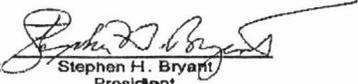


CALCULATION OF COST OF GAS ADJUSTMENT
New Hampshire Division
Period Covered: May 1, 2008 - October 31, 2008
Anticipated Cost of Delivered and Produced Gas

| Delivered: | Therms | Rate | Amount |
|---|-------------------|-----------------|---------------------|
| Product:- Commodity | | | |
| Granite State Supply | 5,288,659 | \$1.255 | \$ 6,638,582 |
| Domestic Supply | 9,230,107 | \$0.859 | \$ 7,925,589 |
| Storage Withdrawals | 0 | \$0.000 | \$ - |
| Peaking Supply | 52,661 | \$1.342 | \$ 70,647 |
| Hedging (Gain)/Loss | | | \$ (437,047) |
| Interruptible Included Above | | | \$ (162,680) |
| Product:- Demand | | | |
| Granite State and Others | | | \$115,086 |
| Pipeline Reservation | | | |
| Granite State and Others | | | \$889,581 |
| Storage & Peaking Demand | | | |
| Tennessee and Others | | | \$700,976 |
| Capacity Release | | | \$0 |
| Less: Unaccounted For, Company Use & Interruptible Volumes | (386,647) | | \$0 |
| TOTAL Anticipated Cost of Gas | 14,184,780 | \$1.1096 | \$15,740,734 |

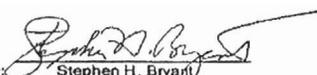
Issued: March 14, 2008
 Effective Date: May 1, 2008
 Authorized by NHPUC Order No. In Case No. dated

Issued by: 
 Title: Stephen H. Bryant
 President

CALCULATION OF COST OF GAS ADJUSTMENT
New Hampshire Division
~~Period Covered: November 1, 2007 - April 30, 2008~~
Period Covered: May 1, 2008 - October 31, 2008
Anticipated Cost of Delivered and Produced Gas

| Delivered: | Therms | Rate | Amount |
|---|-------------------|--------------------|---------------------|
| Product: - Commodity | | | |
| Granite State Supply | 4,040,517 | \$0.831 | \$2,358,351 |
| | 5,288,659 | \$1.255 | \$6,638,582 |
| Domestic Supply | 9,733,545 | \$0.870 | \$8,464,837 |
| | 9,230,107 | \$0.859 | \$ 7,925,589 |
| Storage Withdrawals | 19,183,459 | \$0.707 | \$13,559,949 |
| | 0 | \$0.000 | \$ |
| Peaking Supply | 3,999,050 | \$0.724 | \$284,915 |
| | 52,661 | \$1.342 | \$ 70,647 |
| Hedging (Gain)/Loss | | | \$448,681 |
| | | | \$ (437,047) |
| Interruptible Included Above | | | (\$34,137) |
| | | | \$ (162,680) |
| Product: - Demand | | | |
| Granite State and Others | | | \$558,589 |
| | | | \$115,086 |
| Pipeline Reservation | | | |
| Granite State and Others | | | \$2,276,733 |
| | | | \$889,581 |
| Storage & Peaking Demand | | | |
| Tennessee and Others | | | \$9,389,227 |
| | | | \$700,976 |
| Capacity Release | | | (\$479,499) |
| | | | \$0 |
| Less: Unaccounted For, Company Use & Interruptible Volumes | | | |
| | (586,612) | | \$0.0000 |
| | (386,647) | | \$0 |
| TOTAL Anticipated Cost of Gas | 36,370,060 | \$1.1118 | \$40,436,646 |
| | 14,184,780 | \$1.1096 | \$15,740,734 |

Issued: ~~October 11, 2007~~ March 14, 2008
Effective Date: ~~November 1, 2007~~ May 1, 2008
Authorized by NHPUC Order No. In Case No. dated

Issued by: 
Title: Stephen H. Bryant
President

Calculation of Anticipated Indirect Cost of Gas-New Hampshire Division

Working Capital Calculation

| | |
|---|-----------------|
| Total Anticipated Direct Cost of Gas-Commodity | \$14,035,090 |
| Total Anticipated Direct Cost of Gas-Demand | \$1,705,643 |
| Interruptible Profits | |
| LESS Anticipated Direct Costs assigned to Non-Grandfathered Transportatic | (\$4,358,489) |
| Total Direct Cost of Gas | \$11,382,244 |
| | |
| Total Direct gas Costs | \$11,382,244 |
| Working Capital Percentage (NHPUC No. 10 Section 4.06.1) | 0.19% |
| Working Capital Allowance (NHPUC No. 10 Section 4.06.1) | \$21,626 |
| Plus: Working Capital Reconciliation | \$24 |
| Total Working Capital Allowance | \$21,650 |

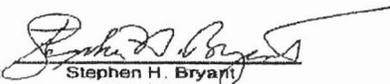
Bad Debt Calculation

| | |
|---|-----------------|
| Total Anticipated Direct Cost of Gas | \$11,382,244 |
| Plus: Total Working Capital | \$21,650 |
| Subtotal | \$11,403,895 |
| Bad Debt Percentage (NHPUC No. 10 Section 4.06.1) | 0.45% |
| Total Bad Debt Allowance | \$51,318 |
| Plus: Bad Debt Reconciliation | (\$474) |
| Total Bad Debt Allowance | \$50,844 |

| | <u>\$</u> | <u>Rate / Therm</u> |
|---|---------------------|---------------------|
| Working Capital Allowance | \$21,650 | |
| Bad Debt Allowance | \$50,844 | |
| Miscellaneous Overhead-23.2% Allocated to Summer Season | \$28,784 | |
| Production and Storage Capacity | \$0 | |
| Prior Period Under/(Over) Collection | (\$95,342) | |
| Refunds | \$0 | |
| Interest | (\$6,386) | |
| Total Anticipated Indirect Cost of Gas | (\$450) | \$0.0000 |
| Total Anticipated Direct Cost of Gas-Commodity | \$14,035,090 | \$0.9894 |
| Total Anticipated Direct Cost of Gas-Demand | \$1,705,643 | \$0.1202 |
| Total Anticipated Period Cost of Gas | <u>\$15,740,283</u> | <u>\$1.1096</u> |
| | | |
| Forecasted Off-Peak Period Therms-Firm | 10,129,680 | |
| Forecasted Non-Grandfathered Therms | 4,055,100 | |
| Forecasted Therms-Total | <u>14,184,780</u> | |

| | <u>Residential</u> | <u>C&I Low Winter</u> | <u>C&I High Winter</u> |
|--|--------------------|-------------------------------|--------------------------------|
| Forecasted Summer Season Cost of Gas Rate: | | | |
| COGs-Commodity | \$0.9894 | \$1.0038 | \$0.9657 |
| COGs-Demand | \$0.1202 | \$0.0849 | \$0.2010 |
| COGs-Indirect | \$0.0000 | \$0.0000 | \$0.0000 |
| COGs-Total | <u>\$1.1096</u> | <u>\$1.0887</u> | <u>\$1.1667</u> |
| | | | |
| Minimum | \$0.8877 | \$0.8710 | \$0.9334 |
| Maximum | \$1.3315 | \$1.3064 | \$1.4000 |

Issued: March 14, 2008
Effective: With Service Rendered On and After May 1, 2008

Issued by: 
Title: Stephen H. Bryant
President

Calculation of Anticipated Indirect Cost of Gas-New Hampshire Division

Working Capital Calculation

| | | |
|---|--------------------------|--------------------------|
| Total Anticipated Direct Cost of Gas-Commodity | \$28,692,696 | \$14,035,090 |
| Total Anticipated Direct Cost of Gas-Demand | \$11,744,049 | \$1,705,643 |
| Interruptible Profits | \$0 | 0 |
| LESS Anticipated Direct Costs assigned to Non-Grandfathered Transportator | (\$4,142,746) | (\$4,358,489) |
| Total Direct Cost of Gas | \$36,293,999 | \$11,382,244 |
| Total Direct gas Costs | \$36,293,999 | \$11,382,244 |
| Working Capital Percentage (NHPUC No. 10 Section 4.06.1) | 0.19% | 0.19% |
| Working Capital Allowance (NHPUC No. 10 Section 4.06.1) | \$66,289 | \$21,626 |
| Plus: Working Capital Reconciliation | (\$2,669) | \$24 |
| Total Working Capital Allowance | \$66,289 | \$21,650 |

Bad Debt Calculation

| | | |
|---|----------------------|--------------------|
| Total Anticipated Direct Cost of Gas | \$36,293,999 | \$11,382,244 |
| Plus: Total Working Capital | \$66,289 | \$21,650 |
| Subtotal | \$36,360,188 | \$11,403,895 |
| Bad Debt Percentage (NHPUC No. 10 Section 4.06.1) | 0.45% | 0.45% |
| Total Bad Debt Allowance | \$163,624 | \$51,318 |
| Plus: Bad Debt Reconciliation | (\$1,662) | (\$474) |
| Total Bad Debt Allowance | \$162,069 | \$50,844 |

| | \$ | \$ | Rate / Therm | Rate / Therm |
|--|--------------------------|-----------------------|-----------------------|--------------|
| Working Capital Allowance | \$66,289 | \$21,650 | | |
| Bad Debt Allowance | \$162,069 | \$50,844 | | |
| Miscellaneous Overhead-76.8%/23.2% Allocated to Winter/Summer Season | \$96,513 | \$28,784 | | |
| Production and Storage Capacity | \$686,673 | \$0 | | |
| Prior Period Under/(Over) Collection | (\$2,770,434) | (\$95,342) | | |
| Refunds | (\$20,377) | \$0 | | |
| Interest | (\$68,134) | (\$6,386) | | |
| Total Anticipated Indirect Cost of Gas | \$1,848,394 | (\$450) | (\$0.0508) | \$0.0000 |
| Total Anticipated Direct Cost of Gas-Commodity | \$28,692,596 | \$14,035,090 | \$0.7889 | \$0.9894 |
| Total Anticipated Direct Cost of Gas-Demand | \$11,744,049 | \$1,705,643 | \$0.3228 | \$0.1202 |
| Total Anticipated Period Cost of Gas | \$38,586,254 | \$15,740,283 | \$1.0640 | \$1.1096 |
| Forecasted Off-Peak Period Therms-Firm | 32,095,060 | 10,129,680 | | |
| Forecasted Non-Grandfathered Therms | 4,275,000 | 4,055,100 | | |
| Forecasted Therms-Total | 36,370,060 | 14,184,780 | | |

| Forecasted Winter Cost of Gas Rate: | C&I | | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| | Residential | Low Winter | High Winter |
| COGs-Commodity | \$0.7889 | \$0.8228 | \$0.7789 |
| COGs-Demand | \$0.3228 | \$0.2084 | \$0.4008 |
| COGs-Indirect | (\$0.0508) | (\$0.0608) | (\$0.0608) |
| COGs-Total | \$1.0640 | \$0.9894 | \$1.1202 |
| Minimum | \$0.8488 | \$0.7844 | \$0.8034 |
| Maximum | \$1.2732 | \$1.1764 | \$1.3647 |

| Forecasted Summer Season Cost of Gas Rate: | C&I | | |
|--|-------------|------------|-------------|
| | Residential | Low Winter | High Winter |
| COGs-Commodity | \$0.9894 | \$1.0038 | \$0.9657 |
| COGs-Demand | \$0.1202 | \$0.0849 | \$0.2010 |
| COGs-Indirect | \$0.0000 | \$0.0000 | \$0.0000 |
| COGs-Total | \$1.1096 | \$1.0887 | \$1.1667 |
| Minimum | \$0.8877 | \$0.8710 | \$0.9334 |
| Maximum | \$1.3315 | \$1.3064 | \$1.4000 |

Issued: September 14, 2007 March 15, 2008
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Title: Stephen H. Bryant
President