

NORTHERN UTILITIES, INC. - NEW HAMPSHIRE DIVISION
 REMEDIATION ADJUSTMENT CLAUSE COMPLIANCE FILING
 2005 - 2006 ENVIRONMENTAL RESPONSE COSTS
 SITE SPECIFIC EXPENSES

Line	Description	Total	11/02 - 10/03	11/03 - 10/04	11/04 - 10/05	11/05 - 10/06	11/06 - 10/07	11/07 - 10/08	11/08 - 10/09	11/09 - 10/10	11/10 - 10/11	11/11 - 10/12	11/12 - 10/13
ENVIRONMENTAL RESPONSE COST (ERC)													
1	July 01 - June 02 Expenses Amortization (1/7)	\$ 1,035,413	\$ 147,916	\$ 147,916	\$ 147,916	\$ 147,916	\$ 147,916	\$ 147,916	\$ 147,916				
2	July 02 - June 03 Expenses Amortization (1/7)	\$ 223,620	\$ -	\$ 31,946	\$ 31,946	\$ 31,946	\$ 31,946	\$ 31,946	\$ 31,946	\$ 31,946			
3	July 03 - June 04 Expenses Amortization (1/7)	\$ 291,630	\$ -	\$ -	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661	\$ 41,661		
4	July 04 - June 05 Expenses Amortization (1/7)	\$ 909,099 \$ 3	\$ -	\$ -	\$ -	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871	\$ 129,871	
5	July 05 - June 06 Expenses Amortization (1/7)	\$ 632,461	\$ -	\$ -	\$ -	\$ -	\$ 90,352	\$ 90,352	\$ 90,352	\$ 90,352	\$ 90,352	\$ 90,352	\$ 90,352
6	Subtotal (Line 1 through Line 5)	\$ 3,092,226	\$ 147,916	\$ 179,862	\$ 221,523	\$ 351,395	\$ 441,746	\$ 441,746	\$ 441,746	\$ 293,830	\$ 261,884	\$ 220,223	\$ 90,352
7	Add: Excess amortization from prior years (from schedule 5, Line 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Less: Excess amortization to be deferred (from schedule 5, Line 9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Total Environmental Response cost to be recovered (ERC)	\$ 3,092,226	\$ 147,916	\$ 179,862	\$ 221,523	\$ 351,395	\$ 441,746	\$ 441,746	\$ 441,746	\$ 293,830	\$ 261,884	\$ 220,223	\$ 90,352
												\$ 2,452,570	\$ 2,191,527
UNAMORTIZED ENVIRONMENTAL RESPONSE COST													
10	July 2001 - June 2002 Unamortized beginning balance	\$ 1,035,413	\$ 887,497	\$ 739,581	\$ 591,665	\$ 443,748	\$ 295,832	\$ 147,916	\$ -	\$ -	\$ -	\$ -	\$ -
11	July 2002 - June 2003 Unamortized beginning balance	\$ 223,620	\$ 191,674	\$ 159,729	\$ 127,783	\$ 95,837	\$ 63,891	\$ 31,946	\$ -	\$ -	\$ -	\$ -	\$ -
12	July 2003 - June 2004 Unamortized beginning balance	\$ -	\$ 291,630	\$ 249,969	\$ 208,307	\$ 166,646	\$ 124,984	\$ 83,323	\$ 41,661	\$ -	\$ -	\$ -	\$ -
13	July 2004 - June 2005 Unamortized beginning balance	\$ -	\$ -	\$ 909,099	\$ 779,228	\$ 649,356	\$ 519,485	\$ 389,614	\$ 259,743	\$ 129,871	\$ -	\$ -	\$ 0
14	July 2005 - June 2006 Unamortized beginning balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Total Unamortized beginning balance	\$ 1,035,413	\$ 1,111,117	\$ 1,222,885	\$ 1,910,461	\$ 1,559,066	\$ 1,207,672	\$ 856,277	\$ 504,882	\$ 301,404	\$ 129,871	\$ -	\$ 0
16	INSURANCE/3RD PARTY EXPENSES (IE) Expenses (from schedule 2)	\$ 2,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	INSURANCE/3RD PARTY RECOVERIES (IR)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	UNDER/OVER Recovery from previous year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Total of Lines 15, 16, 17, 18,	\$ 1,037,641	\$ 1,111,117	\$ 1,222,885	\$ 1,910,461	\$ 1,559,066	\$ 1,207,672	\$ 856,277	\$ 504,882	\$ 301,404	\$ 129,871	\$ -	\$ 0

Remediation Adjustment Clause Compliance Filing
2005 - 2006 ENVIRONMENTAL RESPONSE COSTS
Summary

LINE NO.	DESCRIPTION	LEGAL EXPENSE	CONSULTING EXPENSE	REMEDATION EXPENSE	INSURANCE & 3RD PARTY EXPENSES	OTHER EXPENSE	100% RECOVERABLE EXPENSE	INSURANCE & 3RD PARTY EXPENSE	INSURANCE & THIRD PARTY RECOVERIES
1	Portsmouth Gas Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Exeter Gas Works	\$ 4,783	\$ 3,209	\$ 11,566	\$ -	\$ 3,685	\$ 23,243	\$ -	\$ -
3	Rochester Gas Works	\$ -	\$ 6,596	\$ 207,798	\$ -	\$ 11,129	\$ 225,524	\$ -	\$ -
4	Dover Gas Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Someworth Gas Works	\$ -	\$ 33,506	\$ 350,187	\$ -	\$ -	\$ 383,693	\$ -	\$ -
TOTALS		\$ 4,783	\$ 43,312	\$ 569,552	\$ -	\$ 14,814	\$ 632,461	\$ -	\$ -

REMEDIATION ADJUSTMENT CLAUSE COMPLIANCE FILING
2005-2006 ENVIRONMENTAL RESPONSE COSTS

Schedule 3A

Site 11
Exeter Gas Works

LINE	VENDOR NAME	INVOICE NO.	LEGAL EXPENSE	CONSULTING EXPENSE	REMEDIATION EXPENSE	OTHER EXPENSE	TOTAL
1	Adecco	Multiple				\$ 1,197.12	\$ 1,197.12
2	Adecco	Multiple				\$ 2,487.50	\$ 2,487.50
3	Foley Hoag	333596	\$ 2,838.68				\$ 2,838.68
4	Foley Hoag	336007	\$ 1,276.00				\$ 1,276.00
5	Foley Hoag	336054	\$ 132.00				\$ 132.00
6	Foley Hoag	338894	\$ 360.40				\$ 360.40
7	Foley Hoag	342630	\$ 176.00				\$ 176.00
8	Owen Haskell, Inc.	6039017			\$ 76.00		\$ 76.00
9	Paul J. Exner, P.E.	N68		\$ 839.74			\$ 839.74
10	Paul J. Exner, P.E.	N69		\$ 525.00			\$ 525.00
11	Paul J. Exner, P.E.	N70		\$ 175.00			\$ 175.00
12	Paul J. Exner, P.E.	N71		\$ 636.25			\$ 636.25
13	Paul J. Exner, P.E.	N72		\$ 35.00			\$ 35.00
14	Paul J. Exner, P.E.	N74		\$ 333.17			\$ 333.17
15	Paul J. Exner, P.E.	N75		\$ 280.00			\$ 280.00
16	Paul J. Exner, P.E.	N76		\$ 70.00			\$ 70.00
17	Paul J. Exner, P.E.	N77		\$ 35.00			\$ 35.00
18	Paul J. Exner, P.E.	N78		\$ 140.00			\$ 140.00
19	Paul J. Exner, P.E.	N79		\$ 140.00			\$ 140.00
20	Severn Trent Laboratories	48042632			\$ 1,350.00		\$ 1,350.00
21	Severn Trent Laboratories	48046865			\$ 4,351.20		\$ 4,351.20
22	The RETEC Group, Inc.	51339			\$ 931.02		\$ 931.02
23	The RETEC Group, Inc.	53250			\$ 628.36		\$ 628.36
24	The RETEC Group, Inc.	55713			\$ 461.52		\$ 461.52
25	The RETEC Group, Inc.	56519			\$ 601.49		\$ 601.49
26	The RETEC Group, Inc.	57937			\$ 2,738.09		\$ 2,738.09
27	The RETEC Group, Inc.	58473			\$ 428.45		\$ 428.45
28	TOTAL		\$ 4,783.08	\$ 3,209.16	\$ 11,566.13	\$ 3,684.62	\$ 23,242.99

REMEDATION ADJUSTMENT CLAUSE COMPLIANCE FILING
2005-2006 ENVIRONMENTAL RESPONSE COSTS

Schedule 3B

Site 13
Rochester Gas Works

LINE	VENDOR NAME	INVOICE NO.	LEGAL EXPENSE	CONSULTING EXPENSE	REMEDIAION EXPENSE	OTHER EXPENSE	TOTAL
1	Adecco	Multiple				\$ 4,477.50	\$ 4,477.50
2	Adecco	Multiple				\$ 995.00	\$ 995.00
3	Adecco	Multiple				\$ 256.53	\$ 256.53
4	Adecco	Multiple				\$ 844.22	\$ 844.22
5	Adecco	Multiple				\$ 121.27	\$ 121.27
6	Adecco	Multiple				\$ 298.50	\$ 298.50
7	Adecco	Multiple				\$ 904.83	\$ 904.83
8	Adecco	Multiple				\$ 895.51	\$ 895.51
9	Adecco	Multiple				\$ 782.61	\$ 782.61
10	Adecco	Multiple				\$ 597.02	\$ 597.02
11	Adecco	Multiple				\$ 181.90	\$ 181.90
12	Adecco	Multiple				\$ 588.82	\$ 588.82
13	City of Rochester	152340				\$ 35.71	\$ 35.71
14	Dispute Resolution	10009		\$ 24.48			\$ 24.48
15	ENPRO Services, Inc.	6033263-002			\$ 6,072.50		\$ 6,072.50
16	ENSR Corporation	328137			\$ 5,747.03		\$ 5,747.03
17	ENSR Corporation	330984			\$ 6,383.45		\$ 6,383.45
18	ENSR Corporation	332271			\$ 3,325.13		\$ 3,325.13
19	ENSR Corporation	334429			\$ 2,294.13		\$ 2,294.13
20	ENSR Corporation	336425			\$ 209.68		\$ 209.68
21	ENSR Corporation	343371			\$ 635.70		\$ 635.70
22	Environmental Standards Inc	74265			\$ 1,275.75		\$ 1,275.75
23	Ish, Inc.	50143				\$ 150.00	\$ 150.00
24	NeoNexus Corp.	106		\$ 700.00			\$ 700.00
25	Owen Haskell, Inc.	992703			\$ 720.00		\$ 720.00
26	Paul J. Exner, P.E.	N68		\$ 665.00			\$ 665.00
27	Paul J. Exner, P.E.	N69		\$ 245.00			\$ 245.00
28	Paul J. Exner, P.E.	N70		\$ 625.20			\$ 625.20
29	Paul J. Exner, P.E.	N71		\$ 520.13			\$ 520.13
30	Paul J. Exner, P.E.	N72		\$ 735.00			\$ 735.00
31	Paul J. Exner, P.E.	N73		\$ 595.00			\$ 595.00
32	Paul J. Exner, P.E.	N74		\$ 665.00			\$ 665.00
33	Paul J. Exner, P.E.	N75		\$ 593.63			\$ 593.63
34	Paul J. Exner, P.E.	N76		\$ 175.00			\$ 175.00
35	Paul J. Exner, P.E.	N77		\$ 140.00			\$ 140.00
36	Paul J. Exner, P.E.	N78		\$ 737.92			\$ 737.92
37	Paul J. Exner, P.E.	N79		\$ 175.00			\$ 175.00
38	Severn Trent Laboratories	48045632			\$ 3,729.60		\$ 3,729.60
39	The RETEC Group, Inc.	51338			\$ 15,239.07		\$ 15,239.07
40	The RETEC Group, Inc.	52048			\$ 24,039.38		\$ 24,039.38
41	The RETEC Group, Inc.	52596			\$ 81,898.92		\$ 81,898.92
42	The RETEC Group, Inc.	53249			\$ 14,228.99		\$ 14,228.99
43	The RETEC Group, Inc.	53978			\$ 29,488.07		\$ 29,488.07
44	The RETEC Group, Inc.	54892			\$ 5,171.54		\$ 5,171.54
45	The RETEC Group, Inc.	55712			\$ 4,663.04		\$ 4,663.04
46	The RETEC Group, Inc.	56518			\$ 1,094.01		\$ 1,094.01
47	The RETEC Group, Inc.	57936			\$ 259.91		\$ 259.91
48	The RETEC Group, Inc.	58472			\$ 725.00		\$ 725.00
49	Treasurer, State of New Hampshire	198712002-03			\$ 533.62		\$ 533.62
50	Treasurer, State of New Hampshire	NHD510160237-Q2			\$ 63.96		\$ 63.96
51	TOTAL		\$ -	\$ 6,596.36	\$ 207,798.48	\$ 11,129.42	\$ 225,524.26

REMEDATION ADJUSTMENT CLAUSE COMPLIANCE FILING
2005-2006 ENVIRONMENTAL RESPONSE COSTS

Schedule 3C

Site 14
Somersworth Gas Works

LINE	VENDOR NAME	INVOICE NO.	LEGAL EXPENSE	CONSULTING EXPENSE	REMEDIATION EXPENSE	OTHER EXPENSE	TOTAL
1	AMEC Earth & Environmental, Inc.	C11107584			\$ 300,707.19	\$	300,707.19
2	AMEC Earth & Environmental, Inc.	C11107636		\$ 3,067.71		\$	3,067.71
3	AMEC Earth & Environmental, Inc.	C11107702		\$ 2,640.94		\$	2,640.94
4	AMEC Earth & Environmental, Inc.	C11107762		\$ 3,209.78		\$	3,209.78
5	AMEC Earth & Environmental, Inc.	C11107869			\$ 5,278.21	\$	5,278.21
6	AMEC Earth & Environmental, Inc.	C11107975			\$ 31,336.92	\$	31,336.92
7	AMEC Earth & Environmental, Inc.	C11108036		\$ 11,566.63		\$	11,566.63
8	AMEC Earth & Environmental, Inc.	C11108101		\$ 3,941.36		\$	3,941.36
9	AMEC Earth & Environmental, Inc.	C11108199		\$ 425.43		\$	425.43
10	AMEC Earth & Environmental, Inc.	C11108287			\$ 860.00	\$	860.00
11	AMEC Earth & Environmental, Inc.	C11108491			\$ 7,193.78	\$	7,193.78
12	AMEC Earth & Environmental, Inc.	C11109370			\$ 1,715.95	\$	1,715.95
13	Capital City Consulting, Inc.	3528			\$ 235.00	\$	235.00
14	Enviromental Standards Inc	74265			\$ 1,275.74	\$	1,275.74
15	Paul J. Exner, P.E.	N68		\$ 698.35		\$	698.35
16	Paul J. Exner, P.E.	N69		\$ 350.00		\$	350.00
17	Paul J. Exner, P.E.	N70		\$ 70.00		\$	70.00
18	Paul J. Exner, P.E.	N71		\$ 140.00		\$	140.00
19	Paul J. Exner, P.E.	N72		\$ 385.00		\$	385.00
20	Paul J. Exner, P.E.	N73		\$ 665.00		\$	665.00
21	Paul J. Exner, P.E.	N74		\$ 630.00		\$	630.00
22	Paul J. Exner, P.E.	N75		\$ 1,260.00		\$	1,260.00
23	Paul J. Exner, P.E.	N76		\$ 980.00		\$	980.00
24	Paul J. Exner, P.E.	N77		\$ 245.00		\$	245.00
25	Paul J. Exner, P.E.	N78		\$ 1,726.26		\$	1,726.26
26	Paul J. Exner, P.E.	N79		\$ 1,505.00		\$	1,505.00
27	Severn Trent Laboratories	48048991			\$ 430.00	\$	430.00
28	Treasurer, State of New Hampshire	198405052			\$ 1,154.14	\$	1,154.14
29	TOTAL		\$ -	\$ 33,506.46	\$ 350,186.93	\$ -	\$ 383,693.39

COMPANY NAME

NORTHERN UTILITIES, INC.

EXETER GAS WORKS

LINE
NO.

SCHEDULE 4A

1. SITE LOCATION: Water Street and Green Street in Exeter, NH
2. DATE SITE WAS FIRST INVESTIGATED AS A DISPOSAL SITE: 1982 by USEPA
3. SUMMARY OF MATERIAL DEVELOPMENTS AND INTERACTIONS WITH ENVIRONMENTAL AUTHORITIES (July 1, 2005 – June 30, 2006):
 - Northern continued a community outreach program with affected property owners and other interested parties, including Town of Exeter, Exeter Housing Authority, and Phillips Academy officials.
 - Northern retained RETEC to support post-remediation activities, including the upgrade of certain remediation elements and the assessment of the effectiveness of the oxygen release compound injection program. Severn Trent Laboratories provided chemical analysis of environmental samples.
 - Northern was contacted in 2005 by a neighbor of the former MGP site who planned to demolish his house and move an historic home to the parcel. Northern retained RETEC to assess the potential for MGP impacts and to protect the health of any construction workers. Northern retained Foley Hoag to prepare an easement for the neighbor in order to meet zoning setback requirements. Owen Haskell was contracted to conduct surveying related to the easement effort.
 - Northern retained the services of an independent contractor to manage the assessment and remediation of the site.
 - Northern retained temporary administrative staff through Adecco to assist in managing projects and maintaining site related documents, including scanning and filing electronic copies of documents on a central server.
4. NEW HAMPSHIRE SITE REMEDIATION PROGRAM PHASE: Remediation and site closure.
5. NATURE AND SCOPE OF SITE CONTAMINATION: Areas containing residual materials from the historic operation and decommissioning of the former manufactured gas plant were discovered on small parcels of land on both sides of Water Street. These residuals, which include tars and oils, were found in the soil at discrete locations and in groundwater. The objective of the cleanup project, as discussed with the New Hampshire Department of Environmental Services, has been to stabilize affected soils to the extent practicable and to enhance the natural attenuation of any residuals in groundwater.

COMPANY NAME

NORTHERN UTILITIES, INC.

EXETER GAS WORKS

LINE
NO.

SCHEDULE 4A

Northern prepared a project Completion Report that was submitted to NHDES in January 2002. The Completion Report documented that all construction work was completed in accordance with the Remedial Action Plan (RAP) that was submitted to the NHDES in October 2001. The remedy consisted of the in-situ solidification of MGP residuals on the main parcel by auger mixing using a formulation of Portland cement and organophilic clay followed by grading and planting for site closure. The remedy also consisted of the injection of an oxygen release compound (ORC) into the soils and groundwater in the vicinity of the former settling lagoons on Exeter Housing Authority property.

6. HISTORY AND CURRENT STATUS OF USE AND OWNERSHIP OF SITE: The Exeter Gas Works operated from 1864 through 1955. The gas works was owned and operated by several companies during that time, including Exeter Gas Light Company in 1864, Strafford-York Gas Company in 1911, and Allied New Hampshire Gas Company in 1942. Allied New Hampshire Gas Company was a predecessor of Northern Utilities. Northern sold the eastern portion of the property to the Town of Exeter in 1978. In 1981 the eastern portion of the former MGP property was transferred to the Exeter Housing Authority. This portion of the site is currently used for elderly housing. The western portion of the former MGP is currently owned by Northern Utilities and is a landscaped lot.

7. LISTING AND STATUS OF INSURANCE AND 3RD PARTY LAWSUITS AND SETTLEMENTS: None

NAME OF SUIT: Not Applicable

DATE FILED: Not Applicable

STATUS (PENDING/SETTLED): Not Applicable

COMPANY NAME

NORTHERN UTILITIES, INC.

ROCHESTER GAS WORKS

LINE
NO.

SCHEDULE 4B

1. SITE LOCATION: Route 125 and Spaulding Turnpike, Rochester, NH
2. DATE SITE WAS FIRST INVESTIGATED AS A DISPOSAL SITE: 1989 by property owner
3. SUMMARY OF MATERIAL DEVELOPMENTS AND INTERACTIONS WITH ENVIRONMENTAL AUTHORITIES (July 1, 2005 – June 30, 2006):
 - Northern retained RETEC to plan and implement the demolition of the former MGP retort house at the Rochester site in order to eliminate potential exposures to MGP residuals. ENPRO provided waste disposal services.
 - Northern retained RETEC to conduct post-remediation sampling to assess the nature and extent of MGP residuals that continue to affect groundwater at the site. The sampling program utilized the TarGOST technology for the detection of coal tar in soil. The University of New Hampshire was also subcontracted through RETEC to conduct studies on the leaching characteristics of the coal tar into groundwater. Severn Trent Laboratories was contracted to provide environmental sample analysis. Owen Haskell provided land surveying services.
 - ENSR International was contracted by Northern to plan and implement an expansion of the phytoremediation program in order to control contaminated groundwater migrating toward Axe Handle Brook and the Cocheco River.
 - Northern paid the New Hampshire Department of Environmental Services hazardous waste tax on the disposal of waste from the remediation of the former tar well.
 - Northern retained the services of an independent contractor to manage the assessment and remediation of the site. Northern also retained the services of Environmental Standards, Inc. to support quality assurance efforts for sampling and analysis.
 - Northern-NH's proportionate share of the cost of the development by NeoNexus of the corporate environmental laboratory data management system was charged to this site.
 - Northern paid a small bill from the City of Rochester for water used during the retort house demolition and for irrigation of the phytoremediation plantings.
 - Northern collaborated with other gas distribution companies to retain the services of Ish, Inc. to research and evaluate innovative approaches to the remediation of coal tar and other

COMPANY NAME

NORTHERN UTILITIES, INC.

ROCHESTER GAS WORKS

LINE
NO.

SCHEDULE 4B

MGP residues at sites like the Rochester Gas Works. For convenience, Northern-NH allocated its proportionate share of the research costs to the Rochester site.

- Northern retained temporary administrative staff through Adecco to assist in managing projects and maintaining site related documents, including scanning and filing electronic copies of documents on a central server.

4. NEW HAMPSHIRE SITE REMEDIATION PROGRAM PHASE: Site closure and monitoring

5. NATURE AND SCOPE OF SITE CONTAMINATION: Areas containing residual materials from the historic operation and decommissioning of the former manufactured gas plant were discovered on the two-acre parcel. These residuals, which include tars and oils, were found in the soil at discrete locations and in groundwater. The objective of the cleanup project, as approved by the New Hampshire Department of Environmental Services, has been to remove affected soils to the extent practicable and to enhance the natural attenuation of any residuals.

Addenda to the remediation program have included the removal of a tar well that had previously been inaccessible because of propane storage equipment, the purchase of the former MGP parcel from AmeriGas, the demolition of an historic MGP structure, the implementation of a phytoremediation program to mitigate contaminated groundwater flow, and the further assessment of MGP residuals in the subsurface that continue to contaminate groundwater.

6. HISTORY AND CURRENT STATUS OF USE AND OWNERSHIP OF SITE: The Rochester Gas Light Company owned and operated the gas works from 1906 through 1911. The gas works was owned and operated by two companies after that time, Strafford-York Gas Company in 1911 and Allied New Hampshire Gas Company in 1942. The plant ceased operating in 1957. Allied New Hampshire Gas Company was a predecessor of Northern Utilities. Northern sold the property to Pyrofax Gas Corporation in 1971. Pyrofax sold the property to Petrolane Gas Service, Limited Partnership in 1987. AmeriGas purchased Petrolane in 1994. The property is currently used by Amerigas as a propane sales and distribution facility. Northern purchased the eastern portion of the property from Mr. Peter Field in 1990. This portion of the site is undeveloped and contains remnants of a railroad bed. Northern also owns land adjacent to the former gas works.

COMPANY NAME

NORTHERN UTILITIES, INC.

ROCHESTER GAS WORKS

LINE
NO.

SCHEDULE 4B

7. LISTING AND STATUS OF INSURANCE AND 3RD PARTY LAWSUITS AND SETTLEMENTS:

NAME OF SUIT: Field vs. Petrolane and Northern Utilities, and Petrolane vs. Northern Utilities

DATE FILED: 1988

STATUS: (PENDING/SETTLED): Settled 1994

COMPANY NAME

NORTHERN UTILITIES, INC.

SOMERSWORTH GAS WORKS

LINE
NO.

SCHEDULE 4C

1. SITE LOCATION: Main Street and Depot Road in Somersworth, NH
2. DATE SITE WAS FIRST INVESTIGATED AS A DISPOSAL SITE: 1985 by New Hampshire Division of Public Health Services and New Hampshire Water Supply and Pollution Control Commission
3. SUMMARY OF MATERIAL DEVELOPMENTS AND INTERACTIONS WITH ENVIRONMENTAL AUTHORITIES (July 1, 2005 – June 30, 2006):
 - Northern contracted with AMEC to act as prime contractor for design and remediation services. Earthwork activities were awarded to ENPRO and were completed in April 2005. This consisted of the removal of subsurface bodies of tar and the jet grouting of a small area of MGP impacted soil below a foundation floor. Northern-NH and AMEC awarded GeoCleanse the subcontract for the remediation of soil and groundwater using insitu chemical oxidation (ISCO). The installation of oxidant injector wells and the first round of oxidant injection were completed in June 2005. Subsequent injections were conducted in the September 2005 and May 2006.
 - Northern prepared a draft Activity and Use Restriction (AUR) that will prohibit certain re-use scenarios on the property. Northern Utilities intends to retain ownership of the parcel to ensure compliance with the environmental restrictions in the AUR.
 - Environmental Standards, Inc. was retained to conduct an independent quality control audit of AMEC's sampling approach and Severn Trent Laboratories' laboratory services.
 - Northern paid the NHDES for costs incurred by department staff during the oversight of Northern investigation and remediation activities.
 - Northern retained the services of an independent contractor to manage the assessment and remediation of the site.
 - Northern-NH's proportionate share of the cost of the development of the NiSource MGP information management system by Capital City Consulting was charged to this site.
 - Northern retained temporary administrative staff through Adecco to assist in managing projects and maintaining site related documents, including scanning and filing electronic copies of documents on a central server.

COMPANY NAME

NORTHERN UTILITIES, INC.

SOMERSWORTH GAS WORKS

LINE
NO.

SCHEDULE 4C

4. NEW HAMPSHIRE SITE REMEDIATION PROGRAM PHASE: Remedy Implementation.
5. NATURE AND SCOPE OF SITE CONTAMINATION: Because the Somersworth site is very small, space constraints made it unlikely that significant amounts of MGP residuals were used as fill on-site. The extensive test-pit program at Somersworth substantiates the assertion that significant amounts of MGP residuals were not used as fill on-site. Tars and liquors that may have accumulated in sub-grade vessels did not result in substantial releases, as indicated by the absence of any significant oil-like material in test pits and borings in the upper 10 to 15 feet of soil at the site. Most of the Northern parcel is now covered with re-graded soil from local street work, with four inches of imported topsoil.

As indicated by the site-specific groundwater quality data, metals and high heavy organic compounds (e.g., PAHs) detected in soil do not leach to groundwater at significant concentrations. Two suspected sources of lighter-weight PAHs (e.g., naphthalene) and target volatile organic compounds (VOCs) detected in groundwater have been identified – two former gasholders on the Northern parcel. Oily residuals of limited extent have been found in soil at depth below these holders. This material is in periodic contact with the fluctuating water table. Because the MGP operations ceased more than 70 years ago, the period of rapid degradation of MGP-related chemicals in groundwater has probably occurred. The relatively stable groundwater quality data is indicative of natural biodegradation.

6. HISTORY AND CURRENT STATUS OF USE AND OWNERSHIP OF SITE: Available information indicates that the plant began operation as the Great Falls Gas Light Company in 1856 and may have been associated with the mills of the Great Falls Manufacturing Company. The plant was deeded to the Strafford-York Gas Company in 1911 (a predecessor of Allied New Hampshire Gas Company and subsequently Northern Utilities). The gas company leased two small parcels from the Great Falls Manufacturing Company in 1907, one to the north and one to the south of the main plant site. At its peak in 1917, the plant was supplying Rochester, East Rochester, Gonic, Somersworth, and Berwick, Maine. Available information indicates that the plant ceased production in 1928 and that the Rochester gas plant began supplying Somersworth with gas. It has been inferred from available information that the plant was demolished during the 1930's. Northern Utilities constructed a high-pressure Horton Sphere (gas ball) on the property in the 1940's as storage for propane and natural gas from the high-pressure main. The Horton Sphere was in operation into the 1980's when it was decommissioned and removed.

COMPANY NAME

NORTHERN UTILITIES, INC.

SOMERSWORTH GAS WORKS

LINE
NO.

SCHEDULE 4C

7. LISTING AND STATUS OF INSURANCE AND 3RD PARTY LAWSUITS AND
SETTLEMENTS: None

NAME OF SUIT: Not Applicable

DATE FILED: Not Applicable

STATUS (PENDING/SETTLED): Not Applicable

NORTHERN UTILITIES, INC. - NEW HAMPSHIRE DIVISION
 CALCULATION OF EXCESS ENVIRONMENTAL
 RESPONSE COST AMORTIZATION

Line No.	Description	July 01 - June 02	July 02 - June 03	July 03 - June 04	July 04 - June 05	July 05 - June 06
1	NH FIRM GAS REVENUES FROM PRIOR YEAR (includes total firm and transportation (excluding off-system revenues))	\$ 43,981,523	\$ 51,639,648	\$ 75,376,314	\$ 81,728,945	\$ 82,226,907
2	5% of Line 1	\$ 2,199,076	\$ 2,581,982	\$ 3,768,816	\$ 4,086,447	\$ 4,111,345
3	TOTAL ERC COST TO BE RECOVERED (FROM SCHEDULE 1 LINE 3)	\$ 147,916	\$ 179,862	\$ 221,523	\$ 221,523	\$ 351,395
4	EXCESS AMORTIZATION DEFERRED FROM PRIOR YEARS	\$ -	\$ -	\$ -	\$ -	\$ -
5	CARRYING CHARGES	\$ -	\$ -	\$ -	\$ -	\$ -
6	EXCESS AMORTIZATION FROM PRIOR YEARS PLUS CARRYING CHARGES (LINE 4 PLUS LINE 5)	\$ -	\$ -	\$ -	\$ -	\$ -
7	TOTAL POTENTIAL ERC COST TO RECOVERED (LINE 3 PLUS LINE 6)	\$ 147,916	\$ 179,862	\$ 221,523	\$ 221,523	\$ 351,395
8	EXCESS AMORTIZATION TO BE DEFERRED (LINE 2 LESS LINE 7; IF POSITIVE ENTER ZERO)	\$ -	\$ -	\$ -	\$ -	\$ -
	EXCESS AMORTIZATION FROM PRIOR PLUS CARRYING CHARGES TO BE RECOVERED (LINE 7 MINUS LINE 3; IF NEGATIVE ENTER ZERO)	\$ -	\$ -	\$ -	\$ -	\$ -

ERC Recovery Allocation

	Allocation %	Recovery Amount	% of Recovery Total	Resolution Fee	% of Resolution Fee
Recovery Total		\$ -			
Dispute Resolution Fee				\$0.00	0.0%
<u>Massachusetts</u>					
MGP Sites	100.00%	\$0.00		\$0.00	
Shareholder	50.00%	\$0.00		\$0.00	
Ratepayer	50.00%	\$0.00		\$0.00	
Non - MGP	0.00%	\$0.00		\$0.00	
Total	50.00%	\$0.00	0.0%	\$0.00	0.0%
<u>New Hampshire</u>					
MGP Sites	0.00%	\$0.00		\$0.00	
Ratepayer	100.00%	\$0.00		\$0.00	
Non - MGP	0.00%	\$0.00		\$0.00	
Total		\$0.00	0.0%	\$0.00	0.0%
<u>Maine</u>					
Shareholder	50.00%	\$0.00		\$0.00	
Ratepayer	50.00%	\$0.00		\$0.00	
Total		\$0.00	0.0%	\$0.00	0.0%

Northern Utilities, Inc. - New Hampshire Division
 Allocation of Environmental Insurance Recoveries

ERC Recovery Allocation

	Allocation %	Recovery Amount	% of Recovery Total	Resolution Fee	% of Resolution Fee
Recovery Total		\$ -			
Dispute Resolution Fee				\$0.00	#DIV/0!
<u>Massachusetts</u>					
MGP Sites	0.00%	\$0.00		\$0.00	
Shareholder	0.00%	\$0.00		\$0.00	
Ratepayer	0.00%	\$0.00		\$0.00	
Non - MGP	0.00%	\$0.00		\$0.00	
Total		\$0.00	0.0%	\$0.00	0.0%
<u>New Hampshire</u>					
MGP Sites	0.00%	\$0.00		\$0.00	
Ratepayer	0.00%	\$0.00		\$0.00	
Non - MGP	0.00%	\$0.00		\$0.00	
Total		\$0.00	0.0%	\$0.00	0.0%
<u>Maine</u>					
Shareholder	50.00%	\$0.00		\$0.00	
Ratepayer	50.00%	\$0.00		\$0.00	
Total		\$0.00	0.0%	\$0.00	0.0%

Northern Utilities, Inc.- New Hampshire Division
2005-2006 ENVIRONMENTAL RESPONSE COSTS

Vendor Name	Invoice #	Total Invoice	Allocation Amount		
			NH	ME	MA
		\$0.00	59.6%	40.4%	0.0%
		\$0.00	\$0.00	\$0.00	\$0.00
Total		\$0.00	\$0.00	\$0.00	\$0.00

Total Insurance Expense **\$0.00**

Total Insurance Recovery **\$0.00**

Northern Utilities, Inc. - New Hampshire Division
Energy Efficiency Programs
Summary of Energy Efficiency Charges
Effective November 2006 - October 2007

CONSERVATION CHARGES (CC) per Therm

Implementation - Schedule 2 and Schedule 3

Year 3 Performance Incentive - Schedule 5

CC's Effective November 1, 2006

Residential
\$0.0118
\$0.0010
\$0.0128

Commercial & Industrial
\$0.0094
\$0.0007
\$0.0101