

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

**EnergyNorth Natural Gas, Inc.
d/b/a National Grid NH**

Docket DG 08-009

**Direct Testimony
Of
Ann E. Leary and Stephen P. Frink
in Support of Settlement on Temporary Rates**

July 22, 2008

1 **Q. Please state your names and business addresses.**

2 A. My name is Ann E. Leary. My business address is 201 Jones Road, Waltham,
3 Massachusetts 02451. I am employed by KeySpan Corporate Services, LLC as
4 the Manager of Pricing—New England for the National Grid USA regulated local
5 gas distribution companies in Massachusetts and New Hampshire. In that
6 capacity, I provide services to EnergyNorth Natural Gas, Inc., which does
7 business under the name National Grid NH (“National Grid NH” or the
8 “Company”).

9 My name is Stephen P. Frink. I am employed by the New Hampshire Public
10 Utilities Commission as Assistant Director of the Gas & Water Division. My
11 business address is 21 S. Fruit Street, Suite 10, Concord, New Hampshire 03301.

12 **Q. What is the purpose of your testimony?**

13 A. Our testimony sets forth the agreement between the Company and the Staff on the
14 Company’s request for temporary rates.

15 **Q. What level of temporary rates did the Company propose?**

16 A. As described in the February 25, 2008 Direct Testimony of John E.
17 O’Shaughnessy and Ann E. Leary Regarding Temporary Rates, the Company
18 requested temporary rates at a level that would generate additional annual gross
19 operating revenue of \$6,620,440, which would result in a 16% increase in base
20 distribution rates and a 3.75% increase in customers' overall bills. The Company
21 requested that temporary rates take effect on August 24, 2008 on a service-
22 rendered basis, and that they be applied to customers based on the rate design set

1 forth in the Company's filing in support of permanent rates, which is described in
2 Mr. Goble's testimony.

3 **Q. Have Staff and the Company reached an agreement on temporary rates?**

4 A. Yes. Staff and the Company have agreed to recommend that temporary rates be
5 set based on the revenue requirement requested by the Company (an annual
6 increase in operating revenue of \$6,620,440) effective August 24, 2008 on a
7 service rendered basis, but that the difference between existing revenues and the
8 proposed revenue requirement be recovered pro rata across all current rate classes
9 based on the Company's currently effective rate design. Permanent rates, once
10 approved by the Commission, would be reconciled back to August 24, 2008.

11 **Q. Please describe the estimated bill impacts resulting from the temporary rate
12 changes being proposed by the Company.**

13 A. The Company anticipates that the average increase for customers in the Residential
14 Heating class will be approximately 4.1% on an annual basis. Customers in the
15 Residential Non-Heating class will experience a 5.7% total bill increase on average.
16 The Commercial and Industrial High Winter Use customers (G-40 series) will
17 experience bill impacts ranging on average from a 2.1% increase to a 3.8% increase,
18 while Commercial and Industrial Low Winter Use customers (G-50 series) will
19 experience bill impacts ranging on average from an increase of 0.4% to 3.3%. These
20 rates are reflected on Attachment AEL/SPF-1, which is a revised report of proposed
21 rate changes.

22 **Q. Did the Staff and Company agree to any other changes to be implemented
23 with temporary rates?**

- 1 A. Yes. Currently, the Company bills its customers on a wet therm basis. The
2 Company is billed by its suppliers on a dry therm basis and has requested to
3 change its billing to a dry therm billing to conform to the industry norm. The
4 Staff and the Company have agreed that effective August 24, 2008, the Company
5 will begin billing on a dry therm basis. There will be no revenue impact to the
6 customer or Company as a result of this change, but this will make the
7 reconciliation process far less burdensome when permanent rates are determined,
8 assuming that the Commission ultimately approves the changeover to dry therm
9 billing.
- 10 **Q. Are the proposed temporary rates sufficient to yield not less than a**
11 **reasonable return on the cost of the property used and useful in the public**
12 **service less accrued depreciation, as shown by the reports of the Company**
13 **filed with the Commission?**
- 14 A. Yes. Because temporary rates are reconcilable once a decision on permanent
15 rates is issued, they should allow the Company to earn a reasonable return on its
16 investment. As described in the Direct Testimony of John E. O'Shaughnessy and
17 Ann E. Leary Regarding Temporary Rates, the Company's requested level of
18 temporary rates yields a rate of return below what is currently authorized and
19 below the rate of return sought in this proceeding. Specifically, the additional
20 revenue that would be generated by the temporary rate increase is 44% of the
21 increase that the Company would be entitled to receive based on the rate base and
22 operating expenses reflected in the Company's unadjusted books and records on

1 file with the Commission and 45% of what the Company would be entitled (on a
2 per books basis) to receive using the last allowed rate of return.

3 **Q. Does this conclude your testimony?**

4 **A. Yes.**

**National Grid NH
Rate Design Filing
Report of Proposed Rate Changes- Temporary Rates**

Attachment AEL/SPF-1
National Grid NH
DG 08-009
Page 1 of 1

Line No.	Puc 1604.02 (a)(2)	RESIDENTIAL			C & I High Winter Use			C & I Low Winter Use					Combined
		Non-Heat	Heat	Low Income (After Discount)	Small High Winter Use	Med High Winter Use	Large High Winter Use	Small Low Winter Use	Med Low Winter Use	Large Load Factor <90%	Large Load Factor <110%	Large Load Factor >110%	Large Load Factor >90%
		RNSH R-1	RSH R-3	RLIAP R-4	SH G-41	MH G-42	LH G-43	SL G-51	ML G-52	LLL90 G-53	LLL110 G-54	LLG110 G-63	LLG90 G-63
1	a. Rate Class Designation												
2													
3	b. Effect of Proposed Change												
4	Increase (Decrease)	\$ 111,189	\$ 3,416,488	\$ 97,437	\$ 1,043,734	\$ 1,230,342	\$ 144,902	\$ 182,354	\$ 174,998	\$ 152,910	\$ 2,782	\$ 61,004	\$ 64,152
5													
6													
7	c. Average Number of Customers	4,975	63,221	4,530	7,277	1,464	43	1,356	300	38	1	16	83,221
8													
9													
10	d. Estimated Annual Revenue												
11	Present Rates	1,957,025	83,715,561	5,009,696	27,439,051	42,495,615	6,980,652	5,509,807	8,435,263	11,515,095	260,410	14,187,145	14,447,556
12	Proposed Rates	2,068,214	87,132,049	5,107,133	28,482,786	43,725,957	7,125,554	5,692,161	8,610,260	11,668,005	263,193	14,248,149	14,511,708
13													
14	e. Proposed Rates, \$/bill												
15	Present Rates	\$ 32.78	\$ 110.35	\$ 92.16	\$ 314.20	\$ 2,418.69	\$ 13,672.36	\$ 338.57	\$ 2,345.32	\$ 25,050.97	\$ 21,057.57	\$ 74,097.15	\$ 14.47
16	Proposed Rates	\$ 34.64	\$ 114.85	\$ 93.95	\$ 326.15	\$ 2,488.71	\$ 13,956.17	\$ 349.78	\$ 2,393.98	\$ 25,383.62	\$ 21,282.53	\$ 74,415.77	\$ 14.53
17	Increase (Decrease)	\$ 1.86	\$ 4.50	\$ 1.79	\$ 11.95	\$ 70.03	\$ 283.81	\$ 11.21	\$ 48.66	\$ 332.65	\$ 224.96	\$ 318.61	\$ 0.06
18	Percentage Increase (Decrease)	5.68%	4.08%	1.94%	3.80%	2.90%	2.08%	3.31%	2.07%	1.33%	1.07%	0.43%	0.44%

NOTES:

Data above imputes gas supply costs for transportation customers equal to current COG rates for both present and proposed rates.

I. GENERAL TERMS AND CONDITIONS

3 - CHARACTER OF SERVICE

- 3 (A) Gas Supply. This Tariff applies only to the supply of gas, having a thermal content of nominally 1,000 British thermal units per cubic foot at supply pressures available in the locality in which the premises to be served are situated.
- 3(B) Determination of Therms. The gas for any billing period, expressed in hundreds of cubic feet (ccf), shall be multiplied by the average Btu of the gas send out as determined below and divided by 1,000 in order to determine the number of therms consumed in the billing period. ~~gas Btu sendout therm factor as determined below and divided by 1,000 in order to determine the number of therms consumed in the billing period.~~ For billing purposes gas therms shall be determined on a fully saturated or "wet" "dry" basis. (C)
- The Btu therm factor of the gas sendout shall be calculated for each billing cycle from the daily weighted average Btu of the natural gas delivered to the Company by its suppliers and the gas produced at the Company's peak-shaving plants. The daily average Btu content shall be determined by appropriate gas measurement devices operated by the Company or its supplier. ~~In the event that the gas measurement devices operated by the Company or its supplier measure the gas on a "dry" basis the Company shall convert the measurement to a fully saturated basis by multiplying the recorded gas measurement by 0.9826 for billing purposes.~~ (D)
- 3(C) Delivery of Gas Supply. The rates specified in this tariff are based upon the supply of service to a single customer through one delivery and metering point.
- 3(D) Use of Service at Separate Properties. The use of service at two or more separate properties will not be combined for billing purposes.

4 - CUSTOMER'S INSTALLATION

- 4(A) Point of Delivery. Upon request, the Company will designate a point at which the customer shall terminate his piping for connection to the meter of the Company, but such information does not constitute an agreement or obligation on the part of the Company to furnish service.
- 4(B) Space for Meter. The customer shall provide, free of expense to the Company, a dry, warm and otherwise suitable place for the regulator or regulators, meter or meters, or other equipment of the Company which may be necessary for the fulfillment of such contracts as may be entered into with the Company.
- 4(C) Location of Meter. The space provided for the Company's meters and equipment shall be convenient access to the Company's employees and, as near as possible, to the point where the service supply pipe enters the customer's building. Its location shall be such that the meter connections are not concealed by plaster or sheathing and shall be otherwise acceptable to the Company.
- 4(D) Reverse Flow. The customer may be required to install check valves or other devices to prevent compressed air or other gases from entering the Company's mains.

II. RATE SCHEDULES

**Residential Non Heating Rate
Classification No. R-1**

Availability

This rate is available to all residential customers who do not have gas space heating equipment. Available for use which is separately metered and billed for each dwelling unit. Availability is limited to use in locations served by the Company's mains and for which the Company's facilities are adequate.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$0.2303 <u>\$0.2670</u> per day	or \$6.91 <u>\$8.01</u> per 30 day month	(1)
Winter Period			
First 10* therms per 30 day month at		\$0.2678 <u>\$0.3054</u> per therm	(1)
All over 10 therms per 30 day month at		\$0.2364 <u>\$0.2696</u> per therm	(1)
Summer Period			
First 10* therms per 30 day month at		\$0.2678 <u>\$0.3054</u> per therm	(1)
All over 10 therms per 30 day month at		\$0.2364 <u>\$0.2696</u> per therm	(1)

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Cost of Gas Charge

All gas delivered under this rate is subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

Terms and Conditions

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimated bill will be rendered to the customer.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective, or as filed from time to time, with the New Hampshire Public Utilities Commission.

Issued: June __, 2008
Effective: August 24, 2008

Issued: By _____
Nickolas Stavropoulos
Title: President

II. RATE SCHEDULES

**Residential Heating Rate
Classification No. R-3**

Availability

This rate is for all residential use for those domestic customers who use gas as the principal household heating fuel. Availability is limited to use in domestic locations which are separately metered and billed and which are served by the Company's mains and for which the Company's facilities are adequate.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$0.3293 <u>\$0.3820</u> per day	or \$9.88 <u>\$11.46</u> per 30 day month	(l)
Winter Period			
First 100 * therms per 30 day month at		\$.2945 <u>\$0.3356</u> per therm	(l)
All over 100 therms per 30 day month at		-\$0.1711 <u>\$0.1950</u> per therm	(l)
Summer Period			
First 20 * therms per 30 day month at		\$.2945 <u>\$0.3356</u> per therm	(l)
All over 20 therms per 30 day month at		-\$0.1711 <u>\$0.1950</u> per therm	(l)

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Cost of Gas Charge

All gas delivered under this rate is subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

Terms and Conditions

Eligibility shall be determined based on the reasonable discretion of the Company subject to verification of heating usage.

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimated bill will be rendered to the customer.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective, or as filed from time to time, with the New Hampshire Public Utilities Commission.

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Nickolas Stavropoulos
Title: President

II. RATE SCHEDULES

Low Income Residential Heating Rate
Classification No. R-4

Availability

This rate is for residential use for those domestic customers who use gas as the principal household heating fuel if any member of the household qualifies for a benefit through one of the programs listed below, subject to the qualification period described under the "Terms and Conditions" of this rate. Availability is limited to use in domestic locations which are separately metered and billed and which are served by the Company's mains and for which the Company facilities are adequate.

Qualified Programs:

- a. Low Income Home Energy Assistance Program (LIHEAP)
- b. Electric Assistance Program (EAP)
- c. Supplemental Security Income Program
- d. Women, Infants and Children Program
- e. Commodity Surplus Foods Program (for women, infants and children)
- f. Elderly Commodity Surplus Foods Program
- g. Temporary Aid to Needy Families Program
- h. Housing Choice Voucher Program (also known as Section 8)
- i. Head Start Program
- j. Aid to the Permanently and Totally Disabled Program
- k. Aid to the Needy Blind Program
- l. Old Age Assistance Program
- m. Food Stamps Program
- n. Any successor program of a-m

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$0.1347 <u>\$0.1527</u> per day	or \$3.95 <u>\$4.58</u>	per 30 day month	(1)
Winter Period				
First 100 * therms per 30 day month at		\$-11.78 <u>\$0.1343</u>	per therm	(1)
All over 100 therms per 30 day month at		\$0.0684 <u>\$0.0780</u>	per therm	(1)
Summer Period				
First 20 * therms per 30 day month at		\$-11.78 <u>\$0.1343</u>	per therm	(1)
All over 20 therms per 30 day month at		\$0.0684 <u>\$0.0780</u>	per therm	(1)

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Cost of Gas Charge

All gas delivered under this rate is subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

Issued: June __, 2008
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Issued: By _____
Nickolas Stavropoulos
Title: President

II. RATE SCHEDULES

**Commercial/Industrial Service
Low Annual Use, High Winter Use
Rate Classification G-41**

Availability

This rate is available for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage less than or equal to 10,000 therms and a Winter Period usage greater than or equal to 67% of annual usage as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$0.8243 <u>\$0.9527</u> per day	or \$24.64 <u>\$28.58</u> per 30 day month	(1)
Winter Period			
First 100 * therms per 30 day month at		\$0.3275 <u>\$0.3732</u> Per therm	(1)
All over 100 therms per 30 day month at		\$0.2130 <u>\$0.2427</u> Per therm	(1)
Summer Period			
First 20 * therms per 30 day month at		\$0.3275 <u>\$0.3732</u> Per therm	(1)
All over 20 therms per 30 day month at		\$0.2130 <u>\$0.2427</u> Per therm	(1)

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

Issued: June __, 2008
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Issued: By _____
Nickolas Stavropoulos
Title: President

II. RATE SCHEDULES

**Commercial/Industrial Service
Medium Annual Use, High Winter Use
Rate Classification G-42**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 10,000 therms and less than or equal to 100,000 therms and a Winter Period usage greater than or equal to 67% of annual usage as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a heat content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$2.3120 <u>\$2.6813</u> per day	or \$69.36 <u>\$80.44</u> per 30 day month	(1)
Winter Period			
First 1000 * therms per 30 day month at		\$0.2746 <u>\$0.3095</u> per therm	(1)
All over 1000 therms per 30 day month at		\$0.1794 <u>\$0.2044</u> per therm	(1)
Summer Period			
First 400 * therms per 30 day month at		\$0.2746 <u>\$0.3095</u> per therm	(1)
All over 400 therms per 30 day month at		\$0.1794 <u>\$0.2044</u> per therm	(1)

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

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Issued: June __, 2008
Effective: August 24, 2008

Issued: By _____
Nickolas Stavropoulos
Title: President

II. RATE SCHEDULES

**Commercial/Industrial Service
High Annual Use, High Winter Use
Rate Classification G-43**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 100,000 therms and a Winter Period usage greater than or equal to 67% of annual usage as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet. Should the customer's consumption fail to meet the availability requirements for this rate, the customer's service will be transferred to the otherwise applicable tariff as described under the terms and conditions of this tariff.

Delivery Charge

Customer Charge Per Meter	\$9.9797 <u>\$11.5743</u> per day	or	\$299.39 <u>\$347.23</u>	per 30 day month	(l)
Winter Period					(l)
All therms per 30 day month at			\$0.1504 <u>\$0.1813</u>	per therm	(l)
Summer Period					(l)
All therms per 30 day month at			\$0.0728 <u>\$0.0830</u>	per therm	(l)

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

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Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

Issued: June __, 2008
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Issued: By _____
Nickolas Stavropoulos
Title: President

II. RATE SCHEDULES

**Commercial/Industrial Service
Low Annual Use, Low Winter Use
Rate Classification G-51**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage less than or equal to 10,000 therms and a Winter Period usage less than 67% of annual usage as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$0.8270 \$.9590 per day	or \$24.84 \$28.77	per 30 day month	(1)
Winter Period				
First 100 * therms per 30 day month at		\$0.2525 \$0.2878	per therm	(1)
All over 100 therms per 30 day month at		\$0.1634 \$0.1859	per therm	(1)
Summer Period				
First 100 * therms per 30 day month at		\$0.2525 \$0.2878	per therm	(1)
All over 100 therms per 30 day month at		\$0.1634 \$0.1859	per therm	(1)

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is made in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00

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Nickolas Stavropoulos
Title: President

II. RATE SCHEDULES

**Commercial/Industrial Service
Medium Annual Use, Low Winter Use
Rate Classification G-52**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 10,000 therms and less than or equal to 100,000 therms and a Winter Period usage less than 67% of annual usage as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet. Should the customer's consumption fail to meet the availability requirements for this rate, the customer's service will be transferred to the otherwise applicable tariff as described under the terms and conditions of this tariff.

Delivery Charge

Customer Charge Per Meter	\$2,3097 <u>\$2,6787</u> per day	or \$69.29 <u>\$80.36</u>	per 30 day month	(1)
Winter Period				
First 1000 * therms per 30 day month at		\$0.4734 <u>\$0.1976</u>	per therm	(1)
All over 1000 therms per 30 day month at		\$0.4177 <u>\$0.1341</u>	per therm	(1)
Summer Period				
First 1000 * therms per 30 day month at		\$0.4275 <u>\$0.1453</u>	per therm	(1)
All over 1000 therms per 30 day month at		\$0.0734 <u>\$0.0836</u>	per therm	(1)

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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II. RATE SCHEDULES

**Commercial/Industrial Service
High Annual Use, Load Factor Less Than 90%
Rate Classification G-53**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 100,000 therms, a Winter Period usage less than 67% of annual usage, and a 12 month average usage less than 90% of the average usage of December, January and February as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a heat content value of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$11.5977 per day	\$300.00 <u>\$347.93</u>	per month	(1)
Winter Period				
All therms per month at		\$0.1074 <u>\$0.1224</u>	per therm	(1)
Summer Period				
All therms per month at		\$0.0544 <u>\$0.0586</u>	per therm	(1)

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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II. RATE SCHEDULES

**Commercial/Industrial Service
High Annual Use, Load Factor Less Than 110%
Rate Classification G-54**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 100,000 therms, a Winter Period usage less than 67% of annual usage, and a 12 month average usage less than 110% of the average usage of December, January and February as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a heat content value of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	<u>\$11.5977 per day</u>	\$300.00 <u>\$347.93</u>	per month	(l)
Winter Period All therms per month at		\$0.0799 <u>\$0.0911</u>	per therm	(l)
Summer Period All therms per month at		\$0.0440 <u>\$0.0467</u>	per therm	(l)

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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**Commercial/Industrial Service
High Annual Use, Load Factor Greater Than 110%
Rate Classification G-63**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 100,000 therms, a Winter Period usage less than 67% of annual usage, and a 12 month average usage greater than or equal to 110% of the average usage of December, January and February as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a heat content value of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	<u>\$11.5977 per day</u>	\$300.00 <u>347.93</u>	per month	(i)
Winter Period				(i)
All therms per month at		\$0.0345 <u>\$0.0393</u>	per therm	
Summer Period				(i)
All therms per month at		\$0.0188 <u>\$0.0214</u>	per therm	

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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