

**ENERGYNORTH
NATURAL GAS, INC.**

(d/b/a KeySpan Energy Delivery New England)

**INTEGRATED
RESOURCE PLAN**

(November 1, 2006 – October 31, 2011)

DG 06-105

Appendix B



Via Hand Delivery

December 8, 2005

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

Re: DG 04-133/DG 04-175; EnergyNorth Natural Gas, Inc. d/b/a
KeySpan Energy Delivery New England

Dear Ms. Howland:

Enclosed for filing with the Commission are an original and eight copies of KeySpan Energy Delivery New England's Portfolio Management Plan. This Plan is being filed pursuant to the settlement agreement approved by the Commission in its Order No. 24,531 in dockets DG -04-133 and DG 04-175. An electronic copy of the filing was provided by e-mail to the librarian.

Sincerely,

Thomas P. O'Neill

Enclosures

Cc: F. Anne Ross, Esq.
Steven V. Camerino, Esq.
Jennifer Feinstein
Elizabeth Arangio
Ann Leary

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I. INTRODUCTION

This Portfolio Management Plan (the "Plan") is filed with the New Hampshire Public Utilities Commission ("Commission") by EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England ("EnergyNorth" or the "Company")¹ in compliance with the New Hampshire Public Utilities Commission's ("Commission") Order No. 24,531 dated October 21, 2005 in Dockets DG 04-133 and 04-175.

In Order No. 24,531, the Commission approved a settlement agreement between EnergyNorth, the Commission Staff and the Office of the Consumer Advocate ("OCA") with regard to the Company's Integrated Resource Plan for the period November 1, 2004 through October 31, 2009 (the "IRP"). Among other things, under the settlement agreement, EnergyNorth agreed to file with the Commission a detailed plan of how the Company will manage its gas resources effective with the April 1, 2006 expiration of its Gas Resource Portfolio Management and Gas Sales Agreement with Merrill Lynch Commodities, LLC. ("Merrill Lynch").

In accordance with the terms of the approved settlement, this Plan discusses the Company's plans with respect to, (i) daily forecasting, (ii) nominating, scheduling and confirming city gate deliveries and storage injections, (iii) reconciling supply invoices, (iv) pursuing capacity release and off-system sales opportunities, (v) supply balancing on the Tennessee Gas Pipeline system

¹ EnergyNorth is a wholly owned subsidiary of KeySpan New England LLC., which is itself a wholly owned subsidiary of KeySpan Corporation. KeySpan Corporation is a public utility holding company headquartered in Brooklyn N.Y. Under the KeySpan holding company structure, many of the functions that are described in this document are performed by employees of KeySpan shared services organizations on behalf of EnergyNorth.

(vi) contracting for seasonal supplemental supplies and (vii) the economic operation of peaking facilities.

II. SUMMARY OF THE MERRILL LYNCH AGREEMENT

By contract, Merrill Lynch (1) manages certain of the Company's upstream interstate gas supply, transportation and underground storage assets and (2) provides the citygate gas supply requirements of the Company's firm sales customers. The Company retains the management of its supplemental resources.

Gas supplies delivered by Merrill Lynch to meet the Company's firm sales requirements and storage refill requirements are paid for by EnergyNorth in accordance with a tiered pricing hierarchy. The pricing hierarchy is intended to mimic the dispatch order the Company would employ if it were managing the assets on its own. The Company is responsible for paying all demand costs associated with its pipeline and underground storage resources. Commodity charges for citygate sales service are tied to market indices, which correlate to receipt points in the Company's portfolio.

With the expiration of the agreement with Merrill Lynch effective April 1, 2006, the Company plans to insource the management of its resource portfolio whereby the role of Merrill Lynch, with regards to management of the Company's upstream assets and commodity purchasing, will be assumed by the Company's Regulated Gas Transactions Group located in Hicksville, NY.² This

² Commodity supplies will be priced based on how they are actually dispatched.

group is also responsible for managing the regulated gas transactions for KeySpan Corporation's two New York-based gas utilities: KeySpan Energy Delivery New York (KED-NY) and KeySpan Energy Delivery Long Island (KED-LI).

III. ORGANIZATIONAL STRUCTURE

Implementation of the Company's Portfolio Management Plan will involve the close coordination of four groups within KeySpan's Asset Optimization Group; the Gas Supply Planning Group, currently led by Elizabeth Arangio, the Load Forecasting Group, currently led by Leo Silvestrini, the Regulated Gas Transactions Group, currently led by Mark Leippert and the Gas Contracting Group currently led by John Allocca.³ Currently, all day to day activity pertaining to the EnergyNorth portfolio is performed by the Gas Supply Planning Group in combination with Merrill Lynch. However, as noted above, effective April 1, 2006 the activities now performed by Merrill Lynch will become the responsibility of the Regulated Gas Transaction Group. In addition, the Gas Contracting Group will be responsible for the procurement and contracting of long-term (greater than one-month) commodity supplies and capacity resources. Detailed organizational charts can be found at Appendices 1 and 2.

³ The Gas Supply Planning and Load Forecasting Groups are based out of Waltham, MA. The Regulated Gas Transactions Group is based out of Hicksville, NY. The Gas Contracting Group is based out of Brooklyn, NY.

IV. RESOURCE PROCUREMENT

A. Determination of Gas Supply and Capacity Requirements

Gas supply and capacity (transportation or storage) requirements are established by the Gas Supply Planning and Load Forecasting Groups following the process specified in the IRP. A schematic listing of the upstream capacity resources currently available to meet the Company's firm sendout requirements is shown in Appendix 3. For supply and capacity requirements, the Gas Supply Planning Group will identify the desired quantity, duration, optimal receipt point(s), operational flexibility (i.e. baseload, first of the month swing, full swing, etc.) and nature of service (i.e. year round, seasonal, peaking, etc.). Once the requirements have been established, depending upon the duration of the requirement, the Gas Supply Planning Group will work with the Gas Contracting Group or the Regulated Gas Transactions Group to acquire the resource.

B. Procurement of Short Term Supply

For requirements of one month or less (spot purchases), gas supply will be acquired by the Regulated Gas Transactions Group during bid week or in the daily market as needed. Price is determined via verbal offers and short-term gas supply will only be acquired from creditworthy counter-parties with whom the company has a pre-established base contract (i.e. an industry standard NAESB agreement, a sample copy of which is provided in Appendix 4). All gas trades will be documented either via the Intercontinental Exchange ("ICE") electronic trading system, recorded telephone lines, or written confirmations.

C. Solicitation of Long Term Gas Supply Proposals

Long-term gas supply requirements (greater than one month) are secured by the Company's Gas Contracting Group in consultation with the Planning Group⁴. The Company may prepare a request for proposal (RFP) that will include a term sheet outlining the specific supply requirements (i.e. quantity, pipeline, receipt point(s), delivery point(s) desired price structure, operational flexibility, etc.). The RFP will also include other typical and customary procedural instructions. The RFP will be sent to qualified suppliers either via e-mail or in hard-copy. The Company will maintain a list of qualified suppliers. In order to be deemed qualified; a supplier must satisfy the Company's creditworthiness criteria, as established by KeySpan's Credit group, and must have entered into an industry standard agreement with the Company. The Company will continuously assess reliability based in part upon the supplier's short-term transaction performance.

D. Evaluation of Supply Offers and Negotiation of Agreements

Supply offers are evaluated jointly by the Company's Gas Contracting, Planning and Regulated Gas Transactions Groups to determine the best offer. The "best offer" is the offer that conforms most closely to the Company's requirements. Offers will be evaluated based upon both cost and non-cost factors including the supplier's experience, past performance, financial strength, ability to manage financial and physical risk and other factors that the Company

⁴ In certain instances, seasonal supplies may be procured by the regulated gas transaction group following the process for procurement of short-term supply.

deems relevant to the specific supply requirement. The Company will reserve the right to reject any or all offers and to negotiate with individual suppliers. Upon selection of the best offer, the Gas Contracting Group takes the lead in negotiating a formal written agreement. The industry standard NAESB contract is preferable for standard deals; however, certain transactions may require an individually negotiated agreement. Except for industry standard agreements that were previously subject to legal review, all agreements are reviewed with the Company's Legal Department to ensure that all provisions are consistent with applicable laws, regulations, industry standards and operational requirements. Upon completion of negotiations, the agreement will be executed by an authorized individual and entered and maintained in the applicable contract tracking systems.

E. Procurement of Incremental Capacity

When a need for incremental capacity is identified by the Gas Supply Planning Group, this Group works in concert with the Company's Gas Contracting Group to procure the incremental resource. In order to do so, the Company will evaluate all available options to determine the most economic resource with regard to meeting system operating and gas supply reliability requirements.⁵ The Company maintains relationships with all regional pipeline companies and is active in gathering market intelligence from proposed pipeline projects with the potential to fulfill the Company's capacity needs. If no existing

⁵ In addition to considering new capacity, the Company will also consider the acquisition of existing capacity via assignment or capacity release.

projects meet the Company's requirements, the Company may initiate a project that meets its needs. Generally, when subscribing to new capacity, the Company will participate in pipeline open seasons. In coordination with the Gas Supply Planning Group, the Gas Contracting Group will take the lead in preparing and submitting open season requests and in negotiating precedent agreements and service agreements. Contract review and negotiation is done in coordination with the Company's Legal Department to ensure that all provisions are consistent with all applicable laws, regulations, industry standards and operational requirements. Upon completion of negotiations, the agreement will be executed by an authorized individual and entered and maintained in the applicable contract tracking systems.

F. Transaction Controls

The Gas Supply Planning Group will determine the Company's need for supply in order to meet customer requirements. The Company's Customer Choice Group will confirm the amount of gas received by EnergyNorth at the citygates on a daily basis.

Transactions executed by the Regulated Gas Transactions Group will be recorded on taped phone lines or documented electronically via the (ICE). If a transaction is executed using the ICE system, the gas trader will print out a confirmation sheet to document the transaction. Moreover, all gas supply purchase transactions will be recorded and entered into the Company's Nucleus

Transaction Management system ("Nucleus"). Nucleus will automatically assign a unique transaction number to each purchase and sale.

G. Natural Gas Price Risk Management Plan

A substantial portion of the Company's gas supply purchased in accordance with the above stated procedures is priced based on market indices. These "index priced" supplies are subject to market volatility. In order to mitigate gas cost increases and protect customers from the sharp swings in commodity prices that have become prevalent in the natural gas industry, the Company has in place a Natural Gas Price Risk Management Plan that attempts to stabilize the cost of gas to customers through the use of financial derivatives and active management of its underground storage supplies. A copy of the most recent Natural Gas Price Risk Management Plan approved by the Commission in Docket DG 05-127 is attached as Appendix 5.

V. OPERATIONAL PLANNING

Upon establishing a resource portfolio that is adequate to meet the projected requirements of its customers, it is the Company's responsibility to dispatch the assets based on actual weather as well as to perform portfolio management activities to further minimize the cost of maintaining the portfolio through mitigation measures.

Operational Planning encompasses the activity related to the actual dispatch of the assets in a least cost manner. These activities include daily,

intraday, monthly, and seasonal planning and the dispatch of the assets (including LNG and LPG), as well as storage inventory and imbalance management. Currently, the Gas Supply Planning Group is responsible for these activities and it will continue to be responsible for them after April 1, 2006.

A. Daily Forecasting

The Gas Supply Planning Group, in conjunction with the Gas Control Group ("Gas Control"), utilizes a daily Game Plan, as referenced in Appendix 6, to coordinate the daily supply and demand balance. The Game Plan is an Excel spreadsheet that utilizes regression equations of base load plus heat load coefficients and forecasted degree day data for KeySpan's five New England divisions to calculate a short-term demand forecast. The forecast is verified on a regular basis and, as needed, adjusted in order to align with the most recent actual experienced data.

The demand side of the Game Plan is updated each morning by Gas Control. In addition, Gas Control populates the supply side of the Game Plan with information provided by the Gas Supply Planning and Customer Choice Groups the night before.⁶ Every weekday morning, the groups meet to discuss the supply needs for the current day as well as the following gas day. In addition, prior to a weekend or holiday, the meeting will also address the planning for the following several days. At this meeting, the groups discuss any issues and strategy pertinent to putting together the daily sequence of supplies to be

⁶ The Customer Choice group is responsible for confirming both, the supplies delivered to the Company from third party suppliers on behalf of transportation customers, as well as supplies delivered to the Company to meet customer requirements.

dispatched (the "daily setup"). This planning is done in time to execute prior to upstream pipeline nomination deadlines.

B. Nominations, Confirmations and Balancing

Beginning April 1, 2006, the Regulated Gas Transactions Group will be responsible for short term purchases, nominations and scheduling of the Company's pipeline and underground storage supplies, duties currently performed by Merrill Lynch. The gas schedulers will enter all transactions into nomination setup sheets, schedule the transactions on the various interstate pipelines' electronic bulletin boards (EBBs) and update the daily volume sheet (as shown in Appendix 7) with all gas supplies scheduled to be delivered to EnergyNorth's citygates. In addition, the schedulers will use the same template that third party marketers use to email system supply volumes to the Customer Choice Group (Appendix 8 - BMS Nomination Template). The Customer Choice Group will upload the nominations into its Broker Management System ("BMS") along with the nominations from the marketers. The Customer Choice Group will then confirm the total amount of gas received by EnergyNorth at its citygates on Tennessee using the Daily Scheduled Deliveries Detail Report (Appendix 9 - Daily Scheduled Deliveries Detail Report). The Planning Group will continue to dispatch and manage the Company's peaking contracts and peaking facilities (LNG and LPG).

At the end of each gas day, Gas Control is responsible for calculating sendout and tracking the Company's imbalances (Appendix 10 - EnergyNorth

Monthly Sendout Report). Each afternoon, Gas Control forwards the daily imbalance report to the Gas Supply Planning Group (Appendix 11 - Daily Imbalance Report). The Planning Group factors in the flexibility of its Operational Balancing Agreement ("OBA") when establishing the daily setup and manages its imbalance position. This activity will be handled by the Gas Supply Planning Group.⁷

The Company will maintain the information necessary to provide a monthly summary of all volumes purchased by EnergyNorth and the associated costs as shown in Appendix 12 - Monthly Merrill Lynch Report/Invoice.

C. Underground Storage

Currently, management of the Company's underground storage contracts is handled by Merrill Lynch. The Company pays Merrill Lynch to fill its storages on a 1/7th basis during the months of April through October. Effective April 1, 2006, the Company will manage these contracts through the Regulated Gas Transactions Group. As discussed in the Company's Natural Gas Price Risk Management Plan (Appendix 5), the Company will employ a similar 1/7th refill strategy. However, unlike the arrangement with Merrill Lynch, operational flexibilities will need to be considered when developing its injection plan. For

⁷ Currently, EnergyNorth enjoys the benefits of operating under a single OBA with Tennessee for all of the KeySpan New England citygates. This allows EnergyNorth and the KeySpan Massachusetts LDCs to balance deliveries across all of its Tennessee citygates in New England. The Company hopes to maintain a single Tennessee OBA, however it is contingent upon the Company's portfolio management plan decision for the Massachusetts LDCs effective April 1, 2006.

example, the Company may not fill some of its larger storage fields to 100% full at the beginning of November in order to accommodate for warmer than planned weather and the need to inject gas into storage at the beginning of the month. The Company will maintain the information necessary to provide a monthly storage report similar to the one currently supplied by Merrill Lynch (Appendix 13 - Monthly Storage Report).

D. Capacity Release and Off-System Sale Optimization Opportunities

Since the Company must maintain sufficient capacity in its resource portfolio to meet current and expected design day and design year customer requirements, at any given time, it may have resources that are temporarily under-utilized. On a daily, monthly and seasonal basis, the Planning Group will identify those resources that are not needed to meet firm sendout requirements. Any surplus resources that are identified will be made available for optimization via capacity release and/or off-system sale. It will be the responsibility of the Regulated Gas Transactions Group to market these resources in an effort to maximize their value. Revenues realized from capacity release or off-system sales transactions will be credited to EnergyNorth customers as an offset to gas costs. The Company will maintain the information necessary to provide reports detailing these types of transactions.

E. Peak Season Planning

At the start of each winter season, the Gas Supply Planning Group hosts a Winter Operations Meeting attended by various departments throughout the Company including Gas Control, Gas Production, Engineering, Load Forecasting, Legal, Customer Choice, Transactions and Rates to review plans for the upcoming winter (Appendix 14 - Winter Operations 2005/06 Presentation). In preparation for this meeting, the Gas Supply Planning Group prepares a Gas Supply Winter Operations Manual for each participant that provides pertinent information regarding the gas supply portfolio, production statistics, etc. Lastly, the Gas Supply Planning Group holds a Weekly Winter Operations Meeting (during the entire winter period) with representatives from Gas Control, Regulated Gas Transactions, Gas Production, Engineering, Load Forecasting and Customer Choice. These meetings are held to discuss actual and forecasted weather and sendout data, storage inventories, LNG and LPG refill coordination, and any other relevant issues.

VI. **SUPPLY VALIDATION AND INVOICE RECONCILIATION**

Supply validation and invoice reconciliation is and will continue to be performed by two groups, the Transaction Back office and Corporate Accounting. Both groups reside within the Company's finance organization.

A. Physical Natural Gas/LNG Transaction Reporting and Invoicing

This process includes the preparation of monthly accrual of gas transactions made by and entered into the Company's NUCLEUS Risk Management system; this accrual is recorded by to Corporate Accounting at month end to the Company's general ledger.

As part of this accrual process, the Transaction Back Office provides a validation of data entered into NUCLEUS. Volumes are reconciled by the Transaction Back Office through SCADA system reports provided by Gas Control. Additionally, the following sources are utilized by the Transaction Back Office to validate gas costs: This process ensures that the Company's purchases align with sendout.

- The Nucleus Invoice Module is used to prepare the accrual and to validate invoices after the Mid Office, a term used to define the segregation of duties within the Regulated Gas Transactions Group, inputs daily gas purchases and prices in to the Nucleus, as well as storage injections and withdrawals.
- Customer Choice's Capacity Release Financial Summary report which documents pipeline capacity releases and Marketer managed supply, as well as transport gas from the Marketers is used during the accrual process and to support invoice review (see Appendix 15 – Capacity Release Financial Summary).

- Gas Control produces send-out reports by division, LNG trucking and vapor reports, supplemental usage reports for Boil-off and an Operational Balance Agreement (OBA) report which captures the pipeline imbalance for Tennessee (See Appendix 11).

B. Invoice Review

The Transaction Back Office is also responsible for invoice validation.

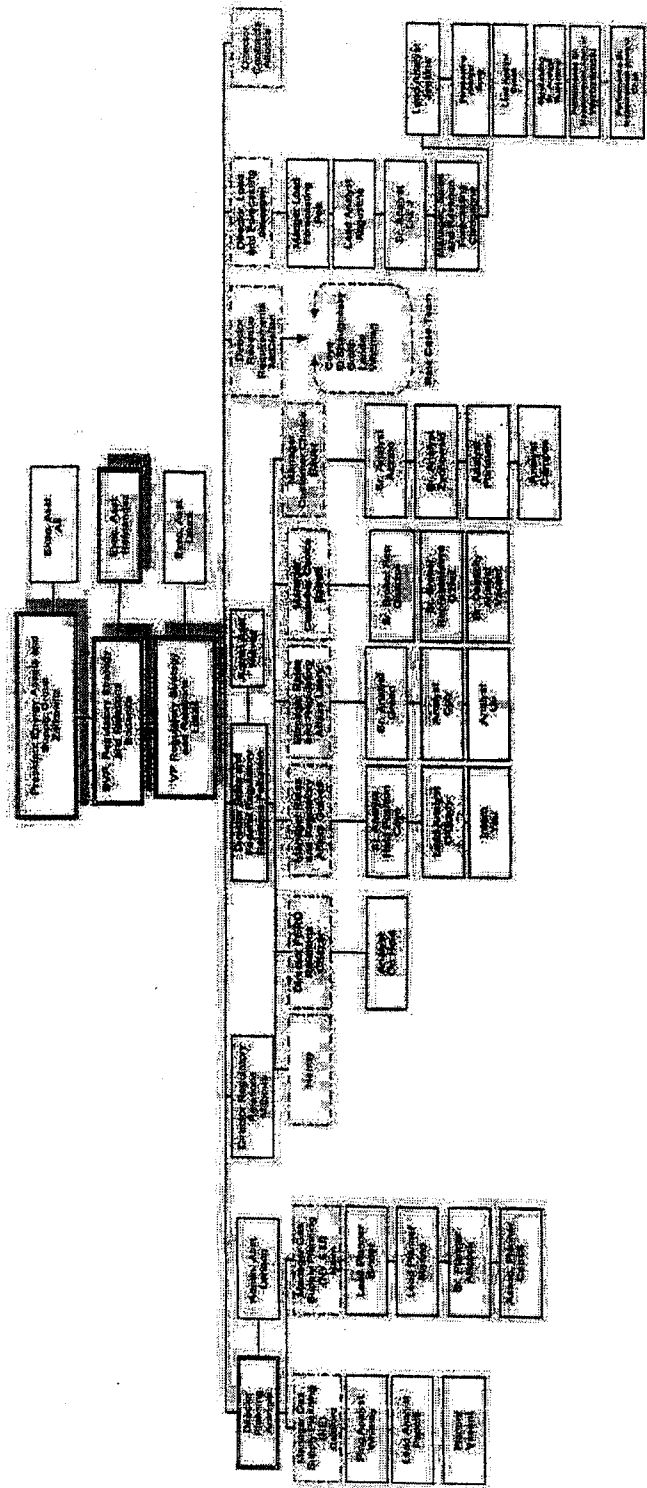
This process consists of verifying invoices for volume, price and tariff information against that which is recorded in the Company's NUCLEUS Risk Management system. Actual invoice payments are verified against the initial accrual. Invoices are approved and signed and forwarded to Corporate Accounting and Treasury for payment. The Transaction Back Office is also responsible for working with Corporate Accounting to ensure that all invoices are accurately recorded.

C. Financial (Hedging) Transaction Settlements

The Transaction Back Office is also responsible for confirming all financial settlement payment figures and preparing/submitting invoices on hedge gain settlements to counterparties, reviewing and approving of all counter-party hedge loss settlement invoices, and processing invoices related to margin activity. The Transaction Back Office Manager or Director approves all settlement invoicing. The Transaction Back Office is also responsible for working with Corporate Accounting to ensure that all invoices are accurately recorded.

Appendix 1

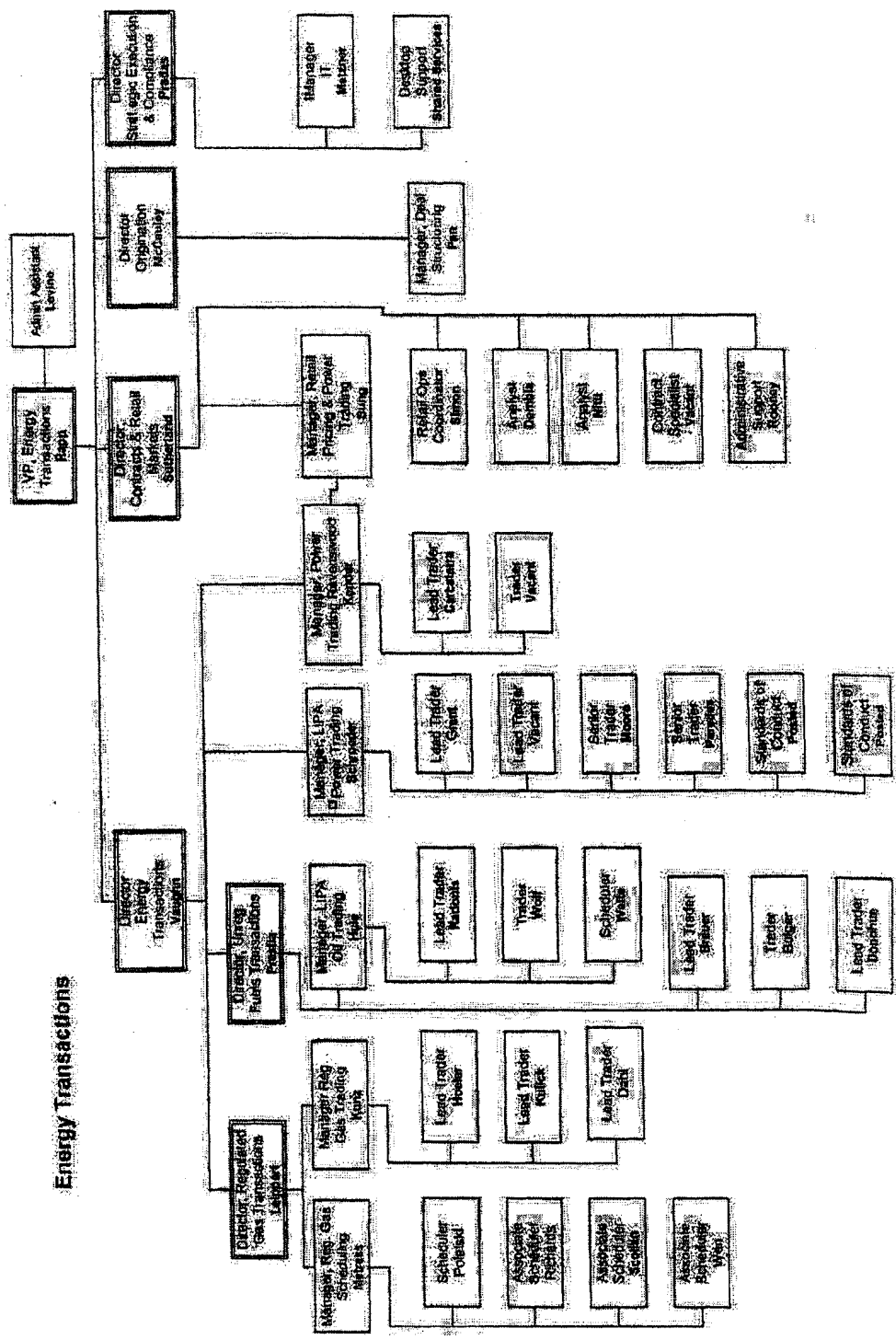
KeySpan Asset Optimization Group Organizational Chart



Appendix 2

KeySpan Regulated Gas Transaction Group Organizational Chart

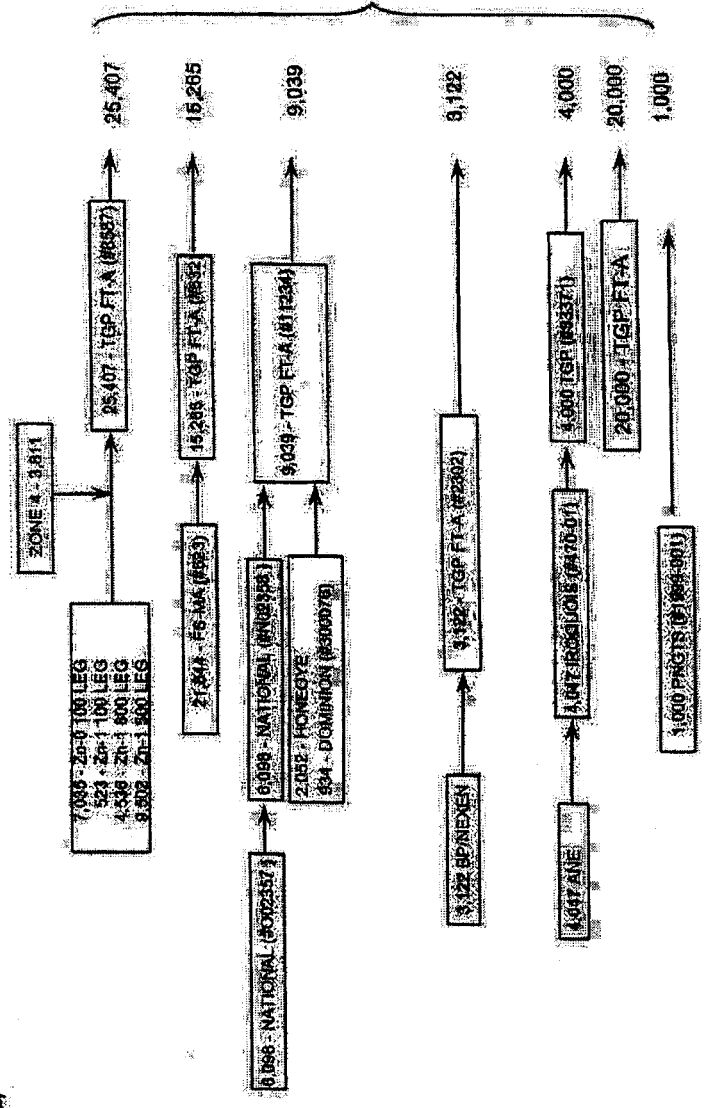
Energy Transactions



Appendix 3

Schematic of KeySpan Upstream Capacity Resources

**ENERGYNORTH GAS COMPANY
DESIGN DAY
PIPELINE TRANSPORTATION AND STORAGE
(MMBtu)**



77,833

Note:
 (1) EnergyNorth has a Peaking Service with ABS L on standby. Up to 15,000/day for 30 days.
 (2) CoEnergy Trading Co. will base load 20,000 FTA capacity Dec-Feb.

Appendix 4

KeySpan New England Sample NAESB Agreement

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: June xx, 2005. The parties to this Base Contract are the following:

_____ and
 Duns Number: _____
 Contract Number: _____
 U.S. Federal Tax ID Number: _____

Energy North Gas Co. DBA Keyspan Energy Delivery, N.E.
 52 Second Avenue, Waltham, MA 02451
 Duns Number: 194387015
 Contract Number: _____
 U.S. Federal Tax ID Number: 02-0209312

Notices:

Attn: _____
 Phone: _____ Fax: _____

Energy North Gas Co. DBA Keyspan Energy Delivery, N.E.
 Attn: Energy Supply Department
 Phone: (781) 466-5068 Fax: (781) 290-0186

Confirmations:

Attn: _____
 Phone: _____ Fax: _____

Energy North Gas Co. DBA Keyspan Energy Delivery, N.E.
 Attn: Energy Supply Department
 Phone: (781) 466-5068 Fax: (781) 290-0186

Invoices and Payments:

Attn: _____
 Phone: _____ Fax: _____

Energy North Gas Co. DBA Keyspan Energy Delivery, N.E.
 Attn: Energy Supply Department
 52 Second Avenue, Waltham, MA 02451
 Phone: (781) 466-5068 Fax: (781) 290-0186

Wire Transfer or ACH Numbers (If applicable):

BANK: _____
 ABA: _____
 ACCT: _____
 Other Details: _____

BANK: _____
 ABA: _____
 ACCT: _____
 Other Details: _____

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions stated in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select only one box for each section:

<p>Section 1.2 Transaction Procedure <input checked="" type="checkbox"/> Oral (default) <input type="checkbox"/> Written</p>	<p>Section 7.2 Payment Date <input checked="" type="checkbox"/> 25th Day of Month following Month of delivery (default) <input type="checkbox"/> _____ Day of Month following Month of delivery</p>
<p>Section 2.5 Confirm Deadline <input checked="" type="checkbox"/> 2 Business Days after receipt (default) <input type="checkbox"/> _____ Business Days after receipt</p>	<p>Section 7.2 Method of Payment <input checked="" type="checkbox"/> Wire transfer (default) <input checked="" type="checkbox"/> Affiliated Clearinghouse Credit (ACH) <input type="checkbox"/> Check</p>
<p>Section 2.6 Contracting Party <input checked="" type="checkbox"/> Seller (default) <input type="checkbox"/> Buyer</p>	<p>Section 7.7 Netting <input checked="" type="checkbox"/> Netting applies (default) <input type="checkbox"/> Netting does not apply</p>
<p>Section 3.2 Performance Obligation <input checked="" type="checkbox"/> Cover Standard (default) <input type="checkbox"/> Spot Price Standard</p> <p><i>Note: The following Spot Price Publication applies to both of the immediately preceding.</i></p> <p>Section 2.25 Spot Price Publication <input checked="" type="checkbox"/> Gas Daily Midpoint (default) <input type="checkbox"/> _____</p>	<p>Section 10.3.1 Early Termination Damages <input checked="" type="checkbox"/> Early Termination Damages Apply (default) <input type="checkbox"/> Early Termination Damages Do Not Apply</p> <p>Section 10.3.2 Other Agreement Setoffs <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) <input type="checkbox"/> Other Agreement Setoffs Do Not Apply</p> <p>Section 14.5 Choice of Law <u>New York</u></p>
<p>Section 6 Taxes <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) <input type="checkbox"/> Seller Pays Before and At Delivery Point</p> <p><input type="checkbox"/> Special Provisions: Number of sheets attached: _____ <input type="checkbox"/> Addendum(s): _____</p>	<p>Section 14.10 Confidentiality <input checked="" type="checkbox"/> Confidentiality applies (default) <input type="checkbox"/> Confidentiality does not apply</p>

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

Party Name: _____

Energy North Gas Co. DBA Keyspan Energy Delivery, N.E.
 Party Name: _____

By: _____
 Name: _____
 Title: _____

By: _____
 Name: _____
 Title: _____

General Terms and Conditions Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.7.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties, provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If the sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between the sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2; (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract; (iii) the Base Contract; and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephone recordings entered into in accordance with the requirements of this Base Contract. However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.2. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference, that specifies the agreed selections of provisions contained herein, and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.3. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu(IT).

- 2.4. "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.
- 2.5. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.6. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.7. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation.
- 2.8. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.9. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.10. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.11. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.
- 2.12. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.13. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.14. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.15. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.16. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.17. "Firm" shall mean that either party may interrupt its performance without liability, only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.18. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.19. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.20. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.21. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.22. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.23. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.24. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.25. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.26. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average

4.12. The parties shall coordinate their nomination advice, giving sufficient time to meet the deadline of the affected transporter(s). Each party shall give the other party timely notice, sufficient to meet the requirements of all transporter(s) involved in the transaction of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.1. Seller shall have the sole responsibility for transporting the Gas from the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for...
SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES
How liquidation costs will be calculated.
3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof. Non-damages for non-performance will be compensated, and

3.3. Notwithstanding Section 3.2, the parties may agree to alternative damages in a Transaction Confirmation executed in writing by both parties.
3.2. The sole and exclusive remedy of the parties in the event of a breach of a firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer (on any Day(s)), multiplied by the positive difference, if any, obtained by subtracting the Contract Quantity and the actual quantity delivered by Seller and received by Buyer (on any Day(s)) multiplied by the positive difference, if any, obtained by subtracting the Contract Quantity and the actual quantity delivered by Seller and received by Buyer (on any Day(s)), multiplied by the positive difference, if any, obtained by subtracting the Contract Quantity and the actual quantity delivered by Seller and received by Buyer (on any Day(s)), multiplied by the positive difference, if any, obtained by subtracting the Contract Quantity and the actual quantity delivered by Seller and received by Buyer (on any Day(s))...
Spot Price Standard.
which such amount was calculated.

3.2. The sole and exclusive remedy of the parties in the event of a breach of a firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer during the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s) supplied by the transporter between the Contract Quantity and the quantity actually received by Buyer in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller, utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s) supplied by the transporter between the Contract Quantity and the quantity actually received by Buyer (on any Day(s)), multiplied by the difference between the Contract Quantity and the quantity actually received by Seller and received by Buyer (on any Day(s)), multiplied by the difference between the Contract Quantity and the quantity actually received by Seller and received by Buyer (on any Day(s)), multiplied by the difference between the Contract Quantity and the quantity actually received by Seller and received by Buyer (on any Day(s)), multiplied by the difference between the Contract Quantity and the quantity actually received by Seller and received by Buyer (on any Day(s))...
Cover Standard.
The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a firm or interruptible basis, as agreed to by the parties in a transaction.

SECTION 3. PERFORMANCE OBLIGATION

2.29. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.
2.28. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.
2.27. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction next follows the relevant Day.
of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received for the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer, provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct, provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under the Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7, provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 14.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payments and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party or (viii) will not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due. Then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3. In addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an Early Termination Date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.4 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract, or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue from the date due until the

date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (v) governmental actions such as necessary for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party expending such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6 and Section 10, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED, UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the nonassigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

14.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

14.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

14.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

14.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

14.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

14.7. There is no third party beneficiary to this Contract.

14.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

14.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10. Unless the parties have elected on the Base Contract not to make this Section 14.10 applicable to the Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party prior to disclosure and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

14.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NACSB does not mandate the use of this Contract by any party. NACSB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NACSB'S DISCLAIMER OF ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NACSB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OR CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NACSB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.

**TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY**

EXHIBIT A

Letterhead/Logo	Date: _____ Transaction Confirmation #: _____	
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.		
SELLER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	
Contract Price: \$ _____ /MMBtu or _____		
Delivery Period: Begin: _____ End: _____		
Performance Obligation and Contract Quantity: (Select One)		
Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2, at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day
Delivery Point(s): _____ (If a pooling point is used, list a specific geographic and pipeline location):		
Special Conditions: 		
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____	

Appendix 5

KeySpan New England Natural Gas Price Risk Management Plan

EnergyNorth Natural Gas, Inc.
d/b/a KeySpan Energy Delivery New England

Natural Gas Price Risk Management Plan

INTRODUCTION

In recent years, prices in the natural gas commodity market have become some of the most volatile of all traded commodities. As a result, EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England ("Company") has seen its firm cost of gas fluctuate dramatically from month-to-month and year-to-year. A substantial portion of the Company's gas supply is priced based on market indices, (referred to as being "index priced"). In response to this market volatility, the Company has implemented and periodically updated a Natural Gas Price Risk Management Plan (the "Plan"). This statement of the Plan is intended to supersede all prior versions that have previously been adopted. The Plan uses various financial risk management tools and underground storage inventories in order to provide more price stability in the cost of gas to firm sales customers and to fix the cost of gas for participants in the Company's Fixed Price Option Program¹.

PLAN TERM

This Plan will become effective when authorized by the Company's Risk Management Committee and approved by the New Hampshire Public Utilities Commission.

¹ See the "EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England Fixed Price Option Program" approved by the New Hampshire Public Utilities Commission.

GUIDELINES

Risk Management Tools

The Company may use derivatives (swaps, call and put options) to hedge the prices for a portion of its gas supply portfolio for the period from October through May. The portions of the portfolio that it may hedge are the flowing gas supplies that are indexed priced. The derivatives used in the hedge may be either physical or financial.

The Company will also use its underground storage capacity to mitigate price volatility by purchasing gas in approximately equal monthly increments during the April to October refill season at market prices in effect at the time, and withdrawing (and, to the extent necessary, refilling) inventories during the November to April heating season in order to maintain underground storage inventories as of each month-end that are at least equal to its annual rule-curve criteria. Withdrawals of underground storage gas shall be at the weighted average cost of gas in inventory.

Price and Volume Guidelines

The Company will hedge up to 67.5% of its index-priced supplies and up to 20% of its underground storage capacity (in addition to hedging through the refill of underground storage during the period April to October).

The Company will hedge up to 67.5% of the Gulf Coast and Canadian supplies (i.e. the index-priced supplies) purchased for delivery to its firm sales customers during the winter period months of November through April and the summer period months of May and October. At a minimum the Company will hedge the winter period volumes according to the following cumulative targets: (Hedged volume can be up to 2% below target.)

- August 1 (15 months prior to the winter season) 19% of total strategy volume
- November 1 (12 months prior to the winter season) 38% of total strategy volume
- February 1 57% of total strategy volume
- May 1 76% of total strategy volume
- August 1 95% of total strategy volume

- September 1 100% of total strategy volume

Due to the timing of the purchases made in 2005, for the 2005/2006 winter period only 87% of the total strategy volume will be hedged by August 1.

The percentage of index-priced supplies that will be hedged at any time will depend on the current natural gas market price trends relative to historical prices for winter period deliveries, forward price and volatility curves, and economic forecasts. The Company will not hedge more than 67.5% of its forecasted index-based supplies for the entire winter period, and not less than 30% or more than 80% for any month of the winter period.

The Company will further hedge the cost of its underground storage supplies by entering into arrangements between May and April to fix the cost of up to 20% of the volumes to be injected into storage during the following May through October (i.e. volumes hedged in August are for injection into storage during the following May through October injection period). At a minimum the Company will hedge storage volumes according to the following cumulative targets: (Hedged volume can be up to 2% below target.)

- By August 1 25% of the hedged underground storage capacity
- By November 1 50% of the hedged underground storage capacity
- By February 1 75% of the hedged underground storage capacity
- By May 1 100% of the hedged underground storage capacity

The Company will not hedge more than 20% of its forecasted underground storage capacity injections.

Transaction Execution Guidelines

A specific strategy for hedging the cost of gas supplies will be presented and approved by the Company's Commodity Management Committee ("CMC"). The hedging strategy will incorporate the types of transactions, timing and option premium expenditures.

period hedged.

the physical purchase of natural gas will be deemed to be a recoverable cost of gas for the delivered to customers. Any derivative settlement payables or receivables associated with COG in the period during which the underground storage gas is withdrawn from storage and storage supplies. These credits and costs will be billed to firm sales customers through the underground storage gas will be charged to the average inventory cost of underground supplies. Additionally, premiums paid for the purchase of options and brokerage fees for received from the sale of options to the average inventory cost of the underground storage. For the underground storage supply purchases, the Company will credit such premiums

charged to the summer period COG.

winter period COG, and options pertaining to the months of May through October will be (i.e., options pertaining to the months of November through April) will be charged to the These costs will be charged to the COG period for which an option was purchased and sold. premiums paid for the purchase of options and brokerage fees will be charged to the COG. COG) for the amount of any premiums received from the sale of options. Additionally, For the index-priced gas supplies, the Company will credit the Cost of Gas Adjustment (the

REGULATORY TREATMENT

Controller and approved by the Chief Risk Officer

Mark-to-Market position as well as other risk metrics as deemed appropriate by the Risk the CMC members. The weekly report will give the status of the hedging strategy and a transactions and the status of the hedging strategy will be distributed to, and reviewed by Company's risk and transaction management system. A weekly report summarizing the Upon execution of a transaction, a trade ticket will be generated and entered into the

POLICIES, PROCEDURES AND CONTROLS

The Company will maintain a utility Commodity Management Committee and a Risk Management Committee. The CMC will be chaired by the Risk Controller and shall include:

- Risk Controller for Commodity Risk Management Activities
- Chief Accounting Officer
- Officer responsible for Energy Transaction Management Group
- Chief Auditor
- any others appointed by the Risk Management Committee

The CMC shall:

- Provide a forum to discuss risk management issues related to Commodity Management Activities
- Recommend to the risk management Committee for approval of broad strategies for trading and hedging and other use of derivatives
- Establish market risk limits subordinate to any market risk limits established by the Risk Management Committee, as necessary, and establish and recommend the market risk limit structures such as the determination of permitted and restricted trading activities
- Review new products and activities involving trading and the recommend the corresponding approval process through direct approval from the Risk Management Committee.

The Risk Management Committee will be chaired by the Chief Risk Officer and include:

- Chief Operating Officer
- Executive Vice President and General Counsel
- Executive Vice President and Chief Financial Officer
- Executive Vice President of Strategic Services

- President of KeySpan Energy Delivery & Customer Relationship Group
- President of KeySpan Energy Assets & Supply Group
- Other officers as designated by the Chief Executive Officer.

The Risk Management Committee shall:

- Oversee the ongoing development of this Policy to ensure that appropriate risk management methodologies are applied to the Company's business activities; monitor and enforce compliance with the Policy; approve specific exceptions to this Policy.
- Approve risk management strategy proposals in support of financial and strategic plans, including consideration of risk exposure assessment, risk mitigation, monitoring, reporting and control requirements.
- Establish risk management priorities, processes and procedures to ensure that the Company's risk-taking activities are consistent with its Risk Appetite.
- As requested by the Chief Risk Officer, approve specific risk management procedures and determine how often specific risk metrics are calculated and reported; establish risk limits and other risk control mechanisms and processes.
- Approve key roles and responsibilities within the risk management framework; evaluate whether transacting and risk management personnel are appropriately skilled.
- Provide guidance on the Finance Department's and Strategic Planning & Performance Department's Enterprise Risk Management projects and priorities; periodically engage Internal Audit in an independent audit of risk control processes and procedures.
- Assess and recommend to the Resource Allocation Committee the allocation of resources necessary for the Company's risk management activities to support its business activities.

Appendix 6

KeySpan New England Sample “Game Plan”

Appendix 7

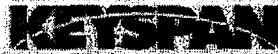
KeySpan New England Sample Daily Volume Sheet And On-Call Lists

SCHEDULED DELIVERIES FOR BGC, CGC, EGC AND ENERGYNORTH

		<u>Wednesday</u> <u>11/30/05</u>	<u>Thursday</u> <u>12/01/05</u>
<u>ALGONQUIN</u>			
BGC System Supply	Canadian	0	0
	Baseload	81,000	95,000
	Swing	0	25,000
	Hubline 10K	0	0
	Storage	0	0
	Hubline Tier V	0	0
	Providence LNG	0	0
	Spot	0	0
	IT Customers	0	0
	FT Customers	41,930	62,673
Sempra to Mystic 7 (meter 27)		0	0
Exelon @ L St. (meter 52)		<u>0</u>	<u>0</u>
Subtotal:		122,930	182,673
Colonial System Supply (Cape Cod)	Canadian	5,641	5,611
	Baseload	15,000	20,000
	Swing/Spot	0	0
	Hubline 10K	0	0
	Storage	0	0
	Hubline Tier V	0	0
	DOMAC 15K	0	0
	Providence LNG	0	0
	Spot	0	0
	IT Customers	0	0
	FT Customers	<u>3,190</u>	<u>4,021</u>
Subtotal:		23,831	29,632
Make-up/Payback: (BGC & CGC)		0	0
AGT Payback (not scheduled on LINK):		0	0
BGC System Supply Subtotal:		146,761	212,305
Less: DOMAC Backoff		0	0
Less: TYR Backoff		0	0
TOTAL AGT(NET OF BACKOFFS):		146,761	212,305
DOMAC Backdoor Supply (FCS064)		0	0
DOMAC Backdoor to Sempra (M7):		20,000	900
DOMAC Backdoor to Exelon (L St):		0	0
Baystate Nominations:		0	0
<u>PNGTS</u>			
EnergyNorth System Supply	Baseload	90	125
	Swing	0	0
TOTAL PNGTS		90	125
NOTE: PLEASE USE A TOLERANCE OF 110% ON THE PIPELINE.			
Remaining Swing		77,965	33,965
Remaining Storage		103,575	103,575

SCHEDULED DELIVERIES FOR BGC, CGC, EGC AND ENERGYNORTH

		Wednesday <u>11/30/05</u>	Thursday <u>12/01/05</u>
TENNESSEE			
BGC System Supply			
	Canadian	54,660	54,668
	Baseload	21,325	23,000
	Swing	10,000	0
	Storage	0	0
	Spot	0	0
	IT Customers	0	0
	FT Customers	<u>19,769</u>	<u>22,770</u>
Subtotal:		105,754	100,438
Essex System Supply			
	Canadian	3,516	3,518
	Baseload	3,000	15,000
	Swing	5,000	0
	Storage	0	0
	Spot	0	0
	EGC 15K	0	0
	DOMAC 6K	0	0
	IT Customers	0	0
	FT Customers	<u>1,551</u>	<u>1,944</u>
Subtotal:		13,067	20,462
Colonial System Supply (Lowell)			
	Canadian	0	0
	Baseload	5,000	17,000
	Swing	20,000	25,000
	Storage	0	0
	Spot	0	0
	DOMAC 15K	0	0
	IT Customers	0	0
	FT Customers	7,333	8,515
	Lo Cogen	0	0
	L'Energia	0	0
	Pepperell	<u>0</u>	<u>0</u>
Subtotal:		32,333	50,515
EnergyNorth System Supply			
	Canadian	6,781	6,771
	Baseload	18,000	12,000
	CoEnergy 20K	0	19,822
	Swing	13,000	0
	Dracut 20K	0	0
	DOMAC 8K	0	8,000
	Storage	0	0
	AES 15K	0	0
	IT Customers	0	0
	FT Customers	8,322	9,535
	Spot	<u>0</u>	<u>0</u>
Subtotal:		46,103	56,128
Make-up/Payback:		0	0
BGC System Supply Subtotal:		197,257	227,543
Less: DOMAC Backoff		(39,386)	(39,387)
Less: Meter Bounce (Marketers)		0	0
DOMAC System Supply Backdoor		0	20,000
TOTAL TGP(NET OF DOMAC BACKOFF):		157,871	188,156
TGP TOLERANCE (2%-10%)		5%	5%
VOLUME TOLERANCE		7,894	9,408
NOTE: PLEASE USE A TOLERANCE OF 105% ON THE PIPELINE.			
Remaining Consolidated Swing		75,683	60,008
Remaining EnergyNorth Swing		9,475	28,475
Remaining Consolidated Storage		98,049	98,049
Remaining EnergyNorth Storage		27,101	27,101



KeySpan Energy Utility Services LLC
100 East Old Country Road
Hicksville, NY 11801

November 23, 2005

The following contact sheet should be used for resolving questions or problems that may arise outside of normal working hours.

	<u>Work Phone</u>	<u>Pagers/Cell*</u>	<u>Home Phone</u>
Gas - Energy Transactions Organization (ETO)			
Mark Leppert - Dir.	545-5412	(516) 376-7172	(631) 864-4930
John Meuness - Mgr.	545-5425	(516) 438-1165	(516) 763-9768
Rich. Kunz - Mgr.	545-5411	(516) 319-2802	(631) 754-7164
Mark Kulitek	545-5415	(516) 376-7173	(631) 598-3954
Rat Hoeler	545-5413	(516) 376-7173	(631) 234-8429
Rashi Dahl	545-5431	(516) 824-2189	(631) 486-8121
A.J. Poletski	545-5430	(516) 376-7173	(631) 588-4108
Kirsten Richards	545-5410	(516) 376-7173	(631) 940-0901
Michael Scollan	545-5433	(516) 376-7173	(631) 567-1970
Wen Wen	545-5434	(516) 376-7173	(212) 619-0890

Cell Phone - Gas (516) 376-7173

Gas Supply Planning

Kevin Marino	545-5422	(917) 298-9745	(516) 783-4771
Faye Allcock	545-5424	(917) 381-1425	(718) 975-7003

Appendix 8

KeySpan New England Sample BMS Nominations Template

Nominations

Marketer:
Month Of: December-05
Keyspan Company:
Pipeline:

Marketer ID: #N/A
Company ID: #N/A
Pipeline ID: #N/A

Service Type: Pipeline Contract: Meter Number: Point Name:	Daily A0001 10001 Domac - AGT	Invalid Combination	Invalid Combination	Invalid Combination
1-Dec-2005	0	0	0	0
2-Dec-2005	0	0	0	0
3-Dec-2005	0	0	0	0
4-Dec-2005	0	0	0	0
5-Dec-2005	0	0	0	0
6-Dec-2005	0	0	0	0
7-Dec-2005	0	0	0	0
8-Dec-2005	0	0	0	0
9-Dec-2005	0	0	0	0
10-Dec-2005	0	0	0	0
11-Dec-2005	0	0	0	0
12-Dec-2005	0	0	0	0
13-Dec-2005	0	0	0	0
14-Dec-2005	0	0	0	0
15-Dec-2005	0	0	0	0
16-Dec-2005	0	0	0	0
17-Dec-2005	0	0	0	0
18-Dec-2005	0	0	0	0
19-Dec-2005	0	0	0	0
20-Dec-2005	0	0	0	0
21-Dec-2005	0	0	0	0
22-Dec-2005	0	0	0	0
23-Dec-2005	0	0	0	0
24-Dec-2005	0	0	0	0
25-Dec-2005	0	0	0	0
26-Dec-2005	0	0	0	0
27-Dec-2005	0	0	0	0
28-Dec-2005	0	0	0	0
29-Dec-2005	0	0	0	0
30-Dec-2005	0	0	0	0
31-Dec-2005	0	0	0	0
Total	0	0	0	0

Appendix 9

KeySpan New England Sample Scheduled Daily Deliveries Report

KeySpan Energy Delivery
Energy North Gas Company
Daily Scheduled Deliveries Detail
November 30, 2005

Pipeline: Tennessee

Receipt Point	Contract Number	Service Type	Supplier	Confirmed Nominations (MMBtu)	
20132 NASHUA	081498750	O - Daily Metered	Amerada Hess	125	
20132 NASHUA	081498750	S - Non-Daily Metered	Amerada Hess	81	206
20132 NASHUA	178630257	O - Daily Metered	Select Energy, Inc.	1,165	
20132 NASHUA	178630257	S - Non-Daily Metered	Select Energy, Inc.	792	1,957
20132 NASHUA	860097617	O - Daily Metered	Global Companies, LLC	320	
				2,483	
20133 MANCHESTER	131362733	O - Daily Metered	Sprague Energy Corp	1,868	
20133 MANCHESTER	178630257	S - Non-Daily Metered	Select Energy, Inc.	54	
20133 MANCHESTER	608140745	O - Daily Metered	Sprague Energy Corp	2,460	
20133 MANCHESTER	608140745	S - Non-Daily Metered	Sprague Energy Corp	40	2,500
20133 MANCHESTER	860097617	O - Daily Metered	Metromedia Energy	425	
20133 MANCHESTER	860097617	S - Non-Daily Metered	Metromedia Energy	534	959
20133 MANCHESTER	926082306	S - Non-Daily Metered	Metromedia Energy	286	
				5,667	
20426 LACONIA	131362733	O - Daily Metered	Sprague Energy Corp	23	
20426 LACONIA	178630257	S - Non-Daily Metered	Select Energy, Inc.	71	
20426 LACONIA	926082306	S - Non-Daily Metered	Metromedia Energy	78	
				172	
Grand Total:					8,322

Appendix 10

KeySpan New England Sample Monthly Sendout Report

**ENERGY NORTH - OCTOBER 2005
SENDOUTS**

	concord							TOTAL	PROPANE	VAPOR	BOILOFF	TOTAL	AVG	EDD	ZONE 9
	NASHUA	MANCHEST	HOOKSETT	LACONIA	SUNCOOK	LONDON	BERLIN	PIPE				SENDOUT	TEMP		
1	5965	3884	200	3443	229	1892	41	15654	0	0	53	15707	58	7	1050
2	5880	3622	371	3315	198	2195	45	15626	0	0	53	15679	62	5	1051
3	5806	3783	532	4189	361	2117	51	16929	0	0	53	16982	62	4	1048
4	5749	4114	547	4219	287	1924	40	16880	0	0	53	16933	62	5	1049
5	5487	4848	508	3851	307	1493	41	16545	0	0	53	16598	66	1	1056
6	5241	5409	410	2807	312	997	36	15212	0	0	53	15285	70	0	1048
7	4767	4130	189	2516	254	1671	36	13585	0	0	53	13638	74	0	1037
8	5369	4729	126	3358	264	1759	57	15882	0	0	53	15735	56	11	1037
9	6652	5759	143	4074	334	1571	76	18609	0	0	53	18662	54	12	1035
10	7361	6363	228	5033	314	1570	54	20843	0	0	52	20995	55	10	1046
11	7957	6203	495	5307	158	2267	56	22443	0	0	52	22495	54	12	1048
12	9275	7947	642	6078	244	2004	53	26243	0	0	52	26295	52	14	1049
13	8360	7591	496	5859	316	1928	59	24829	0	0	52	24681	55	11	1052
14	7133	6523	351	5157	207	1797	48	21218	0	0	52	21268	57	9	1050
15	7644	6252	243	4835	358	2272	46	21452	0	0	52	21504	54	12	1048
16	9424	7549	313	5544	473	2500	60	25863	0	0	52	25938	54	13	1047
17	9458	7589	545	5951	487	2336	60	26428	0	0	52	26478	52	14	1046
18	9492	8266	748	5924	364	2052	62	26950	0	0	52	27002	53	13	1045
19	9470	7952	631	6215	480	1949	64	26781	0	0	52	26833	54	12	1043
20	13204	10263	737	8399	722	2489	89	35903	0	0	52	35955	44	22	1046
21	13378	10593	761	8475	789	2242	92	36308	0	0	52	36360	44	22	1036
22	14228	11746	650	7981	565	1828	71	37047	0	0	52	37099	44	23	1031
23	14499	11813	420	8028	755	1899	86	37500	0	0	52	37552	44	22	1047
24	16478	11369	556	8235	680	2667	74	40057	0	0	52	40109	46	21	
25	19565	13710	586	10164	744	3066	99	47936	0	0	52	47988	40	28	
26	19807	13667	694	9661	789	2900	101	47819	0	0	52	47671	42	25	
27								0	0	0	52	52			
28								0	0	0	52	52			
29								0	0	0	52	52			
30								0	0	0	52	52			
31								0	0	0	52	52			
	247823	195716	12124	148400	10951	53365	1639	670038	0	0	1621	671682	54	328	1045

Appendix 11

KeySpan New England Sample Daily Imbalance Report

**IMBALANCE
OCTOBER 2005
ENERGY NORTH**

DAY	NOMINATION RECEIPT	ACTUAL DELIVERY	DAILY IMBALANCE	ACCUML'TVE IMBALANCE
				0
1	14,993	15,612	619	619
2	15,279	15,580	301	920
3	16,851	16,878	27	947
4	12,711	16,840	4,129	5,076
5	16,023	16,502	479	5,555
6	16,463	15,176	-1,287	4,268
7	14,064	13,548	-516	3,752
8	20,278	15,625	-4,653	-901
9	19,058	18,534	-524	-1,425
10	20,435	20,889	454	-971
11	20,701	22,387	1,686	715
12	26,109	26,190	81	796
13	23,930	24,570	640	1,436
14	26,500	21,168	-5,332	-3,896
15	20,220	21,405	1,185	-2,711
16	26,072	25,803	-269	-2,980
17	27,250	26,346	-904	-3,884
18	27,177	26,887	-290	-4,174
19	24,424	26,698	2,274	-1,900
20	33,289	35,814	2,525	625
21	31,809	36,217	4,408	5,033
22	38,122	36,975	-1,147	3,886
23	43,567	37,414	-6,153	-2,267
24	40,227	39,983	-244	-2,511
25	39,522	47,836	8,314	5,803
26	45,968	47,518	1,550	7,353
27			0	7,353
28			0	7,353
29			0	7,353
30			0	7,353
31			0	7,353
	661,042	668,395	7,353	
	661,042	668,395	7,353	

Appendix 12

KeySpan New England Sample Monthly Asset Manager Reports/Invoices

TENNESSEE

Swing Supply

1	Zn 1, 100 Leg TENNESSEE to Zone 6 TENNESSEE
2	Zn 0, 100 Leg TENNESSEE to Zone 6 TENNESSEE
3	Zn 1, 800 Leg TENNESSEE to Zone 6 TENNESSEE
4	Zn 1, 500 Leg TENNESSEE to Zone 6 TENNESSEE
5	Tennessee Dracut

Swing Index

		fuel	commodity
0.00%	\$	7.82%	\$
0.00%	\$	7.82%	\$
0.00%	\$	8.71%	\$
0.00%	\$	7.82%	\$
0.00%	\$	7.82%	\$
0.00%			

Baseload Supply

1	Zn 1, 100 Leg TENNESSEE to Zone 6 TENNESSEE
2	Zn 0, 100 Leg TENNESSEE to Zone 6 TENNESSEE
3	Zn 1, 800 Leg TENNESSEE to Zone 6 TENNESSEE
4	Zn 1, 500 Leg TENNESSEE to Zone 6 TENNESSEE
5	Tenn Dracut

Baseload Index

		fuel	commodity
0.00%	\$	7.82%	\$
0.00%	\$	7.82%	\$
0.00%	\$	8.71%	\$
0.00%	\$	7.82%	\$
0.00%	\$	7.82%	\$
0.00%			

Dracut Supply

1	Tenn Dracut (agreed upon pricing)
---	-----------------------------------

100.00%	\$	0.00%	\$
---------	----	-------	----

Keyspan Consolidated Demand & Reservation Charges

TRANSPORTATION							Actual	
Company	Pipeline	Rate Schedule	Counterparty Contract #	MLCI Contract #	Demand Rate	MDC	Demand	Charges paid by Keyspan
Energy North	Nat Fuel	FST	N02856	B10229/422351	\$ 0.0832	5,869	\$	488.30
Energy North	PNGTS	RD1	ET-1880-001	CR-2004-010	\$ 25.8542	1,000	\$	25,854.20
Energy North	TGPL	FT-A	11234 FTA	49295	\$ 8.8927	8,700	\$	40,434.27
Energy North	TGPL	FT-A	42076 FTA	49297	\$ 3.1600	19,192	\$	60,546.72
Energy North	TGPL	FT-A	632 FTA	49299	\$ 5.8800	18,684	\$	86,542.68
Energy North	TGPL	FT-A	8587 FTA	49310	\$ 14.1561	24,300	\$	343,295.59
								\$ 568,266.74

STORAGE								Actual	
Company	Pipeline	Rate Schedule	Counterparty Contract #	MLCI Contract #	Demand Charge	Space Charge	Storage Capacity	MDC	Demand Charges paid by Keyspan
Energy North	Dominion	GSS	200078	533417	\$ 1.6522	\$ 0.0345	99,659	699	\$ 3,425.51
Energy North	Nat Fuel	FSS	N002367	R10238/322381	\$ 2.1558	\$ 0.0432	845,894	3,689	\$ 40,545.20
Energy North	TGPL	FS-MA	523/ESMA	49389	\$ 1.1600	\$ 0.0165	1,503,889	25,020	\$ 51,955.70
									\$ 95,926.41

Total Consolidated Transportation & Storage

\$ 663,904.15

Appendix 13

KeySpan New England Sample Monthly Storage Report

Energy North	
Delivered (Citygate) Numbers	
8:18 AM	
TRINITY ADDRESS CITY STATE ZIP PHONE FAX E-MAIL WEBSITE PAPER COTAILS	

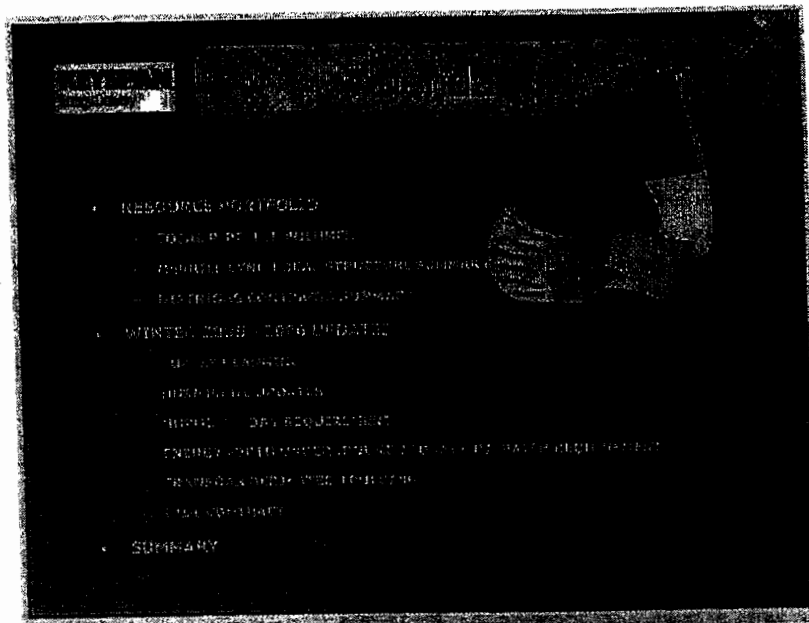
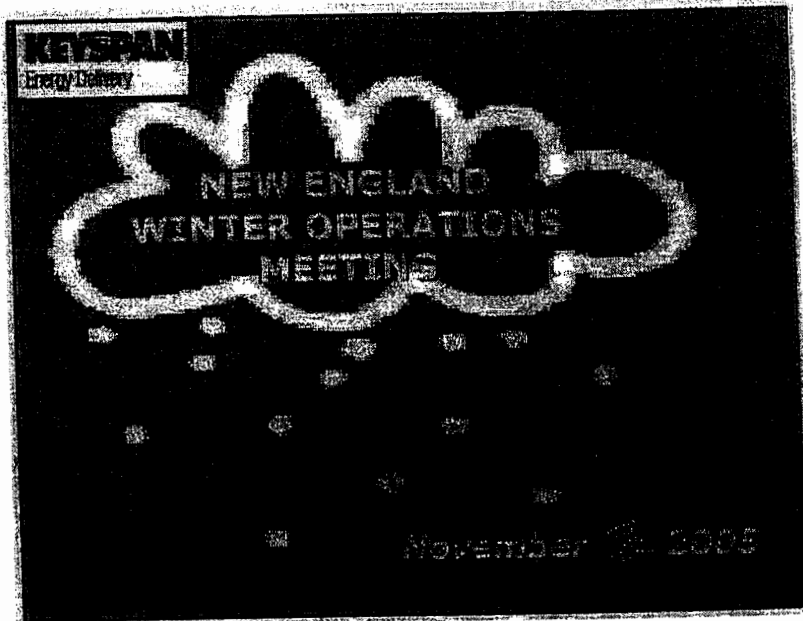
Energy North		Receipt (Storage) Numbers		1/6/2005	
Fuel Recip	1/1/2005	2.09%	2.17%	2.17%	1.92%
MSQ	2,474.635	2,474.635	2,474.635	2,474.635	2,474.635
% Full	100%	100%	100%	100%	100%
Gas Day					
11/1/2005	-	-	-	-	-
11/2/2005	-	-	-	-	-
11/3/2005	-	-	-	-	-
11/4/2005	-	-	-	-	-
11/5/2005	-	-	-	-	-
11/6/2005	-	-	-	-	-
11/7/2005	-	-	-	-	-
11/8/2005	-	-	-	-	-
11/9/2005	-	-	-	-	-
11/10/2005	-	-	-	-	-
11/11/2005	-	-	-	-	-
11/12/2005	-	-	-	-	-
11/13/2005	-	-	-	-	-
11/14/2005	-	-	-	-	-
11/15/2005	-	-	-	-	-
11/16/2005	-	-	-	-	-
11/17/2005	-	-	-	-	-
11/18/2005	-	-	-	-	-
11/19/2005	-	-	-	-	-
11/20/2005	-	-	-	-	-
11/21/2005	-	-	-	-	-
11/22/2005	-	-	-	-	-
11/23/2005	-	-	-	-	-
11/24/2005	-	-	-	-	-
11/25/2005	-	-	-	-	-
11/26/2005	-	-	-	-	-
11/27/2005	-	-	-	-	-
11/28/2005	-	-	-	-	-
11/29/2005	-	-	-	-	-
11/30/2005	-	-	-	-	-
Migration	0	0	0	0	0
In Hole Loss					
Ending Bal:	2	3	1	4	
% Full	100%	100%	100%	100%	100%

Commodity Charges		Commodity Charges	
Storage	0.0617	0	0
Transport		0	0
Demurrage		0	0
Terminal		0.0784	0.0853
Warehouse		0	0
Other		0	0
Total	0.0853	0	0.0853

Commodity Charges		Commodity Charges	
Gas Day			
11/1/2005	\$	\$	\$
11/2/2005	\$	\$	\$
11/3/2005	\$	\$	\$
11/4/2005	\$	\$	\$
11/5/2005	\$	\$	\$
11/6/2005	\$	\$	\$
11/7/2005	\$	\$	\$
11/8/2005	\$	\$	\$
11/9/2005	\$	\$	\$
11/10/2005	\$	\$	\$
11/11/2005	\$	\$	\$
11/12/2005	\$	\$	\$
11/13/2005	\$	\$	\$
11/14/2005	\$	\$	\$
11/15/2005	\$	\$	\$
11/16/2005	\$	\$	\$
11/17/2005	\$	\$	\$
11/18/2005	\$	\$	\$
11/19/2005	\$	\$	\$
11/20/2005	\$	\$	\$
11/21/2005	\$	\$	\$
11/22/2005	\$	\$	\$
11/23/2005	\$	\$	\$
11/24/2005	\$	\$	\$
11/25/2005	\$	\$	\$
11/26/2005	\$	\$	\$
11/27/2005	\$	\$	\$
11/28/2005	\$	\$	\$
11/29/2005	\$	\$	\$
11/30/2005	\$	\$	\$
Total	\$	\$	\$

Appendix 14

KeySpan New England Winter Operations 2005/2006 Presentation



Resource Inventory

	Algonquin	Tanawassas	Norman	Total
Boston	211,343	24,000		235,343
Waltham	25,203	36,900		62,103
Worcester		12,800		12,800
Sum total	236,546	73,700		310,246
Worcester		78,400	1,000	79,400
Total	236,546	152,100	1,000	389,646

Notes:

1. Boston population includes 117,000 population of Cambridge.
2. Worcester population includes 600,000 population of the city of Worcester.
3. Worcester population includes 100,000 population of the city of Worcester.
4. Worcester population includes 100,000 population of the city of Worcester.

Resource Inventory

	Boston, Colonial & Essex	Essex	Essex North
Boston	211,343		
Waltham	25,203		
Worcester			
Sum total	236,546		
Essex		78,400	1,000
Essex North			1,000
Total	236,546	79,400	2,000

Notes:

1. Boston population includes 117,000 population of Cambridge.
2. Worcester population includes 600,000 population of the city of Worcester.
3. Worcester population includes 100,000 population of the city of Worcester.
4. Worcester population includes 100,000 population of the city of Worcester.



Resource Profile

ESTRIGAS CONTRACTS SUMMARY

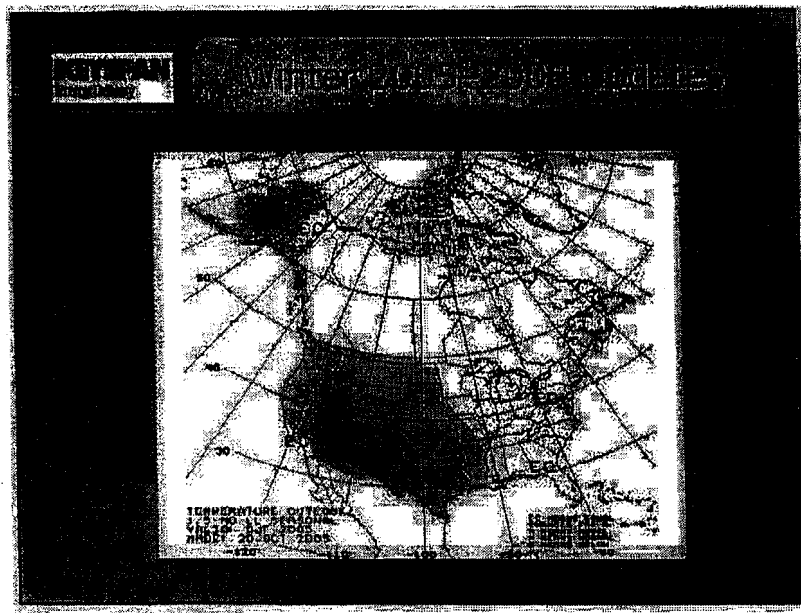
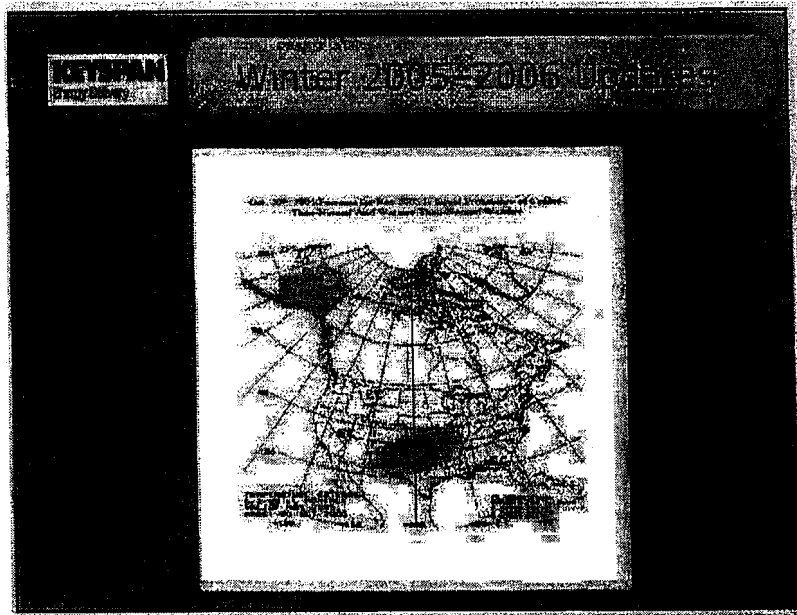
Company	Contract	Value	Start	End	Phase
KBR	ESTRIGAS	100,000,000	2000	2005	Phase 1
	ESTRIGAS	100,000,000	2000	2005	Phase 2
	ESTRIGAS	100,000,000	2000	2005	Phase 3
KBR	ESTRIGAS	100,000,000	2000	2005	Phase 4
	ESTRIGAS	100,000,000	2000	2005	Phase 5
KBR	ESTRIGAS	100,000,000	2000	2005	Phase 6
	ESTRIGAS	100,000,000	2000	2005	Phase 7

Notes:
 All contracts are in force with a remaining term of 12 months.
 All contracts are in force with a remaining term of 12 months.
 All contracts are in force with a remaining term of 12 months.



Resource Profile

SUPPLY PLANNING





Winter 2005-2006

SUPPLY PORTFOLIO PLANNING

Peak Season	MA	NR	TOTAL
Day (Bcf)	1.11	2.34	3.45
Season (Bcf)	102.05	117.79	219.84
EBD	78	91	169



Winter 2005-2006

Table with multiple columns and rows, containing detailed data for supply portfolio planning. The text is very faint and difficult to read due to the quality of the scan.



Winter 2005-2006 Updates

SUPPLY PORTFOLIO PLANNING

November 17, 2005 Inventory Status

- > Underground Storage Tanks 100% Full
- > On-Site LNG Tanks 100% Full
- > On-Site Propane Tanks 100% Full



Winter 2005-2006 Updates



HURRICANE UPDATES



Winter 2005 - 2006 Update

CONTINGENCY PLANNING ACTIVITY

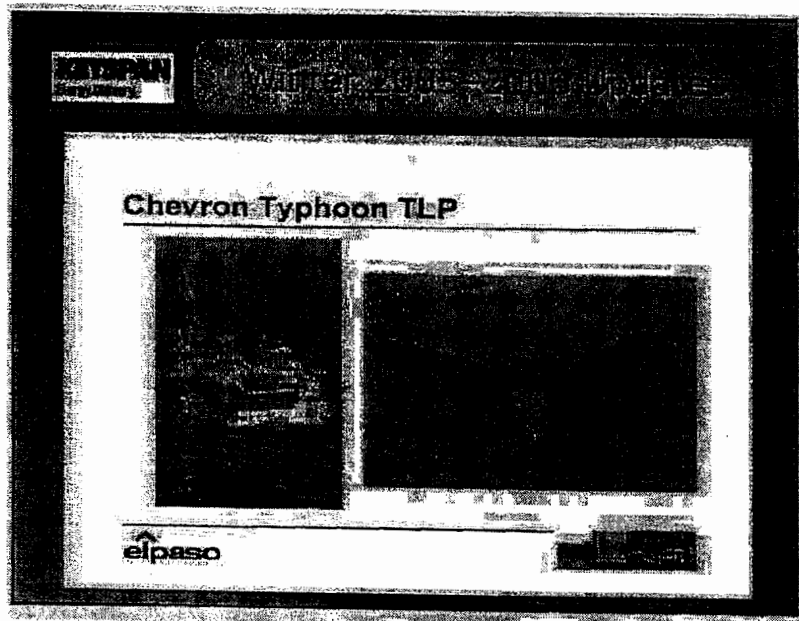
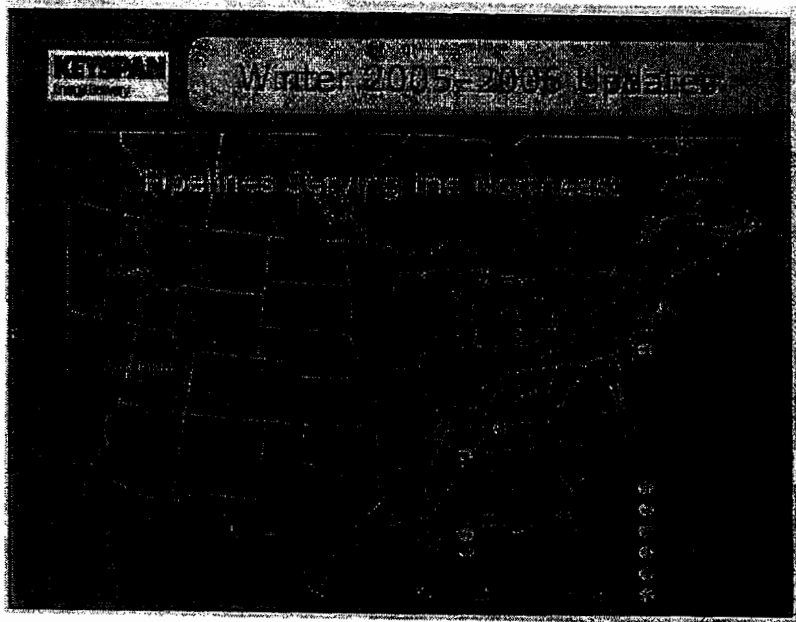
- Purchased volumes upstream of constraint points for November - March period
- Implement plan to "hedge" underground and on-system storages
- Continued participation on weekly NGA Gas Supply Task Force conference calls



Winter 2005 - 2006 Update

CONTINGENCY PURCHASES

Volume (MM BTU/DAY)	Term	Pipeline	Location
30,000	Nov - Mar	TGP	East of An P. In.
10,000	Nov - Mar	TGP	East of An (outside)
10,000	Nov - Mar	TGP	Burgess
6,000	Nov - Mar	TGP	Portland (West of Intermountain)
4,000	Dec - Mar	TGP	Portland (Intermountain Intermountain)
70,000	Nov - Mar	TETCO	TETCO #1
20,000	Nov - Mar	ACT/TG	Washed





Winter 2005-2006 Updates

NHPUC 7-DAY REQUIREMENT

- Based on the 20 year rolled 7-day requirement
- Before Oct. 1 of each year, provide the 7-day peak shaving requirement to WSPCA
- Weekly gas storage report from Dec. 1 - April 1
- Minimum inventory level:
 - 100% Dec. 1 - Feb. 28
 - 75% Feb. 29 - Feb. 28
 - 50% Mar. 1 - Apr. 31
- 70% of monthly average peak 7-day demand (100% of 70% if using a regional average)
- No call gas contracted for 2005-2006



Winter 2005-2006 Updates

ENERGYMORTH UNDERGROUND STORAGE DISPATCH REQUIREMENT

"Rule Curve"

- Used to determine the minimum withdrawal of monthly inventory level
- $$\text{cumulative forecast (using lower design weather annual)} - \text{total MSC}$$
- May withdraw volumes to levels below the rule curve at any given day
- Storage Balance must remain at or above the rule curve as of the last day of each month



Winter Propane - 2005-2006 Subcontractors

EASTERN PROPANE CONTRACT

- Contract Period: December 2005 - February 2006
- Maximum Monthly Quantity Delivered:
 - December: 1,000,000 Gallons
 - January: 1,000,000 Gallons
 - February: 1,000,000 Gallons
 - Winter Total: 3,000,000 Gallons
- Maximum of trucks a day
- Must take CONTRACT



Winter Propane - 2005-2006 Subcontractors

TRANSGAS DEDICATED TRUCKING

- Contractual Language
 - Provide Transgas with 2005-2006 propane contract language. Distributing as per attached contract language.
- Tank Change
 - Same date as change and fuel tank
 - 100 Gallons for replacement of tank
 - 100 Gallons Fuel at tanking
- Design Day
 - Newspan will provide fuel to 2007 truck fleet
 - Fuel delivered to the tanker will be:
 - 100 Gallons for delivery of fuel
 - 100 Gallons for delivery of fuel
 - Remaining fuel will be used for the remainder of the contract period. 100 Gallons for Energy storage.





Winter 2005-2006 Updates

• Additional Portfolio Information

- Medform CBA - 65,201 MMBtu
- Whitman Meter 2,000 MMBtu/day
- Demac FV3254 replacement for SS-1
- Last cycle nomination changes (7:30 AM)
 - 15,000 MMBtu on Algonquin and --- 25,000 MMBtu on Tennessee. (Monday through Friday only)
 - All other nomination changes will need to be done for the ensuing cycle.



Winter 2005-2006 Updates

DISTRIGAS CONTRACT (FTS1)

- Allows delivery of volumes from Distrigas pipeline to AGT and TSP citygates
- HDQ - 1MMBtu/Day

	AGT	TSP
Nov 16 - Mar 31	40,000	40,000
Apr 1 - Nov 15	35,000	35,000



Winter 2005-2006 Updates

TGP: DAILY IMBALANCE CHARGE

- Daily imbalances reported to customers
- Assessed on imbalances greater than 10% of the total volume of TGP DPs whether at 8 or 9pm
- Penalty = 2% of 2005 + 2% TGP per hour
- TGP: 0.10 per hour

• Action Alert	4000-4000	4000-4000
• Critical Day 1		High, 1000-1000
• Critical Day 2		High, 1000-1000
• Banding Alert	4000-4000	4000-4000



Winter 2005-2006 Updates

• Weekly Winter Operations Meeting

- Start: Thursday December 1, 2005
- Time: 9:30 AM
- Place: TED

AMERICAN
LIBRARY

SUMMARY

*The universe is not
required to be in
perfect harmony
with human
ambition.*

Carl Sagan



Appendix 15

KeySpan New England Sample Capacity Release Financial Summary Report

Company	Pipeline	Contract	Supplier	Volume	Days	Est. Rate	Rate Description	Tariff Sheet	Estimated Amount	Total Credits	Invoice Amt
ENorth	IGTS	47001	Reservation	4,047		6.8514	0	0	\$27,727.62		
ENorth	IGTS	47001	Amerada Hess	0		6.8514	0	0	\$0.00		
ENorth	IGTS	47001	Direct	0		6.8514	0	0	\$0.00		
ENorth	IGTS	47001	Metromedia	(79)		6.8514	0	0	(\$541.26)		
ENorth	IGTS	47001	Select	(72)		6.8514	0	0	(\$493.30)		
ENorth	IGTS	47001	Sprague	(23)		6.8514	0	0	(\$157.58)		
			Broker Total	(174)						(\$1,192.14)	
ENorth	IGTS	47001	Merrill Lynch	3,873		6.8514	0	0	\$26,535.47	\$26,535.47	
ENorth	IGTS	47001	Commodity	116,490		0.0054			\$629.05		\$27,164.52
ENorth	DOMINION	300076	Reservation	934		1.8825	GSS Total St Sheet No 35		\$1,758.26		
ENorth	DOMINION	300076	Amerada Hess	0		1.8825	GSS Total St Sheet No 35		\$0.00		
ENorth	DOMINION	300076	Direct	0		1.8825	GSS Total St Sheet No 35		\$0.00		
ENorth	DOMINION	300076	Metromedia	(16)		1.8825	GSS Total St Sheet No 35		(\$30.12)		
ENorth	DOMINION	300076	Select	(15)		1.8825	GSS Total St Sheet No 35		(\$28.24)		
ENorth	DOMINION	300076	Sprague	(3)		1.8825	GSS Total St Sheet No 35		(\$5.65)		
ENorth	DOMINION	300076		0		1.8825	GSS Total St Sheet No 35		\$0.00		
			Broker Total	(34)						(\$64.01)	\$0.00
ENorth	DOMINION	300076	Merrill Lynch	(900)		1.8825	GSS Total St Sheet No 35		(\$1,694.25)	(\$1,694.25)	\$0.00
			Contract Total	934						(\$1,758.26)	\$0.00
ENorth	DOMINION	300076	Reservation	102,700		0.0145	GSS Storage Sheet No 35		\$1,489.15		
ENorth	DOMINION	300076	Amerada Hess	0		0.0145	GSS Storage Sheet No 35		\$0.00		
ENorth	DOMINION	300076	Direct	0		0.0145	GSS Storage Sheet No 35		\$0.00		
ENorth	DOMINION	300076	Metromedia	(1,733)		0.0145	GSS Storage Sheet No 35		(\$25.13)		
ENorth	DOMINION	300076	Select	(1,597)		0.0145	GSS Storage Sheet No 35		(\$23.18)		
ENorth	DOMINION	300076	Sprague	(378)		0.0145	GSS Storage Sheet No 35		(\$5.48)		
ENorth	DOMINION	300076		0		0.0145	GSS Storage Sheet No 35		\$0.00		
			Broker Total	(3,708)						(\$63.77)	\$0.00
ENorth	DOMINION	300076	Merrill Lynch	(98,992)		0.0145	GSS Storage Sheet No 35		(\$1,435.38)	(\$1,435.38)	\$0.00
			Contract Total	102,700						(\$1,489.15)	\$0.00
											DOMINION ENorth Total
										(\$3,247.41)	\$0.00
ENorth	TGP	11234	Reservation	9,039		5.6822	Z5-Z6 and Z Sheet No. 23		\$51,361.41		
ENorth	TGP	11234	Metromedia	(153)		5.6829	Z5-Z6 and Z Sheet No. 23		(\$869.48)		
ENorth	TGP	11234	Select	(140)		5.6843	Z5-Z6 and Z Sheet No. 23		(\$795.80)		
ENorth	TGP	11234	Sprague	(33)		5.6864	Z5-Z6 and Z Sheet No. 23		(\$187.65)		
ENorth	TGP	11234		0			Z5-Z6 and Z Sheet No. 23		\$0.00		
ENorth	TGP	11234		0			Z5-Z6 and Z Sheet No. 23		\$0.00		
			Broker Totals	(326)						(\$1,852.94)	(\$0.54)
ENorth	TGP	11234	Merrill Lynch	(8,713)		5.6821	Z5-Z6 and Z Sheet No. 23		(\$49,508.14)	(\$49,508.14)	\$0.87
			Contract Totals	9,039						(\$51,361.07)	\$0.33
ENorth	TGP	2302	Reservation	3,122		4.9300	FT-A Z5-Z6 Sheet No. 23		\$15,391.46		
ENorth	TGP	2302	Metromedia	(60)		4.9300	FT-A Z5-Z6 Sheet No. 23		(\$295.80)		
ENorth	TGP	2302	Select	(54)		4.9300	FT-A Z5-Z6 Sheet No. 23		(\$266.22)		
ENorth	TGP	2302	Sprague	(18)		4.9300	FT-A Z5-Z6 Sheet No. 23		(\$88.74)		
ENorth	TGP	2302		0		4.9300	FT-A Z5-Z6 Sheet No. 23		\$0.00		
ENorth	TGP	2302		0		4.9300	FT-A Z5-Z6 Sheet No. 23		\$0.00		
			Broker Totals	(132)						(\$650.76)	\$0.00
ENorth	TGP	2302	Merrill Lynch	0		4.9300	FT-A Z5-Z6 Sheet No. 23		\$0.00	\$0.00	\$0.00
ENorth	TGP	2302	Commodity (Mkt)	0		0.0784	FT-A Z5-Z6 Sheet No. 23		\$0.00		
ENorth	TGP	2302	Commodity	89,700		0.0784	FT-A Z5-Z6 Sheet No. 23		\$7,032.48		
			Contract Total	(89,568)						(\$650.76)	\$21,773.18

ENorth	TGP	33371	Reservation	4,000	10.6100	NET 284 Sec Sheet No. 26	\$42,440.00		
ENorth	TGP	33371	Metromedia	(78)	10.6100	NET 284 Sec Sheet No. 26	(\$827.58)		
ENorth	TGP	33371	Select	(71)	10.6100	NET 284 Sec Sheet No. 26	(\$753.31)		
ENorth	TGP	33371	Sprague	(23)	10.6100	NET 284 Sec Sheet No. 26	(\$244.03)		
ENorth	TGP	33371		0	10.6100	NET 284 Sec Sheet No. 26	\$0.00		
ENorth	TGP	33371		0	10.6100	NET 284 Sec Sheet No. 26	\$0.00		
			Broker Total	(172)				(\$1,824.92)	\$0.00
ENorth	TGP	33371	Merrill Lynch	0	10.6100	NET 284 Sec Sheet No. 26	\$0.00	\$0.00	\$0.00
ENorth	TGP	33371	Commodity	114,840	30	0.0019	NET 284 Sec Sheet No. 26	\$218.20	
			Contract Total	4,000				(\$1,824.92)	\$40,833.28
ENorth	TGP	632	Reservation	15,265	5.8900	FT-A Z4-Z6 Sheet No. 23	\$89,910.85		
ENorth	TGP	632	Metromedia	(258)	5.8900	FT-A Z4-Z6 Sheet No. 23	(\$1,519.62)		
ENorth	TGP	632	Select	(237)	5.8900	FT-A Z4-Z6 Sheet No. 23	(\$1,395.93)		
ENorth	TGP	632	Sprague	(56)	5.8900	FT-A Z4-Z6 Sheet No. 23	(\$329.84)		
ENorth	TGP	632		0	5.8900	FT-A Z4-Z6 Sheet No. 23	\$0.00		
ENorth	TGP	632		0	5.8900	FT-A Z4-Z6 Sheet No. 23	\$0.00		
			Broker Total	(551)				(\$3,245.39)	\$0.00
ENorth	TGP	632	Merrill Lynch	(14,714)	5.8900	FT-A Z4-Z6 Sheet No. 23	(\$86,665.46)	(\$86,665.46)	\$0.00
			Contract Total	15,265				(\$89,910.85)	\$0.00
ENorth	TGP	8587	Reservation	25,407	14.1597	Z4-Z6, Z0-Z6 Sheet No. 23	\$359,755.50		
ENorth	TGP	8587	Metromedia	(486)	14.3365	Z4-Z6, Z0-Z6 Sheet No. 23	(\$6,967.54)		
ENorth	TGP	8587	Select	(442)	14.3179	Z4-Z6, Z0-Z6 Sheet No. 23	(\$6,328.51)		
ENorth	TGP	8587	Sprague	(139)	24.2292	Z4-Z6, Z0-Z6 Sheet No. 23	(\$3,367.86)		
ENorth	TGP	8587		0		Z4-Z6, Z0-Z6 Sheet No. 23	\$0.00		
ENorth	TGP	8587		0		Z4-Z6, Z0-Z6 Sheet No. 23	\$0.00		
			Broker Totals	(1,067)				(\$16,663.91)	(\$1,555.51)
ENorth	TGP	8587	Merrill Lynch	(24,340)	14.1506	Z4-Z6, Z0-Z6 Sheet No. 23	(\$344,425.60)	(\$344,425.60)	\$221.49
			Contract Total	25,407				(\$361,089.51)	(\$1,334.02)
ENorth	TGP	2122	Reservation	0	16.9800	CGT-NE Der Sheet No. 21	\$0.00		
ENorth	TGP	2122	Commodity (Mkt)	0	0.0035	CGT-NE Cor Sheet No. 21	\$0.00		
ENorth	TGP	2122	Commodity (ML)	0	0.0035	CGT-NE Cor Sheet No. 21	\$0.00		
			Contract Total	0				\$0.00	\$0.00
ENorth	TGP	523	Reservation	21,844	1.1500	FS-MA Deliv Sheet No. 27	\$25,120.60		
ENorth	TGP	523	Reservation	1,560,391	0.0185	FS-MA Spac Sheet No. 27	\$28,867.23		
ENorth	TGP	523	Metromedia	(369)	1.1500	FS-MA Deliv Sheet No. 27	(\$424.35)		
ENorth	TGP	523	Metromedia	(26,337)	0.0185	FS-MA Spac Sheet No. 27	(\$487.23)		
ENorth	TGP	523	Select	(340)	1.1500	FS-MA Deliv Sheet No. 27	(\$391.00)		
ENorth	TGP	523	Select	(24,271)	0.0185	FS-MA Spac Sheet No. 27	(\$449.01)		
ENorth	TGP	523	Sprague	(80)	1.1500	FS-MA Deliv Sheet No. 27	(\$92.00)		
ENorth	TGP	523	Sprague	(5,748)	0.0185	FS-MA Spac Sheet No. 27	(\$106.34)		
ENorth	TGP	523		0	1.1500	FS-MA Deliv Sheet No. 27	\$0.00		
ENorth	TGP	523		0	0.0185	FS-MA Spac Sheet No. 27	\$0.00		
ENorth	TGP	523		0	1.1500	FS-MA Deliv Sheet No. 27	\$0.00		
ENorth	TGP	523		0	0.0185	FS-MA Spac Sheet No. 27	\$0.00		
			Broker Total	(789)					
			Broker Total	(56,356)				(\$1,949.94)	\$0.00
ENorth	TGP	523	Merrill Lynch	(21,055)	1.1500	FS-MA Deliv Sheet No. 27	(\$24,213.25)		
ENorth	TGP	523	Merrill Lynch	(1,504,035)	0.0185	FS-MA Spac Sheet No. 27	(\$27,824.65)	(\$62,037.90)	\$0.00
			Contract Total	21,844				(\$63,987.83)	\$0.00
				1,560,391					
ENorth	TGP	42076	Reservation	20,000	3.1600	FT-A Z6-6 Sheet No. 23	\$63,200.00		
ENorth	TGP	42076	Metromedia	(391)	3.1600	FT-A Z6-6 Sheet No. 23	(\$1,235.66)		
ENorth	TGP	42076	Select	(356)	3.1600	FT-A Z6-6 Sheet No. 23	(\$1,124.96)		
ENorth	TGP	42076	Sprague	(116)	3.1600	FT-A Z6-6 Sheet No. 23	(\$366.56)		
ENorth	TGP	42076		0	3.1600	FT-A Z6-6 Sheet No. 23	\$0.00		
ENorth	TGP	42076		0	3.1600	FT-A Z6-6 Sheet No. 23	\$0.00		
			Broker Total	(863)				(\$2,727.08)	\$0.00
ENorth	TGP	42076	Merrill Lynch	(19,137)	3.1600	FT-A Z6-6 Sheet No. 23	(\$60,472.92)	(\$60,472.92)	\$0.00
			Contract Total	20,000				(\$63,200.00)	\$0.00
								TGP ENorth Total	(\$622,024.95) \$81,272.77
								BROKER TCTGP ENorth	(\$28,914.93) (\$1,556.05)

ENorth	Natl. Fuel	N02358	Reservation	6,098	0.0832 Discounted F/N/A	\$507.35		
ENorth	Natl. Fuel	N02358	Metromedia	(103)	0.0832 Discounted F/N/A	(\$8.57)		
ENorth	Natl. Fuel	N02358	Select	(95)	0.0832 Discounted F/N/A	(\$7.90)		
ENorth	Natl. Fuel	N02358	Sprague	(22)	0.0832 Discounted F/N/A	(\$1.83)		
ENorth	Natl. Fuel	N02358		0	0.0832 Discounted F/N/A	\$0.00		
ENorth	Natl. Fuel	N02358		0	0.0832 Discounted F/N/A	\$0.00		
			Broker Totals	(220)				
ENorth	Natl. Fuel	N02358	Merrill Lynch	(5,878)	0.0832 Discounted F/N/A	(\$489.05)	(\$18.30)	\$0.00
			Contract Total	6,098			(\$489.05)	\$0.00
							(\$507.35)	\$0.00
ENorth	Natl. Fuel	O02357	Reservation	6,098	2.1556 FSS Max Der Sheet No. 10	\$13,144.85		
ENorth	Natl. Fuel	O02357	Capacity Rate	670,800	0.0432 FSS Max Call Sheet No. 10	\$28,978.56		
ENorth	Natl. Fuel	O02357	Metromedia	(103)	2.1556 FSS Max Der Sheet No. 10	(\$222.03)		
ENorth	Natl. Fuel	O02357	Metromedia	(11,322)	0.0432 FSS Max Call Sheet No. 10	(\$489.11)		
ENorth	Natl. Fuel	O02357	Select	(95)	2.1556 FSS Max Der Sheet No. 10	(\$204.78)		
ENorth	Natl. Fuel	O02357	Select	(10,434)	0.0432 FSS Max Call Sheet No. 10	(\$450.75)		
ENorth	Natl. Fuel	O02357	Sprague	(22)	2.1556 FSS Max Der Sheet No. 10	(\$47.42)		
ENorth	Natl. Fuel	O02357	Sprague	(2,471)	0.0432 FSS Max Call Sheet No. 10	(\$106.75)		
ENorth	Natl. Fuel	O02357		0	2.1556 FSS Max Der Sheet No. 10	\$0.00		
ENorth	Natl. Fuel	O02357		0	0.0432 FSS Max Call Sheet No. 10	\$0.00		
ENorth	Natl. Fuel	O02357		0	2.1556 FSS Max Der Sheet No. 10	\$0.00		
ENorth	Natl. Fuel	O02357		0	0.0432 FSS Max Call Sheet No. 10	\$0.00		
			Broker Totals	(220)				
			Broker Totals	(24,227)				
ENorth	Natl. Fuel	O02357	Merrill Lynch	(5,878)	2.1556 FSS Max Der Sheet No. 10	(\$12,670.62)	(\$1,520.84)	\$0.00
ENorth	Natl. Fuel	O02357	Merrill Lynch	(646,573)	0.0432 FSS Max Call Sheet No. 10	(\$27,931.95)	(\$40,802.57)	\$0.00
			Contract Total	6,098			(\$42,123.41)	\$0.00
			Contract Total	670,800				
							Total ENorth NATIONAL	(\$42,630.76)
							BROKER TC NATIONAL Enc	(\$1,539.14)
								\$0.00
ENorth	PNGTS	FT-1999-01	Reservation	1,000	25.8542 FT Max Reservation	\$25,854.20		
ENorth	PNGTS	FT-1999-01	Merrill Lynch	(1,000)	25.8542	(\$25,854.20)		\$0.00