

NHPUC No. 10 – GAS
Superseding NHPUC 9 – Gas

NORTHERN UTILITIES, INC.

Issued: May 1, 2014

Effective: May 1, 2014

Issued by: 
Title: Treasurer

Authorized by NHPUC Order No. 25,653 in Docket No. DG 13-086, dated April 21, 2014.

SUPPLEMENT NO. 2
TEMPORARY RATES

This Schedule has been deleted.

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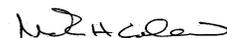
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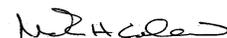
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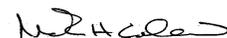
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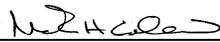
I. SERVICE AREA

The territory authorized to be served by the Company and to which this Tariff applies is as follows:

The towns of Dover, Durham, East Kingston, East Rochester, Exeter, Gonic, Greenland, Hampton, Hampton Falls, Kensington, Madbury, Newington, North Hampton, Pelham, Plaistow, Portsmouth, Rochester, Salem, Seabrook, Somersworth, Stratham, and limited areas of Atkinson, Rollinsford and the contiguous territory served by the Company.

Limited areas of the towns so identified above are as shown on the maps filed separately with the Commission and incorporated in this Tariff by reference.

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II. GENERAL TERMS AND CONDITIONS (continued)

to the Customer by the Company or its designated Supplier pursuant to law or regulation.

Service: The activity carried out by the Company to provide the use of vaporized combustible gas for the benefit of and requested by the Customer.

Service Line: All piping between the main tap and up to but not including the first valve or fitting of the meter or regulator setting.

Supplier: Any entity that has met the Company's requirements set forth in Part VII, Section 20 and that has been designated by a Customer to supply Gas to a Designated Receipt Point for the Customer's account; provided, however, that a Customer may act as its own Supplier in accordance with Part VII, Section 5.2 .

Supplier Service: The sale of Gas to a customer by a Supplier.

Tariff: The current schedules of rates, charges, terms and conditions filed by Northern Utilities and either approved by the Commission or effective by operation of law.

Therm: An amount of Gas having a thermal content of 100,000 Btus .

3. Service Classifications

A. Residential Service (including Heating, Non-Heating, Low Income Heating and Low Income Non-Heating) - a service supplied for residential purposes in a single family dwelling or building, or in an individual flat or apartment in a multiple family dwelling or building or portion thereof occupied as the home, residence, or dwelling place of one or more persons, including:

- i. A rooming house of less than six (6) rooms for rent.
- ii. A structure used for commercial and residential purposes on the same premises where the commercial use in a ratio of square footage is less than fifty percent (50%) of the total square footage.

B. Commercial and Industrial Sales Services - Services including the sales and Delivery of natural gas supply provided to all commercial and industrial customers.

II. GENERAL TERMS AND CONDITIONS (continued)

- i. Rate G-40 - A Customer receiving service under this schedule must have annual usage less than or equal to 8,000 therms and peak period usage greater than or equal to 67% of annual usage, as determined by the Company's records and procedures.
 - ii. Rate G-41 - A Customer receiving service under this schedule must have annual usage of greater than 8,000 therms but less than or equal to 80,000 therms and peak period usage greater than or equal to 67% of annual usage, as determined by the Company's records and procedures.
 - iii. Rate G-42 - A Customer receiving service under this schedule must have annual usage greater than 80,000 therms and peak period usage greater than or equal to 67% of annual usage, as determined by the Company's records and procedures.
 - iv. Rate G-50 - A Customer receiving service under this schedule must have annual usage less than or equal to 8,000 therms and peak period usage less than 67% of annual usage, as determined by the Company's records and procedures.
 - v. Rate G-51 - A Customer receiving service under this schedule must have annual usage of greater than 8,000 therms but less than or equal to 80,000 therms and peak period usage less than 67% of annual usage, as determined by the Company's records and procedures.
 - vi. Rate G-52 - A Customer receiving service under this schedule must have annual usage greater than 80,000 therms and peak period usage less than 67% of annual usage, as determined by the Company's records and procedures.
- C. Commercial and Industrial Firm Delivery Services - Natural Gas Delivery services provided to all firm commercial and industrial customers.
- i. Rate T-40 - A Customer receiving service under this schedule must have annual usage less than or equal to 8,000 therms and peak period usage greater than or equal to 67% of annual usage, as determined by the Company's records and procedures.
 - ii. Rate T-41 - A Customer receiving service under this schedule must have annual usage of greater than 8,000 therms but less than or equal to 80,000 therms and peak period usage greater than or equal to 67% of annual usage, as determined by the Company's records and procedures.
 - iii. Rate T-42 - A Customer receiving service under this schedule must have

II. GENERAL TERMS AND CONDITIONS (continued)

to be served from an existing suitable distribution main, or the difficulty of access thereto, is such that the estimated income (revenue excluding gas costs) from the service applied for is insufficient to yield a reasonable return to the Company unless such application is accompanied by a cash payment or an undertaking satisfactory to the Company guaranteeing a stipulated revenue for a definite period of time or both.

Where service under the Rate Schedules is to be used for temporary purposes only, the Customer may be required to pay the cost of installation and removal of equipment required to render service in addition to payments for gas consumed. Said costs of installation and removal may be required to be paid in advance of any construction by the Company. If, in the Company's sole judgment, any such installation presents unusual difficulties as to metering the service supplied, the Company may estimate consumption for purposes of applying the Rate Schedule, and the Company will notify the Customer prior to turn-on of the estimated amount to be billed.

5. Assignment of Rate Schedule

Rates are available for various classes of Customers. The conditions under which they are applicable are set forth in the Rate Schedules in this Tariff.

Upon application for service or upon request, the applicant or Customer shall be assigned the applicable rate schedule according to its estimated requirements. The Company shall not be held responsible for inaccurate estimates of Customer's requirements and will not refund the difference in charge(s) under different rate schedules.

Upon notification of any material changes in the Customer's installation or load conditions, the Company will assist in determining if a reclassification to a different rate class is warranted, but not more than one (1) such change in rates will be made within any twelve (12) month period unless such subsequent change is ordered or approved by the NHPUC or required by an emergency condition beyond the control of the Customer.

Each year the Company will evaluate each customer's annual usage and percent peak period consumption based on the twelve months usage ended August. Customers who have experienced changes in their load characteristics will be reclassified to the proper customer class.

Upon application with the Commission for a general rate change, the Company shall send to its customers a clear and concise statement of the rate change applied for and indicate which schedules are applicable to such customers. Not less than once each year, the Company shall transmit to each of its customers a clear and concise statement of its existing rate schedules, to new customers as a statement upon application for service, and to existing customers as a bill enclosure.

II. GENERAL TERMS AND CONDITIONS (continued)

6. Credit and Deposits

Until a Customer has established satisfactory credit relations or when unsatisfactory credit relations exist, the Company may require, in accordance with Chapter PUC 1203.03 of the New Hampshire Code of Administrative Rules, security in the form of a cash deposit or an irrevocable written guarantee from a responsible party. A deposit shall not be less than \$10.00 nor more than the estimated bill for a period of two (2) high-use months. The highest use month will not be used in determining the amount of deposit.

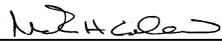
All deposits shall accrue simple annual interest at a rate equal to the prime rate, from the date of deposit to the date of termination. When a deposit has been held longer than 12 months, interest shall be paid to the customer or credited to the customer's current bill not less than annually. The entire deposit plus interest accrued shall be refunded when all bills have been paid without arrearages for 12 consecutive months for a residential customer and 24 months for a non-residential customer. Deposits shall cease to bear interest upon discontinuance of service and no interest shall apply on deposits held less than six months.

The Company may discontinue service for non-payment after a bill becomes sixty (60) days overdue, or for other good cause, in accordance with the applicable statutes and rules and regulations of the New Hampshire Public Utilities Commission in effect at the time. Where good cause exist, the Company shall give proper notice of disconnection to its customer pursuant to Rules PUC 1203.11 and PUC 1203.12; and for arrearages resulting from non-payment of bills for service rendered during the winter months of December through March, proper notice of disconnection shall be given pursuant to Rules PUC 1204.2 and PUC 1204.3. When the cause for such disconnection has been removed, the Company will reconnect service upon the Customer's request, in accordance with Rule PUC 1203.13. The Company may make a reasonable charge for reconnection before service is restored.

Subject to Rule 1203.15, the Company may reject any application for service made by, or for the benefit of, a former Customer who is indebted to the Company for gas service previously furnished him and may also refuse to transfer a residential account from one member of a household to another unless all amounts due for service previously rendered have been paid.

Whenever a Customer makes payment for gas service with a check or draft that is not accepted by the institution on which it is written, the Company shall make a charge to the Customer the greater of \$5.00 or the actual administrative cost of recovery.

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III. LINE EXTENSIONS

1. Original Installation and Extension

In areas in which operation by the Company is authorized, service and main extensions will be extended for new customers and/or system improvements will be undertaken for customer initiated load increases pursuant to the Company's Tariff, Rules and Regulations and will be subject to the results of a discounted cash flow ("DCF") (i.e., a Net Present Value ("NPV")) analysis.

The Company uses a DCF method to evaluate main and service line extensions. This method considers an estimate of the cost of capital expenditures associated with the proposed extension, an estimate of the net revenue (revenues exclusive of related gas costs recoveries) to be derived from the expected new customer(s), an estimate of the associated operation and maintenance expenses, depreciation and property and other taxes. These amounts are reflected on an annual basis and result in the annual cash flow (after-tax) associated with the proposed new main or service line extension. These annual cash flows are discounted (over ten (10) years for commercial and industrial service and twenty (20) years for residential service) to a present value at a rate representative of the Company's updated after-tax weighted cost of capital. If the NPV is zero or greater, then no contribution is required. However, if the NPV is negative, then the excess cost is required as a Contribution in Aid of Construction ("CIAC") by the Initial Customer(s).

Payment will be required in advance or in accordance with installment program provisions in effect at the time that the installment contract is signed.

For administrative efficiency the Company has a "Standard Offer Service" ("SOS") and will apply the SOS when a single new service is required for residential gas heating. The SOS provides for the installation of 100 feet of service pipe, under normal installation conditions as determined by the Company, from a gas main at no charge to serve residential heating loads.

For the installation of additional feet of service pipe, the Company will calculate annually the cost per additional foot from a gas main, under normal installation conditions as determined by the Company. The cost per additional foot above of the SOS offered will be calculated using the DCF method above. The inputs for calculating the cash flows will be the average net revenue derived from a typical residential heating rate class customer and an estimate of capital cost such that the NPV is zero. The estimate of capital cost will then be applied to determine the cost per additional foot of service pipe above the SOS.

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III. LINE EXTENSIONS

2. Subsequent Customer Contributions and Refunds

If during the period of five (5) years immediately following the date of construction completion, additional Customers or Subsequent Customers, whose gas use was not reflected in any previous computation or re-computation of the CIAC, are connected to an extension which was installed subject to a CIAC, the CIAC will be recomputed. Such re-computation will result in a refund of some or all of the CIAC to the Initial Customer(s) if such Subsequent Customer(s) produces a positive NPV. A refund will be made by the Company to the Customer(s) who made the original payment and who continue to be customers of the Company.

3. Easements

The Company shall not be required to construct extensions hereunder other than on public ways unless the prospective Customer shall provide without expense or cost to the Company, the necessary permits, consents or easements for a satisfactory right-of-way for the construction, maintenance and operation of the main.

4. Winter Construction

Ordinarily no new service pipes or main extensions are installed during winter conditions (when frost is in the ground) unless the Customer defrays the extra expenses.

5. Title

Title of all extensions constructed in accordance with the above shall be vested in the Company.

6. Reasonable Duration

Under none of the foregoing provisions will the Company be required to install service pipes or to construct main extensions where the business to be secured will not be of reasonable duration.

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IV. COST OF GAS CLAUSE

- (21) **Summer Season** – The months May through October.
- (22) **Winter Commodity** - The gas supplies procured by the Company to serve firm load in the Winter Season.
- (23) **Winter Demand** - Gas supply demand, peaking demands, storage and transmission capacity procured by the Company to service firm load in the Winter Season.
- (24) **Winter Season** – The months November through April.
- (25) **Working Capital Carrying Charge Rate**- the monthly prime lending rate, as reported by the Federal Reserve Statistical Release of Selected Interest Rates.

6. **Cost of Gas Calculations by Customer Classification**

6.1 **Approved Cost Figures**

The Cost of Gas calculation utilizes information periodically established by the New Hampshire Public Utilities Commission. The table below lists the approved cost factors:

<u>VARIABLE</u>	<u>DESCRIPTION</u>	<u>CURRENTLY APPROVED FIGURES</u>
MISC	Miscellaneous Overhead	\$512,686
PS	Production and Storage Capacity	\$420,658
WCA%	Working Capital Allowance Percentage	9.25 supply related net lag days / 365 days x WCCCR

Where WCCCR=Working Capital Carrying Charge Rate

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IV. COST OF GAS CLAUSE

and miscellaneous and A&G costs calculated at the beginning of the Winter Season according to the following formulas:

$$CGw = _Dw + Cw + Rw + WCRw + BDw + PS + (MISC \times W:Sales / A:Sales)$$

Winter Demand Cost (Dw) Formula

$$Dw = DEMw - NCSMw - CARw - CRCRw + WCwd - R1d - R2d$$

and:

$$NCSMw = CRRw + ISMw + OSSMw$$

and:

$$WCwd = (DEMw - NCSMw) \times WCA\%$$

Where:

- A:Sales Forecasted annual firm sales volumes.
- BDw Bad debt expense for the Winter Season.
- CARw The Capacity Assignment Revenues, pursuant to the Capacity Assignment provisions in the Company's Delivery Service Terms and Conditions, allocated to the Winter Season.
- CRCRw The Capacity Reserve Charge Revenues allocated to firm Sales Service and allocated to the Winter Season.
- Cw Commodity-related direct gas cost for the Winter Season.
- CGw The total cost of gas for the Winter Season for the Company's firm sales customers previously defined.
- CRRw The returnable Capacity Release Revenues allocated to the Winter Season. See Part IV, Section 7.
- Dw Demand costs allowable for the Winter Season.
- DEMw Demand Charges allocated to the Winter Season defined in Part IV, Section 5.
- ISMw The returnable Interruptible Sales Margins allocated to the Winter Season. See Part IV, Section 7.
- MISC The total dollar amount of gas costs associated with acquisition, dispatching, Administrative and General expenses and overheads as determined in the

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IV. COST OF GAS CLAUSE

Company's most recent rate proceeding. Refer to Part IV, Section 6.1 for this dollar amount.

- NCSMw The sum of the Winter Season returnable Interruptible Sales Margins, the Capacity Release Revenues and the Off-System Sales Margins.
- OSSMw The returnable Off-System Sales Margins allocated to the Winter Season. See Part IV, Section 7.
- PS The total dollar amount of costs associated with the local production and storage capacity gas less any production and storage capacity assignment revenues. Refer to Part IV, Section 6.1 for this dollar amount.
- R1d, R2d Supplier demand-related refunds - The Supplier refunds associated with refund program credits derived from Account 242, "Undistributed Gas Suppliers' Refunds." See Part IV, Section 8.
- Rw Reconciliation Costs – Winter Season deferred gas costs, Account 191.20 balance, inclusive of the associated Account 191.20 interest, as outlined in Part IV, Section 9.
- WCA % Ratio of working capital allowance associated with gas cost to total direct gas costs. Refer to Part IV, Section 6.1 for this percentage.
- WCwd Working Capital allowable associated with demand charges allocated to the Winter Season as defined in Part IV, Section 10.
- WCRw Working Capital reconciliation adjustment associated with Winter Gas Costs - Account 182.11 balance as outlined in Part IV, Section 10.
- W:Sales Total Forecasted firm sales volumes associated with the Winter Season.

Winter Season Commodity (Cw) Formula

$$Cw = WSC - NCCCw + FC + WCwc - R1c - R2c$$

and:

$$WCwc = (WSC - NCCCw + FC) \times WCA \%$$

Where:

Cw Allowable commodity costs for the Winter Season.

FC Annual Inventory finance charges as defined in Part IV, Section 5.

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IV. COST OF GAS CLAUSE

$$\text{COGwr} = \frac{\text{CGw}}{\text{W:Sales}}$$

Where:

CGw The total cost of gas for the Winter Season for the Company's firm sales customers previously defined.

r Designates the Residential Heating and Residential Non-Heating customer classes.

W:Sales Total Forecasted firm sales volumes associated with the Winter Season.

Commercial and Industrial Winter Season Cost of Gas

The Commercial and Industrial customer groups' Winter Season Cost of Gas will be based on the SMBA method of allocating gas costs to each of the two Commercial and Industrial load factor based customer groups: Rates G-50, G-51 and G-52 high load factor or Low Winter Use and Rates G-40, G-41 and G-42 low load factor or High Winter Use.

$$\text{COGwl} = \text{UDEMwl} + \text{UCwl}$$

$$\text{COGwh} = \text{UDEMwh} + \text{UCwh}$$

and

$$\text{UDEMwl} = \frac{\text{DEMwl} - \text{NCSMwl} - \text{CARwl} - \text{CRCRwl}}{\text{WL:Sales}}$$

and

$$\text{UCwl} = \frac{\text{WSCl} - \text{NCCCwl} + \text{FCl}}{\text{WL:Sales}}$$

and

$$\text{UDEMwh} = \frac{\text{DEMwh} - \text{NCSMwh} - \text{CARwh} - \text{CRCRwh}}{\text{WH:Sales}}$$

and

$$\text{UCwh} = \frac{\text{WSCh} - \text{NCCCwh} + \text{FCh}}{\text{WH:Sales}}$$

Where:

COGwr Residential Winter Season Cost of Gas as previously defined.

DEMwl Costs of Winter Demand allocated to the Low Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.

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IV. COST OF GAS CLAUSE

UCwl	Unit Cost of Winter Commodity associated with the Low Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.
UDEMwl	Unit Cost of Winter Demand associated with the Low Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.
DEMwh	Costs of Winter Demand allocated to the High Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.
UCwh	Unit Cost of Winter Commodity associated with the High Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.
UDEMwh	Unit Cost of Winter Demand associated with the Low Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.
W:Sales	Total Forecasted firm sales volumes associated with the Winter Season.
WH:Sales	Total Winter Season forecasted Commercial and Industrial high winter use sales volumes.
WL:Sales	Total Winter Season forecasted Commercial and Industrial low winter use sales volumes.
WSCl	Commodity charges associated with gas supply sent out in Winter Season allocated to the Low Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.
WSCh	Commodity charges associated with gas supply sent out in Winter Season allocated to the High Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.

6.4 Summer Season Cost of Gas (COG) Formula (CGs)

The Summer Season COG shall be comprised of Summer demand costs and Summer commodity costs, Summer reconciliation costs, Summer working capital reconciliation costs, plus a Summer bad debt charge, and miscellaneous and A&G costs calculated at the beginning of the Summer Season according to the following formulas:

$$CGs = Ds + Cs + Rs + WCRs + BDs + (MISC \times S: Sales / A: Sales)$$

Summer Demand Cost (Ds) Formula

$$Ds = DEMs - NCSMs + WCsd - R1d - R2d$$

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IV. COST OF GAS CLAUSE

and:

$$\text{NCSMs} = \text{CRRs} + \text{ISMs} + \text{OSSMs}$$

and:

$$\text{WCsd} = (\text{DEMs} - \text{NCSMs}) \times \text{WCA}\%$$

Where:

- A:Sales Forecasted annual sales volumes.
- BDs Bad debt expense for Summer Season.
- Cs Commodity-related direct gas costs for the Summer Season.
- CGs The total cost of gas for the Summer Season for the Company's firm sales customers previously defined.
- CRRs The returnable Capacity Release Revenues allocated to the Summer Season. See Part IV, Section 7.
- Ds Demand costs allowable for the Summer Season.
- DEMs Demand charges allocated to the Summer Season defined in Part IV, Section 5.
- ISMs The returnable Interruptible Sales Margins allocated to the Summer Season.
- MISC The total dollar amount of costs associated with acquisition, dispatching, Administrative and General expenses and overheads as determined in the Company's most recent rate proceeding. Refer to Part IV, Section 6.1 for this dollar amount.
- NCSMs The sum of the Summer Season returnable Interruptible Non-Core Sales Margins, the Capacity Release Revenues and Off-System Margins.
- OSSMs The returnable Off-System Sales Margins allocated to the Summer Season. See Part IV, Section 7.
- R1d, R2d Supplier refunds from pipeline demand charges - The per unit supplier refunds associated with refund program credits derived from Account 242, "Undistributed Gas Suppliers' Refunds." See Part IV, Section 8.

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IV. COST OF GAS CLAUSE

$$\text{COGsl} = \text{UDEMsl} + \text{UCsl}$$

$$\text{COGsh} = \text{UDEMsh} + \text{UCsh}$$

and

$$\text{UDEMsl} = \frac{\text{DEMsl} - \text{NCSMsl} - \text{CARsl} - \text{CRCRsl}}{\text{SL:Sales}}$$

and

$$\text{UCsl} = \frac{\text{SSCl} - \text{NCCCsl} + \text{FCI}}{\text{SL:Sales}}$$

and

$$\text{UDEMsh} = \frac{\text{DEMsh} - \text{NCSMsh} - \text{CARsh} - \text{CRCRsh}}{\text{SH:Sales}}$$

and

$$\text{UCsh} = \frac{\text{SSCh} - \text{NCCCsh} + \text{FCh}}{\text{SH:Sales}}$$

Where:

- COGsr Residential Summer Season Cost of Gas as previously defined.
- SH:Sales Total Summer Season forecasted Commercial and Industrial High Winter use sales volumes.
- SL:Sales Total Summer Season forecasted Commercial and Industrial Low Winter use sales volumes.
- DEMsl Costs of Summer Demand allocated to the Low Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.
- SSCl Commodity charges associated with gas supply sent out in Summer Season allocated to the Low Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.
- UCsl Unit Cost of Summer Commodity associated with the Low Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.
- UDEMsl Unit Cost of Summer Demand associated with the Low Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.
- DEMsh Costs of Summer Demand allocated to the High Winter Use Commercial and Industrial customer group as defined in Part IV, Section 5.

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IV. COST OF GAS CLAUSE

Summer Season Gas Costs (Account 191.10). Account 191.20 shall contain the accumulated difference between revenues toward gas costs calculated by multiplying the Winter Season Gas Cost for each Customer Classification, (COGwr, COGwl and COGwh) times monthly firm sales volumes for each Customer Classification, and the total costs allowable per the Winter Season gas cost formula. Account 191.10 shall contain the accumulated difference between revenues toward gas costs calculated by multiplying the Summer Season Gas Cost for each Customer Classification, (COGsr, COGsl and COGsh) times monthly firm sales volumes for each Customer Classification, and the total gas costs allowable per the Summer Season gas cost formula.

Carrying Charges shall be calculated on the average monthly balance of each subaccount. The interest rate is to be adjusted each quarter using the prime interest rate as reported by the Wall Street Journal on the first date of the month preceding the first month of the quarter. Effective on and after May 1, 2006, the interest rate is to be adjusted monthly using the monthly prime lending rate, as reported by the Federal Reserve Statistical Release of Selected Interest Rates on the first date of the month preceding the first month of the quarter.

The seasonal bad debt reconciliation adjustments Rbdw and Rbds shall be determined for use in each season incorporating the bad debt balances in Account 182.16 and 182.22 respectively.

The bad debt account balance for each season shall be calculated by taking the bad debt expense of gas costs for sales service and multiplying by the difference between the Cost of Gas in the Company's Seasonal COG filing, less the actual costs for the same season.

The Winter Season reconciliation filing date shall coincide with the next Winter period COG filing on September 16 of each year.

The Summer Season reconciliation filing date shall coincide with the next Summer period COG filing on March 16 of each year.

10. Working Capital Reconciliation Adjustments - Account 182

- (1) The following **definitions** pertain to reconciliation adjustment calculations:
 - a. **Working Capital Demand Gas Costs Allowable per Winter Season Gas Formula** shall be:
 - i. Charges associated with upstream storage, transmission capacity, and product demand procured by the Company to serve firm load in the peak period, plus a reallocation of a portion of such charges incurred in the Summer Season to serve firm load.

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IV. COST OF GAS CLAUSE

- ii. Carrying Charges.
 - b. **Working Capital Commodity Gas Costs Allowable per Winter Season Gas Formula** shall be:
 - i. Charges associated with gas supplies, including any applicable taxes, purchased by the Company to serve firm load in the Winter Season.
 - ii. Non-core commodity costs associated with non-core sales to which the COG is not applied, as defined in Part IV, Section 5.
 - iii. Carrying charges.
 - c. **Working Capital Demand Gas Costs Allowable per Summer Season Gas Formula** shall be:
 - i. Charges associated with upstream storage and transmission capacity procured by the Company to serve firm load in the Summer Season.
 - ii. Carrying Charges.
 - d. **Working Capital Commodity Gas Costs Allowable per Summer Season Gas Formula** shall be:
 - i. Charges associated with gas supplies, including any applicable taxes, procured by the Company to serve firm load in the Summer Season.
 - ii. Non-core commodity costs associated with non-core sales to which the COG is not applied, as defined in Part IV, Section 5.
 - iii. Carrying Charges.
- (2) The Winter and Summer Cost of Gas working capital allowances shall be calculated by applying the Working Capital Allowance percentage (WCA %).
- (3) Calculation of the Reconciliation Adjustments

Accounts 182.11 and 182.21 contain the accumulated difference between working capital allowance revenues and the actual monthly working capital allowance cost. The actual monthly working capital allowance shall be calculated by multiplying the actual gas costs times the Working Capital Allowance Percentage (WCA%) set forth in Part IV, Section 6.1, to the actual Direct Gas Costs allowable.

IV. COST OF GAS CLAUSE

The Winter Season working capital reconciliation adjustment (WCRw) shall be determined for use in the Winter Season Gas Cost calculations incorporating the Winter Season working capital account 182.11. A Summer Season working capital reconciliation adjustment (WCRs) shall be determined for use in the Summer Season Gas Cost calculations incorporating the Summer Season working capital account 182.21 balance.

11. Application of COGs to Bills

The Company will employ the COG as follows: The COGs (\$/therm) for each customer group for each season shall be calculated to the nearest hundredth of a cent per unit and will be applied to each customer's monthly sales volume within the corresponding customer classification. The Cost of Gas will be applicable to gas consumed on or after the first day of the month in which the Cost of Gas becomes effective.

12. Information Required to be Filed with the NHPUC

(1) Reconciliation Adjustments

Information pertaining to the Cost of Gas shall be filed with the NHPUC in accordance with the format established by the NHPUC. Reporting requirements include filing the Company's monthly calculation of the projected over or under-collection with the NHPUC, along with notification by the Company to the NHPUC of any revised COG for the subsequent month, not less than five (5) business days prior to the first day of the subsequent month.

Additionally the Company shall file with the NHPUC a seasonal reconciliation of gas costs and gas cost collections containing information in support of the reconciliation calculation set out in Part IV, Section 09 (2). Such information shall include the complete list of gas costs claimed as recoverable through the COG over the previous season. This seasonal reconciliation shall be submitted with each seasonal COG filing, along with complete documentation of the reconciliation adjustment calculations.

The Company shall file with the NHPUC a seasonal reconciliation of bad debt expense and bad debt collections containing information in support of the reconciliation calculation set out in Part IV, Section 9 (1). Such information shall detail the revenues collected as an allowance for bad debt as well as the per books actual gas cost bad debt expense claimed as recoverable through the COGC over the previous season. This seasonal reconciliation of bad debt expenses shall be included with the respective seasonal COG reconciliation filing, along with supporting documentation.

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IV. COST OF GAS CLAUSE

CANCELED
RESERVED FOR FUTURE USE

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Effective: May 1, 2014

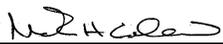
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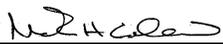
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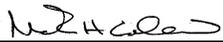
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V. LOCAL DELIVERY ADJUSTMENT CLAUSE

7.5 Definition

The **RCE** includes all rate case-related expenses approved by the NHPUC. This includes legal expenses, costs for bill inserts, costs for legal notices, consulting fees, processing expenses, and other approved expenses.

7.6 Rate Case Expense (RCE) Factor Formulas

The RCE will be calculated according to the Commission Order issued in an individual proceeding to establish details including the number of years over which the RCE shall be amortized and the allocation of recovery among rate classes. In general, the RCE Factor will be derived by dividing the annual portion of the total RCE, plus the RCE Reconciliation Adjustment, by forecast firm annual throughput.

7.7 Reconciliation Adjustments

Account 175.7 shall contain the accumulated difference between revenues toward Rate Case Expenses as calculated by multiplying the Rate Case Expense Factor (RCEF) times the appropriate monthly volumes and Rate Case Expense allowed.

At the end of the recovery period, any under or over recovery will be included in an active LDAC component, as approved by the Commission.

7.8 Application of RCE to Bills

The RCE (\$ per therm) shall be calculated to the nearest one one-hundredth of a cent per therm and will be applied to the monthly firm sales and firm delivery service throughput of tariffed customers.

7.9 Information to be Filed with the NHPUC

Information pertaining to the RCE will be filed with the NHPUC consistent with the filing requirements of all cost and revenue information included in the LDAC. The RCE filing will contain the calculation of the new RCE and will include the updated RCE reconciliation balance.

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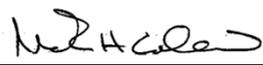
Local Delivery Adjustment Clause

Rate Schedule	RLIARA	DSM	ERC	ITM	RCE	RPC	LDAC
Residential Heating	\$0.0065	\$0.0393	\$0.0031	\$0.0000	\$0.0042	\$0.0161	\$0.0692
Residential Non-Heating	\$0.0065	\$0.0393	\$0.0031	\$0.0000	\$0.0042	\$0.0161	\$0.0692
Small C&I	\$0.0065	\$0.0131	\$0.0031	\$0.0000	\$0.0042	\$0.0161	\$0.0430
Medium C&I	\$0.0065	\$0.0131	\$0.0031	\$0.0000	\$0.0042	\$0.0161	\$0.0430
Large C&I	\$0.0065	\$0.0131	\$0.0031	\$0.0000	\$0.0042	\$0.0161	\$0.0430
No Previous Sales Service							

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Title: Treasurer

VI. RATE SCHEDULES

RATE SCHEDULE R-5 - RESIDENTIAL HEATING SERVICE

CHARACTER OF SERVICE

Natural Gas or its equivalent having a nominal heat content of 1,000 Btu per cubic foot.

APPLICABILITY

The towns of Dover, Durham, East Kingston, East Rochester, Exeter, Gonic, Greenland, Hampton, Hampton Falls, Kensington, Madbury, Newington, North Hampton, Plaistow, Portsmouth, Rochester, Salem, Seabrook, Somersworth, and Stratham and limited areas of Atkinson, Rollinsford and the contiguous territory served by the Company.

AVAILABILITY

Service hereunder is available under this rate at single, domestic locations for all purposes in individual private dwellings and individual apartments including condominiums and their facilities which use gas as the principal household heating fuel or at locations which are otherwise deemed ineligible for non-heating service based on availability.

RATE – MONTHLY

Customer Charge				\$20.01 per month
Summer	-	First 50 therms	@	\$0.5104 per therm
	-	Excess 50 therms	@	\$0.5104 per therm
Winter	-	First 50 therms	@	\$0.5844 per therm
	-	Excess 50 therms	@	\$0.4780 per therm

MINIMUM BILL

The minimum monthly bill for gas service will be the Customer Charge Per Month.

COST OF GAS FACTOR AND LOCAL DELIVERY ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Clause, Part IV, and the Local Delivery Adjustment Clause, Part V, apply to gas sold under this rate schedule.

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VI. RATE SCHEDULES

RATE SCHEDULE R-5 - RESIDENTIAL HEATING SERVICE

(continued)

DEFINITIONS

Summer - Defined as being the Company's billing cycles May through October

Winter - Defined as being the Company's billing cycles November through April.

TERMS OF PAYMENT

Bills are due and payable upon presentation. A late payment charge at a rate to be determined by the NHPUC from time to time will be assessed from the date of the bill on balances unpaid within twenty five days after the billing date. When bills are paid by remittance through the mail, the postmark on the envelope will be considered as the date of payment.

TERM OF CONTRACT

Contract for service shall be for a period of one year.

TURN-ON CHARGE

Where service is established or re-established during regular working hours, a service charge of \$12.50 will be required; after hours and on Saturday, Sunday or holidays a charge of \$18.00 will be required.

TERMS AND CONDITIONS

Service under this Rate Schedule is subject to the General Terms and Conditions of the Company as filed with the New Hampshire Public Utilities Commission and set forth in Part II herein.

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Title: Treasurer

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VI. RATE SCHEDULES

RATE SCHEDULE R-10 - LOW INCOME RESIDENTIAL HEATING SERVICE

RATE – MONTHLY

Customer Charge				\$8.00 per month
Summer	-	First 50 therms	@	\$0.2041 per therm
	-	Excess 50 therms	@	\$0.2041 per therm
Winter	-	First 50 therms	@	\$0.2338 per therm
	-	Excess 50 therms	@	\$0.1912 per therm

MINIMUM BILL

The minimum monthly bill for gas service will be the Customer Charge Per Month.

COST OF GAS FACTOR AND LOCAL DELIVERY ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Clause, Part IV, and the Local Delivery Adjustment Clause, Part V, apply to gas sold under this rate schedule.

DEFINITIONS

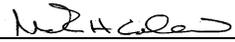
Summer - Defined as being the Company's billing cycles May through October.

Winter - Defined as being the Company's billing cycles November through April.

TERMS OF PAYMENT

Bills are due and payable upon presentation. A late payment charge at a rate to be determined by the NHPUC from time to time will be assessed from the date of the bill on balances unpaid within twenty five days after the billing date. When bills are paid by remittance through the mail, the postmark on the envelope will be considered as the date of payment.

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VI. RATE SCHEDULES

RATE SCHEDULE R-6 - RESIDENTIAL NON-HEATING SERVICE

CHARACTER OF SERVICE

Natural Gas or its equivalent having a nominal heat content of 1,000 Btu per cubic foot.

APPLICABILITY

The towns of Dover, Durham, East Kingston, East Rochester, Exeter, Gonic, Greenland, Hampton, Hampton Falls, Kensington, Madbury, Newington, North Hampton, , Plaistow, Portsmouth, Rochester, Salem, Seabrook, Somersworth, and Stratham and limited areas of Atkinson, Rollinsford and the contiguous territory served by the Company.

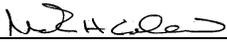
AVAILABILITY

Service hereunder is available for any residential purpose other than for use as the principal heating fuel except that this rate is not available at locations where usage in the six winter months of November through April is greater than or equal to 80% of annual usage and usage exceeds 100 therms in any winter month.

RATE - MONTHLY

Customer Charge				\$20.01 per month
Summer	-	First 10 therms	@	\$0.3947 per therm
	-	Excess 10 therms	@	\$0.3947 per therm
Winter	-	First 10 therms	@	\$0.3947 per therm
	-	Excess 10 therms	@	\$0.3947 per therm

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RATE SCHEDULE R-6 - RESIDENTIAL NON-HEATING SERVICE

(continued)

MINIMUM BILL

The minimum charge for gas service will be the Customer Charge per month.

COST OF GAS CLAUSE AND LOCAL DELIVERY ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Clause, Part IV, and the Local Delivery Adjustment Cost Clause, Part V, apply to gas sold under this rate schedule.

DEFINITIONS

Summer - Defined as being the Company's billing cycles May through October

Winter - Defined as being the Company's billing cycles November through April.

TERMS OF PAYMENT

Bills are due and payable upon presentation. A late payment charge at a rate to be determined by the NHPUC from time to time will be assessed from the date of the bill on balances unpaid within twenty five days after the billing date. When bills are paid by remittance through the mail, the postmark on the envelope will be considered as the date of payment.

TERM OF CONTRACT

Contract for service shall be for a period of one year.

TURN-ON CHARGE

Where service is established or re-established during regular working hours, a service charge of \$12.50 will be required; after hours and on Saturday, Sunday or holidays a charge of \$18.00 will be required.

TERMS AND CONDITIONS

Service under this Rate Schedule is subject to the General Terms and Conditions of the Company as filed with the New Hampshire Public Utilities Commission and set forth in Part II herein.

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VI. RATE SCHEDULES

**RATE SCHEDULE R-11 - LOW INCOME RESIDENTIAL NON-HEATING
SERVICE**

CHARACTER OF SERVICE

Natural Gas or its equivalent having a nominal heat content of 1,000 Btu per cubic foot.

APPLICABILITY

The towns of Dover, Durham, East Kingston, East Rochester, Exeter, Gonic, Greenland, Hampton, Hampton Falls, Kensington, Madbury, Newington, North Hampton, Plaistow, Portsmouth, Rochester, Salem, Seabrook, Somersworth, and Stratham and limited areas of Atkinson, Rollinsford and the contiguous territory served by the Company.

AVAILABILITY

Service hereunder is available for any residential purpose other than for use as the principal heating fuel to Customers who qualify for the federally funded "Heat Energy Assistance Program" and who are sixty-five (65) years of age or older. Verification of Customer's age must be submitted to the Community Action Program Agency (CAP) prior to taking service on this Rate Schedule.

Service hereunder is only available to customers receiving service according to this Rate Schedule (R-11) on May 1, 2001. Ongoing service to customers of record on May 1, 2001 is subject to an annual verification of eligibility through the CAP Agency.

RATE - MONTHLY

Customer Charge				\$14.54 per month
Summer	-	First 10 therms	@	\$0.2993 per therm
	-	Excess 10 therms	@	\$0.2993 per therm
Winter	-	First 10 therms	@	\$0.2993 per therm
	-	Excess 10 therms	@	\$0.2993 per therm

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VI. RATE SCHEDULES

RATE SCHEDULE G-40 - COMMERCIAL AND INDUSTRIAL SALES SERVICE (Low Annual Use, High Winter Use)

CHARACTER OF SERVICE

The standard gas unit is defined as 100 cubic feet of gas containing one thousand (1,000) Btu per cubic foot.

APPLICABILITY

The towns of Dover, Durham, East Kingston, East Rochester, Exeter, Gonic, Greenland, Hampton, Hampton Falls, Kensington, Madbury, Newington, North Hampton, Plaistow, Portsmouth, Rochester, Salem, Seabrook, Somersworth, and Stratham and limited areas of Atkinson, Rollinsford and the contiguous territory served by the Company.

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

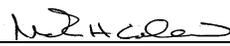
RATE - MONTHLY

Customer Charge				\$63.18 per month
Summer	-	First 75 therms	@	\$0.1513 per therm
	-	Excess 75 therms	@	\$0.1513 per therm
Winter	-	First 75 therms	@	\$0.1513 per therm
	-	Excess 75 therms	@	\$0.1513 per therm

RATE ADJUSTMENT

The above rate is subject to adjustment according to the provisions of the Cost of Gas Clause, Part IV, and the Local Delivery Adjustment Clause, Part V.

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VI. RATE SCHEDULES

RATE SCHEDULE G-41 - COMMERCIAL AND INDUSTRIAL SALES SERVICE

(Medium Annual Use, High Winter Use)

(continued)

MINIMUM BILL

Customer charge per month.

TERMS OF PAYMENT

Bills are due and payable upon presentation. A late payment charge at a rate to be determined by the NHPUC from time to time will be assessed from the date of the bill on balances unpaid within twenty five days after the billing date. When bills are paid by remittance through the mail, the postmark on the envelope will be considered as the date of payment.

DEFINITIONS

Summer - Defined as being the Company's billing cycles May through October.

Winter - Defined as being the Company's billing cycles November through April.

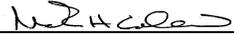
TURN-ON CHARGE

Where service is established or re-established during regular working hours, a service charge of \$12.50 will be required; after hours and on Saturday, Sunday or holidays a charge of \$18.00 will be required.

TERMS AND CONDITIONS

Service under this Rate Schedule is subject to the General Terms and Conditions of the Company as filed with the New Hampshire Public Utilities Commission and set forth in Part II herein.

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VI. RATE SCHEDULES

RATE SCHEDULE G-42 - COMMERCIAL AND INDUSTRIAL SALES SERVICE
(High Annual Use, High Winter Use)

CHARACTER OF SERVICE

The standard gas unit is defined as 100 cubic feet of gas containing 1,000 Btu per cubic foot.

APPLICABILITY

The towns of Dover, Durham, East Kingston, East Rochester, Exeter, Gonic, Greenland, Hampton, Hampton Falls, Kensington, Madbury, Newington, North Hampton, Plaistow, Portsmouth, Rochester, Salem, Seabrook, Somersworth, and Stratham and limited areas of Atkinson, Rollinsford and the contiguous territory served by the Company.

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

RATE - MONTHLY

Customer Charge				\$1,052.94 per month
Summer	-	All therms	@	\$0.0998 per therm
Winter	-	All therms	@	\$0.1652 per therm

RATE ADJUSTMENT

The above rate is subject to adjustment according to the provisions of the Cost of Gas Clause, Part IV, and the Local Delivery Adjustment Clause, Part V.

CHARACTERISTICS OF CUSTOMER

A Customer receiving service under this schedule must have annual usage greater than 80,000 therms and peak period usage greater than or equal to 67% of annual usage, as determined by the Company's records and procedures.

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**RATE SCHEDULE T-40 - COMMERCIAL AND INDUSTRIAL FIRM
DELIVERY SERVICE**

(Low Annual Use, High Winter Use)

(continued)

CHARACTERISTICS OF CUSTOMER

A Customer receiving service under this schedule must have annual usage less than or equal to 8,000 therms and peak period usage greater than or equal to 67% of annual usage, as determined by the Company's records and procedures.

MINIMUM BILL

Customer charge per month.

TERMS OF PAYMENT

Bills are due and payable upon presentation. A late payment charge at a rate to be determined by the NHPUC from time to time will be assessed from the date of the bill on balances unpaid within twenty five days after the billing date. When bills are paid by remittance through the mail, the postmark on the envelope will be considered as the date of payment.

DEFINITIONS

Summer - Defined as being the Company's billing cycles May through October.

Winter - Defined as being the Company's billing cycles November through April.

TURN-ON CHARGE

Where service is established or re-established during regular working hours, a service charge of \$12.50 will be required; after hours and on Saturday, Sunday or holidays a charge of \$18.00 will be required.

TERMS AND CONDITIONS

Service under this Rate Schedule is subject to the General Terms and Conditions of the Company, Part II, and the Delivery Service Terms and Conditions, Part VII, as filed with the New Hampshire Public Utilities Commission and set forth herein.

Issued: May 1, 2014
Effective: May 1, 2014

Issued By: N. J. H. COLE
Title: Treasurer

Authorized by NHPUC Order No. 25,653 in Docket No. DG 13-086, dated April 21, 2014.

VI. RATE SCHEDULES

RATE SCHEDULE T-50 - COMMERCIAL AND INDUSTRIAL FIRM DELIVERY SERVICE

(Low Annual Use, Low Winter Use)

CHARACTER OF SERVICE

The standard gas unit is defined as 100 cubic feet of gas containing 1,000 Btu per cubic foot.

APPLICABILITY

The towns of Dover, Durham, East Kingston, East Rochester, Exeter, Gonic, Greenland, Hampton, Hampton Falls, Kensington, Madbury, Newington, North Hampton, Plaistow, Portsmouth, Rochester, Salem, Seabrook, Somersworth, and Stratham and limited areas of Atkinson, Rollinsford and the contiguous territory served by the Company.

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

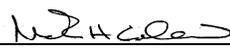
RATE - MONTHLY

Customer Charge				\$63.18 per month
Summer	-	First 75 therms	@	\$0.1513 per therm
	-	Excess 75 therms	@	\$0.1513 per therm
Winter	-	First 75 therms	@	\$0.1513 per therm
	-	Excess 75 therms	@	\$0.1513 per therm

RATE ADJUSTMENT

The above rate is subject to adjustment according to the provisions of the Company's Delivery Service Terms and Conditions, Part VII and the Local Delivery Adjustment Clause, Part V.

Issued: May 1, 2014
Effective: May 1, 2014

Issued By: 
Title: Treasurer

Authorized by NHPUC Order No. 25,653 in Docket No. DG 13-086, dated April 21, 2014.

VI. RATE SCHEDULES

RATE SCHEDULE T-50 - COMMERCIAL AND INDUSTRIAL FIRM DELIVERY SERVICE

(Low Annual Use, Low Winter Use)

(continued)

CHARACTERISTICS OF CUSTOMER

A Customer receiving service under this schedule must have annual usage less than or equal to 8,000 therms and peak period usage less than 67% of annual usage, as determined by the Company's records and procedures.

MINIMUM BILL

Customer charge per month.

TERMS OF PAYMENT

Bills are due and payable upon presentation. A late payment charge at a rate to be determined by the NHPUC from time to time will be assessed from the date of the bill on balances unpaid within twenty five days after the billing date. When bills are paid by remittance through the mail, the postmark on the envelope will be considered as the date of payment.

DEFINITIONS

Summer - Defined as being the Company's billing cycles May through October.

Winter - Defined as being the Company's billing cycles November through April.

TURN-ON CHARGE

Where service is established or re-established during regular working hours, a service charge of \$12.50 will be required; after hours and on Saturday, Sunday or holidays a charge of \$18.00 will be required.

TERMS AND CONDITIONS

Service under this Rate Schedule is subject to the General Terms and Conditions, Part II, and the Delivery Service Terms and Conditions, Part VII, of the Company as filed with the New Hampshire Public Utilities Commission and set forth herein.

Issued: May 1, 2014

Effective: May 1, 2014

Issued By: 
Title: Treasurer

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VI. RATE SCHEDULES

RATE SCHEDULE T-51 - COMMERCIAL AND INDUSTRIAL FIRM DELIVERY SERVICE

(Medium Annual Use, Low Winter Use)

CHARACTER OF SERVICE

The standard gas unit is defined as 100 cubic feet of gas containing 1,000 Btu per cubic foot.

APPLICABILITY

The towns of Dover, Durham, East Kingston, East Rochester, Exeter, Gonic, Greenland, Hampton, Hampton Falls, Kensington, Madbury, Newington, North Hampton, Plaistow, Portsmouth, Rochester, Salem, Seabrook, Somersworth, and Stratham and limited areas of Atkinson, Rollinsford and the contiguous territory served by the Company.

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

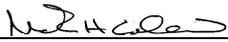
RATE - MONTHLY

Customer Charge				\$184.26 per month
Summer	-	First 1,000 therms	@	\$0.1108 per therm
	-	Excess 1,000 therms	@	\$0.0897 per therm
Winter	-	First 1,300 therms	@	\$0.1424 per therm
	-	Excess 1,300 therms	@	\$0.1160 per therm

RATE ADJUSTMENT

The above rate is subject to adjustment according to the provisions of the Company's Delivery Terms and Conditions, Part VII, and the Local Delivery Adjustment Clause, Part V.

Issued: May 1, 2014
Effective: May 1, 2014

Issued By: 
Title: Treasurer

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VI. RATE SCHEDULES

RATE SCHEDULE T-52 - COMMERCIAL AND INDUSTRIAL FIRM DELIVERY SERVICE

(High Annual Use, Low Winter Use)

(continued)

CHARACTERISTICS OF CUSTOMER

A Customer receiving service under this schedule must have annual usage greater than 80,000 therms and peak period usage less than 67% of annual usage, as determined by the Company's records and procedures.

MINIMUM BILL

Customer charge per month.

TERMS OF PAYMENT

Bills are due and payable upon presentation. A late payment charge at a rate to be determined by the NHPUC from time to time will be assessed from the date of the bill on balances unpaid within twenty five days after the billing date. When bills are paid by remittance through the mail, the postmark on the envelope will be considered as the date of payment.

DEFINITIONS

Summer - Defined as being the Company's billing cycles May through October.

Winter - Defined as being the Company's billing cycles November through April.

TURN-ON CHARGE

Where service is established or re-established during regular working hours, a service charge of \$12.50 will be required; after hours and on Saturday, Sunday or holidays a charge of \$18.00 will be required.

TERMS AND CONDITIONS

Service under this Rate Schedule is subject to the General Terms and Conditions, Part II, and the Delivery Service Terms and Conditions, Part VII, of the Company as filed with the New Hampshire Public Utilities Commission and set forth herein.

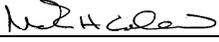
Issued: May 1, 2014
Effective: May 1, 2014

Issued By: W. J. C. O'Connell
Title: Treasurer

Authorized by NHPUC Order No. 25,653 in Docket No. DG 13-086, dated April 21, 2014.

RESERVED FOR FUTURE USE

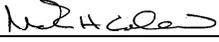
Issued: May 1, 2014
Effective: May 1, 2014

Issued by: 
Title: Treasurer

Authorized by NHPUC Order No. 25,653 in Docket No. DG 13-086, dated April 21, 2014.

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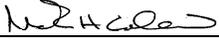
Issued: May 1, 2014
Effective: May 1, 2014

Issued by: 
Title: Treasurer

Authorized by NHPUC Order No. 25,653 in Docket No. DG 13-086, dated April 21, 2014.

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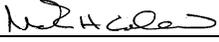
Issued: May 1, 2014
Effective: May 1, 2014

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Authorized by NHPUC Order No. 25,653 in Docket No. DG 13-086, dated April 21, 2014.

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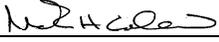
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Authorized by NHPUC Order No. 25,653 in Docket No. DG 13-086, dated April 21, 2014.

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Issued: May 1, 2014
Effective: May 1, 2014

Issued by: 
Title: Treasurer

Authorized by NHPUC Order No. 25,653 in Docket No. DG 13-086, dated April 21, 2014.

VII. DELIVERY SERVICE TERMS AND CONDITIONS (continued)

- 9.3.3 Nominations for the first Gas Day of a Month shall be submitted to the Company no later than two (2) hours prior to the deadline for first of the Month Nominations of the Transporting Pipeline or such lesser period as determined by the Company. The Company will make available, from time to time, a schedule of Nomination due dates. Nominations on weekends, holidays, and non-business hours will be accepted by the Company on a basis consistent with that utilized for its own operations.
- 9.3.4 The Supplier may make daily Nominations including, but not limited to, changes to existing Nominations, within a given Month no later than two (2) hours prior to the deadline for daily Nominations of the Transporting Pipeline for the Gas Day on which the Nomination is to be effective, or such lesser period as determined by the Company. Nominations on weekends, holidays, and non-business hours will be accepted by the Company on a basis consistent with that utilized for its own operations.
- 9.3.5 The Supplier may make intra-Gas Day Nominations, including but not limited to changes to existing Nominations, within a given Gas Day no later than two (2) hours prior to the intra-Gas Day Nomination deadline for the Transporting Pipeline on which the Nomination is to be effective, or such lesser period as determined by the Company. Intra-Gas Day Nominations on weekends, holidays, and non-business hours will be accepted by the Company on a basis consistent with that utilized for its own operations.
- 9.3.6 Nominations will be conditionally accepted by the Company pending confirmation by the Transporting Pipeline. The Company will attempt to confirm the nominated volume with the Transporting Pipeline. In the event of a discrepancy between the volume nominated to the Company by the Supplier and the volume nominated by the Supplier to the Transporting Pipeline, the lower volume will be deemed confirmed. The Company will allocate such discrepancy based on a predetermined allocation method set forth in the Supplier Service Agreement. If no predetermined allocation method has been established prior to the event of such discrepancy, the Company will allocate the discrepancy on a pro rata basis.
- 9.3.7 Nominations may be rejected, at the sole reasonable discretion of the Company, if they do not satisfy the conditions for Delivery Service in effect from time to time.

VII. DELIVERY SERVICE TERMS AND CONDITIONS (continued)

9.4 Determination of Receipts

9.4.1 The quantity of Gas deemed received by the Company for the Supplier's Aggregation Pool at the Designated Receipt Point(s) will equal the volume so scheduled by the Transporting Pipeline(s).

9.4.2 The Company Gas Allowance will be assessed against receipts pursuant to Part VII, Section 8 of this tariff.

VII. DELIVERY SERVICE TERMS AND CONDITIONS (continued)

<u>Imbalance Tier</u>	<u>Over-deliveries</u>	<u>Under-deliveries</u>
0% <= 5%	The average of the Daily Indices for the relevant Month	The highest average of seven consecutive Daily Indices for the relevant Month.
> 5% <= 10%	0.85 times the above stated rate.	1.15 times the above stated rate.
> 10% <= 15%	0.60 times the above stated rate.	1.4 times the above stated rate.
> 15%	0.25 times the above stated rate.	1.75 times the above stated rate.

For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% under-delivery on a Transporting Pipeline, volumes that make up the first 5% of the imbalance are priced at the highest average of the seven (7) consecutive Daily Indices. Volumes making up the remaining 2% of the imbalance are priced at 1.15 times the average of the seven (7) consecutive Daily Indices.

10. Non-Daily Metered Delivery Service

10.1 Applicability

Part VII, Section 10 of this tariff applies to Customers taking Delivery Service under Rate Schedules T-40, T-41, T-50, and T-51 and their Suppliers.

10.2 Delivery Service Provided

This service provides firm, year-round delivery of Customer purchased Gas from the Designated Receipt Point to the Delivery Point on any Gas Day for Customers, without the requirement of recording Gas Usage at the Delivery Point on a daily basis. Daily Nominations are calculated by the Company on the basis of a Consumption Algorithm and the Supplier is obligated to deliver to the Designated Receipt Point(s) such quantities.

VII. DELIVERY SERVICE TERMS AND CONDITIONS (continued)

Transporting Pipeline, the lower volume will be deemed confirmed. The Company will allocate such discrepancy based on a predetermined allocation method set forth in the Supplier Service Agreement. If no predetermined allocation method has been established prior to the event of such discrepancy, the Company will allocate the discrepancy on a pro rata basis. The Company will not confirm any volume nominated by the Supplier in excess of the ATV.

10.3.7 In the event that the Supplier is unable to deliver a confirmed ATV Nomination, the Supplier may make intra-Gas Day Nominations relating to changes to existing Nominations within a given Gas Day no later than two (2) hours prior to the intra-Gas Day Nomination deadline for the Transporting Pipeline on which the Nomination is to be effective, or such lesser period as determined by the Company; provided, however, that the Nomination must be in conformance with the requirements of and must be permitted by the Transporting Pipeline. Intra-Gas Day Nominations on weekends, holidays, and non-business hours will be accepted by the Company on a basis consistent with that utilized by the Company for its own operations. The Company shall not adjust the ATV applied for that Gas Day.

10.3.8 Nominations may be rejected if they do not satisfy the conditions for Delivery Service in effect from time to time.

10.3.9 All quantities of Gas over-delivered or under-delivered to the Company's system in violation of an Operational Flow Order ("OFO") declared by the Company pursuant to Part VII, Section 16 will be subject to the Critical Day provisions of Part VII, Section 10.6.1 of this tariff, and the delivered quantity specified in the OFO will replace the ATV.

10.4 Determination of Receipts

10.4.1 The quantity of Gas deemed received by the Company for the Supplier's Aggregation Pool at the Designated Receipt Point(s) will equal the volume so scheduled by the Transporting Pipeline(s).

10.4.2 The Company Gas Allowance will be assessed against receipts pursuant to Part VII, Section 8 of this tariff.

10.5 Metering and the Determination of Deliveries

The Company shall record the Customer's Gas Usage at the Delivery Point by making actual meter reads on a monthly or bi-monthly basis. In the event that the

VII. DELIVERY SERVICE TERMS AND CONDITIONS (continued)

assignment of capacity shall remain in effect until such time that the Customer returns to Sales Service, and therefore, the Customer shall lose its capacity exemption status.

- 11.3.5 For a new Customer taking Supplier Service as its initial service after March 14, 2000, the TCQ shall be zero except in cases where the Customer is a new Customer of record at a meter location where a former Customer of record received firm service from the Company any time during the preceding twenty-four (24) months, in which case the TCQ established by the Company for the former Customer shall become the TCQ for the new Customer. The Company may reduce said TCQ value for the new Customer, if, in its sole reasonable discretion, the Company determines that the old Customer's TCQ exceeds the new Customer's estimated future consumption on the Peak Day. In the event that Sales Service is provided at a new meter location for Gas Usage associated with new construction, the TCQ shall be zero, provided that the Customer initiates Supplier Service upon the completion of said new construction in accordance with Part VII, Section 20.5 of this tariff.

Any new Customer taking Supplier Service as its initial service and whose TCQ is zero may at a later time either: (a) elect assignment of capacity for any portion or the total of the Customer's Gas Usage on the Peak Day for a period no longer than one year or; (b) choose long-term permanent assignment of capacity, either of which is subject to the Company accepting such request, in accordance with Part VII, Section 11.3.4. Any request for, and associated assignment of capacity for a term no longer than one year shall not result in Customer losing capacity exemption status in the future. Any request for assignment of Capacity for a term greater than one year shall become a permanent assignment and remain in effect until such time that the Customer returns to Sales Service. In order to either make such short-term election or choose permanent assignment of capacity, the Customer must have submitted to the Company, on or before ten (10) days prior to the first Assignment Date prior to the original effective date of this tariff, a completed application for Capacity that is signed by both the Customer and Supplier. All assignments of Capacity made on behalf of such electing Customer shall be executed in accordance with Part VII, Sections 11 and 14 of this tariff as if the Customer had been receiving Sales Service on or after March 14, 2000.

- 11.3.6 Once the Company establishes a TCQ for a Customer pursuant to this Part VII, Section 11.3, it shall remain in effect for the purpose of determining the Customer's pro-rata shares of Capacity until such time that the Customer returns to Sales Service. The Company shall establish a new TCQ value for the Customer pursuant to Part VII, Section 11.3.2 if the

VII. DELIVERY SERVICE TERMS AND CONDITIONS (continued)

month preceding the next Assignment Date. The Commodity charge will be multiplied by the volumes of Peaking Service Gas nominated by the Supplier during each Month.

14.4 Peaking Supply

14.4.1 The Customer's portion of the Peaking Supply that shall be assigned to the Supplier on behalf of the Customer shall be equal to the Peaking Supply multiplied by the ratio of the Customer's MDPQ to the aggregate MDPQ of the total system.

14.4.2 On each Assignment Date, the Company shall assign Peaking Supply to a Supplier whose MDPQ has been increased pursuant to Part VII, Section 11.4. If the Company assigns incremental Peaking Supply to a Supplier, the Company shall credit the balance of the Supplier's Peaking Service Account for volumes available through October 31 in accordance with the Peaking Service Rule Curve. The amount credited to the Supplier's Peaking Service Account shall be determined by multiplying the incremental Peaking Supply by the peaking inventory percentage described in Part VII, Section 14.4.5.

14.4.3 On each Assignment Date, the Company shall recall Peaking Supply from a Supplier whose MDPQ has been decreased pursuant to Part VII, Section 11.7. The Company shall determine the Supplier's total Peaking Supply for recall to be equal to the difference between the cumulative total Peaking Supply assigned to the Supplier as of the previous Assignment Date and the total Peaking Supply that is assignable to the Supplier in accordance with Part VII, Section 14.4.1 above.

14.4.4 If the Company recalls Peaking Supply from a Supplier pursuant to Part VII, Section 14.4.3, the Company shall debit the balance of the Supplier's Peaking Service Account for volumes available through October 31 in accordance with the Peaking Service Rule Curve. The amount debited from the Supplier's Peaking Service Account shall be determined by multiplying the decremental Peaking Supply by the peaking inventory percentage described in Part VII, Section 14.4.5.

14.4.5 The peaking inventory percentage shall represent the level of Peaking Supply assumed to be available to a Supplier in its Peaking Service Account as of the first Gas Day of the Month following the Assignment Date for incremental and decremental assignments of Peaking Supply. Each September, the Company shall communicate electronically, by facsimile or by other agreeable alternative means the Peaking Inventory Percentages that shall be applied to incremental or decremental Peaking

VII. DELIVERY SERVICE TERMS AND CONDITIONS (continued)

Supply assignments executed on each of the twelve (12) Assignment Dates beginning in October.

14.4.6 On each Annual Reassignment Date, the Company shall reset the balance in the Supplier's Peaking Service Account to equal the total Peaking Supply assignable to the Supplier on behalf of Customers enrolled in its Aggregation Pool (as of the first Gas Day of the Month following the Annual Reassignment Date) as determined in accordance with Part VII, Section 14.4.1 above.

14.5 Nomination of Peaking Service

14.5.1 The Supplier shall nominate with the Company the quantity of Peaking Supply, not in excess of the amount determined pursuant to Part VII, Section 14.4.2, that the Supplier desires to be provided from its Peaking Service Account for the applicable Gas Day. For an Aggregation Pool of Customers taking daily metered Delivery Service, the notice given by the Supplier to the Company for an applicable Gas Day shall be made in accordance with Part VII, Section 9.3 of this tariff. For an Aggregation Pool of Customers taking non-daily metered Delivery Service, the notice given by the Supplier to the Company for an applicable Gas Day shall be made in accordance with Part VII, Section 10.3 of this tariff.

14.5.2 In response to a valid Nomination for Peaking Service, the Company shall provide the requested quantity of Gas, which shall be deemed to be delivered by the Company and received by the Company at the Designated Receipt Point(s) of the Supplier's Aggregation Pool, subject to the limitations herein. Nominated quantities shall be included in the determination of receipts at the Designated Receipt Point(s) for the Supplier's Aggregation Pool, which factors into the daily balancing provisions set forth in this tariff.

VII. DELIVERY SERVICE TERMS AND CONDITIONS (continued)

20.8.3 The Supplier shall have ten (10) Business Days from the date of such statement to render payment to the Company. The Supplier shall render payment by means of electronic funds transfer to the Company. The late payment rate will apply to all amounts outstanding after ten (10) days.

20.8.4 If the correctness of the Company's bill to the Supplier is questioned or disputed by the Supplier, an explanation should be promptly requested from the Company. If the bill is determined to be incorrect, the Company shall issue a corrected bill. In the event that the Supplier and the Company fail to agree on the amount of the bill, the Supplier may file a complaint with the Commission to resolve such complaint.

21. Customer Designated Representative

21.1 The Customer may appoint a Designated Representative to satisfy or undertake the Customer's duties and obligations; including, but not limited to submitting and/or receiving notices, making nominations, arranging for trades of imbalances, and performing operational and administrative tasks; provided, however, that under no circumstances will the appointment of a Designated Representative relieve the Customer of the responsibility to make full and timely payment to the Company for all Delivery Service provided under this tariff.

21.2 A request by a Designated Representative to the Company that contains the Customer's Authorization Number will be deemed to be confirmation that the Customer has designated such person or entity as a Designated Representative. A Customer may appoint only one (1) Designated Representative per account.

21.3 Under any agency established hereunder, the Company shall rely upon information concerning the applicable Customer's Delivery Service that is provided by the Designated Representative. All such information shall be deemed to have been provided by the Customer. Similarly, any notice or other information provided by the Company to the Designated Representative concerning the provision of Delivery Service to such Customer shall be deemed to have been provided to the Customer. The Customer shall rely upon any information concerning Delivery Service that is provided to the Designated Representative as if that information had been provided directly to the Customer.

21.4 The Customer shall agree to indemnify the Company and hold it harmless from any liability (including reasonable legal fees and expenses) that the Company incurs as a result of the Designated Representative's negligence or willful misconduct in its performance of agency functions on the Customer's behalf.

VII. DELIVERY SERVICE TERMS AND CONDITIONS (continued)

APPENDIX D

Firm Sales Service Re-Entry Fee Bill Adjustment

I. Purpose:

In order to assess a fee to Customers of the Company who elect to switch from Firm Delivery Service to Firm Sales Service after June 30, 2006, for the purpose of recovering costs associated with capacity resources on-hand to serve the unassigned capacity portion of the requirements of such Customers, there shall be a monthly Re-Entry Fee charged for the first twelve months under, and after switching to, Firm Sales Service. The Re-Entry Fee under this Tariff is pursuant to the Stipulation and Settlement in Docket DG 05-080.

II. Application of Re-entry Fee:

A Re-Entry Fee shall be calculated for an individual Customer, once the Customer has switched to Firm Sales Service, for the first billing month under such service. The Company's annual system average unit capacity cost from which the Re-Entry Fee is derived shall be filed by September 15 of every year and be subject to review and approval by the Commission. The Re-Entry Fee shall be calculated as a separate monthly charge to the nearest one-cent and will be applied to the individual Customer's monthly Firm Sales Service bill for the initial twelve (12) consecutive billing months.

III. Re-Entry Fee Costs Allowable:

The Re-Entry Fee costs allowable for recovery shall be those costs derived from applying twenty-five percent (25%) of the Company's annual average unit cost of system capacity resources, derived once a year for the upcoming period of November through October, to the Customer's unassigned capacity portion of its Peak Day Gas Usage under its previous Firm Delivery Service.

IV. Calculation of Re-Entry Fee:

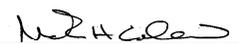
The monthly Re-Entry Fee shall be an amount equal to one-twelfth of the product of 25% of the Company's annual system average unit capacity cost and the Customer's unassigned capacity portion of its Peak Day Gas Usage at the time the Customer was taking Firm Delivery Service prior to switching to Firm Sales Service.

Issued: May 1, 2014

Effective: May 1, 2014

Issued by:

Title:



Treasurer

VII. DELIVERY SERVICE TERMS AND CONDITIONS (continued)

Appendix D

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

V. Information to be Filed with the Commission:

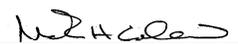
Once a year, by September 15, except for this additional one-time initial Re-Entry Fee, the Company shall file with the Commission the Company's upcoming annual system average unit capacity cost, multiplied by 25%, to show the unit cost applicable to the unassigned capacity portion a Customer's Peak Day Gas Use. Also by September 15 of every year, the Company shall file with the Commission a report showing the number of customers assessed a Re-Entry Fee and the amount of Re-Entry Fee charges recovered to-date. Pursuant to the Company's Cost of Gas Clause, the Company will also be reporting actual Re-Entry Fee revenues as credits to the Reconciliation of Winter Demand Costs.

Issued: May 1, 2014

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Title:



Treasurer