

CALCULATION OF COST OF GAS ADJUSTMENT
New Hampshire Division
Period Covered: November 1, 2007 - April 30 2008
Anticipated Cost of Delivered and Produced Gas

Delivered:	Therms	Rate	Amount
Product: - Commodity			
Granite State Supply	4,040,517	\$0.786	\$3,177,654
Domestic Supply	9,733,545	\$0.824	\$ 8,019,298
Storage Withdrawals	19,183,459	\$0.702	\$ 13,466,188
Peaking Supply	3,999,050	\$0.724	\$ 2,894,915
Hedging (Gain)/Loss			\$724,151
Interruptible Included Above			\$ (34,137)
Product: - Demand			
Granite State and Others			\$558,589
Pipeline Reservation			
Granite State and Others			\$2,275,733
Storage & Peaking Demand			
Tennessee and Others			\$9,389,227
Capacity Release			(\$502,002)
Less: Unaccounted For, Company Use & Interruptible Volumes	(586,512)		\$0
TOTAL Anticipated Cost of Gas	36,370,060	\$1.0990	\$39,969,615

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 Authorized by NHPUC Order No. In Case No. dated

Calculation of Anticipated Indirect Cost of Gas-New Hampshire Division

Working Capital Calculation

Total Anticipated Direct Cost of Gas-Commodity	\$28,248,069
Total Anticipated Direct Cost of Gas-Demand	\$11,721,547
Interruptible Profits	\$0
LESS Anticipated Direct Costs assigned to Non-Grandfathered Transportation	(\$4,095,872)
Total Direct Cost of Gas (Including Summer Deferred)	\$35,873,744
Total Direct gas Costs-Including Summer Deferred	\$35,873,744
Working Capital Percentage (NHPUC No. 10 Section 4.06.1)	0.19%
Working Capital Allowance (NHPUC No. 10 Section 4.06.1)	\$68,160
Plus: Working Capital Reconciliation	(\$2,593)
Total Working Capital Allowance	\$65,567

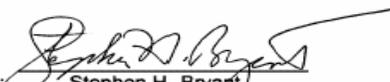
Bad Debt Calculation

Total Anticipated Direct Cost of Gas	\$35,873,744
Plus: Total Working Capital	\$65,567
Subtotal	\$35,939,312
Bad Debt Percentage (NHPUC No. 10 Section 4.06.1)	0.45%
Total Bad Debt Allowance	\$161,727
Plus: Bad Debt Reconciliation	(\$1,461)
Total Bad Debt Allowance	\$160,266

	<u>Rate /</u>	<u>Therm</u>
	<u>\$\$</u>	
Working Capital Allowance	\$65,567	
Bad Debt Allowance	\$160,266	
Miscellaneous Overhead-76.80% Allocated to Winter Season	\$95,513	
Production and Storage Capacity	\$686,673	
Prior Period Under/(Over) Collection	(\$2,770,024)	
Refunds	(\$20,394)	
Interest	(\$72,510)	
Total Anticipated Indirect Cost of Gas	(\$1,854,909)	-\$0.0510
Total Anticipated Direct Cost of Gas-Commodity	\$28,248,069	\$0.7767
Total Anticipated Direct Cost of Gas-Demand	\$11,721,547	\$0.3223
Total Anticipated Period Cost of Gas	\$38,114,707	\$1.0480
Forecasted Winter Period Therms-Firm	32,095,060	
Forecasted Non-Grandfathered Therms	4,275,000	
Forecasted Therms-Total	36,370,060	

	<u>Residential</u>	<u>C&I Low Winter</u>	<u>C&I High Winter</u>
Forecasted Winter Season Cost of Gas Rate:			
COGw-Commodity	\$0.7767	\$0.7959	\$0.7710
COGw-Demand	\$0.3223	\$0.2081	\$0.4008
COGw-Indirect	-\$0.0510	-\$0.0510	-\$0.0510
COGw-Total	<u>\$1.0480</u>	<u>\$0.9530</u>	<u>\$1.1208</u>
Minimum	\$0.8384	\$0.7624	\$0.8966
Maximum	\$1.2576	\$1.1436	\$1.3450

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President

Local Delivery Adjustment Clause

Rate Schedule	RLIAP	DSM	ERC	ITM	WLNG	CCE	RCE	LDAC
Residential Heating	\$0.0050	\$0.0122	\$0.0055	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0227
Residential Non-Heating	\$0.0050	\$0.0122	\$0.0055	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0227
Small C&I	\$0.0050	\$0.0066	\$0.0055	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0171
Medium C&I	\$0.0050	\$0.0066	\$0.0055	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0171
Large C&I	\$0.0050	\$0.0066	\$0.0055	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0171
No Previous Sales Service								

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VII. DELIVERY SERVICE TERMS AND CONDITIONS

APPENDIX A

Schedule of Administrative Fees and Charges

I. Supplier Balancing Charge: **\$0.80 per MMBtu** of Daily Imbalance Volumes

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- Updated effective every November 1 to reflect the Company’s latest balancing resources and associated capacity costs.
- Daily Imbalance Volumes represent the difference between ATV and ATV adjusted for actual EDDs.

II. Peaking Service Demand Charge: **\$17.27 per MMBtu** per MDPQ per month for November 2007 through April 2008.

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- Updated effective every November 1 to reflect the Company’s Peaking resources and associated costs.

III. Supplier Services and Associated Fees:

<u>SERVICE</u>	<u>PRICING</u>
Pool Administration (required) Non-Daily Metered Pools only	• \$0.10/month/customer billed @ marketer level
Standard Passthrough Billing (required)	• \$0.60/customer/month billed @ marketer level
Standard Complete Billing (optional – Passthrough Billing fee not required if this service is elected)	• \$1.50/customer/month billed @ marketer level
Customer Administration (required)	• \$10/customer/switch billed @ marketer level

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Deleted: 24,684

Deleted: 6-129

Deleted: October 27, 2006

Issued: ~~September 14, 2007~~

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Effective: November 1, 2007

Title: President

Authorized by NHPUC Order No. in Docket No. DG 07 dated

VII. DELIVERY SERVICE TERMS AND CONDITIONS

APPENDIX C

Capacity Allocators

Capacity Allocators shall be calculated and filed with the Commission each year with the Winter Cost of Gas filing. The following Capacity Allocators shall be applicable for capacity assignments during the period of November 1, 2007 through October 31, 2008.

Commercial and Industrial

	<u>High Winter Use</u>	<u>Low Winter Use</u>
Pipeline:	18.55%	36.87%
Storage:	32.25%	25.00%
Peaking:	49.20%	38.14%

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	<u>High Winter Use</u>	<u>Low Winter Use</u>
Pipeline:	18.55%	36.87%
Storage:	32.25%	25.00%
Peaking:	49.20%	38.14%

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Deleted: 22

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Deleted: 24,684

Deleted: 6-129

Deleted: October 27, 2006

Issued: September 14, 2007
Effective: November 1, 2007

Issued By: Stephen H. Bryant
Title: President

Authorized by NHPUC Order No. in Docket No. DG 07, dated