NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION
Calculation of the Projected Over or Under Collection of the
Summer 2014 Period Cost of Gas
DG 14-077
August 2014 Estimated

Under/(Over) collection as of 5/01/14			$	157,080
Forecasted firm therm sales 08/01/14 - 10/31/14				
Residential Heat & Non Heat		1,674,273		
HLF Classes		757,417		
LLF Classes		1,039,571		
Current recovery rate per therm				
Residential heat & non heat		$0.6153		
HLF classes		$0.5638		
LLF classes		$0.6529		
Total	$	(2,135,947)		
Forecasted recovered costs at current rates 08/01/14 - 10/31/14			$	(2,135,947)
Actual recovered costs 05/01/14 - 7/31/14			$	(2,189,497)
Estimated total recovered costs 05/01/14 - 10/31/14			$	(4,325,444)
Revised projected direct gas costs 05/01/14 - 10/31/14 [1]			$	3,916,546
Revised projected indirect gas costs 05/01/14 - 10/31/14 [2]			$	106,829
Projected under/(over) collection as of 10/31/14			$	(144,989)

Actual gas costs to date (05/01/14 - 7/31/14)	$	2,026,609		
Revised projected indirect gas costs 08/01/14 - 10/31/14 [2]	$	51,742		
Revised projected direct gas costs 08/01/14 - 10/31/14 [1]	$	1,945,024		
Estimated total adjusted gas costs 05/1/14 - 10/31/14			$	4,023,375

Under/(over) collection as percent of total gas costs	-3.60%

Projected under/(over) collection as of 10/31/14	$	(144,989)

NOTES
[1] Revised as follows:
- Futures prices as of August 19, 2014
[2] Includes: Working Capital Allowance, Bad Debt Allowance, Production and Storage Capacity, Miscellaneous Overhead, Refunds and Interest

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Analysis, Balances and Interest Calculation

			Winter						Summer						
	Sales Revenues											(Forecast)	(Forecast)	(Forecast)	Total
1	Volumes	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	May - Oct
2	Residential Heat & Non Heat											415,153	457,929	801,191	1,674,273
3	Sales HLF Classes											187,809	207,160	362,447	757,417
4	Sales LLF Classes											257,772	284,332	497,467	1,039,571
5	Total											860,734	949,421	1,661,106	3,471,260
6	Rates														
7	Residential Heat & Non Heat CGA											$0.6153	$0.6153	$0.6153	
8	Sales HLF Classes CGA											$0.5638	$0.5638	$0.5638	
9	Sales LLF Classes CGA											$0.6529	$0.6529	$0.6529	
10	Revenues														
11	Residential Heat & Non Heat											$ (255,443)	$ (281,764)	$ (492,973)	$ (1,030,180)
12	Sales HLF Classes											$ (105,887)	$ (116,797)	$ (204,348)	$ (427,031)
13	Sales LLF Classes											$ (168,299)	$ (185,640)	$ (324,796)	$ (678,736)
14	Total Sales		$ (245,192)	$ (320)	$ (566)	$ 110	$ (100)	$ 10	$ (1,051,424)	$ (529,019)	$ (609,054)	$ (529,630)	$ (584,201)	$ (1,022,117)	$ (4,325,444)
15															

			Winter						Summer						
16															
17	**Gas Costs and Credits**											(Forecast)	(Forecast)	(Forecast)	Total
18		Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	May - Oct
19	Net Demand Costs (Net of Injection Fees & Cap. Assign.)														
20	Pipeline										$ 88,966	$ 88,966	$ 88,966	$ 88,966	$ 355,862
21	Storage										$ 57,280	$ 57,280	$ 57,280	$ 57,280	$ 229,122
22	Peaking										$ 5,876	$ 5,876	$ 5,876	$ 5,876	$ 23,503
24	Total Demand Costs		$ -	$ -	$ -	$ -	$ -	$ -	$ 154,274	$ 154,274	$ 154,274	$ 152,122	$ 152,122	$ 152,122	$ 919,188
25	NUI Commodity Costs														
26	NUI Total Pipeline Volumes											142,761	195,522	411,344	
27	Pipeline Costs Modeled in Sendout™											$ 683,471	$ 932,027	$ 2,007,595	
28	NYMEX Price Used for Forecast											$ 4.5860	$ 4.5570	$ 4.5650	
29	NYMEX Price Used for Update											$ 3.8080	$ 3.8770	$ 3.9080	
30	Increase/(Decrease) NYMEX Price											$ (0.78)	$ (0.68)	$ (0.66)	
31	Increase/(Decrease) in Pipeline Costs											$ (111,068)	$ (132,955)	$ (270,253)	
32	Updated Pipeline Costs											$ 572,403	$ 799,072	$ 1,737,342	
33	Interruptible Volumes - NH											0	0	0	
34	Average Supply Cost ($/MMBtu)											$ 4.01	$ 4.09	$ 4.22	
35	Interruptible Cost - NH											$ -	$ -	$ -	
36	Total Updated Pipeline Costs											$ 572,403	$ 799,072	$ 1,737,342	
37	New Hampshire Allocated Percentage											54.51%	48.65%	44.53%	
38	NH Updated Pipeline Costs								$ 154,274	$ 154,274	$ 154,274	$ 312,038	$ 388,716	$ 773,578	$ 1,937,155
39	Hedging (Gain)/Loss Estimate														
40	Time Triggered NYMEX Contracts (Allocated between ME and NH)														
41	NYMEX NG Futures Contracts											0	0	0	
42	Average Purchase Price											$ -	$ -	$ 4.1030	
43	NYMEX Price Used for Forecast											$ 4.5860	$ 4.5570	$ 4.5650	
44	NYMEX Price Used for Update											$ 3.8080	$ 3.8770	$ 3.9080	
45	Increase/(Decrease) NYMEX Price											(0.7780)	(0.6800)	(0.6570)	
46	NUI Futures Hedging (Gain)/Loss - Allocate											$ -	$ -	$ -	$ -
47	New Hampshire Allocated Percentage											54.51%	48.65%	44.53%	
48	NH Futures Hedging (Gain)/Loss, Time Triggered											$ -	$ -	$ -	$ -
49	NH Commodity Costs														
50	Pipeline Excl Hedging											$ 312,038	$ 388,716	$ 773,578	$ 1,474,332
51	Hedging (Gain)/Loss Estimate											$ -	$ -	$ -	$ -
52	Storage											$ -	$ -	$ -	$ -
53	Peaking											$ 5,396	$ 4,612	$ 4,320	$ 14,327
54	Total Commodity Costs								$ 630,197	$ 454,853	$ 423,649	$ 317,433	$ 393,328	$ 777,898	$ 2,997,358

Northern Utilities
NEW HAMPSHIRE (Over) / Undercollection Analysis, Balances and Interest Calculation

55	Inventory Finance Charge														$ -
56	Asset Management and Capacity Release														
57	NUI AMA Revenue														$ -
58	PNGTS Litigation Cost														$ -
59	NUI Capacity Release														$ -
60	NUI AMA Rev & Cap. Release Subtotal														$ -
61	NH AMA Revenue														$ -
62	NH Capacity Release														$ -
63	NH Total Asset Management and Capacity Release		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
64															
65	**Total Anticipated Direct Cost of Gas**		$ (8,270)	$ (3,115)	$ -	$ -	$ -	$ -	$ 784,471	$ 609,127	$ 577,924	$ 469,555	$ 545,449	$ 930,020	$ 3,916,546
66			Winter						Summer						
67												(Forecast)	(Forecast)	(Forecast)	Total
68		Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	May - Oct
69	Working Capital														
70	Total Anticipated Direct Cost of Gas		$ (8,270)	$ (3,115)	$ -	$ -	$ -	$ -	$ 784,471	$ 609,127	$ 577,924	$ 469,555	$ 545,449	$ 930,020	$ 3,916,546
71	Working Capital Percentage		0.0824%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	
72	Working Capital Allowance		$ (7)	$ (3)	$ -	$ -	$ -	$ -	$ 646	$ 502	$ 476	$ 387	$ 449	$ 766	$ 3,226
73	Beginning Period Working Capital Balance		$ 861	$ 857	$ 856	$ 859	$ 861	$ 863	$ 866	$ 1,515	$ 2,021	$ 2,504	$ 2,898	$ 3,355	
74	End of Period Working Capital Allowance		$ 854	$ 854	$ 856	$ 859	$ 861	$ 863	$ 1,512	$ 2,017	$ 2,497	$ 2,890	$ 3,347	$ 4,121	
75	Interest		$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 3	$ 5	$ 6	$ 7	$ 8	$ 10	
76	End of period with Interest	$ 861	$ 857	$ 856	$ 859	$ 861	$ 863	$ 866	$ 1,515	$ 2,021	$ 2,504	$ 2,898	$ 3,355	$ 4,131	
77	Bad Debt														
78	Projected Bad Debt	$ -	$ 1,987	$ 3,234	$ 3,106	$ 1,334	$ 1,040	$ 1,308	$ 677	$ 1,234	$ 2,979	$ 3,815	$ 3,815	$ 3,815	$ 16,335
79	Beginning Period Bad Debt Balance		$ (3,098)	$ (1,116)	$ 2,119	$ 5,234	$ 6,584	$ 7,644	$ 8,986	$ 9,689	$ 10,951	$ 13,964	$ 17,822	$ 21,690	
80	End of Period Bad Debt Balance		***$ (1,111)***	***$ 2,117***	***$ 5,224***	***$ 6,568***	***$ 7,624***	***$ 8,951***	***$ 9,663***	***$ 10,923***	***$ 13,930***	***$ 17,779***	***$ 21,637***	***$ 25,505***	
81	Interest		$ (6)	$ 1	$ 10	$ 16	$ 19	$ 22	$ 25	$ 28	$ 34	$ 43	$ 53	$ 64	
82	End of Period Bad Debt Balance with Interest	$ (3,098)	$ (1,116)	$ 2,119	$ 5,234	$ 6,584	$ 7,644	**$ 8,986**	$ 9,689	$ 10,951	$ 13,964	$ 17,822	$ 21,690	$ 25,569	
83	Local Production and Storage Capacity								$ -	$ -	$ -	$ -	$ -	$ -	$ -
99	Miscellaneous Overhead								$ 16,201	$ 16,201	$ 16,201	$ 13,073	$ 13,073	$ 13,073	$ 87,823
102	Gas Cost Other than Bad Debt and Working Capital Over/Under Collection														
103	Beginning Balance Over/Under Collection		$ 401,941	$ 149,224	$ 146,188	$ 146,018	$ 146,524	$ 146,821	$ 147,228	$ (103,465)	$ (7,305)	$ (22,275)	$ (69,400)	$ (95,301)	
104	Net Costs - Revenues		$ (253,462)	$ (3,435)	$ (566)	$ 110	$ (100)	$ 10	$ (250,752)	$ 96,309	$ (14,929)	$ (47,001)	$ (25,678)	$ (79,024)	
105	Ending Balance before Interest		$ 148,479	$ 145,789	$ 145,623	$ 146,128	$ 146,424	$ 146,831	$ (103,524)	$ (7,156)	$ (22,235)	$ (69,276)	$ (95,078)	$ (174,325)	
106	Average Balance		$ 275,210	$ 147,506	$ 145,906	$ 146,073	$ 146,474	$ 146,826	$ 21,852	$ (55,310)	$ (14,770)	$ (45,775)	$ (82,239)	$ (134,813)	
107	Interest Rate		3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	
108	Interest Expense		$ 745	$ 399	$ 395	$ 396	$ 397	$ 398	$ 59	$ (150)	$ (40)	$ (124)	$ (223)	$ (365)	
109	Ending Balance Incl Interest Expense	$ 401,941	$ 149,224	$ 146,188	$ 146,018	$ 146,524	$ 146,821	$ 147,228	$ (103,465)	$ (7,305)	$ (22,275)	$ (69,400)	$ (95,301)	$ (174,690)	
110	**Total Over/Under Collection Ending Balance**	$ 399,704	$ 142,941	$ 146,307	$ 152,111	$ 153,969	$ 155,328	**$ 157,080**	$ (92,261)	$ 5,666	$ (5,807)	$ (48,680)	$ (70,255)	$ (144,989)	
111															
112	**Total Indirect Cost of Gas**		$ 2,723	$ 3,634	$ 3,513	$ 1,748	$ 1,458	$ 1,730	$ 17,612	$ 17,819	$ 19,656	$ 17,201	$ 17,177	$ 17,363	$ 106,829
113															
114	**Total Cost of Gas**	$ (8,270)	$ (5,548)	$ 520	$ 3,513	$ 1,748	$ 1,458	$ 1,730	$ 802,083	$ 626,947	$ 597,580	$ 486,757	$ 562,626	$ 947,383	$ 4,023,375
115															
116	**Total Interest**	$ -	$ 742	$ 403	$ 407	$ 414	$ 418	$ 422	$ 88	$ (117)	$ (0)	$ (74)	$ (161)	$ (291)	$ (555)

Northern Utilities, Inc.
Price Risk Management
Profit and Loss Statement
July 2014

Account # 53325

Current

ACB	$2.51
TE	$2.51
LV	$149,608.51

ACTIVITY - Purchase Cost and Profit and Loss

Date	Description	State	Contracts	Option Premuim	Strike Price	Option Purchase Cost (Expense)	Profit and Loss
07/29/14	Bot Feb16 Options	Both	41	$0.103	$6.250	$42,230.00	
	Net P&L						$0.00

TRANSACTION COSTS

	Description	State	Contracts	Cost	Subtotal	Total
	Transaction Cost-Enter Options	Both	41	$7.37	($302.17)	
	Transaction Cost-Exit Options		0	$3.37	$0.00	
	Total New Transaction Costs					($302.17)

OPEN CALL OPTION POSITIONS-Expense and Open Trade Equity

Date	Description	State	QTY	Actual Option Premium	Option Purchase Cost (Total)	Strike Price	07/31/14 Futures Price	Current Open Trade Equity (Total)
08/09/13	Nov14 Options	NH	8	0.095	$7,600.00	$5.000	$3.925	$0.00
04/26/13	Nov14 Options	ME	8	0.105	$8,400.00	$5.800	$3.925	$0.00
08/09/13	Dec14 Options	NH	11	0.100	$11,000.00	$5.250	$4.005	$0.00
05/29/13	Dec14 Options	ME	12	0.115	$13,800.00	$6.100	$4.005	$0.00
08/09/13	Jan15 Options	NH	13	0.100	$13,000.00	$5.500	$4.075	$0.00
06/26/13	Jan15 Options	ME	13	0.110	$14,300.00	$5.900	$4.075	$0.00
08/09/13	Feb15 Options	NH	11	0.100	$11,000.00	$5.600	$4.064	$0.00
07/29/13	Feb15 Options	ME	12	0.105	$12,600.00	$5.750	$4.064	$0.00
08/28/13	Mar15 Options	Both	20	0.104	$20,800.00	$5.850	$3.995	$0.00
04/28/14	Nov15 Options	Both	27	0.105	$28,350.00	$5.700	$3.909	$0.00
05/28/14	Dec15 Options	Both	42	0.108	$45,360.00	$6.000	$4.079	$0.00
06/26/14	Jan16 Options	Both	52	0.110	$57,200.00	$6.500	$4.206	$0.00
07/29/14	Feb16 Options	Both	41	0.103	$42,230.00	$6.250	$4.187	$0.00
	Total Expense, Open Trade Equity				**$285,640.00**			**$0.00**

OPEN CALL OPTION POSITIONS- Long Option Value

Date	Description	State	QTY	Current Option Premium	Current Option Value (Total)	Strike Price
08/09/13	Nov14 Options	NH	8	0.0227	$1,816.00	$5.000
04/26/13	Nov14 Options	ME	8	0.0063	$504.00	$5.800
08/09/13	Dec14 Options	NH	11	0.0276	$3,036.00	$5.250
05/29/13	Dec14 Options	ME	12	0.0092	$1,104.00	$6.100
08/09/13	Jan15 Options	NH	13	0.0429	$5,577.00	$5.500
06/26/13	Jan15 Options	ME	13	0.0269	$3,497.00	$5.900
08/09/13	Feb15 Options	NH	11	0.0578	$6,358.00	$5.600
07/29/13	Feb15 Options	ME	12	0.0502	$6,024.00	$5.750
08/28/13	Mar15 Options	Both	20	0.0521	$10,420.00	$5.850
04/28/14	Nov15 Options	Both	27	0.0545	$14,715.00	$5.700
05/28/14	Dec15 Options	Both	42	0.0600	$25,200.00	$6.000
06/26/14	Jan16 Options	Both	52	0.0676	$35,152.00	$6.500
07/29/14	Feb16 Options	Both	41	0.0883	$36,203.00	$6.250
07/31/14	***Total Long Option Value***				**$149,606.00**	

MARGIN CASH BALANCE

Date	Description	Subtotal	Total
07/01/14	**Beginning Balance-carried forward from last month**		**$9.68**
	Interest Credit	$0.00	
	Net Deposit to Margin Account	$42,525.00	
	Option Premiums of new activity	($42,230.00)	
	Monthly Net P&L	$0.00	
	Monthly Transaction Costs	($302.17)	
	Total Monthly Cash Adjustment		($7.17)
07/31/14	***Ending Balance (ACB)***		**$2.51**

NORTHERN UTILITIES, INC.

DETERMINATION OF INVENTORY FINANCING FROM MONEY POOL

July 2014

	Total Inventory	Average bal beg + end / 2	Internally Financed	Money Pool Interest Rate	Interest to Defer	NH	ME
January 2013	$6,466,995.71	$7,918,468.38	$7,918,468.38	1.98%	$13,065.47	$6,062.38	$7,003.09
February	$3,490,957.62	$4,978,976.67	$4,978,976.67	1.98%	$8,215.31	$3,811.90	$4,403.41
March	$1,642,963.61	$2,566,960.61	$2,566,960.61	1.98%	$4,235.49	$1,965.27	$2,270.22
April	$3,429,843.57	$2,536,403.59	$2,536,403.59	1.98%	$4,185.07	$1,941.87	$2,243.20
May	$10,495,523.84	$6,962,683.71	$6,962,683.71	1.97%	$11,430.41	$5,303.71	$6,126.70
June	$7,473,818.58	$8,984,671.21	$8,984,671.21	1.97%	$14,749.84	$6,843.92	$7,905.91
July	$9,199,742.08	$8,336,780.33	$8,336,780.33	1.97%	$13,686.21	$6,350.40	$7,335.81
August	$10,873,192.78	$10,036,467.43	$10,036,467.43	1.96%	$16,392.90	$7,606.30	$8,786.59
September	$12,585,461.10	$11,729,326.94	$11,729,326.94	1.96%	$19,157.90	$8,889.27	$10,268.63
October	$14,279,790.40	$13,432,625.75	$13,432,625.75	1.61%	$18,022.11	$8,362.26	$9,659.85
November	$13,406,859.30	$13,843,324.85	$13,843,324.85	1.56%	$17,996.32	$8,350.29	$9,646.03
December	$10,672,941.18	$12,039,900.24	$12,039,900.24	1.56%	$15,651.87	$7,262.47	$8,389.40
January 2014	$6,995,461.07	$8,834,201.13	$8,834,201.13	1.56%	$11,484.46	$5,328.79	$6,155.67
February	$3,600,670.19	$5,298,065.63	$5,298,065.63	1.55%	$6,843.33	$3,175.31	$3,668.03
March	$1,384,721.84	$2,492,696.01	$2,492,696.01	1.55%	$3,219.73	$1,493.96	$1,725.78
April	$3,736,125.20	$2,560,423.52	$2,560,423.52	1.55%	$3,307.21	$1,534.55	$1,772.67
May	$6,048,965.75	$4,892,545.48	$4,892,545.48	1.55%	$6,319.54	$2,932.27	$3,387.27
June	$8,281,024.03	$7,164,994.89	$7,164,994.89	1.55%	$9,254.79	$4,294.22	$4,960.56
July	$10,495,523.84	$9,388,273.93	$9,388,273.93	1.55%	$12,126.52	$5,626.71	$6,499.81

Inventory ACCT #		MMBTU	AMOUNT
	PROPANE		
515104	Inventory - Liquid Propane	-	$0.00
	LNG		
515152	Inventory - Liquified Natural Gas		
	NATURAL GAS	9,300	$100,284.30
515114&115	Natural Gas Underground - SS-1 and FSS-1		
515116	Natural Gas Underground - SSNE	160,021	$605,252.46
515113	Natural Gas Underground - MCN	2,054,936	$9,789,987.09
516525	Washington 10 prepaid	-	
Total Inventory			$10,495,523.84