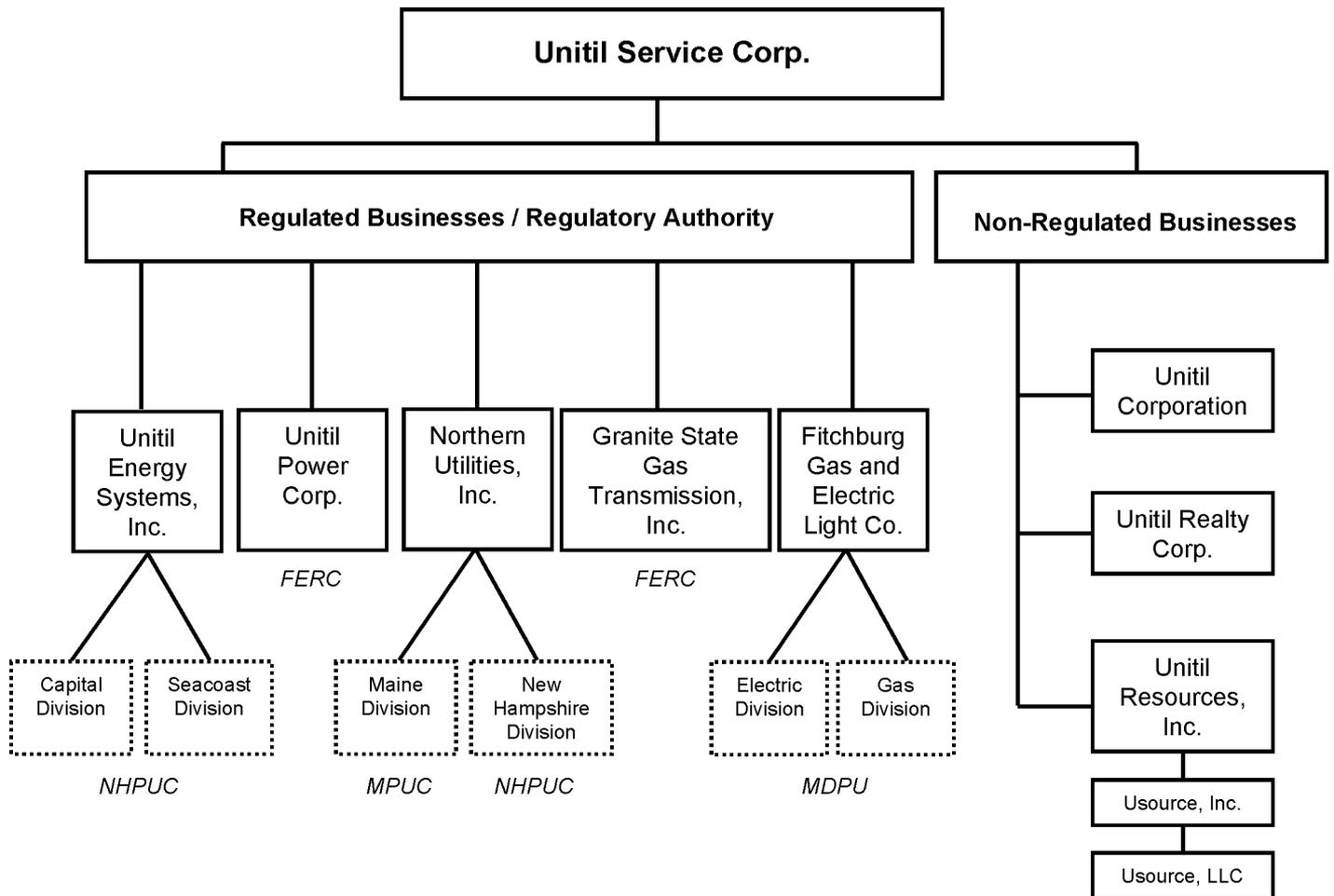


Unitil Service Corp.
Client Companies Structure
December 31, 2010



Unitil Service Corp.
Departments & Functions

**S
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Customer Service & Business Development

- Call Center Operations
- Customer Billing
- Remittance Processing
- Credit and Collections
- CIS Database Management
- Work Order Management System
- Internet-based Services
- Energy Efficiency Programs
- Business Development

Regulatory, Finance & Accounting

- NHPUC, MCPUC, MPUC, FERC Compliance
- Treasury, Insurance & Cash Management
- Forecasting & Budgeting
- General Accounting & SEC Reporting
- State and Federal Tax Compliance & Reporting
- Accounts Payable
- Plant/Construction Accounting
- Legal

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Engineering and Operations

- Electric Distribution
- Gas Distribution
- Safety and Protection
- CAD/GIS Services

Energy Contracts

- Electricity and Gas Procurement
- Contract & Portfolio Management
- Energy Trading & Market Analysis

Corporate & Administration

- Executive Services
- Administrative Support
- Human Resources
- Facilities
- Internal Audit
- Communications

Technology

- LAN/WAN & Desktop Services
- Database & Systems Development
- Telecommunications

**Distribution Operation Center
Departments & Functions**

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Electric Operations

- Distribution System Construction
- Distribution System Operation
- distribution system Maintenance
- Dig Safe Services
- Restoration & Storm Work
- Vegetation Control

Gas Operations

- Distribution System Construction
- Distribution System Operation
- Distribution System Maintenance
- Transmission System Construction
- Transmission System Operation
- Transmission System Maintenance
- Energy Productions
- Dig Safe Services
- Inspections & Gas Surveys
- Service Dept - Appliances

Operations Support

- Inventory & Stock Room
- Property Records
- Administrative Services
- Purchasing
- Fleet & Transportation

***Energy Measurement
& Control***

- Meter Reading
- Complex Metering
- Install & Shut-off Services
- Dispatch & Radio Transmission
- Substation Maintenance

SERVICE AGREEMENT

BETWEEN

NORTHERN UTILITIES, INC.

AND

UNITIL SERVICE CORP.

THIS SERVICE AGREEMENT (this "Agreement") is made and entered into as of December 1, 2008 by and between Northern Utilities, Inc., a corporation organized under the laws of the State of New Hampshire, ("Client Company"), and Unitil Service Corp., a corporation organized under the laws of The State of New Hampshire (the "Service Company").

WITNESSETH:

WHEREAS, Service Company is a wholly owned subsidiary of Unitil Corporation ("Unitil"); and

WHEREAS, Service Company is organized, staffed and equipped to render to Client Company services as herein provided; and

WHEREAS, economies and increased efficiencies will result from the performance by Service Company of services for Client Company and the provision of certain property and resources to Client Company as herein provided, and the Client Company desires for the Service Company to provide, and the Client Company to accept the services, property and resources provided for hereunder;

WHEREAS, subject to the terms and conditions herein described, Service Company is willing, upon request by Client Company, to render such services and provide such property and resources to Client Company;

NOW, THEREFORE, in consideration of the premises and of the mutual representations, covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

As used hereinafter, the following terms, in addition to those elsewhere defined in this Agreement, shall have the following meanings unless the context otherwise requires:

- A. "Services" shall mean those services described in Articles 2, 3, 4 and 5 hereof.**
- B. "Non-Affiliate" means any corporation, company, agency, government, business, entity or person other than Unitil, a direct or indirect subsidiary of Unitil, or a person employed by Unitil or any of such subsidiaries.**

C. "Intellectual Property" means any process, program or technique which is protected by the copyright, patent or trademark laws, or as a trade secret, and which has been specifically and knowingly incorporated into, exhibited in, or reduced to a tangible writing, drawing, manual, computer program, data base, product or similar manifestation or thing.

D. "Work Order" means any request for services from the Service Company by the Client Company and is evidence of the commitment of the parties hereto. The Service Company assigns all work orders a Job Order Number ("JON") and the terms work order and JON may be used interchangeably. Work Orders can be created by specific written instruction, orally, or by contract (such as the Agreement) or by approval of the Client Company of the monthly invoice for services rendered by the Service Company.

ARTICLE 2 - AGREEMENT TO FURNISH SERVICES

Section 2.1 The Service Company shall furnish to the Client Company, as requested by the Client Company by work order or other request, upon the terms and conditions hereinafter set forth, such of the services described herein and in Articles 3, 4 and 5 below (as such may be amended from time to time) at such times, for such periods and in such manner as the Client Company may from time to time request and which the Service Company concludes it is equipped to perform. The Service Company shall also provide the Client Company with such special services, in addition to those services described herein and in Articles 3, 4 and 5 below, as may be requested by the Client Company and which the Service Company concludes it is equipped to perform. In supplying such services, the Service Company may arrange, where it deems appropriate, for the services of such experts, consultants, advisors and other persons with necessary qualifications as required for or pertinent to the provision of such services.

Section 2.2 The Client Company shall take from the Service Company such of the services described in Section 2.1 and such additional general or special services, whether or not now contemplated, as are requested from time to time by the Client Company and which the Service Company concludes it is equipped to perform.

Section 2.3 The services described herein shall be directly assigned, distributed or allocated by activity, project, program, work order or other appropriate basis. The Client Company shall have the right from time to time to amend, alter or rescind any activity, project, program or work order provided that (i) any such amendment or alteration which results in a material change in the scope of services to be performed or the equipment to be provided is agreed to by the Service Company, (ii) the cost for the services covered by the activity, project, program or work order shall include any additional expense incurred by the Service Company as a direct result of such amendment, alteration or rescission of an activity, project, program or work order, and (iii) no amendment, alteration or rescission of an activity, project, program or work order shall release the Client Company from liability for all costs already incurred by the Service Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

Section 2.4 The provision of services by Service Company pursuant to this Agreement shall in all cases and notwithstanding anything herein contained to the contrary be subject to any limitations contained in authorizations, rules or regulations of those governmental agencies, if any, having jurisdiction over Service Company, Client Company or such provision of services, including the New Hampshire Public Utilities Commission affiliate transaction rules described in NH PUC 2100 Affiliate Transaction Rules, the Massachusetts Department of Telecommunications and Energy affiliate transaction rules described in MA 220 CMR 12.00 Standards of Conduct for Distribution Companies and their Affiliates, and the Maine Public Utility Commission's Utility Requirements for Non-Core Activities and Transactions Between Affiliates, in Code of Maine Rules 65-407-820.

ARTICLE 3 - DESCRIPTION OF SERVICES

The services which may be provided by Service Company hereunder shall include the following:

1. **Administrative Services.** Provide services and assistance relating to the administration of personnel policies, benefit and pension plans, employee relations, risk management, claims administration, insurance administration and facility support and

other human resource services. Provide security and facilities management services. Provide administrative, clerical and secretarial support and other services.

2. Financial and Corporate Services. Provide services and advice in the areas of financings, financial forecasting and budgeting, cash management, internal auditing, banking relations, investor relations, and corporate, shareholder services and employee communications. Provide executive management services and advice in connection with the overall management of various phases of business operations. Advise and assist Client Company in matters involving the preparation and development of construction and operating budgets, cash and cost forecasts, and budgetary controls.

2. Accounting and Tax Services. Provide services, assistance and advice in connection with the installation and operation of accounting systems and similar special projects. Perform duties in conformity with the requirements of regulatory bodies and the U.S. Treasury with respect to accounting and tax compliance, and internal and external audits. Prepare and analyze financial and operating reports and other statistical matters relating to users of Client Company's financial information. Prepare annual and interim reports to shareholders, regulatory bodies, rating agencies, prospective investors and others. Provide accounts payable accounting services and process payments to vendors. Provide asset and project accounting services and make available fixed asset and utility plant and property accounting systems, and perform other accounting, tax and financial duties as requested by Client Company.

3. Regulatory Services. Provide services and advice on overall relations with regulatory agencies, including the preparation of regulatory filings, petitions and applications on matters relating to revenue requirements, rate design, sales and load forecasting, demand-side management programs and integrated resource planning.

4. Legal. Provide services and advice relating to regulatory filings and other regulatory matters and financings, financial reporting, shareholder meetings, power contracting, real estate leasing and other legal matters.

5. Technology Systems and Data Management. Provide services, advice and solutions management in the areas of technology systems and data base development. Provide advice and assistance on procedures, electronic data processing, telecommunications, web based systems, mainframe computing, personal computers and

networks, customer billing and customer accounting. Provide local area network, wide area network and desktop technology services. Advise and assist Client Company in the formation of good operating practices and methods of procedure, the standardization of forms, the purchase, rental and use of mechanical and electronic data processing, computing and communications equipment, in conducting economic research and planning and in the development of special economic studies. Provide telecommunications services and support.

6. Engineering. Provide services, advice and assistance in areas relating to the planning and design of gas and electric transmission and distribution facilities. Provide electric distribution system engineering, gas distribution system engineering, Computer Aided Drafting services, and geographic information system services.

7. Operations. Provide services, advice and assistance relating to the construction and operation and maintenance of facilities required for the transmission and distribution of gas and electric energy products. Provide materials management and purchasing services. Provide environmental and safety services including oversight of concerns related to air, water, land and waste, as well as compliance with relevant regulations. Provide demand side management services and distribution business development services.

8. Energy Resources Management. Provide services and advice on matters relating to gas and electric energy supply, provision of these supplies through planning and acquisition and its production and operation. Provide contract and portfolio management services. Provide electricity and gas procurement services. Provide financial analysis and services and advice in the purchase and sale of bulk power, including the provision of energy trading, market analysis and power brokering services.

9. Customer Care Services. Provide complete customer care services including a customer information system and data base administration, customer service centers, meter reading and billing, credit and collections, customer communications, cash remittance processing, administrative and technical support, quality assurance and training and other customer billing services. Provide services and advice on matters relating to the methods and practices of customer relations.

10. Access to and Use of Facilities. Make available to Client Company and/or its customers access to, use of, or rights in all facilities, products, processes, techniques, computer hardware and software, telecommunications facilities, technical information, training aids and properties, intellectual property, vehicles, equipment, machines and other property, whether owned, leased, licensed or otherwise by Service Company.

11. Training. Provide services and assist Client Company in providing training to personnel of Client Company; develop and make available training procedures, materials and facilities, and provide instructors.

12. General. Provide services and advice in the areas of construction planning and supervision, design, management programs, quality assurance, licensing matters, research and development, purchasing, insurance, and communications systems and procedures.

13. Other Services. Render services, advice and assistance in connection with such other matters as Client Company may request and Service Company may be able to perform with respect to Client Company's business and operations.

ARTICLE 4 - PROVISION OF PERSONNEL

Where specifically requested by Client Company and with the consent of Service Company, which consent will not be unreasonably withheld, Service Company will lend its employees to Client Company. In that event, such loaned employees will be under the sole supervision and control of Client Company for such period or periods of time as are necessary to complete the work to be performed by such employees. Such employees may be withdrawn by Service Company from tasks assigned by Client Company only with the consent of Client Company, which consent will not be unreasonably withheld. Client Company will be responsible for the actions and activities of such employees while engaged in the performance of the work to the same degree as though such persons were employees of Client Company. However, as part of Services, Service Company during periods when such employees are loaned to Client Company will continue to provide to, and with respect to, such employees those same payroll, pension, savings, tax withholding, unemployment, bookkeeping, benefits and insurance and other personnel

support services then being utilized by Service Company in connection with compensating and benefiting such employees.

ARTICLE 5 - INTELLECTUAL PROPERTY

5A. As part of the Services, Service Company will make available to Client Company for use or for re-sale or licensing to Non-Affiliates all Intellectual Property heretofore or hereafter developed or obtained by Service Company without charge (except for the actual expenses incurred in making the same available, and except as otherwise provided in Article 8 below); provided, however, that such availability shall be dependent and subject to any contractual commitments of Service Company to Non-Affiliates, applicable laws and regulations, any affiliate conduct rules of regulatory bodies and the legal rights and entitlements of others.

5B. Should Client Company in the course of its business develop Intellectual Property, it will make such Intellectual Property available for utilization by Service Company without charge (except the actual expenses incurred by Client Company in connection with making such new Intellectual Property so available); provided, however, that such availability shall be dependent upon and subject to any contractual commitments of Client Company to Non-Affiliates, applicable laws and regulations, any affiliate conduct rules of regulatory bodies and the legal rights and entitlements of others.

ARTICLE 6 - COMPENSATION OF SERVICE COMPANY

As compensation for the services to be rendered hereunder, the Client Company shall pay to the Service Company all costs which reasonably can be identified and related to particular services performed by the Service Company for or on Client's behalf. Where more than one Client Company is involved in or has received benefits from a service performed, costs will be directly assigned, distributed or allocated, between or among such companies on a basis reasonably related to the service performed.

It is the intent of this Service Agreement that the payment for services rendered by the Service Company to the Client Companies under this Service Agreement shall cover all the costs of its doing business (less the cost of services provided to associated companies not a party to this Service Agreement and other non-associated companies),

including but not limited to, salaries and wages, office supplies and expenses, outside services employed, insurance, injuries and damages, employee benefits, miscellaneous general expenses, rents (including property leased from Client Companies for use by the Service Company), maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital.

The method of assignment, distribution or allocation of costs described below shall be subject to review annually, or more frequently if appropriate. Such method of assignment, distribution or allocation of costs may be modified or changed by the Service Company upon the express approval of the modification by each affected Client Company without the necessity of an amendment to this Service Agreement provided that in each instance, costs of all services rendered hereunder shall be fairly and equitably assigned, and notice of such change is provided to the Client Company.

Such Costs shall be determined in accordance with subparagraphs 6A, 6B, and 6C below.

6A. Direct Labor Cost. Direct Labor Costs shall be based on the wage rates of assigned employees and the actual number of hours devoted to providing the Service. Direct Labor Costs include certain indirect labor costs such as the costs of paid, excused absences, such as vacations, sick pay and holidays.

6B. Service Company Overhead. Service Company Overhead ("Overhead") shall be charged to the Client Company in direct proportion to Direct Labor costs charged during the month. Overhead costs shall include all employee fringe benefit costs and the general and administrative expenses of the Service Company. Employee fringe benefit costs include incentive compensation and health and welfare benefits such as pension costs, insurance benefits, payroll taxes, employee savings plan, and other employee related items. The Service company administrative and general expenses shall include building rent, leased equipment costs, insurance, depreciation and amortization, interest, taxes, utilities and all other reasonable and necessary expenses required to carry out its service functions.

6C. Direct Charges. Certain expenses incurred by the Service Company will be directly charged to the Client Company. These expenses include certain leased equipment expenses, actual travel and meals expenses of Service Company employees

incurred while performing services for the Client Company, and other expenses directly associated with any particular service provided to the Client Company. Leased equipment expenses include costs of specialized hardware and data management equipment acquired to support the services provided to the Client Company.

ARTICLE 7 - SERVICE COMPANY ACCOUNTING AND BILLING SYSTEM

The Service Company shall maintain a cost accounting system in accordance with the Uniform System of Accounts for Centralized Service Companies as prescribed by the Federal Energy Regulatory Commission (18 C.F.R. Part 367). The Service Company shall maintain a billing system to compile hours charged to the Client Company by Service Company employees and labor and overhead rates to be charged for Service Company services. The purpose of the Service Company Time and Billing System is to establish guidelines and procedures which provide uniform and consistent methods of billing for services rendered to the Client Company. The Service Company will direct charge or allocate costs to the Client Company as practical and appropriate. The Service Company accounting and billing systems shall be maintained in sufficient detail to enable the Client Company to review and audit the costs of services provided. Revenues and costs related to these billings will be recorded in the accounting records of the Service Company in accordance with Generally Accepted Accounting Principles ("GAAP") and Securities and Exchange Commission ("SEC") guidelines.

Section 7.1 Service Company Billing System - Time Charges.

Services will be performed in accordance with work orders or requests issued or made by or on behalf of Client Company and accepted by Service Company, and all Services will be assigned an applicable job order number ("JON") to enable specific work to be properly allocated by project or other appropriate basis. Each employee of the Service Company will track his or her hours worked to provide services to the Client Company and associate each of those hours with a JON for the service provided. Each employee will direct charge to specific client companies for services performed and, in the case of services provided to Service Company's regulated Utility client companies, an allocation factor may be used to apportion time charges fairly across the regulated utility client companies. JON's shall be as specific as practicable in defining the Services

requested to be performed. Employees may enter their time into the billing system throughout the month. Service Company employees are given five working days notice, prior to the end of the month, to completely enter their time on the computer system by the last day of the month. After all time is entered, an edit listing is created and employee counts, hours, total wages, and holiday hours are verified. Reports of wages by job order number, wages by employee, individual company bills, m-t-d and y-t-d employee statistics are all reconciled.

Section 7.2 Service Company Billing System – Direct Labor. The rate for direct labor of Service Company personnel is determined by dividing the employee's wages for the month by the straight time and overtime hours for the month. The direct labor rate is then multiplied by the number of hours charged to each JON for each client company.

Section 7.3 Service Company Billing System - Indirect labor. The indirect labor rate of the Service Company includes: 1) the cost of time of Service Company employees that is charged each month to a JON for compensated absences like vacation, sick and holiday time, etc. and 2) the cost of any time charged directly to the Service Company for general and administrative purposes. The cost of Service Company indirect labor each month is spread over the entire amount of direct labor charged in that month. An illustrative diagram of the Service Company's time and billing calculation/compilation process is shown on Exhibit 1.

Section 7.4 Service Company Billing System - Overhead. The Service Company shall apply an overhead rate to labor charges each month sufficient to recover its costs, beyond direct and indirect labor costs, of providing services. Overhead costs represent the Service Company's General and Administrative expenses, and are allocated based on a monthly overhead rate applied against direct time charges. Overhead costs include pension costs, insurance, payroll taxes, employee savings plan, incentive compensation and similar payroll and benefit items. Administrative and general expenses are those administrative and operating expenses incurred by the Service Company in providing services to associated companies which cannot be identified with or directly charged to a specific project or job.

The Service Company overhead rate is added to each hour of services rendered by Service Company for its client companies (*e.g.*, the hourly rate for Service Company employee charges is based on an individual's actual salary plus overhead rate.) The overhead rate for Service Company is determined in order to create a "break-even" for Service Company. Thereby, Service Company recovers its cost and earns no profit on services provided under this Agreement. The overhead rate charged by Service Company is the same rate to each Client Company in a given month. However, the amount that is actually charged to each Client Company will vary as the number of direct labor hours charged varies between companies and in different months.

By operation, the Service Company's overhead rate is estimated in advance using the Service Company's budget for the next year. From the annual budget, which shows all of the Service Company's projected wage and overhead expenses, Service Company establishes an overhead rate which is projected to recover its costs. Each month, the actual costs are tracked, and the overhead rate is adjusted, to minimize (and ideally eliminate) all overages and underages in the Service Company's recovery of its costs. From the accounting vantage point, an entry is made to the Service Company P&L accounts which makes revenues and expenses break even. On the other side of the Balance Sheet for Service Company, an entry is made for an "administrative transfer credit" which can be a receivable or a payable. Each month, the overhead rate is adjusted in an attempt to zero out the administrative transfer credit by the end of the billing period.

Section 7.5 Service Company Billing System - Direct Charges. Certain expenses incurred by the Service Company will be directly charged to the Client Company. These expenses include certain leased equipment expenses, actual travel and meals expenses of Service Company employees incurred while performing services for the Client Company, and other expenses directly associated with any particular service provided to the Client Company. Leased equipment expenses include costs of specialized hardware and data management equipment acquired to support the services provided to the Client Company. Direct Charges can either be specifically identified as attributable to a service provided for a certain Client Company or allocated based upon an allocation factor which supports the relationship of the cost incurred to all the Client Companies.

Section 7.6 Service Company Billing System - Monthly Invoice. The Service Company shall render a monthly statement to the Client Company that shall reflect the billing information necessary to identify the costs charged for that month. Billing packages are prepared for each client that include the Service Bill, Job Order Summary and Summary of Direct Charges (with supporting documentation), costs to be capitalized, and copies of relevant Employees Expense Reimbursement forms. Approvals are obtained, and the invoices are submitted to Accounts Payable for payment. By the end of the month following invoicing, the Client Company shall remit payment to the Service Company for all charges billed to it. Monthly charges may be billed on an estimated basis, but adjustments will be made within ninety (90) days to assure that billings are accurate and complete.

For the recovery of the cost of funds advanced for Services provided, Client Company will be charged a cost of funds based on the actual time period from billing date of such costs to date of receipt of payment from Client Company. The cost of funds shall be the annual rate associated with the costs to Service Company of its most recent short-term borrowings. The costs of funds factor shall be applied to each monthly billing to Client Company after receipt of payment by Service Company; provided, however, that the last monthly billing to Client Company for a project shall include a cost of funds amount based on an assumed thirty (30) day time period.

ARTICLE 8 - LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 8.1 In performing the Services hereunder, except to the extent such services are being performed by employees loaned to and under the supervision of Client Company, Service Company will exercise due care to assure that the Services are performed in a workmanlike manner, meet the standards and specifications set forth in the applicable Service Request with respect to such Services, and comply with applicable standards of law and regulation. However, failure to meet these obligations shall in no event subject Service Company to any claims or liabilities other than to complete the services requested such that the work fully complies with the applicable Service Request. Service Company makes no other warranty with respect to its performance of the

Services, and Client Company agrees to accept such Services without further warranty of any nature.

Section 8.2 The Client Company shall and does hereby indemnify and agree to hold harmless and defend Service Company for the payment of any sum or sums of money on account of, or resulting from, claims or suits growing out of (i) injuries to or the death of any person, (ii) damage to or loss of any property, and/or (iii) other damages, in any way attributable to or arising out of the performance and prosecution of any project or work performed by or on behalf of Client Company for Non-Affiliates whether or not the same results or allegedly results from the claimed or actual negligence or breach of warranty of, or willful conduct by, Client Company or of its employees, agents or subcontractors or any combination thereof.

Section 8.3 Client Company shall and does hereby indemnify and agree to hold harmless and defend Service Company (a) from any and all liens, garnishments, attachments, claims, suits, costs, attorneys' fees, cost of investigation and of defense resulting from, incurred in connection with, or relating to any such claims, (b) from the payment of any such sum or sums of money, and (c) from the payment of any penalties, fines, damages, suits or claims (and any liens or attachments asserted in connection therewith) arising out of (i) any alleged or actual violation of law, court order, or governmental agency rule or regulation committed by or existing with respect to Client Company or its employees, agents or subcontractors (except Service Company when not performing Services hereunder), (ii) any alleged or actual breaches of contract by Client Company, (iii) any claims made by or for account of any employee, agent or subcontractor (except Service Company when not performing Services hereunder or an employee or agent of Service Company where such claim does not arise specifically in connection with the performance of Services hereunder) of Client Company, or for (iv) service or labor performed, materials, provisions or supplies furnished or room and board which have been purchased or allegedly contracted for by or on behalf of Client Company, its employees, agents or subcontractors (except Service Company when not performing services hereunder).

Section 8.4 Service Company shall within five business days after it receives notice of any claims, actions, damages or liability against which it will expect to be

indemnified pursuant to Article 5.1 notify Client Company of such claims, actions, damages or liabilities. Thereafter, Client Company may at its own expense, upon notice to Service Company, defend or participate in the defense of such action or claim or any negotiation for settlement of such action or claim, provided that unless Client Company proceeds promptly and in good faith to pay or defend such action or claim, then Service Company shall have the right (but not the obligation), in good faith, upon ten days notice to Client Company, to pay, settle, compromise or proceed to defend any such action or claim without the further participation by Client Company. Client Company will immediately pay (or reimburse Service Company, as the case may be) any payments, settlements, compromises, judgments, costs or expenses made or incurred by Service Company in or resulting from the pursuit by Service Company of such right. If any judgment is rendered against Service Company in any such action defended by Client Company or from which Service Company is otherwise entitled to indemnification under Section 5.1 or any lien attaches to the assets of Service Company in connection therewith, Client Company immediately upon such entry or attachment shall pay the judgment in full or discharge any such lien unless, at its expense and direction, appeal shall be taken under which the execution of the judgment or satisfaction of the lien is stayed. If and when a final judgment is rendered against Service Company for which no appeal can be brought in any such action, Client Company shall forthwith pay such judgment or discharge such lien prior to the time that Service Company would be legally held to do so.

Section 8.5 Client Company shall maintain at all times adequate levels of insurance to discharge financially its obligations under this Section 5.

ARTICLE 9 - CONFIDENTIALITY AND RECORDKEEPING

Section 9.1 Except as otherwise expressly provided in this Agreement, Service Company and Client Company each agrees that (a) all information communicated to it by the other and identified as confidential, whether before or after the date hereof, (b) all information identified as confidential to which it has access in connection with provision of the Services, whether before or after the date hereof, and (c) this Agreement and the parties' rights and obligations hereunder, will be and will be deemed to have been

received in confidence and will be used only for purposes of this Agreement, and each of Service Company and Client Company agrees to use the same means as it uses to protect its own confidential information, but in no event less than reasonable means, to prevent the disclosure and to protect the confidentiality thereof. No such information will be disclosed by the recipient party without the prior written consent of the other party; provided, however, that each party may disclose this Agreement and the other party's confidential information to those of the recipient party's attorneys, auditors, insurers (if applicable), subcontractors and full time employees who have a need to have access to such information in connection with their employment (or engagement, if applicable) by the recipient party, so long as the recipient party requires, in the case of its attorneys, auditors and insurers, that each of them execute a confidentiality agreement containing terms and conditions no less restrictive than those set forth in this Section 6 and advises, in the case of its subcontractors, agents and employees, each such subcontractor, agent and employee of the confidentiality obligations set forth in this Section 6. In any event, compliance by each of the persons referenced in the preceding sentence with the confidentiality obligations set forth in this Section 6 will remain the responsibility of the party employing or engaging such persons.

Section 9.2 The foregoing will not prevent either party from disclosing information that belongs to such party or (i) is already known by the recipient party without an obligation of confidentiality other than under this Agreement, (ii) is publicly known or becomes publicly known through no unauthorized act of the recipient party, (iii) is rightfully received from a third party, (iv) is independently developed without use of the other party's confidential information or (v) is disclosed without similar restrictions to a third party by the party owning the confidential information. If confidential information is required to be disclosed pursuant to a requirement of a governmental authority, such confidential information may be disclosed pursuant to such requirement so long as the party required to disclose the confidential information, to the extent possible, provides the other party with timely prior notice of such requirement and coordinates with such other party in an effort to limit the nature and scope of such required disclosure, provided, however, that, in the event of a tax audit, (A) notice of a disclosure requirement in connection therewith will not be given prior to the

commencement of the audit, and (B) the parties will use commercially reasonable efforts to ensure that any confidential information that is subject to a valid request for delivery of a copy of such information (including a copy of this Agreement) to the taxing authority is not subject to further disclosure by it (such as by marking such information as a trade secret). Upon written request of the disclosing party at the expiration or termination of this Agreement for any reason, all documented confidential information (and all copies thereof) of the disclosing party will be returned to the disclosing party or will be destroyed, with written certification thereof being given to the disclosing party. The provisions of this Section 6 shall survive the expiration or termination of this Agreement for any reason.

Section 9.3. All accounts and records of Service Company shall be kept in accordance with the Uniform System of Accounts for Centralized Service Companies (18 C.F.R. part 367), in effect from and after the date hereof.

Section 9.4. Service Company shall permit Client Company access to its accounts and records, including the basis and computation of allocations.

Section 9.5. This Service Agreement and any amendments hereto shall not be effective until any necessary regulatory approvals have been obtained.

ARTICLE 10 - OTHER AGREEMENTS

From time to time, should Client Company find it necessary or desirable either to enter into agreements covering services of the type contemplated by this Agreement to be provided by parties other than Service Company or to enter into other agreements covering functions to be performed by Service Company hereunder, nothing in this Agreement shall be deemed to limit in any way the right of Client Company to acquire such services from others or to enter into such other agreements.

ARTICLE 11 - TERM AND TERMINATION

This Agreement shall be in full force and effect from and after the date it is executed by the parties hereto, except as otherwise provided in this Agreement. Upon becoming effective as aforesaid, this Agreement shall continue in full force and effect, except as otherwise provided in this Agreement, unless notice in writing shall be given by

either party hereto to the other of its termination 365 days prior to the end of the current term.

ARTICLE 12 - MISCELLANEOUS

Section 12.1. This Agreement shall be binding upon the successors and assigns of the parties hereto, provided that Service Company shall not be entitled to assign or subcontract out any of its obligations under this Agreement or under any Service Request issued hereunder without the prior written approval of Client Company.

Section 12.2. This Agreement may not be modified or amended in any respect except in writing executed by the parties hereto.

Section 12.3. This Agreement shall be construed and enforced under and in accordance with the laws of the state of New Hampshire.

Section 12.4. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and both of which, when taken together, shall be deemed to be one and the same instrument.

Section 12.5. No provision of this Agreement shall be deemed waived nor a breach of this Agreement consented to unless such waiver or consent is set forth in writing and executed by the party hereto making such waiver or consent.

Section 12.6. A party shall be excused from performance hereunder caused by reasons beyond such party's reasonable control, provided such party immediately notifies the other of the reason for the delay and the anticipated effect. Performance shall be delayed no longer than the period of force majeure.

Section 12.7. Any notices pursuant to this Agreement shall be in writing and shall be sent to the parties at the following address or at such other addresses as shall be specified by the parties by like notice:

If to Service Company:

Unitil Service Corp.

6 Liberty Lane West, Hampton, NH 03842

Attn: Corporate Secretary

If to Client Company:

Northern Utilities, Inc.

6 Liberty Lane West, Hampton, NH 03842

Attn: Corporate Secretary

Such notices or other communications shall be deemed to have been duly given and received (i) on the day of sending if sent by personal delivery, cable, telegram, facsimile transmission or telex, (ii) on the next business day after the day of sending if sent by Federal Express or other similar express delivery service, or (iii) on the fifth calendar day after the day of sending if sent by registered or certified mail (return receipt requested).

Section 12.8. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to a party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the covenants and agreements contemplated hereunder may be fulfilled to the fullest extent possible.

Section 12.9. This Agreement and its Exhibits and Schedules and the Service Requests contemplated hereby constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, each of the parties hereto has caused this agreement to be executed in its corporate name by its President or one of its Vice Presidents and corporate seal to be hereunto affixed and attested by its Secretary, Clerk or Secretary of the Board of Directors as of the day and year first above written.

Attest:


Secretary

UNITIL Service Corp.

By: 
President

Attest:


Secretary

Northern Utilities, Inc.

By: 
President

Allocated Base O & M Synergies
 Estimated 2008
 (in millions)

Column Line No.		CEB (A)	FSB (B)	M&ME (C)	M&M (D)	DET (E)	Other (F)	Total (G)	Reference
OUTSIDE SERVICES (OS):									
1	Pre-Acquisition OS - Operations and Maintenance	\$ -	\$ -	\$ 4.1	\$ 4.5	\$ 6.8	\$ -	\$ 9.2	2007 AU MPOC Report, p.19-20
2	Pre-Acquisition OS - Operations and Maintenance	7.1	6.7	-	-	-	5.8	19.3	ATT 1, p.2, COL. (A), L.38-44
3	Total Service Company O & M Synergies:	\$ 7.8	\$ 8.7	\$ 4.1	\$ 4.5	\$ 6.8	\$ 5.8	\$ 28.5	1.1 + 1.2
PROF ASSOCIATION OS:									
4	Prof Association OS - Operations and Maintenance	1.3	5.8	3.1	3.2	1.8	0.8	16.8	ATT 1, p.2, COL. (B), L.38-44
5	Total Service Company O & M Synergies:	\$ (1.5)	\$ (1.7)	\$ (1.0)	\$ (1.3)	\$ 6.4	\$ -	\$ (1.5)	1.3 + 1.5
OTHER C&A O & M COSTS:									
6	Other C&A Costs - Operations and Maintenance	-	-	(0.2)	(0.2)	(0.1)	-	(0.5)	
7	Total Base O & M Synergies:	\$ (1.5)	\$ (1.7)	\$ (1.2)	\$ (1.5)	\$ 6.3	\$ -	\$ (1.5)	1.5 + 1.6

UMT's Service Corp.
 Labor Overhead Allocation Analysis
 2008 Budget vs. 2008 of Northern Utilities and Granite State Transmission
 (\$000's)

Division Line No.		2008 Budget		2008 Performance		Change		Reference
		\$	%	\$	%	\$	%	
	Labor							
1	UES	\$ 6,034	52.4%	\$ 4,916	32.0%	\$ (1,118)	-7.0%	
2	Fitchburg	5,207	45.2%	4,086	27.9%	(1,121)	-7.7%	
3	NU - ME	-	0.0%	2,373	16.2%	2,373	16.2%	
4	NU - NH	-	0.0%	2,474	16.9%	2,474	16.9%	
5	OST	-	0.0%	492	3.4%	492	3.4%	
6	Unclass	210	1.9%	210	1.5%	-	0.0%	
7	URR	8	0.1%	8	0.1%	-	0.0%	
8	URR0	67	0.6%	67	0.4%	-	0.0%	
9	Corp	5	0.0%	5	0.0%	-	0.0%	
10	Total	\$ 11,528	100.0%	\$ 14,623	100.0%	\$ 3,095	21.2%	Attachment 1, p. 4, L. 12
	Overhead							
11	UES	\$ 6,166	51.3%	\$ 4,709	34.0%	\$ (1,457)	-10.1%	
12	Fitchburg	5,557	46.1%	3,846	28.0%	(1,711)	-8.7%	
13	NU - ME	-	0.0%	2,348	14.8%	2,348	14.8%	
14	NU - NH	-	0.0%	2,115	13.3%	2,115	13.3%	
15	OST	-	0.0%	300	2.0%	300	2.0%	
16	Unclass	467	4.1%	467	3.0%	-	0.0%	
17	URR	7	0.1%	7	0.1%	-	0.0%	
18	URR0	51	0.4%	51	0.4%	-	0.0%	
19	Corp	5	0.0%	5	0.0%	-	0.0%	
20	Total	\$ 11,808	100.0%	\$ 13,923	100.0%	\$ 2,115	17.9%	
	Total							
21	UES	\$ 12,136	61.3%	\$ 9,625	32.8%	\$ (2,511)	-8.2%	
22	Fitchburg	10,764	44.7%	8,032	28.1%	(2,732)	-8.7%	
23	NU - ME	-	0.0%	4,721	15.5%	4,721	15.5%	
24	NU - NH	-	0.0%	4,569	16.1%	4,569	16.1%	
25	OST	-	0.0%	691	2.5%	691	2.5%	
26	Unclass	702	3.0%	702	2.5%	-	0.0%	
27	URR	15	0.1%	15	0.1%	-	0.0%	
28	URR0	108	0.9%	108	0.4%	-	0.0%	
29	Corp	5	0.0%	5	0.0%	-	0.0%	
30	Total	\$ 23,927	100.0%	\$ 28,453	100.0%	\$ 4,526	17.8%	
	Construction & O&M							
31	UES	\$ 4,328	51.7%	\$ 3,217	40.8%	\$ (1,111)	-10.4%	
32	Fitchburg	3,611	48.0%	4,036	51.3%	(725)	-8.8%	
33	NU - ME	-	0.0%	1,277	15.7%	1,277	15.7%	
34	NU - NH	-	0.0%	1,409	17.2%	1,409	17.2%	
35	Total	\$ 8,139	100.0%	\$ 9,729	100.0%	\$ 1,590	19.4%	
	Total Net Changes							
36	UES	\$ 7,811	31.1%	\$ 6,938	22.5%	\$ (873)	-7.7%	
37	Fitchburg	6,653	43.3%	4,936	29.8%	(1,717)	-8.7%	
38	NU - ME	-	0.0%	3,142	16.2%	3,142	16.2%	
39	NU - NH	-	0.0%	3,189	16.4%	3,189	16.4%	
40	OST	-	0.0%	691	3.1%	691	3.1%	
41	Unclass	702	4.0%	702	3.0%	-	0.0%	
42	URR	15	0.1%	15	0.1%	-	0.0%	
43	URR0	108	0.7%	108	0.6%	-	0.0%	
44	Corp	5	0.0%	5	0.0%	-	0.0%	
45	Total	\$ 15,294	100.0%	\$ 19,429	100.0%	\$ 4,135	27.0%	

UNITIL SERVICE CORP. (All Departments)
CONSOLIDATED OPERATING EXPENSES SUMMARY
 2008 Budget Pro-Formed Post Acquisition

	2008 Budget	Additions NU - GST	2008 Combined
A & G Expenses			
Salaries & Wages	\$ 11,214	\$ 3,089	\$ 14,313
Health Insurance Expense	1,532	440	2,032
Health Insurance - Employee Contributions	(303)	(62)	(365)
Compensation Expense	1,193	109	1,302
401k	309	85	394
Life Insurance	41	11	52
Education	50	5	64
SERP	363	-	363
Compensation Expense-Restricted Stock Plan	463	-	463
Subtotal	<u>14,931</u>	<u>3,667</u>	<u>18,598</u>
Pension & PBOP Expense	2,580	713	3,293
Subtotal Pension PBOP	<u>2,580</u>	<u>713</u>	<u>3,293</u>
Subtotal A&G Expenses	<u>17,511</u>	<u>4,380</u>	<u>21,891</u>
Other Benefits	120	12	141
Rent	1,526	140	1,666
Equipment & Maintenance	728	67	795
Telephone Expense	232	21	253
Office Supplies & Drafting Supplies	67	6	73
Travel & Meals Expense	166	16	181
Training & Seminars	84	8	92
PC Software & Supplies	130	16	146
Injuries & Damages	130	12	142
Dues & Subscriptions	73	7	80
Legal Fees	54	14	68
Annual Reporting	209	-	209
Directors Fees & Expenses	286	-	286
Other	464	33	497
Subtotal	<u>4,434</u>	<u>351</u>	<u>4,785</u>
Total A&G Expenses	<u>21,945</u>	<u>4,731</u>	<u>26,676</u>
Payroll & Other Taxes	818	226	1,044
Depreciation & Amortization	576	83	659
Income Taxes	(36)	1	(35)
Interest Expense, Net	91	8	99
Donations	35	3	38
Other	4	-	4
Total Other Expenses	<u>1,488</u>	<u>281</u>	<u>1,769</u>
Total Operating Expenses	<u>\$ 23,433</u>	<u>\$ 5,012</u>	<u>\$ 28,445</u>
Less: Capitalized Amounts	8,531	830	7,421
Less: DSM & Other	1,608	-	1,608
Total Construction & DSM	<u>8,139</u>	<u>830</u>	<u>9,029</u>
USC Labor & Overhead Expense	<u>\$ 15,294</u>	<u>\$ 4,182</u>	<u>\$ 19,476</u>

Incremental Salaries Summary by Departments

<u>Line No</u>		<u>Original Estimate</u>	<u>Update</u>	<u>Current Estimate</u>	<u>Salary \$</u>
	DOC Level (Existing Positions)				
	Union				
	DOC Operations	38	-	38	
	Metering & Control	13	-	13	
	Operation Services	6	-	6	
		<u>57</u>	<u>-</u>	<u>57</u>	
	Non Union				
	DOC Operations	13	-	13	
	Engineering	2	-	2	
	Marketing	7	-	7	
	Operation Services	6	-	6	
		<u>28</u>	<u>-</u>	<u>28</u>	
	Positions not acquired - deletions		(13)	(13)	
	Positions acquired - additions		6	6	
	Total DOC Level	<u>85</u>	<u>(7)</u>	<u>78</u>	
	USC Level (New Positions)				
1	Regulatory	3		3	\$ 250
2	Business Services	1	3	4	252
3	Human Resources	1		1	45
4	Finance	2		2	128
5	Information System	2		2	145
6	Accounting	4		4	268
7	Energy Contracts	2		2	159
8	Financial Services	2		2	153
9	Operations	13	1	14	1,041
10	Customer Operations	11	3	14	507
11	Communications	1		1	63
		<u>42</u>	<u>7</u>	<u>49</u>	<u>\$ 3,896</u>
	Positions - internal transfers		6	6	
	Positions - NU DOC Level transfers		4	4	
12	Total USC Level	<u>42</u>	<u>17</u>	<u>59</u>	<u>\$ 3,896</u>
	Total Staffing Resources	<u>127</u>	<u>10</u>	<u>137</u>	<u>\$ 3,896</u>

2010 SYNERGY COST SAVINGS ANALYSIS
Analysis of Estimated Synergies Realized in 2010
March, 2011
(in millions)

AS FILED: Estimated 2008 in DG 08-048 ODR 2-2 Supplemental

		Source: Based on 2008 Budget Projections						
Column:		UES	FGE	NU-ME	NU-NH	GST	All Other	Total
Line No.		(A)	(B)	(C)	(D)	(E)	(F)	(G)
OUTSIDE SERVICES (O/S):								
1	Pre-Acquisition O/S - Operations and Maintenance	\$ -	\$ -	\$ 4.1	\$ 4.5	\$ 0.6	\$ -	\$ 9.2
2	Pre-Acquisition O/S - Operations and Maintenance	7.8	6.7	-	-	-	0.8	15.3
3	Total Estimated O/S Service Company Charges:	<u>\$ 7.8</u>	<u>\$ 6.7</u>	<u>\$ 4.1</u>	<u>\$ 4.5</u>	<u>\$ 0.6</u>	<u>\$ 0.8</u>	<u>\$ 24.5</u>
4	Post-Acquisition O/S - Operations and Maintenance	6.3	5.0	3.1	3.2	1.0	0.8	19.4
5	Total Service Company O & M Synergies:	<u>\$ (1.5)</u>	<u>\$ (1.7)</u>	<u>\$ (1.0)</u>	<u>\$ (1.3)</u>	<u>\$ 0.4</u>	<u>\$ -</u>	<u>\$ (5.1)</u>
OTHER G&A O & M COSTS:								
6	Other G&A Costs - Operations and Maintenance	-	-	(0.2)	(0.2)	(0.1)	-	(0.5)
7	Total Base O & M Synergies:	<u>\$ (1.5)</u>	<u>\$ (1.7)</u>	<u>\$ (1.2)</u>	<u>\$ (1.5)</u>	<u>\$ 0.3</u>	<u>\$ -</u>	<u>\$ (5.6)</u>

ACTUAL: 2010 vs Pro-Formed Estimate

		Source: 2010 Pro-Formed Based on 2008 Actual/Projections						
Column:		UES	FGE	NU-ME	NU-NH	GST	All Other	Total
Line No.		(A)	(B)	(C)	(D)	(E)	(F)	(G)
OUTSIDE SERVICES (O/S):								
8	O/S - Operations and Maintenance (PRO-FORMED)			5.1	4.9	0.7		10.7
9	O/S - Operations and Maintenance (PRO-FORMED)	8.6	7.5	-	-	-	0.4	16.5
10	Total Estimated O/S Service Company Charges:	<u>\$ 8.6</u>	<u>\$ 7.5</u>	<u>\$ 5.1</u>	<u>\$ 4.9</u>	<u>\$ 0.7</u>	<u>\$ 0.4</u>	<u>\$ 27.2</u>
11	O/S - Operations and Maintenance (2010 ACTUAL)	7.1	6.4	4.0	3.8	0.7	0.4	22.4
12	Total Service Company O & M Synergies:	<u>\$ (1.5)</u>	<u>\$ (1.1)</u>	<u>\$ (1.1)</u>	<u>\$ (1.1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4.8)</u>
OTHER G&A O & M COSTS:								
13	Other G&A Costs - Operations and Maintenance	(0.1)	(0.1)	(0.2)	(0.1)	-	-	(0.5)
14	Total Base O & M Synergies:	<u>\$ (1.6)</u>	<u>\$ (1.2)</u>	<u>\$ (1.3)</u>	<u>\$ (1.2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5.3)</u>

Variance Analysis: 2010 ACTUAL vs. 2008 "AS FILED" ESTIMATE

		UES	FGE	NU-ME	NU-NH	GST	All Other	Total
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
15	Line No. 7 - Line No. 12: favorable / (unfavorable)	<u>\$ 0.1</u>	<u>\$ (0.5)</u>	<u>\$ 0.1</u>	<u>\$ (0.3)</u>	<u>\$ 0.3</u>	<u>\$ -</u>	<u>\$ (0.3)</u>

(A) 2010 Synergies Realized were \$0.1 million higher than estimate.

(B) 2010 Synergies Realized were (\$0.5 million) lower than estimate. FGE allocation of USC labor costs increased due to DOC employees being transferred to USC to better align gas operations with the acquisition of NU and GST. The increased expense is offset at the DOC level. In addition, FGE saw costs increase due to a focus on Energy Efficiency projects as well as Emergency Management activities.

(C) 2010 Synergies Realized were \$0.1 million higher than estimate.

(D) 2010 Synergies Realized were (\$0.3 million) lower than estimate.

(E) 2010 Synergies Realized were \$0.3 million higher than estimate. GST Capitalized USC labor costs were higher than expected.

(F) 2010 Synergies Realized were equal to the estimate.

Northern Utilities
Outside Services - Unitil Service Corp.
2009 - 2010

Docket No. DN 2011 - 92

EXHIBIT LMB - 7

Page 2 of 2

Outside Services by category to Northern Utilities from Unitil Service:

	2009	2010
Corporate & Administration	\$ 908,716	\$ 1,015,390
Customer Services	1,382,080	1,715,584
Energy Services	453,457	426,711
Engineering & Operations	4,568,277	4,865,274
Regulatory, Finance & Accounting	2,227,223	2,131,482
Technology	724,146	977,857
Sub-Total	<u>10,263,899</u>	<u>11,132,298</u>
Direct Charges	374,069	562,495
Total NU	<u>\$ 10,637,968</u>	<u>\$ 11,694,792</u>

Included in the totals above, the following summarizes the amounts charged to:

Total NU - NH	\$ 5,258,778	\$ 5,737,749
Less: Capitalized	1,490,704	1,659,294
Less: Flow Through	129,236	240,111
Total NU - NH, Net	<u>\$ 3,638,838</u>	<u>\$ 3,838,344</u>

Total NU - ME	\$ 5,379,190	\$ 5,957,044
Less: Capitalized	1,701,481	1,970,752
Less: Flow Through	112,056	208,758
Total NU - ME, Net	<u>\$ 3,565,654</u>	<u>\$ 3,777,534</u>

Unifi Corporation
Acquisition Purchase Accounting Summary
Northern Utilities, Inc. and Granite State Gas Transmission, Inc.

Line No.	(A) Description	(B)	(C)	(D)	(E)	(F)
		Estimated at 12/31/07	Final Northern at 12/1/08	Final Granite at 12/1/08	Final Combined 12/1/08	Change Final vs. Estimate
1	Equity Purchase Price	\$ 160.0	\$ 145.7	\$ 14.3	\$ 160.0	\$ -
2	Plus: Working Capital Adjustment	37.3	48.6	(10.4)	45.2	11.9
3	Aggregate Purchase Price	197.3	195.3	13.9	209.2	11.9
4	Transaction Costs	-	7.1	0.7	7.8	7.8
5	Transition Costs	-	0.9	0.8	6.7	6.7
6	Total Cash Purchase Price	197.3	203.3	15.4	223.7	26.4
Allocation to Assets and Liabilities Purchased:						
7	Book Value of Net Utility Plans	(186.0)	(179.9)	(17.1)	(187.0)	(11.0) ⁽¹⁾
8	Cash Acquired	-	(6.9)	-	(6.9)	(6.9) ⁽²⁾
9	Accounts Receivable and Other Current Assets	(53.4)	(17.5)	(3.7)	(21.3)	32.2 ⁽³⁾
10	Accrued Revenue	-	(7.0)	-	(7.0)	(7.0) ⁽³⁾
11	Gas Inventory	-	(32.3)	-	(32.3)	(32.3) ⁽³⁾
12	Accounts Payable and Other Current Liabilities	17.3	14.1	8.3	20.4	3.1 ⁽³⁾
13	Regulatory Assets	(21.0)	(19.5)	(0.3)	(19.8)	1.2 ⁽³⁾
14	Regulatory Liabilities	24.4	39.8	-	29.8	5.4 ⁽³⁾
15	Transaction Costs	-	(7.1)	(0.7)	(7.8)	(7.8) ⁽³⁾
16	Transition Costs	-	(5.9)	(0.8)	(6.7)	(6.7) ⁽³⁾
17	Total Assets and Liabilities Acquired	(218.7)	(230.2)	(18.3)	(308.5)	(29.8)
18	Plant Acquisition Adjustment	\$ (21.4)	\$ (23.9)	\$ (0.9)	\$ (24.5)	\$ (3.4)

Notes:

⁽¹⁾ Based on final pre-closing balance sheet of seller as of 12/1/08.

⁽²⁾ Change is primarily due increases in hedging program liability positions and increases in SOI penalties accrued between 12/31/07 and acquisition's closing date.

⁽³⁾ Represents transaction & transition costs associated with the acquisitions.

Unitil Corporation
Transaction and Transition Costs
Northern Utilities, Inc.

Transaction Costs:

	NJ - NH	NJ - ME	Total
Investment Banking Fees	\$ 2,091,488	\$ 2,542,898	\$ 4,634,386
Legal Fees and Other	1,096,386	1,335,445	2,431,831
	<u>\$ 3,187,874</u>	<u>\$ 3,878,343</u>	<u>\$ 7,066,217</u>

Transition Costs:

	NJ - NH	NJ - ME	Total
NISource Services Fees	\$ 1,345,966	\$ 1,039,110	\$ 2,385,076
Consulting & Professional fees	1,347,543	1,541,153	2,888,696
	<u>\$ 2,693,509</u>	<u>\$ 2,260,263</u>	<u>\$ 4,953,772</u>

**Acquisition Integration Project Costs
Northern Utilities Inc.
December 2010**

	Authorization	Function / Dept.	ESTIMATE	ACTUAL	FERC Account / #	Standard Depreciable Life	Stipulated Depreciable Life
CUSTOMER SERVICE PROJECTS:							
	Billing Conversion - Customer Information Systems (CIS)	Customer Operations	\$930,000	\$1,751,353	303	10	13
	Interfacing - Customer Information Systems (CIS) / Web-based Customer Systems, Metering, Ledgers & Reporting.	Customer Operations	544,000	493,623	303	5	8
	Measurement - MV90 xi Network Server & Communications Equipment	Metering	147,000	72,341	303	5	8
	G - Intake (Operations & Business Development)	Business Services	71,400	101,290	303	5	8
	Telecom Upgrade	Tele - Communications	189,000	0	397	10	10
	Sub - Total:		\$1,881,400	\$2,418,607			
GAS OPERATIONS & ENGINEERING PROJECTS:							
	Operation Data Integration (ODI)	Utility Plant Accounting	150,675	62,093	303	5	8
	Compliance Management System (CMS)	Gas Operations	145,300	159,902	303	5	8
	Mobile Terminals	Gas Operations	111,750	189,488	303	5	8
	Gas Procedures Manuals	Gas Operations	81,600	76,554	398	10	10
	Gas Scada System	Engineering	142,000	269,528	303	5	8
	Integrity Management Analysis System	Engineering	65,000	89,791	303	5	8
	Gas Dispatch Phone & Central Radio Systems	Gas Operations	41,000	45,242	397	10	10
	Equipment & Tools	Gas Operations	31,000	52,630	394	12	12
	Facility Enhancements & Signage	Gas Operations	99,500	5,887	390	40	40
	GIS	Engineering	150,000	134,296	303	5	8
	Sub - Total:		\$1,017,825	\$1,085,411			
FINANCE, ACCOUNTING & OTHER PROJECTS:							
	Flexi Ledger / Accounts Payable / Projects / Purchasing	Accounting	143,700	155,671	303	5	8
	Energy Contracts / Energy Measurement & Controls	Energy Procurement	94,000	162,694	303	5	8
	Other Miscellaneous Projects	various	87,500	143,075	various	10	10
	Sub - Total:		\$325,200	\$461,440			
	GRAND TOTAL:		\$3,224,425	\$3,965,458			

TAX SHARING AGREEMENT

AGREEMENT made as of September 10, 1985, among Concord Electric Company a New Hampshire corporation, Exeter & Hampton Electric Company a New Hampshire corporation, UNITIL Service Corp., a New Hampshire corporation, and UNITIL Power Corp., a New Hampshire corporation and UNITIL Corporation ("UNITIL"), a New Hampshire corporation ("AFFILIATE" companies or, collectively, the "AFFILIATES"). Whenever it is intended to include UNITIL in the context of the affiliated group, the term "CONSOLIDATED AFFILIATE" or "CONSOLIDATED AFFILIATES" may be used, and when reference is to the affiliated group as a collective tax paying unit the term "Group" may be used.

WHEREAS, UNITIL owns at least 80 percent of the issued and outstanding shares of each class of voting common stock of each of the AFFILIATES: each of the CONSOLIDATED AFFILIATES is a member of an affiliated group within the meaning of section 1504 of the Internal Revenue Code of 1954, as amended (the "Code"), of which UNITIL is the common parent corporation; and UNITIL proposes to include each of the AFFILIATES in filing a consolidated income tax return for the calendar year 1985;

NOW, THEREFORE, UNITIL and the AFFILIATES agree as follows:

1. Consolidated Return Election. If at any time and from time to time UNITIL so elects, each of the AFFILIATES will join in the filing of a consolidated Federal income tax return for the calendar year 1985 and for any subsequent period for which the Group is required or permitted to file such a return. UNITIL and its affiliates agree to file such consents, elections and other documents and to take such other action as may be necessary or appropriate to carry out the purposes of this Section 1. Any period for which any of the AFFILIATES is included in a consolidated Federal

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income tax return filed by UNITIL is referred to in this Agreement as a "Consolidated Return Year".

2. AFFILIATES' Liability to UNITIL for Consolidated Return Year. Prior to the filing of each consolidated return by UNITIL each of the AFFILIATES included therein shall pay to UNITIL the amount, if any, of the Federal income tax for which the AFFILIATES would have been liable for that year, computed in accordance with Treasury Regulations, section 1.1552-1(a)(2)(ii) as though that AFFILIATE had filed a separate return for such year, giving effect to any net operating loss carryovers, capital loss carryovers, investment tax credit carryovers, foreign tax credit carryovers or other similar items, incurred by that AFFILIATE for any period ending on or before the date of this Agreement.

The foregoing allocation of Federal income tax liability is being made in accordance with Treasury Regulations, sections 1.1552-1(a)(2) and 1.1502-33(d)(2)(ii), and no amount shall be allocated to any CONSOLIDATED AFFILIATE in excess of the amount permitted under Treasury Regulations, section 1.1502-33(d)(2)(ii). Accordingly, after taking into account the allocable portion of the Group's Federal income tax liability, no amount shall be allocated to any CONSOLIDATED AFFILIATE in excess of the amount permitted in accordance with Treasury Regulations, section 1.1502-33(d)(2)(ii).

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3. UNITIL Liability to Each Affiliate for Consolidated Return Year. If for any Consolidated Return Year, any AFFILIATE included in the consolidated return filed by UNITIL for such year has available a net operating loss, capital loss, foreign tax credit, investment tax credit or similar items (computed by taking into account carryovers of such items from periods ending on or before the date of this Agreement) that reduces the consolidated tax liability of the Group below the amount that would have been payable if that AFFILIATE did not have such item available, UNITIL shall pay the amount of the reduction attributable to such AFFILIATE prior to the filing of the consolidated return for such year.

The amount of the reduction shall be equal to a portion of the excess of (i) the total of the separate return tax liabilities of each of the CONSOLIDATED AFFILIATES computed in accordance with Section 2 of this Agreement, over (ii) the Federal income tax liability of the Group for the year. The portion of such reduction attributable to an AFFILIATE shall be computed by multiplying the total reduction by a fraction, the numerator of which is the value of the tax benefits contributed by the AFFILIATE to the Group and the denominator of which is the value of the total value of such benefits contributed by all CONSOLIDATED AFFILIATES during the year.

For purposes of the foregoing paragraph a deduction or credit generated by a CONSOLIDATED AFFILIATE which is in excess of the amount required to eliminate its separate tax return liability but which is utilized in the computation of the Federal income tax liability of

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the Group shall be deemed to be a tax benefit contributed by the CONSOLIDATED AFFILIATE to the Group. The value of a deduction which constitutes such a benefit shall be determined by applying the current corporate income tax rate, presently 46 percent, to the amount for the deduction. The value of a credit that constitutes such a benefit shall be the tax savings, currently 100 percent thereof. The value of capital losses used to offset capital gains shall be computed at the then current rate applicable to capital gains for corporations.

4. Payment of Estimated Taxes. Prior to the paying and filing of estimated consolidated tax declaration by UNITIL, each of the AFFILIATES included in such estimated tax declaration shall pay to UNITIL the amount, if any, of the estimated Federal income tax for which the AFFILIATE would have been liable for that year, computed as though that AFFILIATE had filed a separate estimated tax declaration for such year.

5. Tax Adjustments. In the event of any adjustments to the consolidated tax return as filed (by reason of an amended return, a claim for refund or an audit by the Internal Revenue Service), the liability, if any, of each of the AFFILIATES under Sections 2, 3, and 4 shall be redetermined to give effect to any such adjustment as if it had been made as part of the original computation of tax liability, and payments between UNITIL and the appropriate AFFILIATES shall be made within 120 days after any such payments are made or refunds are received, or, in the case of contested proceedings, within 120 days after a final determination of the contest.

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Interest and penalties, if any, attributable to such an adjustment shall be paid by each AFFILIATE to UNITIL in proportion to the increase in such AFFILIATE'S separate return tax liability that is required to be paid to UNITIL, as computed under Section 2.

6. Subsidiaries of Affiliates. If at any time, any of the AFFILIATES acquire or creates one or more subsidiary corporations that are includable corporations of the Group, they shall be subject to this Agreement and all references to the AFFILIATES herein shall be interpreted to include such subsidiaries as a group.
7. Successors. This Agreement shall be binding on and inure to the benefit of any successor, by merger, acquisition of assets or otherwise, to any of the parties hereto (including but not limited to any successor of UNITIL or any of the AFFILIATES succeeding to the tax attributes of such corporation under section 381 of the Code) to the same extent as if such successor had been an original party to this Agreement.
8. Affiliates' Liability for Separate Return Years. If any of the AFFILIATES leaves the Group and files separate Federal income tax returns, within 120 days of the end of each of the first fifteen taxable years for which it files such returns, it shall pay to UNITIL the excess, if any, of (A) Federal income tax that such AFFILIATE would have paid for such year (on a separate return basis giving effect to its net operating loss carryovers) if it never had been a

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member of the Group, over (b) the amount of Federal income tax such AFFILIATE has actually paid or will actually pay for such years.

9. Examples of Calculations. Attached hereto and made part hereof, as "Appendix A To Tax Sharing Agreement By And Between UNITIL Corporation And Its Affiliated Companies", are illustrative examples of the matters contained herein.

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have set their hands this *tenth* day of *September*, 1985.

UNITIL CORPORATION

By *Michael P. Baker*
Its President

EXETER & HAMPTON ELECTRIC COMPANY

By *Michael P. Baker*
Its President

CONCORD ELECTRIC COMPANY

By *Michael P. Baker*
Its President

UNITIL POWER CORP.

By *Michael P. Baker*
Its President

UNITIL SERVICE CORP.

By *John F. Hurler*
Its President

APPENDIX A TO TAX SHARING AGREEMENT
 BY AND BETWEEN UNITIL CORPORATION AND ITS
 AFFILIATED COMPANIES

The allocation agreement follows the Internal Revenue Service regulations for "basic" and "supplemental" allocation of consolidated return liability and benefits.

The "basic" method used to allocate UNITIL'S liability shown on the consolidated return is provided by Internal Revenue Code section 1552(a) and provides for allocation based on the amount of tax liability calculated on a separate return basis.

The "supplemental" method provides that the tax savings of credits and deductions in excess of the amount of an individual company can use, but which can be used in consolidations, is allocated among the members supplying the savings and the benefiting members reimburse them.

For example, assume that a three member group has consolidated taxable income and consolidated tax liability of \$200,000 and \$100,000 respectively. The individual members, A, B, and C have separate return taxable income (loss) of \$150,000, \$100,000 and \$(50,000) and the individual members have separate return liabilities of \$75,000, \$50,000 and none, respectively. (Loss members are deemed to have a zero tax liability). Under the proposed method, the individual tax liability and benefit is allocated as follows:

<u>Member</u>	<u>A</u>	<u>B</u>	<u>C</u>
Taxable income (loss)	\$150,000	\$100,000	\$(50,000)
Separate Tax Liability	75,000	50,000	none
Percent of Total (\$125,000)	60%	40%	0%
Consolidated Tax Allocation	60,000	40,000	none
Separate Tax Liability	75,000	50,000	0
Less Consolidated Tax	<u>60,000</u>	<u>40,000</u>	0
	15,000	10,000	0
	<u>100%</u>	<u>100%</u>	
Supplemental Allocation	15,000	10,000	0
Benefits paid to C	<u>\$(15,000)</u>	<u>\$(10,000)</u>	<u>\$(25,000)</u>

Regulation 1.1502-33(d) provides the "supplemental" method of allocating tax liability in order to permit members to receive reimbursement for contributing tax deductions or credits to the group. The method adopted by the Company and outlined at Regulation 1.1502-33(2)(ii) provides for immediate reimbursement for the tax year involved. The steps are as follows:

- (1) Tax liability is allocated to the members by the basic method outlined above.
- (2) Each member with a separate company tax will be allocated 100% of the excess of its separate return liability over its share of the consolidated liability under step (1).
- (3) The amounts allocated to benefiting members under Step 2 are credited to the members supplying the capital losses, deductions, credits, or other items to which the savings are attributable. For this purpose, an amount generated by a member which is in excess of the amount required to eliminate its own separate return tax liability and which is utilized in the computation of the Federal income tax liability of the group shall be deemed to be a tax benefit contributed by the member to the group.

In some years the Step 2 savings to be credited may be less than the total tax savings items available for use. In such a case, the savings shall be attributed to tax savings items in the order that they are used on the consolidated return and in an amount equal to the savings actually realized.

Under this method, capital losses would normally be used first to the extent there are capital gains, since these items are netted in order to reach income, and are used before any deductions or credits are taken into account. The value of the capital loss would be the current rate of tax for capital gain income of the loss. The next item to be used would be deductions resulting in a current year operating loss, and these would be valued at the marginal rate of tax on the income they offset. This is normally 46 percent under current law, but would be less for income under \$100,000, which falls in to the graduated tax brackets. Under Reg. 1.1502-33(d)(2), the amount of each graduated rate bracket is apportioned equally by dividing that amount by the number of corporations that were members of the group. Additionally, an alternative is to allocate the amount of each graduated rate bracket based on a election made by each of the companies' and included with that year's tax return. Operating loss carryovers would be used next, and finally credits would be used. Credits will be valued at 100 percent, since they result in dollar for dollar savings. Where the total amount of an item is not used, the savings will be allocated to each member in proportion to his share of the total of that benefit available from all members of the consolidated group.

- (4) Benefiting members will reimburse the other members prior to the filing of the consolidated tax return..

A more complicated situation is presented when there are several loss companies. Assume that the facts are the same as above except that there are three loss companies: C, D and E with the following tax savings items:

	<u>C</u>	<u>D</u>	<u>E</u>
Capital Loss	0	5,000	0
Current Operating Loss	5,000	0	3,000
Operating Loss Carryover	0	10,000	0
Credits	4,000	8,000	4,000

Allocation of the \$25,000 benefit from Step (2) would proceed as follows:

	<u>C</u>	<u>D</u>	<u>E</u>	<u>Remaining Benefit</u>
Capital Gains @ 28%	0	1,400	0	23,600
Current Operating Loss Offsetting 46% Income	2,300	0	1,380	19,920
Operating Loss Carryover Offsetting 46% Income		4,600		15,320
Credits @ 100% (proportionate)	<u>3,830</u>	<u>7,660</u>	<u>3,830</u>	<u>0</u>
Total Allocated	6,130	13,660	5,210	0

Thus companies A and B would reimburse C, D and E for the above amounts. There will be credit carryovers for C, D, and E of \$170, \$340, and \$170, respectively.

Separate Return Liability

The Allocations and reimbursements outlined above use the concept of a "separate return tax liability" as a starting point for allocations. This liability is the amount which a member of the affiliated group would pay if it filed a separate return. It is calculated in three basic steps.

- (1) The rules for consolidated return deferred accounting, inventory adjustments, basis determination, basis adjustments, excess losses, earnings and profits, and obligations of members must be applied.
- (2) Intercompany dividends are eliminated and no dividend received or paid deduction is allowed on intercompany

dividends.

- (3) Adjustments are made for specific items used in the consolidated return which must be divided by some equitable method among the members.

The third step is the subject of this part of the Appendix. Two different approaches may be taken for the apportionment of the limits, deductions, and exemptions used to reach tax liability.

It is recognized that each company is a part of an affiliated group, and that all credits, deductions and limitations must be apportioned in some equitable manner.

Specific Apportionments

- (1) Carryovers. On a consolidated basis, items such as operating losses, capital losses, and contributions will be used first from the current year and then carried forward from the oldest year forward until exhausted. It is the intention of the Tax Sharing Agreement, for allocation and reimbursement purposes, that a member shall use its own carryovers first before it is required to reimburse another member for use of its carryover in consolidation, without regard for the fact that the tax regulations for consolidated returns may require a different order.
- (2) Contribution Deduction. The amount of the contribution deduction is limited to 10% of consolidated taxable income. Thus the amount allowable may exceed the actual contributions. In order to avoid having a consolidated contribution carryover which is not owned by a member, each member agrees that its deduction be limited to its proportionate share on a separate return basis of the consolidated contribution deduction in a given year, rather than 10% of its separate return income, and that any contribution in excess of such amount be treated as its own carryover.

If the consolidated deduction is greater than the separate deductions of the profitable members (thus permitting a deduction for contributions of a loss member) the excess allowable deduction will be allocated to the loss members in proportion to the excess allowable over their available contributions.

Contribution Illustration

Example A

	<u>A</u>	<u>B</u>	<u>C</u>	<u>Consolidated</u>
Income before contributions	12,000	100	(5,600)	6,500
Contributions-current	400	25	100	
-carryover	300	25		
-available	700	50	100	
10% limit				650
Allowable on SR basis	1,200	10		
Allowable by agreement	644	6		
Carryover by agreement				
-current	-0-	19	100	
-prior	<u>56</u>	<u>25</u>		
Taxable income	11,356	94	(5,600)	5,850

Example B

	<u>A</u>	<u>B</u>	<u>C</u>	<u>Consolidated</u>
Income before contributions	12,000	(100)	(5,400)	6,500
Contributions-current only	200	50	200	
10% limit				650
Available on SR basis	200			200
Excess deduction allowable				250
Allocation by agreement		50	200	
Carryover by agreement	<u> </u>	<u>50</u>	<u>200</u>	
Taxable income	11,800	(150)	(5,600)	6,050

- (3) Tax Brackets. The members agree that the brackets will first be applied equally to the members with ordinary income. If the allocated amount exceeds income, the excess can be reapplied equally to the other members with remaining income.

- (4) I.T.C. Limitation. The limitation on 100% utilization of investment tax credit provided by Internal Revenue Code S46(a)(3), currently \$25,000, will be allocated equally among the members with tax liability and available credits, with any excess to be allocated equally to those with remaining liability and credits.
- (5) I.T.C. Limit For Used Property. The limitation on used property cost deemed eligible for investment credit, currently \$125,000, will be allocated equally among the companies that have used property acquisitions with a ten year recovery life in any year. If a member is unable to utilize all of its allocated amount, the excess will be allocated proportionately to the members with used property acquisitions in excess of their allocated share. If there are insufficient ten year recovery life assets, the remainder will be allocated to five year recovery life assets in a similar manner. Likewise, if there are not enough ten and five year recovery life assets, the remainder of the \$100,000 limitation will be allocated equally to members having three year recovery life used property additions.
- (6) Future Developments. Any credits, deductions, or other items established by future legislation will be allocated in a manner consistent with the above methods.

The foregoing examples are for illustrative purposes and are not intended to cover all possible situations that may arise.

To: Larry Brock, Controller
From: Jonathan Giegerich, Corporate Tax Specialist
Date: 03/31/2011
Re: Maine Docket No. 2008-155, Provision B.5 & New Hampshire DG 08-048 Article 3.5 –
Accumulated Deferred Income Taxes

This memorandum documents the methodology to be utilized in determining the pro-forma calculation of accumulated deferred income taxes ("ADIT") for regulatory reporting purposes by Northern Utilities, Inc. ("Northern") and Granite State Gas Transmission, Inc. ("Granite"). As part of the settlement agreement related to the purchase of Northern and Granite from NiSource, Inc ("Seller"), Unitil Corporation ("Unitil" or "Buyer") voluntarily agreed to make specific adjustments in future ratemaking proceedings. Unitil committed to hold Northern's customers harmless for the elimination of the Seller's historical ADIT liabilities by maintaining pro-forma accounting for regulatory purposes to continue to provide ratepayers with the ratemaking benefit of the Seller's historical ADIT balances until such time as the Buyer's new ADIT on the acquired assets would equal or exceed the Seller's pro-forma amount. As part of this stipulation, Unitil also agreed that the ADIT balances related to capital additions after the acquisition would be the same for accounting and ratemaking purposes.

These settlements and stipulations were approved as part of the regulatory Orders and requirements of Maine Docket No. 2008-155, Provision B.5, "Accumulated Deferred Income Tax," and New Hampshire DG 08-048, Article 3.5, "Accumulated Deferred Income Tax."

The wording in both the Maine and New Hampshire provisions is identical. They state, "In regard to Unitil's Section 338(h)(10) election in accounting for the

acquisition of the common stock of Northern, Unitil commits to hold Northern's customers harmless for the elimination of the historical ADIT liabilities resulting from such election by maintaining pro-forma accounting for regulatory purposes to continue to provide ratepayers with the ratemaking benefit of Northern's ADIT balances existing prior to the Proposed Transaction, until such time as Northern's actual ADIT, related to the historical Utility Plant assets acquired, equal or exceed the level that Northern's pro-forma ADIT would have been absent the Proposed Transaction. The ADIT balances related to capital additions after the closing date are not affected by the Section 338(h)(10) election and the treatment of these balances will not change for accounting and ratemaking purposes."

To carry out its commitment to hold Northern's ratepayers harmless from the loss of ADIT benefits in future ratemaking; pro-forma ADIT calculations will be performed in Northern's and Granite's future ratemaking proceedings. The acquisition was treated as an asset purchase for tax purposes in accordance with Section 338(h)(10) ("338 Election") of the tax code and Unitil has treated all depreciable assets acquired as newly acquired assets and has restarted the appropriate Modified Accelerated Cost Recovery System ("MACRS") lives on those assets. In recognizing the purchase accounting adjustments for the acquisition and the 338 Election, Northern and Granite eliminated the predecessor's balance of deferred tax liabilities which were recognized by the Seller and which translated into a reduction to rate base in Northern and Granite's previous regulatory filings. The settlement agreement stipulates that Unitil will report a pro-forma reduction to rate base for Northern's ADIT balance related to the assets acquired by Unitil, in future rate cases until Unitil's ADIT balance on those same assets exceeds the pro-forma balance calculation. In addition, Unitil will also include an ADIT reduction to rate base on the capital additions that occur after the 12/1/2008 acquisition date.

Accordingly, Unitil will maintain the agreement to hold the ratepayers of Northern harmless of the elimination of the historical ADIT liabilities resulting from Unitil's

338 Election as long as necessary. In conforming to the agreement; Unitil has also committed to perform the same calculation for the Granite rate case being filed in June/July 2010. Unitil's inclusion of Granite in this stipulation was decided because a component of the total retail rate calculation for Northern's customers is based on Granite's rates.

The following paragraphs discuss the equation used to calculate the reduction in rate base and identify the variables used in that equation.

Variables Identified

Unitil has identified three variables needed to calculate the pro-formed ADIT for ratemaking purposes in the Maine and New Hampshire provision 3.5 "Accumulated Deferred Income Tax." They are as follows:

A = (Seller's) = Northern or Granite's ADIT balance on assets sold to Unitil at 12/1/2008 forecasted and pro-formed to the date of the end of the regulatory period (i.e. = "Test Year"),

B = (Buyer's) = Unitil's ADIT balance on the assets acquired from NiSource at 12/1/2008, as of the date of the end of the regulatory period (i.e. = "Test Year"),

C = Unitil's ADIT balance on capital additions after 12/1/2008 as of the date of the end of the regulatory period (i.e. = "Test Year"),

D = pro-formed ADIT for regulatory reporting purposes.

Equation Determined

The calculation to be performed, based on the pro-forma calculations to determine the appropriate reduction to rate base, is two fold and can be expressed in the following equation using the variables identified above:

$$D = (\text{IF } A > B, \text{ THEN } A, \text{ IF NOT THEN } B) + C$$

The equation reads, "Reduction to Rate Base equals the greater of Seller's pro forma ADIT balance on assets sold to Unitil or Unitil's ADIT balance on assets acquired from NiSource; plus Unitil's ADIT balance on capital additions since 12/1/2008."

This equation has two steps:

- STEP 1: it compares the ADIT balances (NiSource's vs. Unitil's) on the assets acquired by Unitil from NiSource and selects the great ADIT balance for a reduction to rate base.
- STEP 2: it takes the ADIT balance on capital additions by Unitil subsequent to 12/1/2008 and adds it to the first result.

An illustration of the pro-formed calculation based on Granite at March 31, 2010 is presented on Attachment 1, hereto.

Memorandum

Methodology Explained

Unitil will maintain a pro-forma schedule of NiSource's ADIT balances on the assets Unitil acquired in the acquisition for as long as necessary. This schedule will outline the Book/Tax differences created by yearly book and tax depreciation taken on the vintage layers and Unitil's retirement of those assets.

Unitil will also maintain its own schedule of ADIT balances on the same assets acquired in the acquisition, updating these balances for book and tax depreciation and retirements

Finally, Unitil will maintain a schedule of the ADIT balances on all capital additions after the acquisition and update these balances for book and tax depreciation and retirements.

END

ATTACHMENT 1

Northern Utilities Inc - Maine
Pro-Forma Plant Related ADIT - for Regulatory Purposes
As of December 31, 2010

Line / Column #:	(i)	(ii)	(iii)	(iv)	Variable Reference	Comments/Source
		Acquisition Date		Test Year-End Date		
		12/1/2008	12/31/2010	12/31/2010		
	STEP 1: Compare the forecasted and pro-formed Predecessor's ADIT (A) on acquired assets to Buyer's ADIT (B) on acquired assets at the Test Year end.					
1	Predecessor's ADIT on the Acquired Assets:	\$ 10,516,021		\$ 10,125,240	A	Source = Attachment 1-4 Line 13
2	Buyer's Total ADIT at the Test Year end:		\$ (2,859,454)			Source = Attachment 1-1 Line 19
3	Buyer's ADIT on New Capital Additions:		613,848			Source = Attachment 1-2 Line 19
4	Buyer's ADIT on the Acquired Assets:		<u>\$ (3,473,302)</u>	\$ (3,473,302)	B	Source = Attachment 1-3 Line 19
5	STEP 1: IF A > B, THEN A, IF NOT THEN B:			\$ 10,125,240	A	Source = Line 1 above
	STEP 2: Add the result in STEP 1 to the Buyer's ADIT on New Capital Additions since the acquisition.					
6	Buyer's ADIT on New Capital Additions:			613,848	C	Source = Line 3 above
7	Pro-Formed Plant Related ADIT for Regulatory Purposes:			<u>\$ 10,739,088</u>	D	Line 5 + Line 6

Attachment 1-1

NORTHERN UTILITIES - MAINE
 DG 08-048 - PLANT ADIT STIPULATION
 NET BOOK VALUE/NET TAX VALUE - SUMMARY UNITIL ADIT @ 12/31/2010

<u>LINE/COLUMN #</u>	(i)	(ii)	(iii)
	<u>FEDERAL BASIS</u>	<u>12/31/2010</u>	<u>Comments/Source</u>
1	Net Book Value - Cost Basis	134,379,669	PowerTax Report 249
2	Net Book Value	41,379,393	PowerTax Report 249
3	Net Book Value	<u>93,000,276</u>	Line 1 - Line 2
4	Net Tax Value - Cost Basis	114,213,248	PowerTax Report 249
5	Net Tax Value - Accum Res.	12,802,813	PowerTax Report 249
6	Net Tax Value	<u>101,410,435</u>	Line 4 - Line 5
7	NBV in Excess of NTV	(8,410,159)	Line 3 - Line 6
8	Statutory Tax Rate (Federal @ 34%)	<u>34.00%</u>	
9	Net Deferred Tax Liability	(2,859,454)	Line 7 * Line 8
	<u>STATE BASIS</u>	<u>12/31/2010</u>	
10	Net Book Value - Cost Basis	134,379,669	PowerTax Report 249
11	Net Book Value	41,379,393	PowerTax Report 249
12	Net Book Value	<u>93,000,276</u>	Line 10 - Line 11
13	Net Tax Value - Cost Basis	119,158,192	PowerTax Report 249
14	Net Tax Value - Accum Res.	13,577,565	PowerTax Report 249
15	Net Tax Value	<u>105,580,627</u>	Line 13 - Line 14
16	NBV in Excess of NTV	(12,580,351)	Line 12 - Line 15
17	Statutory Tax Rate (NH @ 8.5%)	<u>8.93%</u>	
18	Net Deferred Tax Liability	-	Line 16 * Line 17
19	FEDERAL AND STATE ADIT	<u>(2,859,454)</u>	Line 9 + Line 18

Attachment 1-2

NORTHERN UTILITIES - MAINE
 DG 08-048 - PLANT ADIT STIPULATION
 NET BOOK VALUE/NET TAX VALUE - SUMMARY UNITIL NEW CAPITAL ADDITIONS @ 12/31/2010

<u>LINE/COLUMN #</u>	(i)	(ii)	(iii)
	<u>FEDERAL BASIS</u>	<u>12/31/2010</u>	<u>Comments/Source</u>
1	Net Book Value - Cost Basis	31,681,549	PowerTax Report 249
2	Net Book Value	<u>1,714,929</u>	PowerTax Report 249
3	Net Book Value	<u><u>29,966,620</u></u>	Line 1 - Line 2
4	Net Tax Value - Cost Basis	30,950,305	PowerTax Report 249
5	Net Tax Value - Accum Res.	<u>2,789,121</u>	PowerTax Report 249
6	Net Tax Value	<u><u>28,161,184</u></u>	Line 4 - Line 5
7	NBV in Excess of NTV	1,805,436	Line 3 - Line 6
8	Statutory Tax Rate (Federal @ 34%)	<u>34.00%</u>	
9	Net Deferred Tax Liability	613,848	Line 7 * Line 8
	<u>STATE BASIS</u>	<u>12/31/2010</u>	
10	Net Book Value - Cost Basis	31,681,549	PowerTax Report 249
11	Net Book Value	<u>1,714,929</u>	PowerTax Report 249
12	Net Book Value	<u><u>29,966,620</u></u>	Line 10 - Line 11
13	Net Tax Value - Cost Basis	35,895,249	PowerTax Report 249
14	Net Tax Value - Accum Res.	<u>3,563,873</u>	PowerTax Report 249
15	Net Tax Value	<u><u>32,331,376</u></u>	Line 13 - Line 14
16	NBV in Excess of NTV	(2,364,756)	Line 12 - Line 15
17	Statutory Tax Rate (NH @ 8.5%)	<u>0.00%</u>	
18	Net Deferred Tax Liability	-	Line 16 * Line 17
19	FEDERAL AND STATE ADIT	<u><u>613,848</u></u>	Line 9 + Line 18

Attachment 1-3

NORTHERN UTILITIES - MAINE
 DG 08-048 - PLANT ADIT STIPULATION
 NET BOOK VALUE/NET TAX VALUE - SUMMARY UNITIL ACQUIRED BASIS @ 12/31/2010

<u>LINE/COLUMN #</u>	<u>(i)</u>	<u>(ii)</u>	<u>(iii)</u>
	<u>FEDERAL BASIS</u>	<u>12/31/2010</u>	<u>Comments/Source</u>
1	Net Book Value - Cost Basis	102,698,120	PowerTax Report 249
2	Net Book Value	<u>39,664,464</u>	PowerTax Report 249
3	Net Book Value	<u><u>63,033,656</u></u>	Line 1 - Line 2
4	Net Tax Value - Cost Basis	83,262,943	PowerTax Report 249
5	Net Tax Value - Accum Res.	<u>10,013,692</u>	PowerTax Report 249
6	Net Tax Value	<u><u>73,249,251</u></u>	Line 4 - Line 5
7	NBV in Excess of NTV	(10,215,595)	Line 3 - Line 6
8	Statutory Tax Rate (Federal @ 34%)	<u>34.00%</u>	
9	Net Deferred Tax Liability	(3,473,302)	Line 7 * Line 8
	<u>STATE BASIS</u>	<u>12/31/2010</u>	
10	Net Book Value - Cost Basis	102,698,120	PowerTax Report 249
11	Net Book Value	<u>39,664,464</u>	PowerTax Report 249
12	Net Book Value	<u><u>63,033,656</u></u>	Line 10 - Line 11
13	Net Tax Value - Cost Basis	83,262,943	PowerTax Report 249
14	Net Tax Value - Accum Res.	<u>10,013,692</u>	PowerTax Report 249
15	Net Tax Value	<u><u>73,249,251</u></u>	Line 13 - Line 14
16	NBV in Excess of NTV	(10,215,595)	Line 12 - Line 15
17	Statutory Tax Rate (NH @ 8.5%)	<u>0.00%</u>	
18	Net Deferred Tax Liability	-	Line 16 * Line 17
19	FEDERAL AND STATE ADIT	<u><u>(3,473,302)</u></u>	Line 9 + Line 18

Attachment 1-4

**NORTHERN UTILITIES - MAINE
 DG 08-048 - PLANT ADIT STIPULATION
 NET BOOK VALUE - SUMMARY OF ESTIMATED VALUES**

<u>LINE/COLUMN #</u>	(i) <u>Description</u>	(ii) <u>12/1/2008</u>	(iii) <u>12/31/2010</u>	(iv) <u>Comments/Source</u>
1	Net Book Value - Cost Basis	120,168,700	117,358,401	NH_Pro_forma_ADIT_Stream
2	Less: Non-Depreciable Land	(314,567)	(314,567)	NH_Pro_forma_ADIT_Stream
3	Adjusted Net Book Value - Cost Basis	<u>119,854,133</u>	<u>117,043,834</u>	Line 1 - Line 2
4	Net Book Value - Accum Res.	<u>37,917,106</u>	<u>46,338,539</u>	NH_Pro_forma_ADIT_Stream
5	Net Book Value	<u><u>81,937,027</u></u>	<u><u>70,705,295</u></u>	Line 3 - Line 4
6	Net Tax Value - Cost Basis	118,236,484	117,743,101	NH_Pro_forma_ADIT_Stream
7	Net Tax Value - Accum Res.	<u>66,336,991</u>	<u>75,868,165</u>	NH_Pro_forma_ADIT_Stream
8	Net Tax Value	<u><u>51,899,494</u></u>	<u><u>41,874,936</u></u>	Line 6 - Line 7
9	NBV in Excess of NTV	30,037,533	28,830,358	Line 5 - Line 8
10	Statutory Tax Rate (NH @ 8.5%)	<u>35.00%</u>	<u>35.00%</u>	
11	Net Deferred Tax Liability	10,513,137	10,090,625	Line 9 * Line 10
12	Amortization ADIT - Other	<u>2,885</u>	<u>34,614</u>	NH_Pro_forma_ADIT_Stream
13	Adjusted Net Deferred Tax Liability	<u><u>10,516,021</u></u>	<u><u>10,125,240</u></u>	Line 11 + Line 12

EFFECTIVE: JAN 2011

Unitil Cost Allocation Manual

Operating Manual

CONFIDENTIAL

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1) PURPOSE

In 1935, the SEC was charged by Congress with the regulation of public utility holding companies in order to curb widespread abuses in the industry and to protect investors and consumers. The Public Utility Holding Company Act ("PUHCA") of 1935 defined the act as means "to provide control and regulation of public utility holding companies, and for other purposes." The overall purpose of the PUHCA of 1935 was set out in Section 1 entitled "Necessity for Control of Holding Companies", described below:

- (a) "Public utility holding companies and their subsidiary companies are affected with a national public interest in that among other things, (1) their securities are widely marketed and distributed by means of the mails and instrumentalities of interstate commerce and are sold to a large number of investors in different States; (2) their service, sales, construction and other contracts and arrangements are often made and performed by means of the mails and instrumentalities of interstate commerce; (3) their subsidiary public utility companies often sell and transport gas and electric energy by the use of means and instrumentalities of interstate commerce; (4) their practices in respect of and control over subsidiary companies often materially affect the interstate commerce in which those companies engage; (5) their activities extending over many States are not susceptible of effective control by any State and make difficult, if not impossible, effective State regulation of public utility companies."

- (b) "...it is hereby declared that the national public interest, the interest of investors in the securities of holding companies and their subsidiary companies and affiliates, and the interest of consumers of electric energy and natural and manufactured gas, are or may be adversely affected
 - (1) when such investors cannot obtain the information necessary to appraise the financial position or earning power of the issuers, because of the absence of uniform standard accounts; when such securities are issued without the approval or consent of the States having jurisdiction over subsidiary public utility companies; when such securities are issued upon the basis of fictitious or unsound asset values having no fair relation to the sums invested in or the earning capacity

- of the properties and upon the basis of paper profits from intercompany transactions, or in anticipation of excessive revenues from subsidiary public utility companies; when such securities are issued by a subsidiary public utility company under circumstances which subject such company to the burden of supporting an overcapitalized structure and tend to prevent voluntary rate reductions;
- (2) when subsidiary public utility companies are subjected to excessive charges for services, construction work, equipment, and materials, or enter into transactions in which evils result from an absence of arm's length bargaining or from restraint of free and independent competition; when service, management, construction, and other contracts involve the allocation of charges among subsidiary public utility companies in different States so as to present problems of regulation which cannot be dealt with effectively by the States;
 - (3) when control of subsidiary public utility companies affects the accounting practices and rate, dividend, and other policies of such companies so as to complicate and obstruct State regulation of such companies, or when control of such companies is exerted through disproportionately small investments;
 - (4) when the growth and extension of holding companies bears no relation to economy of management and operation or the integration and coordination of related operating properties; or
 - (5) when in any other respect there is lack of economy of management and operation of public utility companies or lack of efficiency and adequacy of service rendered by such companies, or lack of effective public regulation, or lack of economies in the raising of capital.
- (c) When abuses of the character above enumerated become persistent and widespread the holding company becomes an agency which, unless regulated, is injurious to investors, consumers, and the general public; and it is hereby declared to be the policy of this title, in accordance with which policy all the provisions of this title shall be interpreted, to meet the problems and eliminate the evils as enumerated in this section, connected with public utility holding companies which are engaged in interstate commerce or in

activities which directly affect or burden interstate commerce; and for the purpose of effectuating such policy to compel the simplification of public utility holding company systems and the elimination there from of properties detrimental to the proper functioning of such systems, and to provide as soon as practicable for the elimination of public utility holding companies except as otherwise expressly provided in this title.”

The Public Utility Holding Company Act of 1935 was repealed in the Energy Policy Act of 2005. Pursuant to the repeal, the Securities and Exchange Commission no longer has oversight authority for electric and gas holding companies, and many of the procedural and substantive requirements placed upon public utility holding companies by the Public Utility Holding Company Act of 1935 have been repealed. The burden of oversight of the financial transactions of public utility companies, including mergers and acquisitions, now falls more heavily on the Federal Energy Regulatory Commission (FERC). FERC’s oversight authority over public utilities, previously established in the Federal Power Act and the Natural Gas Act, was enhanced by the Energy Policy Act of 2005, which included the Public Utility Holding Company Act of 2005. This new legislation requires holding companies and their affiliates to provide the Commission (as well as state regulators) access to their books and records and also grants the Commission additional authority for oversight of holding company transactions.

In addition, the U.S. Securities and Exchange Commission, the U.S. Department of Justice, and the Federal Trade Commission will continue to enforce generally applicable laws as they apply to public utility holding company transactions. These laws, which were unaffected by the Energy Policy Act of 2005, prevent transactions that would substantially impede competition and can require pre-merger notification.

The purpose of the Cost Allocation Manual (“CAM”) is to prescribe the manner in which costs will be charged to the Unifil Distribution Operating Companies (“DOCs”) as well as the regulated and non-regulated affiliates. The prevailing premise of these cost allocation guidelines is that allocation methods should not result in subsidization of non-regulated services or products by regulated entities or subsidization of services or products from one regulated entity to another unless specifically authorized by the Utility Regulatory Commissions (“Commissions”).

Unifil is regulated by various federal and state agencies, including the Securities and Exchange Commission (“SEC”), the Federal Energy Regulatory Commission (“FERC”), and state regulatory

authorities with jurisdiction over the utility industry, including the New Hampshire Public Utilities Commission (“NHPUC”), the Maine Public Utilities Commission (“MPUC”) and the Massachusetts Department of Public Utilities (“MDPU”).

This Cost Allocation Manual is an integral part of the Unitil System of Internal Controls and is a dynamic document which is updated annually, ensuring that cost allocations are fairly and equitably performed between affiliate companies. In the event of material changes to regulatory and other governing rules during the year, updates to this manual will be issued as soon as practicable.

2) TERMS/ACRONYMS

- a) **Act** – Public Utility Holding Company Act of 2005.
- b) **Affiliates** - companies that are related to each other due to common ownership or control.
- c) **Commission** – State Regulatory Commission for Maine, Massachusetts or New Hampshire or Federal Energy Regulatory Commission.
 - i) **Maine** – Public Utilities Commission (“MPUC”)
 - ii) **Massachusetts** – Department of Public Utilities (“MDPU”)
 - iii) **New Hampshire** – Public Utilities Commission (“NHPUC”)
 - iv) **Federal** – Federal Energy Regulatory Commission (“FERC”)
- d) **Competitive Service** – any services, goods, or products offered by an electric public utility or gas public utility that the Commission has already determined, or that the Commission shall in the future determine to be competitive.
- e) **Convenience Payments** – Payments made by the Service Company on behalf of its affiliate clients. Convenience payments are used to increase the efficiency of the invoicing and payment process with vendors, allowing them to provide one invoice for multiple affiliates.
- f) **Cost Allocation Manual (“CAM”)** - an indexed compilation and documentation of the Company's cost allocation policies and related procedures.
- g) **Cost Allocations** - the methods or ratios used to apportion costs. A cost allocator can be based on the origin of costs, as in the case of cost drivers; cost-causative linkage of an indirect nature; or one or more overall factors (also known as general allocators).
- h) **Common Costs** - costs associated with services or products that are of joint benefit between regulated and non-regulated business units.
- i) **Cost Driver** - a measurable event or quantity which influences the level of costs incurred and which can be directly traced to the origin of the costs themselves.
- j) **Cross-subsidization** – the offering of a competitive product and/or service by an electric and/or gas public utility, or the offering of a product and/or service by an affiliate, which

relies in whole or in part on the utilization of utility employees, equipment or other assets, and for which full compensation (via cost allocation or direct payment), as determined by the Commission, has not been provided for the use of such electric and/or gas public utility assets, resulting in the inappropriate transfer of benefits from the utility ratepayers to the competitive product and/or service or affiliate.

- k) **Direct Costs** - costs for a particular service or product which can be attributed to a specific affiliate.
- l) **Fully Allocated Costs** – the sum of the direct, indirect and other costs of all equipment, vehicles, labor, related fringe benefits and overheads, real estate, furniture, fixtures and other administrative resources utilized, and other assets utilized and costs incurred, directly or indirectly in the providing of services from the utility to an affiliate.
- m) **Indirect Costs** - costs that cannot be identified with a particular service or product. This includes but is not limited to overhead costs, administrative and general, and taxes.
- n) **Non-Regulated** – those entities, products and services which are not subject to regulation by regulatory authorities.
- o) **Prevailing Market Pricing** - a generally accepted market value that can be substantiated by clearly comparable transactions, auction or appraisal.
- p) **Regulated** - that which is subject to regulation by regulatory authorities.
- q) **Rules** - Affiliate Transaction Rules for Maine (Chapter 820), Massachusetts (220 CMR 12.00) or New Hampshire (PUC 2100).
- r) **Shared Services** – administrative and support services that do not involve merchant functions, including: payroll, taxes, shareholder services, insurance, financial reporting, financial planning and analysis, corporate accounting, corporate security, human resources (compensation, benefits, employment practices), employee records, regulatory affairs, lobbying, legal, and pension management.
- s) **Subsidization** - the recovery of costs from one class of customers or business unit that are attributable to another.
- t) **Tariff Based Pricing** – prices that are pre-approved by and on file with the Commission. These prices apply to all customers of the utility.

3) SUMMARY

Unitil Corporation (“Unitil” or the “Company”) is a public utility holding company, incorporated under the laws of the State of New Hampshire in 1984. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (“FERC”) under the Energy Policy Act of 2005 and the Public Utility Holding Company Act of 2005.

Unitil’s principal business is the local distribution of electricity and natural gas throughout its service territories in the states of New Hampshire, Massachusetts and Maine. Unitil is the parent company of three wholly owned distribution utilities: i) Unitil Energy Systems, Inc., which provides electric service in the southeastern seacoast and state capital regions of New Hampshire, including the city of Concord, New Hampshire, ii) Fitchburg Gas and Electric Light Company, which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts, and iii) Northern Utilities, Inc. which provides natural gas service in southeastern New Hampshire and portions of southern and central Maine, including the city of Portland and the Lewiston-Auburn area. In addition, Unitil is the parent company of Granite State Gas Transmission, Inc., an interstate natural gas transmission pipeline company that provides interstate natural gas pipeline access and transportation services to Northern Utilities in its New Hampshire and Maine service territory.

A fifth utility subsidiary, Unitil Power Corp., formerly functioned as the full requirements wholesale power supply provider for Unitil Energy Systems. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of substantially all of its long-term power supply contracts through the sale of the entitlements to the electricity associated with those contracts.

Unitil also has three other wholly owned subsidiaries: Unitil Service Corp., Unitil Realty Corp. and Unitil Resources, Inc. Unitil Service Corp. provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, information systems technology and energy supply management services on a centralized basis to its affiliated Unitil companies. Unitil Realty Corp. owns and manages the Company’s corporate office in Hampton, New Hampshire. Unitil Resources, Inc. is the Company’s wholly owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, “Usource”) are indirect subsidiaries that are wholly owned by Unitil Resources. Usource provides energy

brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Unitil and its subsidiaries are subject to regulation by the FERC and comply with FERC Order No. 667, which requires centralized service companies to sell non-power goods and services to affiliated utilities using a "at cost" standard. Non-power goods and services transactions between holding company affiliates other than centralized service companies, i.e. service companies that are special-purpose affiliates such as a fuel supply company or a construction company continue to be subject to the Commission's lower of cost or market standard.

The cost allocation rules contained in the various affiliate rules regulations that the Unitil regulated companies must comply with require that:

- Transfers of services not produced, purchased or developed for sale on the open market by the electric and/or gas public utility from the electric and/or gas public utility to related competitive business segments of its public utility holding company shall be priced at fully allocated cost.
- Transfers of services not produced, purchased or developed for sale on the open market by a related competitive business segment of the public utility holding company from that related competitive business segment of the public utility holding company to the electric and/or gas public utility shall be priced at the lower of fully allocated cost or fair market value.

The Cost Allocation Manual documents the Company's compliance with these regulations.

See **Table 2-1** for a description of Unitil Corp. and subsidiary businesses.

**Table 2-1
 Unitil Affiliates**

<i>Affiliate</i>	<i>Description of Business</i>
Unitil Corp. ("UC")	Holding Company
Unitil Service Corp. ("Service Corp" or "USC")	Provides a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology and energy supply management services, on a centralized basis to its affiliated Unitil companies.
Unitil Energy Systems, Inc. ("Unitil Energy" or "UES")	Local electric distribution company that provides regulated retail electric services to customers in New Hampshire.
Fitchburg Gas and Electric Light Company ("Fitchburg" or "FGE")	Local electric and gas distribution company that provides regulated retail electric and natural gas services to customers in Massachusetts and participates in the off-system sales and capacity release markets.
Northern Utilities, Inc. ("Northern" or "NU")	Local gas distribution company that provides regulated retail natural gas services to customers in New Hampshire and Maine and participates in the off-system sales and capacity release markets.
Granite State Gas Transmission, Inc. ("Granite" or "GSGT")	Interstate natural gas transmission pipeline company that provides interstate natural gas pipeline access and transportation services to Northern Utilities in its Maine and New Hampshire service territory.
Unitil Power Corp. ("Power Corp" or "UPC")	Formerly functioned as the full requirements wholesale power supply provider for UES. In connection with the implementation of electric industry restructuring in New Hampshire, UPC ceased being the wholesale supplier for UES and divested of substantially all of its long-term power supply contracts through the sale of the entitlements to the electricity associated with those contracts.
Unitil Realty Corp. ("Realty Corp" or "URC")	Owns and manages the Company's corporate office in Hampton, New Hampshire.
Unitil Resources, Inc. ("Resources" or "URI")	The Company's wholly-owned non-regulated subsidiary. URI is also the parent company to Usource, Inc. and Usource, L.L.C.
Usource, Inc. and Usource L.L. C. ("Usource")	The Company's wholly-owned non-regulated subsidiary, providing energy brokering and advisory services to large commercial and industrial customers in the northeastern United States.

4) COST ALLOCATION PRINCIPLES

Direct assignment of costs is performed whenever practicable and is the preferred method of assigning costs. In the absence of a clear relationship between the cost and the client company, the following principles will guide the assignment or allocation of costs among Unitil affiliates.

- a) To the maximum extent practicable, in consideration of administrative costs, costs should be collected and classified on the direct basis between regulated utilities and their regulated and non-regulated affiliates.
- b) The general method for charging indirect costs should be on a fully allocated cost basis. Under appropriate circumstances, the Commission may consider incremental cost, prevailing market pricing or other methods for allocating costs and pricing transactions among affiliates.
- c) Direct and allocated costs between regulated and non-regulated services and products should be traceable on the books of the applicable regulated utility to the applicable Uniform System of Accounts. Documentation should be made available to the appropriate regulatory authority upon request regarding transactions between a Unitil DOC and its affiliates.
- d) The allocation methods should apply to all affiliates in order to prevent subsidization between the entities and ensure equitable cost sharing among the regulated entities and their affiliates.
- e) If only one affiliate, entity, division, or service causes a cost to be incurred or benefits from a cost, that cost shall be directly assigned to that affiliate, entity, division, service or jurisdiction.
- f) Where costs cannot practicably be directly assigned, the costs of products and services provided should be allocated based on cost causative allocation factors.
- g) The costs of products and services provided which cannot be directly assigned or allocated based on cost causative allocation factors should be allocated based on appropriate general allocation factors.

5) INTERCOMPANY SERVICES

Unitil has eight wholly owned direct subsidiaries as well as Usource, which is a wholly owned subsidiary of Unitil Resources, Inc. The intercompany services section addresses the services provided to affiliates by all Unitil affiliates providing products and services to other Unitil affiliates, see **Table 4-1** below. Intercompany services are described in the following sub-sections and include Unitil Corp tax sharing and Cashpool agreements with all affiliates; Emergency Response support; Shared facilities between affiliates; Unitil Power client relationship with Unitil Energy Systems; and Granite State Gas client relationship with Northern Utilities. Services provided by Unitil Service Corp. are discussed in detail in **Section 6: Unitil Service Corp Client Services**.

Table 4-1
Unitil Intercompany Services

<i>Description of Services</i>	<i>Services Provided to</i>									
	UC	USC	UES	FGE	NU	GSG	UPC	URC	URI	UI
UC - Tax Sharing Agreement		X	X	X	X	X	X	X	X	X
UC - Cashpool and Loan Agreement		X	X	X	X	X	X	X	X	
UES - Emergency Response				X	X	X				
UES - Shared Facilities - Concord, NH								X		
UES - Shared Facilities - Plaistow, NH					X					
FGE - Emergency Response			X		X	X				
NU - Emergency Response			X	X		X				
NU - Shared Facilities - Portland, ME						X				
NU - Shared Facilities - Portsmouth, NH		X				X				X
UPC - Contract Release Payments			X							
GSG - Gas Transportation Contract					X					
URC - Shared Facilities - Call Center		X								
URC - Shared Facilities - Corporate Offices		X								
USC – Emergency Response			X	X	X	X				
USC - Service Agreement (see Section 6 below)	X	X	X	X	X	X	X	X	X	X

See **Appendix D1** for diagrams of the Intercompany Cost Allocation Relationships.

a) UNITIL CORPORATION TAX SHARING AND CASHPOOL AGREEMENTS

The Unitil Corporation affiliates record income taxes based on the Unitil Tax Sharing agreement. The Tax Sharing Agreement provides that all affiliates will pay their share of Unitil's consolidated income taxes as if they were "stand-alone" entities preparing their own tax returns and will pay those taxes to Unitil, the consolidated tax return filer, on the same financial terms as Unitil's existing affiliate companies.

Unitil Corporation affiliates also participate in a Cashpool and Loan Agreement, which is administered by Unitil Service Corp. The Unitil cash pool is specifically approved for use by regulators. The cash pool is a mechanism which allows each company in the system to manage its cash balances and thereby optimize interest income, interest expense, and short-term funding needs. Each company maintains a balance in the cash pool with receipts and disbursements tracked on a daily basis. As a party to the cash pooling agreement, participating affiliates are allowed to request advances from and contribute surplus funds to Unitil's Cash Pool.

Unitil Service Corp. is responsible ensuring that all arrangements between the Unitil affiliates are in compliance with the Cashpool and Loan Agreement. Cashpool commitment and service fees are allocated on a pro rata basis in the proportion which each affiliate's aggregate principal amount of Advances from the Cashpool bore to the aggregate principal amount of all Advances for the same period. At the end of each calendar year, these fees are retroactively reallocated on a pro rata basis in the proportion which each affiliate's aggregate principal amount of Advances for the full calendar year bore to the aggregate principal amount of all Advances for the same full calendar year. Cashpool interest is charged to each affiliate based on the unpaid principal amount of the Advance from the Cashpool, from the date of the Advance until it is paid in full. See **Appendix A1** for the Unitil Amended and Restated Cash Pooling and Loan Agreement.

Costs of the Parent Holding Company are not reallocated to the subsidiaries, except as related to the Tax sharing and Cash pooling agreements, discussed above.

b) EMERGENCY RESPONSE

In the event of an emergency such as severe storm activity, the Unitil DOCs provide emergency services to other DOCs in need of additional resources. The direct costs of the resources used are charged to the DOC receiving the services by the affiliate providing the services. All such charges will be cleared through the vendor bill back process. This process utilizes the Flexi general ledger intercompany function, where one entry is posted for both affiliates. Flexi then balances these entries through an intercompany payable accounts (both payable and receivable offset in this one 234 account). Only one Cashpool transfer is necessary to clear these intercompany transactions. See **Section 8** for more detail on the payment process.

c) UNITIL ENERGY SYSTEMS SHARED FACILITIES

Unitil Energy Systems leases space in its Concord, NH facility to Unitil Realty Corp. who in turn subleases this space to Unitil Service Corp. for use by the Call Center Operations. UES also leases storage space in its Plaistow facility to Northern Utilities for storage of tools and supplies. See description below of intercompany billing process for rent charges.

A monthly invoice is issued from UES to URC for the lease of the call center space. Rent calculations are based on amortization costs and annual property taxes for the call center space, as well as imputed interest calculations. Total building amortization is allocated and billed to Realty based on the percentage of the building that is occupied by the call center. As with the amortization, total property taxes are allocated to the call center space based on the percentages of the building that is occupied by the call center. See **Appendix A6** for copies of the Lease for the Concord, NH property. See **Appendix K2** for guidelines used in the allocation of costs for the call center and billed to Realty.

A monthly process is in place to charge Northern Utilities for the rent of space in the Plaistow storage facility. Effective in January 2011, a lease agreement will be in place and a monthly invoice will be issued to Northern for this monthly rent. These intercompany charges are based on the square footage of the storage space occupied by Northern. The rate that is applied to this footage is the average rate per square foot for similar storage in the Plaistow area.

Intercompany rent payments are cleared each month through intercompany payment processing. The intercompany rent payable is setup each month and cleared through the Cashpool by a cash pool transfer.

d) NORTHERN UTILITIES SHARED FACILITIES

Northern Utilities leases space in its Portsmouth, NH facility to Unitil Service Corp., Granite State Gas and Usource. A simplified revenue requirement calculation is performed as the basis for the allocation of costs of this facility. The revenue requirement calculations are based on the recovery of building-related O&M expenses such as service center costs, maintenance, office supplies, postage and telephone. Also recovered are depreciation, property taxes, income tax and a return on equity. These costs are updated annually in January for prior year costs, then allocated over the four affiliates occupying space in Portsmouth based on square footage. See **Appendix K4** for a sample of the Northern Utilities cost allocation calculations for the Portsmouth, NH facility. Northern Utilities also leases storage space in its Portland, ME facility to Granite State Gas. These rental calculations are based on a 2004 calculation of rent per square foot, updated each year based on the Consumer Price Index.

The intercompany rent payable for USC and Granite are setup each month and cleared through the Cashpool by a cash pool transfer. The intercompany rent payable for Usource is setup each month and cleared by a wire transfer to Unitil Resources, Inc. (the Usource parent company) in order to access the functionality of the Unitil Cashpool. URI then transfers this rent payment through the Cashpool to Northern.

e) UNITIL POWER CORP CLIENT COMPANY

Unitil Power Corp. formerly functioned as the full requirements wholesale power supply provider for Unitil Energy Systems. In connection with the implementation of electric industry restructuring in New Hampshire, UPC ceased being the wholesale supplier for UES and divested of substantially all of its long-term power supply contracts through the sale of the entitlements to the electricity associated with those contracts. The cost of the contract release payments and related administrative charges are billed to Unitil Energy Systems on a monthly basis.

The intercompany payable for the Power Bill is setup each month and cleared through the Cashpool by a cash pool transfer. See **Appendix A5** for a copy of the Amended System Agreement between UES and UPC.

f) GRANITE STATE GAS TRANSMISSION CLIENT COMPANY

Granite State Gas provides interstate natural gas pipeline access and transportation services to Northern Utilities in its New Hampshire and Maine service territory. Granite derives its revenue principally from the transportation services provided to Northern Utilities and, to a lesser extent, third-party marketers. The monthly intercompany billing to Northern is based on tariff rates and in accordance with the Gas Transportation Contract between the two affiliates.

The monthly billing is prepared by customer accounting and the payment is processed by general accounting. The intercompany payable for Gas Transportation services is setup each month and cleared through the Cashpool by an intercompany cash pool transfer. See **A4** for a copy of this Gas Transportation Contract.

g) UNITIL REALTY CORP SHARED FACILITIES

Unitil Realty Corp. leases two facilities to Unitil Service Corp. The first facility is for the corporate offices in Hampton, NH and the second facility is for the call center offices in Concord, NH. These intercompany transactions are governed by lease contracts between Unitil Realty Corp. and Unitil Service Corp. See **Appendices A6 and A8** for the copies of the Unitil Realty Lease agreements. The basis for the intercompany rent billings from URC to USC for the call center space is the recovery of the following costs: amortization, property taxes, imputed interest, insurance, building maintenance and other minor A&G costs. The basis for the intercompany rent billings from URC to USC for the Hampton building is the recovery of the following costs: depreciation, insurance, building maintenance costs, outside services, interest and other minor A&G costs. The rent for the Hampton building also includes a return on equity.

An invoice is prepared each month for these rents. An intercompany rent payable is setup each month and cleared through the Cashpool by an intercompany cash pool transfer.

h) UNITIL SERVICE CORP CLIENT COMPANIES

Unitil Service Corp. was formed in 1984 as a wholly owned subsidiary of Unitil Corporation to provide shared administrative services for Unitil Corporation and all of its subsidiaries. The provision of administrative and professional services to the four Unitil DOCs and each of the Unitil affiliates from USC are specified in service agreements. See **Appendix A2** for a copy of the Unitil Service Corp agreement.

Under the Public Utility Holding Company Act of 2005, the sharing of services between a utility and its affiliates must be performed within a centralized service company. The FERC has the responsibility to regulate and monitor the activities of the service company to ensure that costs are fairly and equitably assigned to the affiliates supported by the service company. In the case of Unitil, for example, USC is required to directly assign or allocate by activity, project, program, work order, or other appropriate basis, the costs associated with services it provides to each affiliate. The costs of the services are accumulated in designated accounts and are assigned on a direct or cost-causation basis, if possible, or allocated to the appropriate affiliate in accordance with the guidelines set forth in service agreements established by each affiliate and USC. Each of USC's accounting and cost allocation methods and procedures have been structured so as to comply with the FERC standards for service companies operating under the 2005 Act.

These accounting and cost allocation procedures serve to lessen the possibility of subsidization in order to protect Unitil ratepayers and to help establish and preserve competition in the electric or gas supply and related competitive services markets. These procedures also provide flexibility to accommodate exceptions where the outcome is in the best interest of the utility, its ratepayers and competition. As with any transactions, the burden of proof for any exception from the general rule rests with Unitil.

See **Section 6** for a more detailed description of the Unitil Service Client Services and cost allocation procedures.

6) UNITIL SERVICE CORP CLIENT SERVICES

Unitil Service Corp. provides, at cost, centralized management, administrative, accounting, financial, engineering, information systems, customer support, regulatory, planning, energy procurement and other services to its affiliated companies. As a service company, USC is able to achieve efficiencies through economies of scale, elimination of duplicate functions and the implementation of best business practices. Unitil believes the financial and customer service benefits provided by USC are evident in the rates of its operating companies and the efficiency of its operations.

All of the common costs and shared services of the Unitil System of Companies are contained in Unitil Service Corp. Unitil Service Corp. directly charges its client companies for services rendered. In general, the services provided to the Unitil New Hampshire, Maine and Massachusetts regulated Utilities support the revenues earned by those companies and the customers served in those states.

On a monthly basis, Unitil Service Corp. provides an invoice to each affiliate reflecting the monthly service costs billed to the affiliate. This invoice contains three or four sections for each affiliate depending on the nature of the allocations to the affiliate. All affiliates will have:

- a) Charges from the Service Company showing the major expense sub-categories,
- b) Detail of the labor allocations from Service Company, showing the functional department sources of the labor and overhead,
- c) Direct Charges for certain costs, such as data management hardware lease and maintenance costs, phone system maintenance and expense report reimbursements.

Client services are based on service agreements between USC and each of its affiliates. See **Appendix A2** for a copy of a Unitil Service Corp. service agreement.

a) DESCRIPTION OF UNITIL SERVICE CORP. SERVICES PROVIDED TO CLIENT COMPANIES

Table 6-1 illustrates the services that are provided by Unitil Service Corp to its client companies. A detailed description of the many of the services offered to the Unitil affiliates is provided below.

**Table 6-1
 Services Provided by Unitil Service Corp.**

<i>Description of USC Services</i>	<i>UC</i>	<i>UES</i>	<i>FGE</i>	<i>NU</i>	<i>GSG</i>	<i>URC</i>	<i>URI</i>	<i>UI</i>
Accounting, Finance and Tax	X	X	X	X	X	X	X	X
Administrative		X	X	X	X	X		X
Business Development		X	X	X	X			
Communication	X	X	X	X	X	X	X	X
Customer Support	X	X	X	X	X	X	X	X
Distributed Energy Resource		X	X	X	X			
Energy Resource Management		X	X	X	X			
Energy Measurement & Control		X	X	X	X			
Engineering		X	X	X	X			
Executive	X	X	X	X	X	X	X	X
Financial, Legal & Corporate	X	X	X	X	X	X	X	X
Human Resource		X	X	X	X	X		X
Information Technology Systems		X	X	X	X			X
Operations Support		X	X	X	X			
Regulatory		X	X	X	X			

Accounting, Finance and Tax Services – Provide services, assistance and advice in connection with the installation and operation of accounting systems and similar special projects. Perform duties in conformity with the requirements of regulatory bodies and the U.S. Treasury with respect to accounting and tax compliance, and internal and external audits. Prepare and analyze financial and operating reports and other statistical matters relating to users of Client Company's financial

information. Prepare annual and interim reports to shareholders, regulatory bodies, rating agencies, prospective investors and others. Provide accounts payable accounting services and process payments to vendors. Provide asset and project accounting services and make available fixed asset and utility plant and property accounting systems, and perform other accounting, tax and financial duties as requested by Client Company. Provide risk management services for all clients, including loss control activities, claims, litigation and safety loss control.

Administrative Services – Provide services and assistance relating to the administration of personnel policies, benefit and pension plans, employee relations, risk management, claims administration, insurance administration and facility support and other human resource services. Provide security and facilities management services. Provide administrative, clerical and secretarial support and other services.

Business Development Services – Provide services, advice and assistance on matters relating to development of new business for the Unitil gas and electric DOC, including the sales and marketing function, key account management, and economic development

Communication Services – Provide services, advice and assistance on matters relating to public relations and media communications, including design of employee, customer and shareholder communication materials, press releases and media statements.

Customer Support Services – Provide complete customer support services including a customer information system and data base administration, customer service centers, meter reading and billing, credit and collections, customer communications, cash remittance processing, administrative and technical support, quality assurance and training and other customer billing services. Provide services and advice on matters relating to the methods and practices of customer relations.

Distributed Energy Resource Services – Provide services, advice and assistance on matters relating to distributed energy resources, such as energy efficiency, distributed generation, smart grid customer initiatives and related technologies. Provide services related to energy efficiency program administration, implementation and regulatory compliance, including design, planning, budgets and evaluation of programs for the DOCs.

Energy Resources Management Services – Provide services and advice on matters relating to gas and electric energy supply, provision of these supplies through planning and acquisition and its production and operation. Provide contract and portfolio management services. Provide electricity and gas procurement services. Provide financial analysis and services and advice in the purchase and sale of bulk power, including the provision of energy trading, market analysis and power brokering services.

Energy Measurement & Control Services – Provide services, advice and assistance on matters relating to metering, dispatch and control of the Unitil gas and electric systems. Provide monitoring of the gas production facilities, nominating gas into the system and dispatching crews. Provide for the purchase, installation, setup, testing and storage of meters. Provide for the functioning, security, daily maintenance and reporting of metering systems.

Engineering Services – Provide services, advice and assistance in areas relating to the planning and design of gas and electric transmission and distribution facilities. Provide electric distribution system engineering, gas distribution system engineering, Computer Aided Drafting services, and geographic information system services. Provide for the identification, processing and potential elimination of easements, encroachments, licensing and other land agreements. Processes customer inquiries and researches requests relating to land owned by the customer as well as payments received from commercial customers for services provided.

Executive – Establishes the Company's vision, organizational goals and objectives. Provides executive leadership and direction to the management team and monitors the achievement of established goals and objectives.

Financial, Legal and Corporate Services – Provide services and advice in the areas of financings, financial forecasting and budgeting, cash management, internal auditing, banking relations, investor relations, corporate shareholder services and employee communications. Provide executive management services and advice in connection with the overall management of various phases of business operations. Advise and assist Client Company in matters involving the preparation and development of construction and operating budgets, cash and cost forecasts, and budgetary controls. Provide services and advice relating to regulatory filings and other regulatory matters and financings, financial reporting, shareholder meetings, power contracting, real estate leasing and other legal matters.

Human Resource Services – Provides services, advice and solutions in the area of human resource management. including payroll and payroll tax processing, employee hiring and development. Provides services that ensure Union compliance. Provides benefits management, including 401k, life, health, dental and vision insurance policies and claims processing. Provides management services for the Company's Pension and other post-retirement benefit plans.

Information Technology Systems Services – Provide services, advice and solutions management in the areas of technology systems and data base development. Provide advice and assistance on procedures, electronic data processing, telecommunications, web based systems, mainframe computing, personal computers and networks, customer billing and customer accounting. Provide local area network, wide area network and desktop technology services. Advise and assist Client Company in the formation of good operating practices and methods of procedure, the standardization of forms, the purchase, rental and use of mechanical and electronic data processing, computing and communications equipment, in conducting economic research and planning and in the development of special economic studies. Provide telecommunications services and support.

Operations Support Services – Provide services, advice and assistance relating to the construction and operation and maintenance of facilities required for the transmission and distribution of gas and electric energy products. Provide materials management and purchasing services. Provide environmental and safety services including oversight of concerns related to air, water, land and waste, as well as compliance with relevant regulations.

Regulatory Services – Provide services and advice on overall relations with regulatory agencies, including the preparation of regulatory filings, petitions and applications on matters relating to revenue requirements, rate design, sales and load forecasting, demand-side management programs and integrated resource planning.

b) DESCRIPTION OF CONSTRUCTION ACCOUNTING SERVICES OFFERED TO CLIENTS

Table 6-2 illustrates the construction accounting services that are provided by Unutil Service Corp to its client companies. A description of the construction accounting services offered to the Unutil affiliates is provided below.

**Table 6-2
 Construction Accounting Services Provided by Unutil Service Corp.**

<i>Description of USC Services</i>	<i>UC</i>	<i>UES</i>	<i>FGE</i>	<i>NU</i>	<i>GSG</i>	<i>URC</i>	<i>URI</i>	<i>UI</i>
Fixed Asset Accounting		X	X	X	X	X		
Work Order Processing		X	X	X	X			
Inventory Management		X	X	X	X			
Property Tax Management		X	X	X	X	X		
Capital Lease Management		X	X	X	X			

Fixed Asset Accounting – Provide accounting services relating to the construction of facilities required for the transmission and distribution of gas and electric energy products. Provide materials management and purchasing services. Provide accounting services related to the depreciation and retirement of fixed assets already on the books and records of the DOCs. Tracking and accounting for Contributions in Aid of Construction. Fitchburg Gas & Electric uses common plant accounts that need further allocation to gas and electric plant accounts based on the Labor Allocation factor used in O&M allocations. These allocations of common costs are used for depreciation, amortization, transportation depreciation and transportation retirements and salvage.

Work Order Processing – Construction costs are tracked through the system by utilizing a work order numbering system. Every construction project is assigned a separate construction work order (“CWO”) number and must be approved by the Operations Manager as work is processed. All direct costs for construction are entered into the systems by CWO number; Materials & Supplies, Payroll, Transportation and Accounts Payable. Overheads are automatically calculated to each CWO through system generated journals. The rates are updated periodically to reflect actual results vs. budget or accrual and changes to projections and in order to clear certain

clearing accounts to zero each year. The CWO Ledger is a subsidiary ledger to the General Ledger account 107 (Unfinished Construction) that summarizes all charges by Authorization and CWO number.

Costs are controlled through the system by utilizing an Authorization Numbering System. Series of authorization numbers are established by construction budget categories. The Plant Accountants annually set up the authorization and CWO number series to be used. For a specific construction job (non regular work) an authorization is written, and assigned an authorization number from the appropriate series, for each job. A series of CWO numbers is established to be used in conjunction with the series of authorization numbers for specific authorizations. Specific authorizations must have at least one CWO number assigned in order to track the charges. Several CWO numbers may be assigned in order to break out and track different aspects of the construction project. A blanket authorization is written, and assigned an authorization number, for transmission and distribution construction regular work (each job generally under \$20,000 for electric and \$20,000 for gas). A series of CWO numbers is established to be used in conjunction with the blanket authorization number. Each construction job must be assigned a CWO number in order to track charges. The CWO Ledger sorts the CWO numbers by the assigned authorization number providing subtotals by CWO number and grand totals by authorization number

All work not classified as capital construction work per FERC guidelines is classified as maintenance expense. The Operations Manager and/or the Supervisors determine if routine work assigned should be capital or expense. For all non-routine work, the Plant Accountants are contacted for judgment in classification of work as capital or expense.

Construction Overheads – As noted above, construction costs include both direct and indirect costs.

- a. Direct payroll costs are charged and tracked through the CWO system, as described in detail above.
- b. Indirect payroll charges are charged in one of two ways, either through the USC Time & Billing System (“Time & Billing”) using a Capitalization Master table or through the payroll system, using fixed distribution tables. Each year the operating managers and directors determine the percentage of time that each employee should be charging toward

construction work, depending on their job description and how much they support the construction process.

- i. USC Capitalization factors are setup in Time & Billing and updated annually. The employee enters their hours and the system automatically capitalizes a percentage of this time, charging the appropriate construction overhead account for the affiliate being charged. Since Unutil charges the construction overhead account directly for these charges, they do not post construction overheads related to labor to an expense account with an offsetting contra-expense entry. See **Appendix I1** for the current Capitalization Master table.
 - ii. DOC Fixed Distribution allocation factors are setup in the payroll system and updated annually. The employee enters their hours, the system then automatically allocates their time over the list of accounts setup in the fixed distribution tables. These payroll costs become part of the construction overhead costs. As with the construction costs in the USC Time & Billing system, these costs are charged directly to the construction overhead account and do not post to a payroll account with an offsetting contra expense entry. See **Appendix H** for the current Fixed Payroll Distribution tables.
- b. Indirect employee benefit overhead costs involve the capitalization of certain employee benefit costs, such as health and dental insurance. In this process, the employee benefit is capitalized when capitalization rates are applied to the cost of the benefit. The capitalization rates are updated periodically to reflect actual results vs. budget or accrual and changes to projections and in order to capitalize the fixed percentage each year. In this case, the original costs for the employee benefit are tracked in their own expense accounts and the offsetting capitalization amounts are tracked in contra-expense accounts. See **Appendix I2** for the current Employee Benefit Capitalization Tables.
 - c. Service center overhead costs involve the capitalization of certain building services payroll, telephone costs, building supplies and services. These capitalization rates are updated annually and are based on square footage of the Service Center buildings, broken into three sections: general area, stockroom and garage space. The capitalization ratio is based on the percent capitalized for all fixed distribution employees at each location. This is the same

ratio used for Compensation Capitalized. These capitalization ratios are updated annually by Plant Accounting.

- d. Building overhead costs involve the capitalization of certain O&M costs, such as insurances, (property and general liability) and building depreciation. All companies capitalize certain costs related to the building. General liability insurance is allocated between divisions based on the total labor ratio each year. Insurance and depreciation allocated based on square footage of the Service Center buildings, broken into three sections: general area, stockroom and garage space. The general area and garage are further allocated based on the labor ratio. The stockroom is further allocated between expense and capital based on the total ratio of materials and supplies issued from stock.

Inventory Management – Manage the perpetual material & supply (“M&S”) inventory systems for Non-Exempt Stock, utilizing the average cost method and providing a continuous record of the quantities and dollars in detail for all stock tracked through the system. The M&S system is based on the average cost method. Periodic physical inventory reconciliation is performed to ensure accurate Inventory amounts in the M&S system. Intercompany transfer of M&S inventory between DOCs is performed by processing intercompany transfer documents and processing the billing and reimbursement through the Cash Pool system.

Property Tax Management – Tracking and payment of all property tax bills for the Unitil affiliates. Upon receipt, the tax bills are reviewed for accuracy of rates, valuation and ownership of property. Property tax costs are not allocated to construction or between affiliates, except as discussed in the Unitil Realty billings in the next section. All property taxes are charged to O&M for the affiliate being invoiced.

Capital Leases – Tracking of all capital equipment purchases made by USC.

c) TIME & BILLING SYSTEM COST ALLOCATION METHODOLOGY

In the Unitil consolidated group, Unitil Corp. (the "Parent"), does not usually engage in business activities other than that of a parent stock holding company. The primary business activity of the Parent is to provide shareholder services, which is outsourced through a vendor. Due to the limited scope of its business activities, the Parent receives limited allocation for USC services.

The following is a detailed description of the Unitil approved Costing Methodology:

1. Direct Costs - According to the Service Agreement, Direct Costs consist of direct labor costs, direct labor benefits, material, vehicle and equipment usage, and meals, transportation, lodging and miscellaneous expenses. All direct costs to the affiliated companies for services rendered by USC employees or by outside companies for USC on behalf of an affiliated company, are directly billed to the benefiting company.

- a. Service Corp. Labor Charges

USC has a time-billing system which compiles information about the Work Order activities of USC employees based on time cards completed by each employee each month. The employees at USC submit time cards by the close of each month. Time is directly billed by employees as designated by the employee to Work Order, or job order numbers ("JON's") for a certain company. USC employees charge their time according to annual time charge guidelines. See **Appendix F** for a copy of these guidelines. A more detailed description of the time reporting procedures can be found in **Section d** below.

2. Indirect Costs - Indirect Costs are Indirect Labor Costs and Administrative and General Expenses. Indirect Labor Costs include pension, insurance, payroll taxes, employee savings plans, and similar items. Administrative and General Expenses are based on USC administrative and general expenses and total applicable costs. All Indirect Costs are applied to Direct Labor Costs and Direct Labor Benefits as Overhead.

- a. USC Overhead Rate

The USC overhead rate is added to each hour of services rendered by USC for its client companies (e.g. the hourly rate for USC employee charges is based on an individual's

actual salary plus overhead rate.) The overhead rate for USC is determined in order to create a “break-even” for USC, and allow USC to operate as required on a cost only basis. The overhead rate charged by USC is the same for all the companies.

The USC overhead rate is estimated in advance using several factors including the USC budget for the next year. From the annual budget, which shows all of USC projected wage and overhead expenses, USC establishes an overhead rate which is attached to labor costs. Each month, the actual costs are tracked, and the overhead rate is adjusted, to minimize (and ideally eliminate) all over and under collection of USC costs. From the accounting vantage point, an entry is made to a USC income statement account which makes revenues and expenses break even. The offset of this entry is recorded on the Balance Sheet of USC for an “administrative transfer credit” which can be a receivable or a payable. The overhead rate is calculated as a relationship of overhead to direct labor in total multiplied by the total billings by time cards for the month. Each company receives the same overhead rate from USC.

b. Administrative Expenses of Service Corp.

Administrative Expenses are “those expenses for project support services which cannot be identified with or directly charged to a specific project.” For example, costs associated with running the cash pool are accumulated in Service Corp. administrative overhead. Each entity that requests direct labor from Service Corp. receives an amount in their overhead charge that covers the Administration Costs associated with the cash pool. Administrative and General Costs also include generally identified Accounts 920 to 921, 923 through 926, 928, 930.1, 931 and 932.

Table 6-3 illustrates the cost allocation method used for the various services provided. The majority of USC departments use an allocation factor described as “3-factor” allocator. This allocation factor is derived from the company ratios of data for Revenue, Customers and Utility Plant Assets. A copy of the annual Service Company Time Charge Guidelines can be found in **Appendix F**.

Table 6-3
Cost Allocation Methodology for Services Provided By Until Service Corp.

<i>Service Provided</i>	<i>Cost Allocation Methodology</i>
Administrative	R/C/A 3-factor allocators, except Usource - Revenue
Accounting, Finance and Tax	R/C/A 3-factor allocator
Business Development	R/C/A 3-factor allocator
Communications	R/C/A 3-factor allocator
Customer Support	R/C/A 3-factor allocator
Distributed Energy Resources	R/C/A 3-factor allocator
Energy Resource Management	Specific Identification
Energy Measurement & Control	R/C/A 3-factor allocator
Engineering	Utility Plant Assets
Executive	R/C/A 3-factor allocator
Finance	R/C/A 3-factor allocators, except Usource - Revenue
Financial, Legal & Corporate	R/C/A 3-factor allocator
Internal Auditing	R/C/A 3-factor allocator
Gas Operations	Utility Plant Assets
Human Resources	Headcount/USC DL Billed
Information Systems	R/C/A 3-factor allocators, except Usource - Revenue
Regulatory	R/C/A 3-factor allocator

d) TIME REPORTING PROCEDURES

All employees of USC must enter their time into the USC Time & Billing system, clearly indicating the assignment of time among affiliates. Employees of each DOC charge their time directly to the DOC that employs them. USC has a formal, written policy called the "USC Time Charge Guidelines" for all of its personnel. These guidelines are updated yearly as part of the annual budgeting process.

As a general rule, time for regular and recurring work performed for the Utility Client Companies, should be direct charged by functional JON and allocated to the Utility Client Companies according to the standard Departmental Allocators indicated in the USC Time Charge Guidelines issued for the particular fiscal period.

The allocator for each department is based on a causal relationship between the factor, or a combination thereof, and the work performed by the department. For example, the USC customer service department uses a three-factor allocator: revenues, number of customers and Utility Plant Assets; while the USC human resources department allocates their time charges based on a factor of headcount and direct labor charges.

For those employees who spend the majority of their time assigned to one affiliate, such as Accounts Payable clerks who are each assigned to a particular company's payment processing, 100% of their time is charged to this affiliate company. In another case, Energy Contracts personnel charge their time by specific identification rather than using an allocation factor to make the distribution. In the absence of specific identification of time worked on a particular client, the USC Time Charge Guidelines are the preferred method of allocating time in the USC Time & Billing System.

See **Appendix F** for a copy of the Service Company Time Charge Guidelines.

e) DIRECT CHARGES

This section covers the process of compiling the Direct Charges for input into the USC Time & Billing System. This process is done on a monthly basis in order to direct charge certain costs to the appropriate affiliate clients, where possible. Direct charges are typically in the areas of data management hardware lease and maintenance costs; telecom circuit maintenance, phone system maintenance; Usource health, dental and vision insurance; Usource fringe benefits; and other misc. expenses. Certain USC costs are tracked and reallocated to certain affiliates. Various cost allocation factors are used, as discussed below.

1. Computer Equipment Lease and Maintenance costs – allocated based on Plant Asset allocators from the Time Charge Guidelines
2. Telecom Circuit costs – allocated based on 3-factor formula – modified to include USC and Usource
3. Phone System Maintenance costs – allocated based on the number of phones at each location
4. Mailroom costs – allocated based on 3-factor formula – modified to include USC, URC and Usource.
5. Remittance Processing costs – allocated based on number of customers
6. Capitalization of Direct Charges is based on Utility Plant Assets from the Time Charge Guidelines
7. Usource charges for Health, Dental and Vision – allocated based on Usource payroll data for employee insurance coverage costs included in the Unitil Service plans.
8. Usource charges for fringe benefits – allocated based on a percentage of Usource payroll for an employee covered under the USC Incentive Compensation plan.

7) INTRACOMPANY COST ALLOCATIONS

The Intracompany cost allocations section addresses the allocation processes performed within the affiliate companies. Intracompany cost allocations include local labor charges, vendor payments, construction accounting, energy efficiency accounting, pension and PBOP accounting; as well as O&M allocation of common accounts and below the line adjustments.

a. UNITIL ENERGY SYSTEMS COST ALLOCATIONS

Local Labor Charges – Field personnel key the account or Construction Work Order to be charged based on the work performed. Office personnel time card processing uses a fixed distribution that is determined by the Manager or Director of the department and based on each job function as it relates to the construction process. If the employee function is supporting the construction process, then some amount of their time is automatically assigned to capital overhead costs and allocated by this fixed distribution table. This distribution is reviewed and updated in the payroll system on an annual basis. The distribution of costs is all within a DOC, but over a specific set of FERC accounts, according to the type of work being performed, to specific capitalization or O&M accounts. Fixed distributions can be overridden by the employee or Human Resources when necessary (ex. Incentive Compensation, Wellness Benefit, Emergency Storm Duty payments).

Vendor Payments – Vendor payments are processed through the Universal Payment System according to guidelines documents in **Section 8** – Vendor Payment Processing. Invoices that are addressed to UES only require no allocation and are direct charged to the appropriate general ledger account according to FERC guidelines.

Construction Accounting – In addition to the local labor charges capitalized as discussed in local labor charges above, certain non-labor costs are tracked for capitalization. See Section 6b for a more detailed description of the construction accounting process.

Energy Efficiency Accounting – The Energy Efficiency (“EE”) cost recovery process requires costs, including time charges, to be tracked by specific EE program. Employees working on EE programs are assigned to the programs of a particular DOC and charge their time to that affiliate. Where applicable, employees charge their time to a JON specific to the program they

are working on. However, there is an amount of general time that cannot be tied to a specific program and must be allocated across all programs. These general time charges are spread across all programs according to allocation tables updated at the beginning of each year. The allocation percentages are based on the budgets for the upcoming year of programs. See **Appendix M** for the current Energy Efficiency General Allocation tables.

Pension and PBOP Accounting – Most USC costs are billed through the service bill to an Outside Services 923 account. For regulatory accounting and cost recovery purposes it is necessary to measure the amount of Pension and PBOP costs charged to the DOCs through the monthly USC bill. Since these costs lose their original FERC identity as 926 accounts during the USC billing process, a follow-on reclass entry must be posted in order to track these costs. USC Pension and PBOP costs are billed to all affiliates based on the labor costs charged at USC. The calculation of USC Pension and PBOP costs included in the 923 accounts is based on allocation factors derived from the Labor and Overhead report from December of the prior year. This report measures the total costs charged from USC to all of its affiliates. These allocation factors are then applied to the total USC Pension and PBOP costs to identify the amounts billed to each client company within the USC bill and a journal entry is posted to reclass these amounts from the 923 accounts for Outside Services to the 926 accounts for employee benefits.

Rate Group Allocations – G1 / Non G1 – Costs that are common only to G1 and Non-G1 customers require allocation for proper cost recovery and are currently in the following areas: Outside Legal, Regulatory Commission, Other recoverable outside consulting, Global Information System (GIS) and Renewable Portfolio Standard (RPS) costs. The basis for allocation of common G1 / Non-G1 costs is monthly unit sales for each group, excluding external supplier sales.

G1 / Non-G1 allocations are also required for proper cost recovery for Renewable Portfolio Standard (RPS) payments. The basis for allocation of common G1 / Non-G1 costs is prior year unit sales for each group, excluding external supplier sales.

Amortization and Property Taxes – The monthly calculation of rent to Unitil Realty Corp. for the space occupied by the USC Call Center is based on an allocation of certain costs, including amortization and property taxes. These allocations are based on square footage calculations.

Bad Debt Accounting – The recovery of bad debt costs involves the identification of commodity-related bad debt expense, including write offs and recoveries. All amounts are flagged in the system as related to commodity or distribution except for recoveries. Once written off, these bad debts are no longer tracked in the Customer Information System (CIS). If these are subsequently recovered, an allocation process is required in order to apply the recoveries in a fair and equitable process. In this case, monthly recoveries are based on monthly write-off percentages.

Below the line adjustments – Most USC costs are billed through the service bill to an Outside Services 923 account. Since USC donations and civic activities lose their original FERC identity as below the line charges, a follow-on entry is posted to reclass these costs back to 426 accounts at UES. Each month, the USC costs are tracked and journalized from 923 to 426 accounts based on the current month percentage of total USC bill charges to all affiliates.

b. FITCHBURG GAS & ELECTRIC COST ALLOCATIONS

Local Labor Charges –Field personnel key the account or Construction Work Order to be charged based on the work performed. Office personnel time card processing uses a fixed distribution that is determined by the Manager or Director of the department and based on each job function as it relates to the construction process. If the employee function is supporting the construction process, then some amount of their time is automatically assigned to capital overhead costs and allocated by this fixed distribution table. This distribution is reviewed and updated in the payroll system on an annual basis. The distribution of costs is all within a DOC, but over a specific set of FERC accounts, according to the type of work being performed, to specific capitalization or O&M accounts. Fixed distributions can be overridden by the employee or Human Resources when necessary (ex. Incentive Compensation, Wellness Benefit, Emergency Storm Duty payments).

O&M Allocations from Common Accounts – Costs incurred by Fitchburg in the conduct of its utility businesses are categorized into three classes, those which are directly applicable to the gas division only, those which are directly applicable to the electric division only and those which were incurred jointly. Costs that are attributed to gas or electric operations are recorded in accounts identified as gas or electric. For common costs that cannot be assigned directly to

one division or another, the Company uses an automated procedure to allocate common costs between gas and electric operations.

The Company's current procedures for allocation of common costs were developed in 1978 and revised in 2002 and 2004. This five-factor study is the basis for common cost allocations between divisions and includes allocation factors for Labor-related items, Plant-related items, Customer-related items, Number of Bills-related items and Revenue-related items.

FGE has a separate allocator for Interest based on a modification of the Plant Related items allocation factor, adjusted for the addition of several material 'electric-only' long-term deferrals. This modification provides a more accurate allocation of interest costs between the gas and electric divisions, preventing subsidization of electric costs by gas division customers.

FGE has a separate allocation factor for Energy Conservation (ECS) costs, which are recoverable through the Energy Efficiency (EE) reconciliation mechanism (electric) and Energy Conservation Surcharge reconciliation mechanism (gas). This allocation factor became necessary when ECS costs were no longer recovered through a separate rate to all customers. Pursuant to G.L. c. 25, § 19, FG&E funds all of its electric-related energy efficiency programs, including ECS, from a mandatory per kilowatthour charge. Additional charges are not allowed. However, FGE provides gas-only service to two towns within its jurisdiction. In order to properly allocate and recover the ECS costs to these gas only customers, it was necessary to base the allocation on gas-only meters.

FGE has a separate allocation factor for administrative costs to manage the Residential Assistance Adjustment Factor (RAAF) reconciliation mechanism. These costs are incurred in order to oversee this arrearage management program. Since the bad debt write-off process takes approximately two years to resolve, the basis for this program was the bad debt write offs from the full calendar year, two years prior.

The common cost allocation factors are updated annually in January, based on prior-year history. See **Appendix L1** for a current copy of the FGE Gas & Electric allocation factors.

FGE utilizes a function within the Flexi general ledger to allocate common O&M costs to the gas and electric divisions. This process is managed in the general ledger by separate codification of

accounts that are tied to a specific division. Whenever possible, the costs are direct charged to the appropriate division to which the cost applies. When a cost cannot be tied to a specific division, the cost is charged to a “common” account. The Flexi general ledger system has an allocation function that allows for the automatic clearing of common accounts based on the pre-determined set of allocators, which are updated in the ledger system annually in January.

Vendor Payments – Vendor payments are processed through the Universal Payment System according to guidelines documents in **Section 8** – Vendor Payment Processing. Invoices that are addressed to FGE only require no allocation and are direct charged to the appropriate general ledger account according to FERC guidelines. If a cost cannot be direct charged to one of the FGE divisions, a common account is selected so the general ledger system can automatically allocate these costs according to allocation tables that are updated annually. See section above for additional detail on O&M Allocations from Common Accounts.

Construction Accounting – In addition to the local labor charges capitalized as discussed in local labor charges above, certain non-labor costs are tracked for capitalization. See Section 6b for a more detailed description of the construction accounting process.

Energy Efficiency Accounting – The Energy Efficiency (“EE”) cost recovery process requires costs, including time charges, to be tracked by specific EE program. Employees working on EE programs are assigned to the programs of a particular DOC and charge their time to that affiliate. Where applicable, employees charge their time to a JON specific to the program they are working on. However, there is an amount of general time that cannot be tied to a specific program and must be allocated across all programs. These general time charges are spread across all programs according to allocation tables updated at the beginning of each year. The allocation percentages are based on the budgets for the upcoming year of programs. See **Appendix M** for the current Energy Efficiency General Allocation tables.

Pension and PBOP Accounting – Most USC costs are billed through the service bill to an Outside Services 923 account. For regulatory accounting and cost recovery purposes it is necessary to measure the amount of Pension and PBOP costs charged to the DOCs through the monthly USC bill. Since these costs lose their original FERC identity as 926 accounts during the USC billing process, a follow-on reclass entry must be posted in order to track these costs. USC Pension and PBOP costs are billed to all affiliates based on the labor costs charged at USC. The

calculation of USC Pension and PBOP costs included in the 923 accounts is based on allocation factors derived from the Labor and Overhead report from December of the prior year. This report measures the total costs charged from USC to all of its affiliates. These allocation factors are then applied to the total USC Pension and PBOP costs to identify the amounts billed to each client company within the USC bill and a journal entry is posted to reclass these amounts from the 923 accounts for Outside Services to the 926 accounts for employee benefits.

Bad Debt Accounting – The recovery of bad debt costs involves the identification of commodity-related bad debt expense, including write offs and recoveries. All amounts are flagged in the system as related to commodity or distribution except for recoveries. Once written off, these bad debts are no longer tracked in the Customer Information System (CIS). If these are subsequently recovered, an allocation process is required in order to apply the recoveries in a fair and equitable process. In this case, these recoveries are first allocated between gas and electric divisions based on current month write-off percentages. Within each division these recoveries are further allocated between commodity and distribution based on December 31 YTD write-off percentages from two years prior.

c. NORTHERN UTILITIES COST ALLOCATIONS

Gas Cost Allocators – NU must allocate gas costs between divisions since the gas contracts are common to both divisions. Invoices are codified during the payment process with an account distribution to various FERC accounts for the Maine and New Hampshire divisions. These distributions are dependent on the type of charges on the invoice and the interstate allocation factors are described below. There are two sets of gas cost allocators used, as follows:

- 1) Commodity Cost Allocators – commodity costs are allocated based on a factor that is updated on a monthly basis by the General Accounting group. The basis for the commodity allocation factors is primarily current month tariffed sales volumes, adjusted to include company managed and company used volumes. These are then adjusted for estimated unaccounted-for volumes. See **Appendix J1** for a sample of the Commodity Costs allocator calculation.

- 2) Demand Cost Allocators – these Simplified Market Based Allocators are calculated annually. This calculator is determined by Regulatory Services and is approved in the annual filing done just before the peak season begins in November. See **Appendix J2** for more detailed description of the Demand Cost allocator.

Local Labor Charges –Field personnel key the account or Construction Work Order to be charged based on the work performed. Office personnel time card processing uses a fixed distribution that is determined by the Manager or Director of the department and based on each job function as it relates to the construction process. If the employee function is supporting the construction process, then some amount of their time is automatically assigned to capital overhead costs and allocated by this fixed distribution table. This distribution is reviewed and updated in the payroll system on an annual basis. The distribution of costs is all within a DOC, but over a specific set of FERC accounts, according to the type of work being performed, to specific capitalization or O&M accounts. Fixed distributions can be overridden by the employee or Human Resources when necessary (ex. Incentive Compensation, Wellness Benefit, Emergency Storm Duty payments).

O&M Allocations from Common Accounts – Costs incurred by Northern in the conduct of its utility businesses are categorized into three classes, those which are directly applicable to the Maine division only, those which are directly applicable to the New Hampshire division only and those which were incurred jointly. Costs that are attributed to Maine or New Hampshire operations are recorded in accounts identified as belonging to either Maine or New Hampshire. For common costs that cannot be assigned directly to one division or another, the Company uses an automated procedure to allocate common costs between Maine and New Hampshire operations.

The Company's current procedures for allocation of common costs were most recently revised in 2004 for its Until affiliate Fitchburg Gas & Electric and its methodology is the basis for the allocation of Northern common costs. It has been modified to reflect the four allocation factors most appropriate for the Northern divisions. This four-factor study has been the basis for common cost allocations between divisions since Northern Utilities was acquired in 2008, including allocation factors for Labor-related items, Plant-related items, Customer-related items and Revenue-related items. The study is updated annually in January, based on prior-

year history. See **Appendix L2** for a current copy of the Northern Utilities Maine & New Hampshire allocation factors.

Northern Utilities utilizes a function within the Flexi general ledger to allocate common O&M costs to the Maine and New Hampshire divisions that must be accounted for separately. This process is managed in the general ledger by separate codification of accounts that are tied to a specific division. Whenever possible, the costs are direct charged to the appropriate division to which the cost applies. When a cost cannot be tied to a specific division, the cost is charged to a "common" account. The Flexi general ledger system has an allocation function that allows for the automatic clearing of common accounts based on a pre-determined set of allocators. These allocators are updated each year, based on prior year history. There are four sets of allocation factors used: Labor, Meters, Revenue and Plant. See **Appendix L2** for a current copy of the NU Maine & New Hampshire allocation factors.

Vendor Payments – Vendor payments are processed through the Universal Payment System according to guidelines documents in **Section 8** – Vendor Payment Processing. Invoices that are addressed to Northern only require no allocation and are direct charged to the appropriate general ledger account according to FERC guidelines. If a cost cannot be direct charged to one of the Northern divisions, a common account should be selected so the general ledger system can automatically allocated these costs according to allocation tables that are updated annually. See section above for additional detail on O&M Allocations from Common Accounts.

Construction Accounting – In addition to the local labor charges capitalized as discussed in local labor charges above, certain non-labor costs are tracked for capitalization. See Section 6b for a more detailed description of the construction accounting process.

Energy Efficiency Accounting – The Energy Efficiency ("EE") cost recovery process requires costs, including time charges, to be tracked by specific EE program. Employees working on EE programs are assigned to the programs of a particular DOC and charge their time to that affiliate. Where applicable, employees charge their time to a JON specific to the program they are working on. However, there is an amount of general time that cannot be tied to a specific program and must be allocated across all programs. These general time charges are spread across all programs according to allocation tables updated at the beginning of each year. The

allocation percentages are based on the budgets for the upcoming year of programs. See **Appendix M** for the current Energy Efficiency General Allocation tables.

Pension and PBOP Accounting – Most USC costs are billed through the service bill to an Outside Services 923 account. For regulatory accounting and cost recovery purposes it is necessary to measure the amount of Pension and PBOP costs charged to the DOCs through the monthly USC bill. Since these costs lose their original FERC identity as 926 accounts during the USC billing process, a follow-on reclass entry must be posted in order to track these costs. USC Pension and PBOP costs are billed to all affiliates based on the labor costs charged at USC. The calculation of USC Pension and PBOP costs included in the 923 accounts is based on allocation factors derived from the Labor and Overhead report from December of the prior year. This report measures the total costs charged from USC to all of its affiliates. These allocation factors are then applied to the total USC Pension and PBOP costs to identify the amounts billed to each client company within the USC bill and a journal entry is posted to reclass these amounts from the 923 accounts for Outside Services to the 926 accounts for employee benefits.

d. **GRANITE STATE GAS TRANSMISSION COST ALLOCATIONS**

Local Labor Charges – Field personnel key the account or Construction Work Order to be charged based on the work performed. Office personnel time card processing uses a fixed distribution that is determined by the Manager or Director of the department and based on each job function as it relates to the construction process. If the employee function is supporting the construction process, then some amount of their time is automatically assigned to capital overhead costs and allocated by this fixed distribution table. This distribution is reviewed and updated in the payroll system on an annual basis. The distribution of costs is all within Granite, but over a specific set of FERC accounts, according to the type of work being performed, to specific capitalization or O&M accounts. Fixed distributions can be overridden by the employee or Human Resources when necessary (ex. Incentive Compensation, Wellness Benefit, Emergency Storm Duty payments).

Vendor Payments – Vendor payments are processed through the Universal Payment System according to guidelines documents in **Section 8** – Recording of Intercompany Transactions and

Vendor Payment Processing. Invoices that are addressed to Granite only require no allocation and are direct charged to the appropriate general ledger account according to FERC guidelines.

Construction Accounting – In addition to the local labor charges capitalized as discussed in local labor charges above, certain non-labor costs are tracked for capitalization. See **Section 6** for a more detailed description of the construction accounting process.

e. UNITIL REALTY COST ALLOCATIONS

Allocation of Insurance costs between the Hampton building and the Call Center are based on the approximate square footage of each facility.

8) RECORDING OF INTERCOMPANY TRANSACTIONS AND VENDOR PAYMENT PROCESSING

This section addresses the processing of intercompany transactions and external vendor invoices. All payments are processed through the Unitil Universal Payment System ("UPS"). Users route all payments through UPS for electronic review and approval. The system requires the user to input certain data such as amount of invoice, payer, payee, date of invoice, invoice number, description of services or product, approvers and a codification of invoice charges to one or more general ledger accounts. The user selects general ledger account(s) that identifies the affiliate company, division, department, reconciling mechanism (if any), and the FERC account and sub accounts. See **Appendix B** for a diagram of the account structure. The data in the UPS system is integrated with the Flexi Accounts Payable system, allowing for final payment processing and the automatic integration of data into the Flexi General Ledger system.

a) RECORDING OF TRANSACTIONS

Unitil Corp. and each of its subsidiaries maintain separate accounts in the general ledger for the purpose of recording intercompany transactions. All intercompany transactions shall be processed through the intercompany receivable and payable accounts unless circumstances dictate that doing so would violate GAAP or other governing rules and regulations.

Under no circumstances shall a Unitil Distribution Operating Company advance funds to an affiliate for the payment of goods and services prior to receipt of such goods and services. Unitil DOCs shall not extend to affiliates payment terms longer than those extended to third-party providers of similar services.

b) INTERCOMPANY INVOICING

The supervisors responsible for the payment processing function of Unitil and each of its subsidiaries are responsible for ensuring the accurate and timely invoicing and payment of intercompany transactions. Charges classified to the intercompany accounts receivable are generally billed to the respective subsidiaries at month end. Earlier payment is permitted when circumstances warrant.

c) INTERCOMPANY VENDOR BILL BACK PAYMENT PROCESSING

Certain intercompany activities are processed through the Flexi general ledger intercompany function. In these cases, one affiliate posts a journal entry for both affiliates. The entry is essentially unbalanced within each company. Flexi automatically clears this imbalance by setting up offsetting entries in special intercompany 234 accounts. These intercompany vendor bill back accounts are cleared the following month by a Cashpool transfer in the UPS system. The Vendor Bill back process eliminates the need for individual payments for every intercompany transaction. All intercompany invoice activity processed in this way between two affiliates is tracked in one account and cleared with one payment at month end.

d) VENDOR PAYMENT PROCESSING – INVOICES ADDRESSED TO ONLY ONE AFFILIATE

This category pertains to invoices that contain charges to only one affiliate. No methodology is needed to select the affiliate to be charged. The user must select the account distribution to be entered into UPS in order to process the invoice through the accounts payable and general ledger systems.

For those affiliates that have more than one division, the costs are directly charged by division, if possible. This distribution of costs is by division will be based on one of the following methods:

1. Invoice provides enough information to directly charge the correct division. The invoice is entered into UPS by the division identified on the invoice with account distributions according to FERC guidelines.
2. Invoice is not specific to any division and needs to be allocated to both divisions. In this case, the user selects a common account and allows the general ledger system to access the common cost allocation factors setup in the tables in January each year. The ledger system will then automatically clear the common accounts and charge the costs by division according to the Flexi allocation tables.

e) VENDOR PAYMENT PROCESSING – CONVENIENCE PAYMENTS MADE BY THE SERVICE COMPANY

Vendor payments are sometimes made by USC on behalf of one or more affiliates in the Unitil System. These “convenience” payments provide an efficient payment processing method where vendors provide USC with one invoice for several affiliates. USC then charges the appropriate affiliate through a process known as a Vendor bill-back process, where the amounts are directly charged to each affiliate by one of the following methods:

1. Invoice identifies each affiliate’s costs and no allocation by affiliate is necessary. Invoice is entered into UPS by affiliate charges identified on the invoice with account distributions as described above but specific to each affiliate. If the affiliate has more than one division and the Invoice is not specific to any division, then the costs need to be allocated to both divisions. In this case, the user selects a common account and allows the general ledger system to access the common cost allocation factors setup in the tables in January each year. The ledger system will then automatically clear the common accounts and charge the costs by division according to the Flexi allocation tables.
2. Invoice provides enough detail to allocate the costs to specific affiliates. For example, an invoice for services which will benefit only gas customers in all our territories might be allocated equally over the three gas divisions. Another example would be Insurance invoices, where some policies are not specific to each affiliate, but a method of allocation is used based on the weighted average of Salaries, Plant and Revenues. As discussed above, if the costs cannot be identified by division, then common accounts should be selected for each applicable affiliate and the system should automatically allocate costs by division.
3. Invoice is not specific to any affiliate and needs to be charged to all affiliates. In this case, the annual allocation guidelines will be the basis for the allocation. See **Appendix N** for a current copy of the Master Costs Allocation Guidelines.

f) INTERCOMPANY PAYMENT PROCESSING – USC BILLS

The USC Time & Billing system is run on a monthly basis at the beginning of the month for the previous month of service. An invoice is produced for each affiliate company and includes the journal entry to be posted for the monthly close. The journal entry provides the account distribution for each company with offsets to the intercompany payable accounts. No allocation decisions are made by the user to input these invoices into UPS. The Service bill invoices are

routed electronically for payment approval and the intercompany payments are processed through the system once fully approved. When these intercompany payments are processed, the intercompany payable accounts are cleared. See **Appendix E2** for a sample monthly invoice from USC to a client company.

9) CURRENT STAFFING

This section describes the current staffing and processes involving cost allocations in the General Accounting, Plant Accounting, Finance and Operations groups.

a) **GENERAL ACCOUNTING** - The general accounting group is responsible for the following monthly processes involving cost allocation activity, both Intercompany and Intracompany:

1. Manage Time & Billing system
 - (a) Monthly
 - (i) Compile Direct Charges
 - (ii) Generate Service Bills
 - (iii) Process intercompany service bill payments
 - (iv) Post reclass of Pension and PBOP costs
 - (v) Reclassify USC Donations and Civic Activity
 - (b) Annual
 - (i) Capitalization Master
 - (ii) Energy Efficiency general allocators
 - (iii) Time Charge Guideline calculations
 - (c) Periodic, as needed
 - (i) Update JON tables
 - (ii) Update Energy Efficiency general allocators
2. Run Energy Efficiency allocations in Flexi
3. Monthly Rent bills – invoice generation and payment processing
4. Monthly processing of intercompany payments, including invoices and vendor bill back payments
5. Monthly processing of vendor convenience payments
 - (a) Audit
 - (b) Legal
 - (c) Consulting
6. Monthly processing of Flexi allocation processes for FGE and NU
7. Monthly calculation of NU Commodity Gas cost allocators
8. Monthly allocation of NU gas cost for the CGAC – Commodity and Demand

9. Monthly entries to reclass Pension and PBOP costs billed through the USC bill
 10. Monthly capitalization of costs:
 - (a) Incentive Compensation
 11. Annual calculation of Master Allocation Guidelines
 12. Annual update of intercompany rent calculations
 13. Annual update of Flexi allocation tables for FGE and NU
 14. Annual calculation of return to accrual tax entries to comply with Tax Sharing Agreement
 15. Annual calculation of Property Taxes attributable to the Call Center
- b) **PLANT ACCOUNTING** – The plant accounting group is responsible for the following processes involving allocation cost activity, both Intercompany and Intracompany:
1. Monthly calculation of plant-related intercompany activity to be processed through the Sundry Billing system.
 2. Monthly processing of CWO and capital project activity
 3. Monthly allocation of FGE Common Plant Costs:
 - (a) Depreciation
 - (b) Amortization
 - (c) Transportation depreciation
 - (d) Transportation Retirements & Salvage
 4. Monthly capitalization of Indirect Overhead costs:
 - (a) Building Costs
 - (b) Payroll Benefits
 5. Annual calculation of ratios to be used for the capitalization of indirect overhead costs
- c) **FINANCE** – The Finance group is responsible for the following processes involving cost allocation activity, both Intercompany and Intracompany:
1. Annual calculation of O&M allocations for the following companies
 - (a) Fitchburg – Gas and Electric allocators
 - (b) Northern – Maine and New Hampshire allocators
 2. Monthly operation of the Unutil Cashpool
 3. Monthly processing of vendor convenience payments

- (a) Insurance
 - (b) Legal
 - (c) Credit Facility Fees
4. Annual calculation of Cashpool commitment and service fee reallocation across the Unitil affiliates
- d) **VARIOUS OTHER USC DEPARTMENTS** – Most departments are responsible for monthly processing of vendor payments.
- e) **DOC OPERATIONS** – The operations groups are responsible for the following processes involving cost allocation activity, both Intercompany and Intracompany.
- 1. Annual update of Fixed Distribution Payroll tables by Managers and Directors
 - 2. Monthly processing of vendor payments

10) RESPONSIBILITY FOR COST ALLOCATION MANUAL

The Controller has overall responsibility for the Company's cost allocation policies and procedures. The Regulatory Accounting Specialist, reporting to the Assistant Controller, has day-to-day responsibility for maintaining the Cost Allocation Manual.

This Cost Allocation Manual is an integral part of the Unitil System of Internal Controls and is a dynamic document which is updated annually, ensuring that cost allocations are fairly and equitably performed between affiliate companies.

The Cost Allocation Manual will be published to the Unitil System WebOps system and updated annually. If a significant organizational modification occurs during the year, allocation percentages and factors are reviewed and may be modified at that time. In this situation, allocations would be modified on a going forward basis.

APPENDIX A
SAMPLE AGREEMENTS

Appendix - A1	Unitil Tax Sharing Agreement
Appendix - A2	Service Agreement between Northern Utilities, Inc. and Unitil Service Corp.
Appendix - A3	Cash Pooling and Loan Agreement
Appendix - A4	Gas Transportation Contract between Granite State Gas Transmission, Inc. and Northern Utilities, Inc.
Appendix - A5	Unitil Power Corp Amended System Agreement
Appendix - A6	Lease Agreement between Concord Electric Company (aka Unitil Energy Systems, Inc.) and Unitil Realty Corp.
Appendix - A7	Sublease Agreement between Unitil Realty Corp. and Unitil Service Corp.
Appendix - A8	Lease Agreement between Unitil Realty Corp. and Unitil Service Corp.

TAX SHARING AGREEMENT

AGREEMENT made as of *September 10*, 1985, among Concord Electric Company a New Hampshire corporation, Exeter & Hampton Electric Company a New Hampshire corporation, UNITIL Service Corp., a New Hampshire corporation, and UNITIL Power Corp., a New Hampshire corporation and UNITIL Corporation ("UNITIL"), a New Hampshire corporation ("AFFILIATE" companies or, collectively, the "AFFILIATES"). Whenever it is intended to include UNITIL in the context of the affiliated group, the term "CONSOLIDATED AFFILIATE" or "CONSOLIDATED AFFILIATES" may be used, and when reference is to the affiliated group as a collective tax paying unit the term "Group" may be used.

WHEREAS, UNITIL owns at least 80 percent of the issued and outstanding shares of each class of voting common stock of each of the AFFILIATES: each of the CONSOLIDATED AFFILIATES is a member of an affiliated group within the meaning of section 1504 of the Internal Revenue Code of 1954, as amended (the "Code"), of which UNITIL is the common parent corporation; and UNITIL proposes to include each of the AFFILIATES in filing a consolidated income tax return for the calendar year 1985;

NOW, THEREFORE, UNITIL and the AFFILIATES agree as follows:

1. Consolidated Return Election. If at any time and from time to time UNITIL so elects, each of the AFFILIATES will join in the filing of a consolidated Federal income tax return for the calendar year 1985 and for any subsequent period for which the Group is required or permitted to file such a return. UNITIL and its affiliates agree to file such consents, elections and other documents and to take such other action as may be necessary or appropriate to carry out the purposes of this Section 1. Any period for which any of the AFFILIATES is included in a consolidated Federal

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income tax return filed by UNITIL is referred to in this Agreement as a "Consolidated Return Year".

2. AFFILIATES' Liability to UNITIL for Consolidated Return Year. Prior to the filing of each consolidated return by UNITIL each of the AFFILIATES included therein shall pay to UNITIL the amount, if any, of the Federal income tax for which the AFFILIATES would have been liable for that year, computed in accordance with Treasury Regulations, section 1.1552-1(a)(2)(ii) as though that AFFILIATE had filed a separate return for such year, giving effect to any net operating loss carryovers, capital loss carryovers, investment tax credit carryovers, foreign tax credit carryovers or other similar items, incurred by that AFFILIATE for any period ending on or before the date of this Agreement.

The foregoing allocation of Federal income tax liability is being made in accordance with Treasury Regulations, sections 1.1552-1(a)(2) and 1.1502-33(d)(2)(ii), and no amount shall be allocated to any CONSOLIDATED AFFILIATE in excess of the amount permitted under Treasury Regulations, section 1.1502-33(d)(2)(ii). Accordingly, after taking into account the allocable portion of the Group's Federal income tax liability, no amount shall be allocated to any CONSOLIDATED AFFILIATE in excess of the amount permitted in accordance with Treasury Regulations, section 1.1502-33(d)(2)(ii).

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3. UNITIL Liability to Each Affiliate for Consolidated Return Year. If for any Consolidated Return Year, any AFFILIATE included in the consolidated return filed by UNITIL for such year has available a net operating loss, capital loss, foreign tax credit, investment tax credit or similar items (computed by taking into account carryovers of such items from periods ending on or before the date of this Agreement) that reduces the consolidated tax liability of the Group below the amount that would have been payable if that AFFILIATE did not have such item available, UNITIL shall pay the amount of the reduction attributable to such AFFILIATE prior to the filing of the consolidated return for such year.

The amount of the reduction shall be equal to a portion of the excess of (i) the total of the separate return tax liabilities of each of the CONSOLIDATED AFFILIATES computed in accordance with Section 2 of this Agreement, over (ii) the Federal income tax liability of the Group for the year. The portion of such reduction attributable to an AFFILIATE shall be computed by multiplying the total reduction by a fraction, the numerator of which is the value of the tax benefits contributed by the AFFILIATE to the Group and the denominator of which is the value of the total value of such benefits contributed by all CONSOLIDATED AFFILIATES during the year.

For purposes of the foregoing paragraph a deduction or credit generated by a CONSOLIDATED AFFILIATE which is in excess of the amount required to eliminate its separate tax return liability but which is utilized in the computation of the Federal income tax liability of

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the Group shall be deemed to be a tax benefit contributed by the CONSOLIDATED AFFILIATE to the Group. The value of a deduction which constitutes such a benefit shall be determined by applying the current corporate income tax rate, presently 46 percent, to the amount for the deduction. The value of a credit that constitutes such a benefit shall be the tax savings, currently 100 percent thereof. The value of capital losses used to offset capital gains shall be computed at the then current rate applicable to capital gains for corporations.

4. Payment of Estimated Taxes. Prior to the paying and filing of estimated consolidated tax declaration by UNITIL, each of the AFFILIATES included in such estimated tax declaration shall pay to UNITIL the amount, if any, of the estimated Federal income tax for which the AFFILIATE would have been liable for that year, computed as though that AFFILIATE had filed a separate estimated tax declaration for such year.

5. Tax Adjustments. In the event of any adjustments to the consolidated tax return as filed (by reason of an amended return, a claim for refund or an audit by the Internal Revenue Service), the liability, if any, of each of the AFFILIATES under Sections 2, 3, and 4 shall be redetermined to give effect to any such adjustment as if it had been made as part of the original computation of tax liability, and payments between UNITIL and the appropriate AFFILIATES shall be made within 120 days after any such payments are made or refunds are received, or, in the case of contested proceedings, within 120 days after a final determination of the contest.

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Interest and penalties, if any, attributable to such an adjustment shall be paid by each AFFILIATE to UNITIL in proportion to the increase in such AFFILIATE'S separate return tax liability that is required to be paid to UNITIL, as computed under Section 2.

6. Subsidiaries of Affiliates. If at any time, any of the AFFILIATES acquire or creates one or more subsidiary corporations that are includable corporations of the Group, they shall be subject to this Agreement and all references to the AFFILIATES herein shall be interpreted to include such subsidiaries as a group.
7. Successors. This Agreement shall be binding on and inure to the benefit of any successor, by merger, acquisition of assets or otherwise, to any of the parties hereto (including but not limited to any successor of UNITIL or any of the AFFILIATES succeeding to the tax attributes of such corporation under section 381 of the Code) to the same extent as if such successor had been an original party to this Agreement.
8. Affiliates' Liability for Separate Return Years. If any of the AFFILIATES leaves the Group and files separate Federal income tax returns, within 120 days of the end of each of the first fifteen taxable years for which it files such returns, it shall pay to UNITIL the excess, if any, of (A) Federal income tax that such AFFILIATE would have paid for such year (on a separate return basis giving effect to its net operating loss carryovers) if it never had been a

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member of the Group, over (b) the amount of Federal income tax such AFFILIATE has actually paid or will actually pay for such years.

9. Examples of Calculations. Attached hereto and made part hereof, as "Appendix A To Tax Sharing Agreement By And Between UNITIL Corporation And Its Affiliated Companies", are illustrative examples of the matters contained herein.

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have set their hands this *tenth* day of *September*, 1985.

UNITIL CORPORATION

By *Michael P. Baker*
Its President

EXETER & HAMPTON ELECTRIC COMPANY

By *Michael P. Baker*
Its President

CONCORD ELECTRIC COMPANY

By *[Signature]*
Its President

UNITIL POWER CORP.

By *Michael P. Baker*
Its President

UNITIL SERVICE CORP.

By *[Signature]*
Its President

APPENDIX A TO TAX SHARING AGREEMENT
 BY AND BETWEEN UNITIL CORPORATION AND ITS
 AFFILIATED COMPANIES

The allocation agreement follows the Internal Revenue Service regulations for "basic" and "supplemental" allocation of consolidated return liability and benefits.

The "basic" method used to allocate UNITIL'S liability shown on the consolidated return is provided by Internal Revenue Code section 1552(a) and provides for allocation based on the amount of tax liability calculated on a separate return basis.

The "supplemental" method provides that the tax savings of credits and deductions in excess of the amount of an individual company can use, but which can be used in consolidations, is allocated among the members supplying the savings and the benefiting members reimburse them.

For example, assume that a three member group has consolidated taxable income and consolidated tax liability of \$200,000 and \$100,000 respectively. The individual members, A, B, and C have separate return taxable income (loss) of \$150,000 \$100,000 and \$(50,000) and the individual members have separate return liabilities of \$75,000, \$50,000 and none, respectively. (Loss members are deemed to have a zero tax liability). Under the proposed method, the individual tax liability and benefit is allocated as follows:

<u>Member</u>	<u>A</u>	<u>B</u>	<u>C</u>
Taxable income (loss)	\$150,000	\$100,000	\$(50,000)
Separate Tax Liability	75,000	50,000	none
Percent of Total (\$125,000)	60%	40%	0%
Consolidated Tax Allocation	60,000	40,000	none
Separate Tax Liability	75,000	50,000	0
Less Consolidated Tax	<u>60,000</u>	<u>40,000</u>	0
	15,000	10,000	0
	<u>100%</u>	<u>100%</u>	
Supplemental Allocation	15,000	10,000	0
Benefits paid to C	<u>\$(15,000)</u>	<u>\$(10,000)</u>	<u>\$(25,000)</u>

Regulation 1.1502-33(d) provides the "supplemental" method of allocating tax liability in order to permit members to receive reimbursement for contributing tax deductions or credits to the group. The method adopted by the Company and outlined at Regulation 1.1502-33(2)(ii) provides for immediate reimbursement for the tax year involved. The steps are as follows:

- (1) Tax liability is allocated to the members by the basic method outlined above.
- (2) Each member with a separate company tax will be allocated 100% of the excess of its separate return liability over its share of the consolidated liability under step (1).
- (3) The amounts allocated to benefiting members under Step 2 are credited to the members supplying the capital losses, deductions, credits, or other items to which the savings are attributable. For this purpose, an amount generated by a member which is in excess of the amount required to eliminate its own separate return tax liability and which is utilized in the computation of the Federal income tax liability of the group shall be deemed to be a tax benefit contributed by the member to the group.

In some years the Step 2 savings to be credited may be less than the total tax savings items available for use. In such a case, the savings shall be attributed to tax savings items in the order that they are used on the consolidated return and in an amount equal to the savings actually realized.

Under this method, capital losses would normally be used first to the extent there are capital gains, since these items are netted in order to reach income, and are used before any deductions or credits are taken into account. The value of the capital loss would be the current rate of tax for capital gain income of the loss. The next item to be used would be deductions resulting in a current year operating loss, and these would be valued at the marginal rate of tax on the income they offset. This is normally 46 percent under current law, but would be less for income under \$100,000, which falls in to the graduated tax brackets. Under Reg. 1.1502-33(d)(2), the amount of each graduated rate bracket is apportioned equally by dividing that amount by the number of corporations that were members of the group. Additionally, an alternative is to allocate the amount of each graduated rate bracket based on a election made by each of the companies' and included with that year's tax return. Operating loss carryovers would be used next, and finally credits would be used. Credits will be valued at 100 percent, since they result in dollar for dollar savings. Where the total amount of an item is not used, the savings will be allocated to each member in proportion to his share of the total of that benefit available from all members of the consolidated group.

- (4) Benefiting members will reimburse the other members prior to the filing of the consolidated tax return..

A more complicated situation is presented when there are several loss companies. Assume that the facts are the same as above except that there are three loss companies: C, D and E with the following tax savings items:

	<u>C</u>	<u>D</u>	<u>E</u>
Capital Loss	0	5,000	0
Current Operating Loss	5,000	0	3,000
Operating Loss Carryover	0	10,000	0
Credits	4,000	8,000	4,000

Allocation of the \$25,000 benefit from Step (2) would proceed as follows:

	<u>C</u>	<u>D</u>	<u>E</u>	<u>Remaining Benefit</u>
Capital Gains @ 28%	0	1,400	0	23,600
Current Operating Loss Offsetting 46% Income	2,300	0	1,380	19,920
Operating Loss Carryover Offsetting 46% Income		4,600		15,320
Credits @ 100% (proportionate)	<u>3,830</u>	<u>7,660</u>	<u>3,830</u>	<u>0</u>
Total Allocated	6,130	13,660	5,210	0

Thus companies A and B would reimburse C, D and E for the above amounts. There will be credit carryovers for C, D, and E of \$170, \$340, and \$170, respectively.

Separate Return Liability

The Allocations and reimbursements outlined above use the concept of a "separate return tax liability" as a starting point for allocations. This liability is the amount which a member of the affiliated group would pay if it filed a separate return. It is calculated in three basic steps.

- (1) The rules for consolidated return deferred accounting, inventory adjustments, basis determination, basis adjustments, excess losses, earnings and profits, and obligations of members must be applied.
- (2) Intercompany dividends are eliminated and no dividend received or paid deduction is allowed on intercompany

dividends.

- (3) Adjustments are made for specific items used in the consolidated return which must be divided by some equitable method among the members.

The third step is the subject of this part of the Appendix. Two different approaches may be taken for the apportionment of the limits, deductions, and exemptions used to reach tax liability.

It is recognized that each company is a part of an affiliated group, and that all credits, deductions and limitations must be apportioned in some equitable manner.

Specific Apportionments

- (1) Carryovers. On a consolidated basis, items such as operating losses, capital losses, and contributions will be used first from the current year and then carried forward from the oldest year forward until exhausted. It is the intention of the Tax Sharing Agreement, for allocation and reimbursement purposes, that a member shall use its own carryovers first before it is required to reimburse another member for use of its carryover in consolidation, without regard for the fact that the tax regulations for consolidated returns may require a different order.
- (2) Contribution Deduction. The amount of the contribution deduction is limited to 10% of consolidated taxable income. Thus the amount allowable may exceed the actual contributions. In order to avoid having a consolidated contribution carryover which is not owned by a member, each member agrees that its deduction be limited to its proportionate share on a separate return basis of the consolidated contribution deduction in a given year, rather than 10% of its separate return income, and that any contribution in excess of such amount be treated as its own carryover.

If the consolidated deduction is greater than the separate deductions of the profitable members (thus permitting a deduction for contributions of a loss member) the excess allowable deduction will be allocated to the loss members in proportion to the excess allowable over their available contributions.

Contribution Illustration

Example A

	<u>A</u>	<u>B</u>	<u>C</u>	<u>Consolidated</u>
Income before contributions	12,000	100	(5,600)	6,500
Contributions-current	400	25	100	
-carryover	300	25		
-available	700	50	100	
10% limit				650
Allowable on SR basis	1,200	10		
Allowable by agreement	644	6		
Carryover by agreement				
-current	-0-	19	100	
-prior	<u>56</u>	<u>25</u>		
Taxable income	11,356	94	(5,600)	5,850

Example B

	<u>A</u>	<u>B</u>	<u>C</u>	<u>Consolidated</u>
Income before contributions	12,000	(100)	(5,400)	6,500
Contributions-current only	200	50	200	
10% limit				650
Available on SR basis	200			200
Excess deduction allowable				250
Allocation by agreement		50	200	
Carryover by agreement	<u> </u>	<u>50</u>	<u>200</u>	
Taxable income	11,800	(150)	(5,600)	6,050

- (3) Tax Brackets. The members agree that the brackets will first be applied equally to the members with ordinary income. If the allocated amount exceeds income, the excess can be reapplied equally to the other members with remaining income.

- (4) I.T.C. Limitation. The limitation on 100% utilization of investment tax credit provided by Internal Revenue Code S46(a)(3), currently \$25,000, will be allocated equally among the members with tax liability and available credits, with any excess to be allocated equally to those with remaining liability and credits.
- (5) I.T.C. Limit For Used Property. The limitation on used property cost deemed eligible for investment credit, currently \$125,000, will be allocated equally among the companies that have used property acquisitions with a ten year recovery life in any year. If a member is unable to utilize all of its allocated amount, the excess will be allocated proportionately to the members with used property acquisitions in excess of their allocated share. If there are insufficient ten year recovery life assets, the remainder will be allocated to five year recovery life assets in a similar manner. Likewise, if there are not enough ten and five year recovery life assets, the remainder of the \$100,000 limitation will be allocated equally to members having three year recovery life used property additions.
- (6) Future Developments. Any credits, deductions, or other items established by future legislation will be allocated in a manner consistent with the above methods.

The foregoing examples are for illustrative purposes and are not intended to cover all possible situations that may arise.

SERVICE AGREEMENT

BETWEEN

NORTHERN UTILITIES, INC.

AND

UNITIL SERVICE CORP.

THIS SERVICE AGREEMENT (this "Agreement") is made and entered into as of December 1, 2008 by and between Northern Utilities, Inc., a corporation organized under the laws of the State of New Hampshire, ("Client Company"), and Unitil Service Corp., a corporation organized under the laws of The State of New Hampshire (the "Service Company").

WITNESSETH:

WHEREAS, Service Company is a wholly owned subsidiary of Unitil Corporation ("Unitil"); and

WHEREAS, Service Company is organized, staffed and equipped to render to Client Company services as herein provided; and

WHEREAS, economies and increased efficiencies will result from the performance by Service Company of services for Client Company and the provision of certain property and resources to Client Company as herein provided, and the Client Company desires for the Service Company to provide, and the Client Company to accept the services, property and resources provided for hereunder;

WHEREAS, subject to the terms and conditions herein described, Service Company is willing, upon request by Client Company, to render such services and provide such property and resources to Client Company;

NOW, THEREFORE, in consideration of the premises and of the mutual representations, covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

As used hereinafter, the following terms, in addition to those elsewhere defined in this Agreement, shall have the following meanings unless the context otherwise requires:

- A. "Services" shall mean those services described in Articles 2, 3, 4 and 5 hereof.
- B. "Non-Affiliate" means any corporation, company, agency, government, business, entity or person other than Unitil, a direct or indirect subsidiary of Unitil, or a person employed by Unitil or any of such subsidiaries.

C. "Intellectual Property" means any process, program or technique which is protected by the copyright, patent or trademark laws, or as a trade secret, and which has been specifically and knowingly incorporated into, exhibited in, or reduced to a tangible writing, drawing, manual, computer program, data base, product or similar manifestation or thing.

D. "Work Order" means any request for services from the Service Company by the Client Company and is evidence of the commitment of the parties hereto. The Service Company assigns all work orders a Job Order Number ("JON") and the terms work order and JON may be used interchangeably. Work Orders can be created by specific written instruction, orally, or by contract (such as the Agreement) or by approval of the Client Company of the monthly invoice for services rendered by the Service Company.

ARTICLE 2 - AGREEMENT TO FURNISH SERVICES

Section 2.1 The Service Company shall furnish to the Client Company, as requested by the Client Company by work order or other request, upon the terms and conditions hereinafter set forth, such of the services described herein and in Articles 3, 4 and 5 below (as such may be amended from time to time) at such times, for such periods and in such manner as the Client Company may from time to time request and which the Service Company concludes it is equipped to perform. The Service Company shall also provide the Client Company with such special services, in addition to those services described herein and in Articles 3, 4 and 5 below, as may be requested by the Client Company and which the Service Company concludes it is equipped to perform. In supplying such services, the Service Company may arrange, where it deems appropriate, for the services of such experts, consultants, advisors and other persons with necessary qualifications as required for or pertinent to the provision of such services.

Section 2.2 The Client Company shall take from the Service Company such of the services described in Section 2.1 and such additional general or special services, whether or not now contemplated, as are requested from time to time by the Client Company and which the Service Company concludes it is equipped to perform.

Section 2.3 The services described herein shall be directly assigned, distributed or allocated by activity, project, program, work order or other appropriate basis. The Client Company shall have the right from time to time to amend, alter or rescind any activity, project, program or work order provided that (i) any such amendment or alteration which results in a material change in the scope of services to be performed or the equipment to be provided is agreed to by the Service Company, (ii) the cost for the services covered by the activity, project, program or work order shall include any additional expense incurred by the Service Company as a direct result of such amendment, alteration or rescission of an activity, project, program or work order, and (iii) no amendment, alteration or rescission of an activity, project, program or work order shall release the Client Company from liability for all costs already incurred by the Service Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

Section 2.4 The provision of services by Service Company pursuant to this Agreement shall in all cases and notwithstanding anything herein contained to the contrary be subject to any limitations contained in authorizations, rules or regulations of those governmental agencies, if any, having jurisdiction over Service Company, Client Company or such provision of services, including the New Hampshire Public Utilities Commission affiliate transaction rules described in NH PUC 2100 Affiliate Transaction Rules, the Massachusetts Department of Telecommunications and Energy affiliate transaction rules described in MA 220 CMR 12.00 Standards of Conduct for Distribution Companies and their Affiliates, and the Maine Public Utility Commission's Utility Requirements for Non-Core Activities and Transactions Between Affiliates, in Code of Maine Rules 65-407-820.

ARTICLE 3 - DESCRIPTION OF SERVICES

The services which may be provided by Service Company hereunder shall include the following:

1. **Administrative Services.** Provide services and assistance relating to the administration of personnel policies, benefit and pension plans, employee relations, risk management, claims administration, insurance administration and facility support and

other human resource services. Provide security and facilities management services. Provide administrative, clerical and secretarial support and other services.

2. Financial and Corporate Services. Provide services and advice in the areas of financings, financial forecasting and budgeting, cash management, internal auditing, banking relations, investor relations, and corporate, shareholder services and employee communications. Provide executive management services and advice in connection with the overall management of various phases of business operations. Advise and assist Client Company in matters involving the preparation and development of construction and operating budgets, cash and cost forecasts, and budgetary controls.

2. Accounting and Tax Services. Provide services, assistance and advice in connection with the installation and operation of accounting systems and similar special projects. Perform duties in conformity with the requirements of regulatory bodies and the U.S. Treasury with respect to accounting and tax compliance, and internal and external audits. Prepare and analyze financial and operating reports and other statistical matters relating to users of Client Company's financial information. Prepare annual and interim reports to shareholders, regulatory bodies, rating agencies, prospective investors and others. Provide accounts payable accounting services and process payments to vendors. Provide asset and project accounting services and make available fixed asset and utility plant and property accounting systems, and perform other accounting, tax and financial duties as requested by Client Company.

3. Regulatory Services. Provide services and advice on overall relations with regulatory agencies, including the preparation of regulatory filings, petitions and applications on matters relating to revenue requirements, rate design, sales and load forecasting, demand-side management programs and integrated resource planning.

4. Legal. Provide services and advice relating to regulatory filings and other regulatory matters and financings, financial reporting, shareholder meetings, power contracting, real estate leasing and other legal matters.

5. Technology Systems and Data Management. Provide services, advice and solutions management in the areas of technology systems and data base development. Provide advice and assistance on procedures, electronic data processing, telecommunications, web based systems, mainframe computing, personal computers and

networks, customer billing and customer accounting. Provide local area network, wide area network and desktop technology services. Advise and assist Client Company in the formation of good operating practices and methods of procedure, the standardization of forms, the purchase, rental and use of mechanical and electronic data processing, computing and communications equipment, in conducting economic research and planning and in the development of special economic studies. Provide telecommunications services and support.

6. Engineering. Provide services, advice and assistance in areas relating to the planning and design of gas and electric transmission and distribution facilities. Provide electric distribution system engineering, gas distribution system engineering, Computer Aided Drafting services, and geographic information system services.

7. Operations. Provide services, advice and assistance relating to the construction and operation and maintenance of facilities required for the transmission and distribution of gas and electric energy products. Provide materials management and purchasing services. Provide environmental and safety services including oversight of concerns related to air, water, land and waste, as well as compliance with relevant regulations. Provide demand side management services and distribution business development services.

8. Energy Resources Management. Provide services and advice on matters relating to gas and electric energy supply, provision of these supplies through planning and acquisition and its production and operation. Provide contract and portfolio management services. Provide electricity and gas procurement services. Provide financial analysis and services and advice in the purchase and sale of bulk power, including the provision of energy trading, market analysis and power brokering services.

9. Customer Care Services. Provide complete customer care services including a customer information system and data base administration, customer service centers, meter reading and billing, credit and collections, customer communications, cash remittance processing, administrative and technical support, quality assurance and training and other customer billing services. Provide services and advice on matters relating to the methods and practices of customer relations.

10. Access to and Use of Facilities. Make available to Client Company and/or its customers access to, use of, or rights in all facilities, products, processes, techniques, computer hardware and software, telecommunications facilities, technical information, training aids and properties, intellectual property, vehicles, equipment, machines and other property, whether owned, leased, licensed or otherwise by Service Company.

11. Training. Provide services and assist Client Company in providing training to personnel of Client Company; develop and make available training procedures, materials and facilities, and provide instructors.

12. General. Provide services and advice in the areas of construction planning and supervision, design, management programs, quality assurance, licensing matters, research and development, purchasing, insurance, and communications systems and procedures.

13. Other Services. Render services, advice and assistance in connection with such other matters as Client Company may request and Service Company may be able to perform with respect to Client Company's business and operations.

ARTICLE 4 - PROVISION OF PERSONNEL

Where specifically requested by Client Company and with the consent of Service Company, which consent will not be unreasonably withheld, Service Company will lend its employees to Client Company. In that event, such loaned employees will be under the sole supervision and control of Client Company for such period or periods of time as are necessary to complete the work to be performed by such employees. Such employees may be withdrawn by Service Company from tasks assigned by Client Company only with the consent of Client Company, which consent will not be unreasonably withheld. Client Company will be responsible for the actions and activities of such employees while engaged in the performance of the work to the same degree as though such persons were employees of Client Company. However, as part of Services, Service Company during periods when such employees are loaned to Client Company will continue to provide to, and with respect to, such employees those same payroll, pension, savings, tax withholding, unemployment, bookkeeping, benefits and insurance and other personnel

support services then being utilized by Service Company in connection with compensating and benefiting such employees.

ARTICLE 5 - INTELLECTUAL PROPERTY

5A. As part of the Services, Service Company will make available to Client Company for use or for re-sale or licensing to Non-Affiliates all Intellectual Property heretofore or hereafter developed or obtained by Service Company without charge (except for the actual expenses incurred in making the same available, and except as otherwise provided in Article 8 below); provided, however, that such availability shall be dependent and subject to any contractual commitments of Service Company to Non-Affiliates, applicable laws and regulations, any affiliate conduct rules of regulatory bodies and the legal rights and entitlements of others.

5B. Should Client Company in the course of its business develop Intellectual Property, it will make such Intellectual Property available for utilization by Service Company without charge (except the actual expenses incurred by Client Company in connection with making such new Intellectual Property so available); provided, however, that such availability shall be dependent upon and subject to any contractual commitments of Client Company to Non-Affiliates, applicable laws and regulations, any affiliate conduct rules of regulatory bodies and the legal rights and entitlements of others.

ARTICLE 6 - COMPENSATION OF SERVICE COMPANY

As compensation for the services to be rendered hereunder, the Client Company shall pay to the Service Company all costs which reasonably can be identified and related to particular services performed by the Service Company for or on Client's behalf. Where more than one Client Company is involved in or has received benefits from a service performed, costs will be directly assigned, distributed or allocated, between or among such companies on a basis reasonably related to the service performed.

It is the intent of this Service Agreement that the payment for services rendered by the Service Company to the Client Companies under this Service Agreement shall cover all the costs of its doing business (less the cost of services provided to associated companies not a party to this Service Agreement and other non-associated companies),

including but not limited to, salaries and wages, office supplies and expenses, outside services employed, insurance, injuries and damages, employee benefits, miscellaneous general expenses, rents (including property leased from Client Companies for use by the Service Company), maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital.

The method of assignment, distribution or allocation of costs described below shall be subject to review annually, or more frequently if appropriate. Such method of assignment, distribution or allocation of costs may be modified or changed by the Service Company upon the express approval of the modification by each affected Client Company without the necessity of an amendment to this Service Agreement provided that in each instance, costs of all services rendered hereunder shall be fairly and equitably assigned, and notice of such change is provided to the Client Company.

Such Costs shall be determined in accordance with subparagraphs 6A, 6B, and 6C below.

6A. Direct Labor Cost. Direct Labor Costs shall be based on the wage rates of assigned employees and the actual number of hours devoted to providing the Service. Direct Labor Costs include certain indirect labor costs such as the costs of paid, excused absences, such as vacations, sick pay and holidays.

6B. Service Company Overhead. Service Company Overhead ("Overhead") shall be charged to the Client Company in direct proportion to Direct Labor costs charged during the month. Overhead costs shall include all employee fringe benefit costs and the general and administrative expenses of the Service Company. Employee fringe benefit costs include incentive compensation and health and welfare benefits such as pension costs, insurance benefits, payroll taxes, employee savings plan, and other employee related items. The Service company administrative and general expenses shall include building rent, leased equipment costs, insurance, depreciation and amortization, interest, taxes, utilities and all other reasonable and necessary expenses required to carry out its service functions.

6C. Direct Charges. Certain expenses incurred by the Service Company will be directly charged to the Client Company. These expenses include certain leased equipment expenses, actual travel and meals expenses of Service Company employees

incurred while performing services for the Client Company, and other expenses directly associated with any particular service provided to the Client Company. Leased equipment expenses include costs of specialized hardware and data management equipment acquired to support the services provided to the Client Company.

ARTICLE 7 - SERVICE COMPANY ACCOUNTING AND BILLING SYSTEM

The Service Company shall maintain a cost accounting system in accordance with the Uniform System of Accounts for Centralized Service Companies as prescribed by the Federal Energy Regulatory Commission (18 C.F.R. Part 367). The Service Company shall maintain a billing system to compile hours charged to the Client Company by Service Company employees and labor and overhead rates to be charged for Service Company services. The purpose of the Service Company Time and Billing System is to establish guidelines and procedures which provide uniform and consistent methods of billing for services rendered to the Client Company. The Service Company will direct charge or allocate costs to the Client Company as practical and appropriate. The Service Company accounting and billing systems shall be maintained in sufficient detail to enable the Client Company to review and audit the costs of services provided. Revenues and costs related to these billings will be recorded in the accounting records of the Service Company in accordance with Generally Accepted Accounting Principles ("GAAP") and Securities and Exchange Commission ("SEC") guidelines.

Section 7.1 Service Company Billing System - Time Charges.

Services will be performed in accordance with work orders or requests issued or made by or on behalf of Client Company and accepted by Service Company, and all Services will be assigned an applicable job order number ("JON") to enable specific work to be properly allocated by project or other appropriate basis. Each employee of the Service Company will track his or her hours worked to provide services to the Client Company and associate each of those hours with a JON for the service provided. Each employee will direct charge to specific client companies for services performed and, in the case of services provided to Service Company's regulated Utility client companies, an allocation factor may be used to apportion time charges fairly across the regulated utility client companies. JON's shall be as specific as practicable in defining the Services

requested to be performed. Employees may enter their time into the billing system throughout the month. Service Company employees are given five working days notice, prior to the end of the month, to completely enter their time on the computer system by the last day of the month. After all time is entered, an edit listing is created and employee counts, hours, total wages, and holiday hours are verified. Reports of wages by job order number, wages by employee, individual company bills, m-t-d and y-t-d employee statistics are all reconciled.

Section 7.2 Service Company Billing System – Direct Labor. The rate for direct labor of Service Company personnel is determined by dividing the employee's wages for the month by the straight time and overtime hours for the month. The direct labor rate is then multiplied by the number of hours charged to each JON for each client company.

Section 7.3 Service Company Billing System - Indirect labor. The indirect labor rate of the Service Company includes: 1) the cost of time of Service Company employees that is charged each month to a JON for compensated absences like vacation, sick and holiday time, etc. and 2) the cost of any time charged directly to the Service Company for general and administrative purposes. The cost of Service Company indirect labor each month is spread over the entire amount of direct labor charged in that month. An illustrative diagram of the Service Company's time and billing calculation/compilation process is shown on Exhibit 1.

Section 7.4 Service Company Billing System - Overhead. The Service Company shall apply an overhead rate to labor charges each month sufficient to recover its costs, beyond direct and indirect labor costs, of providing services. Overhead costs represent the Service Company's General and Administrative expenses, and are allocated based on a monthly overhead rate applied against direct time charges. Overhead costs include pension costs, insurance, payroll taxes, employee savings plan, incentive compensation and similar payroll and benefit items. Administrative and general expenses are those administrative and operating expenses incurred by the Service Company in providing services to associated companies which cannot be identified with or directly charged to a specific project or job.

The Service Company overhead rate is added to each hour of services rendered by Service Company for its client companies (*e.g.*, the hourly rate for Service Company employee charges is based on an individual's actual salary plus overhead rate.) The overhead rate for Service Company is determined in order to create a "break-even" for Service Company. Thereby, Service Company recovers its cost and earns no profit on services provided under this Agreement. The overhead rate charged by Service Company is the same rate to each Client Company in a given month. However, the amount that is actually charged to each Client Company will vary as the number of direct labor hours charged varies between companies and in different months.

By operation, the Service Company's overhead rate is estimated in advance using the Service Company's budget for the next year. From the annual budget, which shows all of the Service Company's projected wage and overhead expenses, Service Company establishes an overhead rate which is projected to recover its costs. Each month, the actual costs are tracked, and the overhead rate is adjusted, to minimize (and ideally eliminate) all overages and underages in the Service Company's recovery of its costs. From the accounting vantage point, an entry is made to the Service Company P&L accounts which makes revenues and expenses break even. On the other side of the Balance Sheet for Service Company, an entry is made for an "administrative transfer credit" which can be a receivable or a payable. Each month, the overhead rate is adjusted in an attempt to zero out the administrative transfer credit by the end of the billing period.

Section 7.5 Service Company Billing System - Direct Charges. Certain expenses incurred by the Service Company will be directly charged to the Client Company. These expenses include certain leased equipment expenses, actual travel and meals expenses of Service Company employees incurred while performing services for the Client Company, and other expenses directly associated with any particular service provided to the Client Company. Leased equipment expenses include costs of specialized hardware and data management equipment acquired to support the services provided to the Client Company. Direct Charges can either be specifically identified as attributable to a service provided for a certain Client Company or allocated based upon an allocation factor which supports the relationship of the cost incurred to all the Client Companies.

Section 7.6 Service Company Billing System - Monthly Invoice. The Service Company shall render a monthly statement to the Client Company that shall reflect the billing information necessary to identify the costs charged for that month. Billing packages are prepared for each client that include the Service Bill, Job Order Summary and Summary of Direct Charges (with supporting documentation), costs to be capitalized, and copies of relevant Employees Expense Reimbursement forms. Approvals are obtained, and the invoices are submitted to Accounts Payable for payment. By the end of the month following invoicing, the Client Company shall remit payment to the Service Company for all charges billed to it. Monthly charges may be billed on an estimated basis, but adjustments will be made within ninety (90) days to assure that billings are accurate and complete.

For the recovery of the cost of funds advanced for Services provided, Client Company will be charged a cost of funds based on the actual time period from billing date of such costs to date of receipt of payment from Client Company. The cost of funds shall be the annual rate associated with the costs to Service Company of its most recent short-term borrowings. The costs of funds factor shall be applied to each monthly billing to Client Company after receipt of payment by Service Company; provided, however, that the last monthly billing to Client Company for a project shall include a cost of funds amount based on an assumed thirty (30) day time period.

ARTICLE 8 - LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 8.1 In performing the Services hereunder, except to the extent such services are being performed by employees loaned to and under the supervision of Client Company, Service Company will exercise due care to assure that the Services are performed in a workmanlike manner, meet the standards and specifications set forth in the applicable Service Request with respect to such Services, and comply with applicable standards of law and regulation. However, failure to meet these obligations shall in no event subject Service Company to any claims or liabilities other than to complete the services requested such that the work fully complies with the applicable Service Request. Service Company makes no other warranty with respect to its performance of the

Services, and Client Company agrees to accept such Services without further warranty of any nature.

Section 8.2 The Client Company shall and does hereby indemnify and agree to hold harmless and defend Service Company for the payment of any sum or sums of money on account of, or resulting from, claims or suits growing out of (i) injuries to or the death of any person, (ii) damage to or loss of any property, and/or (iii) other damages, in any way attributable to or arising out of the performance and prosecution of any project or work performed by or on behalf of Client Company for Non-Affiliates whether or not the same results or allegedly results from the claimed or actual negligence or breach of warranty of, or willful conduct by, Client Company or of its employees, agents or subcontractors or any combination thereof.

Section 8.3 Client Company shall and does hereby indemnify and agree to hold harmless and defend Service Company (a) from any and all liens, garnishments, attachments, claims, suits, costs, attorneys' fees, cost of investigation and of defense resulting from, incurred in connection with, or relating to any such claims, (b) from the payment of any such sum or sums of money, and (c) from the payment of any penalties, fines, damages, suits or claims (and any liens or attachments asserted in connection therewith) arising out of (i) any alleged or actual violation of law, court order, or governmental agency rule or regulation committed by or existing with respect to Client Company or its employees, agents or subcontractors (except Service Company when not performing Services hereunder), (ii) any alleged or actual breaches of contract by Client Company, (iii) any claims made by or for account of any employee, agent or subcontractor (except Service Company when not performing Services hereunder or an employee or agent of Service Company where such claim does not arise specifically in connection with the performance of Services hereunder) of Client Company, or for (iv) service or labor performed, materials, provisions or supplies furnished or room and board which have been purchased or allegedly contracted for by or on behalf of Client Company, its employees, agents or subcontractors (except Service Company when not performing services hereunder).

Section 8.4 Service Company shall within five business days after it receives notice of any claims, actions, damages or liability against which it will expect to be

indemnified pursuant to Article 5.1 notify Client Company of such claims, actions, damages or liabilities. Thereafter, Client Company may at its own expense, upon notice to Service Company, defend or participate in the defense of such action or claim or any negotiation for settlement of such action or claim, provided that unless Client Company proceeds promptly and in good faith to pay or defend such action or claim, then Service Company shall have the right (but not the obligation), in good faith, upon ten days notice to Client Company, to pay, settle, compromise or proceed to defend any such action or claim without the further participation by Client Company. Client Company will immediately pay (or reimburse Service Company, as the case may be) any payments, settlements, compromises, judgments, costs or expenses made or incurred by Service Company in or resulting from the pursuit by Service Company of such right. If any judgment is rendered against Service Company in any such action defended by Client Company or from which Service Company is otherwise entitled to indemnification under Section 5.1 or any lien attaches to the assets of Service Company in connection therewith, Client Company immediately upon such entry or attachment shall pay the judgment in full or discharge any such lien unless, at its expense and direction, appeal shall be taken under which the execution of the judgment or satisfaction of the lien is stayed. If and when a final judgment is rendered against Service Company for which no appeal can be brought in any such action, Client Company shall forthwith pay such judgment or discharge such lien prior to the time that Service Company would be legally held to do so.

Section 8.5 Client Company shall maintain at all times adequate levels of insurance to discharge financially its obligations under this Section 5.

ARTICLE 9 - CONFIDENTIALITY AND RECORDKEEPING

Section 9.1 Except as otherwise expressly provided in this Agreement, Service Company and Client Company each agrees that (a) all information communicated to it by the other and identified as confidential, whether before or after the date hereof, (b) all information identified as confidential to which it has access in connection with provision of the Services, whether before or after the date hereof, and (c) this Agreement and the parties' rights and obligations hereunder, will be and will be deemed to have been

received in confidence and will be used only for purposes of this Agreement, and each of Service Company and Client Company agrees to use the same means as it uses to protect its own confidential information, but in no event less than reasonable means, to prevent the disclosure and to protect the confidentiality thereof. No such information will be disclosed by the recipient party without the prior written consent of the other party; provided, however, that each party may disclose this Agreement and the other party's confidential information to those of the recipient party's attorneys, auditors, insurers (if applicable), subcontractors and full time employees who have a need to have access to such information in connection with their employment (or engagement, if applicable) by the recipient party, so long as the recipient party requires, in the case of its attorneys, auditors and insurers, that each of them execute a confidentiality agreement containing terms and conditions no less restrictive than those set forth in this Section 6 and advises, in the case of its subcontractors, agents and employees, each such subcontractor, agent and employee of the confidentiality obligations set forth in this Section 6. In any event, compliance by each of the persons referenced in the preceding sentence with the confidentiality obligations set forth in this Section 6 will remain the responsibility of the party employing or engaging such persons.

Section 9.2 The foregoing will not prevent either party from disclosing information that belongs to such party or (i) is already known by the recipient party without an obligation of confidentiality other than under this Agreement, (ii) is publicly known or becomes publicly known through no unauthorized act of the recipient party, (iii) is rightfully received from a third party, (iv) is independently developed without use of the other party's confidential information or (v) is disclosed without similar restrictions to a third party by the party owning the confidential information. If confidential information is required to be disclosed pursuant to a requirement of a governmental authority, such confidential information may be disclosed pursuant to such requirement so long as the party required to disclose the confidential information, to the extent possible, provides the other party with timely prior notice of such requirement and coordinates with such other party in an effort to limit the nature and scope of such required disclosure, provided, however, that, in the event of a tax audit, (A) notice of a disclosure requirement in connection therewith will not be given prior to the

commencement of the audit, and (B) the parties will use commercially reasonable efforts to ensure that any confidential information that is subject to a valid request for delivery of a copy of such information (including a copy of this Agreement) to the taxing authority is not subject to further disclosure by it (such as by marking such information as a trade secret). Upon written request of the disclosing party at the expiration or termination of this Agreement for any reason, all documented confidential information (and all copies thereof) of the disclosing party will be returned to the disclosing party or will be destroyed, with written certification thereof being given to the disclosing party. The provisions of this Section 6 shall survive the expiration or termination of this Agreement for any reason.

Section 9.3. All accounts and records of Service Company shall be kept in accordance with the Uniform System of Accounts for Centralized Service Companies (18 C.F.R. part 367), in effect from and after the date hereof.

Section 9.4. Service Company shall permit Client Company access to its accounts and records, including the basis and computation of allocations.

Section 9.5. This Service Agreement and any amendments hereto shall not be effective until any necessary regulatory approvals have been obtained.

ARTICLE 10 - OTHER AGREEMENTS

From time to time, should Client Company find it necessary or desirable either to enter into agreements covering services of the type contemplated by this Agreement to be provided by parties other than Service Company or to enter into other agreements covering functions to be performed by Service Company hereunder, nothing in this Agreement shall be deemed to limit in any way the right of Client Company to acquire such services from others or to enter into such other agreements.

ARTICLE 11 - TERM AND TERMINATION

This Agreement shall be in full force and effect from and after the date it is executed by the parties hereto, except as otherwise provided in this Agreement. Upon becoming effective as aforesaid, this Agreement shall continue in full force and effect, except as otherwise provided in this Agreement, unless notice in writing shall be given by

either party hereto to the other of its termination 365 days prior to the end of the current term.

ARTICLE 12 - MISCELLANEOUS

Section 12.1. This Agreement shall be binding upon the successors and assigns of the parties hereto, provided that Service Company shall not be entitled to assign or subcontract out any of its obligations under this Agreement or under any Service Request issued hereunder without the prior written approval of Client Company.

Section 12.2. This Agreement may not be modified or amended in any respect except in writing executed by the parties hereto.

Section 12.3. This Agreement shall be construed and enforced under and in accordance with the laws of the state of New Hampshire.

Section 12.4. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and both of which, when taken together, shall be deemed to be one and the same instrument.

Section 12.5. No provision of this Agreement shall be deemed waived nor a breach of this Agreement consented to unless such waiver or consent is set forth in writing and executed by the party hereto making such waiver or consent.

Section 12.6. A party shall be excused from performance hereunder caused by reasons beyond such party's reasonable control, provided such party immediately notifies the other of the reason for the delay and the anticipated effect. Performance shall be delayed no longer than the period of force majeure.

Section 12.7. Any notices pursuant to this Agreement shall be in writing and shall be sent to the parties at the following address or at such other addresses as shall be specified by the parties by like notice:

<u>If to Service Company:</u>	<u>If to Client Company:</u>
Unitil Service Corp.	Northern Utilities, Inc.
<u>6 Liberty Lane West, Hampton, NH 03842</u>	<u>6 Liberty Lane West, Hampton, NH 03842</u>
<u>Attn: Corporate Secretary</u>	<u>Attn: Corporate Secretary</u>

Such notices or other communications shall be deemed to have been duly given and received (i) on the day of sending if sent by personal delivery, cable, telegram, facsimile transmission or telex, (ii) on the next business day after the day of sending if sent by Federal Express or other similar express delivery service, or (iii) on the fifth calendar day after the day of sending if sent by registered or certified mail (return receipt requested).

Section 12.8. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to a party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the covenants and agreements contemplated hereunder may be fulfilled to the fullest extent possible.

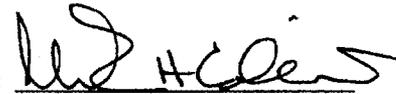
Section 12.9. This Agreement and its Exhibits and Schedules and the Service Requests contemplated hereby constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, each of the parties hereto has caused this agreement to be executed in its corporate name by its President or one of its Vice Presidents and corporate seal to be hereunto affixed and attested by its Secretary, Clerk or Secretary of the Board of Directors as of the day and year first above written.

Attest:


Secretary

UNITIL Service Corp.

By: 
President

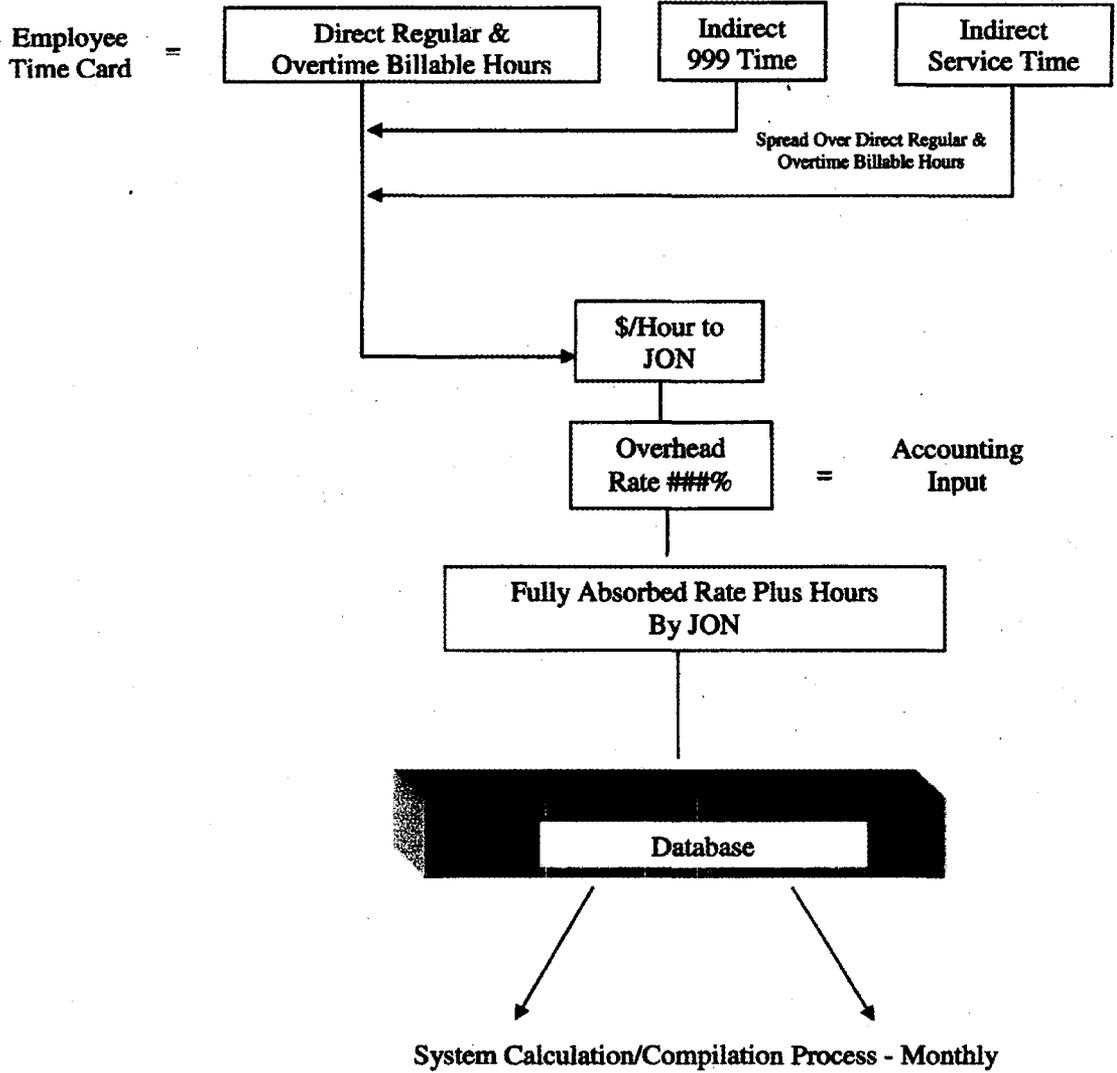
Attest:


Secretary

Northern Utilities, Inc.

By: 
President

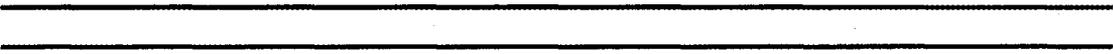
Exhibit 1
USC Time Billing System





Amended and Restated
Cash Pooling and Loan Agreement

Dated as of December 1, 2008



This Amended and Restated Cash Pooling and Loan Agreement ("Cash Pooling Agreement") is dated as of December 1, 2008.

WHEREAS, Unitil Corporation, a New Hampshire corporation ("Unitil"), Unitil Energy Services, Inc., a New Hampshire corporation ("UES"), Fitchburg Gas and Electric Light Company, d/b/a Unitil, a Massachusetts corporation ("FG&E"), Unitil Power Corp., a New Hampshire corporation ("UPC"), Unitil Realty Corp., a New Hampshire corporation ("Unitil Realty"), Unitil Resources, Inc., a New Hampshire corporation ("URI"), and Unitil Service Corp., a New Hampshire corporation ("Service Corp."), are parties to a Cash Pooling and Loan Agreement dated as of February 1, 1985, which has been amended five times by amendments dated December 15, 1986, April 29, 1992, June 1, 1993, December 2, 2002, and August 12, 2005;

WHEREAS, effective December 1, 2008, Unitil acquired Northern Utilities, Inc., a New Hampshire corporation ("Northern"), and Granite State Gas Transmission, Inc. a New Hampshire corporation ("Granite"); and

WHEREAS, Unitil, UES, FGE, UPC, Unitil Realty, URI, Service Corp., Northern and Granite are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties,"

NOW, THEREFORE in consideration of the foregoing, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency is hereby acknowledged by each Party to the others, the Parties hereto agree as follows:

Section 1. Certain Defined Terms. As used in this Cash Pooling Agreement and unless otherwise expressly indicated herein, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means an advance from the Cash Pool pursuant to Section 3 hereof and refers to a Bank Advance or a Surplus Advance.

"Bank Advance" means an Advance of Bank Borrowings.

"Bank Borrowings" means bank borrowings made by Unitil and contributed to the Cash Pool.

"Business Day" means a day of the year on which banks are not required or authorized to close in Boston, Massachusetts.

"Cash Pool" means the pool of cash, comprising Surplus Funds and Bank Borrowings, from which Advances are made.

"Surplus Advance" means an Advance of Surplus Funds.

"Surplus Funds" means surplus funds contributed to the Cash Pool by the Parties.

Section 2. Contributions to the Cash Pool. Funds contributed to the Cash Pool will be deposited in one or more common bank deposit accounts established and maintained for the Cash Pool. Each Party shall have an independent withdrawal authority with respect to the funds which it has contributed to the Cash Pool and any earnings attributable to such funds which are not funding an outstanding Advance.

Section 3. Advances. (a) Each Party, except Unitil, may request Advances from the Cash Pool from time to time during the period from the date hereof until this Cash Pooling Agreement is terminated by written agreement of the Parties; provided, however, that the aggregate amount of all Advances to be requested by any Party hereunder shall not exceed the applicable borrowing limits, if any, established by such Party's Board of Directors and any regulatory authority having jurisdiction over such Party or established pursuant to any agreement binding upon such Party.

(b) To the extent possible, Advances will be made first from Surplus Funds and second from Bank Borrowings.

(c) Surplus Advances will be made on a pro rata basis from the Surplus Funds contributed to the Cash Pool by each Party in the proportion which each Party's Surplus Funds in the Cash Pool bear to the total amount of Surplus Funds in the Cash Pool.

Section 4. Interest on Advances. (a) Each Party receiving an Advance shall pay interest on the unpaid principal amount of such Advance to the Cash Pool from the date of such Advance until such principal amount shall be paid in full. The interest rate applicable on any day to Surplus Advances shall be the daily rate of interest applicable to loans to Unitil by the bank designated from time to time by Unitil as its "lead bank". The interest rate applicable on any day to Bank Advances shall be calculated to produce an aggregate interest charge on all such Bank Advances, at a rate which shall be uniform for all such Bank Advances, equal to the net cost to Unitil of the Bank Borrowings used to fund such Bank Advances on such day.

(b) The benefits, and/or costs and fees, of any hedging instrument(s) entered into by a lending Party with respect to funds contributed to the Cash Pool hereunder will be passed through to each Party borrowing those funds through the Cash Pool as part of, and pursuant to the same allocation method as, interest charges calculated hereunder. Therefore, on a monthly basis, the income and/or costs and fees of the hedging instrument(s) shall be allocated to each Party on a pro rata basis in the proportion which each Party's aggregate principal amount of Advances during the calendar month bore to the aggregate principal amount of all Advances for such calendar month.

Section 5. Repayment of Advances. Each Party receiving an Advance shall repay the principal amount of such Advance to the Cash Pool, together with all interest accrued thereon, within 365 days of the date on which such Advance was made, unless such day on which payment is due is not a Business Day, in which case such payment shall be made on the preceding Business Day.

Section 6. Bank Fees. During the first year of this Cash Pooling Agreement the costs of compensating balances, commitment fees and fees paid to banks to maintain bank accounts and

credit lines for purposes of Bank Advances shall be allocated provisionally among the Parties at the discretion of Service Corp. In each year thereafter such costs and fees shall be allocated provisionally to each Party on a pro rata basis in the proportion which each Party's aggregate principal amount of Advances for the prior calendar year bore to the aggregate principal amount of all Advances for such prior calendar year. Such costs and fees shall be retroactively reallocated at the end of each calendar year on a pro rata basis in the proportion which each Party's aggregate principal amount of Advances for such calendar year bore to the aggregate principal amount of all Advances for such calendar year.

Section 7. Event of Default. If any Party shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any Party seeking to adjudicate it a bankrupt or insolvent, then the other parties may declare the unpaid principal amount of any Advances to such party, and all interest thereon, to be forthwith due and payable and all such amounts shall forthwith become due and payable.

Section 8. Amendments, Waivers. This Cash Pooling Agreement may not be modified or amended in any respect except in writing executed by the Parties. No provision of this Cash Pooling Agreement shall be deemed waived unless such waiver is set forth in writing and executed by the Party making such waiver.

Section 9. Legal Responsibility. Nothing herein contained shall render any Party liable for the obligations of any other Party hereunder and the rights, obligations and liabilities of the Parties are several in accordance with their respective obligations, and not joint.

Section 10. Records and Administration. Service Corp. shall be responsible for the administration of this Cash Pooling Agreement and for ensuring that all relationships and arrangements between the Parties hereunder are in compliance with the authorization and any applicable limitations of Report and Supplemental Order No. 17,373 and Order No. 18,416 of the NHPUC and such other order(s) which have or will be issued by the appropriate regulatory authorities having jurisdiction. Service Corp. shall further be responsible for the determination of all applicable interest rates and charges to be applied to Advances outstanding at any time hereunder, shall maintain records of all Advances, interest charges and accruals and interest and principal payments for purposes hereof, and shall prepare regular reports thereof for the Parties.

Section 11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Hampshire.

IN WITNESS WHEREOF, the parties have caused this Cash Pooling Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

UNITIL CORPORATION

By: [Signature]
Name: George R. Grant, Senior Vice President

By: [Signature]
Name: Mark H. Collin, Sr. Vice President,
Chief Financial Officer & Treasurer

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY, d/b/a UNITIL

By: [Signature]
Name: George R. Grant, Senior Vice President

By: [Signature]
Name: Mark H. Collin, Treasurer

UNITIL ENERGY SYSTEMS, INC.

By: [Signature]
Name: George R. Grant,
Senior Vice President

By: [Signature]
Name: Mark H. Collin, Treasurer

UNITIL POWER CORP.

By: [Signature]
Name: Laurence M. Brock, Controller

By: [Signature]
Name: Mark H. Collin, President & Treasurer

UNITIL REALTY CORP.

By: George E. Long, Jr.

Name: GEORGE E. LONG, JR., PRESIDENT

By: Mark H. Collin

Name: MARK H. COLLIN, Sr. Vice President & Treasurer

UNITIL RESOURCES, INC

By: Todd R. Black

Name: Todd R. Black, President

By: George E. Long, Jr.

Name: GEORGE E. LONG, JR., VP + SECRETARY

UNITIL SERVICE CORP.

By: Mark H. Collin

Name: Mark H. Collin, President & Treasurer

By: Laurence M. Brock

Name: Laurence M. Brock, Vice President & Controller

NORTHERN UTILITIES, INC.

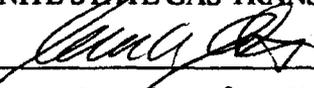
By: Mark H. Collin

Name: Mark H. Collin, Treasurer

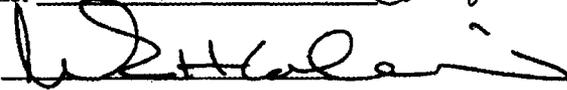
By: George R. Ganto

Name: George R. Ganto, Senior Counsel

GRANITE STATE GAS TRANSMISSION, INC.

By: 

Name: George R. Bantz

By: 

Name: Mark H. Collin, Treasurer

09-006-FT-NN

GAS TRANSPORTATION CONTRACT
(For Use Under FT-NN Rate Schedule)

THIS AGREEMENT is made and entered into as of the 7th day of October, 2009, by and between GRANITE STATE GAS TRANSMISSION, INC., a New Hampshire Corporation, hereinafter referred to as "Granite State" or "Transporter" and NORTHERN UTILITIES, INC., hereinafter referred to as "Shipper." Granite State and Shipper shall collectively be referred to herein as the "Parties." The service provided hereunder shall be on behalf of the Company or Companies listed on Exhibit A hereto.

WITNESSETH:

That in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I
DEFINITIONS

1.1 **TRANSPORTATION QUANTITY** - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport or arranges to be received and transported, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be 100,000 dekatherms. Any limitations of the quantities to be received at each Receipt Point and/or delivered to each Delivery Point shall be as specified on Exhibits B and C attached hereto.

1.2 **UPSTREAM TRANSPORTATION AGREEMENTS** - shall mean those Gas Transportation Agreements with third party pipelines, which provide for the receipt, transportation and delivery of Shipper's gas at the Receipt Point(s). Each third party pipeline is hereinafter referred to individually as "Upstream Transporter" and collectively as "Upstream Transportation."

1.3 **EQUIVALENT QUANTITY** - shall mean the quantities of gas delivered hereunder at the Receipt Point(s) for transportation less, where applicable, quantities of gas for Granite State's system fuel and use requirements and gas lost and unaccounted for associated with this transportation service.

ARTICLE II
SCOPE OF AGREEMENT

2.1 **Transportation Service** - Subject to Section 2.2 below, Granite State agrees to accept and receive or arranges to be accepted and received, daily, on a firm basis, in accordance with Rate Schedule FT-NN, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity.

Granite State agrees to transport and deliver or arranges for the transportation and delivery to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause

acceptance of delivery of the quantity received by Transporter or for Transporter's account, on any day, less any applicable Fuel Reimbursement Quantities; provided, however, Transporter shall not be obligated to deliver or arrange to be delivered at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

2.2 Any obligation on Granite State's part to receive or arrange to receive, transport and deliver gas to the Delivery Point(s) for Shipper's account on a daily basis is subject to the following:

(a) Execution by Shipper of the necessary Upstream Transportation Agreements;

(b) Shipper causing the Upstream Transporter(s) to receive quantities of gas at the applicable upstream Delivery Point upon Granite State's request and to deliver quantities of gas to Granite State for Shipper's account at the applicable upstream Receipt Point.

ARTICLE III RECEIPT AND DELIVERY POINTS

3.1 The Receipt Point(s) and Delivery Point(s) shall be those point(s) specified on Exhibits B and C attached hereto.

3.2 Shipper may supplement Receipt Point(s) and/or Delivery Point(s) provided by this Contract by submitting to Transporter a Transportation Service Request Form. Such request form, after having been fully processed and accepted by Transporter shall be deemed to have the full force and effect of a written contract and shall qualify as a supplementary written consent pursuant to Paragraph 15.3 of this Contract. Priority of transportation service to such additional Receipt and/or Delivery Point(s) shall be determined pursuant to Article 26 of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IV

All Facilities are in place to render the service provided for in this Agreement, or if facilities are to be constructed, a brief description of the facilities will be included, as well as who is to construct, own and/or operate such facilities.

ARTICLE V RECEIPT AND DELIVERY PRESSURES

Shipper shall deliver or cause to be delivered to Granite State the gas to be transported hereunder at pressures sufficient to deliver such gas into Granite State's system at the Receipt Point(s), and where applicable at the Upstream Pipeline's Receipt Point(s). Granite State shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Granite State's system at the Delivery Point(s) or, where applicable, at the pressures existing in the Upstream Pipeline's system at the Delivery Point(s).

ARTICLE VI

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Granite State's Federal Energy Regulatory Commission (FERC) Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Granite State, then responsibility for operations shall be deemed to be Shipper's. Any exceptions to this Article shall be specified on Exhibit(s) N/A attached hereto.

ARTICLE VII

RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE

7.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas by Granite State from Shipper, the compensation to be paid by Shipper to Granite State for the transportation service provided herein shall be in accordance with Section 5 of Granite State's Rate Schedule FT-NN.

7.2 SYSTEM FUEL AND LOSSES - Shipper agrees to provide Granite State any applicable fuel and losses associated with the transportation service provided herein in accordance with Section 6 of Granite State's Rate Schedule FT-NN.

7.3 NEW FACILITIES CHARGE - N/A

7.4 INCIDENTAL CHARGES - Shipper agrees to reimburse Granite State for any filing or similar fees, which have not been previously paid by Shipper, which Granite State incurs in rendering service hereunder.

7.5 CHANGES IN RATES AND CHARGES - Granite State shall have the unilateral right to file and make effective changes in the rates and charges stated in this Article, the rates and charges applicable to service pursuant to Granite State's Rate Schedule FT-NN, the rate schedule pursuant to which this service is rendered and/or any provisions of the General Terms and Conditions of Granite State's FERC Gas Tariff applicable to this service. Without prejudice to Shipper's right to contest such changes, Shipper agrees to pay the effective rates and charges for service rendered pursuant to this Contract.

ARTICLE VIII

BILLINGS AND PAYMENTS

Granite State shall bill and Shipper shall pay all rates and charges in accordance with Article 5 and 6, respectively, of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IX
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Granite State's Rate Schedule FT-NN and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule and General Terms and Conditions are incorporated herein by reference and made a part hereof for all purposes.

ARTICLE X
REGULATION

This contract shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorization upon terms acceptable to Granite State. This contract shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations.

ARTICLE XI
RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE XII
TERM

12.1 This Contract shall become effective as of November 1, 2009, and shall remain in force and effect until October 31, 2010, and from N/A to N/A 1/ thereafter, unless cancelled by either Party upon one year's written notice; provided however, if the term of the Contract is less than one year, either party may terminate this Contract by providing written notice of its election at the commencement of the primary term or any secondary term of this Contract. To the extent pregranted abandonment authorization under the FERC's regulations applies, Granite State will seek abandonment authorization from the FERC prior to exercising its unilateral right to terminate the Contract following the expiration of the primary term. 2/

12.2 Any portion of this Contract necessary to correct or cashout imbalances under this Contract as required by the General Terms and Conditions of Granite State's FERC Gas Tariff, shall survive the other parts of this Contract until such time as such balancing has been accomplished.

1/ The evergreen period shall be the lesser of the original term of the Contract, or one year.

2/ Applicable to agreements with deliveries at a Customer's traditional delivery points under its firm sales service, which have a primary term equal or greater than one year.

ARTICLE XII
TERM (continued)

12.3 This Contract will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder when that amount is due, provided Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service may continue hereunder if within the thirty day notice period satisfactory assurance of payment is made in accord with the terms and conditions of Article 6 of the General Terms and Conditions of Granite State's Tariff.

ARTICLE XIII
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Contract, any notice under this Contract shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

Transporter: Granite State Gas Transmission, Inc.
Attention: Joe Conneely- Regulatory Services
6 Liberty Lane West
Hampton, New Hampshire 03842

Shipper: Northern Utilities, Inc.
Attention: Robert Furino- Director, Energy Contracts
6 Liberty Lane West
Hampton, New Hampshire 03842

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV
ASSIGNMENTS

14.1 Either Party may assign or pledge this Contract and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, no Party shall assign this Contract or any of its rights hereunder unless it shall first have obtained the written consent of the other, which consent shall not be unreasonably withheld.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Contract.

ARTICLE XV
MISCELLANEOUS

15.1 This Contract shall be interpreted under the laws of the State of New Hampshire.

15.2 If any provision of this Contract is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Contract shall remain in full force and effect.

15.3 No modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of supplementary written consent.

15.4 Exhibits A, B, and C attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

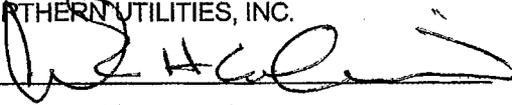
IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed in several counterparts as of the date first herein above written.

GRANITE STATE GAS TRANSMISSION, INC.

By: 
Thomas Meissner, Senior Vice President

Accepted and Agreed to this 7th Day of October, 2009.

NORTHERN UTILITIES, INC.

By: 
TREASURER

**Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)**

Exhibit "A"

**To Gas Transportation Contract
Dated October 7, 2009
Between
Granite State Gas Transmission, Inc.
And
Northern Utilities, Inc.**

On Behalf of Parties

Contract No. 09-006-FT-NN
MDQ: 100,000 Dekatherms

Company Name

Northern Utilities, Inc.

**Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)**

Exhibit "B"

**To Gas Transportation Contract
Dated October 7, 2009
Between
Granite State Gas Transmission, Inc.
And
Northern Utilities, Inc.**

Receipt Points

Contract No. 09-006-FT-NN
MDQ: 100,000 Dekatherms

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>County/Town</u>	<u>ST</u>	<u>Meter TQ</u>
020206	Pleasant St.	Tennessee Gas Pipeline	Essex/Haverill	MA	30,000
020900	Newington, NH	Joint Facilities	Rockingham/Newington	NH	20,000
050600	Westbrook, ME	Joint Facilities	Cumberland/Westbrook	ME	50,000

**Gas Transportation Contract
 (For Use Under Rate Schedule FT-NN)**

Exhibit "C"

**To Gas Transportation Contract
 Dated October 7, 2009
 Between
 Granite State Gas Transmission, Inc.
 And
 Northern Utilities, Inc.**

Delivery Points

Contract No. 09-006-FT-NN
 MDQ: 100,000 Dekatherms

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>County/Town</u>	<u>ST</u>	<u>Meter TQ</u>
082301	Pratt & Whitney	Granite State Gas Transmission, Inc.	York/No. Berwick	ME	200
062501	Wells Station	Granite State Gas Transmission, Inc.	York/Wells	ME	100
082701	Kennebunk Twine Mill	Granite State Gas Transmission, Inc.	York/Kennebunk	ME	100
082002	Biddeford Indus'l Park	Granite State Gas Transmission, Inc.	York/Biddeford	ME	2,800
082003	Biddeford-RR Ave	Granite State Gas Transmission, Inc.	York/Biddeford	ME	1,200
082802	Saco - Moody St.	Granite State Gas Transmission, Inc.	York/Saco	ME	100
	Saco - North St	Granite State Gas Transmission, Inc.	York/Saco	ME	300
081602	Scarborough Indus'l Park	Granite State Gas Transmission, Inc.	Cumberland/Scarborough	ME	300
081601	Roundwood Station	Granite State Gas Transmission, Inc.	Cumberland/Scarborough	ME	500
081201	Southborough Station	Granite State Gas Transmission, Inc.	Cumberland/So. Portland	ME	100
081202	Payne Road Gate	Granite State Gas Transmission, Inc.	Cumberland/So. Portland	ME	21,640
081103	Congress Street	Granite State Gas Transmission, Inc.	Cumberland/Portland	ME	2,000
081102	Warren Ave/Lewiston	Granite State Gas Transmission, Inc.	Cumberland/Portland	ME	16,000
082901	Cascade Rd.	Granite State Gas Transmission, Inc.	York/Old Orchard	ME	150
081301	Larrabee Rd.	Granite State Gas Transmission, Inc.	Cumberland/West Brook	ME	4,500
	Marshwood	Granite State Gas Transmission, Inc.	York/So. Berwick	ME	10
085401	Forrest Street	Granite State Gas Transmission, Inc.	Rockingham/Plaistow	NH	50
085402	Plaistow (Sweet Hill Rd.)	Granite State Gas Transmission, Inc.	Rockingham/Plaistow	NH	1,700
085201	East Kingston	Granite State Gas Transmission, Inc.	Rockingham/E. Kingston	NH	3,400
084201	Exeter West	Granite State Gas Transmission, Inc.	Rockingham/Exeter	NH	130
084202	Exeter-Newfield Road	Granite State Gas Transmission, Inc.	Rockingham/Exeter	NH	10,000
084901	Greenland-Rt. 151	Granite State Gas Transmission, Inc.	Rockingham/Greenland	NH	70
084902	Ocean Road	Granite State Gas Transmission, Inc.	Rockingham/Greenland	NH	2,200
084101	Panaway	Granite State Gas Transmission, Inc.	Rockingham/Portsmouth	NH	350
084102	Portsmouth-Borstwick Ave.	Granite State Gas Transmission, Inc.	Rockingham/Portsmouth	NH	6,700
088801	Pease Development	Granite State Gas Transmission, Inc.	Rockingham/Pease	NH	3,500
084801	Gosling Rd.	Granite State Gas Transmission, Inc.	Rockingham/Newington	NH	1,400
084703	Varney Brook	Granite State Gas Transmission, Inc.	Strafford/Dover	NH	17,800
084802	Newington	Granite State Gas Transmission, Inc.	Rockingham/Newington	NH	2,600
084701	Dover Point	Granite State Gas Transmission, Inc.	Strafford/Dover	NH	50
084702	New Bellamy Lane	Granite State Gas Transmission, Inc.	Strafford/Dover	NH	50

The sum of transporter's deliveries to Shipper for all transportation contracts cannot exceed the limitations reflected above. Deliveries offsystem are made by displacement pursuant to the Agency and Exchange Agreement between Granite State and Northern, dated November 1, 1993.

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ATTACHMENT 1 TO
UNITIL POWER CORP.
RATE SCHEDULE FERC NO. 1

AMENDED UNITIL SYSTEM AGREEMENT

BETWEEN
UNITIL POWER CORP.
AND
UNITIL ENERGY SYSTEMS, INC.

Issued by: Mark H. Collin, Treasurer
Issued on: January 31, 2003

Effective: May 1, 2003

Unitil Power Corp.
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AMENDED UNITIL SYSTEM AGREEMENT

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Effective: May 1, 2003

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AMENDED UNITIL SYSTEM AGREEMENT

STATEMENT OF PURPOSE

WHEREAS, Concord Electric Company (CECo) and Exeter & Hampton Electric Company ("E&H") (now combined into a single distribution utility, Unitil Energy Systems, Inc., by various decisions and actions, and with UNITIL Corporation ("Unitil"), a utility holding company, for the purposes of providing reliable electric service at the lowest possible cost to their retail customers, created UNITIL Power Corp. ("Power Corp.") in 1984 as a separate affiliate to achieve certain specific objectives under The Unitil System Agreement ("The System Agreement");

WHEREAS, CECo and E&H terminated their requirements power supply contracts with Public Service Company of New Hampshire ("PSNH") effective September 30, 1986;

WHEREAS, Power Corp. incurred obligations and established a reliable supply of power sufficient to satisfy the entire requirements of CECo and E&H beginning October 1, 1986 and for future years;

WHEREAS, The System Agreement was approved by the Federal Energy Regulatory Commission ("FERC") on July 22, 1987;

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WHEREAS, on December 2, 2002, E&H merged into CECo, and CECo changed its name to Unitil Energy Systems, Inc. ("UES");

WHEREAS, following the completion of the merger to form UES, and after obtaining all necessary regulatory approvals, UES assumed all rights and obligations of CECo and E&H under The System Agreement;

WHEREAS, Power Corp. continues to be a single purpose corporation dedicated to the provision of reliable power supply services to UES;

WHEREAS, pursuant to a change in New Hampshire law, RSA 374-F, which provides for, inter alia, retail customers choosing their electricity supplier, UES wishes to amend The System Agreement;

WHEREAS, UES, in order to comply with the requirements of the New Hampshire electric restructuring legislation, has agreed voluntarily to amend The System Agreement and restructure its operations to allow retail customers to choose a competitive supplier;

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WHEREAS, Power Corp., in exchange for payment in full of the Contract Release Payments and Administrative Service Charges specified herein, has voluntarily agreed to amend The System Agreement, waive the minimum notice of termination equal to seven and one half years, terminate the firm all-requirements power supply service under The System Agreement, and to undertake the divestiture of its power supply portfolio; and

WHEREAS, Power Corp. and UES (collectively "the Parties") agree that this amendment of The System Agreement shall be known as the Amended Unitil System Agreement.

It is therefore hereby AGREED:

THAT all of the Terms and Conditions, the Rate Provisions and the Service Arrangements of The System Agreement shall remain in full force and effect until the Divestiture Date, as defined herein;

THAT after the Divestiture Date, the Terms and Conditions and the Rate Provisions of this Amended Unitil System Agreement shall replace those of The System Agreement. However, the billing obligations, the payment obligations and the FERC reporting obligations of The System Agreement shall remain in effect for service rendered prior to the Divestiture Date until discharged

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in full by UES, or its successor(s) and assign(s), to the satisfaction of Power Corp.;

THAT pursuant to the terms of this Amended Unitil System Agreement, UES, and its successor(s) or assign(s), agrees to pay in full the Contract Release Payments and Administrative Service Charges as specified in Appendix 1 attached hereto;

THAT UES, and its successor(s) or assign(s), will abide by the terms, conditions, rates and other matters set forth herein;

THAT the agreement of the Parties to adhere to the terms of the Amended Unitil System Agreement is expressly conditioned on the approval of Unitil Powers' executed Portfolio Sale Agreement by the New Hampshire Public Utilities Commission ("NHPUC"), and (b) this Agreement by the FERC and the NHPUC;

THAT without such approvals, Power Corp. shall withdraw this filing from the FERC, in which case The System Agreement will continue in full force and effect; and

THAT this Amended Unitil System Agreement and its Schedules shall constitute the Amended Unitil System Agreement as filed with the FERC and shall be subject to the review of and acceptance by FERC on terms and conditions acceptable to the Parties.

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AMENDED UNITIL SYSTEM AGREEMENT

Agreement to Restructure the Unitil System

Terms and Conditions

A. DEFINITIONS

For the purposes of this rate schedule, the following definitions are adopted:

"Amended Unitil System Agreement" -- This Amended Unitil System Agreement and Appendix 1 included herein.

"Concord" or "CECo" -- Concord Electric Company, and its successor(s) or assign(s).

"Divestiture" -- The sale, as contemplated in the Portfolio Sale Request for Proposals ("RFP") provided for in the Restructuring Settlement, of Power Corp.'s Power Supply Portfolio of entitlements in generation and transmission facilities acquired by Power Corp. to supply the requirements of UES, or its successor(s) or assign(s), pursuant to The System Agreement.

"Divestiture Date" -- The date on which the Divestiture is accomplished, May 1, 2003 or such other date within the terms of this Amended Unitil System Agreement that UES, its successor(s) or assign(s), and Power Corp. mutually and in their sole discretion agree.

"Exeter" or "E&H" -- Exeter & Hampton Electric Company, and its successor(s) or assign(s).

"FERC" -- The Federal Energy Regulatory Commission or such other successor regulatory agency.

"HQ Phase II Agreements" -- Various transmission support and use agreements with New England utilities for the construction and support of transmission facilities in order to deliver energy from Hydro Quebec.

"ISO New England" or "ISO" -- The independent transmission and power system operator of the New England region or its agents as

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established by the relevant FERC-filed tariffs and as amended from time to time, and its successors and assigns.

"NEPOOL" -- The New England Power Pool or its agents, as established by the New England Power Pool Agreement as such may be amended from time to time.

"NEPOOL PTF" -- The NEPOOL Pool Transmission Facilities as defined in the NEPOOL Agreement as amended or restated from time to time.

"NHPUC" -- The New Hampshire Public Utilities Commission or such other successor regulatory agency.

"Parties" -- UESits successor(s) or assign(s) and Power Corp.

"Portfolio Purchaser" -- The purchasing party or parties to the Portfolio Sales Agreements entered into with Power Corp.

"Portfolio Sale Agreement" -- The Agreement between Power Corp. and the Portfolio Purchaser by which Power Corp. will accomplish the Divestiture.

"Power Supply Portfolio" -- That generation portfolio and those contract obligations and other liabilities incurred by Power Corp. on behalf of CECo and E&H (now, UES), or their successor(s) or assign(s), pursuant to The System Agreement.

"Power Corp." -- Unitil Power Corp.

"RTO" -- Any regional transmission organization which may be approved by the FERC for the operation and coordination of transmission facilities in any region that includes New Hampshire.

"Restructuring Settlement" -- All Agreement(s) entered into by and between various Unitil Corporation subsidiary companies, including CECo, E&H, their successor(s) or assign(s), and Power Corp., and other parties, entered into in the NH Public Utilities Commission Docket DE 01-247, said settlement designed to implement electric industry restructuring as required by New Hampshire law.

"Unitil System Agreement" or "The System Agreement" -- The firm, all-requirements service agreement between CECo, E&H and Power Corp., as approved by the FERC on July 22, 1987, as FERC Electric Rate Schedule Original Volume Number 1, as revised.

"Unitil Cash Pool" -- The joint, pooled cash account and associated accounting procedures as defined in the Cash Pooling

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and Loan Agreement dated February 1, 1985, as amended between CECo, E&H, Power Corp., and affiliated companies.

"Unitil Energy Systems, Inc." or "UES" -- The combined New Hampshire distribution entity comprised of CECo and E&H, or successor to each, pursuant to merger approved by the NHPUC under the Restructuring Settlement.

"Unitil System" -- The combined facilities, contracts, entitlements and rights of UES and Power Corp.

B. EFFECTIVE DATE

B.1. This Amended Unitil System Agreement shall take effect on the Divestiture Date. The Effective Date is expressly conditioned upon timely and unconditional acceptance of the executed Portfolio Sale Agreement by the NHPUC and this Agreement by the FERC and the NHPUC. The Parties expect that, given timely and unconditional approval of the Portfolio Sale Agreement, the Divestiture Date will be May 1, 2003. However, the Parties retain sole discretion to determine the Divestiture Date.

B.2. If the Parties in their sole discretion determine that any final order regarding this Amended Unitil System Agreement, the Restructuring Settlement or the Portfolio Sale Agreement does not provide the requested timely and unconditional approval, this Amended Unitil System Agreement will be void for failure of an express condition. Power Corp. shall withdraw this filing from the FERC, in which case The System Agreement will continue in full force and effect.

C. CONTRACT RELEASE PAYMENTS

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C.1. In consideration for Power Corp.'s willingness and agreement to waive the minimum notice of termination equal to seven and one half years under The System Agreement, to terminate the firm all-requirements power supply service under The System Agreement, and to divest the Power Supply Portfolio procured on behalf of UES (formerly CECO and E&H), UES, and its successor(s) or assign(s), agrees to pay Contract Release Payments ("CRP") and the Administrative Service Charges ("the ASC") to Power Corp., calculated and paid as described herein and in Appendix 1 hereto:

- a) Prior to the Divestiture Date, The System Agreement remains in full force and effect and neither the CRP nor the ASC are owed.
- b) After the Divestiture Date, the CRP and the ASC shall be recoverable according to the formulae set forth in Appendix 1. Notwithstanding anything to the contrary, all outstanding balances owed to or by Power Corp. as of the Divestiture Date by or to UES (formerly CECO or E&H), or its successor(s) or assign(s), pursuant to The System Agreement shall be included in full as a credit or charge in the CRP under the Amended Unitil System Agreement.
- c) In order to ensure timely payment of the CRP and the ASC in the first month following the Divestiture Date ("first bill"), Power Corp. shall

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estimate the CRP and the ASC based on the formula established in Appendix 1. Power Corp. shall render such first bill to UES, or its successor(s) or assign(s) as soon as practicable following the Divestiture Date.

- d) UES shall make payment on each bill rendered within 10 days of receipt.
- e) Each monthly bill thereafter rendered shall be rendered on the 25th of the month. Each monthly bill shall be based on Power Corp.'s estimate, with the prior billing period tried to actual costs, as available, incurred under the formula in Appendix 1 and as set forth in Section H of this Amended Unitil System Agreement.
- f) CRP and the ASC shall be made monthly. Payment of CRP and the ASC shall continue until all obligations of Power Corp., recoverable in the CRP or the ASC, are extinguished.

D. DIVESTITURE

D.1. In consideration for payment of CRP and the ASC, and at the request of UES and its successor(s) or assign(s), in accordance with the Restructuring Settlement, Power Corp. agrees to undertake Divestiture of the Power Supply Portfolio that was

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acquired on behalf of CECO and E&H pursuant to The System Agreement.

D.2. Power Corp. agrees to minimize any new commitments made on behalf of UES, or its successor(s) or assign(s), after the date of this Amended Unitil System Agreement, and prior to the Divestiture Date. Notwithstanding, Power Corp. may enter into reasonable commitments as may be necessary to fulfill supply obligations prior to the Divestiture Date and/or to preserve the value of the ongoing rights for UES, or its successor(s) or assign(s).

D.3. On or after the Divestiture Date, Power Corp. will have no further obligation to operate the Unitil System or to act as the agent of the Unitil System in transactions, actions, deliberations and other matters involving ISO New England or NEPOOL.

D.4. In order to facilitate Divestiture, UES and its successor(s) or assign(s), shall be responsible for the management and administration of,

- (1) the buyout of Power Corp.'s Power Supply Portfolio, and
- (2) after the Divestiture Date, all remaining or continuing obligations to NEPOOL, the ISO, and the RTO regarding submittal of meter data and compliance with voltage

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reduction and/or load shedding requests whether addressed nominally to Power Corp, UES, or its successor(s) or assign(s).

E. TRANSMISSION RIGHTS

E.1. Power Corp. shall assign to UES, and its successor(s) or assign(s), all rights it holds to transmit electricity across the transmission system of Northeast Utilities, PSNH or any other transmission system, including the NEPOOL PTF system, for the benefit of the retail ratepayers of UES, and its successor(s) or assign(s).

F. HYDRO QUEBEC PHASE II TRANSMISSION

F.1. Power Corp. entered into various transmission support agreements with New England utilities for the construction and support of transmission facilities in order to deliver energy from Hydro Quebec ("HQ Phase II Agreements"). Power Corp.'s sole interest in the HQ Phase II Agreements was to provide economic capacity and energy to its only customers, the former CECO and E&H, and its rights to obtain those HQ Phase II Agreements resulted from the electrical loads of CECO and E&H. The HQ Phase II Agreements extend to 2020.

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F.2. Power Corp. shall maintain, manage and market the HQ Phase II Agreements in order to maximize the economic value of the entitlements to the retail customers of UES, or its successor(s) or assign(s), and shall seek to divest or restructure the Agreements in accordance with the Restructuring Settlement. All revenues or benefits obtained by Power Corp. relative to the HQ Phase II entitlements shall be reflected as a credit against the costs incurred under the HQ Phase II Agreements for purposes of determining the CRP.

G. BILLING AND PAYMENT OF CONTRACT RELEASE PAYMENTS AND ADMINISTRATIVE SERVICE CHARGES

G.1. Because Power Corp. will be responsible upon Divestiture for payment to the Power Portfolio Purchaser for the Portfolio Sales Charge and for payment of the Residual Contract Obligation, Power Corp. shall render an estimated bill or invoice to UES, or its successor(s) or assign(s), commencing as soon as practicable following the Divestiture based on the formula in Appendix 1 ("first bill"), with the first bill payable within ten (10) calendar days of receipt.

G.2. On the 25th day of the month in which Divestiture takes place, Power Corp. will render an estimated bill for the second-month post-Divestiture as determined by the formula in Appendix 1 ("second bill"). The second bill shall be payable by UES, or its

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successor(s) or assign(s), within ten (10) calendar days of receipt by wire or transfer within the Unitil Cash Pool.

G.3. On the 25th day of the second-month post-Divestiture, Power Corp. will render a bill with estimated data for the third-month post-Divestiture and reconciled actual data from the first month in which Divestiture occurs.

G.4. Thereafter, each month on the 25th day, Power Corp. will render bills with estimated data, and with actual data reconciled, and UES, or its successor(s) or assign(s), shall pay any such invoices within ten (10) days of receipt by wire or transfer within the Unitil Cash Pool, or in such other manner as the parties in their sole discretion shall agree in writing.

G.5. Power Corp. may render bills as necessary on an estimated basis subject to prompt corrective action when actual data is received.

G.6. In the event of a dispute as to the amount of any bill, UES, or its successor(s) or assign(s), will notify Power Corp. of the amount in dispute and will pay to Power Corp. the total bill including the disputed amount. Power Corp. shall refund, with simple interest at the Unitil Cash Pool or other appropriate

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short term borrowing rate, any portion of the disputed amount ultimately found to be improper.

G.7. In the event FERC, pursuant to an investigation as contemplated by Schedule 2, paragraph H, of The System Agreement, and Appendix 1, paragraph D, of this Amended Unitil System Agreement, lawfully orders Power Corp., or its successor(s) or assign(s), to refund certain amounts of past billings to UES, then Power Corp. shall adjust said amounts in accordance with the provisions and requirements of FERC regulations and orders.

G.8. UES, or its successor(s) or assign(s), shall not have the right to challenge any bill, invoice or statement, nor bring any court or administrative action of any kind questioning the propriety of the same after a period of twelve (12) months from the date of any final adjustment, correction or reconciliation regarding the amount of such bill.

H. AMENDMENTS

H.1. It is agreed that Power Corp. shall, subject to the terms and conditions of the Restructuring Settlement, have the right at any time to amend the Terms and Conditions set forth herein, and the Rate Provisions set forth in Appendix 1, by serving an appropriate statement of such amendment upon UES, or

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its successor(s) or assign(s), and filing the same with FERC in accordance with the provisions of applicable laws and any rules and regulations thereunder, and the amendment shall thereupon become effective on the date specified therein, subject to any suspension order duly issued by FERC.

H.2. Nothing contained herein shall be construed as affecting in any way the right of Power Corp. to unilaterally make application to FERC for a change in rates under Section 205 of the Federal Power Act, or the rights of UES, or its successor(s) or assign(s) to unilaterally make application to the FERC for a reduction in rates pursuant to Section 206 of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder.

H.3. The filing of any amendment to this Amended Unitil System Agreement shall be subject to the prior review and approval of the NHPUC.

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I. REGULATION

I.1. This Amended Unitil System Agreement, and all the rights, obligations, and performance of the Parties to this Amended Unitil System Agreement, are subject to the Federal Power Act, and to all duly promulgated rules, regulations and orders of FERC. The effectiveness of the Amended Unitil System Agreement is also contingent on the approval of the NHPUC.

I.2. The willingness of Power Corp., UES, and its successor(s) and assign(s), to commit to and to fulfill any and all of their obligations under this Amended Unitil System Agreement is premised upon the NHPUC and FERC accepting this Amended Unitil System Agreement and the related Schedules completely and without modification, unless the Parties to this Amended Unitil System Agreement agree specifically to such modification in writing.

J. REMEDIES.

J.1. If any bill remains unpaid for more than sixty (60) days, except amounts in dispute, Power Corp. may apply to the regulatory agency having jurisdiction to obtain full payment of

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all amounts due, including interest on the outstanding balance at the appropriate interest rate.

K. NOTICES

K.1. Notices by any party shall be in writing, mailed or delivered, to the respective addresses set forth below.

President
Unitil Power Corp.
6 Liberty Lane West
Hampton, NH 03842-1720

President
Unitil Energy Systems, Inc.
One McGuire Street
Concord, NH 03301

K.2. Any party may change its address by written notice to the others.

L. TERM

L.1 This Amended Unitil System Agreement shall continue in force and effect from the Divestiture Date until the last of CRP and the ASC have been delivered to Power Corp., or until all liabilities and contingencies of Power Corp. or UES, and their

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successor(s) and assign(s), arising from The System Agreement and the Restructuring Settlement have been extinguished, whichever is later.

M. SUCCESSORS AND ASSIGNS.

M.1. This executed Amended Unitil System Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the successors and assigns of the Parties. A party subject to any such succession or assignation shall provide reasonable advance written notice of the same to the other parties.

M.2. Power Corp. explicitly consents to the assignment of CECO and E&H's rights and obligations under the System Agreement to the new merged entity, UES.

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IN WITNESS WHEREOF, the Parties hereto have caused this Amended Unitil System Agreement to be duly executed by their proper officers thereunto duly authorized, as of the date written below.

Unitil Power Corp.

By *[Signature]* Date January 31, 2003
President

Unitil Energy Systems, Inc.

By *[Signature]* Date JANUARY 31ST 2003
Treasurer

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APPENDIX 1

AMENDED UNITIL SYSTEM AGREEMENT

Rate Provisions for Contract Release Payments and Administrative
Service Charges

A. INTRODUCTION

Until the Divestiture Date, UES, and its successor(s) or assign(s), shall continue to be charged and pay rates in accordance with the original FERC Electric Rate Schedule Original Volume Number 1, as amended, known as The System Agreement. As of Divestiture Date, any over- or under-collection will be trued-up and a credit or charge will flow to the CRP. As of the Divestiture Date, UES, and its successor(s) or assign(s) shall be charged and shall pay rates consistent with the formula for Contract Release Payments and the Administrative Service Charges as specified in this Amended Unitil System Agreement.

B. FORMULA FOR CONTRACT RELEASE PAYMENTS

The Contract Release Payments ("CRP") shall be calculated in accordance with the following formula:

CRP = P + R + H + T where:

P = Portfolio Sale Charge
R = Residual Contract Obligations
H = Hydro-Quebec Support Payments

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T = True-Ups from Prior Periods

where;

Portfolio Sales Charge - shall include all charges incurred by Power Corp. on a monthly basis pursuant to the Portfolio Sale Agreement.

Residual Contract Obligations - shall include charges incurred by Power Corp. on a monthly basis for continuing contract obligations not included in the portfolio sale, as enumerated in the Restructuring Settlement. In the event of the termination of the Portfolio Sale Agreement for any reason, prior to the assignment of all contracts' thereunder to the Portfolio buyer, the costs of any continuing contracts in the portfolio, offset by any revenues or security considerations received, shall be included as part of the residual contract obligations.

Hydro Quebec Support Payments - shall include all costs incurred by Power Corp. on a monthly basis pursuant to the Hydro Quebec Phase II Agreements, offset by any revenues received by Power Corp. for the sale, assignment or other utilization of the Hydro-Quebec Phase II entitlement.

True-Ups - shall include any undercollections or overcollections resulting from the reconciliation of costs and revenues on a monthly basis under The System Agreement, and any modifications to such reconciliations resulting from corrections or adjustments to prior period data, in addition to the reconciliation on a monthly basis of costs and revenues and any corrections or adjustments to prior period data under the Amended Unitil System Agreement.

Interest income or expense, accrued from the Unitil Cash Pool, expected as a result of inter alia cost recovery timing differences, will be included in such true-up as reflected in Power Corp. Account 419 and Account 431. In all events, such interest shall be promptly passed through as a credit or charge in the next bill to UES or its successor(s) or assign(s).

On an annual basis, beginning on the Divestiture Date and each year thereafter by March 1, Power Corp. shall provide to UES, and its successor(s) or assign(s), its estimate of the

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annual expected CRP for the coming year, so that UES, and its successor(s) or assign(s), are able to make timely and appropriate rate filings for retail rate recovery of the estimated CRP.

C. ADMINISTRATIVE SERVICE CHARGES

Administrative Service Charges ("the ASC") shall be billed separately from the CRP under the Amended Unitil System Agreement. As provided for in the Restructuring Settlement, the ASC shall include all third party charges and regulatory charges incurred by Power Corp., and not otherwise assigned to or assumed by UES, or its successor(s) or assign(s), relative to the fulfillment of Power Corp.'s obligations under The System Agreement or the Amended Unitil System Agreement, specifically including NEPOOL, ISO and RTO billings, and legal, consulting and other outside service charges incurred in the management and administration of the Portfolio Sale Agreement, the Residual Contract Obligations, the Hydro Quebec II resource, the Amended System Agreement, and in the efforts to assign the Power Supply Portfolio obligations to the Portfolio Purchaser.

On an annual basis, beginning on the Divestiture Date and each year thereafter by March 1, Power Corp. shall provide to UES, and its successor(s) or assign(s), its estimate of the annual expected ASC for the coming year, so that UES or its successor(s) or assign(s) are able to make timely and appropriate rate filings for retail rate recovery of such estimated ASC.

Issued by: Mark H. Collin, Treasurer
Issued on: January 31, 2003

Effective: May 1, 2003

Unitil Power Corp.
Rate Schedule FERC No. 1

Original Sheet No. 49

D. FERC REVIEW OF SALES AND BILLING TRANSACTIONS

On an annual basis beginning on or before May 1, 2004, Power Corp. shall file with FERC:

- (1) a statement of all sales and billing transactions under The System Agreement for the portion of the preceding year The System Agreement was in effect, along with supporting material showing the actual costs incurred by Power Corp., by FERC account, and
- (2) a statement of all billing transactions under the Amended Unitil System Agreement for the preceding calendar year or partial year, along with supporting material showing the actual costs incurred by Power Corp., by FERC account, including the calculation of Contract Release Payments and Administrative Service Charges.

Power Corp. shall maintain accounts that provide a clear and consistent accounting of all costs. These filings will include detailed cost data in a form similar to that provided to the FERC annually under The System Agreement. The FERC may institute an investigation within ninety (90) days of the date of said filing, after which the sales, if applicable, and billing transactions for the preceding year shall be deemed approved, for purposes of this Amended Unitil System Agreement, by FERC.

Issued by: Mark H. Collin, Treasurer
Issued on: January 31, 2003

Effective: May 1, 2003

LEASE

CONCORD ELECTRIC COMPANY

a New Hampshire corporation

("Landlord")

and

UNITIL REALTY CORP.

a New Hampshire corporation

("Tenant")

January 21, 1999

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Schedule C	-	Concord Electric Company Embedded Cost of Capital September 30, 1998

LEASE

LEASE executed this 21st day of January, 1999, between CONCORD ELECTRIC COMPANY, a New Hampshire corporation, of 6 Liberty Lane West, Hampton, New Hampshire, (the "Landlord") and UNITIL REALTY CORP., a New Hampshire corporation, of 6 Liberty Lane West, Hampton, New Hampshire 03842 (the "Tenant").

For and in consideration of the mutual promises, covenants and conditions herein contained and the rent reserved by Landlord to be paid by Tenant to Landlord, Landlord hereby leases to Tenant and Tenant hereby rents from Landlord the Demised Premises, as hereinafter defined, for the term, at the rentals and upon the terms and conditions set forth below.

ARTICLE 1 - DEFINITION OF CERTAIN TERMS.

Section 1.01 - Definitions:

As used in this Lease, the following terms shall have the meanings set forth below:

- (a) "Additional Rent" shall mean and include any amounts other than Base Rent required to be paid by Tenant to Landlord pursuant to any of the provisions of this Lease.
- (b) "Alterations" shall mean and include all improvements, changes, alterations and betterments to the Demised Premises or the Amended Demised Premises.
- (c) "Commencement Date" shall mean as of September 30, 1997.
- (d) "Common Areas" shall mean the handicapped parking spaces shown on the Site Plan.
- (e) "Demised Premises" are located on the Property and shall mean that part of the Property marked by cross-hatching on the Site Plan of the Property attached hereto as Exhibit B (the "Site Plan"). The Demised Premises has, for purposes of this Lease, an approximate gross leasable area of 7,200 square feet. The Demised Premises includes all improvements existing as of the date hereof and any and all leasehold improvements permanently affixed or attached at any time by Landlord, Tenant or any subtenant in the Demised Premises, including, without limitation, any heating, ventilation and air conditioning units or electrical systems.
- (f) "Environmental Laws" shall mean all laws and regulations referred to in subparagraph (h) of this Section relating to the environment, health and safety; each Environmental Law is a Legal Requirement.
- (g) "Force Majeure" shall mean causes beyond the reasonable control of Tenant or Landlord, as the case may be, including but not limited to "acts of God", fire and other casualties, earthquakes and floods, strikes, lock-outs, protests, riots, insurrection, war, nuclear disaster, unavailability of materials, acts of governmental authority, including courts, or acts or conduct of the other party to this Lease, its

employees or agents, in violation of this Lease. Such causes shall not include financial difficulties or inability to obtain financing.

(h) "Hazardous Materials" shall mean any hazardous, poisonous, toxic or infectious substance, material, gas or waste which is or becomes regulated by any governmental authority of the United States Government, the State of New Hampshire or any of their agencies pursuant to laws or regulations, or which has been identified as a toxic, cancer causing or otherwise hazardous substance.

(i) "Landlord" shall mean Concord Electric Company and any future owner of the Property, their successors and assigns.

(j) "Lease Year" shall refer to a period of 365 days (366 in any leap year) commencing on the Commencement Date or an anniversary of the Commencement Date. In the event the Commencement Date is other than the first day of a month, each Lease Year shall commence on the first day of the first full calendar month following the Commencement Date (provided that any additional days between the Commencement Date and the beginning of the first Lease Year shall be included within the first Lease Year).

(k) "Legal Requirements" shall mean (i) all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and courts, and rules and regulations of any insurance rating organization or any other body exercising similar functions, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Demised Premises or to the use or manner of use of the Demised Premises by the owners, tenants, or occupants thereof; (ii) the requirements of all companies providing public liability, fire and other policies of insurance at any time in force with respect to the Demised Premises; (iii) the provisions of any covenants, conditions, restrictions, easements or agreements of record governing the Demised Premises; and (iv) the requirements of any Mortgagee.

(l) "Mortgage" shall mean any mortgage, deed of trust or security agreement now or hereafter encumbering or creating a lien on any portion of the Property, as the same may be consolidated, renewed, replaced, extended or modified, excluding security interests encumbering Tenant's leasehold interest only.

(m) "Mortgagee" shall mean the holder or holders of any Mortgage or the beneficiary or beneficiaries under any deed of trust or other security agreement constituting a Mortgage on the Landlord's interest in the Property.

(n) "Personalty" shall mean and include any and all personal property, inventory, goods, stock, chattels, trade fixtures, furniture, furnishings and equipment (excluding those items included within the definition of Demised Premises as set forth in Subsection 1.01(e), which items are and shall remain the property of Landlord from and after the time they are installed), owned by Tenant, or any subtenant or licensee of Tenant, and now or hereafter located on or used in connection with the Demised Premises.

(o) "Property" shall mean that certain parcel of land at McGuire Street, Concord, New Hampshire, described in Exhibit A, together with all buildings and improvements thereon now and in the future.

(p) "Real Estate Taxes" shall mean any form of real property tax, excise or assessment (whether general or special), tax on commercial rentals and receipts, gross income tax (but not any federal or state net income, gift, inheritance or estate taxes), or documentary transfer tax on the making of this Lease, imposed now or in the future by any authority having the direct or indirect power to tax, including, but not limited to, any city, county, state or federal government, or any school, agricultural, lighting, drainage or other improvement district thereof, levied against or with respect to the land and buildings comprising the Property, or any legal or equitable interest of Landlord in the Demised Premises or in the Property, or Landlord's business of leasing the Demised Premises or the Property, or gross income derived from such business, and further including all reasonable costs and expenses, including reasonable attorneys', consultants' and accountants' fees, incurred in determining, filing, contesting and appealing any such tax, excise or assessment or a judgment with respect thereto. In the event a taxing authority shall impose taxes in lieu of real property taxes described above, such taxes shall be deemed included within the definition of Real Estate Taxes.

(q) "Rent", "rent" or "rents" shall mean the Base Rent, Additional Rent and all other monetary sums required to be paid by the Tenant pursuant to the terms of this Lease.

(r) "Rent Commencement Date" shall be the same date as the Commencement Date.

(s) "Repair" or "repairs" shall include, but not be limited to, maintenance, repair, replacement and restorations, all of the foregoing being of an extent and quality equal to the original work and materials.

(t) "Tenant" shall mean the party named as Tenant above and any party or parties succeeding to the interest in the Demised Premises of such named party in accordance with the provisions of this Lease.

ARTICLE 2 - TERM OF LEASE; QUIET ENJOYMENT; USE OF PREMISES.

Section 2.01 - Term; Quiet Enjoyment:

(a) The term of this Lease shall commence on the Commencement Date and shall end at 11:59 p.m., September 30, 2017 (the "Lease Term"), unless such term shall be sooner terminated as herein provided.

(b) Landlord shall deliver possession of the Demised Premises to Tenant on the Commencement Date (the "Delivery Date"). Landlord covenants that so long as Tenant shall fully and timely perform the agreements, terms, covenants and conditions hereof, Tenant shall and may peaceably and quietly have, hold and enjoy the Demised Premises for the Lease Term without disturbance by or from Landlord or anyone claiming under Landlord, subject to all Mortgages and other matters to which this Lease is or may become subordinate and to the provisions contained herein. Tenant

takes the Demised Premises in strictly "AS IS" condition, both as to title and physical condition, there being no representations or warranties by Landlord concerning the title to or condition of the Demised Premises, except as expressly provided in this Lease. Tenant acknowledges that it has been given ample opportunity to investigate the Demised Premises and the Legal Requirements applicable to the Demised Premise and Tenant's business to be conducted thereat.

Section 2.02 - Use of Demised Premises; Signage:

(a) Tenant covenants and agrees that Tenant will use or permit the use of the Demised Premises only for a service center and office use; provided, however, that Tenant may use the Demised Premises for other uses with the prior written consent of the Landlord, given or withheld in Landlord's sole discretion. Notwithstanding the foregoing, Tenant will in no event use or occupy the Demised Premises or allow the Demised Premises to be used or occupied: (i) for any unlawful or immoral purpose, and will not suffer any unlawful or immoral act to be done or any unlawful or immoral condition to exist on the Demised Premises; (ii) for any business or purpose deemed extra hazardous on account of fire or otherwise; (iii) in violation of any Legal Requirement; or (iv) so as to commit or permit to be committed any waste thereon.

(b) Landlord may erect and maintain such suitable signs as it may deem appropriate to advertise and/or identify the Property and other tenants in the Property. Subject to the approval of the appropriate municipal authority, and subject to any covenants, conditions and restrictions to which the Property may be subject from time to time, Tenant, with the Landlord's written approval as to location, design, specifications, wording, size and type, at Tenant's sole cost and expense, may erect and maintain signs on the exterior of the Demised Premises so as to identify Tenant's place of business. All signs shall comply with all Legal Requirements. Tenant shall maintain such signs in good condition and repair and shall keep them insured at all times. Tenant shall remove all such signs at the end of the Lease Term, repairing any damage caused thereby.

(c) Tenant covenants and agrees that Tenant and its successors, assigns, subtenants, licensees, concessionaires and occupants and their agents, employees, contractors, and invitees, shall not, at any time during the Lease Term, cause or permit any Hazardous Materials, other than minimal amounts of cleaning materials and other materials normally required in office use which shall be stored and used in accordance with all Legal Requirements, to be brought upon, stored, manufactured, blended, handled, or used in, on, or about the Demised Premises for any purpose.

ARTICLE 3 - RENT.

Section 3.01 - Rent:

Tenant shall pay to Landlord or such other party as Landlord may from time to time designate by notice to Tenant, in legal tender of the United States, without deduction, abatement or, set off, at the address of Landlord specified herein or furnished pursuant to the terms hereof, rent, in an amount and upon such terms and conditions as set forth herein.

(a) Base Rent.

For the Lease Term, the Tenant shall pay to the Landlord Base Rent. Base Rent shall be the sum of the "Net Cost of the Demised Premises" and the "Cost of Capital" as calculated for each year of the Lease Term and as further described below. For purposes of this Article 3, "Net Cost of the Demised Premises" shall mean the cost of the Demised Premises that is carried on the books of the Landlord as of the Commencement Date, amortized over the Lease Term and adjusted annually. The Net Cost of the Demised Premises as of the Commencement Date is set forth on Schedule A appended hereto and made part hereof. For purposes of this Article 3, "Cost of Capital" shall mean the average Net Cost of the Demised Premises for each year of the Lease Term multiplied by the "Embedded Cost of Capital". "Embedded Cost of Capital" shall mean that percentage sum of the weight averaged cost of capital for each of the Landlord's common stock equity, preferred stock, preference stock and/or long term debt. The Embedded Cost of Capital as of the Commencement Date is set forth on Schedule B and the Embedded Cost of Capital as of September 30, 1998 is set forth on Schedule C. Both Schedule B and C are appended hereto and made part hereof.

(b) Calculation of Base Rent.

- (i) For the period starting with the Commencement Date and ending December 31, 1997, the actual Base Rent shall be in the amount of Eleven Thousand Seven Hundred Eight Seven (\$11,787.00) Dollars (Net Cost of the Demised Premises of \$3,948.00 plus Cost of Capital of \$7,839.00 as set forth on Schedule A).
- (ii) For the period commencing January 1, 1998 and ending December 31, 1998, the estimated Base Rent shall be in the amount of Forty Three Thousand Seven Hundred Ninety Three (\$43,793.00) Dollars (Estimated Net Cost of the Demised Premises of \$15,793.00 plus Estimated Cost of Capital of \$28,000.00 as set forth on Schedule A). As of March 31, 1999 the Tenant shall receive a credit or debit for the twelve (12) month period commencing January 1, 1998 and ending December 31, 1998, depending upon whether the estimated Base Rent is above or below the actual costs incurred by the Landlord.
- (iii) For the period commencing January 1, 1999 and ending December 31, 1999, and for all successive lease years during the Lease Term, the Base Rent shall be estimated by the Landlord. The Net Cost of the Demised Premises shall be estimated subject to final adjustment using the same methodology set forth in Schedule A and the Embedded Cost of Capital rate shall be estimated using the Embedded Cost of Capital rate for the Landlord as of the end of the third quarter for the preceding year. As of March 31 following each lease year of the Lease Term, the Tenant shall receive a credit or debit for the preceding twelve (12) month lease year period (January to December), depending upon whether the estimated Base Rent is above or below the actual costs incurred by the Landlord.

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(c) Payment of Base Rent.

Base Rent shall be paid in equal monthly installments in advance on the first day of each calendar month during the Lease Term.

(d) Additional Rent. In addition to Base Rent, Tenant shall pay to Landlord as Additional Rent all other sums owing from Tenant to Landlord as provided in this Lease, commencing with the Commencement Date.

(i) In the event that the Landlord makes improvements or alterations to the Demised Premises pursuant to Article 8.04, the actual cost of any improvements, alterations or additions incurred by the Landlord shall be charged to the Tenant as Additional Rent. Any such costs of Landlord may be amortized for the remaining life of this Agreement and charged to the Tenant along with Landlord's cost of carrying such charges.

(e) It is the intention of the parties that the Landlord receive in rent its actual cost of owning and operating the Demised Premises and full renovations necessary for full utilization thereof.

(f) Taxes. Tenant covenants and agrees to pay promptly when due directly to the appropriate taxing authority all taxes imposed upon its business operations, its personalty, and any fixtures or appurtenances included as part of the Demised Premises. In addition, Tenant shall pay to Landlord, or at the option of Landlord directly to the tax collector to whom such payments are required by law to be made, commencing with the Commencement Date, as Additional Rent, Tenant's Proportionate Share of all Real Estate taxes assessed against the Property. "Tenant's Proportionate Share" shall be based on its use of the buildings and land that comprise the Demised Premises. For the building, "Tenant's Proportionate Share" shall be that fraction whose numerator is the total square footage of leaseable floor area of the Demised Premises and whose denominator is the total square footage of leaseable floor area of the Property as of the first day of each applicable tax year during the term hereof. As of the date of this Lease, such fraction is 7,200/50,227 or 14.33 percent. For the land, "Tenant's Proportionate Share" shall be that fraction whose numerator is the total square footage of land associated with the Demised Premises and whose denominator is the total square footage of all land at the Property as of the first day of each applicable tax year during the term hereof. As of the date of this Lease, such fraction is 32,341/372,874 or 8.67 percent.

Payments due by Tenant to Landlord hereunder shall be based on Landlord's written certification of the amount due for that Lease Year or tax year and the amount of any fees or expenses paid or payable to tax consultants or advisors. Any payments due by Tenant to Landlord hereunder shall be made within 30 days after Tenant's receipt of Landlord's written certification of the amount due unless Landlord's Mortgagee requires that Landlord pay an estimated sum each month in advance, subject to later adjustment, in which latter event Tenant shall pay such sum to Landlord monthly in advance, along with such additional sum to be credited towards such taxes as is necessary to insure that the said Landlord's Mortgagee has on hand sufficient funds to pay the taxes before same are overdue, subject to adjustment at the end of each Lease Year or tax year, at Landlord's election.

Section 3.02 - Late And Partial Payments:

Should Tenant fail to pay when due or within 5 days after the due date any installment or other payment of Rent, then Tenant shall pay to Landlord on demand, in addition to amounts owing and unpaid, interest at the lower of 18% per annum or the highest rate permitted by applicable law from the due date until the required payment(s) are made. Landlord may apply any partial payments as Landlord deems appropriate. No assessment or acceptance by Landlord of any late charge for overdue payments shall be construed or interpreted as a waiver or abandonment of any claim for breach or default by Landlord under this Lease.

ARTICLE 4 - SITE.

Section 4.01 - Closure of Property:

Landlord may close temporarily all or part of the Property as reasonably required to prevent the acquisition of public rights in such areas in which event Landlord shall not be subject to liability therefor, nor shall any such action be deemed an actual or constructive eviction of Tenant, nor shall there be any reduction in the Rent due and payable pursuant to this Lease.

Section 4.02 - Site Plan:

Any site analysis figures and detail drawings in the Site Plan do not constitute a representation or warranty by Landlord that the figures or detail drawings are accurate or that the design of the site has not been or will not be modified in minor respects from that shown on the Site Plan. The site analysis figures and detail drawings are provided only to give a sense of the Property's layout. The parties agree that Tenant has inspected the Demised Premises and satisfied itself of the Demised Premises' physical condition and its suitability for Tenant's intended use. Tenant hereby acknowledges that it hereby unconditionally accepts the Demised Premises and the improvements thereon.

ARTICLE 5 - INSURANCE.

Section 5.01 - Insurance Required:

(a) During the Lease Term, Landlord, or at Landlord's option the Tenant, at the sole cost and expense of Tenant, shall provide and keep in force:

- (i) commercial general liability insurance with the broad form endorsement, including, but not limited to, personal injury and contractual liability coverage of at least \$3,000,000.00 combined single limit for both bodily injury and property damage resulting from a single occurrence, occurring in and around the Demised Premises and any exterior signs maintained by Tenant, and automobile liability insurance with limits of not less than \$3,000,000.00 combined single limit for both bodily injury and property damage resulting from one occurrence, with deductible amounts for each such coverage to be first approved by Landlord in writing which insurance shall not be limited in the event of construction on the Demised Premises;

- (ii) worker's compensation insurance at legally required levels and employer's liability insurance at limits of not less than \$500,000.00 per accident for the benefit of all employees entering upon the Demised Premises or the Property or any portion thereof as a result of or in connection with their employment by Tenant or any subtenant or licensee of Tenant;
- (iii) "All Risk" casualty insurance with earthquake coverage, and with flood coverage if the Property is located within a flood hazard area, each in an amount equal to the full replacement cost of the Demised Premises (less foundations, except for earthquake insurance) which insurance shall not be limited in the event of construction on the Demised Premises; and
- (iv) Such property and other insurance covering loss, injury and damage in, on and to the Demised Premises as Landlord reasonably determines appropriate, taking into consideration insurance coverage and policy provisions for properties similar to the Demised Premises and the use made thereof from time to time.

(b) Tenant shall reimburse and pay to Landlord as Additional Rent the cost and expense of all such insurance described above obtained by Landlord, such payment to be made within 30 days of the billing of the same by Landlord to Tenant.

Section 5.02 - Policy Terms and Beneficiaries:

All insurance provided in accordance with Section 5.01 shall name Landlord and Tenant as insureds, each Mortgagee as an additional insured, as their respective interests may appear. Insurance policies may contain a deductible amount and for self-insurance retention which has been approved by Landlord in writing but in no event in an amount greater than as permitted by any Mortgage. Tenant shall be liable for all deductible amounts. If and when Tenant is responsible for obtaining any such insurance, no later than the Commencement Date, if applicable, and 10 days prior to the expiration date of any prior insurance policy, Tenant shall deliver to Landlord any Mortgagee certificates evidencing the existence and amount of such insurance, issued by an insurer or insurers satisfactory to Landlord. Tenant shall procure policies for all insurance at least 10 days before the expiration of prior policies.

Each insurance policy required by this Article 5 shall contain the following provisions: (i) in the case of policies covering loss or damage to the Demised Premises, losses, if any, shall be payable to Mortgagees under a standard mortgage payable clause; (ii) a Mortgagee's interest shall be insured regardless of any breach or violation by an insured other than Mortgagee of any warranties, declarations or conditions contained in such policy; (iii) such insurance, as to the interest of the Mortgagor therein, shall not be invalidated by the use or operation of the Demised Premises for purposes which are not permitted by such policy nor by any foreclosures or other proceedings relating to the Demised Premises; (iv) the insurers shall be requested to waive any right of subrogation of the insurer to any setoff or counterclaim or any other deduction, other than by attachment or otherwise, in respect of any liability of the interest; (v) the agreement of the insurer to give Landlord and each Mortgagee at least 30 days notice by registered mail prior to lapse, cancellation or termination for

any reason whatsoever; and (vi) a proper certification in clause v shall be made to each insured, including the Mortgagee by each insurer with respect thereto.

Any such insurance may be in the form of a general coverage or blanket policy covering the Demised Premises and other premises, provided that Landlord and each Mortgagee are specifically named therein as additional insureds and the coverage applicable to the Demised Premises is specified therein or by endorsement.

Tenant shall pay all of any increase in premiums for the property or general liability insurance which is a result of the type of services rendered by Tenant, or its subtenants and licensees, or their activities in the Demised Premises, whether or not Landlord has consented to the same.

In the event Tenant fails at any time during the term of this Lease to obtain and keep in force required insurance or to provide satisfactory evidence thereof, Landlord shall have the right but not the duty to procure such insurance, and Tenant shall pay to Landlord the costs and expenses thereof as Additional Rent. Tenant and Landlord hereby waive any right of subrogation against the other party hereto. The amounts of the foregoing insurance shall in no event be less than the amount required by any Mortgagee, and the limits of insurance shall not limit Tenant's liability under this Lease.

ARTICLE 6 - PERSONAL PROPERTY OF TENANT.

Section 6.01 - Tenant's Property:

All Personalty shall remain the property of Tenant. Landlord shall under no circumstances whatsoever be responsible for any loss or damage occurring to any Personalty.

Section 6.02 - Removal:

Upon the expiration or earlier termination of this Lease, Tenant shall remove any and all Personalty and repair any damage to the Demised Premises caused thereby. Tenant shall not remove any plumbing or electrical fixtures or equipment, heating or air conditioning equipment, floor or wall coverings, paneling, tile or other materials on the walls, floors or ceilings, any fixtures or appurtenances included within the definition of Demised Premises or any fixtures or machinery that were furnished or paid for by Landlord, all of which shall be deemed to constitute a part of Landlord's estate. The Demised Premises shall be left in a broom-clean condition. If Tenant shall fail to so remove its Personalty at the termination of this Lease, such Personalty not removed by Tenant shall be deemed abandoned by Tenant, and, at the option of Landlord, (i) shall become the property of Landlord or (ii) may be disposed of without accountability in such manner as Landlord may see fit, and Tenant shall pay to Landlord upon demand the cost and expense of removal and disposal and repair of all damage to the Demised Premises which is caused by such removal.

ARTICLE 7 - MAINTENANCE; REPAIR; UTILITIES; OTHER SERVICES.

Section 7.01 - Repairs and Maintenance:

Tenant shall, at its sole cost, promptly make all repairs and replacements to the Demised Premises, including the structural parts and roof of the Demised

Premises, necessary to keep the same clean and in first-class condition and repair, including, but not limited to, all of the building's structural components and parts, the exterior and interior walls, the foundations, the roof, and the roof drainage systems, all exterior and interior lighting facilities, exterior and interior doors and windows, loading docks, the air conditioning, heating, water heating, plumbing and electrical equipment systems and installations, all glass and show windows, moldings and bulkheads, all partitions, floor surfaces and subsurfaces, ceilings, roof, and fixtures, equipment and appurtenances thereto. Tenant shall at its expense maintain and operate all of its interior and exterior signs, and shall keep the outside surfaces of the buildings comprising the Demised Premises, including signs, in good, sightly and clean condition. Any damage to the exterior walls to which any sign may be attached, including but not limited to rust stains and structural cracking of the facie, caused by Tenant's use of such sign, shall be repaired by Tenant at its own cost. Tenant shall make all such other repairs and replacements in and to the Demised Premises promptly as needed. In addition to the foregoing, Tenant shall repair, replace and maintain the fire sprinkling system, fire extinguishers and other fire preventive equipment in the Demised Premises. All repairs and replacements by Tenant shall be in accordance with all present and future Legal Requirements.

Landlord shall have no obligation to repair or replace any part of the Demised Premises.

Section 7.02 - Utilities:

Tenant shall promptly pay for all utility charges, including without limitation electrical, natural gas, telephone and fire protection, water and sewer charges, rendered or furnished to the Demised Premises from and after the Commencement Date. At the option of Landlord, Landlord may pay for such utility charges whereupon Tenant shall reimburse Landlord for such charges within fifteen (15) days of billing therefor.

Section 7.03 - Other Services:

The Landlord, Tenant or any Subtenant, upon prior approval of the other parties, may make arrangements for the operation, management, policing, lighting, repairing, or replacing of all or a portion of the parking facilities, access roads, sidewalks and other areas of the Property used in common by the parties to this Lease including, without limitation, snow removal and landscaping. The costs and expenses incurred for such services shall be prorated at cost and each party shall pay its proportionate share based upon the nature of the services and their relationship to the use of the Property by each party along with such other methodology as shall be mutually determined by and among the parties. The party engaging the services described herein shall present a written statement of the amount due to each of the other parties and such amount shall be paid, as directed, within ten (10) days thereof.

ARTICLE 8 - CONSTRUCTION OF IMPROVEMENTS AND ALTERATIONS.

Section 8.01 - Tenant Leasehold Improvements and Alterations:

(a) Tenant hereby takes possession of the Demised Premises in strictly "AS IS" condition, regardless of whether the Demised Premises are satisfactory for Tenant's purposes. Tenant expressly agrees that this Lease is not conditioned on Tenant being able to make any Improvements or Alterations.

(b) Tenant may make improvements to the Demised Premises ("Improvements") and Alterations in or to the interior of the Demised Premises only with the prior written consent of Landlord, which consent may be withheld by the Landlord for any reason or for no reason; Tenant shall make no Improvements to the exterior of the Demised Premises which would materially modify and adversely affect the Demised Premises without the prior written consent of Mortgagee.

(c) All Improvements and Alterations which are consented to by Landlord and Mortgagee are subject to the following requirements:

- (i) All Improvements and Alterations once commenced shall proceed in good faith, with due diligence and promptly to completion;
- (ii) No Improvements or Alterations shall be undertaken until Tenant shall have procured all required permits and authorizations of all municipal departments;
- (iii) Any Improvements and Alterations, when completed, shall be of such a character as not to reduce the value of the Demised Premises below its value immediately before such Improvements or Alterations;
- (iv) Any Improvements or Alterations shall be made in a good and workmanlike manner and in compliance with all applicable permits, authorizations, Legal Requirements and provisions of this Lease;
- (v) At least 30 days before the commencement of any Improvements or Alterations, Tenant shall notify Landlord of its intention to commence the same so that Landlord may post or record notices of non-responsibility.

Section 8.02 - Ownership and Maintenance:

All Alterations and Improvements, including, without limitation, all lighting fixtures, intercom systems, installations, fixtures (other than trade fixtures), are and shall be deemed to be and immediately become part of the realty and the sole and absolute property of Landlord. Notwithstanding the foregoing, Tenant shall maintain insurance coverage with respect to same, and shall maintain, repair and replace same, all as more particularly provided for in this Lease. Alternatively, at the time the Lease Term ends or otherwise terminates for any reason, Landlord may elect to have Tenant remove any Alterations or Improvements and return the Demised Premises to their former condition, which shall be fully completed within 30 days of the end or other termination of the Lease Term.

Section 8.03 - No Liability:

Landlord's approval rights as provided for herein are solely for Landlord's benefit and shall not give rise to any liability whatsoever on the part of Landlord.

Section 8.04 - Improvement and Alterations by Landlord:

Landlord may elect to make those improvements and alterations to the Demised Premises that are agreed upon by the parties. The actual cost incurred by

the Landlord for any improvements or alterations shall be charged to the Tenant as Additional Rent.

ARTICLE 9 - COMPLIANCE WITH LEGAL REQUIREMENTS.

Section 9.01 - Legal Requirements:

This Lease is subject to all Legal Requirements now or hereafter applicable to the Demised Premises. Tenant shall promptly and fully comply with all Legal Requirements.

ARTICLE 10 - DISCHARGE OF LIENS.

Section 10.01 - No Liens Permitted; Removal:

Tenant shall not permit (i) any claim of lien to be filed by any person under any mechanics' lien statute or materialmen's lien statute, (ii) any lien imposed under any Environmental Law or (iii) any other liens against the Demised Premises. If any such claim of lien shall be filed against the Demised Premises, Tenant shall cause the lien to be discharged; provided, however, that Tenant may contest any such lien, so long as the enforcement thereof is stayed and the lien is removed of record by means of a bond or any other lawful means. If Tenant shall fail to cause said lien to be released of record within 10 days after notice to Tenant from Landlord, then Landlord may, but shall not be obligated to, discharge the same by deposit or bonding. Any amount paid by Landlord and all costs and expenses incurred by Landlord in connection therewith shall constitute Additional Rent and shall be paid by Tenant to Landlord on demand, together with interest at the lower of 18% per annum or the highest rate then permissible under applicable law.

Nothing herein shall be deemed to subject Landlord's estate in the Demised Premises to any lien or liability under any law relating to liens. Tenant shall indemnify, defend with attorneys satisfactory to Landlord, and save Landlord harmless from and against all liabilities, damages, losses, costs and expenses resulting from any lien filed against the Demised Premises claimed to have resulted from Tenant's actions.

ARTICLE 11 - DAMAGE OR DESTRUCTION

Section 11.01 - Election to Terminate Lease:

In the event the Demised Premises shall be damaged as a result of a risk not covered by insurance described in Section 5.01(a), then:

(a) if the damage exceeds 25% of the replacement cost of the Demised Premises, Landlord shall have the right to terminate this Lease as herein provided; or

(b) if the damage exceeds 50% of the replacement cost of the Demised Premises, occurs during the final year of the Lease Term and Tenant is not in default under this Lease at the time of the damage, Landlord or Tenant shall have the right to terminate this Lease as herein provided.

Upon the occurrence of the damage described in subparagraph (b) above, Landlord or Tenant (as the case may be) shall have the option, which shall be

exercised within 60 days following such damage, of terminating this Lease, effective upon the later to occur of (i) 30 days after the date of giving notice thereof or (ii) the date upon which Tenant vacates the Demised Premises. If this Lease is terminated under the preceding sentence, neither Landlord nor Tenant shall be obligated to repair, restore or reconstruct the Demised Premises, but all proceeds of insurance shall be paid to Landlord.

Section 11.02 - Repair:

If this Lease shall not be terminated as provided in Section 11.01 above, this Lease shall continue in full force and effect, there shall be no abatement of Base Rent, Additional Rent or any other sum payable under this Lease, and Tenant shall promptly proceed with the repair or restoration of the Demised Premises and return the Demised Premises to substantially the same condition they were immediately preceding the damage or destruction; if any of the Demised Premises shall be rendered unusable on account of such damage, Base Rent shall not be abated. Tenant shall be responsible for payment within 30 days of billing by Landlord of any sums in excess of the net insurance award which are required to restore the Demised Premises to substantially the same condition as prior to the damage. Proceeds of any insurance which insures against the casualty causing the damage shall be made available for payment of the cost and expense of such repairs, subject, however, to the requirements of any Mortgagee. Tenant shall promptly repair or replace all of its Personalty damaged or destroyed, including, but not limited to, its trade fixtures and furniture.

Notwithstanding any provision herein to the contrary, Tenant shall be responsible for all damages resulting from, and shall make all repairs and replacements necessitated by, any damage caused by the negligent or intentional tortuous acts or omissions of Tenant and its agents, employees, invitees and contractors.

Section 11.03 - Waiver of Subrogation:

In the event any part or parts of the Demised Premises or the fixtures or merchandise therein are damaged or destroyed by fire or other casualty that is covered by insurance of Tenant, Landlord or the tenants, subtenants, concessionaires or licensees of Tenant or Landlord, regardless of cause or origin, including negligence, then the rights, if any, of any party against the other, or against the employees, agents, subtenants, concessionaires or licensees of any party, with respect to such damage or destruction and with respect to any loss resulting therefrom, including the interruption of the business of any of the parties, are hereby waived to the extent of any recovery under such insurance and to the extent permitted by such insurance.

ARTICLE 12 - CONDEMNATION.

Section 12.01 - Entire Property:

If the whole of the Demised Premises shall permanently be taken or damaged by any competent authority, this Lease shall terminate as of the date physical possession of the Demised Premises is taken or damaged or immediate possession is ordered. Base Rent, Additional Rent, and all other charges payable hereunder shall be apportioned and paid up to said date.

Section 12.02 - Partial Taking:

(a) If there is a taking of or damage to less than the entire Demised Premises, this Lease shall terminate as of the date physical possession of the Demised Premises is taken or damaged or immediate possession is ordered as to the portion of the Demised Premises so taken or damaged, and the Base Rent, Additional Rent and all other charges payable by Tenant hereunder allocable to the portion of the buildings upon the Property so taken or damaged shall be prorated to the date of such termination. With respect to that portion of the Demised Premises not taken or damaged, this Lease shall continue in effect and the Base Rent shall be reduced proportionately.

(b) Tenant shall, as promptly as possible after the partial taking, restore, repair and replace that portion of the Demised Premises not so taken or damaged to a complete architectural unit or units for the use and occupancy of Tenant and, as nearly as possible, to the condition existing prior to the taking or damaging. Landlord shall reimburse Tenant for the cost and expense thereof, up to but not exceeding the amount of the award received by Landlord after deducting Landlord's costs and attorney's fees of collecting the award.

(c) Notwithstanding the foregoing, Landlord (or Tenant, if Tenant is not in default under this Lease) may elect, within 30 days after the taking or damaging, to terminate the Lease if so much of the floor area of the buildings on the Demised Premises is taken or damaged that Tenant cannot reasonably operate as contemplated by this Lease, or if so much of the other portions of the Demised Premises are taken or damaged such that Tenant cannot reasonably continue to do business at the Demised Premises due to lack of access or available parking (other than if caused by a street widening), upon written notice to the other, which notice shall specify a termination date at least 30 days and not more than 90 days from the date thereof. In such event, Tenant, if Tenant so elects to terminate this Lease, shall remain obligated to repair, restore or reconstruct the Demised Premises.

Section 12.03 - Allocation of Award:

The entire award or compensation, including interest, whether for a total or partial taking or damaging or for a diminution in the value of Tenant's leasehold or Landlord's leasehold or other interest, shall belong to and be the property of Landlord, and Tenant hereby assigns to Landlord all of Tenant's interest in any award. Tenant shall have the right to prove in separate proceedings and to receive any separate award which may be made for damage to or condemnation of Tenant's equipment, trade fixtures, furniture and furnishings, and for relocation costs.

Section 12.04 - Temporary Taking:

If there is a taking of the temporary use of the Demised Premises, or damage in connection therewith, Tenant shall give prompt notice thereof to Landlord. The Lease Term shall not be reduced or affected in any way by such temporary taking or damaging, and the Base Rent and Additional Rent shall not be abated during such period. Landlord shall be entitled to and shall receive the entire award for such taking or damaging during the Lease Term (whether paid by way of damages, rent or otherwise). At the termination of any such use or occupation of the Demised Premises during the Lease Term, Tenant shall promptly repair and restore the Demised Premises as nearly as reasonably possible to its condition immediately prior to such

taking or damaging; Landlord shall reimburse Tenant for the cost and expense thereof, up to but not exceeding the amount of the award received by Landlord after deducting Landlord's costs and attorneys' fees of collecting the award. Landlord shall be entitled to claim, sue for and recover from the governmental authority all damages and awards arising out of the failure of the governmental authority to repair and restore the Demised Premises at the expiration of such temporary taking or damaging. Any recovery or sum received as an award or compensation for physical damage to the Demised Premises caused by and during the temporary taking or damaging shall be paid to the Landlord.

Section 12.05 - Definitions:

As used in this Article 12, (i) the term "taking or damaging" shall mean any taking of or damage to all or any part of the Demised Premises or any interest therein because of the exercise of the power of eminent domain, whether by condemnation proceedings or otherwise, including acts or omissions constituting inverse condemnation, or any transfer of any part of the Demised Premises or any interest therein made in avoidance of the power of eminent domain; and (ii) the "award" shall include, without limitation, all monies awarded for the taking or damaging of the Demised Premises and all estates or interests therein occurring before or after the commencement of litigation proceedings.

Section 12.06 - Waiver:

Each party waives the provisions of any law or statute which otherwise allows either party to petition a court to terminate this Lease in the event of a partial taking of the Demised Premises, and elects to be governed by the terms of this Lease.

ARTICLE 13 - TENANT'S DEFAULT; LANDLORD'S REMEDIES.

Section 13.01 - Events of Default:

Each of the following events shall be a default by Tenant and breach of this Lease:

(a) If Tenant fails to pay Landlord any Base Rent within five (5) days of the date when due, or Additional Rent or other charges required to be paid by Tenant under this Lease within 5 days after receipt of written notice to Tenant of such default which notice shall be in lieu of and not in addition to any notice required by law; provided, however, that notice shall not be required more than twice each Lease Year for failure to pay any sum.

(b) If Tenant fails to perform any of the agreements, terms, covenants or conditions of this Lease to be performed by Tenant other than the payment of Base Rent or Additional Rent or other charges, and such non-performance continues for a period of 30 days after receipt of written notice by Landlord to Tenant, which notice shall be in lieu of and not in addition to any notice required by law, or if such performance cannot be completed within such 30 day period, Tenant shall not in good faith have commenced such performance within such 30 day period and diligently proceeded therewith to completion.

(c) If a levy under execution or attachment shall be made against Tenant of all or substantially all of Tenant's property in or at the Demised Premises and such

execution or attachment shall not be satisfied, stayed, vacated or removed by payment, court order, bonding or otherwise within a period of 30 days after entry of such execution or attachment.

(d) The filing of an involuntary petition against Tenant under the Bankruptcy Code or any other state or federal law relating to bankruptcy or insolvency that is not dismissed within 90 days after being filed or the making or entry of a decree or order by a court or determination by any regulatory or governmental agency, if any, having jurisdiction over Tenant (i) that Tenant is a bankrupt or is insolvent, or (ii) approving as properly filed a petition seeking reorganization of Tenant under the Bankruptcy Code or any other state or federal law relating to bankruptcy or insolvency, or (iii) appointing a receiver or liquidator or trustee in bankruptcy or insolvency of Tenant or of its property or any substantial portion of its property, or (iv) constituting the winding up or liquidation of the affairs of Tenant.

(e) If Tenant shall (i) institute proceedings to be adjudged a voluntary bankrupt, or (ii) consent to the filing of a bankruptcy proceeding against it, or (iii) file a petition or answer or consent seeking reorganization or readjustment under the Bankruptcy Code or any other state or federal law, or otherwise invoke any law for the aid of debtors, or consent to the filing of any such petition, or (iv) consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or of its property, or (v) make an assignment for the benefit of the creditors, or (vi) admit in writing its inability to pay its debts generally as they become due, or (vii) take any corporate action in furtherance of any of the aforesaid purposes or (viii) be unable to meet current obligations as they mature, even though its assets may greatly exceed its liabilities.

Section 13.02 - Remedies:

Upon default by Tenant under this Lease, Landlord may, at its option, take any or all of the following actions:

(a) Elect not to terminate this Lease or Tenant's right to possession of the Demised Premises, and enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due and payable by Tenant. No acts by Landlord to maintain, preserve or re-let the Demised Premises, or to appoint a receiver to protect Landlord's interest under this Lease, or to remove property or store it at a public warehouse or elsewhere at the cost of and for the account of Tenant, or otherwise, shall constitute an election to terminate this Lease or Tenant's right of possession unless written notice of such intention is given by Landlord to Tenant. Landlord may elect to terminate this Lease upon a re-letting of the Demised Premises or at any other time after electing the remedy provided by this Subsection, in which event the rent shall cease to accrue and the damages provided by subsection (b) shall become available to Landlord.

During the period Tenant is in default, Landlord may enter the Demised Premises and re-let them, or any part of them, to third parties for Tenant's account. Re-letting may be for a period shorter or longer than the remaining term of this Lease. Tenant shall pay to Landlord the rent due under this Lease on the dates the rent is due, plus the amounts necessary to compensate Landlord as specified in subparagraphs (i) through (iii) below, less the rent Landlord receives from any

re-letting. If Landlord re-lets the Demised Premises as provided in this subsection, rent that Landlord receives from re-letting shall be applied to the payment of: (i) first, any indebtedness from Tenant to Landlord other than rent due from Tenant; (ii) second, all costs incurred by Landlord for re-letting as described in subparagraph (c); and (iii) finally, rent due and unpaid under this Lease. After deducting the payments referred to in this subsection, any sum remaining from the rent Landlord receives from re-letting shall be held by Landlord and applied in payment of future rent as rent becomes due under this Lease. If, on the date rent is due under this Lease, the rent received from the re-letting and applied to rent due is less than the rent due on that date, Tenant shall pay to Landlord the remaining rent due.

(b) Terminate this Lease and all rights of Tenant and any subtenants, licensees or concessionaires hereunder by giving written notice of such intention to terminate. In the event that Landlord shall elect to terminate this Lease as provided in this subsection, then Landlord may recover from Tenant:

- (i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination;
- (ii) The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination until the time of award exceeds the amount of such rental loss that the Tenant proves could have been reasonably avoided;
- (iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;
- (iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of events would be likely to result therefrom; and
- (v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of New Hampshire.

As used in subparts (i) and (ii) of this subsection (b), the "worth at the time of award" is computed by allowing interest at the lower of 18% per annum or the highest rate then permitted by law. As used in subpart (iii) of this subsection (b), the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of Boston at the time of award plus one percent.

(c) Upon the occurrence of a breach or default occasioning the remedies referred to in Section 13.02(a) or 13.02(b), the Landlord shall be entitled to its expenses incurred in preparing and offering the Demised Premises for re-rent, including (but not limited to) costs of cleaning, remodeling, painting, resurfacing of parking areas and walks, leasehold improvements reasonably necessary to prepare

the Demised Premises for rental, broker's commissions and fees, free rent, advertising and marketing costs and attorneys' fees.

(d) Take any and all other action and pursue all other rights and remedies provided at law, in equity (including moving to enjoin a breach or threatened breach) or under this Lease. Efforts by Landlord to mitigate the damages caused by Tenant's default shall not constitute a waiver of Landlord's right to recover damages hereunder.

Section 13.03 - Bankruptcy:

Nothing in this Article 13 shall limit or prejudice the right of Landlord to prove or obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by a statute or rule of law governing such proceedings and in effect at the time when such damages are to be proved, whether or not such amount is greater, equal to or less than the amount of the damages referred to in any of the preceding sections.

Section 13.04 - Survival:

The rights of Landlord as contained in this Article 13 shall survive any termination of this Lease.

ARTICLE 14 - TENANT'S NOTICE TO LANDLORD OF DEFAULTS.

Section 14.01 - Landlord's Default:

Landlord shall not be in default of this Lease for failure to perform any of the agreements, terms, covenants or conditions of this Lease to be performed by Landlord unless such non-performance continues for a period of 30 days after notice by Tenant to Landlord or, if such performance cannot be completed within such 30 day period, Landlord shall not in good faith have commenced such performance within such 30 day period and diligently proceeded therewith to completion.

ARTICLE 15 - ASSIGNMENTS AND SUBLEASES.

Section 15.01 - Restrictions on Assignment and Subletting:

Tenant shall not assign this Lease or sublet the Demised Premises by operation of law or otherwise without the prior written consent of Landlord, which consent may be withheld for any reason whatsoever or for no reason. Landlord shall not be obligated under any circumstances to consent to an assignment or subletting of less than all of the Demised Premises. No reference in this Lease to assignees, subtenants or licensees of Tenant shall imply that Tenant has a right to assign or sublease this Lease which is not limited by the requirement of Landlord's consent except as set forth herein.

Section 15.02 - Notice of Offer; Right to Terminate:

(a) Whenever Tenant has obtained an offer to assign this Lease or to sublease all of the Demised Premises, Tenant shall provide to Landlord the name and address of said proposed assignee or sublessee, the rent offered, the proposed use by the proposed assignee or sublessee, the proposed effective date of the assignment or subletting, and any other business terms which are material to the offer and which differ from the provisions of this Lease ("Notice of Offer"). Tenant shall also provide to Landlord a description of the nature of the business, financial statements and a

business experience résumé for the immediately preceding five (5) years of the proposed assignee or sublessee and such other information concerning such proposed assignee or sublessee as Landlord may require. The foregoing information shall be in writing and shall be received by Landlord no less than 60 days prior to the effective date of the proposed assignment or sublease.

(b) Within 30 days after receiving a Notice of Offer for the proposed assignment of this Lease or the subletting of all or substantially all of the Demised Premises, or the portion thereof not previously sublet by Tenant, Landlord shall be entitled to terminate this Lease as to all of the Demised Premises by written notice to Tenant ("Termination Notice"), and such termination shall be effective as of the proposed effective date of the proposed assignment or sublease. If Landlord does not elect to terminate this Lease, Landlord shall notify Tenant that Landlord either consents or declines to consent to the proposed assignment or subletting. If Landlord does not provide a Termination Notice or notice of its refusal to consent to the proposed assignment or subletting within 30 days after receiving a Notice of Offer, Landlord shall be deemed to have consented to the proposed assignment or subletting, on the same terms as disclosed to Landlord and for that specific occasion only.

(c) Any consent by Landlord to any assignment or sublease, or to the operation of a concessionaire or licensee, shall not constitute a waiver of the necessity for consent to any subsequent assignment or sublease. Anything herein contained to the contrary notwithstanding, Tenant shall not enter into any assignment or subletting if same would violate any of the terms of this Lease or any Legal Requirement.

(d) In return for Landlord's consent, Tenant shall pay the Landlord its costs, expenses and attorneys' fees incurred in investigating and approving the assignment or sublease.

Section 15.03 - Liability Continues:

Tenant shall perform and observe each and every term and condition to be performed or observed by Tenant as assignor or sublessor under all present and future assignments or subleases. Tenant shall be responsible for and be liable to Landlord for all acts and omissions on the part of any assignee or subtenant of Tenant in the Demised Premises. Any violation of any of the terms, provisions or conditions of this Lease, whether by act or omission, by any assignee or subtenant shall constitute a breach of this Lease by Tenant. Permission is hereby granted to Tenant to bring proceedings to enforce the terms, provisions and conditions of this Lease against assignees and subtenants in Tenant's own name or in the name of Landlord, provided, however, that Landlord incurs no cost or expense thereby or liability or obligation in connection therewith, and Tenant shall indemnify, defend with attorneys satisfactory to Landlord and hold Landlord harmless from any such costs, liabilities and expenses. Notwithstanding anything to the contrary in this Lease, no assignment or subletting, with or without consent, shall release Tenant from any of its obligations and liabilities under this Lease.

Section 15.04 - Waiver by Landlord for Affiliates:

Landlord hereby waives any of the requirements of this Article 15 with regard to the assignment or subletting of the Demised Premises, or any part thereof, to an entity that is affiliated with the Tenant.

ARTICLE 16 - TERMINATION OF LEASE; SURRENDER.

Section 16.01 - Surrender; Holding Over:

(a) On the last day of the Lease Term or upon any earlier termination of this Lease, or upon any re-entry by Landlord upon the Demised Premises pursuant to Article 13, Tenant shall (i) surrender and deliver the Demised Premises free and clear of all subtenancies, occupancies, liens and encumbrances created by Tenant to the possession and use of Landlord without delay and in good order, condition and repair, reasonable wear and tear excepted, and (ii) promptly surrender all keys for the Demised Premises to Landlord at the place then fixed for the payment of rent and inform Landlord of all combinations and access codes on locks, safes and vaults, if any, in the Demised Premises.

(b) In the event Tenant remains in possession of the Demised Premises after the expiration of the Lease Term, whether or not with the consent or acquiescence of Landlord, and without the execution of a new Lease, Tenant shall be deemed to be occupying the Demised Premises on a month to month tenancy only. Upon notice given by Landlord to Tenant, Rent during this month to month tenancy shall be payable monthly in advance in an amount equal to 200% of the Base Rent and other charges due and payable immediately prior to the expiration of the Lease Term without prejudice to Landlord's right to any damages which Landlord may suffer if Tenant fails to vacate upon the expiration of the Lease Term or the earlier termination of this Lease. The terms of such month to month tenancy shall be otherwise the same as the terms, conditions, covenants, provisions and obligations contained in this Lease.

(c) In the event any state or federal regulatory authority prohibits or restricts the Landlord's ability to recover its costs as set forth in Article 3 herein then, in such event, the Landlord shall have the right to terminate this Lease upon thirty (30) days written notice to the Tenant and neither party shall have any further right or liability under this Lease.

Section 16.02 - Survival:

The provisions of this Article 16 shall survive any termination of this Lease.

ARTICLE 17 - LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS.

Section 17.01 - Right to Perform:

If Tenant, at any time after the lapse of any grace or cure period provided in Section 13.01, shall fail to make any payment or perform any other act on its part to be made or performed, then Landlord, without waiving Tenant's default, may (but shall be under no obligation to) make any payment or perform any other act on Tenant's part to be made or performed as provided in this Lease. All sums paid by Landlord and all reasonable costs and expenses incurred by Landlord in connection with the performance of any such act, including, without limitation, reasonable attorneys' fees, shall constitute Additional Rent and shall be paid by Tenant to Landlord together with interest thereon from the date of payment by Landlord to the date of payment by Tenant at the rate of 18% per annum or such lesser maximum rate allowed by law within 30 days after receipt of an invoice. Landlord in its sole

discretion may, without any liability whatsoever to the Tenant or any person or entity claiming through or under the Tenant, cease the performance of any act commenced hereunder, at any-time. There shall be no warranty, either express or implied, with respect to any such act performed by Landlord.

In case of a situation which the Landlord reasonably believes to be an emergency, the Landlord may avail itself of its rights under this Section 17.01 immediately, giving notice to Tenant within 48 hours thereafter.

ARTICLE 18 - INSPECTION BY LANDLORD.

Section 18.01 - Inspection:

Tenant will permit Landlord and its authorized representatives to enter the Demised Premises upon reasonable notice at all reasonable times for the purpose of (i) inspecting the same, (ii) making any necessary repairs and performing any work contemplated in this Lease, which entry may be made at any time in the event of an emergency, (iii) showing the same to prospective purchasers or Mortgagees, (iv) showing the same to prospective tenants, and (v) conducting any environmental testing, sampling, borings, and analyses it deems necessary, such testing shall be at Tenant's expense if Landlord has a reasonable basis for suspecting that Tenant has breached its Hazardous Materials covenant contained in Section 2.02(c) of this Lease or if Landlord reasonably believes that Hazardous Materials are present in the Demised Premises or the soil or surface or ground water in, on, under, about or near the Demised Premises due to acts or omissions of Tenant or its successors, assigns, subtenants, licensees, concessionaires or occupants of the Demised Premises or their agents, contractors, employees and invitees.

ARTICLE 19 - SUBORDINATION; ATTORNMENT.

Section 19.01:

This Lease and the rights of Tenant shall, at Landlord's election, be at all times subject and subordinate to any Mortgage (as same may be renewed, replaced, modified, extended or consolidated) hereinafter encumbering the Property. Tenant agrees to attorn to any Mortgagee, purchaser at a foreclosure sale or grantee of a deed in lieu of foreclosure. Any Mortgagee may at any time elect to cause this Lease to have priority over its Mortgage by executing unilaterally an instrument subordinating its Mortgage to this Lease, or accepting a Mortgage containing a clause providing for such subordination. Tenant shall within 15 days after request, execute, acknowledge and deliver any and all instruments deemed necessary or proper by Landlord or Mortgagee to ratify or confirm the foregoing.

Section 19.02:

Until it shall enter and take possession of the Demised Premises for the purpose of foreclosure, the holder of a Mortgage shall have only such rights of Landlord as are necessary to preserve the integrity of this Lease as security. Upon entry and taking possession of the Demised Premises for the purpose of foreclosure such holder shall have all the rights of Landlord, but only for so long as the holder of said Mortgage shall be in possession of the Demised Premises. No such holder of a Mortgage shall be liable either as Mortgagee or as assignee, to perform, or be liable in damages for failure to perform, any of the obligations of Landlord unless and until

such holder shall enter and take possession of the Premises for the purpose of foreclosure. Upon entry for the purpose of foreclosure, such holder shall be liable to perform all of the obligations of Landlord, subject to and with the benefit of the provisions of this Article 19, provided that a discontinuance of any foreclosure proceeding shall be deemed a conveyance under said provisions to the owner of the equity of the Demised Premises. No Base Rent, Additional Rent or any other charge shall be paid more than 30 days prior to the due dates thereof and payments made in violation of this provision shall (except to the extent that such payments are actually received by a mortgagee in possession or in the process of foreclosing its mortgage) be a nullity as against such Mortgagee and Tenant shall be liable for the amount of such payments to such Mortgagee. The covenants and agreements contained in this Lease with respect to the rights, powers and benefits of a mortgagee (particularly, without limitation thereby, the covenants and agreements contained in this Article 19) constitute a continuing offer to any person, corporation or other entity, which by accepting a Mortgage subject to this lease assumes the obligations herein set forth with respect to such Mortgagee; such Mortgagee is hereby constituted a party of this Lease as an obligee hereunder to the same extent as though its name was written herein as such; and such Mortgagee shall be entitled to enforce such provisions in its own name. Tenant agrees on request of Landlord or Mortgagee to execute and deliver from time to time any agreement which may be necessary to implement the provisions of these Sections 19.1 and 19.2.

ARTICLE 20 - INDEMNIFICATION.

Section 20.01 - Tenant's Indemnification:

Tenant shall indemnify, defend and hold Landlord harmless from and against any and all actions, claims, demands, penalties, liabilities or costs (including reasonable attorneys' fees) incurred in connection with any loss, damage or injury to persons or property occurring in, on or about the Demised Premises (and in the event of any claims under Environmental Laws resulting from a breach by Tenant or anyone claiming under or through Tenant of Tenant's covenant in Section 2.02(c) of this Lease, this shall also include any loss, damage or injury to persons or property under, about or near the Demised Premises) or the operations or activities of Tenant and its subtenants, concessionaires, licensees or occupants of the Demised Premises or any of their contractors, agents, employees or invitees, or arising out of Tenant's and their use of the Demised Premises, or caused by the acts or negligence of Tenant, its subtenants, concessionaires, licensees or occupants and their contractors, agents, employees or invitees.

Section 20.02 - Environmental Matters:

The obligation of Tenant to indemnify, defend, and hold harmless Landlord for claims under Environmental Laws, which claims result from Tenant's occupancy of the Demised Premises and/or failure to comply with the requirements of this Lease, includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by Landlord, any Mortgagee or any federal, state or local governmental agency or political subdivision because of any Hazardous Materials occurring or present in the Demised Premises, the soil or surface or ground water in, on, under, about or near the Demised Premises, diminution in value of the Demised Premises, damages for the loss or restriction on use of rentable or useable space or of any amenity of the Demised

Premises, damages arising from any adverse impact on marketing of space in the Demised Premises, and sums paid in settlement of claims, penalties, attorneys' fees, court costs, consultant and laboratory fees and expert's fees. Without limiting the foregoing, if any Hazardous Materials are found in the soil or surface or ground water in, on, under, about or near the Demised Premises the introduction of which is caused by Tenant, its employees, successors, assigns, licensees or invitees, Tenant shall promptly take all actions required by Landlord, Mortgagee or governmental agencies, at Tenant's sole expense, necessary to return the Demised Premises to the condition existing prior to the introduction of Hazardous Materials in, on, under, about or near the Demised Premises in accordance with Legal Requirements; any action undertaken by Tenant shall be subject to Landlord's prior approval of such actions, which approval shall not be unreasonably withheld.

Section 20.03 - Survival:

The provisions of this Article 20 shall survive any termination of this Lease as to matters or occurrences which preceded the termination.

ARTICLE 21 - LANDLORD EXCULPATION.

Section 21.01 - Limitation of Liability:

Notwithstanding anything to the contrary in this Lease, any judgment obtained by Tenant against Landlord shall be satisfied only out of Landlord's interest in the Property but in no event shall Rent payable pursuant to this Lease be diminished. Neither Landlord nor any of its general or limited partners, officers, directors, shareholders, trustees, beneficiaries or employees shall have any personal liability for any matter in connection with this Lease or its obligations as Landlord of the Demised Premises, except as provided above. Tenant shall not institute, seek or enforce any personal or deficiency judgment against Landlord or any of its general or limited partners, officers, directors, shareholders, beneficiaries or employees, and none of their property, except the Property, shall be available to satisfy any judgment hereunder.

Section 21.02 - Sale of Demised Premises:

In the event of any sale or transfer of the Demised Premises, the seller, transferor or assignor shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Landlord thereafter to be performed, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the purchaser, transferee or assignee in any such sale, transfer or assignment that such purchaser, transferee or assignee has assumed and agreed to carry out any and all agreements, covenants and obligations of Landlord hereunder.

Section 21.03 - Survival:

The provisions of this Article 21 shall survive any termination of this Lease.

ARTICLE 22 - NOTICES.

Section 22.01 - Method; Effective Date:

Whenever it is provided herein that notice, notification, demand, request or approval is required, the same shall be in writing and, any law or statute to the

contrary notwithstanding, it shall be effective for any purpose if given or served by intra-city messenger service or overnight courier service such as Federal Express or by mailing by registered or certified mail, postage prepaid, return receipt requested, addressed as follows: (a) If by Landlord, to Tenant at the address set forth in the opening paragraph of this Lease to the attention of Treasurer or at such other address as Tenant may from time to time designate by notice given to Landlord; and (b) If by Tenant, to Landlord at the address set forth in the opening paragraph of this Lease to the attention of Treasurer, or at such other address as Landlord may from time to time designate by notice given to Tenant. Every notice, demand, request, approval or other communication hereunder shall be deemed to have been given or served at the earlier of actual receipt or one day after first attempted delivery.

Section 22.02 - Reduced Time:

If any notice is given to Landlord by a governmental agency pursuant to the Environmental Laws, or if any action is required by a governmental agency pursuant to Environmental Laws in a period or time which is less than thirty (30) days, then the notice and time periods provided for in Sections 13.01(b) and 17.01 shall be reduced to a time period equal to the statutory time less two (2) days; the provision of this Section shall prevail over the time periods provided for in Sections 13.01(b) and 17.01.

ARTICLE 23 - CERTIFICATES - FINANCIAL STATEMENTS.

Section 23.01 - Lease Estoppel:

Each party (the "Certifying Party") shall from time to time, within 15 days after receipt of written request therefor, execute, acknowledge and deliver to the requesting party (the "Requesting Party") or any existing or proposed Mortgagee or purchaser or assignee of the Demised Premises or of any Mortgage, without charge, a duly executed recordable certificate prepared by the Requesting Party certifying all of the following to the best of the knowledge of the Certifying Party: (i) that this Lease is valid, subsisting, in full force and effect and unmodified (or, if modified, that the Lease as modified is valid, subsisting and in full force and effect and stating with specificity all modifications); (ii) the dates to which the rent and other charges have been paid; (iii) the Lease Term including any options and whether or not such options have been exercised; (iv) the Rent then and thereafter payable pursuant to the Lease; (v) that all conditions to Tenant's possession of the Demised Premises and commencement of the Lease Term have been satisfied, if accurate, and if not, stating those conditions which have not been satisfied; (vi) that the Requesting Party is not in default under any provisions of this Lease, if accurate, and if not, stating any defaults; (vii) that there are no offsets or defenses which the Certifying Party then has against Requesting Party (or if there are any offsets or defenses then claimed, stating the nature of same with specificity); and (viii) such other information as may be reasonably requested by the Requesting Party. It is intended that any such statement delivered pursuant to this Article may be relied upon by the parties for whom it is intended.

Section 23.02 - Environmental Certificate:

Tenant, in writing to Landlord, within fifteen (15) days after receipt or request therefor, shall execute, acknowledge and deliver to Landlord or any existing or proposed Mortgagee or purchaser or assignee of the Demised Premises or any Mortgage, without charge, a certificate stating that: (i) Tenant, its subtenants,

concessionaires, licensees, occupants and their contractors, agents, employees and invitees, have complied with the requirements of all Environmental Laws, (ii) Tenant, its subtenants, concessionaires, licensees, occupants and their contractors, agents, employees and invitees have not disposed of Hazardous Materials on, in, under, about or near the Demised Premises, (iii) Tenant, its subtenants, concessionaires, licensees, occupants and their contractors, agents, employees and invitees have not released Hazardous Materials on, in, under, about or near the Demised Premises, and (iv) no soil or surface or ground water contamination has occurred during the Lease Term on, in, under, about or near the Demised Premises. At any time during which this Lease is in effect, Tenant shall, if requested by Landlord, promptly remove any and all equipment, materials and other items which may cause, contribute to or result in Hazardous Material contamination of the Demised Premises (the soil or surface or ground water in, on, under, about or near the Demised Premises), and investigate, remedy and clean up any Hazardous Material contamination if Landlord or any governmental agency reasonably suspects contamination is present or has occurred. Tenant shall promptly (and in all events not later than two (2) business days) notify Landlord of any release of Hazardous Materials on, in, under, about or near the Demised Premises, specifying the nature and quantity of the release, the location of the release, and the measures taken to contain and clean up the release and ensure that future releases do not occur.

Section 23.03 - Tenant Compliance:

Tenant hereby certifies that the business activities which it intends to conduct in the Demised Premises do not use or cause to be used any Hazardous Materials, and are in full compliance with Environmental Laws.

Section 23.04 - Tenant Financial Statements:

At least annually during the term which Tenant occupies the Demised Premises and in any event upon request by Landlord, Tenant shall furnish Landlord at no cost within 120 days of the end of each of Tenant's fiscal years, audited year-end balance sheet and income statements of the Tenant and any sub-tenant and licensor of Tenant.

ARTICLE 24 - NET LEASE.

Section 24.01 - Rent Net to Landlord:

Anything in this Lease to the contrary notwithstanding, this Lease is a net Lease, and Tenant shall pay to Landlord absolutely throughout the Lease Term and during any holdover Base Rent, Additional Rent and other charges hereunder, free of any charges, assessments, impositions or deductions of any kind, and without abatement, deduction or setoff, and under no circumstances or conditions whether now existing or hereafter arising, or whether within or beyond the present contemplation of the parties, shall Landlord, its successors or assigns be expected or required to make any payment of any kind whatsoever, or be under any other obligation or liability hereunder, except as herein otherwise specifically set forth. Tenant's obligations to pay Rent hereunder and to perform the covenants and agreements required to be performed by it hereunder shall in no way be affected, impaired or excused in any respect because Tenant's use and occupancy of the Demised Premises shall be disturbed or prevented for any reason whatsoever, excepting only the Landlord's intentional acts, except as otherwise specifically

provided in this Lease. Any costs incurred by the Landlord on behalf of Tenant under this Agreement may be recovered by the Landlord at Landlord's cost.

ARTICLE 25 - BROKERS.

Section 25.01 - Warranty:

Tenant and Landlord each represents and warrants that it has dealt with no broker, agent or finder on account of this Lease except as specifically set forth herein, and agrees, subject to the limitations set forth in Article 21 hereof, to defend, indemnify and hold harmless each other from and against any and all claims, damages and costs, including attorneys' fees, in connection with any claim for brokerage, finder's or similar fees, or compensation related to this Lease, which may be made or alleged as a result of acts or omissions of the indemnifying party.

Section 25.02 - Survival:

The provisions of this Article 25 shall survive any termination of this Lease.

ARTICLE 26 - MISCELLANEOUS PROVISIONS.

Section 26.01 - Invalidity of Certain Provisions:

If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 26.02 - Captions and Table of Contents:

The captions and table of contents appearing in this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease, or in any way affect this Lease.

Section 26.03 - Independent Operation:

Nothing in this Lease shall cause Landlord in any way to be construed as a partner, joint venturer or an associate of Tenant in the operation of the Demised Premises or subject Landlord to any obligations, losses, charges or expenses connected with or arising from the operation or use of the Demised Premises.

Section 26.04 - Time of the Essence:

Time is of the essence of this Lease as to each of the terms, conditions, obligations and performances contained herein or required hereunder of which time is a factor.

Section 26.05 - Waiver:

No failure by either party to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy following a breach or default thereof, no forbearance by either party to enforce one or more of the remedies herein provided upon an event of default, and no acceptance of full or partial rent during the continuance of any such breach or default, shall constitute a waiver of any such breach or default or of such covenant, agreement, term or

condition. No covenant, agreement, term or condition of this Lease to be performed or complied with and no breach or default thereof shall be waived, altered or modified except by a written instrument. No waiver of any breach or default shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach or default thereof. The maintenance of any action or proceeding to recover possession of the Demised Premises or any installment or installments of Base Rent or any other monies that may be due or become due from Tenant to Landlord shall not preclude Landlord from thereafter instituting and maintaining subsequent actions or proceedings for the recovery of possession of the Demised Premises or of Base Rent or any other monies that may be due or become due from Tenant, including all expenses, court costs and attorneys' fees and disbursements incurred by Landlord. An entry or re-entry by Landlord shall not be deemed to absolve or discharge Tenant from liability hereunder. Landlord or Tenant of any one or more rights or remedies shall not preclude the simultaneous or later exercise by Landlord or Tenant of any or all other rights or remedies, nor shall it constitute a forfeiture or waiver of any amounts owed to Landlord or Tenant.

Section 26.06 - Counterparts:

This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Section 26.07 - Short Form Lease:

Landlord and Tenant agree that if either party so desires, they will execute a Short Form Lease setting forth the existence of this Lease and the Lease Term, which may be recorded. The party so requesting such Short Form Lease shall pay the recording charges and documentary transfer taxes associates therewith.

Section 26.08 - Covenants to Bind and Benefit Respective Parties:

The agreements, terms, covenants and conditions herein shall bind and insure to the benefit of Landlord and Tenant and their respective heirs, personal representatives, successors and permitted assigns; provided that this section shall not constitute a permission or authorization by Landlord to Tenant to assign or in any way transfer its interest in this Lease.

Section 26.09 - Integration; No Oral Modifications:

Tenant hereby acknowledges that except as and to the extent specifically provided for in this Lease, neither Landlord, nor any of its agents, representatives or employees, have made any representations, warranties, agreements or promises, and none shall be implied by law. This Lease is intended by the parties to be a final expression and a complete and exclusive statement of the agreement of the parties regarding the subject matter hereof, and all negotiations between the parties are merged herein. This Lease cannot be changed, modified or terminated orally, but may be amended only by an instrument in writing executed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

Section 26.10 - Gender; Number:

The use of the neuter pronoun in any reference to Landlord of Tenant shall be deemed to include any individual landlord or tenant, and the use herein of the words

“successors and assigns” or “successors or assigns” of the landlord or tenant shall be deemed to include the heirs, legal representatives and assigns of any individual landlord or tenant. The use of the plural shall include the singular, and the use of the singular shall include the plural, as the context may require or permit.

Section 26.11 - Rights and Remedies Cumulative:

Each right and remedy of Landlord and Tenant provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity. The exercise or beginning of the exercise by Landlord or Tenant of any one or more rights or remedies shall not preclude the simultaneous or later exercise by Landlord or Tenant of any or all other rights or remedies, nor shall it constitute a forfeiture or waiver of any amounts owed to Landlord or Tenant.

Section 26.12 - Covenants Independent:

Each and every covenant and agreement contained in this Lease shall be deemed separate and independent and not dependent upon any other provisions of this Lease, and the damages for failure to perform the same shall be deemed in addition to and separate and independent of the damages accruing by reason of the breach of any other covenant contained in this Lease.

Section 26.13 - Corporate Authority and Status:

The person(s) signing this Lease on behalf of Tenant warrant that such person(s) are authorized to execute this Lease on behalf of Tenant, that no other signature is required, and that this Lease shall be binding on Tenant. Tenant's corporate status is in good standing. Tenant shall continuously keep its corporate status throughout the Lease Term in good standing, active and current with the state of its incorporation and shall be and remain licensed to do business in the state in which the Property is located. From and after the time the Tenant enters into possession of any part of the Demised Premises, it shall conclusively be presumed that the person(s) executing this Lease on Tenant's behalf did so with full and proper authority of the Tenant.

Section 26.14 - Cost of Performance:

Whenever it is indicated in this Lease that Landlord or Tenant may, shall or will perform any act, then such act shall be performed at the sole cost and expense of the performing party unless otherwise specifically indicated to the contrary.

Section 26.15 - Attorneys' Fees:

If either party becomes a party to any litigation concerning this Lease, the Demised Premises, or the building or other improvements of which the Demised Premises form a part, by reason of any act or omission of the other party or its authorized representatives, the party that causes the other party to become involved in the litigation shall be liable to that party for reasonable attorneys' fees, court costs, investigation expenses, discovery costs, and costs of appeal incurred by it in the litigation. If either party commences an action against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees, court costs, investigation expenses, discovery costs and costs of appeal.

Section 26.16 - No Offer:

The delivery of an unsigned copy of this Lease to Tenant shall not constitute an offer to lease the Demised Premises or grant any rights to Tenant as a result thereof, and this Lease shall not be binding on Landlord or Tenant until executed by Landlord and Tenant and delivered.

Section 26.17 - Interpretation:

This Lease, and the terms hereof, shall be interpreted and enforced in accordance with the laws of the State of New Hampshire.

IN WITNESS WHEREOF, the parties hereto have executed this Lease under seal as of the day and year first above written.

LANDLORD: CONCORD ELECTRIC COMPANY

By: Laurence M. Brock
Name: Laurence M. Brock
Title: Controller

TENANT: UNITIL REALTY CORP.

By: Mark H. Collin
Name: Mark H. Collin
Title: Treasurer

EXHIBIT A - PROPERTY DESCRIPTION

McGuire Street, Concord, NH Description

A certain tract of land situated to the east of North State Street and opposite the New Hampshire State Prison in Concord, County of Merrimack and State of New Hampshire, bounded and described as follows:

Beginning at a concrete bound on the easterly side line of the Claremont Branch of the Boston & Maine Railroad, said bound lying north fifty-one degrees twenty-eight minutes east (N 51° 28' E) approximately two hundred fifteen and seventy-four hundredths (215.74) feet from another bound on the easterly side line of North State Street, said other bound being forty-two and sixty-six hundredths (42.66) feet southerly of city highway stone bound No. 13; thence running north fifty-one degrees twenty-eight minutes east (N 51° 28' E) by other land of The State of New Hampshire approximately four hundred sixty-six and sixty-four hundredths (466.64) feet to a concrete bound; thence running south forty-three degrees thirty-three minutes east (S 43° 33' E) seventeen and forty-five hundredths (17.45) feet to a concrete bound; thence running south thirty-nine degrees fifty-nine minutes east (S 39° 59' E) four hundred fifty-one and nineteen hundredths (451.19) feet to a concrete bound at the land of the Concord Electric Company; thence south fifty-five degrees forty-five minutes west (S 55° 45' W) by said land of the Concord Electric Company one hundred fifty-one and fifteen hundredths (151.15) feet to a concrete bound; thence running south seventeen degrees fifty-eight minutes west (S 17° 58' W) still by said Concord Electric Company land two hundred three and six hundredths (203.06) feet to a concrete bound at land of the Concord Electric Company; thence running south seventy-six degrees twenty-six minutes thirty seconds west (S 76° 26' 30" W) by land of the Concord Electric Company fifty-three and eighty-one hundredths (53.81) feet to a concrete bound at land now or formerly of Elmer W. Olson; thence running north forty-three degrees forty-five minutes west (N 43° 45' W) by said Olson land one hundred six and ninety-five hundredths (106.95) feet to a concrete bound; thence running south fifty-five degrees forty-five minutes west (S 55° 45' W) still by said Olson land thirty-four and eight hundredths (34.08) feet to a concrete bound at the easterly side line of the Claremont Branch of the Boston & Maine Railroad; thence running north forty-six degrees one minute west (N 46° 1' W) by the easterly side line of said railroad one hundred forty-five and seventy-eight hundredths (145.78) feet to a concrete bound; thence running north forty-seven degrees fifty-one minutes west (N 47° 51' W) still by the said easterly side line of the railroad two hundred ninety-six and eighty-two hundredths (296.82) feet to the point of beginning. The above-mentioned courses, part of which are shown on Plan No. 635, recorded in the Merrimack County Registry of Deeds, are by true north.

Meaning and intending to describe and convey a part of the premises conveyed to the State of New Hampshire by warranty deed of Mary A. Fox, dated May 3, 1932, and recorded in the said Registry, Book 520, Page 481, and by fiduciary deed of Mary A. Fox, Guardian of Elizabeth Frances Fox, dated May 3, 1932, and recorded in the said Registry, book 520, Page 483. See Plan No. 1531 recorded in said Registry.

Reserving, however, to The State of New Hampshire and its assigns a fifty foot (50) right of way across the above-described premises, said right of way to be an easterly extension of the existing roadway from said North State Street across the Claremont Branch of the Boston & Maine Railroad to the above-described premises, or of any future roadway in substantially the same location, and running to land of the Concord Electric Company; thence running northerly and easterly along said land of the Concord Electric Company to the easterly boundary of the above-described premises; and thence running along said easterly boundary to other land of The State of New Hampshire.

This conveyance is subject to the rights acquired by the Concord Electric Company from Thomas Fox by warranty deed dated June 25, 1925, and recorded in said Registry, Book 475, Page 328, and from Mary A. Fox by warranty deed dated June 24, 1927, and recorded in said Registry, Book 490, Page 271, and from Mary A. Fox, Guardian of Elizabeth Frances Fox, by fiduciary deed dated June 24, 1927, and recorded in said Registry, Book 490, Page 585, and from The State of New Hampshire by quitclaim deed dated March 22, 1935, and recorded in said Registry, Book 536, Page 412.

This conveyance is also subject to the rights acquired by the New England Box Company from Charles H. Farnum by warranty deed dated March 3, 1913, and recorded in said Registry, Book 412, Page 22.

This conveyance is further subject to rights acquired by the City of Concord from Mary A. Fox by warranty deed dated December 6, 1929, and recorded in said Registry, Book 521, Page 109, and from Mary A. Fox, Guardian of Elizabeth Frances Fox, by warranty deed dated December 6, 1929, and recorded in said Registry, Book 521, Page 110, and from The State of New Hampshire by instrument dated October 16, 1931, and recorded in said Registry, Book 519, Page 318.

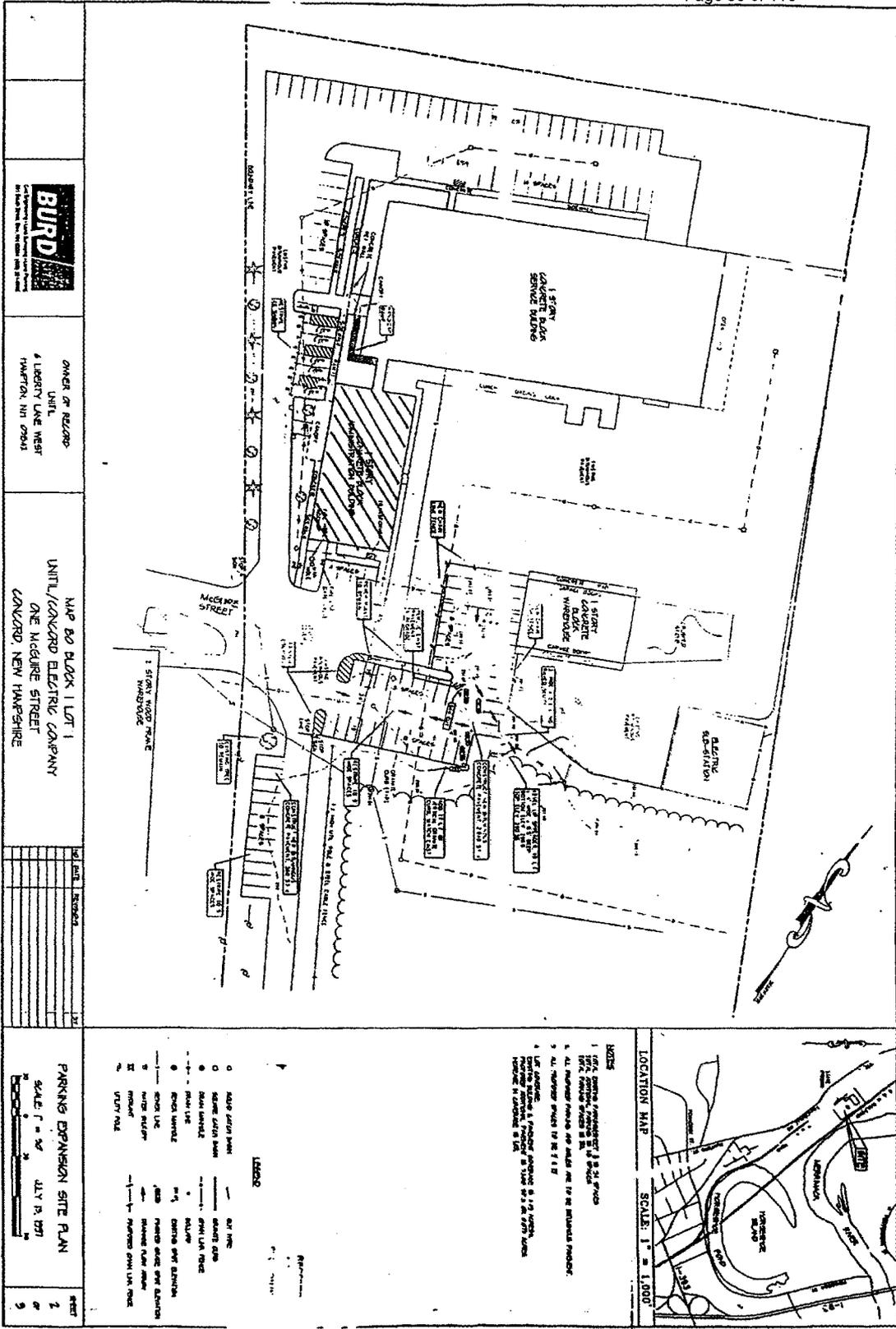
Meaning and intending hereby to convey the first parcel or tract of land, subject to the same reservations, exceptions and restrictions, as was conveyed to C. M. Rice Paper Company by deed of The State of New Hampshire, dated July 31, 1958, and recorded in said Registry of Deeds, Book 828, Page 362.

There is also hereby conveyed the right to pass and repass on foot and with all kinds of vehicles, in common with others, over the strip of land described as the second parcel in said deed from The State of New Hampshire to C. M. Rice Paper Company subject to the control of the City of Concord, this strip of land having been accepted as a City Street, and subject to similar rights reserved by said State in its said deed to C. M. Rice Paper Company, said strip of land being bounded and described as follows:

Beginning at a drill hole in the granite headwall on the easterly side line of said North State Street, which drill hole is eighty-nine and twelve hundredths (89.12) feet northwesterly of City of Concord Stone Bound #12; thence running north fifty-five degrees thirty-seven minutes east (N 55° 37' E) along land formerly of Thomas Fox Estate and now of C. M. Rice Paper Company two hundred twenty-seven and nine hundredths (227.09) feet to an iron pipe in the westerly side line of the Claremont Branch of the Boston & Maine Railroad; thence running north forty-seven degrees

seventeen minutes west (N 47° 17' W) along said westerly side line of the said Claremont Branch thirty and seventy-six hundredths (30.76) feet to a concrete bound in the said westerly side line of the said Claremont Branch; thence running south fifty-five degrees thirty-seven minutes west (S 55° 37' W) along other land of the State of New Hampshire two hundred twenty-one and eighty-three hundredths (221.83) feet to the easterly side line of said North State Street; thence running southeasterly along the said easterly side line of North State Street thirty and four hundredths (30.04) feet to the point of beginning.

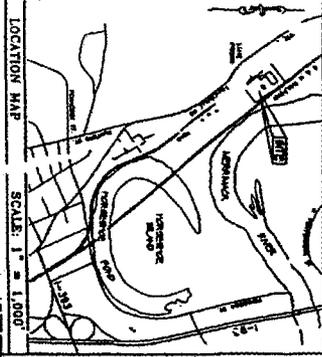
Meaning and intending to describe and convey hereby all and the same premises conveyed to Franklin Hollis by quitclaim deed of C. M. Rice Paper Company, dated February 1, 1964.



OWNER OF RECORD
 UNIT,
 4 LIBERTY LANE WEST
 HAMPTON NH 03041

MAP OF BLOCK 1, LOT 1
 UNIT 1, CONCORD ELECTRIC COMPANY
 ONE MCGUIRE STREET
 CONCORD, NEW HAMPSHIRE

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- NOTES**
1. SEE SHEETS 1 THROUGH 3 FOR ALL OTHERS
 2. ALL DIMENSIONS ARE IN FEET UNLESS OTHERWISE SPECIFIED
 3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED
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 8. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED
 9. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED
 10. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED

PARKING EXPANSION SITE PLAN

SCALE: 1" = 30'

JULY 18, 2011

BY: [Signature]

DATE: [Signature]

PROJECT: [Signature]

NO. 1

NO. 2

NO. 3

NO. 4

NO. 5

NO. 6

NO. 7

NO. 8

NO. 9

NO. 10

NO. 11

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NO. 37

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NO. 39

NO. 40

NO. 41

NO. 42

NO. 43

NO. 44

NO. 45

NO. 46

NO. 47

NO. 48

NO. 49

NO. 50

EXHIBIT B

SCHEDULE A
COMPUTATION OF CONCORD ELECTRIC COMPANY BILLINGS
UNDER LEASE FOR 5 MCGUIRE STREET, CONCORD, NEW HAMPSHIRE

Concord
Billing

A. ORIGINAL BUILDING

	<u>Amortization</u>	<u>Billing</u>
Net Cost on Books at 9/30/97	\$315,857	
(Amortization of above Net Cost over 20 years \$15,792.85 Per Year - \$3,948.21)		
Amortization 4th Quarter 97	<u>3,948</u>	\$ 3,948
Net Cost at 12/31/97	\$311,909	
Gross Additions & Retirements		
Amortization 1998*	<u>15,793</u>	15,793
Estimated Net Cost at 12/31/98*	\$296,116	

Total Amortization Thru 12/31/98 \$19,741

	<u>Carrying Charges</u>	
Net Cost on Books at 9/30/97	\$315,857	
Net Cost at 12/31/97	\$311,909	
Average of Above	\$313,883	
Month End 4th Quarter 97 Cost of Capital	9.99%	
Interest Imputed for 4th Quarter	<u>\$7,839</u>	\$ 7,839
Net Cost at 12/31/97	\$311,909	
Estimated Net Cost at 12/31/98*	\$296,116	
Average of Above	\$304,013	
Month End 3rd Quarter 98 Cost of Capital	9.21%	
Estimated Interest Imputed for 1998	<u><u>\$28,000</u></u>	\$28,000

Total Carrying Charges Thru 12/31/98 \$35,839
TOTAL FOR ORIGINAL BUILDING LEASE \$55,580

*Estimated

SCHEDULE B

Concord Electric Company
Embedded Cost of Capital
September 30, 1997

	Amount Outstanding 12/31/97	C.O.C.	Weight	Weighted *Cost of Capital	
Common Stock Equity	10,224,334	11.50%	43.72%	5.03%	
Preferred Stock	440,000	7.32%	1.88%	0.14%	
Long Term Debt	12,720,000	8.88%	54.40%	4.83%	
	23,384,334		100.00%	9.99%	Embedded Cost of Capital

Preferred Stock \$100 Par

Series	Amount Outstanding 12/31/97	Annual Issuance Expense	Annual Dividend Expense	Total Annual Cost	Effective Cost %
6.00%	225,000	0	13,500	13,500	6.00%
8.70%	215,000	0	18,705	18,705	8.70%
Total	440,000	0	32,205	32,205	7.32%

Long Term Debt

Series		Amount Est. O/S 9/30/98	Annual Issuance Expense	Annual Interest Expense	Total Annual Cost	Effective Cost %
Series C	6.75%	1,520,000	798	102,600	103,398	0.00%
Series H	9.43%	5,200,000	21,094	490,360	511,454	9.84%
Series I	8.49%	6,000,000	4,751	509,400	514,151	8.57%
Total		12,720,000	26,643	1,102,360	1,129,003	8.88%

SCHEDULE C

Concord Electric Company
Embedded Cost of Capital
September 30, 1998

	Amount Outstanding 12/31/97	C.O.C.	Weight	Weighted Cost of Capital	
Common Stock Equity	11,560,614	11.50%	41.29%	4.75%	
Preferred Stock	440,000	7.32%	1.57%	0.12%	
Long Term Debt	16,000,000	7.61%	57.14%	4.35%	
	28,000,614		100.00%	9.21%	Embedded Cost of Capital

Preferred Stock \$100 Par

Series	Amount Outstanding 12/31/97	Annual Issuance Expense	Annual Dividend Expense	Total Annual Cost	Effective Cost %
6.00%	225,000	0	13,500	13,500	6.00%
8.70%	215,000	0	18,705	18,705	8.70%
Total	440,000	0	32,205	32,205	7.32%

Long Term Debt

Series		Amount Est. O/S 9/30/98	Annual Issuance Expense	Annual Interest Expense	Total Annual Cost	Effective Cost %
Series C	6.75%	0	0	0	0	0.00%
Series H	6.96%	10,000,000	6,667	696,000	702,667	7.03%
Series I	8.49%	6,000,000	4,751	509,400	514,151	8.57%
Total		16,000,000	11,418	1,205,400	1,216,818	7.61%

SUBLEASE

This SUBLEASE is executed this 21st day of January, 1999, between UNITIL REALTY CORP., a New Hampshire corporation, having an office at 6 Liberty Lane West, Hampton, New Hampshire 03842 (hereinafter referred to as "Sublessor") and UNITIL SERVICE CORP., having an office at 6 Liberty Lane West, Hampton, New Hampshire 03842 (hereinafter referred to as "Sublessee").

WITNESSETH:

WHEREAS, pursuant to a Lease executed on January 21, 1999 between CONCORD ELECTRIC COMPANY, as Landlord, and UNITIL REALTY CORP., as Tenant, a copy of which lease is attached hereto as Exhibit A (hereinafter referred to as the "Lease"), the Sublessor is leasing approximately 7,200 square feet of leaseable floor area for use as a service center and office located at 5 McGuire Street, Concord, New Hampshire (hereinafter referred to as the "Demised Premises"); and

WHEREAS, Sublessee desires to sublease from Sublessor and Sublessor desires to sublease unto Sublessee the Demised Premises.

NOW, THEREFORE, in consideration of the mutual undertakings, covenants, promises, and agreements of the parties, IT IS AGREED AS FOLLOWS:

1. Sublessor hereby leases to Sublessee and Sublessee hereby rents from the Sublessor the Demised Premises, subject to the rents, terms, covenants, conditions, and provisions set forth in the Lease and this Agreement. The term of this Agreement shall commence as of September 30, 1997 (the "Commencement Date") and end at 11:59 p.m. September 30, 2017 ("Lease Term"), unless such term shall be sooner terminated as herein provided.

2. The Sublessor may terminate this Agreement, with or without cause, as to all or part of the Demised Premises, upon thirty (30) days prior written notice to the Sublessee.

3. The Sublessee represents and warrants that it has read the Lease and agrees that:

(a) The terms, covenants, promises, and conditions of the Lease are incorporated herein; and

(b) Sublessee shall fulfill, comply with and be bound by all of the terms, covenants, promises, and conditions of the Lease.

4. The Sublessee shall use the Demised Premises in accordance with the terms of the Lease and not do or omit to do anything which will breach any of the terms of the Lease. If the Lease is terminated, this Agreement shall terminate simultaneously and any unearned rent paid in advance shall be refunded to the Sublessee, if such termination is not the result of a breach by the Sublessee of the within sublease. The Sublessee shall assume the obligation for performance of all of the Sublessor's obligations under the Lease.

5. Rent:

(a) Additional Base Rent.

For the Lease Term, in addition to the rent set forth in Article 3 of the Lease, the Sublessee shall pay to the Sublessor, Additional Base Rent. Additional Base Rent shall be the sum of the "Net Cost of the Leasehold Improvements" and the "Cost of Capital" as calculated for each year of the Lease Term and as further described below. For purposes of this Paragraph 5, "Net Cost of the Leasehold Improvements" shall mean the cost of the leasehold improvements at the Demised Premises that is carried on the books of the Sublessor as of the Commencement Date, amortized over the remaining Lease Term and adjusted annually for any new improvements and/or any other necessary adjustments. The Net Cost of the Leasehold Improvements as of the Commencement Date is set forth on Schedule A appended hereto and made part hereof. For purposes of this Paragraph 5, "Cost of Capital" shall mean the average Net Cost of the Leasehold Improvements for each year of the Lease Term multiplied by the "Average Cost of Capital Rate". "Average Cost of Capital Rate" shall mean that percentage sum of the weight averaged cost of capital for each of the Sublessor's common stock equity, preferred stock, preference stock, long term debt and/or short term debt.

(b) Calculation of Additional Base Rent.

(i) For the period starting with the Commencement Date and ending December 31, 1997, the actual Additional Base Rent shall be in the amount of Thirteen Thousand Three Hundred Ninety Six (\$13,396.00) Dollars (Net Cost of the Leasehold Improvements of \$6,285.00 plus Cost of Capital of \$7,111.00 as set forth on Schedule A).

(ii) For the period commencing January 1, 1998 and ending December 31, 1998, the estimated Additional Base Rent shall be in the amount of Fifty Seven Thousand Three Hundred Eighty Eight (\$57,388.00) Dollars (Estimated Net Cost of the Leasehold Improvements of \$27,003.00 plus Estimated Cost of Capital of \$30,385.00 as set forth on Schedule A). As of March 31, 1999 the Sublessee shall receive a credit or debit for the twelve (12) month period commencing January 1, 1998 and ending December 31, 1998, depending upon whether the estimated Additional Base Rent is above or below the actual costs incurred by the Sublessor.

(iii) For the period commencing January 1, 1999 and ending December 31, 1999, and for all successive lease years during the Lease Term, the Additional Base Rent shall be estimated by the Sublessor. The Net Cost of the Leasehold Improvements shall be estimated subject to final adjustment using the same methodology set forth in Schedule A and the Average Cost of Capital Rate shall be

estimated using the Average Cost of Capital Rate for the Sublessor as of the end of the third quarter for the preceding year. As of March 31 following each lease year of the Lease Term, the Sublessee shall receive a credit or debit for the preceding twelve (12) month lease year period (January to December), depending upon whether the estimated Additional Base Rent is above or below the actual costs incurred by the Sublessor.

(c) Payment of Additional Base Rent.

Additional Base Rent shall be paid in equal monthly installments in advance on the first day of each calendar month during the Lease Term.

6. Any notices shall be in writing and shall be sent by registered or certified mail, return receipt requested, addressed to the parties at the addresses indicated on page one hereof, or such other address as such party has been advised of in writing.

7. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the Demised Premises, and there are no other terms, covenants, obligations, or representations, oral or written, of any kind whatsoever.

8. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, their respective heirs, executors, administrators, successors, and assigns, and may not be revoked or amended, except by instrument, in writing, subscribed by the party sought to be charged therewith.

9. This Agreement shall be interpreted and governed by the laws of the State of New Hampshire.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date, month and year first above written.

SUBLESSOR: UNTIL REALTY CORP.

By: Mark H. Collin
Duly Authorized
Print
Name: Mark H. Collin
Title: Treasurer

SUBLESSEE: UNTIL SERVICE CORP.

By: Laurence M. Brock
Duly Authorized
Print
Name: Laurence M. Brock
Title: Controller

SCHEDULE A

**COMPUTATION OF UNITIL REALTY BILLINGS FOR ADDITIONAL BASE
 RENT UNDER SUBLEASE FOR 5 MCGUIRE STREET, CONCORD, NH**

LEASEHOLD IMPROVEMENTS

	<u>Amortization</u>	
Net Cost on Books at 9/30/97	\$431,557	
Gross Additions & Retirements	71,226	
(Amortization of above Net Cost over 20 years - \$6,285 per quarter)		
Amortization 4th Quarter 97	6,285	\$ 6,285
Net Cost at 12/31/97	\$496,498	
Gross Additions & Retirements	36,807	
(Amortization \$27,003) \$6,284.78 & \$36,807/79=465.91X4		
Amortization 1998*	27,003	27,003
Estimated Net Cost at 12/31/98*	\$506,302	

Total Amortization Thru 12/31/98 \$33,288

	<u>Carrying Charges</u>	
Net Cost on Books at 9/30/97	\$431,557	
Net Cost at 12/31/97	\$496,498	
Average of Above	\$464,028	
4th Quarter Borrowing Rate**	6.13%	
Interest Imputed for 4th Quarter	\$7,111	\$ 7,111
Net Cost at 12/31/97	\$496,498	
Estimated Net Cost at 12/31/98	\$506,302	
Average of Above	\$501,400	
1998 Borrowing Rate* 3rd Quarter 98**	6.06%	
Estimated Interest Imputed for 1998	\$30,385	30,385

Total Imputed Interest Thru 12/31/98 \$37,496

TOTAL FOR LEASEHOLD IMPROVEMENT \$70,784

TOTAL FOR ORIGINAL BUILDING \$55,580

TOTAL 1998 BILLINGS \$126,364

*Estimated **Presently Short-term Borrowing Rate Cost of Capital

LEASE

UNITIL REALTY CORP.
a New Hampshire corporation
("Landlord")

and

UNITIL SERVICE CORP.
a New Hampshire corporation
("Tenant")

June 15, 1997

EXHIBIT D
(to Note Purchase Agreement)

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(v)

LEASE

LEASE executed this 15th day of June, 1997, between UNITIL REALTY CORP., a New Hampshire corporation (the "Landlord"), of 6 Liberty Lane West, Hampton, New Hampshire 03842 and UNITIL SERVICE CORP., a New Hampshire corporation, of 6 Liberty Lane West, Hampton, New Hampshire 03842 (the "Tenant").

For and in consideration of the mutual promises, covenants and conditions herein contained and the rent reserved by Landlord to be paid by Tenant to Landlord, Landlord hereby leases to Tenant and Tenant hereby rents from Landlord the Demised Premises, as hereinafter defined, for the term, at the rentals and upon the terms and conditions set forth below.

ARTICLE 1 - DEFINITION OF CERTAIN TERMS.

Section 1.01 - Definitions: As used in this Lease, the following terms shall have the meanings set forth below:

(a) "Additional Rent" shall mean and include any amounts other than Base Rent required to be paid by Tenant to Landlord pursuant to any of the provisions of this Lease.

(b) "Alterations" shall mean and include all improvements, changes, alterations and betterments to the Demised Premises or the Amended Demised Premises.

(c) "Commencement Date" shall mean July 1, 1997.

(d) "Demised Premises" are located on the Property and shall mean (i) the Property, (ii) the building located at the Property marked by cross-hatching on the Site Plan of the Property attached hereto as Exhibit B (the "Site Plan"), which has, for purposes of this Lease, an approximate gross leasable area of 43,000 square feet, (iii) all improvements on the Property, and (iv) any and all leasehold improvements permanently affixed or attached at any time by Landlord, Tenant or any subtenant in the Demised Premises, including, without limitation, any heating, ventilation and air conditioning units or electrical systems.

(e) "Environmental Laws" shall mean all laws and regulations referred to in subparagraph (g) of this Section relating to the environment, health and safety; each Environmental Law is a Legal Requirement.

(f) "Force Majeure" shall mean causes beyond the reasonable control of Tenant or Landlord, as the case may be, including but not limited to "acts of God", fire and other casualties, earthquakes and floods, strikes, lock-outs, protests, riots, insurrection, war, nuclear disaster, unavailability of materials, acts of governmental authority, including courts, or acts or conduct of the other party to this Lease, its employees or agents, in violation of this Lease. Such causes shall not include financial difficulties or inability to obtain financing.

(g) "Hazardous Materials" shall mean any hazardous, poisonous, toxic or infectious substance, material, gas or waste which is or becomes regulated by any governmental authority of the United States Government, the State of New Hampshire or any of their agencies pursuant to laws or regulations, or which has been identified as a toxic, cancer causing or otherwise hazardous substance.

(h) "Landlord" shall mean Unital Realty Corp. and any future owner of the Property, their successors and assigns.

(i) "Lease Year" shall refer to a period of 365 days (366 in any leap year) commencing on the Commencement Date or an anniversary of the Commencement Date. In the event the Commencement Date is other than the first day of a month, each Lease Year shall commence on the first day of the first full calendar month following the Commencement Date (provided that any additional days between the Commencement Date and the beginning of the first Lease Year shall be included within the first Lease Year).

(j) "Legal Requirements" shall mean (i) all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and courts, and rules and regulations of any insurance rating organization or any other body exercising similar functions, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Demised Premises or to the use or manner of use of the Demised Premises by the owners, tenants, or occupants thereof; (ii) the requirements of all companies providing public liability, fire and other policies of insurance at any time in force with respect to the Demised Premises; (iii) the provisions of that certain Warranty Deed from Asset Title Holding, Inc. to Landlord dated June 21, 1995 recorded with Rockingham County Registry of Deeds, and all documents referred to therein; (iv) the provisions of that certain Declaration of Covenants, Conditions, Restrictions and Easement for

Liberty Lane West Park, Hampton, New Hampshire dated June 20, 1995 recorded with said Registry of Deeds, as the same may be amended or modified; (v) the provisions of any other covenants, conditions, restrictions, easements or agreements of record governing the Demised Premises; and (vi) the requirements of any Mortgagee.

(k) "Mortgage" shall mean any mortgage, deed of trust or security agreement now or hereafter encumbering or creating a lien on any portion of the Property, as the same may be consolidated, renewed, replaced, extended or modified, excluding security interests encumbering Tenant's leasehold interest only.

(l) "Mortgagee" shall mean the holder or holders of any Mortgage or the beneficiary or beneficiaries under any deed of trust or other security agreement constituting a Mortgage on the Landlord's interest in the Property.

(m) "Personalty" shall mean and include any and all personal property, inventory, goods, stock, chattels, trade fixtures, furniture, furnishings and equipment (excluding those items included within the definition of Demised Premises as set forth in Subsection 1.01(d), which items are and shall remain the property of Landlord from and after the time they are installed), owned by Tenant, or any subtenant or licensee of Tenant, and now or hereafter located on or used in connection with the Demised Premises.

(n) "Property" shall mean that certain parcel of land at 6 Liberty Lane West, Hampton, New Hampshire, described in Exhibit A, together with all buildings and improvements thereon now and in the future.

(o) "Real Estate Taxes" shall mean any form of real property tax, excise or assessment (whether general or special), tax on commercial rentals and receipts, gross income tax (but not any federal or state net income, gift, inheritance or estate taxes), or documentary transfer tax on the making of this Lease, imposed now or in the future by any authority having the direct or indirect power to tax, including, but not limited to, any city, county, state or federal government, or any school, agricultural, lighting, drainage or other improvement district thereof, levied against or with respect to the land and buildings comprising the Property, or any legal or equitable interest of Landlord in the Demised Premises or in the Property, or Landlord's business of leasing the Demised Premises or the Property, or gross income derived from such business, and further including all reasonable costs and expenses, including reasonable attorneys', consultants' and accountants' fees, incurred in determining, filing, contesting and appealing any

such tax, excise or assessment or a judgment with respect thereto. In the event a taxing authority shall impose taxes in lieu of real property taxes described above, such taxes shall be deemed included within the definition of Real Estate Taxes.

(p) "Rent", "rent" or "rents" shall mean the Base Rent, Additional Rent and all other monetary sums required to be paid by the Tenant pursuant to the terms of this Lease.

(q) "Rent Commencement Date" shall be the same date as the Commencement Date.

(r) "Repair" or "repairs" shall include, but not be limited to, maintenance, repair, replacement and restorations, all of the foregoing being of an extent and quality equal to the original work and materials.

(s) "Tenant" shall mean the party named as Tenant above and any party or parties succeeding to the interest in the Demised Premises of such named party in accordance with the provisions of this Lease.

ARTICLE 2 - TERM OF LEASE; QUIET ENJOYMENT; USE OF PREMISES.

Section 2.01 - Term; Quiet Enjoyment:

(a) The term of this Lease shall commence on the Commencement Date and shall end at 11:59 p.m., August 31, 2017 (the "Lease Term"), unless such term shall be sooner terminated as herein provided.

(b) Landlord shall deliver possession of the Demised Premises to Tenant on the Commencement Date (the "Delivery Date"). Landlord covenants that so long as Tenant shall fully and timely perform the agreements, terms, covenants and conditions hereof, Tenant shall and may peaceably and quietly have, hold and enjoy the Demised Premises for the Lease Term without disturbance by or from Landlord or anyone claiming under Landlord, subject to all Mortgages and other matters to which this Lease is or may become subordinate and to the provisions contained herein. Tenant takes the Demised Premises in strictly "AS IS" condition, both as to title and physical condition, there being no representations or warranties by Landlord concerning the title to or condition of the Demised Premises, except as expressly provided in this Lease. Tenant agrees that Tenant has been given ample opportunity to make such investigation of the Demised Premises and Legal Requirements

applicable to the Demised Premise and Tenant's business to be conducted thereat.

Section 2.02 - Use of Demised Premises; Signage:

(a) Tenant covenants and agrees that Tenant will use or permit the use of the Demised Premises only for office use; provided, however, that Tenant may use the Demised Premises for other uses with the prior written consent of the Landlord, given or withheld in Landlord's sole discretion. Notwithstanding the foregoing, Tenant will in no event use or occupy the Demised Premises or allow the Demised Premises to be used or occupied: (i) for any unlawful or immoral purpose, and will not suffer any unlawful or immoral act to be done or any unlawful or immoral condition to exist on the Demised Premises; (ii) for any business or purpose deemed extra hazardous on account of fire or otherwise; (iii) in violation of any Legal Requirement; (iv) so as to commit or permit to be committed any waste thereon.

(b) Landlord may erect and maintain such suitable signs as it may deem appropriate to advertise and/or identify the Property and other tenants in the Property. Subject to the approval of the appropriate municipal authority, and subject to any covenants, conditions and restrictions to which the Property may be subject from time to time, Tenant, with the Landlord's written approval as to location, design, specifications, wording, size and type, at Tenant's sole cost and expense, may erect and maintain signs on the exterior of the Demised Premises so as to identify Tenant's place of business. All signs shall comply with all Legal Requirements. Tenant shall maintain such signs in good condition and repair and shall keep them insured at all times. Tenant shall remove all such signs at the end of the Lease Term, repairing any damage caused thereby.

(c) Tenant covenants and agrees that Tenant and its successors, assigns, subtenants, licensees, concessionaires and occupants and their agents, employees, contractors, and invitees, shall not, at any time during the Lease Term, cause or permit any Hazardous Materials, other than minimal amounts of cleaning materials and other materials normally required in office use which shall be stored and used in accordance with all Legal Requirements, to be brought upon, stored, manufactured, blended, handled, or used in, on, or about the Demised Premises for any purpose.

ARTICLE 3 - RENT.

Section 3.01 - Rent: Tenant shall pay to Landlord or such other party as Landlord may from time to time designate by notice

to Tenant, in legal tender of the United States, without deduction, abatement or, set off, at the address of Landlord specified herein or furnished pursuant to the terms hereof:

(a) Base Rent. For the Lease Term, the Tenant shall pay net rental ("Base Rent") for the Demised Premises in the amount of \$914,325.00 per year, payable in equal monthly installments of \$76,193.75 each.

The Base Rent shall commence on the Rent Commencement Date. It shall be paid in equal monthly installments in advance on the first day of each calendar month during the Lease Term.

(b) Additional Rent. In addition to Base Rent, Tenant shall pay to Landlord as Additional Rent all other sums owing from Tenant to Landlord as provided in this Lease, commencing with the Commencement Date.

(c) It is the intention of the parties that the Landlord receive in rent its actual cost of owning and operating the Demised Premises and full renovations necessary for full utilization thereof.

(d) Taxes. Tenant covenants and agrees to pay promptly when due directly to the appropriate taxing authority all taxes imposed upon its business operations, its personalty, and any fixtures or appurtenances included as part of the Demised Premises. In addition, Tenant shall pay to Landlord, or at the option of Landlord directly to the tax collector to whom such payments are required by law to be made, commencing with the Commencement Date, as Additional Rent, all Real Estate Taxes assessed against the Property. Payments to be made hereunder directly to the tax collector shall be paid in full no later than ten (10) days prior to the due date therefor, and Tenant shall promptly deliver to Landlord receipts for such payment. Payments due by Tenant to Landlord hereunder shall be based on Landlord's written certification of the amount due for that Lease Year or tax year and the amount of any fees or expenses paid or payable to tax consultants or advisors. Any payments due by Tenant to Landlord hereunder shall be made within 30 days after Tenant's receipt of Landlord's written certification of the amount due unless Landlord's Mortgagee requires that Landlord pay an estimated sum each month in advance, subject to later adjustment, in which latter event Tenant shall pay such sum to Landlord monthly in advance, along with such additional sum to be credited towards such taxes as is necessary to insure that the said Landlord's Mortgagee has on hand sufficient funds to pay the taxes before same are overdue,

subject to adjustment at the end of each Lease Year or tax year, at Landlord's election.

(e) Partial Month. In the event that the Rent Commencement Date is on a date other than the first day of a month, the payment owing for Base Rent for such partial month shall be the monthly Base Rent multiplied by a fraction, the numerator of which is the number of days in such partial month that this Lease is in effect and the denominator of which is the number of days in such partial month. This payment shall be due on the Rent Commencement Date. In the event the last day of the Lease Term is on a date other than the last day of a month, a similar proration of Base Rent shall be made for such month.

(e) Lien for Rent. To the fullest and broadest extent permissible under New Hampshire law, the Landlord shall have a lien upon the assets and properties of the Tenant to secure the payment of any Base Rent, Additional Rent or other sums due hereunder.

Section 3.02 - Late And Partial Payments: Should Tenant fail to pay when due or within 5 days after the due date any installment or other payment of Rent, then Tenant shall pay to Landlord on demand, in addition to amounts owing and unpaid, interest at the lower of 18% per annum or the highest rate permitted by applicable law from the due date until the required payment(s) are made. Landlord may apply any partial payments as Landlord deems appropriate. No assessment or acceptance by Landlord of any late charge for overdue payments shall be construed or interpreted as a waiver or abandonment of any claim for breach or default by Landlord under this Lease.

ARTICLE 4 - SITE.

Section 4.01 - Closure of Property: Landlord may close temporarily all or part of the Property as reasonably required to prevent the acquisition of public rights in such areas in which event Landlord shall not be subject to liability therefor, nor shall any such action be deemed an actual or constructive eviction of Tenant, nor shall there be any reduction in the Rent due and payable pursuant to this Lease.

Section 4.02 - Site Plan: Any site analysis figures and detail drawings in the Site Plan do not constitute a representation or warranty by Landlord that the figures or detail drawings are accurate or that the design of the site has not been or will not be modified in minor respects from that shown on the Site Plan. The site analysis figures and detail drawings are provided only to give a sense of the Property's layout. The parties agree that Tenant

has inspected the Property and satisfied itself of the Property's physical condition and its suitability for Tenant's intended use. Tenant hereby acknowledges that it hereby unconditionally accepts the Premises and the improvements thereon.

ARTICLE 5 - INSURANCE.

Section 5.01 - Insurance Required:

(a) During the Lease Term, Landlord, or at Landlord's option the Tenant, at the sole cost and expense of Tenant, shall provide and keep in force:

- (i) commercial general liability insurance with the broad form endorsement, including, but not limited to, personal injury and contractual liability coverage of at least \$3,000,000.00 combined single limit for both bodily injury and property damage resulting from a single occurrence, occurring in and around the Property and any exterior signs maintained by Tenant, and automobile liability insurance with limits of not less than \$3,000,000.00 combined single limit for both bodily injury and property damage resulting from one occurrence, with deductible amounts for each such coverage to be first approved by Landlord in writing which insurance shall not be limited in the event of construction on the Property;
- (ii) worker's compensation insurance at legally required levels and employer's liability insurance at limits of not less than \$500,000.00 per accident for the benefit of all employees entering upon the Demised Premises or the Property or any portion thereof as a result of or in connection with their employment by Tenant or any subtenant or licensee of Tenant;
- (iii) "All Risk" casualty insurance with earthquake coverage, and with flood coverage if the Property is located within a flood hazard area, each in an amount equal to the full replacement cost of the Demised Premises (less foundations, except for earthquake insurance) which insurance shall not be limited in the event of construction on the Property; and

(iv) Such property and other insurance covering loss, injury and damage in, on and to the Demised Premises as Landlord reasonably determines appropriate, taking into consideration insurance coverage and policy provisions for properties similar to the Demised Premises and the use made thereof from time to time.

(b) Tenant shall reimburse and pay to Landlord as Additional Rent the cost and expense of all such insurance described above obtained by Landlord, such payment to be made within 30 days of the billing of the same by Landlord to Tenant.

Section 5.02 - Policy Terms and Beneficiaries: All insurance provided in accordance with Section 5.01 shall name Landlord and Tenant as insureds, each Mortgagee as an additional insured, and their respective interests may appear. Insurance policies may contain a deductible amount and for self-insurance retention which has been approved by Landlord in writing but in no event in an amount greater than as permitted by any Mortgage. Tenant shall be liable for all deductible amounts. If and when Tenant is responsible for obtaining any such insurance, no later than the Commencement Date, if applicable, and 10 days prior to the expiration date of any prior insurance policy, Tenant shall deliver to Landlord any Mortgagee certificates evidencing the existence and amount of such insurance, issued by an insurer or insurers satisfactory to Landlord. Tenant shall procure policies for all insurance at least 10 days before the expiration of prior policies.

Each insurance policy required by this Article 5 shall contain the following provisions: (i) in the case of policies covering loss or damage to the Demised Premises, losses, if any, shall be payable to Mortgagees under a standard mortgage payable clause; (ii) a Mortgagee's interest shall be insured regardless of any breach or violation by an insured other than Mortgagee of any warranties, declarations or conditions contained in such policy; (iii) such insurance, as to the interest of the Mortgagor therein, shall not be invalidated by the use or operation of the Demised Premises for purposes which are not permitted by such policy nor by any foreclosures or other proceedings relating to the Demised Premises; (iv) the insurers shall waive any right of subrogation of the insurer to any setoff or counterclaim or any other deduction, other than by attachment or otherwise, in respect of any liability of the interest; (v) the agreement of the insurer to give Landlord and each Mortgagee at least 30 days notice by registered mail prior to lapse, cancellation or termination for any reason whatsoever; and (vi) a proper certification in clause v shall be made to each

insured, including the Mortgagee by each insurer with respect thereto.

Any such insurance may be in the form of a general coverage or blanket policy covering the Demised Premises and other premises, provided that Landlord and each Mortgagee are specifically named therein as additional insureds and the coverage applicable to the Demised Premises is specified therein or by endorsement.

Tenant shall pay all of any increase in premiums for the property or general liability insurance which is a result of the type of services rendered by Tenant, or its subtenants and licensees, or their activities in the Demised Premises, whether or not Landlord has consented to the same.

In the event Tenant fails at any time during the term of this Lease to obtain and keep in force required insurance or to provide satisfactory evidence thereof, Landlord shall have the right but not the duty to procure such insurance, and Tenant shall pay to Landlord the costs and expenses thereof as Additional Rent. Tenant and Landlord hereby waive any right of subrogation against the other party hereto. The amounts of the foregoing insurance shall in no event be less than the amount required by any Mortgagee, and the limits of insurance shall not limit Tenant's liability under this Lease.

ARTICLE 6 - PERSONAL PROPERTY OF TENANT.

Section 6.01 - Tenant's Property: All Personalty shall remain the property of Tenant. Landlord shall under no circumstances whatsoever be responsible for any loss or damage occurring to any Personalty.

Section 6.02 - Removal: Upon the expiration or earlier termination of this Lease, Tenant shall remove any and all Personalty and repair any damage to the Demised Premises caused thereby. Tenant shall not remove any plumbing or electrical fixtures or equipment, heating or air conditioning equipment, floor or wall coverings, paneling, tile or other materials on the walls, floors or ceilings, any fixtures or appurtenances included within the definition of Demised Premises or any fixtures or machinery that were furnished or paid for by Landlord, all of which shall be deemed to constitute a part of Landlord's estate. The Demised Premises shall be left in a broom-clean condition. If Tenant shall fail to so remove its Personalty at the termination of this Lease, such Personalty not removed by Tenant shall be deemed abandoned by Tenant, and, at the option of Landlord, (i) shall become the property of Landlord or (ii) may be disposed of without

accountability in such manner as Landlord may see fit, and Tenant shall pay to Landlord upon demand the cost and expense of removal and disposal and repair of all damage to the Demised Premises which is caused by such removal.

ARTICLE 7 - MAINTENANCE; REPAIR; UTILITIES.

Section 7.01 - Repairs and Maintenance: Tenant shall, at its sole cost, promptly make all repairs and replacements to the Demised Premises, including the structural parts and roof of the Demised Premises, necessary to keep the same clean and in first-class condition and repair, including, but not limited to, all of the building's structural components and parts, the exterior and interior walls, the foundations, the roof, and the roof drainage systems, all exterior and interior lighting facilities, exterior and interior doors and windows, loading docks, the air conditioning, heating, water heating, plumbing and electrical equipment systems and installations, all glass and show windows, moldings and bulkheads, all partitions, floor surfaces and subsurfaces, ceilings, roof, and fixtures, equipment and appurtenances thereto. Tenant shall at its expense maintain and operate all of its interior and exterior signs, and shall keep the outside surfaces of the buildings comprising the Demised Premises, including signs, in good, sightly and clean condition. Any damage to the exterior walls to which any sign may be attached, including but not limited to rust stains and structural cracking of the facia, caused by Tenant's use of such sign, shall be repaired by Tenant at its own cost. Tenant shall make all such other repairs and replacements in and to the Demised Premises promptly as needed. In addition to the foregoing, Tenant shall repair, replace and maintain the fire sprinkling system, fire extinguishers and other fire preventive equipment in the Demised Premises. All repairs and replacements by Tenant shall be in accordance with all present and future Legal Requirements.

Landlord shall have no obligation to repair or replace any part of the Demised Premises.

Section 7.02 - Utilities: Tenant shall promptly pay for all utility charges, including without limitation electrical, natural gas, telephone and fire protection, water and sewer charges, rendered or furnished to the Demised Premises from and after the Commencement Date. At the option of Landlord, Landlord may pay for such utility charges whereupon Tenant shall reimburse Landlord for such charges within fifteen (15) days of billing therefor.

ARTICLE 8 - CONSTRUCTION OF IMPROVEMENTS AND ALTERATIONS.

Section 8.01 - Tenant Leasehold Improvements and Alterations:

(a) Tenant hereby takes possession of the Demised Premises in strictly "AS IS" condition, regardless of whether the Demised Premises are satisfactory for Tenant's purposes. Tenant expressly agrees that this Lease is not conditioned on Tenant being able to make any Improvements or Alterations.

(b) Tenant may make improvements to the Demised Premises ("Improvements") and Alterations in or to the interior of the Demised Premises only with the prior written consent of Landlord, which consent may be withheld by the Landlord for any reason or for no reason; Tenant shall make no Improvements to the exterior of the Demised Premises which would materially modify and adversely affect the Demised Premises without the prior written consent of Mortgagee.

(c) All Improvements and Alterations which are consented to by Landlord and Mortgagee are subject to the following requirements:

- (i) All Improvements and Alterations once commenced shall proceed in good faith, with due diligence and promptly to completion;
- (ii) No Improvements or Alterations shall be undertaken until Tenant shall have procured all required permits and authorizations of all municipal departments;
- (iii) Any Improvements and Alterations, when completed, shall be of such a character as not to reduce the value of the Demised Premises below its value immediately before such Improvements or Alterations;
- (iv) Any Improvements or Alterations shall be made in a good and workmanlike manner and in compliance with all applicable permits, authorizations, Legal Requirements and provisions of this Lease;
- (v) At least 30 days before the commencement of any Improvements or Alterations, Tenant shall notify Landlord of its intention to commence the same so

that Landlord may post or record notices of non-responsibility.

Section 8.02 - Ownership and Maintenance: All Alterations and Improvements, including, without limitation, all lighting fixtures, intercom systems, installations, fixtures (other than trade fixtures), are and shall be deemed to be and immediately become part of the realty and the sole and absolute property of Landlord. Notwithstanding the foregoing, Tenant shall maintain insurance coverage with respect to same, and shall maintain, repair and replace same, all as more particularly provided for in this Lease. Alternatively, at the time the Lease Term ends or otherwise terminates for any reason, Landlord may elect to have Tenant remove any Alterations or Improvements and return the Demised Premises to their former condition, which shall be fully completed within 30 days of the end or other termination of the Lease Term.

Section 8.03 - No Liability: Landlord's approval rights as provided for herein are solely for Landlord's benefit and shall not give rise to any liability whatsoever on the part of Landlord.

ARTICLE 9 - COMPLIANCE WITH LEGAL REQUIREMENTS.

Section 9.01 - Legal Requirements: This Lease is subject to all Legal Requirements now or hereafter applicable to the Demised Premises. Tenant shall promptly and fully comply with all Legal Requirements.

ARTICLE 10 - DISCHARGE OF LIENS.

Section 10.01 - No Liens Permitted; Removal: Tenant shall not permit (i) any claim of lien to be filed by any person under any mechanics' lien statute or materialmen's lien statute, (ii) any lien imposed under any Environmental Law or (iii) any other liens against the Demised Premises. If any such claim of lien shall be filed against the Demised Premises, Tenant shall cause the lien to be discharged; provided, however, that Tenant may contest any such lien, so long as the enforcement thereof is stayed and the lien is removed of record by means of a bond or any other lawful means. If Tenant shall fail to cause said lien to be released of record within 10 days after notice to Tenant from Landlord, then Landlord may, but shall not be obligated to, discharge the same by deposit or bonding. Any amount paid by Landlord and all costs and expenses incurred by Landlord in connection therewith shall constitute Additional Rent and shall be paid by Tenant to Landlord on demand, together with interest at the lower of 18% per annum or the highest rate then permissible under applicable law.

Nothing herein shall be deemed to subject Landlord's estate in the Demised Premises to any lien or liability under any law relating to liens. Tenant shall indemnify, defend with attorneys satisfactory to Landlord, and save Landlord harmless from and against all liabilities, damages, losses, costs and expenses resulting from any lien filed against the Demised Premises claimed to have resulted from Tenant's actions.

ARTICLE 11 - DAMAGE OR DESTRUCTION

Section 11.01 - Election to Terminate Lease: In the event the Demised Premises shall be damaged as a result of a risk not covered by insurance described in Section 5.01(a), then:

(a) if the damage exceeds 25% of the replacement cost of the Demised Premises, Landlord shall have the right to terminate this Lease as herein provided; or

(b) if the damage exceeds 50% of the replacement cost of the Demised Premises, occurs during the final year of the Lease Term and Tenant is not in default under this Lease at the time of the damage, Landlord or Tenant shall have the right to terminate this Lease as herein provided.

Upon the occurrence of the damage described in subparagraph (b) above, Landlord or Tenant (as the case may be) shall have the option, which shall be exercised within 60 days following such damage, of terminating this Lease, effective upon the later to occur of (i) 30 days after the date of giving notice thereof or (ii) the date upon which Tenant vacates the Demised Premises. If this Lease is terminated under the preceding sentence, neither Landlord nor Tenant shall be obligated to repair, restore or reconstruct the Demised Premises, but all proceeds of insurance shall be paid to Landlord.

Section 11.02 - Repair: If this Lease shall not be terminated as provided in Section 11.01 above, this Lease shall continue in full force and effect, there shall be no abatement of Base Rent, Additional Rent or any other sum payable under this Lease, and Tenant shall promptly proceed with the repair or restoration of the Demised Premises and return the Demised Premises to substantially the same condition they were immediately preceding the damage or destruction; if any of the Demised Premises shall be rendered unusable on account of such damage, Base Rent shall not be abated. Tenant shall be responsible for payment within 30 days of billing by Landlord of any sums in excess of the net insurance award which are required to restore the Demised Premises to substantially the same condition as prior to the damage. Proceeds of any insurance

which insures against the casualty causing the damage shall be made available for payment of the cost and expense of such repairs, subject, however, to the requirements of any Mortgagee. Tenant shall promptly repair or replace all of its Personalty damaged or destroyed, including, but not limited to, its trade fixtures and furniture.

Notwithstanding any provision herein to the contrary, Tenant shall be responsible for all damages resulting from, and shall make all repairs and replacements necessitated by, any damage caused by the negligent or intentional tortious acts or omissions of Tenant and its agents, employees, invitees and contractors.

Section 11.03 - Waiver of Subrogation: In the event any part or parts of the Demised Premises or the fixtures or merchandise therein are damaged or destroyed by fire or other casualty that is covered by insurance of Tenant, Landlord or the tenants, subtenants, concessionaires or licensees of Tenant or Landlord, regardless of cause or origin, including negligence, then the rights, if any, of any party against the other, or against the employees, agents, subtenants, concessionaires or licensees of any party, with respect to such damage or destruction and with respect to any loss resulting therefrom, including the interruption of the business of any of the parties, are hereby waived to the extent of any recovery under such insurance.

ARTICLE 12 - CONDEMNATION.

Section 12.01 - Entire Property: If the whole of the Demised Premises shall permanently be taken or damaged by any competent authority, this Lease shall terminate as of the date physical possession of the Demised Premises is taken or damaged or immediate possession is ordered. Base Rent, Additional Rent, and all other charges payable hereunder shall be apportioned and paid up to said date.

Section 12.02 - Partial Taking:

(a) If there is a taking of or damage to less than the entire Demised Premises, this Lease shall terminate as of the date physical possession of the Demised Premises is taken or damaged or immediate possession is ordered as to the portion of the Demised Premises so taken or damaged, and the Base Rent, Additional Rent and all other charges payable by Tenant hereunder allocable to the portion of the buildings upon the Property so taken or damaged shall be prorated to the date of such termination. With respect to that portion of the Demised Premises not taken or damaged, this

Lease shall continue in effect and the Base Rent shall be reduced proportionately.

(b) Tenant shall, as promptly as possible after the partial taking, restore, repair and replace that portion of the Demised Premises not so taken or damaged to a complete architectural unit or units for the use and occupancy of Tenant and, as nearly as possible, to the condition existing prior to the taking or damaging. Landlord shall reimburse Tenant for the cost and expense thereof, up to but not exceeding the amount of the award received by Landlord after deducting Landlord's costs and attorney's fees of collecting the award.

(c) Notwithstanding the foregoing, Landlord (or Tenant, if Tenant is not in default under this Lease) may elect, within 30 days after the taking or damaging, to terminate the Lease if so much of the floor area of the buildings on the Demised Premises is taken or damaged that Tenant cannot reasonably operate as contemplated by this Lease, or if so much of the other portions of the Demised Premises are taken or damaged such that Tenant cannot reasonably continue to do business at the Demised Premises due to lack of access or available parking (other than if caused by a street widening), upon written notice to the other, which notice shall specify a termination date at least 30 days and not more than 90 days from the date thereof. In such event, Tenant, if Tenant so elects to terminate this Lease, shall remain obligated to repair, restore or reconstruct the Demised Premises.

Section 12.03 - Allocation of Award: The entire award or compensation, including interest, whether for a total or partial taking or damaging or for a diminution in the value of Tenant's leasehold or Landlord's leasehold or other interest, shall belong to and be the property of Landlord, and Tenant hereby assigns to Landlord all of Tenant's interest in any award. Tenant shall have the right to prove in separate proceedings and to receive any separate award which may be made for damage to or condemnation of Tenant's equipment, trade fixtures, furniture and furnishings, and for relocation costs.

Section 12.04 - Temporary Taking: If there is a taking of the temporary use of the Demised Premises, or damage in connection therewith, Tenant shall give prompt notice thereof to Landlord. The Lease Term shall not be reduced or affected in any way by such temporary taking or damaging, and the Base Rent and Additional Rent shall not be abated during such period. Landlord shall be entitled to and shall receive the entire award for such taking or damaging during the Lease Term (whether paid by way of damages, rent or otherwise). At the termination of any such use or occupation of

the Demised Premises during the Lease Term, Tenant shall promptly repair and restore the Demised Premises as nearly as reasonably possible to its condition immediately prior to such taking or damaging; Landlord shall reimburse Tenant for the cost and expense thereof, up to but not exceeding the amount of the award received by Landlord after deducting Landlord's costs and attorneys' fees of collecting the award. Landlord shall be entitled to claim, sue for and recover from the governmental authority all damages and awards arising out of the failure of the governmental authority to repair and restore the Demised Premises at the expiration of such temporary taking or damaging. Any recovery or sum received as an award or compensation for physical damage to the Demised Premises caused by and during the temporary taking or damaging shall be paid to the Landlord.

Section 12.05 - Definitions: As used in this Article 12, (i) the term "taking or damaging" shall mean any taking of or damage to all or any part of the Demised Premises or any interest therein because of the exercise of the power of eminent domain, whether by condemnation proceedings or otherwise, including acts or omissions constituting inverse condemnation, or any transfer of any part of the Demised Premises or any interest therein made in avoidance of the power of eminent domain; and (ii) the "award" shall include, without limitation, all monies awarded for the taking or damaging of the Demised Premises and all estates or interests therein occurring before or after the commencement of litigation proceedings.

Section 12.06 - Waiver: Each party waives the provisions of any law or statute which otherwise allows either party to petition a court to terminate this Lease in the event of a partial taking of the Demised Premises, and elects to be governed by the terms of this Lease.

ARTICLE 13 - TENANT'S DEFAULT; LANDLORD'S REMEDIES.

Section 13.01 - Events of Default: Each of the following events shall be a default by Tenant and breach of this Lease:

(a) If Tenant fails to pay Landlord any Base Rent within five (5) days of the date when due, or Additional Rent or other charges required to be paid by Tenant under this Lease within 5 days after receipt of written notice to Tenant of such default which notice shall be in lieu of and not in addition to any notice required by law; provided, however, that notice shall not be required more than twice each Lease Year for failure to pay any sum.

(b) If Tenant fails to perform any of the agreements, terms, covenants or conditions of this Lease to be performed by Tenant other than the payment of Base Rent or Additional Rent or other charges, and such non-performance continues for a period of 30 days after receipt of written notice by Landlord to Tenant, which notice shall be in lieu of and not in addition to any notice required by law, or if such performance cannot be completed within such 30 day period, Tenant shall not in good faith have commenced such performance within such 30 day period and diligently proceeded therewith to completion.

(c) If a levy under execution or attachment shall be made against Tenant of all or substantially all of Tenant's property in or at the Demised Premises and such execution or attachment shall not be satisfied, stayed, vacated or removed by payment, court order, bonding or otherwise within a period of 30 days after entry of such execution or attachment.

(d) The filing of an involuntary petition against Tenant under the Bankruptcy Code or any other state or federal law relating to bankruptcy or insolvency that is not dismissed within 90 days after being filed or the making or entry of a decree or order by a court or determination by any regulatory or governmental agency, if any, having jurisdiction over Tenant (i) that Tenant is a bankrupt or is insolvent, or (ii) approving as properly filed a petition seeking reorganization of Tenant under the Bankruptcy Code or any other state or federal law relating to bankruptcy or insolvency, or (iii) appointing a receiver or liquidator or trustee in bankruptcy or insolvency of Tenant or of its property or any substantial portion of its property, or (iv) constituting the winding up or liquidation of the affairs of Tenant.

(e) If Tenant shall (i) institute proceedings to be adjudged a voluntary bankrupt, or (ii) consent to the filing of a bankruptcy proceeding against it, or (iii) file a petition or answer or consent seeking reorganization or readjustment under the Bankruptcy Code or any other state or federal law, or otherwise invoke any law for the aid of debtors, or consent to the filing of any such petition, or (iv) consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or of its property, or (v) make an assignment for the benefit of the creditors, or (vi) admit in writing its inability to pay its debts generally as they become due, or (vii) take any corporate action in furtherance of any of the aforesaid purposes or (viii) be unable to meet current obligations as they mature, even though its assets may greatly exceed its liabilities.

Section 13.02 - Remedies: Upon default by Tenant under this Lease, Landlord may, at its option, take any or all of the following actions:

(a) Elect not to terminate this Lease or Tenant's right to possession of the Demised Premises, and enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due and payable by Tenant. No acts by Landlord to maintain, preserve or re-let the Demised Premises, or to appoint a receiver to protect Landlord's interest under this Lease, or to remove property or store it at a public warehouse or elsewhere at the cost of and for the account of Tenant, or otherwise, shall constitute an election to terminate this Lease or Tenant's right of possession unless written notice of such intention is given by Landlord to Tenant. Landlord may elect to terminate this Lease upon a re-letting of the Demised Premises or at any other time after electing the remedy provided by this Subsection, in which event the rent shall cease to accrue and the damages provided by subsection (b) shall become available to Landlord.

During the period Tenant is in default, Landlord may enter the Demised Premises and re-let them, or any part of them, to third parties for Tenant's account. Re-letting may be for a period shorter or longer than the remaining term of this Lease. Tenant shall pay to Landlord the rent due under this Lease on the dates the rent is due, plus the amounts necessary to compensate Landlord as specified in subparagraphs (i) through (iii) below, less the rent Landlord receives from any re-letting. If Landlord re-lets the Demised Premises as provided in this subsection, rent that Landlord receives from re-letting shall be applied to the payment of: (i) first, any indebtedness from Tenant to Landlord other than rent due from Tenant; (ii) second, all costs incurred by Landlord for re-letting as described in subparagraph (c); and (iii) finally, rent due and unpaid under this Lease. After deducting the payments referred to in this subsection, any sum remaining from the rent Landlord receives from re-letting shall be held by Landlord and applied in payment of future rent as rent becomes due under this Lease. If, on the date rent is due under this Lease, the rent received from the re-letting and applied to rent due is less than the rent due on that date, Tenant shall pay to Landlord the remaining rent due.

(b) Terminate this Lease and all rights of Tenant and any subtenants, licensees or concessionaires hereunder by giving written notice of such intention to terminate. In the event that Landlord shall elect to terminate this Lease as provided in this subsection, then Landlord may recover from Tenant:

- (i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination;
- (ii) The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination until the time of award exceeds the amount of such rental loss that the Tenant proves could have been reasonably avoided;
- (iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;
- (iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of events would be likely to result therefrom; and
- (v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of New Hampshire.

As used in subparts (i) and (ii) of this subsection (b), the "worth at the time of award" is computed by allowing interest at the lower of 18% per annum or the highest rate then permitted by law. As used in subpart (iii) of this subsection (b), the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of Boston at the time of award plus one percent.

(c) Upon the occurrence of a breach or default occasioning the remedies referred to in Section 13.02(a) or 13.02(b), the Landlord shall be entitled to its expenses incurred in preparing and offering the Demised Premises for re-rent, including (but not limited to) costs of cleaning, remodeling, painting, resurfacing of parking areas and walks, leasehold improvements reasonably necessary to prepare the Demised Premises for rental, broker's commissions and fees, free rent, advertising and marketing costs and attorneys' fees.

(d) Take any and all other action and pursue all other rights and remedies provided at law, in equity (including moving to enjoin a breach or threatened breach) or under this Lease. Efforts by

Landlord to mitigate the damages caused by Tenant's default shall not constitute a waiver of Landlord's right to recover damages hereunder.

Section 13.03 - Bankruptcy: Nothing in this Article 13 shall limit or prejudice the right of Landlord to prove or obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by a statute or rule of law governing such proceedings and in effect at the time when such damages are to be proved, whether or not such amount is greater, equal to or less than the amount of the damages referred to in any of the preceding sections.

Section 13.04 - Survival: The rights of Landlord as contained in this Article 13 shall survive any termination of this Lease.

ARTICLE 14 - TENANT'S NOTICE TO LANDLORD OF DEFAULTS.

Section 14.01 - Landlord's Default: Landlord shall not be in default of this Lease for failure to perform any of the agreements, terms, covenants or conditions of this Lease to be performed by Landlord unless such non-performance continues for a period of 30 days after notice by Tenant to Landlord or, if such performance cannot be completed within such 30 day period, Landlord shall not in good faith have commenced such performance within such 30 day period and diligently proceeded therewith to completion.

ARTICLE 15 - ASSIGNMENTS AND SUBLEASES.

Section 15.01 - Restrictions on Assignment and Subletting: Tenant shall not assign this Lease or sublet the Demised Premises by operation of law or otherwise without the prior written consent of Landlord, which consent may be withheld for any reason whatsoever or for no reason. Landlord shall not be obligated under any circumstances to consent to an assignment or subletting of less than all of the Demised Premises. No reference in this Lease to assignees, subtenants or licensees of Tenant shall imply that Tenant has a right to assign or sublease this Lease which is not limited by the requirement of Landlord's consent except as set forth herein.

Section 15.02 - Notice of Offer; Right to Terminate:

(a) Whenever Tenant has obtained an offer to assign this Lease or to sublease all of the Demised Premises, Tenant shall provide to Landlord the name and address of said proposed assignee or sublessee, the rent offered, the proposed use by the proposed

assignee or sublessee, the proposed effective date of the assignment or subletting, and any other business terms which are material to the offer and which differ from the provisions of this Lease ("Notice of Offer"). Tenant shall also provide to Landlord the nature of business, financial statement and business experience resume for the immediately preceding five (5) years of the proposed assignee or sublessee and such other information concerning such proposed assignee or sublessee as Landlord may require. The foregoing information shall be in writing and shall be received by Landlord no less than 60 days prior to the effective date of the proposed assignment or sublease.

(b) Within 30 days after receiving a Notice of Offer for the proposed assignment of this Lease or the subletting of all or substantially all of the Demised Premises, or the portion thereof not previously sublet by Tenant, Landlord shall be entitled to terminate this Lease as to all of the Demised Premises by written notice to Tenant ("Termination Notice"), and such termination shall be effective as of the proposed effective date of the proposed assignment or sublease. If Landlord does not elect to terminate this Lease, Landlord shall notify Tenant that Landlord either consents or declines to consent to the proposed assignment or subletting. If Landlord does not provide a Termination Notice or notice of its refusal to consent to the proposed assignment or subletting within 30 days after receiving a Notice of Offer, Landlord shall be deemed to have consented to the proposed assignment or subletting, on the same terms as disclosed to Landlord and for that specific occasion only.

(c) Any consent by Landlord to any assignment or sublease, or to the operation of a concessionaire or licensee, shall not constitute a waiver of the necessity for consent to any subsequent assignment or sublease. Anything herein contained to the contrary notwithstanding, Tenant shall not enter into any assignment or subletting if same would violate any of the terms of this Lease or any Legal Requirement.

(d) In return for Landlord's consent, Tenant shall pay the Landlord its costs, expenses and attorneys' fees incurred in investigating and approving the assignment or sublease.

Section 15.03 - Liability Continues: Tenant shall perform and observe each and every term and condition to be performed or observed by Tenant as assignor or sublessor under all present and future assignments or subleases. Tenant shall be responsible for and be liable to Landlord for all acts and omissions on the part of any assignee or subtenant of Tenant in the Demised Premises. Any violation of any of the terms, provisions or conditions of this

Lease, whether by act or omission, by any assignee or subtenant shall constitute a breach of this Lease by Tenant. Permission is hereby granted to Tenant to bring proceedings to enforce the terms, provisions and conditions of this Lease against assignees and subtenants in Tenant's own name or in the name of Landlord, provided, however, that Landlord incurs no cost or expense thereby or liability or obligation in connection therewith, and Tenant shall indemnify, defend with attorneys satisfactory to Landlord and hold Landlord harmless from any such costs, liabilities and expenses. Notwithstanding anything to the contrary in this Lease, no assignment or subletting, with or without consent, shall release Tenant from any of its obligations and liabilities under this Lease.

ARTICLE 16 - TERMINATION OF LEASE; SURRENDER.

Section 16.01 - Surrender; Holding Over:

(a) On the last day of the Lease Term or upon any earlier termination of this Lease, or upon any re-entry by Landlord upon the Demised Premises pursuant to Article 13, Tenant shall (i) surrender and deliver the Demised Premises free and clear of all subtenancies, occupancies, liens and encumbrances created by Tenant to the possession and use of Landlord without delay and in good order, condition and repair, reasonable wear and tear excepted, and (ii) promptly surrender all keys for the Demised Premises to Landlord at the place then fixed for the payment of rent and inform Landlord of all combinations and access codes on locks, safes and vaults, if any, in the Demised Premises.

(b) In the event Tenant remains in possession of the Demised Premises after the expiration of the Lease Term, whether or not with the consent or acquiescence of Landlord, and without the execution of a new Lease, Tenant shall be deemed to be occupying the Demised Premises on a month to month tenancy only. Upon notice given by Landlord to Tenant, Rent during this month to month tenancy shall be payable monthly in advance in an amount equal to 200% of the Base Rent and other charges due and payable immediately prior to the expiration of the Lease Term without prejudice to Landlord's right to any damages which Landlord may suffer if Tenant fails to vacate upon the expiration of the Lease Term or the earlier termination of this Lease. The terms of such month to month tenancy shall be otherwise the same as the terms, conditions, covenants, provisions and obligations contained in this Lease.

Section 16.02 - Survival: The provisions of this Article 16 shall survive any termination of this Lease.

ARTICLE 17 - LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS.

Section 17.01 - Right to Perform: If Tenant, at any time after the lapse of any grace or cure period provided in Section 13.01, shall fail to make any payment or perform any other act on its part to be made or performed, then Landlord, without waiving Tenant's default, may (but shall be under no obligation to) make any payment or perform any other act on Tenant's part to be made or performed as provided in this Lease. All sums paid by Landlord and all reasonable costs and expenses incurred by Landlord in connection with the performance of any such act, including, without limitation, reasonable attorneys' fees, shall constitute Additional Rent and shall be paid by Tenant to Landlord together with interest thereon from the date of payment by Landlord to the date of payment by Tenant at the rate of 18% per annum or such lesser maximum rate allowed by law within 30 days after receipt of an invoice. Landlord in its sole discretion may, without any liability whatsoever to the Tenant or any person or entity claiming through or under the Tenant, cease the performance of any act commenced hereunder, at any time. There shall be no warranty, either express or implied, with respect to any such act performed by Landlord.

In case of a situation which the Landlord reasonably believes to be an emergency, the Landlord may avail itself of its rights under this Section 17.01 immediately, giving notice to Tenant within 48 hours thereafter.

ARTICLE 18 - INSPECTION BY LANDLORD.

Section 18.01 - Inspection: Tenant will permit Landlord and its authorized representatives to enter the Demised Premises upon reasonable notice at all reasonable times for the purpose of (i) inspecting the same, (ii) making any necessary repairs and performing any work contemplated in this Lease, which entry may be made at any time in the event of an emergency, (iii) showing the same to prospective purchasers or Mortgagees, (iv) showing the same to prospective tenants, and (v) conducting any environmental testing, sampling, borings, and analyses it deems necessary, such testing shall be at Tenant's expense if Landlord has a reasonable basis for suspecting that Tenant has breached its Hazardous Materials covenant contained in Section 2.02(c) of this Lease or if Landlord reasonably believes that Hazardous Materials are present in the Demised Premises or the soil or surface or ground water in, on, under, about or near the Demised Premises due to acts or omissions of Tenant or its successors, assigns, subtenants, licensees, concessionaires or occupants of the Demised Premises or their agents, contractors, employees and invitees.

ARTICLE 19 - SUBORDINATION; ATTORNMENT.

Section 19.01: This Lease and the rights of Tenant shall, at Landlord's election, be at all times subject and subordinate to any Mortgage (as same may be renewed, replaced, modified, extended or consolidated) hereinafter encumbering the Property. Tenant agrees to attorn to any Mortgagee, purchaser at a foreclosure sale or grantee of a deed in lieu of foreclosure. Any Mortgagee may at any time elect to cause this Lease to have priority over its Mortgage by executing unilaterally an instrument subordinating its Mortgage to this Lease, or accepting a Mortgage containing a clause providing for such subordination. Tenant shall within 15 days after request, execute, acknowledge and deliver any and all instruments deemed necessary or proper by Landlord or Mortgagee to ratify or confirm the foregoing.

Section 19.02: Until it shall enter and take possession of the Demised Premises for the purpose of foreclosure, the holder of a Mortgage shall have only such rights of Landlord as are necessary to preserve the integrity of this Lease as security. Upon entry and taking possession of the Demised Premises for the purpose of foreclosure such holder shall have all the rights of Landlord, but only for so long as the holder of said Mortgage shall be in possession of the Demised Premises. No such holder of a Mortgage shall be liable either as Mortgagee or as assignee, to perform, or be liable in damages for failure to perform, any of the obligations of Landlord unless and until such holder shall enter and take possession of the Premises for the purpose of foreclosure. Upon entry for the purpose of foreclosure, such holder shall be liable to perform all of the obligations of Landlord, subject to and with the benefit of the provisions of this Article 19, provided that a discontinuance of any foreclosure proceeding shall be deemed a conveyance under said provisions to the owner of the equity of the Demised Premises. No Base Rent, Additional Rent or any other charge shall be paid more than 30 days prior to the due dates thereof and payments made in violation of this provision shall (except to the extent that such payments are actually received by a mortgagee in possession or in the process of foreclosing its mortgage) be a nullity as against such Mortgagee and Tenant shall be liable for the amount of such payments to such Mortgagee. The covenants and agreements contained in this Lease with respect to the rights, powers and benefits of a mortgagee (particularly, without limitation thereby, the covenants and agreements contained in this Article 19) constitute a continuing offer to any person, corporation or other entity, which by accepting a Mortgage subject to this lease assumes the obligations herein set forth with respect to such Mortgagee; such Mortgagee is hereby constituted a party of this Lease as an obligee hereunder to the same extent as though its

name was written herein as such; and such Mortgagee shall be entitled to enforce such provisions in its own name. Tenant agrees on request of Landlord or Mortgagee to execute and deliver from time to time any agreement which may be necessary to implement the provisions of these Sections 19.1 and 19.2.

ARTICLE 20 - INDEMNIFICATION.

Section 20.01 - Tenant's Indemnification: Tenant shall indemnify, defend and hold Landlord harmless from and against any and all actions, claims, demands, penalties, liabilities or costs (including reasonable attorneys' fees) incurred in connection with any loss, damage or injury to persons or property occurring in, on or about the Demised Premises (and in the event of any claims under Environmental Laws resulting from a breach by Tenant or anyone claiming under or through Tenant of Tenant's covenant in Section 2.02(c) of this Lease, this shall also include any loss, damage or injury to persons or property under, about or near the Demised Premises) or the operations or activities of Tenant and its subtenants, concessionaires, licensees or occupants of the Demised Premises or any of their contractors, agents, employees or invitees, or arising out of Tenant's and their use of the Demised Premises, or caused by the acts or negligence of Tenant, its subtenants, concessionaires, licensees or occupants and their contractors, agents, employees or invitees.

Section 20.02 - Environmental Matters: The obligation of Tenant to indemnify, defend, and hold harmless Landlord for claims under Environmental Laws, which claims result from Tenant's occupancy of the Demised Premises and/or failure to comply with the requirements of this Lease, includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by Landlord, any Mortgagee or any federal, state or local governmental agency or political subdivision because of any Hazardous Materials occurring or present in the Demised Premises, the soil or surface or ground water in, on, under, about or near the Demised Premises, diminution in value of the Demised Premises, damages for the loss or restriction on use of rentable or useable space or of any amenity of the Demised Premises, damages arising from any adverse impact on marketing of space in the Demised Premises, and sums paid in settlement of claims, penalties, attorneys' fees, court costs, consultant and laboratory fees and expert's fees. Without limiting the foregoing, if any Hazardous Materials are found in the soil or surface or ground water in, on, under, about or near the Demised Premises the introduction of which is caused by Tenant, its employees, successors, assigns, licensees or invitees, Tenant shall promptly take all actions required by Landlord, Mortgagee or

governmental agencies, at Tenant's sole expense, necessary to return the Demised Premises to the condition existing prior to the introduction of Hazardous Materials in, on, under, about or near the Demised Premises in accordance with Legal Requirements; any action undertaken by Tenant shall be subject to Landlord's prior approval of such actions, which approval shall not be unreasonably withheld.

Section 20.03 - Survival: The provisions of this Article 20 shall survive any termination of this Lease as to matters or occurrences which preceded the termination.

ARTICLE 21 - LANDLORD EXCULPATION.

Section 21.01 - Limitation of Liability: Notwithstanding anything to the contrary in this Lease, any judgment obtained by Tenant against Landlord shall be satisfied only out of Landlord's interest in the Property but in no event shall Rent payable pursuant to this Lease be diminished. Neither Landlord nor any of its general or limited partners, officers, directors, shareholders, trustees, beneficiaries or employees shall have any personal liability for any matter in connection with this Lease or its obligations as Landlord of the Demised Premises, except as provided above. Tenant shall not institute, seek or enforce any personal or deficiency judgment against Landlord or any of its general or limited partners, officers, directors, shareholders, beneficiaries or employees, and none of their property, except the Property, shall be available to satisfy any judgment hereunder.

Section 21.02 - Sale of Demised Premises: In the event of any sale or transfer of the Demised Premises, the seller, transferor or assignor shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Landlord thereafter to be performed, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the purchaser, transferee or assignee in any such sale, transfer or assignment that such purchaser, transferee or assignee has assumed and agreed to carry out any and all agreements, covenants and obligations of Landlord hereunder.

Section 21.03 - Survival: The provisions of this Article 21 shall survive any termination of this Lease.

ARTICLE 22 - NOTICES.

Section 22.01 - Method; Effective Date: Whenever it is provided herein that notice, notification, demand, request or approval is required, the same shall be in writing and, any law or

statute to the contrary notwithstanding, it shall be effective for any purpose if given or served by intracity messenger service or overnight courier service such as Federal Express or by mailing by registered or certified mail, postage prepaid, return receipt requested, addressed as follows: (a) If by Landlord, to Tenant at the address set forth in the opening paragraph of this Lease to the attention of Treasurer or at such other address as Tenant may from time to time designate by notice given to Landlord; and (b) If by Tenant, to Landlord at the address set forth in the opening paragraph of this Lease to the attention of Treasurer, or at such other address as Landlord may from time to time designate by notice given to Tenant. Every notice, demand, request, approval or other communication hereunder shall be deemed to have been given or served at the earlier of actual receipt or one day after first attempted delivery.

Section 22.02 - Reduced Time: If any notice is given to Landlord by a governmental agency pursuant to the Environmental Laws, or if any action is required by a governmental agency pursuant to Environmental Laws in a period or time which is less than thirty (30) days, then the notice and time periods provided for in Sections 13.01(b) and 17.01 shall be reduced to a time period equal to the statutory time less two (2) days; the provision of this Section shall prevail over the time periods provided for in Sections 13.01(b) and 17.01.

ARTICLE 23 - CERTIFICATES - FINANCIAL STATEMENTS.

Section 23.01 - Lease Estoppel: Each party (the "Certifying Party") shall from time to time, within 15 days after receipt of written request therefor, execute, acknowledge and deliver to the requesting party (the "Requesting Party") or any existing or proposed Mortgagee or purchaser or assignee of the Demised Premises or of any Mortgage, without charge, a duly executed recordable certificate prepared by the Requesting Party certifying all of the following to the best of the knowledge of the Certifying Party: (i) that this Lease is valid, subsisting, in full force and effect and unmodified (or, if modified, that the Lease as modified is valid, subsisting and in full force and effect and stating with specificity all modifications); (ii) the dates to which the rent and other charges have been paid; (iii) the Lease Term including any options and whether or not such options have been exercised; (iv) the Rent then and thereafter payable pursuant to the Lease; (v) that all conditions to Tenant's possession of the Demised Premises and commencement of the Lease Term have been satisfied, if accurate, and if not, stating those conditions which have not been satisfied; (vi) that the Requesting Party is not in default under any provisions of this Lease, if accurate, and if not, stating any

defaults; (vii) that there are no offsets or defenses which the Certifying Party then has against Requesting Party (or if there are any offsets or defenses then claimed, stating the nature of same with specificity); and (viii) such other information as may be reasonably requested by the Requesting Party. It is intended that any such statement delivered pursuant to this Article may be relied upon by the parties for whom it is intended.

Section 23.02 - Environmental Certificate: Tenant, in writing to Landlord, within fifteen (15) days after receipt or request therefor, shall execute, acknowledge and deliver to Landlord or any existing or proposed Mortgagee or purchaser or assignee of the Demised Premises or any Mortgage, without charge, a certificate stating that: (i) Tenant, its subtenants, concessionaires, licensees, occupants and their contractors, agents, employees and invitees, have complied with the requirements of all Environmental Laws, (ii) Tenant, its subtenants, concessionaires, licensees, occupants and their contractors, agents, employees and invitees have not disposed of Hazardous Materials on, in, under, about or near the Demised Premises, (iii) Tenant, its subtenants, concessionaires, licensees, occupants and their contractors, agents, employees and invitees have not released Hazardous Materials on, in, under, about or near the Demised Premises, and (iv) no soil or surface or ground water contamination has occurred during the Lease Term on, in, under, about or near the Demised Premises. At any time during which this Lease is in effect, Tenant shall, if requested by Landlord, promptly remove any and all equipment, materials and other items which may cause, contribute to or result in Hazardous Material contamination of the Demised Premises (the soil or surface or ground water in, on, under, about or near the Demised Premises), and investigate, remedy and clean up any Hazardous Material contamination if Landlord or any governmental agency reasonably suspects contamination is present or has occurred. Tenant shall promptly (and in all events not later than two (2) business days) notify Landlord of any release of Hazardous Materials on, in, under, about or near the Demised Premises, specifying the nature and quantity of the release, the location of the release, and the measures taken to contain and clean up the release and ensure that future releases do not occur.

Section 23.03 - Tenant Compliance: Tenant hereby certifies that the business activities which it intends to conduct in the Demised Premises do not use or cause to be used any Hazardous Materials, and are in full compliance with Environmental Laws.

Section 23.04 - Tenant Financial Statements: At least annually during the term which Tenant occupies the Demised Premises and in any event upon request by Landlord, Tenant shall furnish

Landlord at no cost within 120 days of the end of each of Tenant's fiscal years, audited year-end balance sheet and income statements of the Tenant and any sub-tenant and licensor of Tenant.

ARTICLE 24 - NET LEASE.

Section 24.01 - Rent Net to Landlord: Anything in this Lease to the contrary notwithstanding, this Lease is a net Lease, and Tenant shall pay to Landlord absolutely throughout the Lease Term and during any holdover Base Rent, Additional Rent and other charges hereunder, free of any charges, assessments, impositions or deductions of any kind, and without abatement, deduction or set-off, and under no circumstances or conditions whether now existing or hereafter arising, or whether within or beyond the present contemplation of the parties, shall Landlord, its successors or assigns be expected or required to make any payment of any kind whatsoever, or be under any other obligation or liability hereunder, except as herein otherwise specifically set forth. Tenant's obligations to pay Rent hereunder and to perform the covenants and agreements required to be performed by it hereunder shall in no way be affected, impaired or excused in any respect because Tenant's use and occupancy of the Demised Premises shall be disturbed or prevented for any reason whatsoever, excepting only the Landlord's intentional acts, except as otherwise specifically provided in this Lease.

ARTICLE 25 - BROKERS.

Section 25.01 - Warranty: Tenant and Landlord each represents and warrants that it has dealt with no broker, agent or finder on account of this Lease except as specifically set forth herein, and agrees, subject to the limitations set forth in Article 21 hereof, to defend, indemnify and hold harmless each other from and against any and all claims, damages and costs, including attorneys' fees, in connection with any claim for brokerage, finder's or similar fees, or compensation related to this Lease, which may be made or alleged as a result of acts or omissions of the indemnifying party.

Section 25.02 - Survival: The provisions of this Article 25 shall survive any termination of this Lease.

ARTICLE 26 - MISCELLANEOUS PROVISIONS.

Section 26.01 - Invalidity of Certain Provisions: If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which

it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 26.02 - Captions and Table of Contents: The captions and table of contents appearing in this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease, or in any way affect this Lease.

Section 26.03 - Independent Operation: Nothing in this Lease shall cause Landlord in any way to be construed as a partner, joint venturer or an associate of Tenant in the operation of the Demised Premises or subject Landlord to any obligations, losses, charges or expenses connected with or arising from the operation or use of the Demised Premises.

Section 26.04 - Time of the Essence: Time is of the essence of this Lease as to each of the terms, conditions, obligations and performances contained herein or required hereunder of which time is a factor.

Section 26.05 - Waiver: No failure by either party to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy following a breach or default thereof, no forbearance by either party to enforce one or more of the remedies herein provided upon an event of default, and no acceptance of full or partial rent during the continuance of any such breach or default, shall constitute a waiver of any such breach or default or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with and no breach or default thereof shall be waived, altered or modified except by a written instrument. No waiver of any breach or default shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach or default thereof. The maintenance of any action or proceeding to recover possession of the Demised Premises or any installment or installments of Base Rent or any other monies that may be due or become due from Tenant to Landlord shall not preclude Landlord from thereafter instituting and maintaining subsequent actions or proceedings for the recovery of possession of the Demised Premises or of Base Rent or any other monies that may be due or become due from Tenant, including all expenses, court costs and attorneys' fees and disbursements incurred by Landlord. An entry or re-entry by Landlord shall not be deemed to absolve or discharge Tenant from liability hereunder.

APPENDIX B

ACCOUNT STRUCTURE

APPENDIX B
ACCOUNT STRUCTURE

XX	XX	XX	XX	XXX	XX	XX
Company	Division	Department	Reconciliation Mechanism	FERC Account	Sub 1	Sub 2

The Chart of Accounts structure is designed to include segments for Company, Division and Department; Reconciliation Mechanism; the Primary FERC account and Sub Accounts. The following table lists the Company, Division and Department codes, which classify the costs by affiliate company and also define whether these costs are recoverable through a pass-through cost recovery mechanism. Reconciling Mechanism codes are affiliate-dependent and are tied to the specific cost recovery mechanisms at the Util Operating Companies. FERC accounts are selected according to the FERC guidelines. Sub Accounts are specific to each affiliate.

Company Code	Description
10	Unitil Energy Systems, Inc. ("UES")
12	Unitil Service Corp. ("USC")
13	Unitil Power Corp. ("UPC")
14	Unitil Realty Corp. ("URC")
15	Unitil Corp. ("UC")
16	Elimination Company for Consolidation purposes
20	Fitchburg Gas & Electric Light Company ("FGE")
23	Fitchburg Energy Development Company ("FEDCO")
24	Unitil Resources, Inc. ("URI")
25	Usource, Inc. ("UI")
26	Usource, LLC. ("UL")
27	Elimination Company for URI/UI/UL
28	Elimination Company for UI/UL

30	Northern Utilities ("NU")
33	Granite State Gas Transmission, Inc. ("GSG")
Division Code	Description
00	Common
10	MA Gas Base
15	MA Gas External Supplier
17	MA Gas Products and Services
18	MA Gas Business Operations
19	MA Gas Flowthru
20	Electric Base
25	Electric External Supplier
27	Electric Products and Services
28	Electric Business Operations
29	Electric Flowthru
30	NH Affiliate Services (except URC call center)
35	URC Call Center
40	NH Gas Base
45	NH Gas External Supplier
47	NH Gas Products and Services
48	NH Gas Business Operations
49	NH Gas Flowthru
50	ME Gas Base
55	ME Gas External Supplier
57	ME Gas Products and Services
58	ME Gas Business Operations

59	ME Gas Flowthru
Department Code	Description
01	Regulatory Services
02	Distributed Energy Resources
03	Human Resources
04	Administrative Services
07	Executive
08	Finance
09	Information Systems
10	Accounting
12	Engineering
13	Energy Contracts
15	Financial Services
16	Energy Markets
17	Business Continuity & Compliance
21	Customer Service
23	Distribution Engineering
24	Communication Services
25	Gas Engineering
26	Energy Measurement & Control
27	Gas Operations
28	Operations Services
29	Field Services
50	UES – Capital – DOC only
51	UES – Capital – Accounting

52	UES – Capital – Engineering
53	UES – Capital – Human Resources
58	UES – Capital – Finance
60	UES – Seacoast – DOC only
61	UES – Seacoast – Accounting
62	UES – Seacoast – Engineering
63	UES – Seacoast – Human Resources
68	UES – Seacoast – Finance
70	FGE
80	NU – NH – DOC only
85	NU – ME – DOC only
90	GSG
Reconciling Mechanism	Description
Various – 2 digit	Accounts are affiliate-dependent but applies to separate flowthru recovery mechanisms
FERC	Description
Various – 3 digit	Accounts are based on the FERC chart of accounts
Sub Accounts	Description
Various – 4 digit	Accounts allow for the multiple use of FERC accounts for individual internal tracking purposes

APPENDIX C

MONTH END CLOSE PROCESS – USC TIME & BILLING SYSTEM

ACCOUNTING PROCEDURES
USC TIME & BILLING SYSTEM
SUBJECT: MONTHLY ACTIVITY FLOW

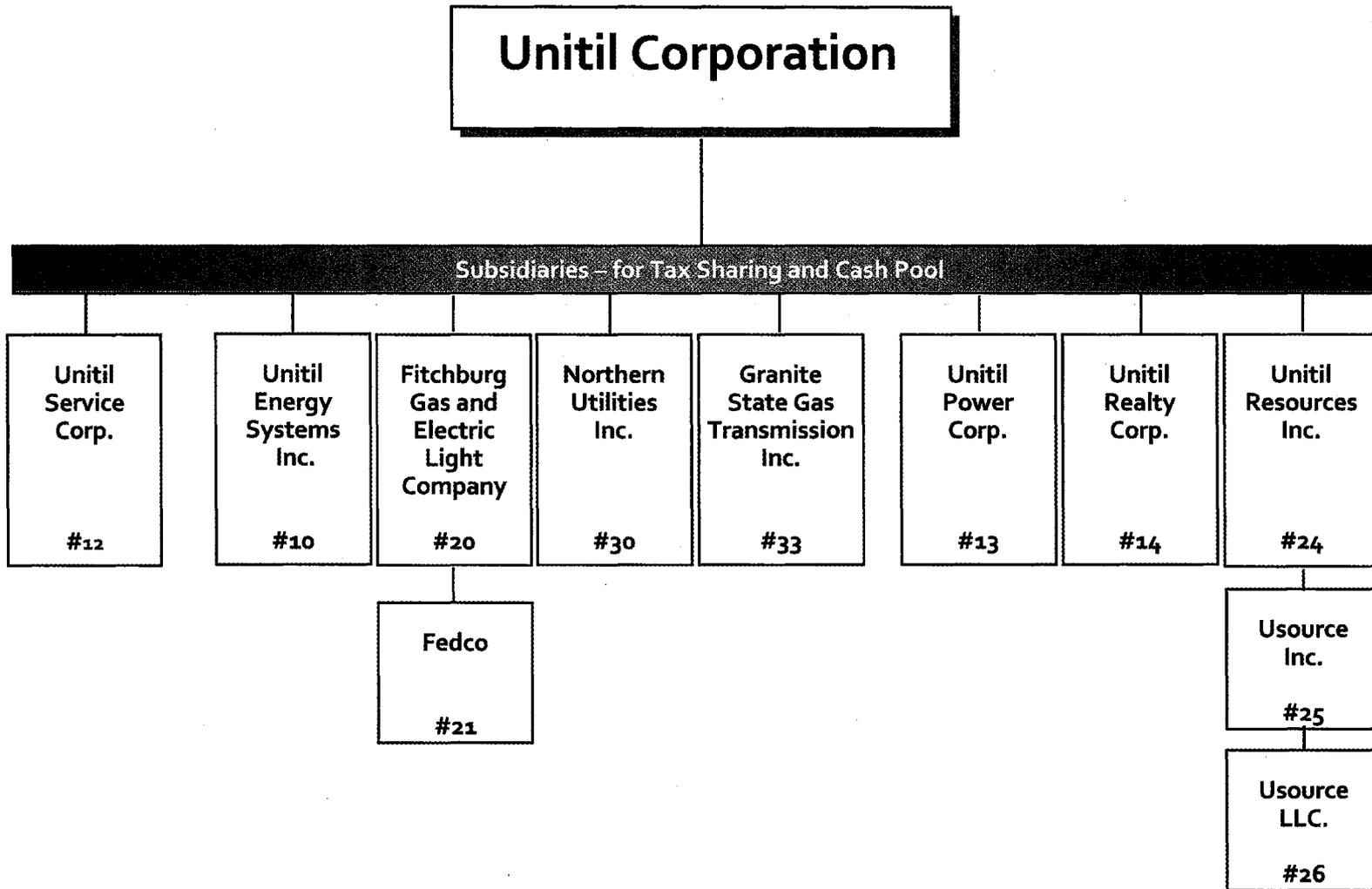
Working Day	Description	Journal Code	Date Completed
Wk Prior to M/E	Send Hourly OT list to Facilities & Administrative Services Manager (from Payroll Department after the last payroll of the month has been completed)		
Wk Prior to M/E	Update Capitalization rates for any USC new hires in the Time & Billing System if required		
Wk Prior to M/E	Email Time & Billing Reminders (Update Distribution List)		
Wk Prior to M/E	Prepare Overhead Rate Calculation - input Overhead rate into the Time & Billing system		
Wk Prior to M/E	Prepare Direct Charges - Input Direct Charges into the Time & Billing system (make sure to process 'Set Complete' after printing bill back expense reports)		
At M/E	Clear Timesheet Deadline Date in Time & Billing on the actual due date		
1	Make sure all timesheets are entered & approved by Day 1		
1	Notify Human Resource as soon as all timesheets are submitted		
1	Generate Service Bills (after Human Resources completes their reconciliation)		
1	Verify the reasonableness of overtime hours and holiday hours in the Edit report.		
1	Include the Direct Bill Detail Invoice in the Service Bill		
1	Reconcile Payroll Journal Entry to Billing System		
1	Update Service Bill Comparison file for Service Billing info		
1	Prepare & Post USC Labor, Overhead & Direct Labor JE's - All Companies (in USC)	GA776B	
1	Deferred JON Labor Charges - (UES, FGE, URI, USOURCE, CORP) (Use Access rpt & compare to SvcBillJonDetail to be certain that you are picking up all Capital Proj. JONS)	GA774	
1	Book Deferred JON Labor Charges -STAT (UES, FGE, URI, USOURCE, CORP)	GA774B	
1	Book Capital adjustments (if applicable)	GA774(2) & GA774B(2)	
1	Capitalize Direct Charges	GA774(2) & GA774B(2)	
1	Prepare & Post Service Bill JE's - All companies	GA770	
1	Book Service Bill JE's - STAT (UES, FGE, NU, GS, USOURCE)	GA770B	
1	Book Usource Journal Entries	GA773	
1	Run DSM Allocations in Flexi for NU, FGE & UES		
1	Reclassify USC Donations - (JE in UES Svc Bill - Worksheet - folder under Billing Systems)	UEGA772	
1	Reclassify Usource Direct Charges	ULGA778	
1	Copy of Deferred JON journal entries with backup to Plant		
1	Run FRX Report G_USC_LABOR_OVHD		
2	Record Service Billing to Associated Companies	SGA770	
2	Prepare and post temp time allocation journal entry	SGA777	
2	Service Bill Report Retention - includes printing other reports beside only Service Bills (note: if having trouble reading archived pdf files go into pdf adobe reader instead of adobe exchange (Unitil has an older version of this software).		
2	Provide current month & YTD Average Ovhd Rate to the budget group		
5	Send copy of FGE USC bill to Regulatory Services analyst with breakdown between gas & electric (send bill itself as well)		
8	Tie out Labor & Ovhd Analysis to USC Tiepoint Report		
8	Have General Accounting Manager & Assistant Controller approve L&Ovhd Analysis for files		
8	Save pdf version of L&Ovhd Analysis Report & Tiepoint in Monthly FY XX folder		
Periodic Processes:			
As Needed	Train new employees on Time & Billing System		
QTR	Quarterly update the calculation for Usource health and dental calculation(watch for Usource new hires.		
Annual	USC Labor & Overhead - should this report be updated to pull BUD for 2011?		
Annual	Update Labor Class Codes in Time & Billing		
Annual	After USC Service bill budget has been posted (run the tie point report for 12 months to test)		
Annual	Request Time & Billing System-Table of Required Inputs - for new calendar year from Human Resources		
Annual	Update Time Charge Guidelines for new year & give to controller for approval & distribution		
Annual	Update DSM Allocations and Account Numbers in Time & Billing & the General Ledger		
Annual	Update deferred benefits rate if required (currently 45%)		

APPENDIX D

ORGANIZATION CHARTS

Appendix – D1	Intercompany Cost Allocation Relationships
Appendix – D2	Unitil Service Corp Cost Allocation Processes
Appendix – D3	Intracompany Cost Allocation Processes

H-1

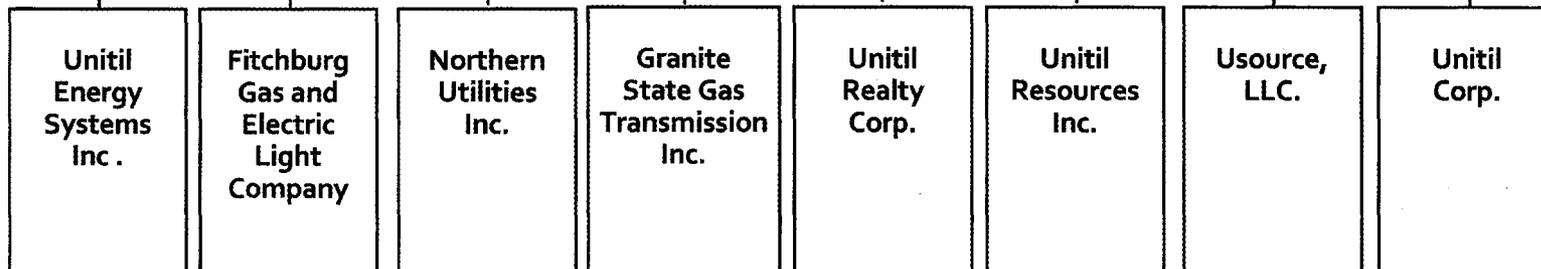


H-2

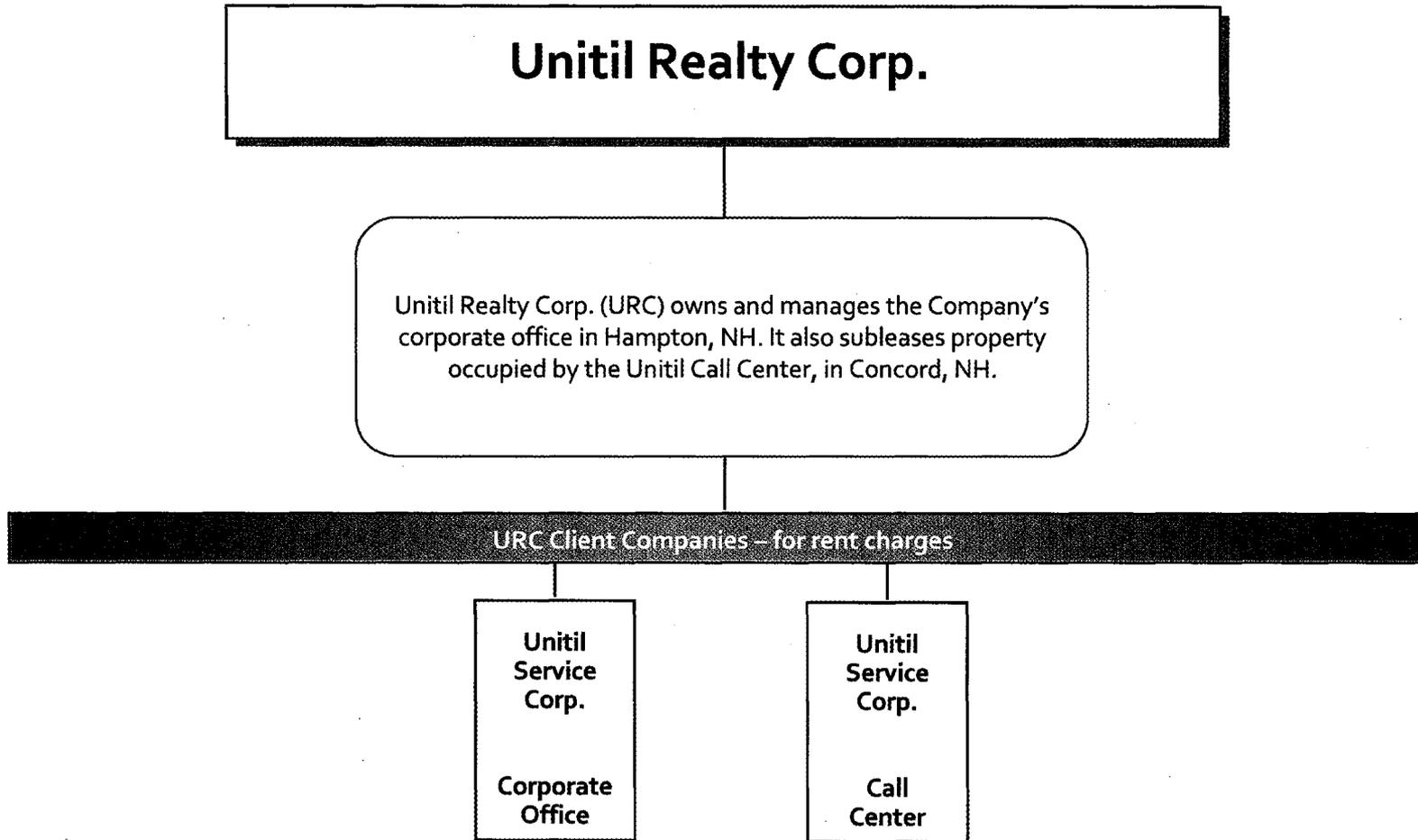
Unitil Service Corp.

Unitil Service Corp (USC) provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology and energy supply management services on a centralized basis to its affiliated Unitil companies.

USC Client Companies – for charging centralized management and administrative services



H-3



H-4

Unitil Energy Systems, Inc.

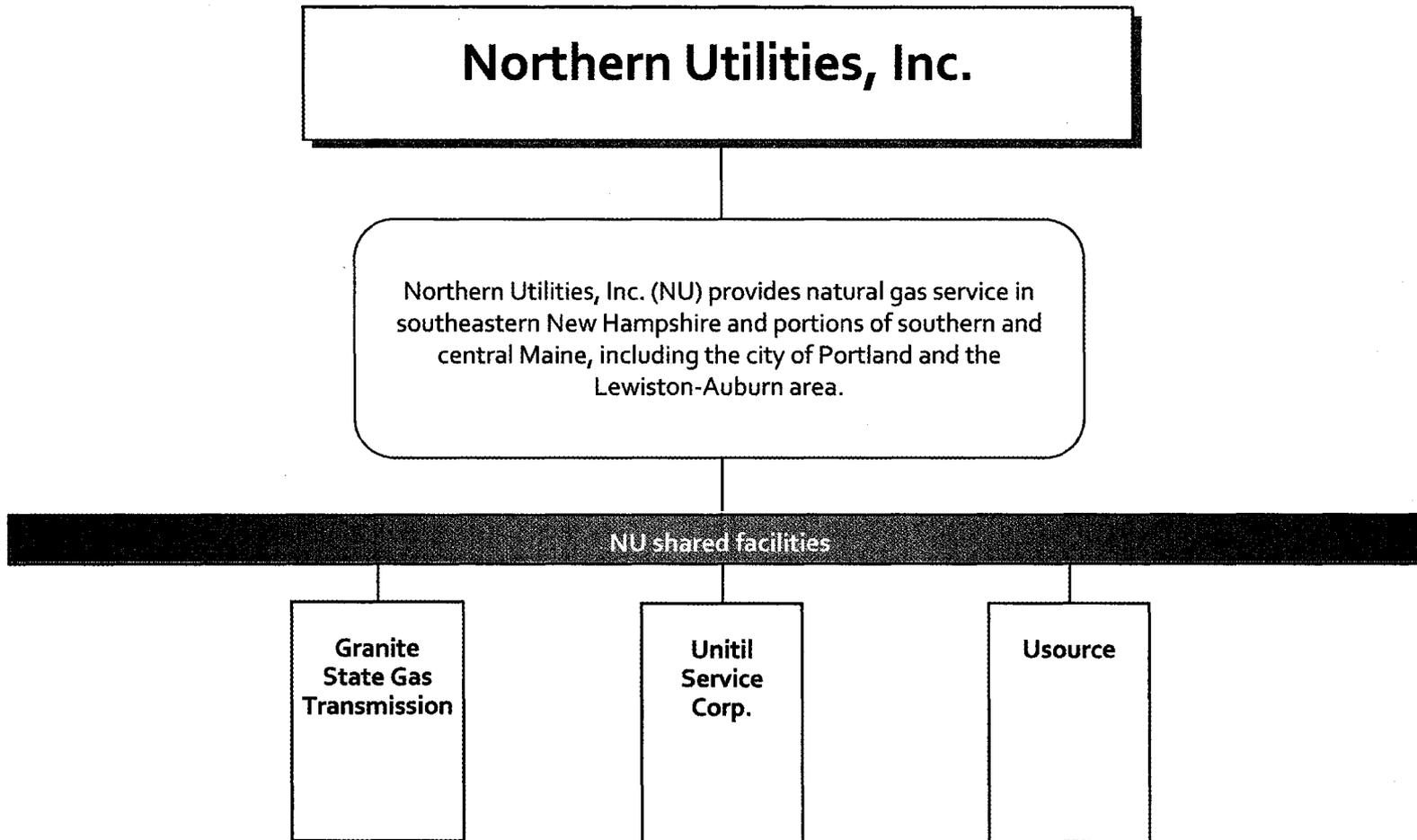
Unitil Energy Systems, Inc. (UES) provides electric service in the southeastern seacoast and state capital regions of New Hampshire, including the city of Concord, New Hampshire.

UES shared facilities

Unitil
Realty
Corp.

Northern
Utilities,
Inc.

H-5



H-7

Granite State Gas Transmission, Inc.

Granite State Gas Transmission, Inc. (GSGT) is an interstate natural gas transmission pipeline company that provides interstate natural gas pipeline access and transportation services to Northern Utilities in its New Hampshire and Maine service territory.

GSGT Client Company

Northern
Utilities,
Inc.

U-1

Unitil Service Corp.

USC expends payments on behalf of its clients for payroll and overhead items (including rent from Realty and Northern). Some of these overhead costs are direct charged to clients while others are charged to all clients through the overhead processing performed within the Time & Billing system.

USC Expenses

Payroll by JON

Overhead

Direct Charges

Time & Billing
Allocation
Processes

Rate calculated
based on Payroll
charges

Allocated costs
distributed to
specific entities

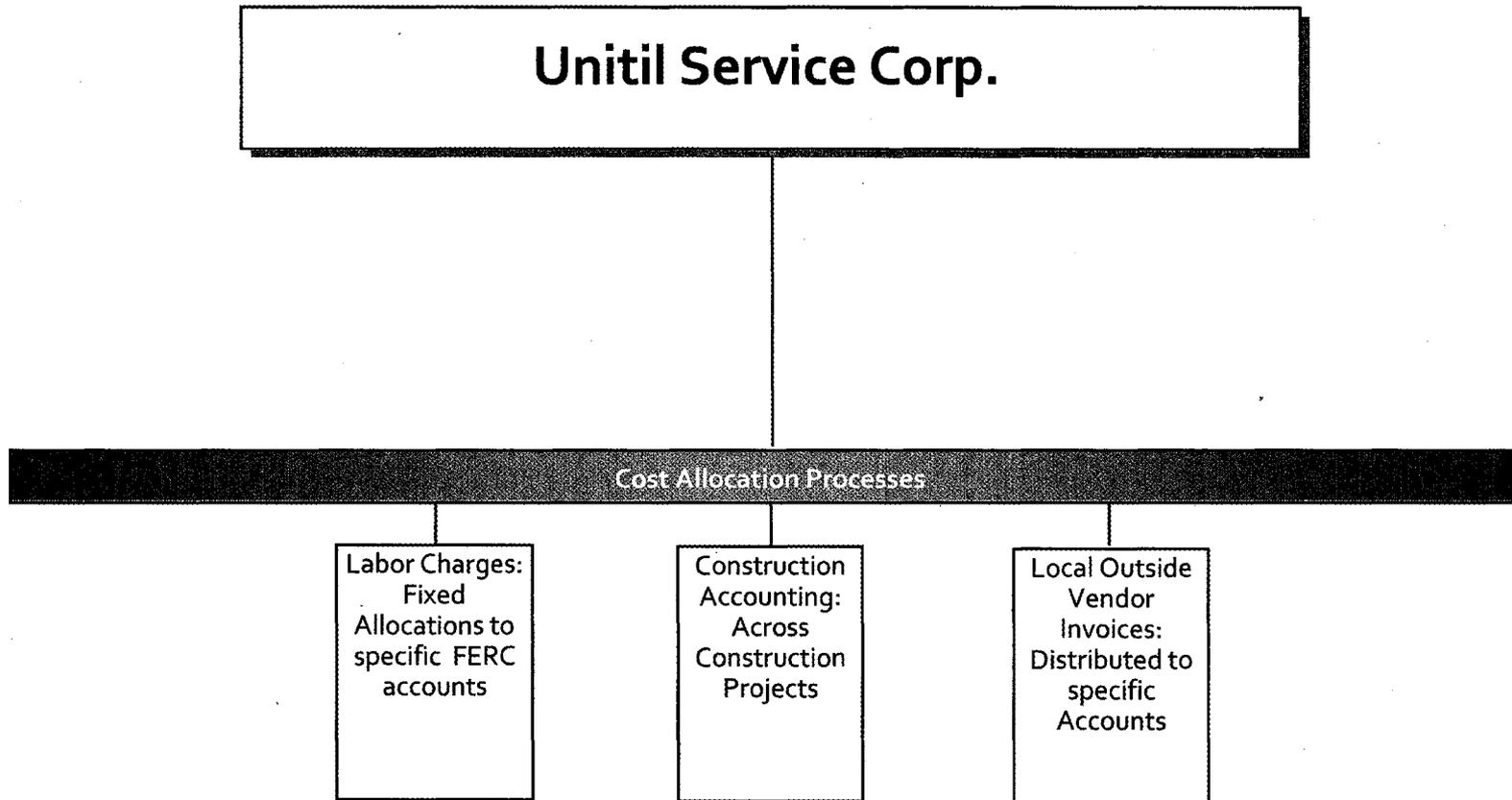
Function and Department

Journal Entry

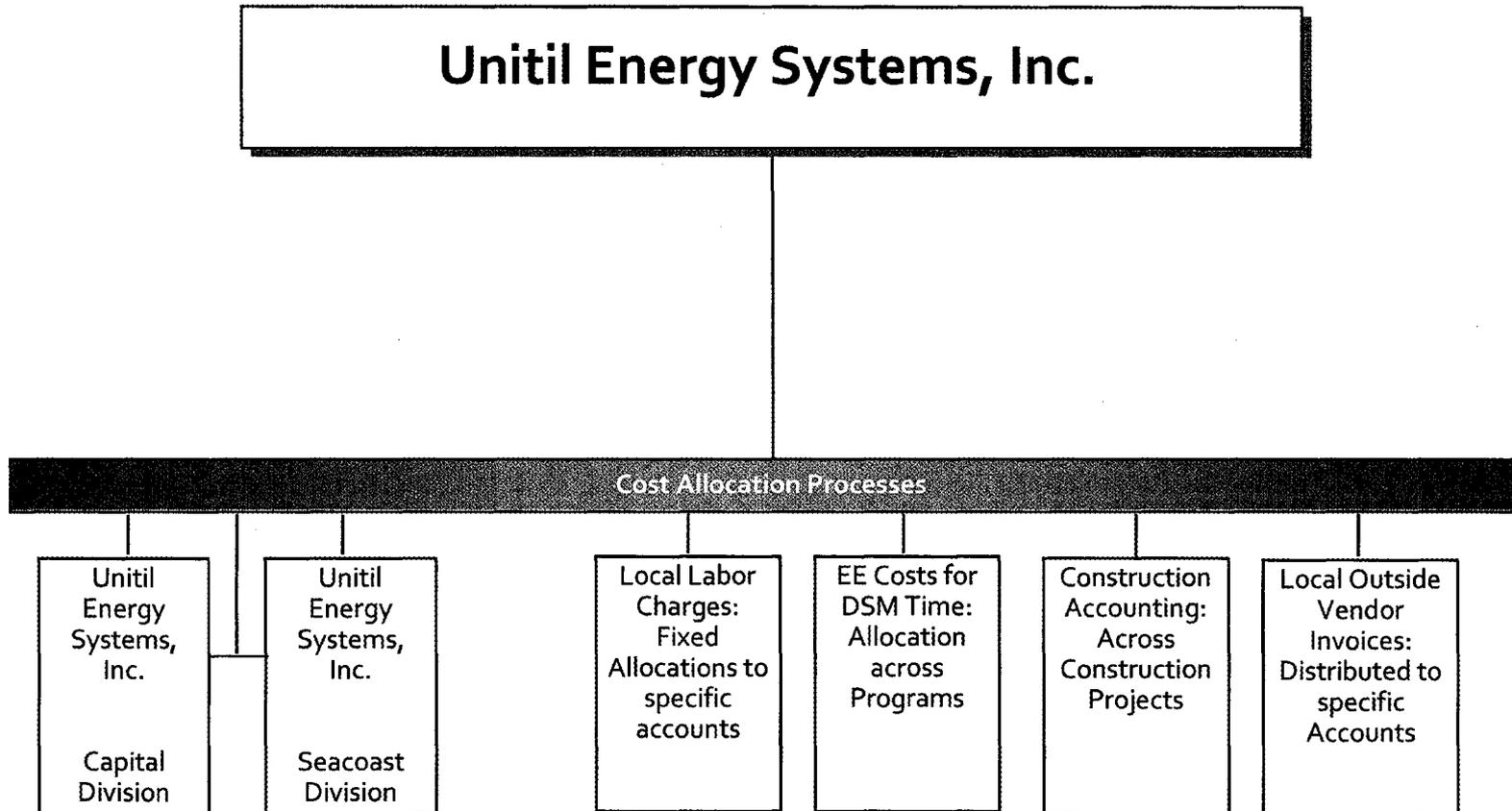
Direct Charge Summary

Monthly USC Invoice to Client Companies (see H-2)

V-1

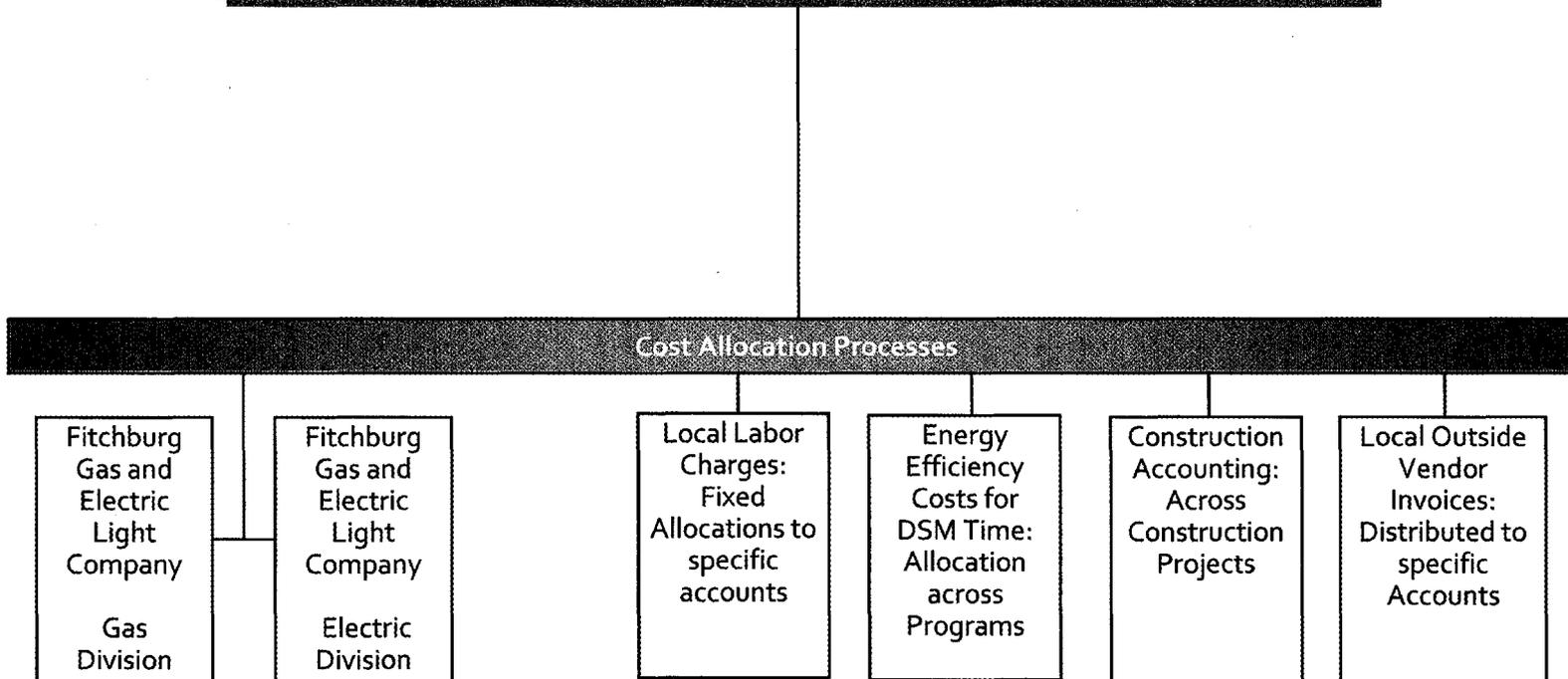


V-2

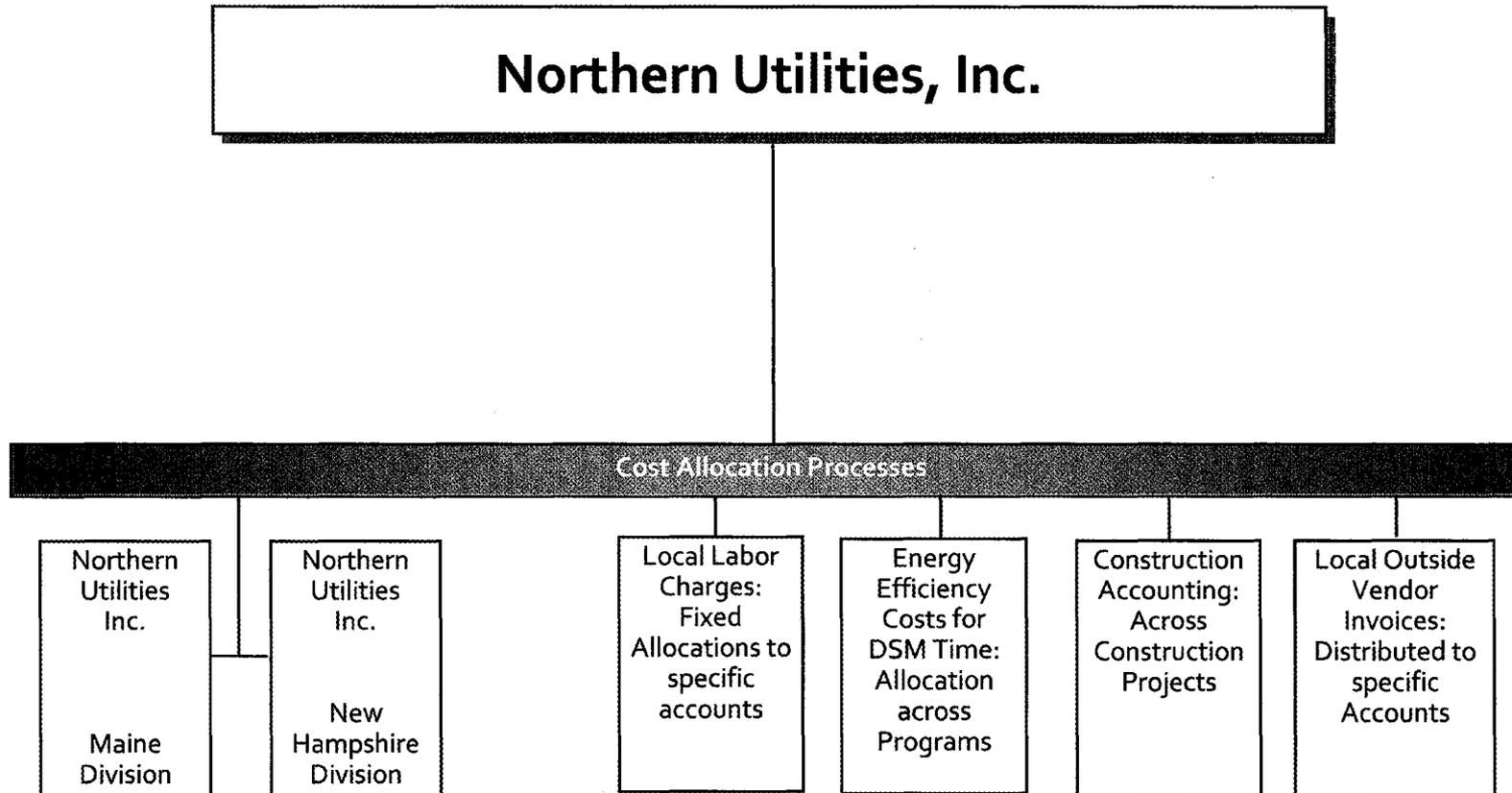


V-3

Fitchburg Gas and Electric Light Company



V-4



V-5

Granite State Gas Transmission, Inc.

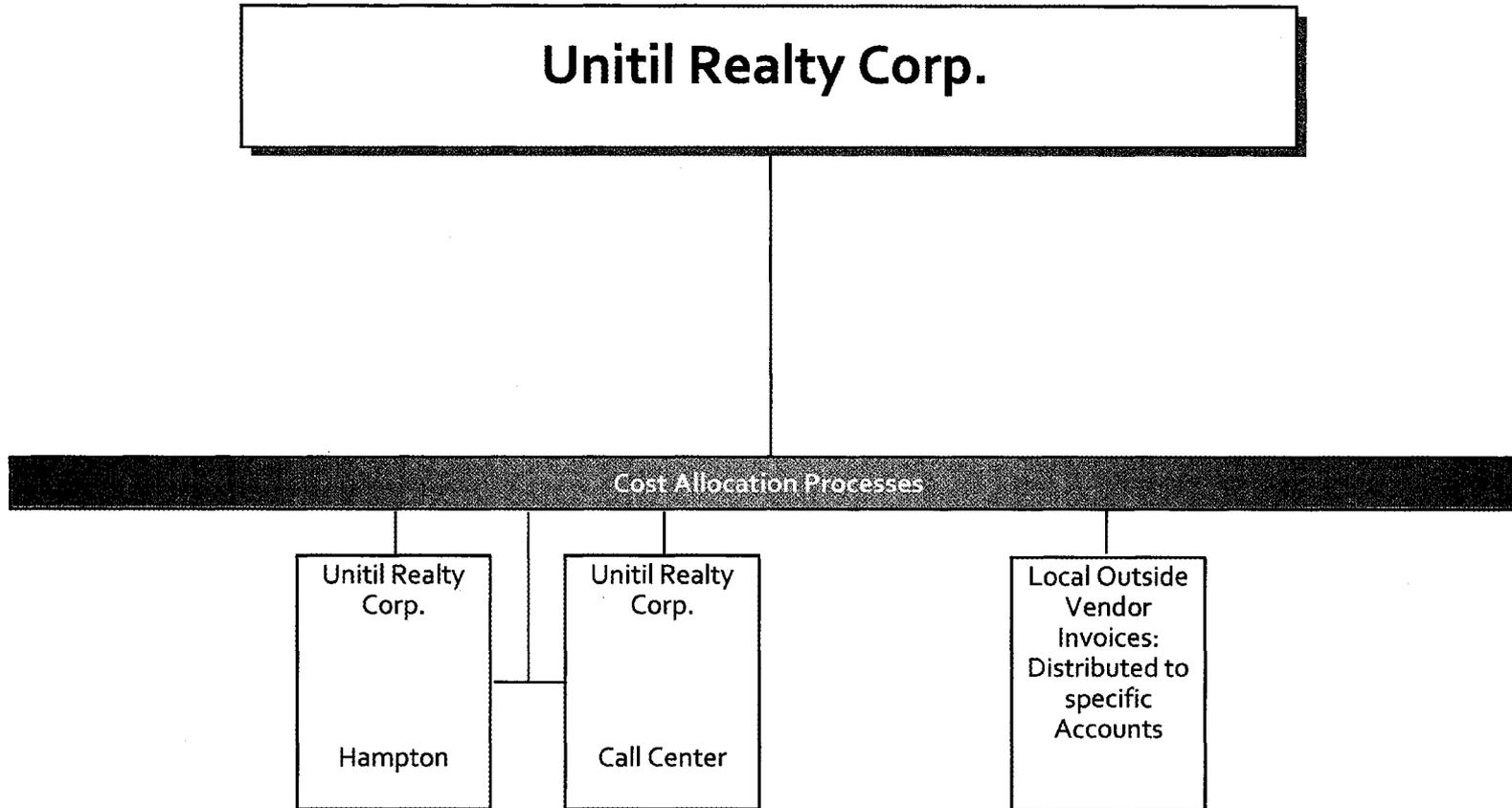
Cost Allocation Processes

Local Labor
Charges:
Fixed
Allocations to
specific
accounts

Construction
Accounting:
Across
Construction
Projects

Local Outside
Vendor
Invoices:
Distributed to
specific
Accounts

V-6



APPENDIX E

USC FLOWCHART AND SAMPLE MONTHLY INVOICE TO AFFILIATES

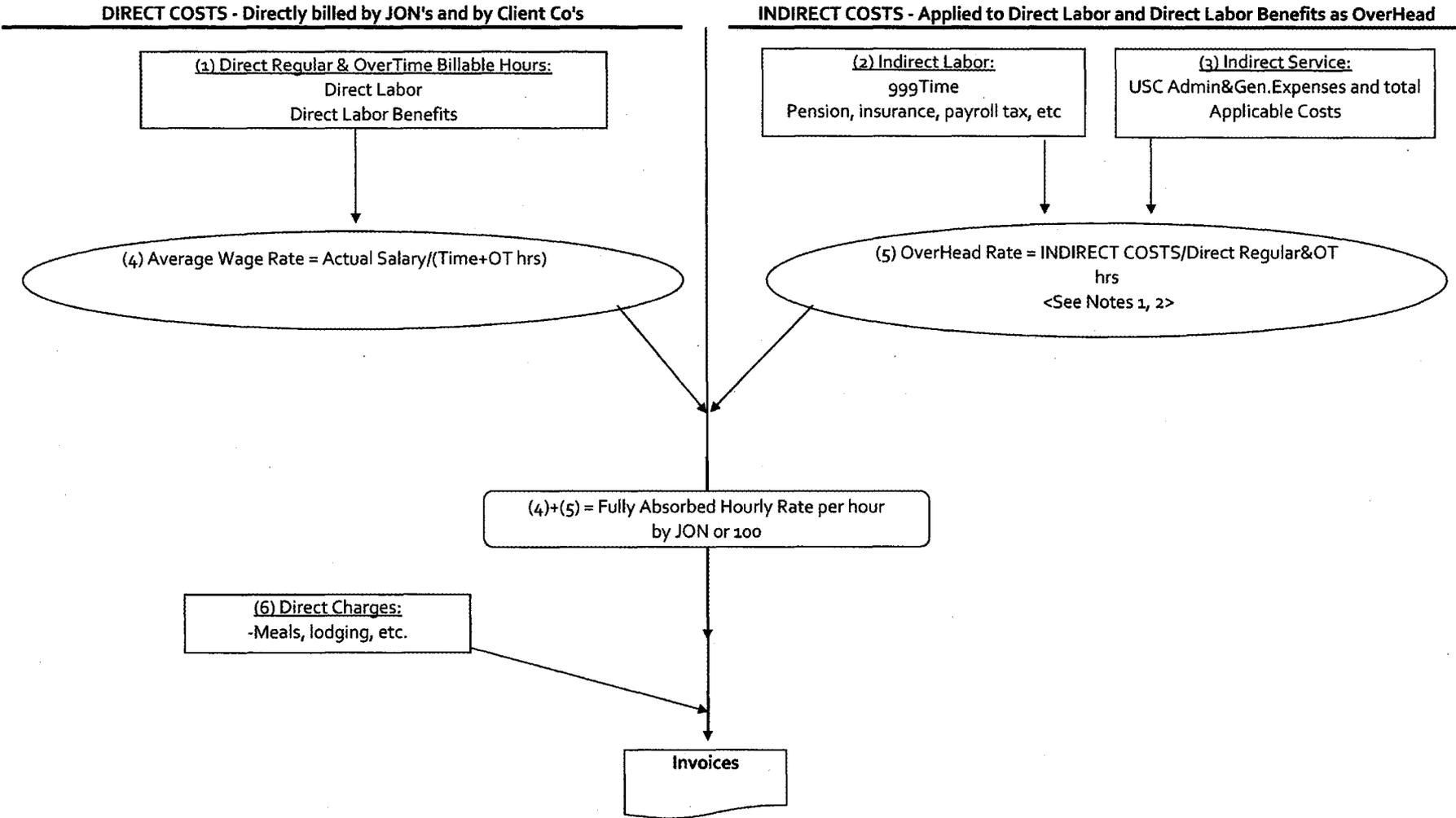
Appendix – E1

Flowchart of Time & Billing System

Appendix – E2

Sample Invoice from USC to Affiliates

Unitil Service Corp.
Time Billing System



Notes:

- 1 The overhead rate for Service Corp. is determined in order to create a "break-even" for Service Corp. Therefore, Service Corp. earns no profit. The overhead rate charged by Service Corp. is the same for all the companies.
- 2 The Service Agreement requires that Service Corp's overhead rate be estimated in advance using the Service Corp. budget for the next year. Each month, the actual costs are tracked, and the overhead rate is adjusted, to minimize (and ideally eliminate) all overages and underages in Service Corp's costs.



Unitil Service Corp.
 6 Liberty Lane West
 Hampton, NH 03842-1720
 phone: 603 772-0775
 fax: 603 773-6605
 email: corp@unitil.com

**Unitil Service Corp
 Monthly Invoice**

Client: Unitil Northern Utilities	
Date Services Rendered: October 2010	Run/Billing Date: November 2, 2010

Invoice Detail		
	<u>Hours</u>	<u>Total</u>
Corporate & Administration	1,003.0	\$85,263.88
Customer Services	2,749.5	\$134,017.58
Energy Services	536.9	\$41,580.21
Engineering & Operations	5,396.9	\$417,626.70
Regulatory, Finance & Accounting	2,280.8	\$178,760.43
Technology	1,013.6	\$85,289.35
SUB-TOTAL	12,980.7	\$942,538.16
DIRECT CHARGES		\$49,492.57
TOTAL AMOUNT DUE		\$992,030.73

Approved By: _____
 Christopher Leblanc

Approved By: _____
 Thomas Meissner, SR VP of Eng & Ops

SvcBillFuncCatDetailForCo

Unitil - Northern Utilities
Unitil Service Invoice - Function/CategoryDetail
Month of October 2010

	Labor	Overhead	Total
Corporate & Administration			
Administrative Services (4)	9,402.57	8,932.44	18,335.02
Executive (7)	19,948.02	18,950.62	38,898.65
Human Resources (3)	14,374.47	13,655.75	28,030.22
	\$43,725.07	\$41,538.81	\$85,263.88
Customer Services			
Communication Services (24)	12,817.90	12,177.01	24,994.91
Customer Service (21)	55,909.06	53,113.61	109,022.67
	\$68,726.97	\$65,290.62	\$134,017.58
Energy Services			
Energy Contracts (13)	21,323.19	20,257.03	41,580.21
	\$21,323.19	\$20,257.03	\$41,580.21
Engineering & Operations			
Business Continuity & Compliance (17)	12,527.42	11,901.05	24,428.47
Business Development (29)	43,835.58	41,643.80	85,479.37
Distributed Energy Resources (2)	6,911.44	6,565.86	13,477.30
Energy Measurement & Control (26)	54,356.57	51,638.74	105,995.30
Engineering (12)	28,601.97	27,171.87	55,773.84
Gas Engineering (25)	27,964.73	26,566.49	54,531.22
Gas Operations (27)	18,352.35	17,434.73	35,787.08
Operations Services (28)	21,617.49	20,536.62	42,154.11
	\$214,167.54	\$203,459.16	\$417,626.70
Regulatory, Finance & Accounting			
Accounting (10)	46,774.21	44,435.50	91,209.71
Finance (8)	12,108.33	11,502.92	23,611.25
Financial Services (15)	17,391.83	16,522.24	33,914.07
Regulatory Services (1)	15,397.64	14,627.76	30,025.41
	\$91,672.02	\$87,088.42	\$178,760.43
Technology			
Information Systems (9)	43,738.13	41,551.22	85,289.35
	\$43,738.13	\$41,551.22	\$85,289.35
Functional Category Total	\$483,352.90	\$459,185.26	\$942,538.16
Direct Charges			\$49,492.57
Grand Total			\$992,030.73

**Unitil - Northern Utilities
 Journal Entries
 For Services Rendered 10/2010**

Account #	Charges
30-00-00-00-184-00-00	240,311.24
30-00-10-00-923-03-01	(64,102.97)
30-40-10-00-880-02-01	(84,138.66)
30-50-10-00-880-02-01	(92,069.62)
30-00-10-00-813-01-00	40,016.61
30-00-10-00-903-06-00	108,694.67
30-00-10-00-923-03-00	455,631.93
30-40-00-00-163-01-00	2,348.13
30-40-10-00-880-02-00	142,285.34
30-49-02-72-908-00-50	8,622.55
30-49-02-72-908-00-60	3,625.90
30-49-02-72-908-00-80	168.30
30-49-02-72-908-01-10	1,761.82
30-49-02-72-908-25-20	978.88
30-49-02-72-908-29-10	1,221.32
30-49-02-72-908-36-10	3,056.69
30-49-02-72-908-36-11	592.94
30-49-02-72-908-36-20	1,292.31
30-49-02-72-908-47-20	978.88
30-49-02-72-908-49-11	988.24
30-49-02-72-908-49-20	1,208.82
30-50-00-00-163-01-00	2,210.00
30-50-02-73-908-00-51	4,974.52
30-50-02-73-908-00-61	1,298.41
30-50-02-73-908-00-71	1,361.34
30-50-02-73-908-00-81	151.47
30-50-02-73-908-49-10	530.40
30-50-02-73-908-49-11	494.12
30-50-02-73-908-49-20	1,423.07
30-50-02-73-908-50-10	2,012.40
30-50-02-73-908-57-11	494.12
30-50-10-00-880-02-00	150,691.22
30-59-02-73-908-00-51	1,810.25
30-59-02-73-908-00-61	1,613.50
30-00-10-00-923-03-05	49,492.57
TOTAL CHARGES:	\$992,030.73

APPENDIX F

USC TIME CHARGE GUIDELINES



Subject: USC Time Charges

Policy Number: FS, AC 1.06(G)

To: ALL USC Personnel

From: Dan Main, Assistant Controller

Effective: January 1, 2011

PURPOSE: This policy gives guidance to Unitil Service Corp. ("USC") employees when submitting their monthly time into the USC Time and Billing System. USC charges labor and overhead to: Realty, Resources, Corporate, Service, UES, Fitchburg, Northern Utilities and Granite State (the "USC Clients").

OBJECTIVE: The proper charging of USC labor and overhead costs. Regulatory agencies that examine our USC time charges include: the Securities and Exchange Commission ("SEC"), the New Hampshire Public Utilities Commission ("NHPUC"), the Maine Public Utilities Commission ("MPUC"), the Federal Energy Regulatory Commission ("FERC") and the Massachusetts Department of Public Utilities ("MDPU"). Our Bondholders, Auditors and Internal Management Team also require the fair, accurate and reasonable charging of our annual USC costs. The SEC Examination Staff has issued recommendations concerning the standardizing of allocation methodologies for particular service company departments and the overall simplification of allocating costs.

GENERAL: Our Service Company Agreements are governed by the FERC under the Energy Policy Act of 2005. Accordingly, USC employees should "Direct Charge" the USC Clients for services rendered. "Direct Charging" USC time means that all USC employees will record properly chargeable or allocable labor costs in the USC Time and Billing System on a monthly basis. Each USC Department Manager will approve the employee time entry for their particular function to ensure they are in compliance with this policy and the current USC Time Charge Guidelines in effect for that fiscal year. (A copy of the 2011 USC Time Charge Guidelines is attached.)

It is considered good business practice under this policy for USC employees to:

- Direct Charge to USC Clients by USC function.
- Properly allocate charges between the Maine, New Hampshire and Massachusetts regulated jurisdictions.
- Properly allocate charges between Regulated and Non-Regulated business activities.
- Properly track time charges to any special project type work performed for the USC Clients.

- Limit direct time charges to the Service Company.

SPECIFIC TIME REPORTING STANDARDS:

- Employees should Direct Charge each USC Client [i.e. Realty, Resources, Corporate, Service, UES, Fitchburg, Northern, and Granite] his/her time by functional Job Order Numbers ("JON's").
- USC Employees perform regular and recurring functional duties for the USC Clients and those duties are performed under designated JON's for each Department/Function at USC.
- As a general rule for regular and recurring work performed for the Utility USC Clients, an employee should Direct Charge his/her time by functional JON, and allocate time charges among the Utility USC Clients according to the standard **Utility Companies Departmental Allocators** indicated in the USC Time Charge Guidelines issued for the particular fiscal period. These guidelines will be updated as part of the annual budgeting process.
- Generally, USC Services performed for UES do not need to be further allocated to the UES' DOC locations. The exception to this rule is those employees who will charge time to both the UES/Capital and the UES/Seacoast DOC locations for O&M and Capital Budgeting purposes. Your Supervisor will give you further guidance on this. The USC Time Charge Guidelines attached to this policy provide allocation factors for those employees who need to split their UES charges between the UES/Capital and the UES/Seacoast locations.
- Generally, USC Services performed for Northern Utilities, as a whole, do not need to be further allocated to the NU DOC locations. The exception to this rule is those employees who will charge time to both the Northern – ME and to Northern - NH DOC locations for O&M and Capital Budgeting purposes. Your Supervisor will give you further guidance on this. The USC Time Charge Guidelines attached to this policy provide allocation factors for those employees who need to split their Northern charges between the NU - ME and the NU - NH locations.
- Sometimes, designated employees may charge time to JON's for special projects. This will be the exception to the rule above. In those cases, employees should Direct Charge by JON, with prior specific approval of the Project Manager, to the specific JON and USC Client designated by the Project Manger.
- Employees should only Direct Charge time to the Service Company for vacation, holiday, sickness, personal, general or other category to JON's designated by the USC VP of Administration. There should be no exceptions to this rule unless prior approval is obtained from the Controller or VP of Administration of USC.

- Employees should perform services for the Util System special purpose or Non-Regulated companies only after receiving specific prior approval from the employee's Department Manager. All USC Department Managers will approve such time charges based on prior approval from the Manager responsible for budgeting the special purpose activity or company's costs for the fiscal year. Time charges for special projects performed for the Non-Regulated USC Clients should be Direct Charged by functional JON as the actual number of hours worked. Time charges for regular and recurring work performed for the Non-Regulated USC Clients should be Direct Charged by functional JON and allocated between the Utility and Non-Regulated USC Clients according to the standard **Non-Regulated Administrative Departmental Allocators** indicated in the USC Time Charge Guidelines issued for the particular fiscal period. These guidelines will be updated as part of the annual budgeting process.

INTERPRETATIONS AND ISSUE RESOLUTION UNDER THIS POLICY: All questions about the interpretation and implementation of this policy will be resolved by the Department Manager, the USC Assistant Controller, the USC Controller, and the USC VP of Administration.

END

**Unitil Service Corp.
 Time Charge Guidelines, Utility Companies (including Northern & Granite)
 Effective 01/01/11**

DEPT			%		Primary Allocator	Master Allocation Chart
#	DEPT	DEPT MGR	Standard Allocator	Non-recurring		
1	REGULATORY SERVICES	KAREN ASBURY	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
2	DISTRIBUTED ENERGY RESOURCES	GEORGE GANTZ	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
3	HUMAN RESOURCES	GEORGE LONG	90-100%	0-10%	Headcount/USC DL Billed	Primary Allocators - Utility Companies
4	ADMINISTRATIVE SERVICES	JACQUIE AGEL	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
7	EXECUTIVE	BOB SCHOENBERGER	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
8	FINANCE	DAVID CHONG	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
9	INFORMATION SYSTEMS	JONATHAN EVERETT	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
10	ACCOUNTING	LARRY BROCK	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
12	ENGINEERING	KEVIN SPRAGUE	0-10%	90-100%	Utility Plant Assets	Primary Allocators - Utility Companies
13	ENERGY CONTRACTS	ROB FURINO	0-10%	90-100%	Specific Identification	Primary Allocators - Utility Companies
15	FINANCIAL SERVICES	MARK COLLIN	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
17	BUSINESS CONTINUITY & COMPLIANCE	RICHARD FRANCAZIO	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
21	CUSTOMER SERVICE	PAM BELLINO	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
23	DISTRIBUTION ENGINEERING	KEVIN SPRAGUE	0-10%	90-100%	Utility Plant Assets	Primary Allocators - Utility Companies
24	COMMUNICATION SERVICES	CAROL VALIANTI	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
25	GAS ENGINEERING	KEVIN SPRAGUE	0-10%	90-100%	Utility Plant Assets	Primary Allocators - Utility Companies
26	ENERGY MEASUREMENT & CONTROL	JUSTIN EISFELLER	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
27	GAS OPERATIONS	CHRIS LEBLANC	0-10%	90-100%	Utility Plant Assets	Primary Allocators - Utility Companies
28	OPERATIONS SERVICES	RAYMOND LETOURNEAU	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies
29	BUSINESS DEVELOPMENT	CINDY CARROLL	90-100%	0-10%	R/C/A 3-factor allocator	Primary Allocators - Utility Companies

**Unitil Service Corp.
 Time Charge Guidelines, Non-Regulated Administration
 Effective 01/01/11**

<u>DEPT</u>			<u>%</u>			
<u>#</u>	<u>DEPT</u>	<u>DEPT MGR</u>	<u>Standard Allocator</u>	<u>Non-recurring</u>	<u>Primary Allocator</u>	<u>Master Allocation Chart</u>
3	HUMAN RESOURCES	GEORGE LONG	90-100%	0-10%	Headcount/USC DL Billed	Non-Regulated Administration Only
4	ADMINISTRATIVE SERVICES	JACQUIE AGEL	90-100%	0-10%	REVENUE	Non-Regulated Administration Only
8	FINANCE	DAVID CHONG	90-100%	0-10%	REVENUE	Non-Regulated Administration Only
9	INFORMATION SYSTEMS	JONATHAN EVERETT	90-100%	0-10%	REVENUE	Non-Regulated Administration Only

Unitil Corporation
Master Allocation Guidelines
Primary Allocators - Utility Companies
 Effective January 1, 2011

	Unitil System - Utility Client Companies										Total
	UES			FG&E			NU			GSG	
	Capital	Seacoast	Total	Gas	Electric	Total	ME	NH	Total		
REVENUE	15%	22%	37%	10%	16%	26%	17%	16%	33%	4%	100%
CUSTOMERS	17%	26%	43%	9%	17%	26%	15%	16%	31%	0%	100%
UTILITY PLANT ASSETS	13%	19%	32%	12%	16%	28%	20%	16%	36%	4%	100%
R/C/A 3-factor allocator:	15%	22%	37%	10%	17%	27%	17%	16%	33%	3%	100%
Headcount/USC DL Billed	13%	18%	31%			30%	18%	18%	36%	3%	100%
APPORTIONMENT 3-FACTOR	41%	59%	100%				53%	47%	100%		
APPORTIONMENT 3-FACTOR (GAS ONLY)				24%			41%	35%			100%
APPORTIONMENT UTILITY PLANT	40%	60%	100%				55%	45%	100%		
APPORTIONMENT UTILITY PLANT (GAS ONLY)				25%			42%	33%			100%

Unitil Corporation
Master Allocation Guidelines
Non-Regulated Administration Only
 Effective January 1, 2011

Unitil System - Client Companies												
	UES			FGE			NU			GSG	Usource	Total
	<i>Capital</i>	<i>Seacoast</i>	<i>Total</i>	<i>Gas</i>	<i>Electric</i>	<i>Total</i>	<i>ME</i>	<i>NH</i>	<i>Total</i>			
REVENUE	14%	21%	35%	10%	15%	25%	16%	16%	32%	4%	4%	100%
Headcount/USC DL Billed	13%	17%	30%			30%	18%	17%	35%	3%	2%	100%

APPENDIX G

USC JOB ORDER NUMBERS

Job Order ID	JobOrderDesc	10	20	30	33	12	24	26	14	15
152	Benefits	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
152.03	Payroll	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
152.05	Budget & Cost Cntrl.	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
152.06	Personnel	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
152.07	Safety	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
152.08	Training	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
152.09	Staffing	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
153	Office Management	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			14-30-10-00-923-03-00
153.01	Purchasing Services	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00
153.02	Facilities Maint.	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00 14-30-10-00-923-03-00
153.03	Reception	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00
153.04	Telephone System Srv	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
153.07	Func. Admin. Support	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00
153.08	Mail Function	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00
201.03	Customer Service	10-20-10-00-903-06-00	20-00-10-00-903-06-00	30-00-10-00-903-06-00	33-00-10-00-903-06-00	----				
201.04	Billing	10-20-10-00-903-06-00	20-00-10-00-903-06-00	30-00-10-00-903-06-00	33-00-10-00-903-06-00	----				
201.05	Credit	10-20-10-00-903-06-00	20-00-10-00-903-06-00	30-00-10-00-903-06-00	33-00-10-00-903-06-00	----				
201.06	Remittance & Mail	10-20-10-00-903-06-00	20-00-10-00-903-06-00	30-00-10-00-903-06-00	33-00-10-00-903-06-00	----				
201.07	Reconciliation	10-20-10-00-903-06-00	20-00-10-00-903-06-00	30-00-10-00-903-06-00	33-00-10-00-903-06-00	----				
232.03	Computer Prog.-Other	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			14-30-10-00-923-03-00
251	Accounting	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00 15-30-10-00-923-03-00
251.02	Regultry. Rpts.-FERC	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				
251.07	Financial Reporting	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			14-30-10-00-923-03-00
251.08	SEC Reporting	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00
251.1	Plant Accounting	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00 14-30-10-00-923-03-00
251.2	Tax Acct. Fed,ST,Loc	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00
251.4	Accounts Payable	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00
251.5	Budgeting & Report.	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00
253	Computing Services	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
253.01	Network Services	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
253.03	PC Troubles	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----				26-00-10-00-923-03-00
253.05	Tech Planning And Design	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00 15-30-10-00-923-03-00
253.06	Systems Integration	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00			26-00-10-00-923-03-00 14-30-10-00-923-03-00 15-30-10-00-923-03-00
301	Business Development					----				
301.01	Plan/Pro Gen - Gas		20-10-10-00-813-01-00	30-00-10-00-813-01-00						
301.03	Plan & Analysis-Gas		20-10-10-00-813-01-00	30-00-10-00-813-01-00	33-00-10-00-859-05-00					
301.04	Plan & Analysis-Elec	10-20-10-00-557-01-00	20-20-10-00-557-01-00							
301.05	Reg. Filings & RPT-Gas		20-10-10-00-813-01-00	30-00-10-00-813-01-00	33-00-10-00-859-05-00					
301.09	NEPOOL Rep./Part.	10-20-10-00-557-01-00	20-20-10-00-557-01-00							
301.23	Budget - Gas		20-10-10-00-813-01-00	30-00-10-00-813-01-00	33-00-10-00-859-05-00					
301.24	Budget - Electric	10-20-10-00-557-01-00	20-20-10-00-557-01-00							
301.26	Fuel Filings-Elect.	10-20-10-00-557-01-00	20-20-10-00-557-01-00							
301.29	Contr. Admin.-Gas		20-10-10-00-813-01-00	30-00-10-00-813-01-00	33-00-10-00-859-05-00					
301.41	Oper. General-Gas		20-10-10-00-813-01-00	30-00-10-00-813-01-00	33-00-10-00-859-05-00					
301.42	Oper. General-Elect.	10-20-10-00-557-01-00	20-20-10-00-557-01-00							
301.43	ST Contracting-Gas		20-10-10-00-813-01-00	30-00-10-00-813-01-00	33-00-10-00-859-05-00					
301.44	ST Contracting-Elect	10-20-10-00-557-01-00	20-20-10-00-557-01-00							
301.46	Data Mgmt&Rpt-Elect	10-20-10-00-557-01-00	20-20-10-00-557-01-00							
301.48	Billing O/L Adm-Elec	10-20-10-00-557-01-00	20-20-10-00-557-01-00							
301.51	NEPOOL Rep./Part.	10-20-10-00-557-01-00	20-20-10-00-557-01-00							
301.52	External Transmission	10-20-10-00-557-01-00	20-20-10-00-557-01-00							
301.53	Misc Energy Contracts	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00						
325.01	Gas Eng (Dept 25) FGE		20-10-10-00-880-02-00							
325.02	Gas Eng (Dept 25)-NH			30-40-10-00-880-02-00						
325.03	Gas Eng (Dept 25)-ME			30-50-10-00-880-02-00						
325.04	Gas Eng (Dept 25)-GSG				33-00-10-00-923-03-00					
328.01	Ops Svcs (Dept 28)-Elec-Cap	10-20-10-00-580-02-00								
328.02	Ops Svcs (Dept 28)-Elec-Sea	10-20-10-00-580-02-00								
328.03	Ops Svcs (Dept 28)-Elec-FGE		20-20-10-00-580-02-00							
328.04	Ops Svcs (Dept 28)-Gas-FGE		20-10-10-00-880-02-00							

Job Order ID	JobOrder/Desc	10	20	30	33	12	24	26	14	35
328.05	Ops Svcs (Dept 28)-Gas-NH			30-40-10-00-880-02-00						
328.06	Ops Svcs (Dept 28)-Gas-ME			30-50-10-00-880-02-00						
328.07	Ops Svcs (Dept 28)-Gas-GSG				33-00-10-00-923-03-00					
351	Engineering & Plan-Capital	10-20-10-00-580-02-00								
351.01	Engineering & Plan-Seacoast	10-20-10-00-580-02-00								
351.02	Engineering & Plan-FGE		20-20-10-00-580-02-00							
351.03	Dist Engineering-Capital	10-20-10-00-580-02-00								
351.04	Dist Engineering-Seacoast	10-20-10-00-580-02-00								
351.05	Dist Engineering-FGE		20-20-10-00-580-02-00							
351.06	System Design-Capital	10-20-10-00-580-02-00								
351.07	System Design-Seacoast	10-20-10-00-580-02-00								
351.08	System Design-FGE		20-20-10-00-580-02-00							
351.09	Constr Standards-Capital	10-20-10-00-580-02-00								
351.1	Constr Standards-Seacoast	10-20-10-00-580-02-00								
351.11	Constr Standards-FGE		20-20-10-00-580-02-00							
351.12	Drafting/CAD-Capital	10-20-10-00-580-02-00								
351.13	Drafting/CAD-Seacoast	10-20-10-00-580-02-00								
351.14	Drafting/CAD-FGE		20-20-10-00-580-02-00							
351.15	Prot, Control, Measure-Capital	10-20-10-00-580-02-00								
351.16	Prot, Contro, Measure-Seacoast	10-20-10-00-580-02-00								
351.17	Prot, Control, Measure-FGE		20-20-10-00-580-02-00							
351.18	SCADA-Capital	10-20-10-00-580-02-00								
351.19	SCADA-Seacoast	10-20-10-00-580-02-00								
351.2	SCADA-FGE Elec		20-20-10-00-580-02-00							
351.21	SCADA-FGE Gas		20-10-10-00-880-02-00							
351.22	SCADA-NU-NH			30-40-10-00-880-02-00						
351.23	SCADA-NU-ME			30-50-10-00-880-02-00						
351.24	SCADA-GSG				33-00-10-00-923-03-00					
352.01	Distrib Eng - Gas		20-10-10-00-880-02-00							
352.04	Drafting/CAD - Gas		20-10-10-00-880-02-00							
352.05	Distrib Eng-NU-NH			30-40-10-00-880-02-00						
352.06	Distrib Eng-NU-ME			30-50-10-00-880-02-00						
352.07	Distrib Eng-GSG				33-00-10-00-923-03-00					
352.08	Drafting/CAD-NU-NH			30-40-10-00-880-02-00						
352.09	Drafting/CAD-NU-ME			30-50-10-00-880-02-00						
352.1	Drafting/CAD-GSG				33-00-10-00-923-03-00					
363	Inventory & Procurement - Cap	10-20-50-00-163-00-00								
363.01	Inventory & Procurement-Sea	10-20-60-00-163-01-00								
363.02	Inventory & Procurement - FGE		20-00-00-00-163-01-00							
363.03	Inventory & Procurement-NU-NH			30-40-00-00-163-01-00						
363.04	Inventory & Procurement-NU-ME			30-50-00-00-163-01-00						
363.05	Inventory & Procurement-GSG				33-00-10-00-923-03-00					
371	Operations General-Capital	10-20-10-00-580-02-00								
371.01	Operations General-Seacoast	10-20-10-00-580-02-00								
371.02	Operations Gen-Elec-FGE		20-20-10-00-580-02-00							
371.03	Operations Support-Capital	10-20-10-00-580-02-00								
371.04	Operations Support-Seacoast	10-20-10-00-580-02-00								
371.05	Operations Support-FGE		20-20-10-00-580-02-00							
372.03	Operations Supp -Gas		20-10-10-00-880-02-00							
372.04	Oper Gen-Gas-FGE		20-10-10-00-880-02-00							
372.05	Operations Supp-NU-NH			30-40-10-00-880-02-00						
372.06	Operations Supp-NU-ME			30-50-10-00-880-02-00						
372.07	Operations Supp-GSG				33-00-10-00-923-03-00					
372.08	Oper Gen-Gas-NU-NH			30-40-10-00-880-02-00						
372.09	Oper Gen-Gas-NU-ME			30-50-10-00-880-02-00						
372.1	Oper Gen-Gas-NU-GSG				33-00-10-00-923-03-00					
381	Engineering & Plan	10-20-10-00-580-02-00	20-20-10-00-580-02-00							
381.05	System Studies	10-20-10-00-580-02-00	20-20-10-00-580-02-00							
381.06	Prot,Control,Measure	10-20-10-00-580-02-00	20-20-10-00-580-02-00							
382	Eng & Planning - Gas		20-10-10-00-880-02-00							
382.01	Distrib Eng - Gas		20-10-10-00-880-02-00							
382.02	Eng & Planning-Gas-NH			30-40-10-00-880-02-00						

Job	Order ID	JobOrderDesc	10	20	30	33	12	24	26	14	35
382.03	Eng & Planning-Gas-ME				30-50-10-00-880-02-00						
382.04	Eng Planning-Gas-GSG					33-00-10-00-923-03-00					
382.05	Distrib Eng-Gas-NH				30-40-10-00-880-02-00						
382.06	Distrib Eng-Gas-ME				30-50-10-00-880-02-00						
382.07	Transmission Eng Gas-GS					33-00-10-00-923-03-00					
383.01	DG Application-Mass.Innov.		20-20-10-00-580-02-00								
383.02	DG Application - Newark America		20-20-10-00-580-02-00								
383.03	Gen Intercon- Con Steam	10-20-10-00-580-02-00									
383.04	Gen Intercon-Concord Gateway	10-20-10-00-580-02-00									
383.05	Townsend Waste Water Treatment-FG		20-20-10-00-580-02-00								
383.06	Seacoast School of Technology-UES	10-20-10-00-580-02-00									
383.07	St Pauls School Study	10-20-10-00-580-02-00									
401	Finance	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00	26-00-10-00-923-03-00	14-30-10-00-923-03-00	15-30-10-00-923-03-00	
401.01	LT Plan. & Forecast.	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00		14-30-10-00-923-03-00		
401.02	St. Plan & Forecast.	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00		14-30-10-00-923-03-00		
401.06	Cash Management	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00	26-00-10-00-923-03-00	14-30-10-00-923-03-00		
401.09	Budgeting & Report.	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00		14-30-10-00-923-03-00		
401.1	Internal Control	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00	26-00-10-00-923-03-00	14-30-10-00-923-03-00	15-30-10-00-923-03-00	
402	Corporate	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00		14-30-10-00-923-03-00		
402.02	Shareholder Relation	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----			14-30-10-00-923-03-00		
402.02	Board Direct. Relat.	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00		14-30-10-00-923-03-00		
451	Misc Regulatory	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00				
451.02	Retail Base Rates	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.02	Retail Adjstmnt Clse	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.04	FERC Regulatory	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.06	QF Rates Wholesale	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.08	Misc Regulatory - NH			30-40-10-00-923-03-00							
451.09	Misc Regulatory - ME			30-50-10-00-923-03-00							
451.1	Retail Base Rates-NH			30-40-10-00-923-03-00							
451.11	Retail Base Rates-ME			30-50-10-00-923-03-00							
451.12	Retail Adj. Clause-NH			30-40-10-00-923-03-00							
451.13	Retail Adj Clause-ME			30-50-10-00-923-03-00							
451.3	Load/Cust.ResrchReg	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.33	Customer Contracts	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.34	NH Civic Activities	10-20-24-00-426-04-10									
451.4	Gen Communications	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00				
451.42	Internal Comm	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.42	Shareholder Comm	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.52	Visibility - General	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----	24-00-10-00-923-03-00	26-00-10-00-923-03-00	14-30-10-00-923-03-00	15-30-10-00-923-03-00	
451.57	Community Relations	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.74	Bus. Devel-General	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.75	Bus. Devel.-Gas Sales	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.76	Bus. Devel.-Econ. Dev.	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.78	Bus. Devel.-Account Management	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	----					
451.8	DG Compliance-Elec	10-20-10-00-923-03-00	20-20-10-00-923-03-00								
451.81	SG Smart Grid-Elec	10-20-10-00-923-03-00	20-20-10-00-923-03-00								
451.82	DER General-Elec	10-20-10-00-923-03-00	20-20-10-00-923-03-00								
451.83	DER General-Gas MA-NH		20-10-10-00-923-03-00	30-40-10-00-923-03-00							
451.84	DER General-Gas ME			30-50-10-00-923-03-00							
501.02	Retail Oper.-Gas		20-10-10-00-880-02-00								
501.02	Retail Oper-Elec-Capital	10-20-10-00-580-02-00									
501.03	Retail Oper Elec-Seacoast	10-20-10-00-580-02-00									
501.04	Retail Oper Elec-FGE		20-20-10-00-580-02-00								
501.06	Retail Oper-Gas-NH			30-40-10-00-880-02-00							
501.07	Retail Oper-Gas-ME			30-50-10-00-880-02-00							
501.08	Retail Oper-Gas-GS				33-00-10-00-923-03-00						
526.01	EM&C (Dept 26)-Elec-Cap	10-20-10-00-580-02-00									
526.02	EM&C(Dept 26)-Elec Sea	10-20-10-00-580-02-00									
526.03	EM&C (Dept 26)-Elec FGE		20-20-10-00-580-02-00								
526.04	EM&C (Dept 26)-Gas FGE		20-10-10-00-880-02-00								
526.05	EM&C (Dept 26)-Gas NH			30-40-10-00-880-02-00							
526.06	EM&C (Dept 26)-Gas ME			30-50-10-00-880-02-00							

Job Order ID	JobOrderDesc	10	20	30	33	12	24	26	14	15
526.07	EM&C (Dept 26)-Gas GSG				33-00-10-00-923-03-00					
527.01	Gas Ops (Dept 27)-Gas FGE		20-10-10-00-880-02-00							
527.02	Gas Ops (Dept 27)-Gas NH			30-40-10-00-880-02-00						
527.03	Gas Ops (Dept 27) Gas ME			30-50-10-00-880-02-00						
527.04	Gas Ops (Dept 27)-Gas GSG				33-00-10-00-923-03-00					
551	Risk Management	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	-----	24-00-10-00-923-03-00		14-30-10-00-923-03-00	
551.01	Property & Liab-Adm.	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	-----	24-00-10-00-923-03-00		14-30-10-00-923-03-00	15-30-10-00-923-03-00
551.02	Property & Liab-Clms	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	-----	24-00-10-00-923-03-00		14-30-10-00-923-03-00	
551.03	Environment	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	-----	24-00-10-00-923-03-00		14-30-10-00-923-03-00	
551.04	Safety	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00	-----	24-00-10-00-923-03-00		14-30-10-00-923-03-00	
551.05	Operations Support	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00					
551.06	Sawyer Passway Remediation		20-10-10-00-923-03-00							
551.07	Ins. Recovery SP Remed		20-10-10-00-923-03-00							
551.09	Business Continuity & Compliance	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00					
700.51	UnReg EE Plan & Mgmt-ME			30-50-02-73-908-00-51						
700.61	UnReg EE Int Operations-ME			30-50-02-73-908-00-61						
700.71	UnReg EE Int M&E-ME			30-50-02-73-908-00-71						
700.81	UnReg EE Internal Mktg-ME			30-50-02-73-908-00-81						
700.91	UnReg EE 3rd Pty Mktg-ME			30-50-02-73-908-00-91						
701	UnReg GasLowinc Plan&Mgmt			30-50-02-73-908-01-00						
701.1	UnReg GasLowinc Int Ops-ME			30-50-02-73-908-01-10						
701.11	UnReg GasLowinc Int Eng Svcs-ME			30-50-02-73-908-01-11						
701.2	UnReg GasLowinc Int Mktg-ME			30-50-02-73-908-01-20						
701.3	UnReg GasLowinc Int M&E-ME			30-50-02-73-908-01-30						
710.1	NH/MA Smart Grid Pilot Plan&Des		20-29-02-14-908-10-10							
710.2	NH/MA Smart Grid Pilot Mktg & Educa	10-29-02-36-908-10-20	20-29-02-14-908-10-20							
710.3	NH/MA Smart Grid Pilot Field Impleme	10-29-02-36-908-10-30	20-29-02-14-908-10-30							
710.4	NH/MA Smart Grid Pilot Eval & Rptg	10-29-02-36-908-10-40	20-29-02-14-908-10-40							
725	UnReg ResGasWXN Plan&Mgmt-ME			30-50-02-73-908-25-00						
725.1	UnReg ResGasWXN IntOps-ME			30-50-02-73-908-25-10						
725.2	UnReg ResGas WXN IntMktg-ME			30-50-02-73-908-25-20						
736	UnReg Lg GasCust Plan/Mgmt-ME			30-50-02-73-908-36-00						
736.1	UnReg Lg GasCust Int Ops-ME			30-50-02-73-908-36-10						
736.2	UnReg Lg GasCust Eng Svcs-ME			30-50-02-73-908-36-11						
736.3	UnReg Lg GasCust Int Ops ELECTRIC-I			30-50-02-73-908-36-13						
736.2	UnReg Lg GasCust Int Mktg-ME			30-50-02-73-908-36-20						
736.3	UnReg Lg GasCust Int M&E-ME			30-50-02-73-908-36-30						
749	UnReg SCI GasCust Plan/MGMT-ME			30-50-02-73-908-49-00						
749.1	UnReg SCI GasCust Int Ops-ME			30-50-02-73-908-49-10						
749.11	UnReg SCI GasCust Eng Svcs-ME			30-50-02-73-908-49-11						
749.13	UnReg SCI GasCust ELECTRIC-ME			30-50-02-73-908-49-13						
749.2	UnReg SCI GasCust Int Mkt-ME			30-50-02-73-908-49-20						
749.3	UnReg SCI GasCust Int M&E-ME			30-50-02-73-908-49-30						
750	UnReg CI GasNtWks Plan/Mgmt-ME			30-50-02-73-908-50-00						
750.1	UnReg CI GasNtWks Int Ops-ME			30-50-02-73-908-50-10						
750.11	UnReg CI GasNtWks Int Eng Svcs-ME			30-50-02-73-908-50-11						
750.13	UnReg CI GasNtWks ELECTRIC-ME			30-50-02-73-908-50-13						
750.2	UnReg CI GasNtWks Int Mkt-ME			30-50-02-73-908-50-20						
750.3	UnReg CI GasNtWks 3Pty Mkt-ME			30-50-02-73-908-50-30						
757	UnReg SCI MultiFam Plan/Mgmt-ME			30-50-02-73-908-57-00						
757.1	UnReg SCI MultiFam Int Ops-ME			30-50-02-73-908-57-10						
757.11	UnReg SCI MultiFam Eng Svcs-ME			30-50-02-73-908-57-11						
757.13	UnReg SCI MultiFam ELECTRIC - ME			30-50-02-73-908-57-13						
757.2	UnReg SCI MultiFam Int Mkt-ME			30-50-02-73-908-57-20						
757.3	UnReg SCI MultiFam Int M&E-ME			30-50-02-73-908-57-30						
801	Gas Lowinc Design-MA/NH		20-19-02-05-908-01-00	30-49-02-72-908-01-00						
801.02	GasLowinc Dsgn-ME			30-59-02-73-908-01-00						
801.03	IRP - Gas		20-10-10-00-923-03-00	30-00-10-00-923-03-00						
801.1	Gas Low Inc Prg Admn MA/NH		20-19-02-05-908-01-10	30-49-02-72-908-01-10						
801.11	Gas Lowinc Eng Svcs MA/NH		20-19-02-05-908-01-11	30-49-02-72-908-01-11						
801.13	Gas Lowinc Reg & Gen MA/NH		20-19-02-05-908-01-13	30-49-02-72-908-01-13						
801.15	Gas Lowinc Prog/Adm ME			30-59-02-73-908-01-10						

Job Order ID	JobOrderDesc	10	20	30	33	12	24	26	14	35
801.16	Gas Lowinc Eng Svcs-ME			30-59-02-73-908-01-11						
801.17	Gas Lowinc Reg & Gen-ME			30-59-02-73-908-01-13						
801.2	Gas Lowinc Mkting MA/NH		20-19-02-05-908-01-20	30-49-02-72-908-01-20						
801.22	Gas Lowinc Mkting- ME			30-59-02-73-908-01-20						
801.3	Gas Lowinc M&E MA/NH		20-19-02-05-908-01-30	30-49-02-72-908-01-30						
801.32	Gas Lowinc M&E-ME			30-59-02-73-908-01-30						
801.5	DSM Reg & Gen - MA/NH Gas		20-19-02-05-908-00-50	30-49-02-72-908-00-50						
801.51	DSM Reg & Gen-ME Gas			30-59-02-73-908-00-51						
801.52	EE Reg & Gen - NH RGGI	10-29-02-44-908-00-52								
801.6	EE Ops Gen Admin MA/NH Gas		20-19-02-05-908-00-60	30-49-02-72-908-00-60						
801.61	EE Ops Gen Admin-ME Gas			30-59-02-73-908-00-61						
801.62	EE Ops Gen Admin - NH RGGI	10-29-02-44-908-00-62								
801.7	DSM Gen M&E-MA/NH Gas		20-19-02-05-908-00-70	30-49-02-72-908-00-70						
801.71	DSM Gen M&E Gas ME			30-59-02-73-908-00-71						
801.72	EE Gen M&E - NH RGGI	10-29-02-44-908-00-72								
801.8	EE Gen Internal Mkting-Gas		20-19-02-05-908-00-80	30-49-02-72-908-00-80						
801.81	EE Gen Internal Mkting-Gas			30-59-02-73-908-00-81						
801.82	EE Internal Marketing - NH RGGI	10-29-02-44-908-00-82								
801.9	EE Gen 3rd Pty Mkting-Gas		20-19-02-05-908-00-90	30-49-02-72-908-00-90						
801.91	EE Gen 3rd Pty Mkting-Gas			30-59-02-73-908-00-91						
801.92	EE Third Pty Marketing-NH RGGI	10-29-02-44-908-00-92								
804	RCS Internal Prog Admin		20-00-02-00-916-01-02							
804.01	RCS Internal Design		20-00-02-00-916-01-01							
804.02	RCS Reg & General		20-00-02-00-916-01-05							
804.03	RCS Internal Marketing		20-00-02-00-916-01-06							
804.04	RCS Internal M&E		20-00-02-00-916-01-07							
804.07	RCS Engineer Svcs		20-00-02-00-916-01-04							
804.2	Committee Work	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00			24-00-10-00-923-03-00		14-30-10-00-923-03-00
804.4	LERSLogica - SMD Modifications	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00						
805	DSM Reg & Gen - Electric	10-29-02-21-908-00-00	20-29-02-06-908-00-00							
805.04	DSM General M&E - Electric	10-29-02-21-908-00-04	20-29-02-06-908-00-04							
805.07	Water Heater Prg-FGE		20-00-29-50-923-06-00							
805.08	Water Htr Prg-NU NH			30-47-29-50-923-06-00						
805.09	Water Htr Prg-NU-ME			30-57-29-50-923-06-00						
805.1	Easy Care - NU NH			30-47-29-53-923-06-00						
805.12	FGE SOS-Constellatn		20-20-10-00-557-01-00							
805.13	FGE Portf Mgt-Defalt		20-20-10-00-557-01-00							
805.14	FGE Portf Mgt-WholeS		20-20-10-00-557-01-00							
805.15	FGE Dist Load Report		20-20-10-00-557-01-00							
805.2	EE Gen Internal Mkting-Elect	10-29-02-21-908-00-20	20-29-02-06-908-00-20							
805.21	EE Gen 3rd Pty Mkting-Elect	10-29-02-21-908-00-21	20-29-02-06-908-00-21							
805.22	EE Ops General Admin - Elec	10-29-02-21-908-00-22	20-29-02-06-908-00-22							
807.01	Sungard-Capital	10-20-10-00-923-03-00								
807.02	Sungard-Seacoast	10-20-10-00-923-03-00								
807.04	Business Development	10-20-10-00-923-03-00	20-00-10-00-923-03-00	30-00-10-00-923-03-00	33-00-10-00-923-03-00			24-00-10-00-923-03-00		
807.05	Sungard Fitchburg-E		20-00-10-00-923-03-00							
807.06	Sungard Fitchburg-G		20-00-10-00-923-03-00							
807.07	Sungard NU-ME			30-00-10-00-923-03-00						
807.08	Sungard NU-NH			30-00-10-00-923-03-00						
807.09	Telemeter-NU ME			30-00-10-00-923-03-00						
807.1	Telemeter-NU NH			30-00-10-00-923-03-00						
807.11	Web Site-Cap	10-20-10-00-923-03-00								
807.12	Web Site-Sea	10-20-10-00-923-03-00								
807.13	Web Site-FGE		20-00-10-00-923-03-00							
807.14	Web Site-NU ME			30-00-10-00-923-03-00						
807.15	Web Site-NU NH			30-00-10-00-923-03-00						
807.24	Defer CIS Dev-CAP	10-20-10-00-923-03-00								
807.25	Defer CIS Dev-SEA	10-20-10-00-923-03-00								
807.26	Defer CIS Dev-FGE		20-00-10-00-923-03-00							
807.27	ODI-Cap	10-20-10-00-923-03-00								
807.28	ODI-Sea	10-20-10-00-923-03-00								
807.29	Plant Records Conv-FGE		20-00-10-00-923-03-00							

Job Order ID	JobOrderDesc	10	20	30	33	12	24	26	14	25
807.3	Plant Acctg. Conv-Capital	10-20-10-00-923-03-00								
807.31	Plant Acc'g Conv-Seacoast	10-20-10-00-923-03-00								
807.32	Plant Acct'g Conv-FGE				20-00-10-00-923-03-00					
807.33	Capital Budget Phase 5 - Capital	10-20-10-00-923-03-00								
807.34	Capital Budget Phase 5 - Seacoast	10-20-10-00-923-03-00								
807.35	Capital Budget Phase 5 - FGE				20-00-10-00-923-03-00					
807.36	Estimating Model - Capital	10-20-10-00-923-03-00								
807.37	Estimating Model - Seacoast	10-20-10-00-923-03-00								
807.38	Estimating Model - FGE				20-00-10-00-923-03-00					
807.39	Gas Database Recon-FGE				20-00-10-00-923-03-00					
807.4	Usource Capital Projects							26-00-10-00-923-03-00		
807.44	Generation Connection-Capital	10-20-10-00-923-03-00								
807.45	Generation Connection-Seacoast	10-20-10-00-923-03-00								
807.46	Generation Connection-FGE				20-00-10-00-923-03-00					
807.47	FGE-G Gas Ops(Engy Contracts/Meas&				20-00-10-00-923-03-00					
807.48	FGE-G G-intake (Ops & Bus Dev)				20-00-10-00-923-03-00					
807.49	FGE-Gas SCADA System				20-00-10-00-923-03-00					
807.5	FGE-Occupational Health&Safety				20-00-10-00-923-03-00					
807.51	UES-Occupational Health&Safety	10-20-10-00-923-03-00								
807.52	FGE-Gas Dispatch Radio Cntrl System				20-00-10-00-923-03-00					
807.53	FGE-Gas Dispatch Phone System				20-00-10-00-923-03-00					
807.56	CMS Phase II-NU NH					30-00-10-00-923-03-00				
807.57	CMS PHASE II-NU ME					30-00-10-00-923-03-00				
807.58	CMS PHASE II - FGE				20-00-10-00-923-03-00					
807.59	MDS PHASE II - NU NH					30-00-10-00-923-03-00				
807.6	MDS PHASE II - NU ME					30-00-10-00-923-03-00				
807.61	Outage Mgmt System-Cap	10-20-10-00-923-03-00								
807.62	Outage Mgmt Syst-Sea	10-20-10-00-923-03-00								
807.63	Outage Mgmt System-FGE				20-00-10-00-923-03-00					
807.64	Plant Records Conv-NU-NH					30-00-10-00-923-03-00				
807.65	Plant Records Conv-NU-ME					30-00-10-00-923-03-00				
807.66	GTRAC-PHASE II-NU-ME					30-00-10-00-923-03-00				
807.67	GTRAC-PHASE II-NU-NH					30-00-10-00-923-03-00				
807.68	GTRAC-PHASE II-FGE				20-00-10-00-923-03-00					
807.7	Power House-CAP	10-20-10-00-923-03-00								
807.71	Power House-SEA	10-20-10-00-923-03-00								
807.72	Power House-FGE				20-00-10-00-923-03-00					
807.73	Power House-NU ME					30-00-10-00-923-03-00				
807.74	Power House-NU NH					30-00-10-00-923-03-00				
807.75	Power House-GS					33-00-10-00-923-03-00				
807.76	UES-Cap EOC Storm Ops	10-20-10-00-923-03-00								
807.77	UES-Sea EOC Storm Ops	10-20-10-00-923-03-00								
807.78	FGE-EOC Storm Ops				20-00-10-00-923-03-00					
807.81	ODI - FGE				20-00-10-00-923-03-00					
807.82	ODI-NU-NH					30-00-10-00-923-03-00				
807.83	ODI-NU-ME					30-00-10-00-923-03-00				
808.02	NU Transition Period Costs								15-30-00-00-186-30-00	
808.07	NU Interfacing (CIS/CashMgmt/Cash P								15-30-00-00-186-30-00	
808.12	NU Gas Ops(Energy Contracts/ Meas&								15-30-00-00-186-30-00	
808.13	NU G-intake (Operations & Business D								15-30-00-00-186-30-00	
808.14	NU-GIS								15-30-00-00-186-30-00	
808.16	NU-Integrity Mgmt Analysis Software								15-30-00-00-186-30-00	
808.17	NU-Gas Scada System								15-30-00-00-186-30-00	
808.19	NU-Occupational Health&Safety								15-30-00-00-186-30-00	
808.2	NU-Gas Dispatch Radio Cntrl Sys								15-30-00-00-186-30-00	
808.21	NU-Gas Dispatch Phone System								15-30-00-00-186-30-00	
808.22	NU-MVgo xi Network Migration								15-30-00-00-186-30-00	
808.29	NU-Replace Metscan Meter Corrector:								15-30-00-00-186-30-00	
808.31	CSC Reorganize&Intall new workstatic								15-30-00-00-186-30-00	
808.32	CSC Building Renovations								15-30-00-00-186-30-00	
808.33	Hampton Workstation Purchase&Recc								15-30-00-00-186-30-00	
808.34	NU-Portsmouth Renovations								15-30-00-00-186-30-00	

Job	Order ID	JobOrderDesc	10	20	30	33	12	24	26	14	35
809.04		Usource Operations									26-00-10-00-923-03-00
825		R Gas Wxn Design MA/NH		20-19-02-05-908-25-00		30-49-02-72-908-25-00					
825.02		R Gas Wxn Desg-ME				30-59-02-73-908-25-00					
825.1		R Gas Wxn Prog Admin MA/NH		20-19-02-05-908-25-10		30-49-02-72-908-25-10					
825.11		Res Gas Wxn Eng Svcs MA/NH		20-19-02-05-908-25-11		30-49-02-72-908-25-11					
825.13		R Gas Wxn Reg & Gen MA/NH		20-19-02-05-908-25-13		30-49-02-72-908-25-13					
825.15		R Gas Wxn ProgAdmin-ME				30-59-02-73-908-25-10					
825.16		R Gas Wxn EngSvcs-ME				30-59-02-73-908-25-11					
825.17		R Gas Wxb R&G-ME				30-59-02-73-908-25-13					
825.2		R Gas Wxn Marketing MA/NH		20-19-02-05-908-25-20		30-49-02-72-908-25-20					
825.22		R GasWxn Mktng-ME				30-59-02-73-908-25-20					
825.3		R Gas Wxn M&E MA/NH		20-19-02-05-908-25-30		30-49-02-72-908-25-30					
825.32		R GasWxn M&E-ME				30-59-02-73-908-25-30					
825.4		Res Gas Wthr Rebates		20-19-02-05-908-25-40							
826		Res Retro Internal Design	10-29-02-21-908-26-00								
826.1		Res Retro Prog Admin	10-29-02-21-908-26-10								
826.11		Res Retro Engineer Svcs	10-29-02-21-908-26-11								
826.13		Res Retro Reg & General	10-29-02-21-908-26-13								
826.2		Res Retro Marketing	10-29-02-21-908-26-20								
826.3		Res Retro M&E	10-29-02-21-908-26-30								
826.5		RGGI Res Retro Prog Admin	10-29-02-44-908-26-10								
826.51		RGGI Res Retro Reg & General	10-29-02-44-908-26-13								
826.52		RGGI Res Retro Marketing	10-29-02-44-908-26-20								
826.53		RGGI Res Retro M&E	10-29-02-44-908-26-30								
827		Gas RCS Prog Design-NH				30-49-02-72-908-27-00					
827.02		GAS RCS Design-ME				30-59-02-73-908-27-00					
827.1		Gas RCS Prog Admin-NH				30-49-02-72-908-27-10					
827.11		Gas RCS EngSvcs-NH				30-49-02-72-908-27-11					
827.13		RCS Reg & Gen-NH				30-49-02-72-908-27-13					
827.15		Gas RCS Prog Admin-ME				30-59-02-73-908-27-10					
827.16		Gas RCS EngSvcs-ME				30-59-02-73-908-27-11					
827.17		Gas RCS R&G-ME				30-59-02-73-908-27-13					
827.2		GAS RCS Mktng-NH				30-49-02-72-908-27-20					
827.22		Gas Rcs Mktng-ME				30-59-02-73-908-27-20					
827.3		Gas RCS M&E -NH				30-49-02-72-908-27-30					
827.32		Gas RCS M&E-ME				30-59-02-73-908-27-30					
828		Estar Lites Design	10-29-02-21-908-28-00	20-29-02-06-908-28-00							
828.1		Estar Lites Prog Admin	10-29-02-21-908-28-10	20-29-02-06-908-28-10							
828.11		Res Lite Engineer Svcs	10-29-02-21-908-28-11	20-29-02-06-908-28-11							
828.13		Estar Lites Reg & General	10-29-02-21-908-28-13	20-29-02-06-908-28-13							
828.2		Estar Lites Marketing	10-29-02-21-908-28-20	20-29-02-06-908-28-20							
828.3		Estar Lites M&E	10-29-02-21-908-28-30	20-29-02-06-908-28-30							
828.5		RGGI EStar Lites Prog Admin	10-29-02-44-908-28-10								
828.51		RGGI EStar Lites Reg&Gen	10-29-02-44-908-28-13								
828.52		RGGI EStar Lites Mktg	10-29-02-44-908-28-20								
828.53		RGGI EStar Lites M&E	10-29-02-44-908-28-30								
829		R GasNetwks Design MA/NH		20-19-02-05-908-29-00		30-49-02-72-908-29-00					
829.02		R GasNetwks Desg-ME				30-59-02-73-908-29-00					
829.1		R GasNetwks Prog Admin MA/NH		20-19-02-05-908-29-10		30-49-02-72-908-29-10					
829.11		R GasNetwks Eng Svcs MA/NH		20-19-02-05-908-29-11		30-49-02-72-908-29-11					
829.13		R GasNetwks Reg & Gen MA/NH		20-19-02-05-908-29-13		30-49-02-72-908-29-13					
829.15		R GasNetwks Prog Admin ME				30-59-02-73-908-29-10					
829.16		R GasNetwks EngSvcs-ME				30-59-02-73-908-29-11					
829.17		R GasNetwks R&G-ME				30-59-02-73-908-29-13					
829.2		R GasNetwks Marketing MA/NH		20-19-02-05-908-29-20		30-49-02-72-908-29-20					
829.22		R GasNetwks Mktng-ME				30-59-02-73-908-29-20					
829.3		R GasNetwks M&E MA/NH		20-19-02-05-908-29-30		30-49-02-72-908-29-30					
829.32		R GasNetwks M&E - ME				30-59-02-73-908-29-30					
830		SC&I (G1) Design		20-29-02-06-908-30-00							
830.1		SC&I (G1) Prog Admin		20-29-02-06-908-30-10							
830.11		SC&I (G1) Engineer Svcs		20-29-02-06-908-30-11							
830.13		SC&I (G1) Reg & General		20-29-02-06-908-30-13							

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830.2	SC&I (G1) Marketing									
830.3	SC&I (G1) M&E									
831	SC&I (G2) Design	10-29-02-21-908-31-00								
831.1	SC&I (G2) Prog Admin	10-29-02-21-908-31-10								
831.11	SC&I (G2) Engineer Svcs	10-29-02-21-908-31-11								
831.13	SC&I (G2) Reg & General	10-29-02-21-908-31-13								
831.2	SC&I (G2) Marketing	10-29-02-21-908-31-20								
831.3	SC&I (G2) M&E	10-29-02-21-908-31-30								
831.5	RGGI SC&I Prog Admin	10-29-02-44-908-31-10								
831.51	RGGI SC&I Reg & Gen	10-29-02-44-908-31-13								
831.52	RGGI SC&I Mktg	10-29-02-44-908-31-20								
831.53	RGGI SC&I M&E	10-29-02-44-908-31-30								
832	LC&I (G2) Design									
832.1	LC&I (G2) Prog Admin									
832.11	LC&I (G2) Engineer Svcs									
832.13	LC&I (G2) Reg & General									
832.2	LC&I (G2) Marketing									
832.3	LC&I (G2) M&E									
832.4	LC&I (G2) Cust/Contr Rebates									
833	LC&I (G3) Design									
833.1	LC&I (G3) Prog Admin									
833.11	LC&I (G3) Engineer Svcs									
833.13	LC&I (G3) Reg & General									
833.2	LC&I (G3) Marketing									
833.3	LC&I (G3) M&E									
834	C&I NC (G2,G4) DESIGN	10-29-02-21-908-32-00								
834.1	C&I NC (G2,G4) PROG ADMIN	10-29-02-21-908-32-10								
834.11	C&I NC (G2,G4) Engineer Svcs	10-29-02-21-908-32-11								
834.13	C&I NC (G2,G4) REG & GEN	10-29-02-21-908-32-13								
834.2	C&I NC (G2,G4) MARKETING	10-29-02-21-908-32-20								
834.3	C&I NC (G2,G4) M&E	10-29-02-21-908-32-30								
835	C&I NC (G1,G3) DESIGN	10-29-02-21-908-33-00								
835.1	C&I NC (G1,G3) PROG ADMIN	10-29-02-21-908-33-10								
835.11	C&I NC (G1,G3) ENGINEER SVCS	10-29-02-21-908-33-11								
835.13	C&I NC (G1,G3) REG & GENERAL	10-29-02-21-908-33-13								
835.2	C&I NC (G1,G3) MARKETING	10-29-02-21-908-33-20								
835.3	C&I NC (G1,G3) M&E	10-29-02-21-908-33-30								
836	Lg Gas Custom Design MA/NH									
836.02	Lg Gas Custom Design ME									
836.1	Lg Gas Custom Prog Admin MA/NH									
836.11	Lg Gas Custom Engineer Svcs									
836.13	Lg Gas Custom Reg & Gen MA/NH									
836.15	Lg Gas Custom Prog Admin ME									
836.16	Lg Gas Custom EngSvcs ME									
836.17	Lg Gas Custom R&G-ME									
836.2	Lg Gas Custom Marketing									
836.22	Lg Gas Custom Mktg-ME									
836.3	Lg Gas Custom M&E									
836.32	Lg GasCustom M&E - ME									
837	Res Deep Retrofit Design									
837.1	Res Deep Retrofit Prog Admin									
837.11	Res Deep Retrofit Eng Svcs									
837.13	Res Deep Retrofit Reg & General									
837.2	Res Deep Retrofit Marketing									
837.3	Res Deep Retrofit M&E									
838	C&I Gas NC Design									
838.1	C&I Gas NC Prog Admin									
838.11	C&I Gas NC Engineer Svcs									
838.13	C&I Gas NC Reg & General									
838.2	C&I NC Marketing									
838.3	C&I Gas NC M&I									
839	SC&I Gas Design G41,51									

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839.1	SC&I Gas Prog Admin G41,51									20-19-02-05-908-39-10
839.11	SC&I GAS Eng Svcs G41, 51									20-19-02-05-908-39-11
839.13	SC&I Gas Reg & General G41,51									20-19-02-05-908-39-13
839.2	SC&I Gas Marketing G41,51									20-19-02-05-908-39-20
839.3	SC&I Gas M&E G41,51									20-19-02-05-908-39-30
840	Estar Appl Design	10-29-02-21-908-40-00								20-29-02-06-908-40-00
840.1	Estar Appl Prog Admin	10-29-02-21-908-40-10								20-29-02-06-908-40-10
840.11	Estar Appl Engineer Svcs	10-29-02-21-908-40-11								20-29-02-06-908-40-11
840.13	Estar Appl Reg & General	10-29-02-21-908-40-13								20-29-02-06-908-40-13
840.2	Estar Appl Marketing	10-29-02-21-908-40-20								20-29-02-06-908-40-20
840.3	Estar Appl M&E	10-29-02-21-908-40-30								20-29-02-06-908-40-30
840.5	RGGI EStar Appl Prog Admin	10-29-02-44-908-40-10								
840.51	RGGI EStar Appl Reg & Gen	10-29-02-44-908-40-13								
840.52	RGGI EStar Appl Mktg	10-29-02-44-908-40-20								
840.53	RGGI EStar M&E	10-29-02-44-908-40-30								
841	Elec LowInc Design	10-29-02-21-908-41-00								20-29-02-06-908-41-00
841.1	Elec LowInc Prog Admin	10-29-02-21-908-41-10								20-29-02-06-908-41-10
841.11	Low Inc Engineer Svcs	10-29-02-21-908-41-11								20-29-02-06-908-41-11
841.13	Elec LowInc Reg & General	10-29-02-21-908-41-13								20-29-02-06-908-41-13
841.2	Elec LowInc Marketing	10-29-02-21-908-41-20								20-29-02-06-908-41-20
841.3	Elec LowInc M&E	10-29-02-21-908-41-30								20-29-02-06-908-41-30
841.5	RGGI Elec LowInc Prog Admin	10-29-02-44-908-41-10								
841.51	RGGI Elec LowInc Reg&Gen	10-29-02-44-908-41-13								
841.52	RGGI Elec LowInc Mktg	10-29-02-44-908-41-20								
841.53	RGGI Elec LowInc M&E	10-29-02-44-908-41-30								
842	LI New Construct Design									20-29-02-06-908-42-00
842.1	LI New Construct Prog Admin									20-29-02-06-908-42-10
842.11	LI New Construct Engineer Svcs									20-29-02-06-908-42-11
842.13	LI New Construct Reg & General									20-29-02-06-908-42-13
842.2	LI New Construct Marketing									20-29-02-06-908-42-20
842.3	LI New Construct M&E									20-29-02-06-908-42-30
843	Res Collaborative Funding									20-29-02-06-908-43-00
843.01	C&I Collaborative Funding									20-29-02-06-908-43-01
843.1	Heat Loan Int Admin									20-29-02-06-908-43-10
843.12	RGGI C&I Financing Int Admin	10-29-02-44-908-43-12								
843.15	C&I Education	10-29-02-21-908-43-15								
843.16	K-12 Education (Res)	10-29-02-21-908-43-16								
843.17	C&I Education	10-29-02-44-908-43-17								
843.18	K-12 Education (Res)	10-29-02-44-908-43-18								
843.2	RGGI Res Financing - Int Admin	10-29-02-44-908-43-20								
843.23	RGGI LI Financing - Int Admin	10-29-02-44-908-43-23								
844	Res HVAC Design									20-29-02-06-908-44-00
844.1	Res HVAC Prog Admin									20-29-02-06-908-44-10
844.11	Res HVAC Engineer Svcs									20-29-02-06-908-44-11
844.13	Res HVAC Reg & General									20-29-02-06-908-44-13
844.2	Res HVAC Marketing									20-29-02-06-908-44-20
844.3	Res HVAC M&E									20-29-02-06-908-44-30
847	ES Home Design	10-29-02-21-908-47-00								20-29-02-06-908-47-00
847.02	ES Home Design - ME & MA									30-49-02-72-908-47-00
847.1	ES Home Admin	10-29-02-21-908-47-10								30-49-02-72-908-47-10
847.11	ES Homes Engineer Svcs	10-29-02-21-908-47-11								30-49-02-72-908-47-11
847.13	ES Home Reg & Gen	10-29-02-21-908-47-13								30-49-02-72-908-47-13
847.15	ES Homes ProgAdmin-ME & MA									30-59-02-73-908-47-10
847.16	ES Homes EngSvcs - ME & MA									30-59-02-73-908-47-11
847.17	ES Homes R&G - ME & MA									30-59-02-73-908-47-13
847.2	ES Home Mktg	10-29-02-21-908-47-20								30-49-02-72-908-47-20
847.22	ES Homes Mktg-ME & MA									30-59-02-73-908-47-20
847.3	ES Home M&E	10-29-02-21-908-47-30								30-49-02-72-908-47-30
847.32	ES Homes M&E-ME & MA									30-59-02-73-908-47-30
847.5	RGGI ES Homes Prog Admin	10-29-02-44-908-47-10								
847.51	RGGI ES Homes Reg & Gen	10-29-02-44-908-47-13								
847.52	RGGI ES Homes Mktg	10-29-02-44-908-47-20								

Job Order ID	JobOrderDesc	10	20	30	33	12	24	26	14	35
847.53	RGGI ES Homes M&E	10-29-02-44-908-47-30								
848	EE Website - Electric	10-29-02-21-908-48-00	20-29-02-06-908-48-00							
848.02	EE Website - Electric C&I	10-29-02-21-908-48-02	20-29-02-06-908-48-02							
848.03	Consumer Awareness - Elec LI		20-29-02-06-908-48-03							
848.05	Statewide Mkting & Education - R		20-29-02-06-908-48-05							
848.06	Statewide Mkting & Education-R2		20-29-02-06-908-48-06							
848.07	Statewide Mkting & Education - C&I		20-29-02-06-908-48-07							
848.08	Workforce Development - R		20-29-02-06-908-48-08							
848.09	Workforce Development-R2		20-29-02-06-908-48-09							
848.1	Workforce Development-C&I		20-29-02-06-908-48-10							
848.11	R&D and Pilots-R		20-29-02-06-908-48-11							
848.12	R&D and Pilots-R2		20-29-02-06-908-48-12							
848.13	R&D and Pilots-C&I		20-29-02-06-908-48-13							
848.14	Statewide Mkting & Education-R		20-19-02-05-908-48-14							
848.15	Statewide Mkting & Education-R2		20-19-02-05-908-48-15							
848.16	Statewide Mkting & Education-C&I		20-19-02-05-908-48-16							
848.17	Workforce Development-R		20-19-02-05-908-48-17							
848.18	Workforce Development-R2		20-19-02-05-908-48-18							
848.19	Workforce Development-C&I		20-19-02-05-908-48-19							
849	SCI GasCust Desg MA/NH		20-19-02-05-908-49-00	30-49-02-72-908-49-00						
849.02	SCI GasCust Desg ME			30-59-02-73-908-49-00						
849.1	SCI Gas Prog Admin MA/NH		20-19-02-05-908-49-10	30-49-02-72-908-49-10						
849.11	SCI Gas Eng Svcs MA/NH		20-19-02-05-908-49-11	30-49-02-72-908-49-11						
849.13	SCI Gas R&G MA/NH		20-19-02-05-908-49-13	30-49-02-72-908-49-13						
849.15	SCI GasCust Prog Adm ME			30-59-02-73-908-49-10						
849.16	SCI GasCust EngSvcs-ME			30-59-02-73-908-49-11						
849.17	SCI GasCust R&G - ME			30-59-02-73-908-49-13						
849.2	SCI GasCust Mkting MA/NH		20-19-02-05-908-49-20	30-49-02-72-908-49-20						
849.22	SCI GasCust Mkting-ME			30-59-02-73-908-49-20						
849.3	SCI GasCust M&E MA/NH		20-19-02-05-908-49-30	30-49-02-72-908-49-30						
849.32	SCI GasCust M&E ME			30-59-02-73-908-49-30						
850	CI GasNetWks Dsgn NH			30-49-02-72-908-50-00						
850.02	CI GasNetWks Dsgn - ME			30-59-02-73-908-50-00						
850.1	CI GTasNetWks ProgAdmin NH			30-49-02-72-908-50-10						
850.11	CI GasNetWks EngSvcs NH			30-49-02-72-908-50-11						
850.13	CI GasNetWks R&G NH			30-49-02-72-908-50-13						
850.15	CI GasNetWks ProgAdm ME			30-59-02-73-908-50-10						
850.16	CI GasNetWks EngSvcs ME			30-59-02-73-908-50-11						
850.17	CI GasNetWks R&G ME			30-59-02-73-908-50-13						
850.2	CI GasNetWks Mkting NH			30-49-02-72-908-50-20						
850.22	CI GasNetWks Mkting ME			30-59-02-73-908-50-20						
850.3	CI GasNetWks M&E NH			30-49-02-72-908-50-30						
850.32	CI GasNetWks M&E ME			30-59-02-73-908-50-30						
852	C&I RETRO (G1) DESIGN	10-29-02-21-908-52-00								
852.1	C&I RETRO (G1) PROG ADMIN	10-29-02-21-908-52-10								
852.11	C&I Retro (G1) Engineer Svcs	10-29-02-21-908-52-11								
852.13	C&I Retro (G1)Reg & General	10-29-02-21-908-52-13								
852.2	C&I Retro (G1) Marketing	10-29-02-21-908-52-20								
852.3	C&I Retro (G1) M&E	10-29-02-21-908-52-30								
852.5	RGGI-C&I Retro Prog Admin	10-29-02-44-908-52-10								
852.51	RGGI C&I Reg & Gen	10-29-02-44-908-52-13								
852.52	RGGI-C&I Mktg	10-29-02-44-908-52-20								
852.53	RGGI-C&I Retro M&E	10-29-02-44-908-52-30								
853	Motors (g2) Design		20-29-02-06-908-53-00							
853.1	CUST/CONTR EDUCATION	10-29-02-21-908-53-10								
853.11	Energy Codes (G1)	10-29-02-21-908-53-11								
853.12	K-12 Education (G1,G4)	10-29-02-21-908-53-12								
853.13	Motors (G2) Reg&Gen		20-29-02-06-908-53-13							
853.2	Motors (G2) Mkting		20-29-02-06-908-53-20							
853.3	Motors (G2) M&E		20-29-02-06-908-53-30							
854	Motors (G3) Design		20-29-02-06-908-54-00							
854.1	Motors (G3) Admin		20-29-02-06-908-54-10							

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854.11	Motors (G3) Engineer Svcs			20-29-02-06-908-54-11						
854.13	Motors (G3) Reg&Gen			20-29-02-06-908-54-13						
854.2	Motors (G3) Mkting			20-29-02-06-908-54-20						
854.3	Motors (G3) M&E			20-29-02-06-908-54-30						
855	HVAC (G2) Design			20-29-02-06-908-55-00						
855.1	HVAC (G2) Admin			20-29-02-06-908-55-10						
855.11	HVAC (G2) Engineer Svcs			20-29-02-06-908-55-11						
855.13	HVAC (G2) Reg&Gen			20-29-02-06-908-55-13						
855.2	HVAC (G2) Mkting			20-29-02-06-908-55-20						
855.3	HVAC (G2) M&E			20-29-02-06-908-55-30						
856	HVAC (G3) Design			20-29-02-06-908-56-00						
856.1	HVAC (G3) Admin			20-29-02-06-908-56-10						
856.11	HVAC Engineer Svcs			20-29-02-06-908-56-11						
856.13	HVAC (G3) Reg&Gen			20-29-02-06-908-56-13						
856.2	HVAC (G3) Mkting			20-29-02-06-908-56-20						
856.3	HVAC (G3) M&E			20-29-02-06-908-56-30						
857	SC&I MultiFam Design NH			20-29-02-06-908-57-00	30-49-02-72-908-57-00					
857.02	SC&I MultiFam Dsgn-ME				30-59-02-73-908-57-00					
857.1	CS&I MultiFam Prog Admin NH			20-29-02-06-908-57-10	30-49-02-72-908-57-10					
857.11	SC&I MutiFam Engineer Svcs NH			20-29-02-06-908-57-11	30-49-02-72-908-57-11					
857.13	SC&I MultiFam Reg&General NH			20-29-02-06-908-57-13	30-49-02-72-908-57-13					
857.15	SC&I MultiFam ProgAdm-ME				30-59-02-73-908-57-10					
857.16	SC&I MultiFam EngSvcs-ME				30-59-02-73-908-57-11					
857.17	SC&I MultiFam Reg&Gen-ME				30-59-02-73-908-57-13					
857.2	SC&I MultiFam Marketing NH		20-29-02-06-908-57-20		30-49-02-72-908-57-20					
857.22	SC&I MultiFam Mkting-ME				30-59-02-73-908-57-20					
857.3	SC&I MultiFam M&E NH		20-29-02-06-908-57-30		30-49-02-72-908-57-30					
857.32	SC&I MultiFam M&E-ME				30-59-02-73-908-57-30					
858	R Self-Install Design NH				30-49-02-72-908-58-00					
858.02	R Self-Install Design-ME				30-59-02-73-908-58-00					
858.1	R Self-Install ProdAdm NH				30-49-02-72-908-58-10					
858.11	R Self-Install EngSvcs NH				30-49-02-72-908-58-11					
858.13	R Self-Install Reg&Gen NH				30-49-02-72-908-58-13					
858.15	R Self-Install ProgAdm-ME				30-59-02-73-908-58-10					
858.16	R Self-Install EngSvcs-ME				30-59-02-73-908-58-11					
858.17	R Self-Install Reg&Gen-ME				30-59-02-73-908-58-13					
858.2	R Self-Install Mkting NH				30-49-02-72-908-58-20					
858.22	R Self-Install Mkting NH				30-59-02-73-908-58-20					
858.3	R Self-Install M&E NH				30-49-02-72-908-58-30					
858.32	R Self-Install M&E - ME				30-59-02-73-908-58-30					
861.3	INACTIVE			-----						
880.01	Portfolio ODR Internal Admin	10-29-02-21-908-80-01	20-29-02-06-908-80-01							
999.01	Holiday					12-30-00-00-999-00-00				
999.02	Sickness					12-30-00-00-999-00-00				
999.03	Vacation					12-30-00-00-999-00-00				
999.04	Personal Unpaid					-----				
999.05	LTD					-----				
999.06	Floating Holiday					12-30-00-00-999-00-00				
999.07	Community Service					12-30-00-00-999-00-00				
999.08	Jury Duty					-----				
999.09	Military Leave					-----				
999.1	Workers Comp					-----				
999.11	Bereavement					-----				

APPENDIX H

FIXED PAYROLL DISTRIBUTION TABLES

Appendix – H1	Unitil Energy Systems – Capital
Appendix – H2	Unitil Energy Systems – Seacoast
Appendix – H3	Fitchburg Gas & Electric
Appendix – H4	Northern Utilities - NH
Appendix – H5	Northern Utilities - ME
Appendix – H6	Granite State Gas Transmission

Fixed Payroll Percentages -- By Job Title

Sum of Percent				Updated Fixed Distribution Percentages											
Company	Job Title	Employee Number	Division	Updated Capitalization	Updated Stores	Updated Trans Ops Exp	Updated Trans Maint Exp	Updated Dist Ops Exp	Updated Dist Maint Exp	Updated Gas Prod Exp	Updated Gas Trans Exp	Updated Gas Dist Exp	Updated Cust Svc Exp	Updated A&G Exp	Grand Total
FGE	Electric Ops - Customer Projects Coordinator	2475	Elec/Gas	95	0	0	0	3	0	0	0	3	0	0	100
UES	Electric Ops - Customer Projects Coordinator	1427	Elec	95	0	0	0	5	0	0	0	0	0	0	100
UES	Electric Ops - Field Services Supervisor	6553	Elec	75	0	0	5	5	15	0	0	0	0	0	100
UES	Electric Ops - Field Services Supervisor	5510	Elec	75	0	0	5	5	15	0	0	0	0	0	100
FGE	Electric Ops - Field Technician	1625	Elec	95	0	0	0	5	0	0	0	0	0	0	100
UES	Electric Ops - Field Technician	1440	Elec	95	0	0	0	5	0	0	0	0	0	0	100
FGE	Electric Ops - Line Supervisor	7031	Elec	90	0	0	0	5	5	0	0	0	0	0	100
UES	Electric Ops - Line Supervisor	6537	Elec	90	0	0	0	5	5	0	0	0	0	0	100
UES	Electric Ops - Line Supervisor	5038	Elec	90	0	0	0	5	5	0	0	0	0	0	100
FGE	Electric Ops - Manager	7104	Elec	80	0	5	5	10	0	0	0	0	0	0	100
UES	Electric Ops - Manager	6530	Elec	80	0	5	5	10	0	0	0	0	0	0	100
UES	Electric Ops - Manager	1865	Elec	80	0	5	5	10	0	0	0	0	0	0	100
FGE	EM&C - Dispatcher	7046	Elec/Gas	-	0	11	0	37	0	11	31	0	11	0	100
FGE	EM&C - Technical Services Supervisor	7713	Elec/Gas	55	0	8	8	8	11	0	0	11	0	0	100
UES	EM&C - Technical Services Supervisor	5715	Elec	55	0	10	10	15	10	0	0	0	0	0	100
UES	EM&C - Technical Services Supervisor	1883	Elec	55	0	10	10	15	10	0	0	0	0	0	100
FGE	Fleet & Facilities - Coordinator	7098	Common	70	0	0	0	0	0	0	0	0	0	30	100
UES	Fleet & Facilities - Coordinator	6551	Elec	70	0	3	0	27	0	0	0	0	0	0	100
UES	Fleet & Facilities - Coordinator	6552	Elec	95	0	0	0	5	0	0	0	0	0	0	100
FGE	Fleet & Facilities - Property Maintenance Worker	1816	Elec/Gas	-	0	0	0	33	0	0	0	33	0	34	100
NU	Gas Ops - Construction Project Leader	3002	Gas	90	0	0	0	0	0	0	0	10	0	0	100
FGE	Gas Ops - Construction Supervisor	7082	Gas	90	0	0	0	0	0	0	0	10	0	0	100
NU	Gas Ops - Construction Supervisor	3008	Gas	90	0	0	0	0	0	0	0	10	0	0	100
NU	Gas Ops - Construction Supervisor	4036	Gas	90	0	0	0	0	0	0	0	10	0	0	100
NU	Gas Ops - Customer Projects Coordinator	4005	Gas	95	0	0	0	0	0	0	0	5	0	0	100
NU	Gas Ops - Customer Projects Coordinator		Gas	95	0	0	0	0	0	0	0	5	0	0	100
FGE	Gas Ops - Dig Safe Technician	7091	Elec/Gas	25	0	0	0	25	0	0	0	50	0	0	100
FGE	Gas Ops - Distribution Supervisor	7101	Gas	90	0	0	0	0	0	0	0	10	0	0	100
NU	Gas Ops - Distribution Supervisor	4002	Gas	90	0	0	0	0	0	0	0	10	0	0	100
NU	Gas Ops - Distribution Supervisor	3010	Gas	90	0	0	0	0	0	0	0	10	0	0	100
FGE	Gas Ops - Distribution Technician	7092	Gas	60	0	0	0	0	0	0	0	40	0	0	100
FGE	Gas Ops - Leak Survey Coord.	7080	Gas	25	0	0	0	0	0	0	0	75	0	0	100
NU	Gas Ops - Manager	7858	Gas	80	0	0	0	0	0	0	0	20	0	0	100
NU	Gas Ops - Manager	4037	Gas	80	0	0	0	0	0	0	0	20	0	0	100
FGE	Gas Ops - Manager	7085	Gas	80	0	0	0	0	0	10	0	10	0	0	100

Sum of Percent				Updated Fixed Distribution Percentages											
Company	Job Title	Employee Number	Division	Updated Capitalization	Updated Stores	Updated Trans Ops Exp	Updated Trans Maint E	Updated Dist Ops Exp	Updated Dist Maint Exp	Updated Gas Prod Exp	Updated Gas Trans Exp	Updated Gas Dist Exp	Updated Cust Svc Exp	Updated A&G Exp	Grand Total
NU	Gas Ops - Project Leader	3055	Gas	90	0	0	0	0	0	0	0	10	0	0	100
NU	Gas Ops - Service & Meter Supervisor	3009	Gas	85	0	0	0	0	0	0	0	15	0	0	100
NU	Gas Ops - Service & Meter Supervisor	4003	Gas	85	0	0	0	0	0	0	0	15	0	0	100
FGE	Gas Ops - Service Supervisor	2278	Elec/Gas	85	0	0	0	0	0	0	0	10	5	0	100
FGE	Gas Systems - System Ops Supervisor	2195	Gas	40	0	0	0	0	0	35	0	20	0	5	100
NU	Gas Systems - System Ops Supervisor	1027	Gas	40	0	0	0	0	0	0	0	60	0	0	100
GSG	Gas Systems - Transmission Ops Supervisor	4800	Gas	20	0	0	0	0	0	0	80	0	0	0	100
FGE	GasElectricTesterInstaller1st	7063	Elec/Gas	-	0	11	0	37	0	11	31	0	6	5	100
FGE	Ops Services - Administrative Assistant	7083	Elec/Gas	90	0	0	0	3	0	0	0	8	0	0	100
FGE	Ops Services - Administrative Assistant	3349	Elec/Gas	90	0	0	0	0	0	0	0	0	0	10	100
FGE	Ops Services - Administrative Assistant Sr.	7086	Elec/Gas	90	0	0	0	8	0	0	0	3	0	0	100
UES	Ops Services - Administrative Team Leader	5947	Elec	50	0	0	0	25	0	0	0	0	0	25	100
FGE	Ops Services - Manager	7683	Common	70	20	0	0	0	0	0	0	0	10	0	100
FGE	Ops Services - Operation Support Clerk	7071	Elec/Gas	90	0	0	0	5	0	0	0	5	0	0	100
UES	Ops Services - Plant Asset Specialist	6523	Elec	95	0	0	0	5	0	0	0	0	0	0	100
UES	Ops Services - Plant Records Associate	5820	Elec	95	0	0	0	5	0	0	0	0	0	0	100
FGE	Ops Services - Plant Records Clerk	1911	Elec/Gas	90	0	0	0	5	0	0	0	5	0	0	100
UES	Ops Services - Plant Records Clerk	6505	Elec	95	0	0	0	5	0	0	0	0	0	0	100
FGE	Ops Services - Radio Operator 1	1333	Elec/Gas	90	0	0	0	0	0	0	0	5	5	0	100
UES	Ops Services - Specialist	5955	Elec	95	0	0	0	5	0	0	0	0	0	0	100
FGE	Ops Services - Supervisor	7072	Elec/Gas	85	0	0	0	0	0	0	0	0	10	5	100
NU	Ops Services - Support Associate	3059	Gas	80	0	0	0	0	0	0	0	10	0	10	100
NU	Ops Services - Support Associate	3013	Gas	80	0	0	0	0	0	0	0	20	0	0	100
NU	Ops Services - Support Associate	4004	Gas	80	0	0	0	0	0	0	0	20	0	0	100
UES	Ops Services - Support Associate	6501	Elec	80	0	0	0	13	0	0	0	0	0	8	100
UES	Ops Services - Support Associate	6549	Elec	80	0	0	0	13	0	0	0	0	0	8	100
UES	Ops Services - Systems Communications	6518	Elec	50	0	0	0	50	0	0	0	0	0	0	100
UES	Ops Services - Systems Communications	5619	Elec	50	0	0	0	50	0	0	0	0	0	0	100
UES	Procurement & Supply - Purchasing Agent	6508	Elec	100	0	0	0	0	0	0	0	0	0	0	100

Unitil Energy Systems - Capital division Fixed Payroll Distributions

Job Title	Account Number	Percent
Electric Ops - Line Supervisor	102050001840001	90.00
	102050005800000	5.00
	102050005900000	5.00
		100.00
Ops Services - Administrative Team Leader	102050001840001	50.00
	102050005800000	25.00
	102050009200000	25.00
		100.00
Electric Ops - Field Services Supervisor	102050001840001	75.00
	102050005900000	15.00
	102050005680000	5.00
	102050005800000	5.00
		100.00
Electric Ops - Manager	102050001840001	80.00
	102050005800000	10.00
	102050005600000	5.00
	102050005680000	5.00
		100.00
Ops Services - Systems Communications	102050001840001	50.00
	102050005810000	50.00
		100.00
EM&C - Technical Services Supervisor	102050001840001	55.00
	102050005860000	15.00
	102050005600001	10.00
	102050005680001	10.00
	102050005900001	10.00
		100.00
Ops Services - Specialist	102050001840001	95.00
	102050005800000	5.00
		100.00
Ops Services - Plant Records Associate	102050001840001	95.00
	102050005800000	5.00
		100.00

**Unitil Energy Systems - Seacoast division
 Fixed Payroll Distributions**

Job Title	Account Number	Percent
Electric Ops - Line Supervisor	102060001840001	90.00
	102060005800000	5.00
	102060005900000	5.00
		100.00
Ops Services - Support Associate	102060001840001	80.00
	102060005880100	12.50
	102060009200000	7.50
		100.00
Ops Services - Systems Communications	102060001840001	50.00
	102060005810000	50.00
		100.00
Ops Services - Plant Records Clerk	102060001840001	95.00
	102060005800000	5.00
		100.00
Electric Ops - Field Technician	102060001840001	95.00
	102060005800000	5.00
		100.00
Ops Services - Plant Asset Specialist	102060001840001	95.00
	102060005800000	5.00
		100.00
Fleet & Facilities - Coordinator	102060001840001	70.00
	102060005800000	3.20
	102060005600000	26.80
		100.00
Electric Ops - Field Services Supervisor	102060001840001	75.00
	102060005900000	15.00
	102060005680000	5.00
	102060005800000	5.00
		100.00
Procurement & Supply - Purchasing Agent	102060001840001	100.00
Electric Ops - Customer Projects Coordinator	102060001840001	95.00
	102060005800000	5.00
		100.00
Fleet & Facilities - Coordinator	102060001840001	95.00
	102600005800000	5.00
		100.00

Job Title	Account Number	Percent
Electric Ops - Manager	102060001840001	80.00
	102060005800000	10.00
	102060005600000	5.00
	102060005680000	5.00
		100.00
Ops Services - Support Associate	102060001840001	80.00
	102060005880100	12.50
	102060009200000	7.50
		100.00
EM&C - Technical Services Supervisor	102060001840001	55.00
	102060005860000	15.00
	102060005600001	10.00
	102060005680001	10.00
	102060005900001	10.00
	100.00	

Fitchburg Gas & Electric Company
Fixed Payroll Distributions

Job Title	Account Number	Percent
EM&C - Technical Services Supervisor	202000001840000	55.00
	202070005900001	7.50
	202070005600001	7.50
	202070005680001	7.50
	202070005860000	11.25
	201070008930000	11.25
		100.00
Ops Services - Radio Operator 1	200000001840000	90.00
	200070009080100	5.00
	201070008800000	5.00
		100.00
Electric Ops - Manager	202000001840000	80.00
	202070005800000	10.00
	202070005600000	5.00
	202070005680000	5.00
		100.00
Gas Ops - Distribution Technician	201000001840000	60.00
	201070008740200	40.00
		100.00
Fleet & Facilities - Coordinator	200000001840000	40.00
	200000001840300	30.00
	200070009200000	15.00
	200070009350100	15.00
		100.00
Electric Ops - Field Technician	202000001840000	95.00
	202070005800000	5.00
		100.00

Job Title	Account Number	Percent
Gas Ops - Distribution Supervisor	201000001840000	90.00
	201070008700000	5.00
	201070008850000	5.00
		100.00
Fleet & Facilities - Property Maintenance Wor	200070009211600	34.00
	201070008781200	33.00
	202070005881200	33.00
		100.00
Ops Services - Operation Support Clerk	200000001840000	90.00
	201070008800000	5.00
	202070005880100	5.00
		100.00
Electric Ops - Line Supervisor	202000001840000	90.00
	202070005800000	5.00
	202070005900000	5.00
		100.00
Ops Services - Plant Records Clerk	200000001840000	90.00
	201070008800000	5.00
	202070005880100	5.00
		100.00
Gas Ops - Manager	201000001840000	80.00
	201070007100000	5.00
	201070007400000	5.00
	201070008700000	5.00
	201070008850000	5.00
		100.00
EM&C - Dispatcher	202070005810000	37.30
	201070008510000	31.00
	201070007180000	10.60
	202070005610200	10.60
	200070009030300	6.00
	200070009080100	4.50
		100.00
Gas Systems - System Ops Supervisor	201000001840000	40.00
	201070007100000	20.00
	201070007400000	15.00
	201070008850000	15.00
	200070009350100	5.00
	201070008700000	5.00
	100.00	

Job Title	Account Number	Percent
Ops Services - Supervisor	200000001840000	85.00
	200070009010000	5.00
	200070009070000	5.00
	200070009200000	5.00
		100.00
Gas Ops - Service Supervisor	201070008780400	10.00
	200002501840700	5.00
	200070009020000	5.00
	200000001840000	80.00
		100.00
Gas Ops - Construction Supervisor	201000001840000	90.00
	201070008700000	5.00
	201070008850000	5.00
		100.00
Electric Ops - Customer Projects Coordinator	200000001840000	95.00
	201070008800000	2.50
	202070005800000	2.50
		100.00
GasElectricTesterInstaller1st	202070005810000	37.30
	201070008510000	31.00
	201070007180000	10.60
	202070005610200	10.60
	200070009030300	6.00
	200070009080100	4.50
		100.00
Ops Services - Administrative Assistant Sr.	200000001840000	90.00
	202070005880100	7.50
	201070008800000	2.50
		100.00
Ops Services - Administrative Assistant	200000001840000	90.00
	201070008800000	7.50
	202070005880100	2.50
		100.00
Gas Ops - Dig Safe Technician	201070008740700	50.00
	201000001840000	25.00
	202070005840100	25.00
		100.00

Job Title	Account Number	Percent
Ops Services - Administrative Assistant	200000001840000	90.00
	200070009200000	10.00
		100.00
Ops Services - Manager	200000001840000	70.00
	200000001630100	20.00
	200070009010000	5.00
	200070009070000	5.00
	100.00	
Gas Ops - Leak Survey Coord.	201070008740200	75.00
	201000001840000	25.00
		100.00

**Northern Utilities - ME division
 Fixed Payroll Distributions**

Job Title	Account Number	Percent
Gas Ops - Customer Projects Coordinator	305000001840000	95.00
	305085008850000	5.00
		100.00
Gas Ops - Distribution Supervisor	305000001840000	90.00
	305085008700000	4.20
	305085008780600	1.60
	305085008850000	4.20
		100.00
Gas Ops - Manager	305000001840000	80.00
	305085008700000	6.67
	305085008780600	6.66
	305085008850000	6.67
		100.00
Gas Ops - Construction Supervisor	305000001840000	90.00
	305085008700000	5.00
	305085008850000	5.00
		100.00
Gas Ops - Construction Project Leader	305000001840000	90.00
	305085008700000	5.00
	305085008850000	5.00
		100.00
Gas Ops - Service & Meter Supervisor	305000001840000	85.00
	305085008700000	2.50
	305085008780600	10.00
	305085008850000	2.50
		100.00
Ops Services - Support Associate	305000001840000	20.00
	305085008800000	100.00

Granite State Gas Transmission Fixed Payroll Distributions

<u>Job Title</u>	<u>Account Number</u>	<u>Percent</u>
Gas Systems - Transmission Ops Supervisor	330090008500100	40.00
	330090008610000	40.00
	330000001840000	20.00
		100.00

APPENDIX I

CAPITALIZATION TABLES

Appendix – I1

USC Capitalization Master

Appendix – I2

Employee Benefit Capitalization Tables

Unitil Service Corp.
Capitalization Master List
2011

Level	Dept #	Dept Name	EMP ID	2010	2011
1	12	Engineering	2163	95%	95%
1	12	Engineering	2655	95%	95%
1	12	Engineering	3001	95%	95%
1	12	Engineering	3006	95%	95%
1	12	Engineering	3007	95%	95%
1	12	Engineering	7544	95%	95%
1	12	Engineering	7601	95%	95%
1	12	Engineering	7724	95%	95%
1	12	Engineering	7784	95%	95%
1	12	Engineering	7812	95%	95%
1	12	Engineering	7818	95%	95%
1	12	Engineering	7863	95%	95%
1	12	Engineering	7889	95%	95%
1	12	Engineering	7902	95%	95%
3	17	Emergency Management & Compliance	7887	35%	35%
3	17	Emergency Management & Compliance	7894	35%	35%
3	17	Emergency Management & Compliance	7823	35%	35%
3	17	Emergency Management & Compliance	7895	35%	35%
2	7	Executive	7510	75%	75%
1	23	Distribution Engineering	7663	95%	95%
1	23	Distribution Engineering	7669	95%	95%
1	23	Distribution Engineering	7782	95%	95%
1	23	Distribution Engineering	7815	95%	0%
1	23	Distribution Engineering	7830	95%	95%
1	23	Distribution Engineering	7885	95%	95%
1	25	Gas Engineering	3000	95%	95%
1	25	Gas Engineering	7610	95%	95%
1	25	Gas Engineering	7880	95%	95%
1	25	Gas Engineering	7897	95%	95%
1	25	Gas Engineering	7898	95%	95%
2	26	Energy Measurement & Control	1244	75%	75%
2	26	Energy Measurement & Control	3011	75%	75%
3	26	Energy Measurement & Control	5065	35%	35%
3	26	Energy Measurement & Control	7731	35%	35%
2	26	Energy Measurement & Control	7755	75%	75%
2	26	Energy Measurement & Control	7825	75%	75%
3	27	Gas Operations	3054	35%	35%
2	27	Gas Operations	7066	75%	75%
2	27	Gas Operations	7857	75%	75%
3	27	Gas Operations	7879	35%	35%
2	27	Gas Operations		75%	75%
3	28	Operations Services	6504	35%	35%
3	28	Operations Services	6506	35%	35%
3	28	Operations Services	6527	35%	35%
2	28	Operations Services	6524	75%	75%

3	28	Operations Services	7859	35%	35%
3	9	Information Systems	1795	35%	35%
3	9	Information Systems	2050	35%	35%
3	9	Information Systems	7729	35%	35%
3	9	Information Systems	7739	35%	35%
1	9	Information Systems	7754	95%	95%
3	9	Information Systems	7778	35%	35%
3	9	Information Systems	7805	35%	35%
3	9	Information Systems	7836	35%	35%
3	9	Information Systems	7840	35%	35%
3	9	Information Systems	7853	35%	35%
3	9	Information Systems	7918	35%	35%
3	9	Information Systems	7925	35%	35%
3	9	Information Systems	7943	35%	35%
3	8	Finance	1850	35%	35%
3	8	Finance	7557	35%	35%
3	8	Finance	7725	35%	35%
3	8	Finance	7788	35%	35%
3	8	Finance	7891	35%	35%
3	8	Finance	7901	35%	35%
3	8	Finance	7939	35%	35%
3	15	Financial Services	1340	35%	35%
3	10	Accounting	2053	35%	35%
2	10	Accounting	2180	75%	75%
3	10	Accounting	7514	35%	35%
3	10	Accounting	7524	35%	35%
3	10	Accounting	7527	35%	35%
3	10	Accounting	7549	35%	35%
3	10	Accounting	7554	35%	35%
1	10	Accounting	7604	95%	95%
3	10	Accounting	7627	35%	35%
1	10	Accounting	7727	95%	95%
1	10	Accounting	7855	95%	95%
3	10	Accounting	7903	35%	35%

STANDARDS:

1	95%	LEVEL 1 - [71-100%] - Employee is principally engaged, on a day to day basis, in activities directly related to capital construction projects and/or the capital budgeting, costing, tracking and reporting and control functions.
2	75%	LEVEL 2 - [41-70%] - Employee manages, supervises or directs activities directly related to capital construction projects and/or operation and maintenance expense
3	35%	LEVEL 3 - [1-40%] - Employee supports or performs activities related to capital construction projects and/or the capital budgeting, costing, tracking and reporting

CAPITALIZATION RATIOS
2011
FOR COMPUTATION OF PAYROLL BENEFIT RELATED OVERHEADS

BASIS FOR ALLOCATION:

DESCRIPTION	2011 Budget 4 Yr Ave	2010 Budget RATIO	2009 CURRENT RATIO	2008 CURRENT RATIO	2007 CURRENT RATIO	2006 CURRENT RATIO
CAPITAL						
CONSTRUCTION PAYROLL:						
INDIRECT	0.618	0.288	0.272	0.277	0.294	0.311
DIRECT PAYROLL & COST OF REM.	0.382	0.178	0.210	0.169	0.182	0.153
TOTAL CONSTRUCTION PAYROLL	0.467	0.470	0.482	0.446	0.475	0.464
OTHER PAYROLL:						
TOTAL PAYROLL	0.533	0.530	0.518	0.554	0.525	0.536
	1.000	1.000	1.000	1.000	1.000	1.000

DESCRIPTION	2011 Budget 4 Yr Ave	2010 Budget RATIO	2009 CURRENT RATIO	2008 CURRENT RATIO	2007 CURRENT RATIO	2006 CURRENT RATIO
SEACOAST						
CONSTRUCTION PAYROLL:						
INDIRECT	0.523	0.265	0.237	0.271	0.287	0.265
DIRECT PAYROLL & COST OF REM.	0.477	0.242	0.283	0.239	0.242	0.203
TOTAL CONSTRUCTION PAYROLL	0.507	0.502	0.520	0.510	0.529	0.468
OTHER PAYROLL:						
TOTAL PAYROLL	0.493	0.498	0.480	0.490	0.471	0.532
	1.000	1.000	1.000	1.000	1.000	1.000

DESCRIPTION	2011 Budget 4 Yr Ave	2010 Budget RATIO	2009 CURRENT RATIO	2008 CURRENT RATIO	2007 CURRENT RATIO	2006 CURRENT RATIO
FITCHBURG						
CONSTRUCTION						
INDIRECT	0.570	0.200	0.203	0.198	0.202	0.198
WATER HEATER INDIRECT	0.005	0.002	0.002	0.002	0.002	0.002
DIRECT & COST OF REM.	0.424	0.149	0.163	0.144	0.156	0.132
TOTAL CONSTRUCTION	0.351	0.337	0.368	0.344	0.360	0.332
OTHER						
TOTAL	0.649	0.663	0.632	0.656	0.640	0.668
	1.000	1.000	1.000	1.000	1.000	1.000

DESCRIPTION	2011 Budget Ave	2010 EST RATIO	2009 CURRENT RATIO	2008 CURRENT RATIO	2007 CURRENT RATIO	2006 CURRENT RATIO
NU NH						
CONSTRUCTION PAYROLL:						
INDIRECT	0.204	0.102	0.150			
DIRECT PAYROLL & COST OF REM.	0.114	0.179	0.083			
TOTAL CONSTRUCTION PAYROLL	0.318	0.281	0.233	0.375	0.384	
OTHER PAYROLL:						
TOTAL PAYROLL	0.743	0.719	0.767	0.625	0.616	
	1.061	1.000	1.000	1.000	1.000	

DESCRIPTION	2011 Budget Ave	2010 EST RATIO	2009 CURRENT RATIO	2008 CURRENT RATIO	2007 CURRENT RATIO	2006 CURRENT RATIO
NU - ME						
CONSTRUCTION PAYROLL:						
INDIRECT	0.178	0.161	0.139			
DIRECT PAYROLL & COST OF REM.	0.189	0.143	0.148			
TOTAL CONSTRUCTION PAYROLL	0.367	0.305	0.288	0.424	0.452	
OTHER PAYROLL:						
TOTAL PAYROLL	0.704	0.695	0.712	0.576	0.548	
	1.071	1.000	1.000	1.000	1.000	

DESCRIPTION	2011 Budget Ave	2010 EST RATIO	2009 CURRENT RATIO	2008 CURRENT RATIO	2007 CURRENT RATIO	2006 CURRENT RATIO
GST						
CONSTRUCTION PAYROLL:						
INDIRECT	0.056	0.073	0.040			
DIRECT PAYROLL & COST OF REM.	0.040	0.040	0.039			
TOTAL CONSTRUCTION PAYROLL	0.096	0.114	0.078			
OTHER PAYROLL:						
TOTAL PAYROLL	0.904	0.886	0.922			
	1.000	1.000	1.000			

APPENDIX J

GAS COST ALLOCATORS FOR NORTHERN UTILITIES

Appendix – J1 Northern Utilities – Commodity Allocators

Appendix – J2 Northern Utilities – Demand Allocators

**Northern Utilities Commodity Cost Allocation Calculations
 October 31, 2010**

	<u>New Hampshire</u>	<u>Maine</u>	<u>NU TOTAL</u>
Billed Sales - Therm/CCF	1,089,612	983,828	
Conversion Factor for Dth	10	10	
ME BTU Conversion Factor:		1.057	
Tariff Sales Volumes DTH - -	<u>108,961</u>	<u>103,991</u>	<u>212,952</u>
** Includes Billed Tariff, Unbilled Tariff and Interruptible Sales per			
Plus: Company Use (DTH)	17	254	271
Plus: Co-Managed (DTH)	2,180		
Subtotal - Deliveries and Company Use	<u>111,158</u>	<u>104,245</u>	<u>215,402</u>
Unaccounted for Estimate	101%	102%	
Total Volumes (DTH) - for Commodity Allocation	<u>112,269</u>	<u>106,329</u>	<u>218,599</u>
Commodity Allocation (Variable)	51.36%	48.64%	100.00%

* ONLY NON-EXTERNAL SUPPLY UNITS MUST BE USED *

* NOTE: The INPUTS tab feeds this sheet for Company Use and ME BTU Conversion Factor *

Northern Utilities
Simplified Market Based Allocator (MBA) Calculations
ALLOCATION OF NORTHERN FIXED CAPACITY COSTS

1 **Total Fixed Capacity Costs To Be Allocated**

2		NUI Total
3	Pipeline Demand	\$ 6,979,327
4	Storage Demand	\$ 26,009,867
5	Peaking Demand	\$ 6,160,974
6	Subtotal Demand	\$ 39,150,168
7	Litigation Expense - PNGTS Invoices from 9/1/2009 - 8/13/2010	\$ 376,840
8	Capacity Release (Credit)	\$ (424,530)
9	Asset Management (Credit)	\$ (2,507,000)
10	Total Net Demand Costs	\$ 36,595,478

13 **Proportional Responsibility (PR) Allocators**

15 **Allocation of Product and Pipeline Demand Costs (including Injections) to Months**

16	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
17	699,251	721,983	721,983	652,114	711,219	680,066	625,280	433,252	368,464	392,573	425,203	646,665	7,078,052
18	Rank 4	2	1	6	3	5	8	9	12	11	10	7	
19	96.85%	100.00%	100.00%	90.32%	98.51%	94.19%	86.61%	60.01%	51.03%	54.37%	58.89%	89.57%	
20	0.66%	0.75%	0.00%	0.13%	0.55%	0.77%	3.32%	0.12%	4.25%	0.30%	0.45%	0.42%	11.74%
21	10.44%	11.74%	11.74%	9.01%	11.00%	9.78%	8.46%	5.13%	4.25%	4.56%	5.01%	8.88%	100.00%
22	\$ 728,959	\$ 819,550	\$ 819,550	\$ 628,551	\$ 767,521	\$ 682,593	\$ 590,239	\$ 358,201	\$ 296,825	\$ 318,012	\$ 349,555	\$ 619,771	\$ 6,979,327

24 **Allocation of Storage Injection Fees to Months**

25	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
26	-	-	-	-	-	5,234	554,104	556,770	575,329	574,118	556,770	551,826	3,374,152
27	699,251	721,983	721,983	652,114	711,219	680,066	625,280	433,252	368,464	392,573	425,203	646,665	7,078,052
28	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	47.0%	56.2%	61.0%	59.4%	56.7%	46.0%	32.3%
29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,214	\$ 277,309	\$ 201,445	\$ 180,942	\$ 188,867	\$ 198,195	\$ 285,364	\$ 1,337,337

31 **Allocation of Storage Demand Costs to Months**

32	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
33	135,581	686,913	1,016,879	728,568	633,976	190,867	24,831	-	-	-	-	17,189	3,434,803
34	Rank 6	3	1	2	4	5	7	9	9	9	9	8	
35	13.33%	67.55%	100.00%	71.65%	62.35%	18.77%	2.44%	0.00%	0.00%	0.00%	0.00%	1.69%	
36	1.82%	1.74%	28.35%	2.05%	10.89%	1.09%	0.11%	0.00%	0.00%	0.00%	0.00%	0.21%	46.25%
37	2.13%	15.85%	46.25%	17.90%	14.12%	3.22%	0.32%	0.00%	0.00%	0.00%	0.00%	0.21%	100.00%
38	\$ 555,014	\$ 4,122,650	\$ 12,029,843	\$ 4,655,382	\$ 3,671,308	\$ 837,833	\$ 82,881	\$ -	\$ -	\$ -	\$ -	\$ 54,956	\$ 26,009,867
39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,214	\$ 277,309	\$ 201,445	\$ 180,942	\$ 188,867	\$ 198,195	\$ 285,364	\$ 1,337,337
40	\$ 555,014	\$ 4,122,650	\$ 12,029,843	\$ 4,655,382	\$ 3,671,308	\$ 843,047	\$ 360,190	\$ 201,445	\$ 180,942	\$ 188,867	\$ 198,195	\$ 340,320	\$ 27,347,204

42 **Allocation of Peaking Demand Costs to Months**

43	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
44	134,340	128,242	199,339	162,905	111,881	139,911	16,142	1,350	1,395	1,395	1,350	3,873	902,124
45	Rank 4	5	1	2	6	3	7	12	10	9	11	8	
46	67.39%	64.33%	100.00%	81.72%	56.13%	70.19%	8.10%	0.68%	0.70%	0.70%	0.68%	1.94%	
47	0.76%	1.64%	18.28%	5.77%	8.00%	0.93%	0.88%	0.06%	0.00%	0.00%	0.00%	0.16%	36.48%
48	11.50%	10.74%	36.48%	18.20%	9.10%	12.44%	1.09%	0.06%	0.06%	0.06%	0.06%	0.21%	100.00%
49	\$ 708,782	\$ 661,665	\$ 2,247,566	\$ 1,121,516	\$ 560,532	\$ 766,178	\$ 67,359	\$ 3,477	\$ 3,616	\$ 3,616	\$ 3,477	\$ 13,189	\$ 6,160,974

**Northern Utilities
 Simplified Market Based Allocator (MBA) Calculations
 ALLOCATION OF NORTHERN FIXED CAPACITY COSTS**

1		
2		
3	Pipeline Demand	Schedule 5
4	Storage Demand	Schedule 5
5	Peaking Demand	Schedule 5
6	Subtotal Demand	Sum LN 3 : LN 5
7	Litigation Expense - PNGTS Invoices from 9/1/2009 - 8/13/2010	ME Attachment NUI-FXW-9
8	Capacity Release (Credit)	Schedule 5
9	Asset Management (Credit)	Schedule 5
10	Total Net Demand Costs	Sum LN 6 : LN 9
11		
12		

Proportional Responsibility (PR) Allocators

Allocation of Product and Pipeline Demand Costs (including Injections) to Months

16		
17	Design Year Pipeline Sendout	Company Analysis
18	Rank	LN 17 Ranking
19	% Max Month	LN 17 / LN 17 MAX
20	PR	The difference between LN 19 for the month and LN 19 for next highest rank
21	CumPR	Cumulative Values, LN 20
22	Product and Pipeline Demand Costs	LN 21 * LN 3
23		

Allocation of Storage Injection Fees to Months

25		
26	Storage Injection Volume	Company Analysis
27	Design Year Pipeline Sendout	LN 17
28	% of Deliveries Injected	LN 26 / Sum (LN 26 : LN 27)
29	Injection Fees	LN 28 * LN 22
30		

Allocation of Storage Demand Costs to Months

32		
33	Design Year Storage	Company Analysis
34	Rank	LN 33 Ranking
35	% Max Month	LN 33 / LN 33 MAX
36	PR	The difference between LN 35 for the month and LN 35 for next highest rank
37	CumPR	Cumulative Values, LN 36
38	Storage Demand Costs	LN 37 * LN 4
39	Plus Injection Fees	LN 29
40	TOTAL	LN 38 + LN 39
41		

Allocation of Peaking Demand Costs to Months

43		
44	Design Year Peaking Volumes	Company Analysis
45	Rank	Rank LN 44
46	% Max Month	LN 44 / LN 44 MAX
47	PR	The difference between LN 46 for the month and LN 46 for next highest rank
48	CumPR	Cumulative Values, LN 47
49	Peaking Demand Costs	LN 48 * LN 5

Northern Utilities
Simplified Market Based Allocator (MBA) Calculations
ALLOCATION OF NORTHERN FIXED CAPACITY COSTS

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	TOTAL
50 Pipeline & Product Demand	\$ 728,959	\$ 819,550	\$ 819,550	\$ 628,551	\$ 767,521	\$ 682,593	\$ 590,239	\$ 358,201	\$ 296,825	\$ 318,012	\$ 349,555	\$ 619,771	\$ 6,979,327
51 Storage Incd Inj Fees	\$ 555,014	\$ 4,122,650	\$ 12,029,843	\$ 4,655,382	\$ 3,671,308	\$ 843,047	\$ 360,190	\$ 201,445	\$ 180,942	\$ 188,867	\$ 198,195	\$ 340,320	\$ 27,347,204
52 Peaking	\$ 708,782	\$ 661,665	\$ 2,247,566	\$ 1,121,516	\$ 560,532	\$ 766,178	\$ 67,359	\$ 3,477	\$ 3,616	\$ 3,616	\$ 3,477	\$ 13,189	\$ 6,160,974
53 Less Injection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,214)	\$ (277,309)	\$ (201,445)	\$ (180,942)	\$ (188,867)	\$ (198,195)	\$ (285,364)	\$ (1,337,337)
54 Less: Capacity Release	\$ (84,906)	\$ (84,906)	\$ (84,906)	\$ (84,906)	\$ (84,906)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (424,530)
55 Less: Asset Mgmt net of Current PNGTS	\$ (355,027)	\$ (355,027)	\$ (355,027)	\$ (355,027)	\$ (355,027)	\$ (355,027)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,130,160)
56 Total Demand	\$ 1,552,822	\$ 5,163,932	\$ 14,657,027	\$ 5,965,517	\$ 4,559,428	\$ 1,931,577	\$ 740,479	\$ 361,678	\$ 300,441	\$ 321,628	\$ 353,032	\$ 687,917	\$ 36,595,478

57
 58 **Capacity Cost Allocator based on Design Year Firm Sendout**

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	TOTAL
59 Therms													
60 Maine	512,441	802,081	984,724	779,373	729,594	512,543	334,300	199,982	211,643	224,651	216,214	361,107	5,868,653
61 New Hampshire	451,012	725,852	941,537	754,644	718,372	492,061	327,795	231,682	156,234	167,196	207,705	302,779	5,476,869
62 Total	963,453	1,527,933	1,926,261	1,534,017	1,447,966	1,004,604	662,095	431,664	367,877	391,847	423,919	663,886	11,345,522

64 **Percentage of Total**

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	TOTAL
65 Maine	53.19%	52.49%	51.12%	50.81%	50.39%	51.02%	50.49%	46.33%	57.53%	57.33%	51.00%	54.39%	51.36%
66 New Hampshire	46.81%	47.51%	48.88%	49.19%	49.61%	48.98%	49.51%	53.67%	42.47%	42.67%	49.00%	45.61%	48.64%
67 Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

68
 69 **Allocation of Demand Costs by Division**

70 Maine	\$825,914	\$2,710,781	\$7,492,819	\$3,030,842	\$2,297,382	\$985,479	\$373,877	\$167,559	\$172,846	\$184,394	\$180,059	\$374,178	\$18,796,131
71 New Hampshire	\$726,908	\$2,453,151	\$7,164,207	\$2,934,675	\$2,262,046	\$946,098	\$366,602	\$194,119	\$127,595	\$137,235	\$172,973	\$313,739	\$17,799,347
72 Total	\$ 1,552,822	\$ 5,163,932	\$ 14,657,027	\$ 5,965,517	\$ 4,559,428	\$ 1,931,577	\$ 740,479	\$ 361,678	\$ 300,441	\$ 321,628	\$ 353,032	\$ 687,917	\$ 36,595,478

73 **Detailed Allocation of Demand Costs by Division**

74 Maine	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	TOTAL	
75 Pipeline & Product Demand	\$ 387,718	\$ 430,219	\$ 418,962	\$ 319,342	\$ 386,735	\$ 348,255	\$ 298,019	\$ 165,948	\$ 170,766	\$ 182,320	\$ 178,286	\$ 337,112	\$ 3,623,682	51.92%
76 Storage Incd Injection Fees	\$ 295,200	\$ 2,164,165	\$ 6,149,777	\$ 2,365,215	\$ 1,849,880	\$ 430,117	\$ 181,865	\$ 93,326	\$ 104,098	\$ 108,280	\$ 101,086	\$ 185,110	\$ 14,028,120	51.30%
77 Peaking	\$ 376,987	\$ 347,338	\$ 1,148,978	\$ 569,798	\$ 282,438	\$ 390,900	\$ 34,010	\$ 1,611	\$ 2,080	\$ 2,073	\$ 1,773	\$ 7,174	\$ 3,165,160	51.37%
78 Less: Injection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,660)	\$ (140,017)	\$ (93,326)	\$ (104,098)	\$ (108,280)	\$ (101,086)	\$ (155,218)	\$ (704,685)	
79 Capacity Release (Credit)	\$ (45,160)	\$ (44,571)	\$ (43,405)	\$ (43,137)	\$ (42,782)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (219,055)	51.60%
80 Asset Management - PNGTS (Credit)	\$ (188,831)	\$ (186,370)	\$ (181,493)	\$ (180,375)	\$ (178,889)	\$ (181,132)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,097,091)	51.50%
81 Total Allocated Demand	\$ 825,914	\$ 2,710,781	\$ 7,492,819	\$ 3,030,842	\$ 2,297,382	\$ 985,479	\$ 373,877	\$ 167,559	\$ 172,846	\$ 184,394	\$ 180,059	\$ 374,178	\$ 18,796,131	51.36%
82														
83 New Hampshire	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	TOTAL	
84 Pipeline & Product Demand	\$ 341,241	\$ 389,331	\$ 400,588	\$ 309,209	\$ 380,786	\$ 334,338	\$ 292,220	\$ 192,253	\$ 126,059	\$ 135,692	\$ 171,269	\$ 282,660	\$ 3,355,645	48.08%
85 Storage Incd Injection Fees	\$ 259,813	\$ 1,958,485	\$ 5,880,066	\$ 2,290,166	\$ 1,821,427	\$ 412,929	\$ 178,326	\$ 108,119	\$ 76,844	\$ 80,587	\$ 97,108	\$ 155,210	\$ 13,319,084	48.70%
86 Peaking	\$ 331,795	\$ 314,327	\$ 1,098,587	\$ 551,718	\$ 278,094	\$ 375,279	\$ 33,348	\$ 1,866	\$ 1,536	\$ 1,543	\$ 1,704	\$ 6,015	\$ 2,995,813	48.63%
87 Less: Injection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,554)	\$ (137,292)	\$ (108,119)	\$ (76,844)	\$ (80,587)	\$ (97,108)	\$ (130,146)	\$ (632,652)	
88 Capacity Release	\$ (39,746)	\$ (40,335)	\$ (41,501)	\$ (41,769)	\$ (42,124)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (205,475)	48.40%
89 Asset Management - PNGTS (Credit)	\$ (166,195)	\$ (168,657)	\$ (173,533)	\$ (174,652)	\$ (176,138)	\$ (173,894)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,033,069)	48.50%
90 Total Allocated Demand	\$ 726,908	\$ 2,453,151	\$ 7,164,207	\$ 2,934,675	\$ 2,262,046	\$ 946,098	\$ 366,602	\$ 194,119	\$ 127,595	\$ 137,235	\$ 172,973	\$ 313,739	\$ 17,799,347	48.64%

**Northern Utilities
Simplified Market Based Allocator (MBA) Calculations
ALLOCATION OF NORTHERN FIXED CAPACITY COSTS**

50	Pipeline & Product Demand	LN 22
51	Storage	LN 40
52	Peaking	LN 49
53	Less: Injection Fees	-(LN 29)
54	Less: Capacity Release	LN 8 / 5
55	Less: Asset Management	(LN 9 + LN 7) / 6
56	Total Demand	Sum (LN 50 : LN 55)

Capacity Cost Allocator based on Design Year Firm Sendout

58	Capacity Cost Allocator based on Design Year Firm Sendout	
59		
60	Therms	
61	Maine	Company Analysis
62	New Hampshire	Company Analysis
63	Total	LN 61 + LN 62

Percentage of Total

64	Percentage of Total	
65	Maine	LN 61 / LN 63
66	New Hampshire	LN 62 / LN 63
67	Total	LN 65 + LN 66

Allocation of Demand Costs by Division

68		
69	Allocation of Demand Costs by Division	
70	Maine	LN 56 * LN 65
71	New Hampshire	LN 56 * LN 66
72	Total	LN 70 + LN 71

Detailed Allocation of Demand Costs by Division

73	Detailed Allocation of Demand Costs by Division	
74	Maine	
75	Pipeline & Product Demand	LN 50 * LN 65
76	Storage	LN 51 * LN 65
77	Peaking	LN 52 * LN 65
78	Injection Fees	LN 53 * LN 65
79	Capacity Release (Credit)	LN 54 * LN 65
80	Asset Management (Credit)	LN 55 * LN 65
81	Total Allocated Demand	Sum (LN 75 : LN 80)

New Hampshire

82		
83	New Hampshire	
84	Pipeline & Product Demand	LN 50 * LN 66
85	Storage	LN 51 * LN 66
86	Peaking	LN 52 * LN 66
87	Injection Fees	LN 53 * LN 66
88	Capacity Release	LN 54 * LN 66
89	Asset Management (Credit)	LN 55 * LN 66
90	Total Allocated Demand	Sum (LN 84 : LN 89)

Northern Utilities
Simplified Market Based Allocator (MBA) Calculations
ALLOCATION OF NORTHERN FIXED CAPACITY COSTS

1 Total Fixed Capacity Costs To Be Allocated

	NUI Total
3 Pipeline Demand	\$ 6,979,327
4 Storage Demand	\$ 26,009,867
5 Peaking Demand	\$ 6,160,974
6 Subtotal Demand	\$ 39,150,168
7	
8 Capacity Release (Credit)	\$ (424,530)
9 Asset Management (Credit)	\$ (2,507,000)
10 Total Net Demand Costs	\$ 36,218,638

13 Proportional Responsibility (PR) Allocators

16 Allocation of Product and Pipeline Demand Costs (including Injections) to Months

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
17 Design Year Pipeline Sendout	699,251	721,983	721,983	652,114	711,219	680,066	625,280	433,252	368,464	392,573	425,203	646,665	7,078,052
18 Rank	4	2	1	6	3	5	8	9	12	11	10	7	
19 % Max Month	96.85%	100.00%	100.00%	90.32%	98.51%	94.19%	86.61%	60.01%	51.03%	54.37%	58.89%	89.57%	
20 PR	0.66%	0.75%	0.00%	0.13%	0.55%	0.77%	3.32%	0.12%	4.25%	0.30%	0.45%	0.42%	11.74%
21 CumPR	10.44%	11.74%	11.74%	9.01%	11.00%	9.78%	8.46%	5.13%	4.25%	4.56%	5.01%	8.88%	100.00%
22 Product and Pipeline Demand Costs	\$ 728,959	\$ 819,550	\$ 819,550	\$ 628,551	\$ 767,521	\$ 682,593	\$ 590,239	\$ 358,201	\$ 296,825	\$ 318,012	\$ 349,555	\$ 619,771	\$ 6,979,327

24 Allocation of Storage Injection Fees to Months

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
26 Storage Injection Volume	-	-	-	-	-	5,234	554,104	556,770	575,329	574,118	556,770	551,826	3,374,152
27 Design Year Pipeline Sendout	699,251	721,983	721,983	652,114	711,219	680,066	625,280	433,252	368,464	392,573	425,203	646,665	7,078,052
28 % of Deliveries Injected	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	47.0%	56.2%	61.0%	59.4%	56.7%	46.0%	32.3%
29 Injection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,214	\$ 277,309	\$ 201,445	\$ 180,942	\$ 188,867	\$ 198,195	\$ 285,364	\$ 1,337,337

31 Allocation of Storage Demand Costs to Months

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
33 Design Year Storage	135,581	686,913	1,016,879	728,568	633,976	190,867	24,831	-	-	-	-	17,189	3,434,803
34 Rank	6	3	1	2	4	5	7	9	9	9	9	8	
35 % Max Month	13.33%	67.55%	100.00%	71.65%	62.35%	18.77%	2.44%	0.00%	0.00%	0.00%	0.00%	1.69%	
36 PR	1.82%	1.74%	28.35%	2.05%	10.89%	1.09%	0.11%	0.00%	0.00%	0.00%	0.00%	0.21%	46.25%
37 CumPR	2.13%	15.85%	46.25%	17.90%	14.12%	3.22%	0.32%	0.00%	0.00%	0.00%	0.00%	0.21%	100.00%
38 Storage Demand Costs	\$ 555,014	\$ 4,122,650	\$ 12,029,843	\$ 4,655,382	\$ 3,671,308	\$ 837,833	\$ 82,881	\$ -	\$ -	\$ -	\$ -	\$ 54,956	\$ 26,009,867
39 Plus Injection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,214	\$ 277,309	\$ 201,445	\$ 180,942	\$ 188,867	\$ 198,195	\$ 285,364	\$ 1,337,337
40 TOTAL	\$ 555,014	\$ 4,122,650	\$ 12,029,843	\$ 4,655,382	\$ 3,671,308	\$ 843,047	\$ 360,190	\$ 201,445	\$ 180,942	\$ 188,867	\$ 198,195	\$ 340,320	\$ 27,347,204

42 Allocation of Peaking Demand Costs to Months

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
44 Design Year Peaking Volumes	134,340	128,242	199,339	162,905	111,881	139,911	16,142	1,350	1,395	1,395	1,350	3,873	902,124
45 Rank	4	5	1	2	6	3	7	12	10	9	11	8	
46 % Max Month	67.39%	64.33%	100.00%	81.72%	56.13%	70.19%	8.10%	0.68%	0.70%	0.70%	0.68%	1.94%	
47 PR	0.76%	1.64%	18.28%	5.77%	8.00%	0.93%	0.88%	0.06%	0.00%	0.00%	0.00%	0.16%	36.48%
48 CumPR	11.50%	10.74%	36.48%	18.20%	9.10%	12.44%	1.09%	0.06%	0.06%	0.06%	0.06%	0.21%	100.00%
49 Peaking Demand Costs	\$ 708,782	\$ 661,665	\$ 2,247,566	\$ 1,121,516	\$ 560,532	\$ 766,178	\$ 67,359	\$ 3,477	\$ 3,616	\$ 3,616	\$ 3,477	\$ 13,189	\$ 6,160,974

**Northern Utilities
Simplified Market Based Allocator (MBA) Calculations
ALLOCATION OF NORTHERN FIXED CAPACITY COSTS**

1		
2		
3	Pipeline Demand	Schedule 5
4	Storage Demand	Schedule 5
5	Peaking Demand	Schedule 5
6	Subtotal Demand	Sum LN 3 : LN 5
7		
8	Capacity Release (Credit)	Schedule 5
9	Asset Management (Credit)	Schedule 5
10	Total Net Demand Costs	Sum LN 6 : LN 9
11		
12		

Proportional Responsibility (PR) Allocators

Allocation of Product and Pipeline Demand Costs (including Injections) to Months

16		
17	Design Year Pipeline Sendout	Company Analysis
18	Rank	LN 17 Ranking
19	% Max Month	LN 17 / LN 17 MAX
20	PR	The difference between LN 19 for the month and LN 19 for next highest rank
21	CumPR	Cumulative Values, LN 20
22	Product and Pipeline Demand Costs	LN 21 * LN 3
23		

Allocation of Storage Injection Fees to Months

24		
25		
26	Storage Injection Volume	Company Analysis
27	Design Year Pipeline Sendout	LN 17
28	% of Deliveries Injected	LN 26 / Sum (LN 26 : LN 27)
29	Injection Fees	LN 28 * LN 22
30		

Allocation of Storage Demand Costs to Months

31		
32		
33	Design Year Storage	Company Analysis
34	Rank	LN 33 Ranking
35	% Max Month	LN 33 / LN 33 MAX
36	PR	The difference between LN 35 for the month and LN 35 for next highest rank
37	CumPR	Cumulative Values, LN 36
38	Storage Demand Costs	LN 37 * LN 4
39	Plus Injection Fees	LN 29
40	TOTAL	LN 38 + LN 39
41		

Allocation of Peaking Demand Costs to Months

42		
43		
44	Design Year Peaking Volumes	Company Analysis
45	Rank	Rank LN 44
46	% Max Month	LN 44 / LN 44 MAX
47	PR	The difference between LN 46 for the month and LN 46 for next highest rank
48	CumPR	Cumulative Values, LN 47
49	Peaking Demand Costs	LN 48 * LN 5

**Northern Utilities
 Simplified Market Based Allocator (MBA) Calculations
 ALLOCATION OF NORTHERN FIXED CAPACITY COSTS**

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	TOTAL
50 Pipeline & Product Demand	\$ 728,959	\$ 819,550	\$ 819,550	\$ 628,551	\$ 767,521	\$ 682,593	\$ 590,239	\$ 358,201	\$ 296,825	\$ 318,012	\$ 349,555	\$ 619,771	\$ 6,979,327
51 Storage Incd Inj Fees	\$ 555,014	\$ 4,122,650	\$ 12,029,843	\$ 4,655,382	\$ 3,671,308	\$ 843,047	\$ 360,190	\$ 201,445	\$ 180,942	\$ 188,867	\$ 198,195	\$ 340,320	\$ 27,347,204
52 Peaking	\$ 708,782	\$ 661,665	\$ 2,247,566	\$ 1,121,516	\$ 560,532	\$ 766,178	\$ 67,359	\$ 3,477	\$ 3,616	\$ 3,616	\$ 3,477	\$ 13,189	\$ 6,160,974
53 Less Injection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,214)	\$ (277,309)	\$ (201,445)	\$ (180,942)	\$ (188,867)	\$ (198,195)	\$ (285,364)	\$ (1,337,337)
54 Less: Capacity Release	\$ (84,906)	\$ (84,906)	\$ (84,906)	\$ (84,906)	\$ (84,906)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (424,530)
55 Less: Asset Mgmt net of Current PNGTS	\$ (417,833)	\$ (417,833)	\$ (417,833)	\$ (417,833)	\$ (417,833)	\$ (417,833)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,507,000)
56 Total Demand	\$ 1,490,015	\$ 5,101,125	\$ 14,594,220	\$ 5,902,710	\$ 4,496,622	\$ 1,868,771	\$ 740,479	\$ 361,678	\$ 300,441	\$ 321,628	\$ 353,032	\$ 687,917	\$ 36,218,638

58 Capacity Cost Allocator based on Design Year Firm Sendout

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	TOTAL
60 Therms													
61 Maine	512,441	802,081	984,724	779,373	729,594	512,543	334,300	199,982	211,643	224,651	216,214	361,107	5,868,653
62 New Hampshire	451,012	725,852	941,537	754,644	718,372	492,061	327,795	231,682	156,234	167,196	207,705	302,779	5,476,869
63 Total	963,453	1,527,933	1,926,261	1,534,017	1,447,966	1,004,604	662,095	431,664	367,877	391,847	423,919	663,886	11,345,522

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	TOTAL
64 Percentage of Total													
65 Maine	53.19%	52.49%	51.12%	50.81%	50.39%	51.02%	50.49%	46.33%	57.53%	57.33%	51.00%	54.39%	51.36%
66 New Hampshire	46.81%	47.51%	48.88%	49.19%	49.61%	48.98%	49.51%	53.67%	42.47%	42.67%	49.00%	45.61%	48.64%
67 Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

69 Allocation of Demand Costs by Division

70 Maine	\$792,509	\$2,677,811	\$7,460,712	\$2,998,932	\$2,265,736	\$953,436	\$373,877	\$167,559	\$172,846	\$184,394	\$180,059	\$374,178	\$18,602,048
71 New Hampshire	\$697,507	\$2,423,314	\$7,133,508	\$2,903,778	\$2,230,886	\$915,335	\$366,602	\$194,119	\$127,595	\$137,235	\$172,973	\$313,739	\$17,616,590
72 Total	\$ 1,490,015	\$ 5,101,125	\$ 14,594,220	\$ 5,902,710	\$ 4,496,622	\$ 1,868,771	\$ 740,479	\$ 361,678	\$ 300,441	\$ 321,628	\$ 353,032	\$ 687,917	\$ 36,218,638

73 Detailed Allocation of Demand Costs by Division

74 Maine	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	TOTAL	
75 Pipeline & Product Demand	\$ 387,718	\$ 430,219	\$ 418,962	\$ 319,342	\$ 386,735	\$ 348,255	\$ 298,019	\$ 165,948	\$ 170,766	\$ 182,320	\$ 178,286	\$ 337,112	\$ 3,623,682	51.92%
76 Storage Incd Injection Fees	\$ 295,200	\$ 2,164,165	\$ 6,149,777	\$ 2,365,215	\$ 1,849,880	\$ 430,117	\$ 181,865	\$ 93,326	\$ 104,098	\$ 108,280	\$ 101,086	\$ 185,110	\$ 14,028,120	51.30%
77 Peaking	\$ 376,987	\$ 347,338	\$ 1,148,978	\$ 569,798	\$ 282,438	\$ 390,900	\$ 34,010	\$ 1,611	\$ 2,080	\$ 2,073	\$ 1,773	\$ 7,174	\$ 3,165,160	51.37%
78 Less: Injection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,660)	\$ (140,017)	\$ (93,326)	\$ (104,098)	\$ (108,280)	\$ (101,086)	\$ (155,218)	\$ (704,685)	
79 Capacity Release (Credit)	\$ (45,160)	\$ (44,571)	\$ (43,405)	\$ (43,137)	\$ (42,782)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (219,055)	51.60%
80 Asset Management - PNGTS (Credit)	\$ (222,237)	\$ (219,340)	\$ (213,601)	\$ (212,284)	\$ (210,536)	\$ (213,176)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,291,174)	51.50%
81 Total Allocated Demand	\$ 792,509	\$ 2,677,811	\$ 7,460,712	\$ 2,998,932	\$ 2,265,736	\$ 953,436	\$ 373,877	\$ 167,559	\$ 172,846	\$ 184,394	\$ 180,059	\$ 374,178	\$ 18,602,048	51.36%
82														
83 New Hampshire	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	TOTAL	
84 Pipeline & Product Demand	\$ 341,241	\$ 389,331	\$ 400,588	\$ 309,209	\$ 380,786	\$ 334,338	\$ 292,220	\$ 192,253	\$ 126,059	\$ 135,692	\$ 171,269	\$ 282,660	\$ 3,355,645	48.08%
85 Storage Incd Injection Fees	\$ 259,813	\$ 1,958,485	\$ 5,880,066	\$ 2,290,168	\$ 1,821,427	\$ 412,929	\$ 178,326	\$ 108,119	\$ 76,844	\$ 80,587	\$ 97,108	\$ 155,210	\$ 13,319,084	48.70%
86 Peaking	\$ 331,795	\$ 314,327	\$ 1,098,587	\$ 551,718	\$ 278,094	\$ 375,279	\$ 33,348	\$ 1,866	\$ 1,536	\$ 1,543	\$ 1,704	\$ 6,015	\$ 2,995,813	48.63%
87 Less: Injection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,554)	\$ (137,292)	\$ (108,119)	\$ (76,844)	\$ (80,587)	\$ (97,108)	\$ (130,146)	\$ (632,652)	
88 Capacity Release	\$ (39,746)	\$ (40,335)	\$ (41,501)	\$ (41,769)	\$ (42,124)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (205,475)	48.40%
89 Asset Management - PNGTS (Credit)	\$ (195,596)	\$ (198,494)	\$ (204,233)	\$ (205,549)	\$ (207,298)	\$ (204,657)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,215,826)	48.50%
90 Total Allocated Demand	\$ 697,507	\$ 2,423,314	\$ 7,133,508	\$ 2,903,778	\$ 2,230,886	\$ 915,335	\$ 366,602	\$ 194,119	\$ 127,595	\$ 137,235	\$ 172,973	\$ 313,739	\$ 17,616,590	48.64%

**Northern Utilities
Simplified Market Based Allocator (MBA) Calculations
ALLOCATION OF NORTHERN FIXED CAPACITY COSTS**

50	Pipeline & Product Demand	LN 22
51	Storage	LN 40
52	Peaking	LN 49
53	Less: Injection Fees	-(LN 29)
54	Less: Capacity Release	LN 8 / 5
55	Less: Asset Management	(LN 9 + LN 7) / 6
56	Total Demand	Sum (LN 50 : LN 55)
57		
58	Capacity Cost Allocator based on Design Year Firm Sendout	
59		
60	Therms	
61	Maine	Company Analysis
62	New Hampshire	Company Analysis
63	Total	LN 61 + LN 62
64		
64	Percentage of Total	
65	Maine	LN 61 / LN 63
66	New Hampshire	LN 62 / LN 63
67	Total	LN 65 + LN 66
68		
69	Allocation of Demand Costs by Division	
70	Maine	LN 56 * LN 65
71	New Hampshire	LN 56 * LN 66
72	Total	LN 70 + LN 71
73	Detailed Allocation of Demand Costs by Division	
74	Maine	
75	Pipeline & Product Demand	LN 50 * LN 65
76	Storage	LN 51 * LN 65
77	Peaking	LN 52 * LN 65
78	Injection Fees	LN 53 * LN 65
79	Capacity Release (Credit)	LN 54 * LN 65
80	Asset Management (Credit)	LN 55 * LN 65
81	Total Allocated Demand	Sum (LN 75 : LN 80)
82		
83	New Hampshire	
84	Pipeline & Product Demand	LN 50 * LN 66
85	Storage	LN 51 * LN 66
86	Peaking	LN 52 * LN 66
87	Injection Fees	LN 53 * LN 66
88	Capacity Release	LN 54 * LN 66
89	Asset Management (Credit)	LN 55 * LN 66
90	Total Allocated Demand	Sum (LN 84 : LN 89)

APPENDIX K

SHARED FACILITY ALLOCATIONS

Appendix – K1	Square Footage Allocations
Appendix – K2	Unitil Energy Systems – Call Center space
Appendix – K3	Unitil Energy Systems – Plaistow storage space
Appendix – K4	Northern Utilities – Portsmouth space
Appendix – K5	Northern Utilities - Portland Space
Appendix – K6	Unitil Realty – Hampton space
Appendix – K7	Unitil Realty – Concord space
Appendix – K8	Unitil Energy Systems – McGuire Street Land

Unitil Building Facilities - Area Assignments - 2011

Date: Jan 2011

Office Building	UES				Unitil MA (FGE)				Northern NH				Northern ME				Granite	Usource	USC	Hoteling	Common	TOTAL
	Office	Stkrm	Garage	DOC Tot	Office	Stkrm	Garage	DOC Tot	Office	Stkrm	Garage	DOC Tot	Office	Stkrm	Garage	DOC Tot						
Corporate Headquarters 6 Liberty Lane West, Hampton, NH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,751	-	-	43,751	
Customer Service Center 5 McGuire Street, Concord, NH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,905	-	-	6,905	
UES/Capital-DOC 1 McGuire Street, Concord, NH	2,443	6,782	11,302	20,527	-	-	-	-	-	-	-	-	-	-	-	-	-	1,379	-	8,227	30,133	
Concord Combined 1 & 5 McGuire Street	2,443	6,782	11,302	20,527	-	-	-	-	-	-	-	-	-	-	-	-	-	8,284	-	8,227	37,038	
UES/Seacoast-DOC 114 Drinkwater Road, Kensington, NH	3,249	8,400	3,800	15,449	-	-	-	-	-	-	-	-	-	-	-	-	-	-	724	3,139	19,312	
UES/Seacoast-DOC 24 Witch Lane, Plaistow, NH	-	-	480	480	-	-	-	-	-	-	1,920	1,920	-	-	-	-	-	-	-	-	2,400	
Fitchburg G&E - DOC 285 John Fitch Highway, Fitchburg, MA	-	-	-	-	9,748	18,626	11,624	39,998	-	-	-	-	-	-	-	-	-	-	1,745	13,029	54,772	
Northern/NH - DOC 325 West Road, Portsmouth, NH	-	-	-	-	-	-	-	-	1,892	8,440	-	10,332	-	-	-	118	1,083	3,388	-	9,376	24,297	
Northern/ME-DOC 1075 Forest Avenue, Portland, ME	-	-	-	-	-	-	-	-	-	-	-	-	3,233	4,481	1,560	9,274	151	-	-	1,101	3,110	13,636

Relative Percentage of Direct-Assigned Area (i.e. Excluding Hoteling and other Common area, where applicable)

Office Building	UES				Unitil MA (FGE)				Northern NH				Northern ME				Granite	Usource	USC	Hoteling	Common	TOTAL
	Office	Stkrm	Garage	DOC Tot	Office	Stkrm	Garage	DOC Tot	Office	Stkrm	Garage	DOC Tot	Office	Stkrm	Garage	DOC Tot						
Corporate Headquarters 6 Liberty Lane West, Hampton, NH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	-	-	100.00%	
Customer Service Center 5 McGuire Street, Concord, NH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	-	-	100.00%	
UES/Capital-DOC 1 McGuire Street, Concord, NH	11.15%	30.96%	51.59%	83.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.30%	-	-	100.00%	
Concord Combined 1 & 5 McGuire Street	8.48%	23.54%	39.23%	71.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28.75%	-	-	100.00%	
UES/Seacoast-DOC 114 Drinkwater Road, Kensington, NH	21.03%	54.37%	24.60%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	100.00%
UES/Seacoast-DOC 24 Witch Lane, Plaistow, NH	0.00%	0.00%	20.00%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	80.00%	80.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	100.00%	
Fitchburg G&E - DOC 285 John Fitch Highway, Fitchburg, MA	0.00%	0.00%	0.00%	0.00%	24.37%	48.57%	29.06%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	100.00%
Northern/NH - DOC 325 West Road, Portsmouth, NH	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.68%	56.56%	0.00%	69.24%	0.00%	0.00%	0.00%	0.00%	0.79%	7.26%	22.71%	-	-	100.00%
Northern/ME-DOC 1075 Forest Avenue, Portland, ME	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	34.30%	47.54%	16.55%	98.40%	1.60%	0.00%	0.00%	-	-	100.00%

Unitil Realty Corp Corporate Headquarters Call Center	Sq Ft	
	43,761	80%
	10,650	20%
	54,401	100%
Unitil Energy Systems, Inc. - McGuire Street Property - Land Allocation only for Property Tax Allocations: Call Center (leased to Unitil Realty Corp -> subleased to Unitil Service Corp) Unitil Energy Systems, Inc.	Sq Ft	
	32,463	8.2%
	385,371	91.8%
	397,834	100.0%

Unitil Energy Systems

Lease Call Center Space to Unitil Realty Corp.

2011

The intercompany allocation that is necessary in this lease accounting process is comprised of allocating the Property Taxes paid for the McGuire Street property.

This allocation is based on the Square Footage allocation chart and includes a special section for the allocation of land as well as the building square footage allocation factors.

The remainder of the Rent calculation is based on charges for amortization of the building as well as imputed interest charges.

Price Quote for Storage Facilities in the Seacoast Area - Uhaul - Web quotes

	Floor Dimensions		Sq. Ft.	Height	Cubic Ft.	Cost	Cost per SF	Cost per CF	Comments
Seabrook:									
UH-1	4	5	20	8	160	\$ 34.00	\$ 1.70	\$ 0.21	2nd Floor Mezzanine Interior
UH-2	5	5	25	9	225	\$ 34.00	\$ 1.36	\$ 0.15	Outside Drive Up Storage
UH-3	5	5	25	9	225	\$ 29.00	\$ 1.16	\$ 0.13	2nd Floor Mezzanine Interior
UH-4	5	7	35	8	280	\$ 54.00	\$ 1.54	\$ 0.19	2nd Floor Mezzanine Interior
UH-5	5	8	40	8	320	\$ 61.00	\$ 1.53	\$ 0.19	2nd Floor Mezzanine Interior
UH-6	5	10	50	8	400	\$ 73.00	\$ 1.46	\$ 0.18	1st Floor Mezzanine Interior
UH-7	5	10	50	9	450	\$ 57.00	\$ 1.14	\$ 0.13	Outside Drive Up Storage
						\$ 1.41			Average Cost per Square Foot
							\$ 0.17		Average Cost per Cubic Foot
Portsmouth:									
UH-1	5	5	25	10	250	\$ 54.95	\$ 2.20	\$ 0.22	2nd Floor Interior
UH-2	4	7	28	6	168	\$ 54.95	\$ 1.96	\$ 0.33	1st Floor Interior
UH-3	5	6	30	7	210	\$ 59.95	\$ 2.00	\$ 0.29	1st Floor Interior
UH-4	4	8	32	7	224	\$ 64.95	\$ 2.03	\$ 0.29	1st Floor Interior
UH-5	6	6	36	7	252	\$ 69.95	\$ 1.94	\$ 0.28	1st Floor Interior
UH-6	5	8	40	6	240	\$ 59.95	\$ 1.50	\$ 0.25	1st Floor Interior
UH-7	5	9	45	7	315	\$ 74.95	\$ 1.67	\$ 0.24	1st Floor Interior
UH-8	6	8	48	7	336	\$ 74.95	\$ 1.56	\$ 0.22	1st Floor Interior
UH-9	5	10	50	10	500	\$ 74.95	\$ 1.50	\$ 0.15	2nd Floor Interior
UH-10	6	9	54	7	378	\$ 84.95	\$ 1.57	\$ 0.22	1st Floor Interior
UH-11	7	8	56	7	392	\$ 84.95	\$ 1.52	\$ 0.22	1st Floor Interior
UH-12	7	9	63	7	441	\$ 94.95	\$ 1.51	\$ 0.22	1st Floor Interior
UH-13	9	8	72	7	504	\$ 104.95	\$ 1.46	\$ 0.21	1st Floor Interior
UH-14	6	16	96	7	672	\$ 109.95	\$ 1.15	\$ 0.16	1st Floor Interior
UH-15	10	15	150	10	1500	\$ 129.95	\$ 0.87	\$ 0.09	Outside Drive Up Storage
UH-16	12	16	192	7	1344	\$ 144.95	\$ 0.75	\$ 0.11	1st Floor Interior
						\$ 1.57			Average Cost per Square Foot
							\$ 0.22		Average Cost per Cubic Foot
Plaistow:									
UH-1	5	5	25	10	250	\$ 29.00	\$ 1.16	\$ 0.12	Outside Drive Up Storage
UH-2	5	10	50	10	500	\$ 44.00	\$ 0.88	\$ 0.09	Outside Drive Up Storage
UH-3	5	15	75	10	750	\$ 64.00	\$ 0.85	\$ 0.09	Outside Drive Up Storage
UH-4	10	10	100	10	1000	\$ 99.00	\$ 0.99	\$ 0.10	Outside Drive Up Storage
UH-5	10	15	150	10	1500	\$ 119.00	\$ 0.79	\$ 0.08	Outside Drive Up Storage
UH-6	10	20	200	10	2000	\$ 139.00	\$ 0.70	\$ 0.07	Outside Drive Up Storage
UH-8	10	25	250	10	2500	\$ 199.00	\$ 0.80	\$ 0.08	Outside Drive Up Storage
UH-9	10	30	300	10	3000	\$ 209.00	\$ 0.70	\$ 0.07	Outside Drive Up Storage
					<i>Rounded</i>		\$ 0.86		Average Cost per Square Foot
							\$ 0.09		Average Cost per Cubic Foot
Items Removed (incomparable):									
UH-7	10	20	200	15	3000	\$ 34.00		\$ 0.01	Plaistow - Outside RV Storage
UH-10	10	30	300	15	4500	\$ 54.00		\$ 0.01	Plaistow - Outside RV Storage
UH-11	10	40	400	15	6000	\$ 64.00		\$ 0.01	Plaistow - Outside RV Storage

Plaistow:									
UES			480				\$ 0.86	\$ 412.80	Garage Space
NU			1,920				\$ 0.86	\$ 1,651.20	Garage Space
			<u>2,400</u>					<u>\$ 2,064.00</u>	

\$ 1,651.20	Beginning in September 2010 charge the following account
0.325	Total Rent
<u>\$ 536.64</u>	Charge to 30-40-00-00-184-00-00
\$ 1,651.20	Total Rent
0.675	
<u>\$ 1,114.56</u>	Charge to 30-40-80-00-931-00-00
<u>\$ 1,651.20</u>	Total Rent

**Northern Utilities
Revenue Requirement
Twelve Months Ended 12/31/2010**

<u>Ln.</u> <u>No.</u>		<u>Portsmouth</u>	
1	O&M Expense	\$ 194,610	source: Portsmouth O&M (J40) and Portsmouth Phone (P43)
2	Depreciation	138,892	see rate base calculations below
3	Property Tax	4,659	source: Portsmouth Property Tax (D11)
4	Income Tax	39,100	source: NH Capital Structure (various)
5	Return	120,857	source: NH Capital Structure (H14)
6	Total Revenue Requirement	498,119	
7	Granite State Gas Allocation Percentage	1.24%	source: Portsmouth Alloc (E20)
8	Costs to be Allocated to Granite State Gas	6,164	or <u>\$ 514 per month</u>
9	Usource Allocation Percentage	6.64%	source: Portsmouth Alloc (E21)
10	Costs to be Allocated to Usource	33,089	or <u>\$ 2,757 per month</u>
11	Unitil Service Corp Allocation Percentage	16.44%	source: Portsmouth Alloc (E22)
12	Costs to be Allocated to Unitil Service Corp.	81,911	or <u>\$ 6,826 per month</u>
13	Balance to stay with Northern NH division	376,955	

Supporting Information

	<u>Amount</u> <u>(\$)</u>	
1	Rate Base @ 12/31/2009:	
2	Property, Plant and Equipment	
3	Building @ Original Cost	3,981,886
4	Less: Accumulated Reserve for Depreciation	1,919,876
5	Net Property, Plant and Equipment	2,062,010
6	Less: Deferred Taxes	579,098
7	Total Rate Base	1,482,912
1	Annual Depreciation Expense:	138,892

Ports North Allocation Percentage Calculations 2009

Description	Assigned		Allocated Common Area	Total Square Footage
	Area	%		
New Hampshire / Office	3,074	20.02%	1,787	4,861
New Hampshire / Stockroom	8,546	55.66%	4,968	13,514
Granite	190	1.24%	110	300
Usource	1,020	6.64%	593	1,613
Unitil Service Corp	2,525	16.44%	1,468	3,993
Common Area	8,926	-100.00%	(8,926)	0
Total Rentable Square Footage	24,281	0%	0	24,281

Common Area	(8,926)		
Total rentable space (not common area)	15,355		24,281

Summary of Charges (Excluding the Vacant Floors):	Sq. Feet	%
Northern - NH	18,375	75.68%
Granite State Gas	300	1.24%
Usource	1,613	6.64%
Unitil Service Corp	3,993	16.44%
Total	24,281	100.00%

Northern Utilities New Hampshire
Lafayette Park West Road, Portsmouth
As of 12/31/2009

Effective Tax Rate:

0.3961 source: Northern Capital Structure tab

GPA	Orig Cost	Acc Depr	Net Book	Depr. Rate	2009	Description	% Depr	Estimated		Def Taxes
					Depr. Expense		for Book Purposes	Book Life	Tax Life	
389-10	232,947	-	232,947	n/a	n/a	Land	n/a	n/a	n/a	-
375-70	2,288,786	877,792	1,410,994	2.83%	64,773	Structures	38%	80	39	365,524
391-10	486,404	512,756	(26,352)	8.91%	(26,352)	Office Equipment	105%	11	7	116,059
391-11	7,566	1,028	6,538	10.00%	757	Office Equipment	14%	10	7	175
391-12	123,870	112,780	11,090	12.50%	15,484	Transportation Equipm	91%	8	5	26,803
397-00	842,314	415,520	426,794	10.00%	84,231	Communications Equip	49%	10	7	70,537
	3,981,886	1,919,876	2,062,010		138,892					579,098

Portsmouth, NH Building (West Road)
Operations and Maintenance Costs
12 Month Ended December 31 2009

<u>Acct #</u>	<u>Description</u>	<u>Amount</u>
30-40-80-00-903-04-01	POSTAGE - LOCAL - NH	2,303.37
30-40-80-00-920-00-00	A&G SALARIES-NH	7,073.51
30-40-80-00-921-00-00	OFFICE SUPPLIES - NH	(1,050.68)
30-40-80-00-921-01-00	GEN OFFICE SUPPLIES & EXP - NH	7,700.33
30-40-80-00-921-15-00	SERVICE CENTER CAPITALIZED - NH	(109,157.06)
30-40-80-00-921-16-00	SERVICE CENTER EXPENSED - NH	168,387.07
30-40-80-00-932-04-00	MAINT OF GENERAL PLANT - EQUIP - NH	1,417.50
30-40-80-00-935-01-00	MAINTENANCE - GENERAL STRUCTURES - NH	26,487.47
30-40-80-00-935-02-00	MAINTENANCE - OFFICE EQUIPMENT - NH	862.95
	Total	<u>104,024.46</u>

Source G/L Trial Balance 30-40-60-__9

Acct #	Description	Amount
30-40-80-00-921-17-00	Telephone Services - Service Center - NH	81,527.04
30-40-80-00-921-18-00	Telephone Services - All Others - NH	9,058.76
	Total	<u><u>90,585.80</u></u>

Portsmouth Property Tax Allocation

Lafayette Park West Road Plant	2,521,733	
Portsmouth Taxing District Plant	93,589,173	
Percent of West Road to Portsmouth	2.69%	
Property Tax - Fiscal Year June 2010	<u>173,195</u>	source: property taxes (E21)
Property Tax to be allocated	4,659	

Plant Balance Report

303 - Miscellaneous Intangible Plant	-		* Formula - don't overwrite =ROUND(zero * D40,2)
304 - Land and Land Rights	6,816		
305 - Structures and Improvements	161,860		
311 - LPG Equipment	373,862		
320 - Other Equipment - Prod.	7,640		
364 - Land and Land Rights	89,111		
365 - Land and Land Rights	17,911	107,022	
366 - Structures and Improvements	-		
367 - Mains	59,604,089		
369 - Measuring and Regulating Station Equip.	1,770,571		
380 - Services	25,924,573		
381 - Meters	593,447		* Formula - don't overwrite =ROUND(2,723484.43*D40,2)
382 - Meter Installation	2,332,365		* Formula - don't overwrite =+ROUND(10703830.94*D40,2)
383 - House Regulators	185,195		
386 - Other Property on Customer's Premise	-		Not used in tax calculation
387 - Other Equipment - Dist.	-		
389 - Land and Land Rights	232,947		* Link to Portsmouth Plant and Def Tax
390 - Structures and Improvements	2,288,786		* Link to Portsmouth Plant and Def Tax
391 - Office Furniture and Equipment	-		Not used in tax calculation
392 - Transportation Equipment	-		Not used in tax calculation
393 - Stores Equipment	-		Not used in tax calculation
394 - Tools, Shop and Garage Equipment	-		Not used in tax calculation
396 - Power Operated Equipment	-		Not used in tax calculation
397 - Communication Equipment	-		Not used in tax calculation
Total	<u>93,589,173</u>		

* Accounts need to be allocated:

From Annual Report @ December 2009:	
Portsmouth Meters	6,442
Total NH Meters	29,566
% of Meters in Portsmouth	21.79%

**Northern Utilities
 Revenue Requirement**

	<u>Ratio</u>	<u>Cost</u>	<u>Effective</u>	
1 Capital Structure/Rate of Return:	(%)	(%)	Rate	
	(%)	(%)	(%)	
2 Long Term Debt	58.40%	7.08%	4.13%	source: determined when debt issued Finance is working on
	0.00%	0.00%	0.00%	
3 Common Equity	41.60%	9.67%	<u>4.02%</u>	source: set in previous rate case
4 Total	100.00%		<u>8.15%</u>	
5 Effective Tax Rate			<u>39.610%</u>	source: Federal rate 34% - State rate 8.5% Per Tax Department 2010
6 Revenue Factor			<u>60.390%</u>	

Northern Utilities, Inc.
Taxes Assessed Ending June/2009 and June /2010
ALL PROPERTY IS CORE PROPERTY

fiscal year July/2009-June/2010

PORTSMOUTH	MAP/LOT-0234-0001	\$9,853,240.00	0.014770	\$145,532.37
	139 BARBERRY LANE			

TOTAL	<u>\$145,532.37</u>
-------	---------------------

fiscal year July/2009-June/2010

PORTSMOUTH	MAP/LOT-0234-0001	\$1,872,900.00	0.014770	\$27,662.75
	325 WEST ROAD			

TOTAL	<u>\$27,662.75</u>
-------	--------------------

Total Property Tax	<u>\$173,195.12</u>
--------------------	---------------------

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100

Year	Annual	Ann Chg	Rent Annual	Rent Mth	SqFt
1982	96.5				
1983	99.6				
1984	103.9				
1985	107.6				
1986	109.6				
1987	113.6				
1988	118.3				
1989	124				
1990	130.7				
1991	136.2				
1992	140.3				
1993	144.5				
1994	148.2				
1995	152.4				
1996	156.9				
1997	160.5				
1998	163				
1999	166.6				
2000	172.2				
2001	177.1				
2002	179.9				
2003	184	2.28% Use for Rent04	\$ 15,000.00	\$ 1,250.00	581
2004	188.9	2.66% Use for Rent05	\$ 15,341.86	\$ 1,278.49	581
2005	195.3	3.39% Use for Rent06	\$ 15,750.42	\$ 1,312.53	581
2006	201.6	3.23% Use for Rent07	\$ 16,284.05	\$ 1,357.00	581
2007	207.342	2.85% Use for Rent08	\$ 16,809.34	\$ 1,400.78	581
2008		Use for Rent09	\$ 17,288.10	\$ 1,440.68	581
2009	216.0977	4.50% Use for Rent10	\$ 4,695.37	\$ 391.28	151

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2	
2002	177.1	177.8	178.8	178.8	179.8	179.8	179.9	180.1	180.7	181	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185	184.5	184.3	184	183.3	184.6
2004	185.2	186.2	187.4	187.4	188	189.1	189.7	189.4	189.5	189.9	190.9	191	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	205.352	206.686	207.949	208.352	208.299	207.917	208.49	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.08	211.693	213.528	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573					
					Ten months	Oct07										206.7896
					Ten months	Oct08										216.0977
						Oct08 ytd vs Oct07 Ytd										4.50%

Unitil Realty Corp

Lease of Hampton Building to Unitil Service Corp.

2011

No intercompany allocation necessary at this time – Property is 100% subleased to Unitil Service Corp.

Intra-company allocation of URC costs, if not identified as direct charges to the Hampton Building or Call Center Building, then based on Square Footage Allocators.

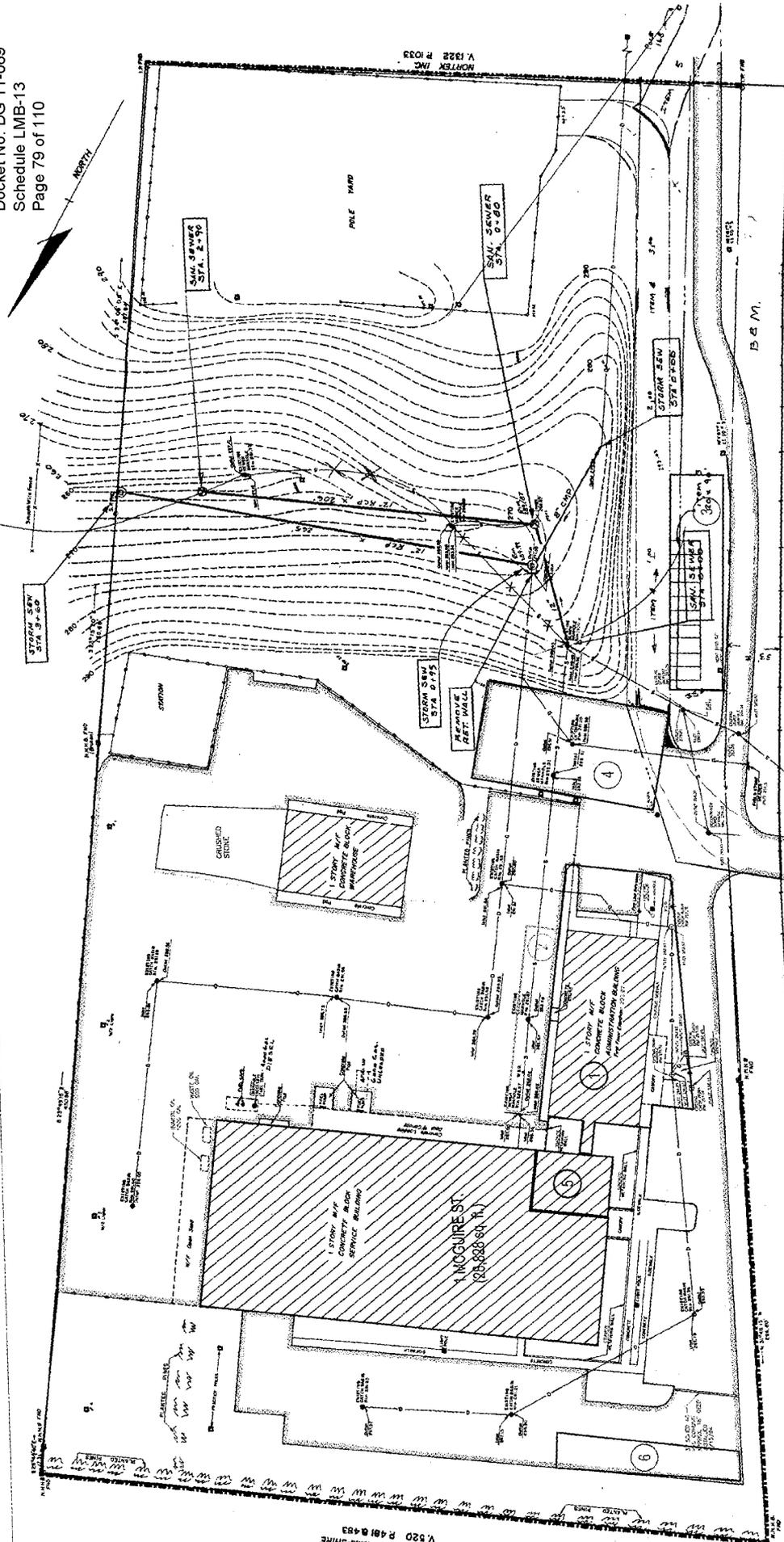
Unitil Realty Corp

Sub-lease of Call Center space to Unitil Service Corp.

2011

No intercompany allocation necessary at this time -- Property is 100% subleased to Unitil Service Corp.

Intra-company allocation of URC costs, if not identified as direct charges to the Hampton Building or Call Center Building, then based on Square Footage Allocators.



NOTES:

1. SURVEY BY THEODORE & E.D.M. CONTROL TRAVERSE ERROR OF CLOSURE IS 1 IN 289335. BEARING BY MAGNETIC NORTH. HEADING TAKEN AT TIME OF SURVEY, DATE, JULY 21, 1983
2. SANITATION & STORM PROJECT C-2152.
3. SURVEY BY RICHARD D. BARLETT, LLS 9 WINTHROP ST. CONCORD NH 03301. FORMERLY C-3-1467

LEGEND

- A Pond
- B City Center
- C City Center
- D City Center
- E City Center
- F City Center
- G City Center
- H City Center
- I City Center
- J City Center
- K City Center
- L City Center
- M City Center
- N City Center
- O City Center
- P City Center
- Q City Center
- R City Center
- S City Center
- T City Center
- U City Center
- V City Center
- W City Center
- X City Center
- Y City Center
- Z City Center

397,634 SQ. FT.	100%
32,483 SQ. FT.	8%
365,371 SQ. FT.	92%
TOTAL LOT:	
SUBTRACT CUSTOMER SERVICE CENTER:	
CAPITAL UDC TOTAL:	

13,509 SQ. FT.	3.7%
2,364 SQ. FT.	0.6%
4,692 SQ. FT.	1.3%
7,528 SQ. FT.	2.1%
4,263 SQ. FT.	1.2%
32,483 SQ. FT.	9.0%
SUB TOTAL OF CUSTOMER SERVICE CENTER	

1	INGUIRE ST. ...	13,509 SQ. FT.	3.7%
2	CALL CENTER INFRASTRUCTURE AREA, GENERATOR, CONDENSING UNITS, ETC.	2,364 SQ. FT.	0.6%
3	CALL CENTER PARKING	4,692 SQ. FT.	1.3%
4	EST. SPACE OCCUPIED BY USC STAFF	7,528 SQ. FT.	2.1%
5	CALL CENTER PARKING	4,263 SQ. FT.	1.2%
6	SUB TOTAL OF CUSTOMER SERVICE CENTER	32,483 SQ. FT.	9.0%

UNITIL

CAPITAL BUILDING AND CUSTOMER SERVICE BUILDING SITE PLAN - ALLOCATIONS

APPENDIX L

INTRA-COMPANY O&M ALLOCATION CALCULATIONS

Appendix – L1	Fitchburg Gas & Electric Allocation Factors
Appendix – L2	Northern Maine & New Hampshire Allocation Factors

**Fitchburg Gas & Electric
Gas and Electric
Common Cost Allocation Study**

Based on Data for the 12 Months Ended December 31, 2010

Fitchburg Gas & Electric
 Common Expense Accounts Allocation Summary
 Based on Data for the 12 Months Ended December 31, 2010

Allocator Summary:	2011 Allocation Factors			2010 Allocation Factors		
	2010-Based Allocation Percentages		Total	2009-Based Allocation Percentages		Total
	Gas	Electric		Gas	Electric	
Plant Related Items	43.99%	56.01%	100.00%	43.64%	56.36%	100.00%
Labor Related Items	50.93%	49.07%	100.00%	49.20%	50.80%	100.00%
Meter Related Items	35.06%	64.94%	100.00%	35.13%	64.87%	100.00%
Number of Bills Related Items	28.78%	71.22%	100.00%	28.85%	71.15%	100.00%
Net Revenue Related Items	38.89%	61.11%	100.00%	40.43%	59.57%	100.00%
Adjusted Plant Related Items (Int/Dividend)	37.16%	62.84%	100.00%	35.29%	64.71%	100.00%

Fitchburg Gas & Electric
 Development of Plant Allocator
 Based on Data for the 12 Months Ended December 31, 2010

	Using 2010 Data:			Using 2009 Data:		
	Gas	Electric	Total	Gas	Electric	Total
Development of Plant Allocator:						
Total Utility Plant						
Total Utility Plant	\$ 85,087,603	\$ 108,083,742	\$ 193,171,344	\$ 79,659,969	\$ 102,488,100	\$ 182,148,128
CWIP (Account 107)	242,897	1,762,442	2,005,339	256,127	1,709,603	1,965,730
Abandoned/Stranded Costs						
Total Utility Plant before Common Allocation	85,330,500	109,846,184	195,176,684	79,916,095	104,197,703	184,113,858
Plus: Common Plant - Using Labor Allocator	3,930,022	3,780,494	7,710,516	3,802,279	3,925,931	7,728,210
Labor Allocator	50.93%	49.07%	100.00%	49.20%	50.80%	100.00%
Total Utility Plant	89,260,521	113,626,678	202,887,200	83,718,375	108,123,633	191,842,008
Plant Allocator	43.99%	56.01%	100.00%	43.64%	56.36%	100.00%

Fitchburg Gas & Electric
Development of Labor Allocator
 Based on Data for the 12 Months Ended December 31, 2010

Development of Labor Allocator:

Salaries & Wages - Operation & Maintenance

	Using 2010 Data:			Using 2009 Data:		
	Gas	Electric	Total	Gas	Electric	Total
Production - Maint	\$ 42,140	\$	\$ 42,140	\$ 73,142	\$	\$ 73,142
Production - Oper	169,446		169,446	316,652		316,652
Transmission - Maint		31,551	31,551		43,287	43,287
Transmission - Oper	45,745	44,049	89,794	64,472	50,246	114,717
Distribution - Maint	316,922	348,235	665,157	210,635	279,521	490,156
Distribution - Oper	630,650	547,381	1,238,031	661,182	529,751	1,210,933
Customer Accounting	52,787	71,063	123,870	47,635	68,924	116,559
Admin & General						
Total - O&M Direct Labor	1,816,790	1,042,359	2,259,149	1,393,718	971,728	2,365,446

Construction

Direct Payroll	283,618	444,242	707,860	149,488	577,346	826,833
Overhead Payroll	341,652	289,213	610,865	310,227	264,797	575,024
Total - Construction Direct Labor	605,271	713,455	1,318,725	459,714	842,143	1,401,857

Total Direct Labor

	\$ 1,822,061	\$ 1,755,813	\$ 3,577,874	\$ 1,853,433	\$ 1,913,870	\$ 3,767,303
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Labor Allocator

	50.93%	49.07%	100.00%	49.20%	50.80%	100.00%
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Fitchburg Gas & Electric
 Development of Meters Allocator
 Based on Data for the 12 Months Ended December 31, 2010

Development of Meters Allocator:	Using 2010 Data:			Using 2009 Data:		
	Gas	Electric	Total	Gas	Electric	Total
Total Number of Annual Active Meters	161,403	335,986	517,391	160,586	333,463	514,049
Meters Allocator	35.06%	64.94%	100.00%	35.13%	64.87%	100.00%

Fitchburg Gas & Electric
 Development of Number of Bills Allocator
 Based on Data for the 12 Months Ended December 31, 2010

	Using 2010 Data:			Using 2009 Data:		
	Gas	Electric	Total	Gas	Electric	Total
Development of Number of Bills Allocator:						
Total Number of Annual Bills Combined Gas & Electric:			159,171			157,419
50% of Total:	79,086	79,086	158,171	78,710	78,710	157,419
Plus: Total number of annual bills - Gas & Electric Only	26,764	182,998	209,762	26,759	181,950	208,108
Total	105,850	261,984	367,833	105,468	260,660	365,527
Number of Bills Allocator	28.78%	71.22%	100.00%	28.85%	71.15%	100.00%

Fitchburg Gas & Electric
 Development of Revenue Allocator
 Based on Data for the 12 Months Ended December 31, 2010

Development of Revenue Allocator

	<i>Using 2010 Data:</i>			<i>Using 2009 Data:</i>		
	Gas	Electric	Total	Gas	Electric	Total
Gross Revenue	\$ 29,995,816	\$ 62,968,883	\$ 92,964,700	\$ 34,768,599	\$ 63,426,474	\$ 98,195,073
Less: Water Heater Revenue	(430,389)	(45,522)	(475,912)	(436,149)	(53,568)	(489,715)
Less: FlowThroughEnergy Revenue	(17,979,161)	(44,441,115)	(62,420,276)	(22,748,197)	(46,276,124)	(69,024,321)
Base Revenue	11,486,066	18,511,226	29,997,291	11,584,253	17,093,784	28,678,037
Weather Normalization Adjustment	292,566	-	292,566	16,390	-	16,390
Net Weather Normal Base Distribution Revenue	11,778,632	18,511,226	30,289,858	11,600,643	17,093,784	28,694,427
Revenue Allocator	38.89%	61.11%	100.00%	40.43%	59.57%	100.00%

Fitchburg Gas & Electric
 Development of Interest & Dividend Allocator
 Based on Data for the 12 Months Ended December 31, 2018

Development of Interest & Dividend Allocator:

Interest & Dividend Allocator - Using Adjusted Utility Plant

Total Utility Plant Excl Common	\$ 85,230,500	\$ 110,014,052	\$ 195,044,552
Less: CWIP (Account 107)	(242,697)	(1,762,442)	(2,005,339)
Less Not Classified (108)	(2,947,222)	(2,632,029)	(5,639,252)
Less Elec Acquisition Adjustment (114)		(167,868)	(167,868)
Plus: Unamortized Electric Generation Assets			
Plus: Transition Charge Deferral	20,593,458		20,593,458
Plus: Standard Offer and Default Service Deferrals	(330,789)		(330,789)
Plus: Storm Cost Deferrals	13,245,232		13,245,232
Adjusted Total Utility Plant	82,140,380	138,898,613	221,038,994

Interest & Dividend Allocator

37.16%

62.84%

100.00%

Using 2018 Data:

	Gas	Electric	Total
	\$ 79,918,085	\$ 104,365,630	\$ 184,283,726
	(256,127)	(1,709,608)	(1,965,736)
	(2,952,373)	(735,536)	(3,787,928)
	-	(167,868)	(167,868)
	-	-	-
	-	21,889,365	21,889,365
	-	6,351,149	6,351,149
	-	12,327,858	12,327,858
	77,607,595	142,300,977	219,908,572

35.29%

64.71%

100.00%

Using 2009 Data:

	Gas	Electric	Total
	\$ 79,918,085	\$ 104,365,630	\$ 184,283,726
	(256,127)	(1,709,608)	(1,965,736)
	(2,952,373)	(735,536)	(3,787,928)
	-	(167,868)	(167,868)
	-	-	-
	-	21,889,365	21,889,365
	-	6,351,149	6,351,149
	-	12,327,858	12,327,858
	77,607,595	142,300,977	219,908,572

**Fitchburg Gas and Electric Light Company
 2011 MeterCount Allocator for ECS Allocation
 Based on 12 Months Ended December 31, 2010**

For G&E Split purposes, GAS ONLY meters, not Total Meters, are used.

Per HTE report HT RG AS RP - Count Gas Customers from Gardner & Westminster

	<u>Total</u>	<u>Meter Count Allocator</u>
<i>Gas only Meters - FgeG</i>		
Jan	1,679	
Feb	1,687	
Mar	1,674	
Apr	1,665	
May	1,661	
Jun	1,643	
Jul	1,649	
Aug	1,643	
Sep	1,650	
Oct	1,680	
Nov	1,692	
Dec	1,699	
Total	<u>20,022</u>	5.62%
<i>Total Margin-impacting Meters - FgeE</i>		
Jan	27,931	
Feb	27,961	
Mar	27,965	
Apr	27,948	
May	27,941	
Jun	27,921	
Jul	27,946	
Aug	28,000	
Sep	28,024	
Oct	28,091	
Nov	28,092	
Dec	28,168	
Total	<u>335,988</u>	94.38%
Aggregate Meter Count	<u><u>356,010</u></u>	<u><u>100.00%</u></u>

**Northern Utilities
Maine and New Hampshire
Common Cost Allocation Study**

Report on Data for Use by NUCHEC Effective December 31, 2010

Northern Utilities
 Common Expense Accounts Allocation Summary
 12 Months Ended December 31, 2010

<i>Allocator Summary:</i>	2011 Allocation Factors			2010 Allocation Factors		
	2010-Based Allocation Percentages			2009-Based Allocation Percentages		
	NH	ME	Total	NH	ME	Total
Plant Allocated Items	46.62%	53.18%	100.00%	47.01%	52.99%	100.00%
Labor Allocated Items	51.47%	48.53%	100.00%	49.22%	50.78%	100.00%
Meter Allocated Items	51.51%	48.49%	100.00%	51.57%	48.43%	100.00%
Net Revenue Allocated Items	50.24%	49.76%	100.00%	50.28%	49.72%	100.00%

Northern Utilities
 Development of Plant Allocator
 12 Months Ended December 31, 2010

Development of 2010 Plant Allocator:

Total Utility Plant

	NH	ME	Total
UTILITY PLANT	\$ 118,937,057	\$ 135,146,132	\$ 254,083,189
PROPERTY HELD FOR FUTURE USE	-	241,999	241,999
COMPLETED CONSTR., UNCLASSIFIED	9,887,957	12,923,407	22,811,364
Total Construction WIP	2,576,354	1,209,039	3,785,393
Total Utility Plant	131,401,368	149,522,576	280,923,944
Exclude: Property Held for Future Use	-	(241,999)	(241,999)
Adjusted Utility Plant	\$ 131,401,368	\$ 149,280,576	\$ 280,681,944

Plant Allocator

46.82%	53.18%	100.00%
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Northern Utilities
 Development of Labor Allocator
 12 Months Ended December 31, 2010

Development of 2010 Labor Allocator:

		NH	ME	Total
Salaries & Wages				
<i>Source:</i>	Gas Operations	\$ 958,106	\$ 815,136	\$ 1,773,242
<i>Salaries and Wages - Sch 27</i>	Gas Maintenance	153,691	323,419	477,110
	Construction	864,124	914,379	1,778,503
	Other Payroll	1,012,053	763,712	1,775,765
	Total Labor	\$ 2,987,975	\$ 2,816,646	\$ 5,804,621
Less:				
	Jobbing	1,212	-	1,212
	Total Reductions	1,212	-	1,212
	Net Labor	\$ 2,986,763	\$ 2,816,646	\$ 5,803,409
	Labor Allocator	51.47%	48.53%	100.00%

Northern Utilities
 Development of Meters Allocator
 12 Months Ended December 31, 2010

Development of 2010 Meters Allocator:

	NH	ME	Total
Source: Jan-Dec sum of meters	338,933	319,040	657,973
Total Number of Annual Active Meters			
Meters Allocator	51.51%	48.49%	100.00%

APPENDIX M

ENERGY EFFICIENCY GENERAL TIME ALLOCATION TABLES

Appendix – M1	JON list for Energy Efficiency General Time charges
Appendix – M2	Maine Regulated General EE Time Allocations - Gas
Appendix – M3	Maine Unregulated General EE Time Allocations - Gas
Appendix – M4	Massachusetts General EE Time Allocations - Electric
Appendix – M5	Massachusetts General EE Time Allocations - Gas
Appendix – M6	New Hampshire General EE Time Allocations - Electric
Appendix – M7	New Hampshire General EE Time Allocations - Gas

ENERGY EFFICIENCY GENERAL ALLOCATION ACCOUNTS
 Updated - 01/25/2011

DESCRIPTION	JON	REGULATED	REGULATED	REGULATED	REGULATED	UN-REGULATED
		NH ELECTRIC	NH GAS	MA ELECTRIC	MA GAS	ME GAS
EE Reg & Gen - Electric	805.00	10.29.02.21.908.00.00	-	20.29.02.06.908.00.00	-	-
EE Gen Admin - Electric	805.22	10.29.02.21.908.00.22	-	20.29.02.06.908.00.22	-	-
EE Internal M&E - Electric	805.04	10.29.02.21.908.00.04	-	20.29.02.06.908.00.04	-	-
EE Internal Mkting - Electric	805.20	10.29.02.21.908.00.20	-	20.29.02.06.908.00.20	-	-
EE 3rd Pty Mkting - Electric	805.21	10.29.02.21.908.00.21	-	20.29.02.06.908.00.21	-	-
EE 3rd Pty Admin - Electric	805.23	10.29.02.21.908.00.23	-	20.29.02.06.908.00.23	-	-
EE Reg & Gen - NH RGGI	801.52	-	-	-	-	-
EE Gen Admin - NH RGGI	801.62	-	-	-	-	-
EE Internal M&E - NH RGGI	801.72	-	-	-	-	-
EE Internal Mkting - NH RGGI	801.82	-	-	-	-	-
EE 3rd PTY Mkting - NH RGGI	801.92	-	-	-	-	-
EE Reg & Gen - NH/MA Gas	801.50	-	30.49.02.72.908.00.50	-	20.19.02.05.908.00.50	-
EE Gen Admin - NH/MA Gas	801.60	-	30.49.02.72.908.00.60	-	20.19.02.05.908.00.60	-
EE Internal M&E - NH/MA Gas	801.70	-	30.49.02.72.908.00.70	-	20.19.02.05.908.00.70	-
EE Internal Mkting - NH/MA Gas	801.80	-	30.49.02.72.908.00.80	-	20.19.02.05.908.00.80	-
EE 3rd PTY Mkting - NH/MA Gas	801.90	-	30.49.02.72.908.00.90	-	20.19.02.05.908.00.90	-
EE 3rd Pty Admin - NH/MA Gas	801.95	-	30.49.02.72.908.00.95	-	20.19.02.05.908.00.95	-
EE Reg & Gen - ME Reg Gas	801.51	-	-	-	-	-
EE Gen Admin - ME Reg Gas	801.61	-	-	-	-	-
EE Internal M&E - ME Reg Gas	801.71	-	-	-	-	-
EE Internal Mkting - ME Reg Gas	801.81	-	-	-	-	-
EE 3rd PTY Mkting - ME Reg Gas	801.91	-	-	-	-	-
UnReg EE Gen Plan/Mgmt - ME	700.51	-	-	-	-	30.50.02.73.908.00.51
UnReg EE Gen Int Ops - ME	700.61	-	-	-	-	30.50.02.73.908.00.61
UnReg EE Gen Int M&E - ME	700.71	-	-	-	-	30.50.02.73.908.00.71
UnReg EE Gen Int Mkt - ME	700.81	-	-	-	-	30.50.02.73.908.00.81
UnReg EE Gen 3rdPty Mkt - ME	700.91	-	-	-	-	30.50.02.73.908.00.91
UnReg EE Gen 3rd Pty Admin - ME	700.96	-	-	-	-	30.50.02.73.908.00.96

JON - For general time allocation that cannot be charged directly to a program. Charges are allocated across ALL programs (residential, low income and C&I) within a Company/Division. Does not allocate across companies or division.

G/Ls - For general expenses, vendors payments, etc., that cannot be charged directly to a program. Charges are allocated across ALL programs (residential, low income and C&I) within a Company/Division. Does not allocate across companies or division.

Charges to "Maine Unregulated" should be direct.		DER Allocation	
REGULATED Companies Allocation		MA Gas	11.05%
MA Gas	11.99%	MA Electric	45.94%
MA Electric	49.83%	NH Gas	11.44%
NH Gas	12.41%	NH Electric	23.76%
NH Electric	25.77%	NH RGGI	0.00%
NH RGGI	0.00%	REGULATED ME Gas	0.00%
REGULATED ME Gas	0.00%	UNREGULATED ME Gas	7.81%
	100.00%		100.00%

UPDATED 1/7/11

UPDATED 1/10/11

MAINE - REGULATED
Energy Efficiency General Account Allocators for 2011

G/L	JON	Description	General Ledger	Description	Allocation
GAS ALLOCATIONS					Updated 1/06/2011
30.59.02.73.908.00.51	801.51	DSM Reg & Gen - Gas	30.59.02.73.908.01.13 30.59.02.73.908.29.13 30.59.02.73.908.27.13 30.59.02.73.908.25.13 30.59.02.73.908.58.13 30.59.02.73.908.47.13 30.59.02.73.908.49.13 30.59.02.73.908.50.13 30.59.02.73.908.57.13 30.59.02.73.908.36.13	Gas LowInc Reg & Gen R GasNetWks Reg & Gen Gas NH/ME RCS Reg & Gen R Gas Wxn Reg & Gen Res Self-Install Reg & Gen ESTAR Homes Reg & Gen SCI Gas Custom Reg & Gen C&I GasNetWks Reg & Gen SC&I MultiFam Reg & Gen Lg Gas Custom Reg & Gen	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%
30.59.02.73.908.00.61	801.61	Gas Gen Prog Adm	30.59.02.73.908.01.10 30.59.02.73.908.29.10 30.59.02.73.908.27.10 30.59.02.73.908.25.10 30.59.02.73.908.58.10 30.59.02.73.908.47.10 30.59.02.73.908.49.10 30.59.02.73.908.50.10 30.59.02.73.908.57.10 30.59.02.73.908.36.10	Gas LowInc Prog Adm R GasNetWks Prog Adm Gas NH/ME RCS Prog Adm R Gas Wxn Prog Adm Res Self-Install Prog Adm ESTAR Homes Prog Adm SCI Gas Custom Prog Adm C&I GasNetWks Prog Adm SC&I MultiFam Prog Adm Lg Gas Custom Prog Adm	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%
30.59.02.73.908.00.71	801.71	Gas Gen Prog M&E	30.59.02.73.908.01.30 30.59.02.73.908.29.30 30.59.02.73.908.27.30 30.59.02.73.908.25.30 30.59.02.73.908.58.30 30.59.02.73.908.47.30 30.59.02.73.908.49.30 30.59.02.73.908.50.30 30.59.02.73.908.57.30 30.59.02.73.908.36.30	Gas LowInc M&E R GasNetWks M&E Gas NH/ME RCS M&E R Gas Wxn M&E Res Self-Install M&E ESTAR Homes M&E SCI Gas Custom M&E C&I GasNetWks M&E SC&I MultiFam M&E Lg Gas Custom M&E	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%
30.59.02.73.908.00.81	801.81	EE Gen Internal Mkting - Gas	30.59.02.73.908.01.20 30.59.02.73.908.29.20 30.59.02.73.908.27.20 30.59.02.73.908.25.20 30.59.02.73.908.58.20 30.59.02.73.908.47.20 30.59.02.73.908.49.20 30.59.02.73.908.50.20 30.59.02.73.908.57.20 30.59.02.73.908.36.20	Gas LowInc Int Mkting R GasNetWks Int Mkting Gas NH/ME RCS Int Mkting R Gas Wxn Int Mkting Res Self-Install Int Mkting ESTAR Homes Int Mkting SCI Gas Custom Int Mkting C&I GasNetWks Int Mkting SC&I MultiFam Int Mkting Lg Gas Custom Int Mkting	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%
30.59.02.73.908.00.91	801.91	EE Gen 3rd Pty Mkting - Gas	30.59.02.73.908.01.21 30.59.02.73.908.29.21 30.59.02.73.908.27.21 30.59.02.73.908.25.21 30.59.02.73.908.58.21 30.59.02.73.908.47.21 30.59.02.73.908.49.21 30.59.02.73.908.50.21 30.59.02.73.908.57.21 30.59.02.73.908.36.21	Gas LowInc 3rd Pty Mkting R GasNetWks 3rd Pty Mkting Gas NH/ME RCS 3rd Pty Mkting R Gas Wxn 3rd Pty Mkting Res Self-Install 3rd Pty Mkting ESTAR Homes 3rd Pty Mkting SCI Gas Custom 3rd Pty Mkting C&I GasNetWks 3rd Pty Mkting SC&I MultiFam 3rd Pty Mkting Lg Gas Custom 3rd Pty Mkting	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

MAINE - UNREGULATED

Energy Efficiency General Account Allocators for 2010/11

G/L	JON	Description	General Ledger	Description	Allocation
					Updated 1/06/2011
30.50.02.73.908.00.51	700.51	UnReg EE Gen Plan/Mgmt - ME	30.50.02.73.908.25.00	UnReg ResGasWXN Plan&Mgmt - ME	13.17%
			30.50.02.73.908.01.00	UnReg GasLowInc Plan&Mgmt - ME	14.47%
			30.50.02.73.908.57.00	UnReg SCI MultiFam Plan/Mgmt - ME	14.47%
			30.50.02.73.908.49.00	UnReg SCI GasCust Plan/Mgmt - ME	14.47%
			30.50.02.73.908.36.00	UnReg Lg GasCust Plan/Mgmt - ME	21.71%
			30.50.02.73.908.50.00	UnReg CI GasNtWks Plan/Mgmt - ME	21.71%
					100.00%
30.50.02.73.908.00.61	700.61	UnReg EE Gen Int Ops - ME	30.50.02.73.908.25.10	UnReg ResGasWXN Int Ops - ME	25.00%
			30.50.02.73.908.01.10	UnReg GasLowInc Int Ops - ME	12.50%
			30.50.02.73.908.57.10	UnReg SCI MultiFam Int Ops - ME	12.50%
			30.50.02.73.908.49.10	UnReg SCI GasCust Int Ops - ME	12.50%
			30.50.02.73.908.36.10	UnReg Lg GasCust Int Ops - ME	18.75%
			30.50.02.73.908.50.10	UnReg CI GasNtWks Int Ops - ME	18.75%
					100.00%
30.50.02.73.908.00.71	700.71	UnReg EE Gen Int M&E - ME	30.50.02.73.908.25.30	UnReg ResGasWXN Int M&E - ME	0.00%
			30.50.02.73.908.01.30	UnReg GasLowInc Int M&E - ME	16.66%
			30.50.02.73.908.57.30	UnReg SCI MultiFam Int M&E - ME	16.67%
			30.50.02.73.908.49.30	UnReg SCI GasCust Int M&E - ME	16.67%
			30.50.02.73.908.36.30	UnReg Lg GasCust Int M&E - ME	25.00%
			30.50.02.73.908.50.30	UnReg CI GasNtWks Int M&E - ME	25.00%
					100.00%
30.50.02.73.908.00.81	700.81	UnReg EE Gen Int Mkt - ME	30.50.02.73.908.25.20	UnReg ResGasWXN Int Mkt - ME	0.00%
			30.50.02.73.908.01.20	UnReg GasLowInc Int Mkt - ME	16.66%
			30.50.02.73.908.57.20	UnReg SCI MultiFam Int Mkt - ME	16.67%
			30.50.02.73.908.49.20	UnReg SCI GasCust Int Mkt - ME	16.67%
			30.50.02.73.908.36.20	UnReg Lg GasCust Int Mkt - ME	25.00%
			30.50.02.73.908.50.20	UnReg CI GasNtWks Int Mkt - ME	25.00%
					100.00%
30.50.02.73.908.00.91	700.91	UnReg EE Gen 3rdPty Mkt - ME	30.50.02.73.908.25.21	UnReg ResGasWXN 3rdPty Mkt - ME	0.00%
			30.50.02.73.908.01.21	UnReg GasLowInc 3rdPty Mkt - ME	16.66%
			30.50.02.73.908.57.21	UnReg SCI MultiFam 3rdPty Mkt - ME	16.67%
			30.50.02.73.908.49.21	UnReg SCI GasCust 3rdPty Mkt - ME	16.67%
			30.50.02.73.908.36.21	UnReg Lg GasCust 3rdPty Mkt - ME	25.00%
			30.50.02.73.908.50.21	UnReg CI GasNtWks 3rdPty Mkt - ME	25.00%
					100.00%
ADD NEW ALLOCATOR					
30.50.02.73.908.00.96	700.96	UnReg EE Gen 3rdPty Ops - ME	30.50.02.73.908.25.14	UnReg ResGasWXN 3rdPty Ops - ME	0.00%
		--- NEW ---	30.50.02.73.908.01.14	UnReg GasLowInc 3rdPty Ops - ME	16.66%
		--- NEW ---	30.50.02.73.908.57.14	UnReg SCI MultiFam 3rdPty Ops - ME	16.67%
		--- NEW ---	30.50.02.73.908.49.14	UnReg SCI GasCust 3rdPty Ops - ME	16.67%
		--- NEW ---	30.50.02.73.908.36.14	UnReg Lg GasCust 3rdPty Ops - ME	25.00%
		--- NEW ---	30.50.02.73.908.50.14	UnReg CI GasNtWks 3rdPty Ops - ME	25.00%
					100.00%

MASSACHUSETTS
Energy Efficiency General Account Allocators for 2011

G/L	JON	Description	General Ledger	Description	Allocation
ELECTRIC ALLOCATIONS					
2010-2012 Program Plan - Updated for 2011 MTM					
20.29.02.06.908.00.00	805.00	EE Reg & Gen - Elect	20.29.02.06.916.01.05 20.29.02.06.908.28.13 20.29.02.06.908.40.13 20.29.02.06.908.44.13 20.29.02.06.908.47.13 20.29.02.06.908.31.13 20.29.02.06.908.35.13 20.29.02.06.908.33.13 20.29.02.06.908.57.13 20.29.02.06.908.41.13 20.29.02.06.908.42.13 20.29.02.06.908.45.13 20.29.02.06.908.46.13	RCS Reg & General EStar Lites Reg & General EStar Appl Reg & General Res HVAC Reg & General ES Homes Reg & General SC&I (G2) Reg & General C&I NC (G1,G3) Reg & General LC&I (G3) Reg & General C&I MF (ComArea) Reg & General Elec LowInc Reg & General LI New Construct Reg & General Res MF 5+ Reg & General LowInc MF 5+ Reg & General	12.00% 3.00% 2.00% 1.00% 4.00% 17.00% 10.00% 27.00% 8.00% 9.00% 1.00% 3.00% 3.00%
		--- NEW ---			
		--- NEW ---			
		--- NEW ---			
					100.00%
20.29.02.06.908.00.04	805.04	EE Gen Prog M&E - Elect	20.29.02.06.916.01.07 20.29.02.06.908.28.30 20.29.02.06.908.40.30 20.29.02.06.908.44.30 20.29.02.06.908.47.30 20.29.02.06.908.31.30 20.29.02.06.908.35.30 20.29.02.06.908.33.30 20.29.02.06.908.57.30 20.29.02.06.908.41.30 20.29.02.06.908.42.30 20.29.02.06.908.45.30 20.29.02.06.908.46.30	RCS Internal M&E EStar Lites M&E EStar Appl M&E Res HVAC M&E ES Homes M&E SC&I (G2) M&E C&I NC (G1,G3) M&E LC&I (G3) M&E C&I MF (ComArea) M&E Elec LowInc M&E LI New Construct M&E Res MF 5+ M&E LowInc MF 5+ M&E	12.00% 3.00% 2.00% 1.00% 4.00% 17.00% 10.00% 27.00% 8.00% 9.00% 1.00% 3.00% 3.00%
		--- NEW ---			
		--- NEW ---			
					100.00%
20.29.02.06.908.00.22	805.22	EE Gen Internl ProgAdmin-Elec Change name please	20.29.02.06.916.01.02 20.29.02.06.908.28.10 20.29.02.06.908.40.10 20.29.02.06.908.44.10 20.29.02.06.908.47.10 20.29.02.06.908.31.10 20.29.02.06.908.35.10 20.29.02.06.908.33.10 20.29.02.06.908.57.10 20.29.02.06.908.41.10 20.29.02.06.908.42.10 20.29.02.06.908.45.10 20.29.02.06.908.46.10	RCS Internal Prog Admin EStar Lites Prog Admin EStar Appl Prog Admin Res HVAC Prog Admin ES Homes Prog Admin SC&I (G2) Prog Admin C&I NC (G1,G3) Prog Admin LC&I (G3) Prog Admin C&I MF (ComArea) Prog Admin Elec LowInc Prog Admin LI New Construct Prog Admin Res MF 5+ Prog Admin LowInc MF 5+ Prog Admin	12.00% 3.00% 2.00% 1.00% 4.00% 17.00% 10.00% 27.00% 8.00% 9.00% 1.00% 3.00% 3.00%
		--- NEW ---			
		--- NEW ---			
					100.00%
20.29.02.06.908.00.20	805.20	EE Gen Internal Mktng - Elect	20.29.02.06.916.01.06 20.29.02.06.908.28.20 20.29.02.06.908.40.20 20.29.02.06.908.44.20 20.29.02.06.908.47.20 20.29.02.06.908.31.20 20.29.02.06.908.35.20 20.29.02.06.908.33.20 20.29.02.06.908.57.20 20.29.02.06.908.41.20 20.29.02.06.908.42.20 20.29.02.06.908.45.20 20.29.02.06.908.46.20	RCS Internal Marketing EStar Lites Marketing EStar Appl Marketing Res HVAC Marketing ES Homes Marketing SC&I (G2) Marketing C&I NC (G1,G3) Marketing LC&I (G3) Marketing C&I MF (ComArea) Marketing Elec LowInc Marketing LI New Construct Marketing Res MF 5+ Intrnl Mktng LowInc MF 5+ Intrnl Mktng	12.00% 3.00% 2.00% 1.00% 4.00% 17.00% 10.00% 27.00% 8.00% 9.00% 1.00% 3.00% 3.00%
		--- NEW ---			
		--- NEW ---			
					100.00%
20.29.02.06.908.00.21	805.21	EE Gen 3rd Pty Mktng - Elect	20.29.02.06.916.03.03 20.29.02.06.908.28.21 20.29.02.06.908.40.21 20.29.02.06.908.44.21 20.29.02.06.908.47.21 20.29.02.06.908.31.21 20.29.02.06.908.35.21 20.29.02.06.908.33.21 20.29.02.06.908.57.21 20.29.02.06.908.41.21 20.29.02.06.908.42.21 20.29.02.06.908.45.21 20.29.02.06.908.46.21	RCS 3rd Pty Mktng EStar Lites 3rd Pty Mktng EStar Appl 3rd Pty Mktng Res HVAC 3rd Pty Mktng ES Homes 3rd Pty Mktng SC&I (G2) 3rd Pty Mktng C&I NC (G1,G3) 3rd Pty Mktng LC&I (G3) 3rd Pty Mktng C&I MF (ComArea) 3rd Pty Mktng Elec LowInc 3rd Pty Mktng LI New Construct 3rd Pty Mktng Res MF 5+ 3rd Pty Mktng LowInc MF 5+ 3rd Pty Mktng	12.00% 3.00% 2.00% 1.00% 4.00% 17.00% 10.00% 27.00% 8.00% 9.00% 1.00% 3.00% 3.00%
		--- NEW ---			
		--- NEW ---			
					100.00%

MASSACHUSETTS

Energy Efficiency General Account Allocators for 2011

G/L	JON	Description	General Ledger	Description	Allocation
ELECTRIC ALLOCATIONS		2010-2012 Program Plan - Updated for 2011 MTM			

ADD NEW ALLOCATOR

20.29.02.06.908.00.23	805.23	EE Gen 3rd Pty Admin - Electric	20.29.02.06.916.03.02	RCS 3rd Pty Admin	12.00%
		--- NEW ---	20.29.02.06.908.28.14	EStar Lites 3rd Pty Admin	3.00%
		--- NEW ---	20.29.02.06.908.40.14	EStar Appl 3rd Pty Admin	2.00%
		--- NEW ---	20.29.02.06.908.44.14	Res HVAC 3rd Pty Admin	1.00%
		--- NEW ---	20.29.02.06.908.47.14	ES Homes 3rd Pty Admin	4.00%
		--- NEW ---	20.29.02.06.908.31.14	SC&I (G2) 3rd Pty Admin	17.00%
		--- NEW ---	20.29.02.06.908.35.14	C&I NC (G1,G3) 3rd Pty Admin	10.00%
		--- NEW ---	20.29.02.06.908.33.14	LC&I (G3) 3rd Pty Admin	27.00%
		--- NEW ---	20.29.02.06.908.57.14	C&I MF (ComArea) 3rd Pty Admin	8.00%
		--- NEW ---	20.29.02.06.908.41.14	Elec LowInc 3rd Pty Admin	9.00%
		--- NEW ---	20.29.02.06.908.42.14	LI New Construct 3rd Pty Admin	1.00%
		--- NEW ---	20.29.02.06.908.45.14	Res MF 5+ 3rd Pty Admin	3.00%
		--- NEW ---	20.29.02.06.908.46.14	LowInc MF 5+ 3rd Pty Admin	3.00%
					<u>100.00%</u>

MASSACHUSETTS
Energy Efficiency General Account Allocators for 2011

G/L	JON	Description	General Ledger	Description	Allocation
GAS ALLOCATIONS					
2010-2012 Program Plan - Updated for 2011 MTM					
20.19.02.05.908.00.50	801.50	EE Reg & Gen - Gas	20.19.02.05.908.01.13	Gas LowInc Reg & General	17.00%
			20.19.02.05.908.47.13	ES Homes Reg & General	3.00%
			20.19.02.05.908.29.13	R GasNetwks Reg & General	14.00%
			20.19.02.05.908.25.13	R GasWxn R&G	8.00%
			20.19.02.05.908.36.13	Lg Gas Custom Reg & General	22.00%
			20.19.02.05.908.39.13	SC&I Gas Reg & Gen G41,51	2.00%
			20.19.02.05.908.38.13	C&I Gas NC Reg & General	8.00%
		--- NEW ---	20.19.02.05.908.59.13	Res MF 5+ Reg & General	2.00%
		--- NEW ---	20.19.02.05.908.60.13	Low Inc MF 5+ Reg & General	24.00%
					<u>100.00%</u>
20.19.02.05.908.00.60	801.60	EE Gen Intrnl Prog Admin - Gas Change name please	20.19.02.05.908.01.10	Gas LowInc Prog Admin	17.00%
			20.19.02.05.908.47.10	ES Homes Prog Admin	3.00%
			20.19.02.05.908.29.10	R GasNetwks Prog Admin	14.00%
			20.19.02.05.908.25.10	R GasWxn ProgAdm	8.00%
			20.19.02.05.908.36.10	Lg Gas Custom Prog Admin	22.00%
			20.19.02.05.908.39.10	SC&I Gas Prog Admin G41,51	2.00%
			20.19.02.05.908.38.10	C&I Gas NC Prog Admin	8.00%
		--- NEW ---	20.19.02.05.908.59.10	Res MF 5+ Prog Admin	2.00%
		--- NEW ---	20.19.02.05.908.60.10	Low Inc MF 5+ Prog Admin	24.00%
					<u>100.00%</u>
20.19.02.05.908.00.70	801.70	EE Gen Prog M&E - Gas	20.19.02.05.908.01.30	Gas LowInc M&E	17.00%
			20.19.02.05.908.47.30	ES Homes M&E	3.00%
			20.19.02.05.908.29.30	R GasNetwks M&E	14.00%
			20.19.02.05.908.25.30	R GasWxn M&E	8.00%
			20.19.02.05.908.36.30	Lg Gas Custom M&E	22.00%
			20.19.02.05.908.39.30	SC&I Gas M&E G41,51	2.00%
			20.19.02.05.908.38.30	C&I Gas NC M&E	8.00%
		--- NEW ---	20.19.02.05.908.59.30	Res MF 5+ M&E	2.00%
		--- NEW ---	20.19.02.05.908.60.30	Low Inc MF 5+ M&E	24.00%
					<u>100.00%</u>
20.19.02.05.908.00.80	801.80	EE Gen Internal Mkting - Gas	20.19.02.05.908.01.20	Gas LowInc Marketing	17.00%
			20.19.02.05.908.47.20	ES Homes Mkting - ME	3.00%
			20.19.02.05.908.29.20	R GasNetwks Marketing	14.00%
			20.19.02.05.908.25.20	R GasWxn Mkting	8.00%
			20.19.02.05.908.36.20	Lg Gas Custom Marketing	22.00%
			20.19.02.05.908.39.20	SC&I Gas Marketing G41,51	2.00%
			20.19.02.05.908.38.20	C&I Gas NC Marketing	8.00%
		--- NEW ---	20.19.02.05.908.59.20	Res MF 5+ Marketing	2.00%
		--- NEW ---	20.19.02.05.908.60.20	Low Inc MF 5+ Marketing	24.00%
					<u>100.00%</u>
20.19.02.05.908.00.90	801.90	EE Gen 3rd Pty Mkting - Gas	20.19.02.05.908.01.21	Gas LowInc 3rd Pty Mkting	17.00%
			20.19.02.05.908.47.21	ES Homes 3PtyMkting - ME	3.00%
			20.19.02.05.908.29.21	R GasNetwks 3rd Pty Mkting	14.00%
			20.19.02.05.908.25.21	R GasWxn 3Pty Mkting	8.00%
			20.19.02.05.908.36.21	Lg Gas Custom 3rd Pty Mkting	22.00%
			20.19.02.05.908.39.21	SC&I Gas 3Pty Mktg G41,51	2.00%
			20.19.02.05.908.38.21	C&I Gas NC 3rd Pty Mkting	8.00%
		--- NEW ---	20.19.02.05.908.59.21	Res MF 5+ 3rd Pty Mkting	2.00%
		--- NEW ---	20.19.02.05.908.60.21	Low Inc MF 5+ 3rd Pty Mkting	24.00%
					<u>100.00%</u>
ADD NEW ALLOCATOR					
20.19.02.05.908.00.95	801.95	EE 3rd Pty Admin - MA/NH Gas	20.19.02.05.908.01.14	Gas LowInc 3rd Pty Admin	17.00%
		--- NEW ---	20.19.02.05.908.47.14	ES Homes 3PtyAdmin - ME	3.00%
		--- NEW ---	20.19.02.05.908.29.14	R GasNetwks 3rd Pty Admin	14.00%
		--- NEW ---	20.19.02.05.908.25.14	R GasWxn 3Pty Adm	8.00%
		--- NEW ---	20.19.02.05.908.36.14	Lg Gas Custom 3rd Pty Admin	22.00%
		--- NEW ---	20.19.02.05.908.39.14	SC&I Gas 3Pty Admin G41,51	2.00%
		--- NEW ---	20.19.02.05.908.38.14	C&I Gas NC 3rd Pty Admin	8.00%
		--- NEW ---	20.19.02.05.908.59.14	Res MF 5+ 3rd Pty Admin	2.00%
		--- NEW ---	20.19.02.05.908.60.14	Low Inc MF 5+ 3rd Pty Admin	24.00%
					<u>100.00%</u>

NEW HAMPSHIRE
Energy Efficiency General Account Allocators for 2011

G/L	JON	Description	General Ledger	Description	Allocation
ELECTRIC ALLOCATIONS					
Budgets from 2011-2012 Core/Gas Filing - Updated 1/06/11					
10.29.02.21.908.00.00	805.00	EE Reg & Gen - Elect	10.29.02.21.908.26.13	Res Retro Reg & General	11.00%
			10.29.02.21.908.28.13	Res Lite Reg & General	7.00%
			10.29.02.21.908.40.13	Res ES Appl Reg & General	7.00%
			10.29.02.21.908.47.13	ES Homes Reg & General	10.00%
			10.29.02.21.908.41.13	Elec LowInc Reg & General	15.00%
			10.29.02.21.908.31.13	SC&I (G2) Reg & General	18.00%
			10.29.02.21.908.32.13	C&I NC (G2) Reg & General	0.00%
			10.29.02.21.908.33.13	C&I NC (G1) Reg & General	11.00%
			10.29.02.21.908.51.13	C&I Retro(G2) Reg & General	0.00%
			10.29.02.21.908.52.13	C&I Retro(G1) Reg & General	21.00%
					<u>100.00%</u>
10.29.02.21.908.00.04	805.04	EE Gen Prog M&E - Elect	10.29.02.21.908.26.30	Res Retro M&E	11.00%
			10.29.02.21.908.28.30	Res Lite M&E	7.00%
			10.29.02.21.908.40.30	Res ES Appl M&E	7.00%
			10.29.02.21.908.47.30	ES Homes M&E	10.00%
			10.29.02.21.908.41.30	Elec LowInc M&E	15.00%
			10.29.02.21.908.31.30	SC&I (G2) M&E	18.00%
			10.29.02.21.908.32.30	C&I NC (G2) M&E	0.00%
			10.29.02.21.908.33.30	C&I NC (G1) M&E	11.00%
			10.29.02.21.908.51.30	C&I Retro(G2) M&E	0.00%
			10.29.02.21.908.52.30	C&I Retro(G1) M&E	21.00%
					<u>100.00%</u>
10.29.02.21.908.00.22	805.22	EE Gen Prog Admin - Elect	10.29.02.21.908.26.10	Res Retro Prog Admin	11.00%
			10.29.02.21.908.28.10	Res Lite Prog Admin	7.00%
			10.29.02.21.908.40.10	Res ES Appl Prog Admin	7.00%
			10.29.02.21.908.47.10	ES Homes Prog Admin	10.00%
			10.29.02.21.908.41.10	Elec LowInc Prog Admin	15.00%
			10.29.02.21.908.31.10	SC&I (G2) Prog Admin	18.00%
			10.29.02.21.908.32.10	C&I NC (G2) Prog Admin	0.00%
			10.29.02.21.908.33.10	C&I NC (G1) Prog Admin	11.00%
			10.29.02.21.908.51.10	C&I Retro(G2) Prog Admin	0.00%
			10.29.02.21.908.52.10	C&I Retro(G1) Prog Admin	21.00%
					<u>100.00%</u>
10.29.02.21.908.00.20	805.20	EE Gen Internal Mkting - Elect	10.29.02.21.908.26.20	Res Retro Intl Mkting	11.00%
			10.29.02.21.908.28.20	Res Lite Intl Mkting	7.00%
			10.29.02.21.908.40.20	Res ES Appl Intl Mkting	7.00%
			10.29.02.21.908.47.20	ES Homes Intl Mkting	10.00%
			10.29.02.21.908.41.20	Elec LowInc Intl Mkting	15.00%
			10.29.02.21.908.31.20	SC&I (G2) Intl Mkting	18.00%
			10.29.02.21.908.32.20	C&I NC (G2) Intl Mkting	0.00%
			10.29.02.21.908.33.20	C&I NC (G1) Intl Mkting	11.00%
			10.29.02.21.908.51.20	C&I Retro(G2) Intl Mkting	0.00%
			10.29.02.21.908.52.20	C&I Retro(G1) Intl Mkting	21.00%
					<u>100.00%</u>
10.29.02.21.908.00.21	805.21	EE Gen Internal Mkting - Elect	10.29.02.21.908.26.21	Res Retro 3rd Ptyl Mkting	11.00%
			10.29.02.21.908.28.21	Res Lite 3rd Ptyl Mkting	7.00%
			10.29.02.21.908.40.21	Res ES Appl 3rd Ptyl Mkting	7.00%
			10.29.02.21.908.47.21	ES Homes 3rd Ptyl Mkting	10.00%
			10.29.02.21.908.41.21	Elec LowInc 3rd Ptyl Mkting	15.00%
			10.29.02.21.908.31.21	SC&I (G2) 3rd Ptyl Mkting	18.00%
			10.29.02.21.908.32.21	C&I NC (G2) 3rd Ptyl Mkting	0.00%
			10.29.02.21.908.33.21	C&I NC (G1) 3rd Ptyl Mkting	11.00%
			10.29.02.21.908.51.21	C&I Retro(G2) 3rd Ptyl Mkting	0.00%
			10.29.02.21.908.52.21	C&I Retro(G1) 3rd Ptyl Mkting	21.00%
					<u>100.00%</u>
ADD NEW ALLOCATOR					
10.29.02.21.908.00.23	805.23	EE Gen 3rd Pty Admin - Electric	10.29.02.21.908.26.14	Res Retro 3rd Pty Admin	11.00%
		--- NEW ---	10.29.02.21.908.28.14	Res Lite 3rd Pty Admin	7.00%
		--- NEW ---	10.29.02.21.908.40.14	Res ES Appl 3rd Pty Admin	7.00%
		--- NEW ---	10.29.02.21.908.47.14	ES Homes 3rd Pty Admin	10.00%
		--- NEW ---	10.29.02.21.908.41.14	Elec LowInc 3rd Pty Admin	15.00%
		--- NEW ---	10.29.02.21.908.31.14	SC&I (G2) 3rd Pty Admin	18.00%
		--- NEW ---	10.29.02.21.908.33.14	C&I NC (G1) 3rd Pty Admin	11.00%
		--- NEW ---	10.29.02.21.908.52.14	C&I Retro(G1) 3rd Pty Admin	21.00%
					<u>100.00%</u>

Note: Reconciling Mech correct to 21 from 14 on 03/08/2011.

NEW HAMPSHIRE
Energy Efficiency General Account Allocators for 2011

G/L	JON	Description	General Ledger	Description	Allocation
RGGI ALLOCATIONS					
10.29.02.44.908.00.52	801.52	EE Reg & Gen - NH RGGI	10.29.02.44.908.26.10	HPwES MF Reg & General	0.00%
			10.29.02.44.908.28.10	Res Lite Reg & General	0.00%
			10.29.02.44.908.31.10	Res ES Appl Reg & General	0.00%
			10.29.02.44.908.40.10	ES Homes Reg & General	0.00%
			10.29.02.44.908.41.10	Elec LowInc Reg & General	0.00%
			10.29.02.44.908.47.10	SC&I (G2) Reg & General	0.00%
			10.29.02.44.908.52.10	C&I NC (G2) Reg & General	0.00%
				<u>0.00%</u>	
10.29.02.44.908.00.62	801.62	EE Ops Gen Admin - NH RGGI	10.29.02.44.908.26.13	HPwES MF Prog Admin	0.00%
			10.29.02.44.908.28.13	Res Lite Prog Admin	0.00%
			10.29.02.44.908.31.13	Res ES Appl Prog Admin	0.00%
			10.29.02.44.908.40.13	ES Homes Prog Admin	0.00%
			10.29.02.44.908.41.13	Elec LowInc Prog Admin	0.00%
			10.29.02.44.908.47.13	SC&I (G2) Prog Admin	0.00%
			10.29.02.44.908.52.13	C&I NC (G2) Prog Admin	0.00%
				<u>0.00%</u>	
10.29.02.44.908.00.72	801.72	EE Gen M&E - NH RGGI	10.29.02.44.908.26.30	HPwES MF Internal M&E	0.00%
			10.29.02.44.908.28.30	Res Lite Internal M&E	0.00%
			10.29.02.44.908.31.30	Res ES Appl Internal M&E	0.00%
			10.29.02.44.908.40.30	ES Homes Internal M&E	0.00%
			10.29.02.44.908.41.30	Elec LowInc Internal M&E	0.00%
			10.29.02.44.908.47.30	SC&I (G2) Internal M&E	0.00%
			10.29.02.44.908.52.30	C&I NC (G2) Internal M&E	0.00%
				<u>0.00%</u>	
10.29.02.44.908.00.82	801.82	EE Internal Mkting - NH RGGI	10.29.02.44.908.26.20	HPwES MF Internal Mkting	0.00%
			10.29.02.44.908.28.20	Res Lite Internal Mkting	0.00%
			10.29.02.44.908.31.20	Res ES Appl Internal Mkting	0.00%
			10.29.02.44.908.40.20	ES Homes Internal Mkting	0.00%
			10.29.02.44.908.41.20	Elec LowInc Internal Mkting	0.00%
			10.29.02.44.908.47.20	SC&I (G2) Internal Mkting	0.00%
			10.29.02.44.908.52.20	C&I NC (G2) Internal Mkting	0.00%
				<u>0.00%</u>	
10.29.02.44.908.00.92	801.92	EE 3rd Pty Mkting - NH RGGI	10.29.02.44.908.26.21	HPwES MF 3rd Pty Mkting	0.00%
			10.29.02.44.908.28.21	Res Lite 3rd Pty Mkting	0.00%
			10.29.02.44.908.31.21	Res ES Appl 3rd Pty Mkting	0.00%
			10.29.02.44.908.40.21	ES Homes 3rd Pty Mkting	0.00%
			10.29.02.44.908.41.21	Elec LowInc 3rd Pty Mkting	0.00%
			10.29.02.44.908.47.21	SC&I (G2) 3rd Pty Mkting	0.00%
			10.29.02.44.908.52.21	C&I NC (G2) 3rd Pty Mkting	0.00%
				<u>0.00%</u>	

NEW HAMPSHIRE
Energy Efficiency General Account Allocators for 2011

G/L	JON	Description	General Ledger	Description	Allocation
GAS ALLOCATIONS - Budgets from 2011-2012 Core/Gas Filing					
					Updated 1/06/11
30.49.02.72.908.00.50	801.50	EE Reg & Gen - Gas	30.49.02.72.908.01.13 30.49.02.72.908.29.13 30.49.02.72.908.27.13 30.49.02.72.908.25.13 30.49.02.72.908.58.13 30.49.02.72.908.47.13 30.49.02.72.908.49.13 30.49.02.72.908.50.13 30.49.02.72.908.57.13 30.49.02.72.908.36.13	Gas LowInc Reg & Gen R GasNetWks Reg & Gen Gas NH/ME RCS Reg & Gen R Gas Wxn Reg & Gen Res Self-Install Reg & Gen ESTAR Homes Reg & Gen SCI Gas Custom Reg & Gen C&I GasNetWks Reg & Gen SC&I MultiFam Reg & Gen Lg Gas Custom Reg & Gen	11.00% 30.00% 0.00% 15.00% 0.00% 0.00% 11.00% 8.00% 16.00% 9.00% <u>100.00%</u>
30.49.02.72.908.00.60	801.60	EE Gen Intrnl Prog Admin - Gas Change name please	30.49.02.72.908.01.10 30.49.02.72.908.29.10 30.49.02.72.908.27.10 30.49.02.72.908.25.10 30.49.02.72.908.58.10 30.49.02.72.908.47.10 30.49.02.72.908.49.10 30.49.02.72.908.50.10 30.49.02.72.908.57.10 30.49.02.72.908.36.10	Gas LowInc Prog Adm R GasNetWks Prog Adm Gas NH/ME RCS Prog Adm R Gas Wxn Prog Adm Res Self-Install Prog Adm ESTAR Homes Prog Adm SCI Gas Custom Prog Adm C&I GasNetWks Prog Adm SC&I MultiFam Prog Adm Lg Gas Custom Prog Adm	11.00% 30.00% 0.00% 15.00% 0.00% 0.00% 11.00% 8.00% 16.00% 9.00% <u>100.00%</u>
30.49.02.72.908.00.70	801.70	EE Gen Prog M&E - Gas	30.49.02.72.908.01.30 30.49.02.72.908.29.30 30.49.02.72.908.27.30 30.49.02.72.908.25.30 30.49.02.72.908.58.30 30.49.02.72.908.47.30 30.49.02.72.908.49.30 30.49.02.72.908.50.30 30.49.02.72.908.57.30 30.49.02.72.908.36.30	Gas LowInc M&E R GasNetWks M&E Gas NH/ME RCS M&E R Gas Wxn M&E Res Self-Install M&E ESTAR Homes M&E SCI Gas Custom M&E C&I GasNetWks M&E SC&I MultiFam M&E Lg Gas Custom M&E	11.00% 30.00% 0.00% 15.00% 0.00% 0.00% 11.00% 8.00% 16.00% 9.00% <u>100.00%</u>
30.49.02.72.908.00.80	801.80	EE Gen Internal Mkting - Gas	30.49.02.72.908.01.20 30.49.02.72.908.29.20 30.49.02.72.908.27.20 30.49.02.72.908.25.20 30.49.02.72.908.58.20 30.49.02.72.908.47.20 30.49.02.72.908.49.20 30.49.02.72.908.50.20 30.49.02.72.908.57.20 30.49.02.72.908.36.20	Gas LowInc Internal Mkting R GasNetWks Internal Mkting Gas NH/ME RCS Internal Mkting R Gas Wxn Internal Mkting Res Self-Install Internal Mkting ESTAR Homes Internal Mkting SCI Gas Custom Internal Mkting C&I GasNetWks Internal Mkting SC&I MultiFam Internal Mkting Lg Gas Custom Internal Mkting	11.00% 30.00% 0.00% 15.00% 0.00% 0.00% 11.00% 8.00% 16.00% 9.00% <u>100.00%</u>
30.49.02.72.908.00.90	801.90	EE Gen 3rd Pty Mkting - Gas	30.49.02.72.908.01.21 30.49.02.72.908.29.21 30.49.02.72.908.27.21 30.49.02.72.908.25.21 30.49.02.72.908.58.21 30.49.02.72.908.47.21 30.49.02.72.908.49.21 30.49.02.72.908.50.21 30.49.02.72.908.57.21 30.49.02.72.908.36.21	Gas LowInc 3rd Pty Mkting R GasNetWks 3rd Pty Mkting Gas NH/ME RCS 3rd Pty Mkting R Gas Wxn 3rd Pty Mkting Res Self-Install 3rd Pty Mkting ESTAR Homes 3rd Pty Mkting SCI Gas Custom 3rd Pty Mkting C&I GasNetWks 3rd Pty Mkting SC&I MultiFam 3rd Pty Mkting Lg Gas Custom 3rd Pty Mkting	11.00% 30.00% 0.00% 15.00% 0.00% 0.00% 11.00% 8.00% 16.00% 9.00% <u>100.00%</u>
ADD NEW ALLOCATOR					
30.49.02.72.908.00.95	801.95	EE 3rd Pty Admin - MA/NH Gas --- NEW --- --- NEW --- --- NEW --- --- NEW --- --- NEW --- --- NEW --- --- NEW ---	30.49.02.72.908.01.14 30.49.02.72.908.29.14 30.49.02.72.908.25.14 30.49.02.72.908.47.14 30.49.02.72.908.49.14 30.49.02.72.908.50.14 30.49.02.72.908.57.14 30.49.02.72.908.36.14	Gas LowInc 3rd Pty Admin R GasNetWks 3rd Pty Admin R Gas Wxn 3rd Pty Admin ESTAR Homes 3rd Pty Admin SCI Gas Custom 3rd Pty Admin C&I GasNetWks 3rd Pty Admin SC&I MultiFam 3rd Pty Admin Lg Gas Custom 3rd Pty Admin	11.00% 30.00% 15.00% 0.00% 11.00% 8.00% 16.00% 9.00% <u>100.00%</u>

APPENDIX N

MASTER COST ALLOCATION GUIDELINES

Appendix – N1	Primary Allocators – Utility Companies
Appendix – N2	Non-Regulated Administration Only
Appendix – N3	Special Purpose Allocators
Appendix – N4	Building Facilities – Area Assignments

Unitil Corporation
Master Allocation Guidelines
Primary Allocators - Utility Companies
 Effective January 1, 2011

	Unitil System - Utility Client Companies										Total
	UES			FG&E			NU		GSG		
	Capital	Seacoast	Total	Gas	Electric	Total	ME	NH	Total		
REVENUE	15%	22%	37%	10%	16%	26%	17%	16%	33%	4%	100%
CUSTOMERS	17%	26%	43%	8%	17%	26%	15%	16%	31%	0%	100%
UTILITY PLANT ASSETS	13%	19%	32%	12%	16%	28%	20%	16%	36%	4%	100%
R/C/A 3-factor allocator:	15%	22%	37%	10%	17%	27%	17%	16%	33%	3%	100%
Headcount/USC DL Billed	13%	18%	31%			30%	18%	18%	36%	3%	100%
APPORTIONMENT 3-FACTOR	41% 59%		100%				53% 47%		100%		
APPORTIONMENT 3-FACTOR (GAS ONLY)				24%			41% 35%				100%
APPORTIONMENT UTILITY PLANT	40% 60%		100%				55% 45%		100%		
APPORTIONMENT UTILITY PLANT (GAS ONLY)				25%			42% 33%				100%

Unitil Corporation
Master Allocation Guidelines
Non-Regulated Administration Only

Effective January 1, 2011

Unitil System - Client Companies										
UES	FGE		NU		GSO	Usource	Total			
Capital	Seacoast	Total	Gas	Electric	Total	ME	NH	Total		
REVENUE	14%	21%	35%	10%	15%	25%	16%	32%	4%	100%
Headcount/USC DL Billed	13%	17%	30%		30%	18%	17%	35%	3%	100%

Unitil Corporation
Master Allocation Guidelines
Special Purpose Allocators
 Effective January 1, 2011

	<u>UES</u>		<u>FG&E</u>		<u>NU</u>		<u>GSG</u>	<u>USC</u>	<u>URI</u>	<u>URC</u>	<u>Usource</u>	<u>UC</u>	<u>Total</u>
	<i>Capital</i>	<i>Seacoast</i>	<i>Total</i>	<i>Gas</i>	<i>Electric</i>	<i>Total</i>	<i>ME</i>	<i>NH</i>	<i>Total</i>				
<u>Vendor Payments:</u>													
<u>Allocated over All Operating Companies:</u>													
			37.0%		27.0%			33.0%	3.0%				100.0%
<u>Allocated over Gas Divisions Only:</u>													
				21.7%		37.0%	34.8%	6.5%					100.0%
<u>Allocated between NU and Granite only:</u>													
						47.2%	44.5%	8.3%					100.0%
<u>Allocated between Electric Divisions only:</u>													
			68.5%	31.5%									100.0%
<u>Allocated over Utility Divisions, not including Granite:</u>													
			38.2%		27.8%		34.0%						100.0%
<u>Allocated over Utility Divisions, not including Granite:</u> (for invoices based on number of customers)													
			43.0%		26.0%		31.0%						100.0%
<u>USC Time & Billing - Direct Chgs:</u>													
<u>Telephone Data Circuit Maintenance Costs:</u>													
			34.8%		25.4%		31.0%	2.8%	5.0%		1.0%		100.0%
<u>Mailroom & Mailroom Maintenance Costs:</u>													
			35.1%		25.6%		31.3%	2.8%	5.0%	0.1%	0.1%		100.0%
<u>Remittance Processing & Related Maintenance:</u>													
			43.0%		25.3%		31.7%	0.0%					100.0%
<u>Direct Charges Capitalization:</u>													
	13.0%	19.0%		12.0%	16.0%	20.0%	16.0%	4.0%					100.0%
<u>Intracompany:</u>													
				43.95%	56.05%	53.18%	46.82%						
				50.93%	49.07%	48.53%	51.47%						
				35.06%	64.94%	48.49%	51.51%						
				38.89%	61.11%	49.76%	50.24%						
				28.78%	71.22%								
				37.16%	62.84%								
<u>Capitalization:</u>													
	46.70%	50.70%	35.10%	35.10%	36.70%	31.80%	9.60%						
	25.90%	25.90%	23.28%	23.28%	26.69%	26.69%	31.45%						
	83.00%	78.00%	76.00%	76.00%	80.00%	81.00%	20.00%						
<u>Reality:</u>													
<u>Allocation between divisions - Corporate and Call Center:</u>													
										80%			
										20%			
			91.8%							8.2%			100.0%
<u>USC:</u>													
<u>Allocation of USC Pension and PBOP costs:</u>													
	13.33%	19.18%	11.38%	17.88%	17.09%	17.26%	3.10%	0.46%	0.13%	0.18%	0.01%		100.0%

