

Anticipated Cost of Gas

New Hampshire Division
Period Covered: November 1, 2010 - April 30, 2011

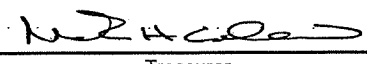
(Col 1)	(Col 2)	(Col 3)
<u>ANTICIPATED DIRECT COST OF GAS</u>		
Purchased Gas:		
Demand Costs:	\$1,916,476	
Supply Costs:	\$5,588,474	
Storage & Peaking Gas:		
Demand, Capacity:	\$13,349,125	
Commodity Costs:	\$7,057,012	
Hedging (Gain)/Loss	\$1,120,010	
Interruptible Included Above	\$0	
Inventory Finance Charge	\$12,234	
Capacity Release, Asset Management, PNGTS Cost	<u>(\$1,761,855)</u>	
PNGTS Refund		
Total Anticipated Direct Cost of Gas		<u>\$27,281,475</u>
<u>ANTICIPATED INDIRECT COST OF GAS</u>		
Adjustments:		
Prior Period Under/(Over) Collection	\$2,527,403	
Prior Period Adjustment (ATV Reconciliation)	\$0	
Interest	\$99,469	
Refunds	\$0	
<u>Interruptible Margins</u>	<u>\$0</u>	
Total Adjustments		\$2,626,872
Working Capital:		
Total Anticipated Direct Cost of Gas	\$27,281,475	
Working Capital Percentage	0.19%	
Working Capital Allowance	\$51,835	
Plus: Working Capital Reconciliation (Acct 182.11)	<u>(\$83,069)</u>	
Total Working Capital Allowance		(\$31,234)
Bad Debt:		
Total Anticipated Direct Cost of Gas	\$27,281,475	
Plus: Prior Period Under/(Over) Collection	\$2,527,403	
Plus: Interest	\$0	
Plus: Total Working Capital	(\$31,234)	
Subtotal	\$29,777,645	
Bad Debt Percentage	0.45%	
Bad Debt Allowance	\$133,999	
Plus: Bad Debt Reconciliation (Acct 182.16)	<u>(\$2,655)</u>	
Total Bad Debt Allowance		\$131,344
Local Production and Storage Capacity		\$686,673
Miscellaneous Overhead-25.15% Allocated to Winter Season		\$98,333
Total Anticipated Indirect Cost of Gas		\$3,511,989
Total Cost of Gas		<u>\$30,793,465</u>

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CALCULATION OF FIRM SALES COST OF GAS RATE

Period Covered: November 1, 2010 - April 30, 2011

(Col 1)	(Col 2)	(Col 3)
Total Anticipated Direct Cost of Gas	\$27,281,475	
Projected Prorated Sales (11/01/10-04/30/11)	28,028,950	
Direct Cost of Gas Rate		\$0.9733 per therm
Demand Cost of Gas Rate	\$13,503,746	\$0.4818 per therm
Commodity Cost of Gas Rate	\$13,777,730	\$0.4916 per therm
Total Direct Cost of Gas Rate	\$27,281,476	\$0.9734 per therm
Total Anticipated Indirect Cost of Gas	\$3,511,989	
Projected Prorated Sales (11/01/10-04/30/11)	28,028,950	
Indirect Cost of Gas		\$0.1253 per therm
TOTAL PERIOD AVERAGE COST OF GAS		\$1.0987 per therm

RESIDENTIAL COST OF GAS RATE - 11/01/10	COGwr	\$1.0987 per therm
	Maximum (COG+25%)	\$1.3734

COM/IND LOW WINTER USE COST OF GAS RATE - 11/01/10	COGwl	\$0.9702 per therm
	Maximum (COG+25%)	\$1.2128

C&I HLF DEMAND COSTS ALLOCATED PER SMBA	\$702,159
PLUS: RESIDENTIAL DEMAND RELOCATION TO C7I HLF	\$12,353
C&I HLF TOTAL ADJUSTED DEMAND COSTS	\$714,512
C&I HLF PROJECTED PRORATED SALES (11/1/10-04/30/11)	2,402,246
DEMAND COST OF GAS RATE	\$0.2974

C&I HLF COMMODITY COSTS ALLOCATED PER SMBA	\$1,314,829
PLUS: RESIDENTIAL COMMODITY COSTS	\$387
C&I HLF TOTAL ADJUSTED COMMODITY COSTS	\$1,315,216
C&I HLF PROJECTED PRORATED SALES (11/01/10-04/30/11)	2,402,246
COMMODITY COST OF GAS RATE	\$0.5475

INDIRECT COST OF GAS	\$0.1253
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TOTAL C&I HLF COST OF GAS RATE	\$0.9702
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COM/IND HIGH WINTER USE COST OF GAS RATE - 11/01/10	COGwh	\$1.1231 per therm
	Maximum (COG+25%)	\$1.4039

C&I LLF COMMODITY COSTS ALLOCATED PER SMBA	\$6,396,599
PLUS: RESIDENTIAL DEMAND REALLOCATION TO C&I LLF	\$112,536
C&I LLF TOTAL ADJUSTED DEMAND COSTS	\$6,509,135
C&I LLF PROJECTED PRORATED SALES (11/01/10-04/30/11)	12,591,463
DEMAND COST OF GAS RATE	\$0.5169

C&I LLF COMMODITY COSTS ALLOCATED PER SMBA	\$6,053,212
PLUS: RESIDENTIAL COMMODITY REALLOCATION TO C&I LLF	\$1,783
C&I LLF TOTAL ADJUSTED COMMODITY COSTS	\$6,054,995
C&I LLF PROJECTED PRORATED SALES (11/1/10-04/30/11)	12,591,463
COMMODITY COST OF GAS RATE	\$0.4809

INDIRECT COST OF GAS	\$0.1253
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TOTAL C&I LLF COST OF GAS RATE	\$1.1231
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Local Delivery Adjustment Clause

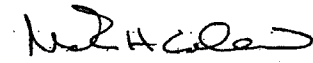
Rate Schedule	RLIAP	DSM	ERC	ITM	WLNG	CCE	RCE	LDAC
Residential Heating	\$0.0043	\$0.0359	\$0.0054	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0456
Residential Non-Heating	\$0.0043	\$0.0359	\$0.0054	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0456
Small C&I	\$0.0043	\$0.0152	\$0.0054	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0249
Medium C&I	\$0.0043	\$0.0152	\$0.0054	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0249
Large C&I	\$0.0043	\$0.0152	\$0.0054	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0249
No Previous Sales Service								

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NORTHERN UTILITIES, INC. - NEW HAMPSHIRE DIVISION
WINTER SEASON RESIDENTIAL RATES

Winter Season November 2010- April 2011		Tariff Rates	Total Delivery Rates (Includes LDAC)	Total Billed Rates Tariff Rates, LDAC Plus Cost of Gas
Residential Heating	<u>Tariff Rate R 5:</u>			
	Monthly Customer Charge	\$9.50	\$9.50	\$9.50
	First 50 therms	\$0.4102	\$0.4558	\$1.5545
	All usage over 50 therms	\$0.2990	\$0.3446	\$1.4433
	LDAC	\$0.0456		
	<u>Gas Cost Adjustment:</u>			
	Cost of Gas	\$1.0987		
Residential Heating Low Income	<u>Tariff Rate R 10:</u>			
	Monthly Customer Charge	\$3.80	\$3.80	\$3.80
	First 50 therms	\$0.1641	\$0.2097	\$1.3084
	All usage over 50 therms	\$0.1196	\$0.1652	\$1.2639
	LDAC	\$0.0456		
	<u>Gas Cost Adjustment:</u>			
	Cost of Gas	\$1.0987		
Residential Non-Heating	<u>Tariff Rate R 6:</u>			
	Bi-monthly Customer Charge	\$19.00	\$19.00	\$19.00
	First 20 therms	\$0.4067	\$0.4523	\$1.5510
	All usage over 20 therms	\$0.3082	\$0.3538	\$1.4525
	 Monthly Customer Charge	 \$9.50	 \$9.50	 \$9.50
	First 10 therms	\$0.4067	\$0.4523	\$1.5510
	All usage over 10 therms	\$0.3082	\$0.3538	\$1.4525
	LDAC	\$0.0456		
	<u>Gas Cost Adjustment:</u>			
	Cost of Gas	\$1.0987		
Residential Non-Heating Low Income	<u>Tariff Rate R 11:</u>			
	Bi-monthly Customer Charge	\$13.80	\$13.80	\$13.80
	First 20 therms	\$0.3084	\$0.3540	\$1.4527
	All usage over 20 therms	\$0.2335	\$0.2791	\$1.3778
	 Monthly Customer Charge	 \$6.90	 \$6.90	 \$6.90
	First 10 therms	\$0.3084	\$0.3540	\$1.4527
	All usage over 10 therms	\$0.2335	\$0.2791	\$1.3778
	LDAC	\$0.0456		
	<u>Gas Cost Adjustment:</u>			
	Cost of Gas	\$1.0987		

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

Winter Season November 2010-April 2011	Tariff Rates	Total Delivery Rates (Includes LDAC)	Total Billed Rates Tariff Rates, LDAC Plus Cost of Gas
C&I Low Annual/High Winter <u>Tariff Rate G 40:</u> Monthly Customer Charge \$18.70 First 75 therms \$0.3077 All usage over 75 therms \$0.2007 LDAC \$0.0249 <u>Gas Cost Adjustment:</u> Cost of Gas \$1.1231			\$18.70 \$0.3326 \$0.2256
C&I Low Annual/Low Winter <u>Tariff Rate G 50:</u> Monthly Customer Charge \$18.70 First 75 therms \$0.3018 All usage over 75 therms \$0.1969 LDAC \$0.0249 <u>Gas Cost Adjustment:</u> Cost of Gas \$0.9702			\$18.70 \$0.3267 \$0.2218
C&I Medium Annual/High Winter <u>Tariff Rate G 41:</u> Monthly Customer Charge \$60.30 All usage \$0.1942 LDAC \$0.0249 <u>Gas Cost Adjustment:</u> Cost of Gas \$1.1231			\$60.30 \$0.2191
C&I Medium Annual/Low Winter <u>Tariff Rate G 51:</u> Monthly Customer Charge \$60.30 First 1300 therms \$0.1862 All usage over 1300 therms \$0.1467 LDAC \$0.0249 <u>Gas Cost Adjustment:</u> Cost of Gas \$0.9702			\$60.30 \$0.2111 \$0.1716
C&I High Annual/High Winter <u>Tariff Rate G 42:</u> Monthly Customer Charge \$254.00 All usage \$0.1725 LDAC \$0.0249 <u>Gas Cost Adjustment:</u> Cost of Gas \$1.1231			\$254.00 \$0.1974
C&I High Annual/Low Winter <u>Tariff Rate G 52:</u> Monthly Customer Charge \$254.00 All usage \$0.1262 LDAC \$0.0249 <u>Gas Cost Adjustment:</u> Cost of Gas \$0.9702			\$254.00 \$0.1511

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NORTHERN UTILITIES, INC. - NEW HAMPSHIRE DIVISION
WINTER SEASON DELIVERY RATES

Winter Season November 2010-April 2011		Tariff Rates	Total Delivery Rates (Includes LDAC)
C&I Low Annual/High Winter	<u>Tariff Rate T 40:</u>		
	Monthly Customer Charge	\$18.70	\$18.70
	First 75 therms	\$0.3077	\$0.3326
	All usage over 75 therms	\$0.2007	\$0.2256
	LDAC	\$0.0249	
C&I Low Annual/Low Winter	<u>Tariff Rate T 50:</u>		
	Monthly Customer Charge	\$18.70	\$18.70
	First 75 therms	\$0.3018	\$0.3267
	All usage over 75 therms	\$0.1969	\$0.2218
	LDAC	\$0.0249	
C&I Medium Annual/High Winter	<u>Tariff Rate T 41:</u>		
	Monthly Customer Charge	\$60.30	\$60.30
	All usage	\$0.1942	\$0.2191
	LDAC	\$0.0249	
C&I Medium Annual/Low Winter	<u>Tariff Rate T 51:</u>		
	Monthly Customer Charge	\$60.30	\$60.30
	First 1300 therms	\$0.1862	\$0.2111
	All usage over 1300 therms	\$0.1467	\$0.1716
	LDAC	\$0.0249	
C&I High Annual/High Winter	<u>Tariff Rate T 42:</u>		
	Monthly Customer Charge	\$254.00	\$254.00
	All usage	\$0.1725	\$0.1974
	LDAC	\$0.0249	
C&I High Annual/Low Winter	<u>Tariff Rate T 52:</u>		
	Monthly Customer Charge	\$254.00	\$254.00
	All usage	\$0.1262	\$0.1511
	LDAC	\$0.0249	
C&I Interruptible Transportation	<u>Tariff Rate IT:</u>		
	Monthly Customer Charge	\$170.21	\$170.21
	First 20,000 therms	\$0.0407	\$0.0407
	All usage over 20,000 therms	\$0.0347	\$0.0347

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VII. DELIVERY SERVICE TERMS AND CONDITIONS

APPENDIX A

Schedule of Administrative Fees and Charges

I. Supplier Balancing Charge: **\$0.75 per MMBtu** of Daily Imbalance Volumes

- Updated effective every November 1 to reflect the Company's latest balancing resources and associated capacity costs.
- Daily Imbalance Volumes represent the difference between ATV and ATV adjusted for actual EDDs.

II. Peaking Service Demand Charge: **\$17.68 per MMBtu** per MDPQ per month for November 2010 through April 2011.

- Updated effective every November 1 to reflect the Company's Peaking resources and associated costs.

III. Supplier Services and Associated Fees:

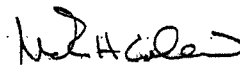
<u>SERVICE</u>	<u>PRICING</u>
Pool Administration (required) Non-Daily Metered Pools only	<ul style="list-style-type: none">• \$0.10/month/customer billed @ marketer level
Standard Passthrough Billing (required)	<ul style="list-style-type: none">• \$0.60/customer/month billed @ marketer level
Standard Complete Billing (optional – Passthrough Billing fee not required if this service is elected)	<ul style="list-style-type: none">• \$1.50/customer/month billed @ marketer level
Customer Administration (required)	<ul style="list-style-type: none">• \$10/customer/switch billed @ marketer level

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VII. DELIVERY SERVICE TERMS AND CONDITIONS

APPENDIX C

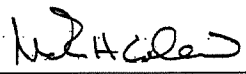
Capacity Allocators

Capacity Allocators shall be calculated and filed with the Commission each year with the Winter Cost of Gas filing. The following Capacity Allocators shall be applicable for capacity assignments during the period of November 1, 2010 through October 31, 2011.

Commercial and Industrial

	<u>High Winter Use</u>	<u>Low Winter Use</u>
Pipeline:	6.79%	65.39%
Storage:	33.79%	12.54%
Peaking:	59.43%	22.06%

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VII. DELIVERY SERVICE TERMS AND CONDITIONS

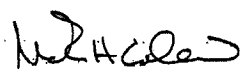
APPENDIX D

**Firm Sales Service Re-Entry Fee Bill Adjustment
(continued)**

The Re-Entry Fee shall be calculated and filed with the Commission each year with the Winter Cost of Gas filing. The following Firm Sales Service Re-Entry Fee Unit Charge shall be applicable for the period of November 1, 2010 through October 31, 2011.

Effective Dates:	November 1, 2010 – October 31, 2011
Annual Average Unit Cost:	\$ 312.12
25% - Annual Charge for Re-Entry Fee:	\$ 78.03
Monthly Unit Charge for Re-Entry Fee:	\$ 6.50

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