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
June 2014 Estimated

Under/(Over) collection as of 5/01/14			$	149,837
Forecasted firm therm sales 06/01/14 - 10/31/14				
Residential Heat & Non Heat		2,526,987		
HLF Classes		1,143,172		
LLF Classes		1,569,028		
Current recovery rate per therm				
Residential heat & non heat		$0.6833		
HLF classes		$0.6318		
LLF classes		$0.7209		
Total	$	(3,580,058)		
Forecasted recovered costs at current rates 06/01/14 - 10/31/14			$	(3,580,058)
Actual recovered costs 05/01/14 - 5/31/14			$	(1,051,424)
Estimated total recovered costs 05/01/14 - 10/31/14			$	(4,631,482)
Revised projected direct gas costs 05/01/14 - 10/31/14 [1]			$	4,087,405
Revised projected indirect gas costs 05/01/14 - 10/31/14 [2]			$	102,146
Projected under/(over) collection as of 10/31/14			$	(292,095)

Actual gas costs to date (05/01/14)	$	802,063		
Revised projected indirect gas costs 05/01/14 - 10/31/14 [2]	$	84,554		
Revised projected direct gas costs 05/01/14 - 10/31/14 [1]	$	3,302,934		
Estimated total adjusted gas costs 05/1/14 - 04/30/14			$	4,189,551

Under/(over) collection as percent of total gas costs	-6.97%

Projected under/(over) collection as of 10/31/14	$	(292,095)

NOTES
[1] Revised as follows:
- Futures prices as of June 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)	(Forecast)	(Forecast)	
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	Total
2	Residential Heat & Non Heat									455,320	397,394	415,153	457,929	801,191	2,526,987
3	Sales HLF Classes									205,980	179,775	187,809	207,160	362,447	1,143,172
4	Sales LLF Classes									282,712	246,746	257,772	284,332	497,467	1,569,028
5	Total									944,011	823,915	860,734	949,421	1,661,106	5,239,187
6	Rates														
7	Residential Heat & Non Heat CGA									$0.6833	$0.6833	$0.6833	$0.6833	$0.6833	
8	Sales HLF Classes CGA									$0.6318	$0.6318	$0.6318	$0.6318	$0.6318	
9	Sales LLF Classes CGA									$0.7209	$0.7209	$0.7209	$0.7209	$0.7209	
10	Revenues														
11	Residential Heat & Non Heat									$ (311,120)	$ (271,539)	$ (283,674)	$ (312,903)	$ (547,454)	$ (1,726,690)
12	Sales HLF Classes									$ (130,138)	$ (113,582)	$ (118,658)	$ (130,884)	$ (228,994)	$ (722,256)
13	Sales LLF Classes									$ (203,807)	$ (177,879)	$ (185,828)	$ (204,975)	$ (358,624)	$ (1,131,112)
14	Total Sales								$ (1,051,424)	$ (645,065)	$ (563,000)	$ (588,159)	$ (648,762)	$ (1,135,072)	$ (4,631,482)
15															

16			Winter						Summer						
17	**Gas Costs and Credits**									(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)	
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	Total
19	Net Demand Costs (Net of Injection Fees & Cap. Assign.)														
20	Pipeline									$ 88,966	$ 88,966	$ 88,966	$ 88,966	$ 88,966	$ 444,828
21	Storage									$ 57,280	$ 57,280	$ 57,280	$ 57,280	$ 57,280	$ 286,402
22	Peaking									$ 5,876	$ 5,876	$ 5,876	$ 5,876	$ 5,876	$ 29,378
24	Total Demand Costs		$ -	$ -	$ -	$ -	$ -	$ -	$ 154,274	$ 152,122	$ 152,122	$ 152,122	$ 152,122	$ 152,122	$ 914,882
25	NUI Commodity Costs														
26	NUI Total Pipeline Volumes									169,505	137,783	142,761	195,522	411,344	1,056,915
27	Pipeline Costs Modeled in Sendout™									$ 809,395	$ 661,462	$ 683,471	$ 932,027	$ 2,007,595	$ 5,093,951
28	NYMEX Price Used for Forecast									$ 4.5680	$ 4.5990	$ 4.5860	$ 4.5570	$ 4.5650	
29	NYMEX Price Used for Update									$ 4.5840	$ 4.6030	$ 4.5880	$ 4.5840	$ 4.6180	
30	Increase/(Decrease) NYMEX Price									$ 0.02	$ 0.00	$ 0.00	$ 0.03	$ 0.05	
31	Increase/(Decrease) in Pipeline Costs									$ 2,712	$ 551	$ 286	$ 5,279	$ 21,801	$ 30,629
32	Updated Pipeline Costs									$ 812,107	$ 662,013	$ 683,757	$ 937,306	$ 2,029,397	
33	Interruptible Volumes - NH									0	0	0	0	0	
34	Average Supply Cost ($/MMBtu)									$ 4.79	$ 4.80	$ 4.79	$ 4.79	$ 4.93	
35	Interruptible Cost - NH									$ -	$ -	$ -	$ -	$ -	
36	Total Updated Pipeline Costs									$ 812,107	$ 662,013	$ 683,757	$ 937,306	$ 2,029,397	
37	New Hampshire Allocated Percentage									52.25%	54.50%	54.51%	48.65%	44.53%	
38	NH Updated Pipeline Costs								$ 154,274	$ 424,304	$ 360,793	$ 372,741	$ 455,961	$ 903,620	$ 2,671,693
39	Hedging (Gain)/Loss Estimate														
40	Time Triggered NYMEX Contracts (Allocated between ME and NH)														
41	NYMEX NG Futures Contracts									0	0	0	0	0	
42	Average Purchase Price									$ -	$ -	$ -	$ -	$ 4.1030	
43	NYMEX Price Used for Forecast									$ 4.5680	$ 4.5990	$ 4.5860	$ 4.5570	$ 4.5650	
44	NYMEX Price Used for Update									$ 4.5840	$ 4.6030	$ 4.5880	$ 4.5840	$ 4.6180	
45	Increase/(Decrease) NYMEX Price									0.0160	0.0040	0.0020	0.0270	0.0530	
46	NUI Futures Hedging (Gain)/Loss - Allocate									$ -	$ -	$ -	$ -	$ -	$ -
47	<u>New Hampshire Allocated Percentage</u>									52.25%	54.50%	54.51%	48.65%	44.53%	
48	NH Futures Hedging (Gain)/Loss, Time Triggered									$ -	$ -	$ -	$ -	$ -	$ -
49	Price Triggered NYMEX Contracts (NH Only)														
50	NYMEX NG Futures Contracts									0	0	0	0	0	
51	Average Purchase Price									$ -	$ -	$ -	$ -	$ -	
52	NYMEX Price Used for Forecast									$ 4.5680	$ 4.5990	$ 4.5860	$ 4.5570	$ 4.5650	
53	NYMEX Price Used for Update									$ 4.5840	$ 4.6030	$ 4.5880	$ 4.5840	$ 4.6180	
54	Increase/(Decrease) NYMEX Price									0.0160	0.0040	0.0020	0.0270	0.0530	
55	NUI Futures Hedging (Gain)/Loss - Allocate									$ -	$ -	$ -	$ -	$ -	$ -
56	<u>New Hampshire Allocated Percentage</u>									100.00%	100.00%	100.00%	100.00%	100.00%	
57	NH Futures Hedging (Gain)/Loss, Price Triggered									$ -	$ -	$ -	$ -	$ -	$ -
58	NH Commodity Costs														
59	Pipeline Excl Hedging									$ 424,304	$ 360,793	$ 372,741	$ 455,961	$ 903,620	$ 2,517,419
60	Hedging (Gain)/Loss Estimate									$ -	$ -	$ -	$ -	$ -	$ -
61	Storage									$ -	$ -	$ -	$ -	$ -	$ -
62	Peaking									$ 5,124	$ 5,456	$ 5,396	$ 4,612	$ 4,320	$ 24,908
63	Total Commodity Costs								$ 630,197	$ 429,428	$ 366,249	$ 378,136	$ 460,573	$ 907,940	$ 3,172,523

Northern Utilities

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

64	Inventory Finance Charge														$ -
65	Asset Management and Capacity Release														
66	NUI AMA Revenue														$ -
67	PNGTS Litigation Cost														$ -
68	NUI Capacity Release														$ -
69	NUI AMA Rev & Cap. Release Subtotal														$ -
70	NH AMA Revenue														$ -
71	NH Capacity Release														$ -
72	NH Total Asset Management and Capacity Release		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
73															
74	**Total Anticipated Direct Cost of Gas**		$ -	$ -	$ -	$ -	$ -	$ -	$ 784,471	$ 581,550	$ 518,371	$ 530,258	$ 612,695	$ 1,060,061	$ 4,087,405
75			Winter						Summer						
76										(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)	
77		Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	Total
78	Working Capital														
79	Total Anticipated Direct Cost of Gas		$ -	$ -	$ -	$ -	$ -	$ -	$ 784,471	$ 581,550	$ 518,371	$ 530,258	$ 612,695	$ 1,060,061	$ 4,087,405
80	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%	
81	Working Capital Allowance		$ -	$ -	$ -	$ -	$ -	$ -	$ 646	$ 479	$ 427	$ 437	$ 505	$ 873	$ 3,367
82	Beginning Period Working Capital Balance		$ 861	$ 863	$ 866	$ 868	$ 870	$ 873	$ 875	$ 1,524	$ 2,008	$ 2,441	$ 2,885	$ 3,398	
83	End of Period Working Capital Allowance		$ 861	$ 863	$ 866	$ 868	$ 870	$ 873	$ 1,521	$ 2,003	$ 2,435	$ 2,878	$ 3,390	$ 4,271	
84	Interest		$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 3	$ 5	$ 6	$ 7	$ 8	$ 10	$ 54
85	End of period with Interest	$ 861	$ 863	$ 866	$ 868	$ 870	$ 873	$ 875	$ 1,524	$ 2,008	$ 2,441	$ 2,885	$ 3,398	$ 4,282	
86	Bad Debt														
92	Projected Bad Debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 677	$ 3,815	$ 3,815	$ 3,815	$ 3,815	$ 3,815	$ 22,890
93	Beginning Period Bad Debt Balance		$ (3,098)	$ (3,106)	$ (3,115)	$ (3,123)	$ (3,132)	$ (3,140)	$ 8,986	$ 9,689	$ 13,535	$ 17,392	$ 21,259	$ 25,137	
94	End of Period Bad Debt Balance		***$ (3,098)***	***$ (3,106)***	***$ (3,115)***	***$ (3,123)***	***$ (3,132)***	***$ (3,140)***	***$ 9,663***	***$ 13,504***	***$ 17,350***	***$ 21,207***	***$ 25,074***	***$ 28,952***	
95	Interest		$ (8)	$ (8)	$ (8)	$ (8)	$ (8)	$ (9)	$ 25	$ 31	$ 42	$ 52	$ 63	$ 73	$ 236
96	End of Period Bad Debt Balance with Interest	$ (3,098)	$ (3,106)	$ (3,115)	$ (3,123)	$ (3,132)	$ (3,140)	**$ 8,986**	$ 9,689	$ 13,535	$ 17,392	$ 21,259	$ 25,137	$ 29,025	
97	Local Production and Storage Capacity								$ -	$ -	$ -	$ -	$ -	$ -	$ -
99	Miscellaneous Overhead								$ 16,201	$ 13,073	$ 13,073	$ 13,073	$ 13,073	$ 13,073	$ 81,568
100	Gas Cost Other than Bad Debt and Working Capital Over/Under Collection														
101	Beginning Balance Over/Under Collection		$ 394,545	$ 394,428	$ 394,838	$ 395,940	$ 397,013	$ 398,088	$ 139,975	$ (110,737)	$ (161,547)	$ (193,583)	$ (238,997)	$ (262,669)	$ 1,547,293
102	Net Costs - Revenues		$ (1,184)	$ (658)	$ 33	$ -	$ -	$ -	$ (250,752)	$ (50,442)	$ (31,556)	$ (44,828)	$ (22,994)	$ (61,938)	$ (464,318)
103	Ending Balance before Interest		$ 393,361	$ 393,770	$ 394,871	$ 395,940	$ 397,013	$ 398,088	$ (110,777)	$ (161,179)	$ (193,103)	$ (238,412)	$ (261,990)	$ (324,606)	$ 1,082,975
104	Average Balance		$ 393,953	$ 394,099	$ 394,854	$ 395,940	$ 397,013	$ 398,088	$ 14,599	$ (135,958)	$ (177,325)	$ (215,998)	$ (250,493)	$ (293,637)	$ 1,315,134
105	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%	
106	Interest Expense		$ 1,067	$ 1,067	$ 1,069	$ 1,072	$ 1,075	$ 1,078	$ 40	$ (368)	$ (480)	$ (585)	$ (678)	$ (795)	$ 3,562
108	Ending Balance Incl Interest Expense	$ 394,545	$ 394,428	$ 394,838	$ 395,940	$ 397,013	$ 398,088	**$ 139,975**	$ (110,737)	$ (161,547)	$ (193,583)	$ (238,997)	$ (262,669)	$ (325,402)	
109	**Total Over/Under Collection Ending Balance**	$ 392,308	$ 392,185	$ 392,588	$ 393,685	$ 394,751	$ 395,820	$ 149,837	$ (99,524)	$ (146,004)	$ (173,750)	$ (214,852)	$ (234,133)	$ (292,095)	
110															
111	**Total Indirect Cost of Gas**	$ 286,583	$ 1,061	$ 1,061	$ 1,063	$ 1,066	$ 1,069	$ 1,072	$ 17,592	$ 17,035	$ 16,883	$ 16,800	$ 16,786	$ 17,050	$ 395,121
112															
113	**Total Cost of Gas**	$ 286,583	$ 1,061	$ 1,061	$ 1,063	$ 1,066	$ 1,069	$ 1,072	$ 802,063	$ 598,585	$ 535,254	$ 547,058	$ 629,480	$ 1,077,111	$ 4,189,551
114															
115	**Total Interest**	$ -	$ 1,061	$ 1,061	$ 1,063	$ 1,066	$ 1,069	$ 1,072	$ 68	$ (332)	$ (432)	$ (526)	$ (607)	$ (712)	$ 3,852

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

Account # 53325

Current

ACB	$8.12
TE	$8.12
LV	$224,292.12

ACTIVITY - Purchase Cost and Profit and Loss

Date	Description	State	Contracts	Option Premuim	Strike Price	Option Purchase Cost (Expense)	Profit and Loss
05/28/14	Bot Dec15 Options	Both	42	$0.108	$6.000	$45,360.00	
	Net P&L						$0.00

TRANSACTION COSTS

					Subtotal	Total
	Transaction Cost-Enter Options	Both	42	$6.22	($261.24)	
	Transaction Cost-Exit Options		0	$3.37	$0.00	
	Total New Transaction Costs					($261.24)

OPEN CALL OPTION POSITIONS-Expense and Open Trade Equity

		State	QTY	Actual Option Premium	Option Purchase Cost (Total)	Strike Price	05/30/14 Futures Price	Current Open Trade Equity (Total)
08/09/13	Nov14 Options	NH	8	0.095	$7,600.00	$5.000	$4.518	$0.00
04/26/13	Nov14 Options	ME	8	0.105	$8,400.00	$5.800	$4.518	$0.00
08/09/13	Dec14 Options	NH	11	0.100	$11,000.00	$5.250	$4.606	$0.00
05/29/13	Dec14 Options	ME	12	0.115	$13,800.00	$6.100	$4.606	$0.00
08/09/13	Jan15 Options	NH	13	0.100	$13,000.00	$5.500	$4.666	$0.00
06/26/13	Jan15 Options	ME	13	0.110	$14,300.00	$5.900	$4.666	$0.00
08/09/13	Feb15 Options	NH	11	0.100	$11,000.00	$5.600	$4.640	$0.00
07/29/13	Feb15 Options	ME	12	0.105	$12,600.00	$5.750	$4.640	$0.00
08/28/13	Mar15 Options	Both	20	0.104	$20,800.00	$5.850	$4.540	$0.00
04/28/14	Nov15 Options	Both	27	0.105	$28,350.00	$5.700	$4.163	$0.00
05/28/14	Dec15 Options	Both	42	0.108	$45,360.00	$6.000	$4.304	$0.00
	Total Expense, Open Trade Equity				**$186,210.00**			**$0.00**

OPEN CALL OPTION POSITIONS- Long Option Value

		State	QTY	Current Option Premium	Current Option Value (Total)	Strike Price
08/09/13	Nov14 Options	NH	8	0.1706	$13,648.00	$5.000
04/26/13	Nov14 Options	ME	8	0.0594	$4,752.00	$5.800
08/09/13	Dec14 Options	NH	11	0.1672	$18,392.00	$5.250
05/29/13	Dec14 Options	ME	12	0.0672	$8,064.00	$6.100
08/09/13	Jan15 Options	NH	13	0.1820	$23,660.00	$5.500
06/26/13	Jan15 Options	ME	13	0.1298	$16,874.00	$5.900
08/09/13	Feb15 Options	NH	11	0.1991	$21,901.00	$5.600
07/29/13	Feb15 Options	ME	12	0.1783	$21,396.00	$5.750
08/28/13	Mar15 Options	Both	20	0.1810	$36,200.00	$5.850
04/28/14	Nov15 Options	Both	27	0.0831	$22,437.00	$5.700
05/28/14	Dec15 Options	Both	42	0.0880	$36,960.00	$6.000
05/30/14	***Total Long Option Value***				**$224,284.00**	

MARGIN CASH BALANCE

		Subtotal	Total
05/01/14	**Beginning Balance-carried forward from last month**		**$4.36**
	Interest Credit	$0.00	
	Net Deposit to Margin Account	$45,625.00	
	Option Premiums of new activity	($45,360.00)	
	Monthly Net P&L	$0.00	
	Monthly Transaction Costs	($261.24)	
	Total Monthly Cash Adjustment		$3.76
05/30/14	***Ending Balance (ACB)***		**$8.12**

NORTHERN UTILITIES, INC.

DETERMINATION OF INVENTORY FINANCING FROM MONEY POOL

May 2014

	Total Inventory	Average bal beg + end / 2	Internally Financed	Money Pool Interest Rate	Interest to Defer	NH	ME
January 2012	$8,824,604.89	$11,072,670.15	$11,072,670.15	2.07%	$19,100.36	$9,290.41	$9,809.94
February	$6,495,482.90	$7,660,043.90	$7,660,043.90	2.04%	$13,022.07	$6,333.94	$6,688.14
March	$6,040,901.71	$6,268,192.31	$6,268,192.31	2.03%	$10,603.69	$5,157.64	$5,446.06
April	$6,733,456.32	$6,387,179.02	$6,387,179.02	2.02%	$10,751.75	$5,229.65	$5,522.10
May	$7,389,322.89	$7,061,389.61	$7,061,389.61	2.02%	$11,886.67	$5,781.68	$6,104.99
June	$8,134,573.16	$7,761,948.03	$7,761,948.03	2.02%	$13,065.95	$6,355.28	$6,710.67
July	$9,123,053.57	$8,628,813.37	$8,628,813.37	2.03%	$14,597.08	$7,100.02	$7,497.06
August	$10,202,389.43	$9,662,721.50	$9,662,721.50	2.02%	$16,265.58	$7,911.58	$8,354.00
September	$11,129,636.41	$10,666,012.92	$10,666,012.92	2.01%	$17,865.57	$8,689.81	$9,175.76
October	$12,228,981.61	$11,679,309.01	$11,679,309.01	2.00%	$19,465.52	$9,468.03	$9,997.49
November	$11,436,078.02	$11,832,529.82	$11,832,529.82	1.99%	$19,622.28	$9,104.74	$10,517.54
December	$9,369,941.05	$10,403,009.54	$10,403,009.54	1.99%	$17,251.66	$8,004.77	$9,246.89
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	$6,048,965.75	$4,739,404.66	$4,739,404.66	1.97%	$7,780.52	$3,610.16	$4,170.36
June	$7,473,818.58	$6,761,392.17	$6,761,392.17	1.97%	$11,099.95	$5,150.38	$5,949.57
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

Inventory ACCT #		MMBTU	AMOUNT
	PROPANE		
515104	Inventory - Liquid Propane	-	$0.00
	LNG		
515152	Inventory - Liquified Natural Gas		
	NATURAL GAS	9,305	$139,818.99
515114&115	Natural Gas Underground - SS-1 and FSS-1		
515116	Natural Gas Underground - SSNE	102,659	$398,269.67
515113	Natural Gas Underground - MCN	1,158,221	$5,510,877.09
516525	Washington 10 prepaid	-	
Total Inventory			$6,048,965.75