

NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION
Calculation of the Projected Over or Under Collection of the
Winter 2013 - 2014 Period Cost of Gas
DG 13-257
March 2013 Estimated

Under/(Over) collection as of 11/01/13		\$ (1,020,997)
Forecasted firm therm sales 03/01/14 - 04/30/14		
Residential Heat & Non Heat	3,396,363	
HLF Classes	506,969	
LLF Classes	2,914,438	
Current recovery rate per therm		
Residential heat & non heat	\$0.9569	
HLF classes	\$0.8801	
LLF classes	\$0.9703	
Total	\$ (6,524,042)	
Forecasted recovered costs at current rates 03/01/14 - 04/30/14		\$ (6,524,042)
Actual recovered costs 11/01/13 - 02/28/14		\$ (21,315,430)
Estimated total recovered costs 11/01/13 - 04/30/14		\$ (27,839,472)
Revised projected direct gas costs 11/01/13 - 04/30/14 [1]		\$ 26,455,062
Revised projected indirect gas costs 11/01/13 - 04/30/14 [2]		\$ 762,603
Projected under/(over) collection as of 04/30/14		\$ (1,642,804)

Actual gas costs to date 11/01/13 - 02/28/14	\$ 20,493,878.75
Revised projected indirect gas costs 03/01/14 - 04/30/14 [2]	\$ 298,564
Revised projected direct gas costs 03/01/14 - 04/30/14 [1]	\$ 6,425,223
Estimated total adjusted gas costs 11/1/13 - 04/30/14	\$ 27,217,665

Under/(over) collection as percent of total gas costs	-6.04%
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Projected under/(over) collection as of 04/30/14	\$ (1,642,804)
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NOTES

[1] Revised as follows:

- Futures prices as of March 17, 2014

[2] Includes: Working Capital Allowance, Bad Debt Allowance, Production and Storage Capacity, Miscellaneous Overhead, Refunds and Interest

Peak Period

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Analysis, Balances and Interest Calculation

		Summer						Winter						Total	
Sales Revenues		Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	(Actual) Nov-13	(Actual) Dec-13	(Actual) Jan-14	(Actual) Feb-14	(Forecast) Mar-14		(Forecast) Apr-14
1	Volumes														
2	Residential Heat & Non Heat								1,782,979	2,784,311	3,316,119	2,772,182	2,137,008	1,259,354	14,051,954
3	Sales HLF Classes								266,142	415,609	494,991	413,799	318,987	187,982	2,097,509
4	Sales LLF Classes								1,529,984	2,389,233	2,845,581	2,378,826	1,833,779	1,080,659	12,058,062
5	Total								3,579,105	5,589,153	6,656,691	5,564,807	4,289,774	2,527,995	28,207,525
6	Rates														
7	Residential Heat & Non Heat CGA								\$0.8530	\$0.8530	\$0.9569	\$0.9569	\$0.9569	\$0.9569	
8	Sales HLF Classes CGA								\$0.7762	\$0.7762	\$0.8801	\$0.8801	\$0.8801	\$0.8801	
9	Sales LLF Classes CGA								\$0.8664	\$0.8664	\$0.9703	\$0.9703	\$0.9703	\$0.9703	
10	Revenues														
11	Residential Heat & Non Heat												\$ (2,044,903)	\$ (1,205,076)	\$ (3,249,979)
12	Sales HLF Classes												\$ (280,741)	\$ (165,443)	\$ (446,183)
13	Sales LLF Classes												\$ (1,779,316)	\$ (1,048,564)	\$ (2,827,879)
14	Total Sales Revenues								\$ (2,747,539)	\$ (5,166,571)	\$ (7,468,927)	\$ (5,932,393)	\$ (4,104,960)	\$ (2,419,083)	\$ (27,839,472)
15															
16															
17	Gas Costs and Credits														
18			(Actual) May-14	(Actual) Jun-14	(Actual) Jul-14	(Actual) Aug-14	(Actual) Sep-14	(Actual) Oct-14	(Actual) Nov-13	(Actual) Dec-13	(Actual) Jan-14	(Actual) Feb-14	(Forecast) Mar-14	(Forecast) Apr-14	Total
19	Net Demand Costs (Net of Injection Fees & Cap. Assign.)														
20	Pipeline												\$ 216,193	\$ 216,193	\$ 432,386
21	Storage												\$ 1,438,336	\$ 462,632	\$ 1,900,968
22	Peaking												\$ 126,616	\$ 53,252	\$ 179,867
23	Total Demand Costs		\$ 291,885	\$ 295,436	\$ 206,614	\$ 210,776	\$ 202,901		\$ 1,444,687	\$ 1,431,577	\$ 1,508,810	\$ 1,466,763	\$ 1,781,144	\$ 732,077	\$ 9,790,538
24	NUI Commodity Costs														
25	NUI Total Pipeline Volumes												673,991	534,134	1,208,125
26	Pipeline Costs Modeled in Sendout™												\$ 4,900,000	\$ 2,900,000	\$ 7,800,000
27	NYMEX Price Used for Forecast												\$ 3,8770	\$ 3,8090	
28	NYMEX Price Used for Update												\$ 4,8550	\$ 4,5360	
29	Increase/(Decrease) NYMEX Price												\$ 0.98	\$ 0.73	
30	Increase/(Decrease) in Pipeline Costs												\$ 659,163	\$ 388,315	
31	Updated Pipeline Costs												\$ 5,559,163	\$ 3,288,315	
32	Interruptible Volumes - NH												0	0	
33	Average Supply Cost (\$/MMBtu)												\$ 8.25	\$ 6.16	
34	Interruptible Cost - NH												\$ -	\$ -	
35	Total Updated Pipeline Costs												\$ 5,559,163	\$ 3,288,315	
36	New Hampshire Allocated Percentage												48.50%	47.35%	
37	NH Updated Pipeline Costs									\$ -			\$ 2,696,262	\$ 1,557,051	\$ 4,253,313
38	Hedging (Gain)/Loss Estimate														
39	Time Triggered NYMEX Contracts (Allocated between ME and NH)														
40	NYMEX NG Futures Contracts												25	15	
41	Average Purchase Price												\$ 4,0641	\$ 3,9547	
42	NYMEX Price Used for Forecast												\$ 3,8770	\$ 3,8090	
43	NYMEX Price Used for Update												\$ 4,8550	\$ 4,5360	
44	Increase/(Decrease) NYMEX Price												0.9780	0.7270	
45	NUI Futures Hedging (Gain)/Loss - Allocate												\$ (197,730)	\$ (87,190)	\$ (284,920)
46	New Hampshire Allocated Percentage												48.50%	47.35%	
47	NH Futures Hedging (Gain)/Loss, Time Triggered												\$ (95,901)	\$ (41,285)	\$ (137,187)
48	Price Triggered NYMEX Contracts (NH Only)														
49	NYMEX NG Futures Contracts												0	0	
50	Average Purchase Price												\$ -	\$ -	
51	NYMEX Price Used for Forecast												\$ 3,8770	\$ 3,8090	
52	NYMEX Price Used for Update												\$ 4,8550	\$ 4,5360	
53	Increase/(Decrease) NYMEX Price												0.9780	0.7270	
54	NUI Futures Hedging (Gain)/Loss - Allocate												\$ -	\$ -	\$ -
55	New Hampshire Allocated Percentage												100.00%	100.00%	
56	NH Futures Hedging (Gain)/Loss, Price Triggered												\$ -	\$ -	\$ -
57	NH Commodity Costs														
58	Pipeline Excl Hedging (includes cashout - Feb 14)												\$ 2,696,262	\$ 1,557,051	\$ 4,253,313
59	Hedging (Gain)/Loss Estimate												\$ (95,901)	\$ (41,285)	\$ (137,187)
60	Storage												\$ 412,193	\$ -	\$ 412,193
61	Peaking												\$ 5,023	\$ 10,039	\$ 15,062
62	Total Commodity Costs								\$ 1,972,665	\$ 3,755,044	\$ 4,425,908	\$ 4,024,019	\$ 3,017,577	\$ 1,525,804	\$ 18,721,018
63	Inventory Finance Charge		\$ 142	\$ 290	\$ 430	\$ 564	\$ 700						\$ 365	\$ 163	\$ 3,468

Northern Utilities, Inc.
 Price Risk Management
 Profit and Loss Statement
 February 2014

Account # 53325

Current

ACB	(\$16,418.72)
TE	\$86,521.28
LV	\$330,474.28

Date			Contracts	Entry Price	Exit Price	
ACTIVITY-Reach profit and loss total for all trades closed with this month's activity						Profit and Loss
State						
02/06/14	Sold Mar14 Futures	Both	1	\$3.780	\$5.414	\$16,340.00
02/06/14	Sold Mar14 Futures	Both	2	\$3.920	\$5.415	\$29,890.00
02/05/14	Sold Mar14 Futures	Both	2	\$4.035	\$5.649	\$32,280.00
02/19/14	Sold Mar14 Futures	Both	2	\$4.075	\$5.705	\$32,600.00
02/05/14	Sold Mar14 Futures	Both	2	\$3.755	\$5.488	\$34,660.00
02/19/14	Sold Mar14 Futures	Both	2	\$4.090	\$5.726	\$32,720.00
02/20/14	Sold Mar14 Futures	Both	2	\$4.331	\$6.063	\$34,640.00
02/19/14	Sold Mar14 Futures	Both	2	\$4.260	\$5.964	\$34,080.00
02/05/14	Sold Mar14 Futures	Both	2	\$4.000	\$5.600	\$32,000.00
02/05/14	Sold Mar14 Futures	Both	3	\$3.955	\$5.537	\$47,460.00
02/05/14	Sold Mar14 Futures	Both	2	\$4.035	\$5.649	\$32,280.00
02/19/14	Sold Mar14 Futures	Both	2	\$4.255	\$5.957	\$34,040.00
02/20/14	Sold Mar14 Futures	Both	1	\$4.445	\$6.223	\$17,780.00
<i>Net P&L</i>						\$410,770.00

TRANSACTION COSTS-New activity						Subtotal	Total	
	Transaction Cost-Futures	Both	23	\$6.22		(\$143.06)		
	Transaction Cost-Futures Globex	Both	0	\$6.22		\$0.00		
	Transaction Cost - Futures EFS	Both	0	\$3.52		\$0.00		
	Transaction Cost-Enter Options		0	\$6.22		\$0.00		
	Transaction Cost-Exit Options		0	\$3.37		\$0.00		
	Transaction Cost-Assnd/Exer		0	\$11.37		\$0.00		
	Transaction Cost - NYM HenryHSwap Buy		0	\$1.52		\$0.00		
	Transaction Cost - NYM HenryHSwap		0	\$1.86		\$0.00		
	<i>Total New Transaction Costs</i>							(\$143.06)

Northern Utilities, Inc.
Price Risk Management
Profit and Loss Statement
February 2014

OPEN FUTURES POSITIONS-Total Trade Equity

	State	QTY	Entry Price	02/28/14 Price	40% Appreciated Value	Profit and Loss
05/29/12	Both	1	\$3.755	\$4.609	\$5,257	\$8,540.00
06/27/12	Both	1	\$3.865	\$4.609	\$5,411	\$7,440.00
07/27/12	Both	1	\$3.935	\$4.609	\$5,509	\$6,740.00
08/29/12	Both	1	\$3.630	\$4.609	\$5,082	\$9,790.00
09/26/12	Both	2	\$3.970	\$4.609	\$5,558	\$12,780.00
10/29/12	Both	1	\$4.151	\$4.609	\$5,811	\$4,580.00
11/28/12	Both	1	\$4.085	\$4.609	\$5,719	\$5,240.00
12/27/12	Both	2	\$3.915	\$4.609	\$5,481	\$13,880.00
01/29/13	Both	1	\$3.870	\$4.609	\$5,418	\$7,390.00
02/26/13	Both	1	\$3.940	\$4.609	\$5,516	\$6,690.00
03/26/13	Both	2	\$4.070	\$4.609	\$5,698	\$10,780.00
04/26/13	Both	1	\$4.180	\$4.609	\$5,852	\$4,290.00
02/24/14	Both	-1	\$5.089	\$4.609	\$6.453	\$4,800.00

Summary of Open Futures

02/28/14

	State	Total # Futures	Avg Entry Price	Make-Up Purchases QTY	Avg Entry Price	02/28/14 Price	Profit and Loss
By Month							
	Both	14	\$3.87			\$4.609	\$102,940.00
	Total	14	\$3.874			\$4.609	\$102,940.00
By Season							
	Both	14	\$3.874			\$4.609	\$102,940.00
	Total	14	\$3.874			\$4.609	\$102,940.00
By State							
	Both	14	\$3.874			\$4.61	\$102,940.00
	Total	14	\$3.874			\$4.609	\$102,940.00

OPEN CALL OPTION POSITIONS-Total Trade Equity

	State	QTY	Entry Price	Option Premium	Strike Price	02/28/14 Futures Price	Net Option Market Value
04/26/13	ME	8	0.105	\$8,400.00	\$5.800	\$4.605	\$0.00
08/09/13	NH	8	0.095	\$7,600.00	\$5.000	\$4.605	\$0.00
05/29/13	ME	12	0.115	\$13,800.00	\$6.100	\$4.705	\$0.00
08/09/13	NH	11	0.100	\$11,000.00	\$5.250	\$4.705	\$0.00
06/26/13	ME	13	0.110	\$14,300.00	\$5.900	\$4.791	\$0.00
08/09/13	NH	13	0.100	\$13,000.00	\$5.500	\$4.791	\$0.00
07/29/13	ME	12	0.105	\$12,600.00	\$5.750	\$4.734	\$0.00
08/09/13	NH	11	0.100	\$11,000.00	\$5.600	\$4.734	\$0.00
08/28/13	Both	20	0.104	\$20,800.00	\$5.850	\$4.610	\$0.00
02/28/14	Total Net Option Market Value						\$0.00

NORTHERN UTILITIES, INC.
DETERMINATION OF INVENTORY FINANCING FROM MONEY POOL
February 2014

	Total Inventory	Average bal beg + end / 2	Internally Financed	Money Pool Interest Rate	Interest to Defer	NH	ME
January 2012	\$8,824,604.89	\$11,072,670.15	\$11,072,670.15	2.07%	\$19,100.36	\$9,290.41	\$9,809.94
February	\$6,495,482.90	\$7,660,043.90	\$7,660,043.90	2.04%	\$13,022.07	\$6,333.94	\$6,688.14
March	\$6,040,901.71	\$6,268,192.31	\$6,268,192.31	2.03%	\$10,603.69	\$5,157.64	\$5,446.06
April	\$6,733,456.32	\$6,387,179.02	\$6,387,179.02	2.02%	\$10,751.75	\$5,229.65	\$5,522.10
May	\$7,389,322.89	\$7,061,389.61	\$7,061,389.61	2.02%	\$11,886.67	\$5,781.68	\$6,104.99
June	\$8,134,573.16	\$7,761,948.03	\$7,761,948.03	2.02%	\$13,065.95	\$6,355.28	\$6,710.67
July	\$9,123,053.57	\$8,628,813.37	\$8,628,813.37	2.03%	\$14,597.08	\$7,100.02	\$7,497.06
August	\$10,202,389.43	\$9,662,721.50	\$9,662,721.50	2.02%	\$16,265.58	\$7,911.58	\$8,354.00
September	\$11,129,636.41	\$10,666,012.92	\$10,666,012.92	2.01%	\$17,865.57	\$8,689.81	\$9,175.76
October	\$12,228,981.61	\$11,679,309.01	\$11,679,309.01	2.00%	\$19,465.52	\$9,468.03	\$9,997.49
November	\$11,436,078.02	\$11,832,529.82	\$11,832,529.82	1.99%	\$19,622.28	\$9,104.74	\$10,517.54
December	\$9,369,941.05	\$10,403,009.54	\$10,403,009.54	1.99%	\$17,251.66	\$8,004.77	\$9,246.89
January 2013	\$6,466,995.71	\$7,918,468.38	\$7,918,468.38	1.98%	\$13,065.47	\$6,062.38	\$7,003.09
February	\$3,490,957.62	\$4,978,976.67	\$4,978,976.67	1.98%	\$8,215.31	\$3,811.90	\$4,403.41
March	\$1,642,963.61	\$2,566,960.61	\$2,566,960.61	1.98%	\$4,235.49	\$1,965.27	\$2,270.22
April	\$3,429,843.57	\$2,536,403.59	\$2,536,403.59	1.98%	\$4,185.07	\$1,941.87	\$2,243.20
May	\$3,600,670.19	\$3,515,256.88	\$3,515,256.88	1.97%	\$5,770.88	\$2,677.69	\$3,093.19
June	\$7,473,818.58	\$5,537,244.39	\$5,537,244.39	1.97%	\$9,090.31	\$4,217.90	\$4,872.41
July	\$9,199,742.08	\$8,336,780.33	\$8,336,780.33	1.97%	\$13,686.21	\$6,350.40	\$7,335.81
August	\$10,873,192.78	\$10,036,467.43	\$10,036,467.43	1.96%	\$16,392.90	\$7,606.30	\$8,786.59
September	\$12,585,461.10	\$11,729,326.94	\$11,729,326.94	1.96%	\$19,157.90	\$8,889.27	\$10,268.63
October	\$14,279,790.40	\$13,432,625.75	\$13,432,625.75	1.61%	\$18,022.11	\$8,362.26	\$9,659.85
November	\$13,406,859.30	\$13,843,324.85	\$13,843,324.85	1.56%	\$17,996.32	\$8,350.29	\$9,646.03
December	\$10,672,941.18	\$12,039,900.24	\$12,039,900.24	1.56%	\$15,651.87	\$7,262.47	\$8,389.40
January 2014	\$6,995,461.07	\$8,834,201.13	\$8,834,201.13	1.56%	\$11,484.46	\$5,328.79	\$6,155.67
February	\$3,600,670.19	\$5,298,065.63	\$5,298,065.63	1.56%	\$6,887.49	\$3,195.79	\$3,691.69

Inventory

ACCT #		MMBTU	AMOUNT
	PROPANE		
515104	Inventory - Liquid Propane	-	\$0.00
	LNG		
515152	Inventory - Liquefied Natural Gas		
	NATURAL GAS	9,754	\$203,432.46
515114&115	Natural Gas Underground - SS-1 and FSS-1		
515116	Natural Gas Underground - SSNE	71,114	\$269,028.47
515113	Natural Gas Underground - MCN	797,635	\$3,128,209.26
516525	Washington 10 prepaid	-	
Total Inventory			\$3,600,670.19