

NISOURCE WINTER PRICE MODEL
As of July 29, 2008

The following incorporates the natural gas market for the winter months (May & Oct – Apr) as specified on a rolling basis. The data is broken down into two time periods and adjusted into today's dollar using the Producer Price Index as published by the U.S. Department of Labor.

The two time periods are as follows:

Rolling Long Term / 4 Year -

October 2004 through April 2005
 May 2005 & October 2005 through April 2006
 May 2006 & October 2006 through April 2007
 May 2007 & October 2007 through April 2008
 May 2008

Short Term / 1 Year -

October 2007 through April 2008
 May 2008

Adjusted Quadrant:	
4 th Quadrant	10.01 – 17.52
3 rd Quadrant	8.95 – 10.01
2 nd Quadrant	8.27 – 8.95
1 st Quadrant	5.43 – 8.27
Deciles:	
100%	17.52
90%	13.50
80%	10.47
70%	9.74
65%	9.485
60%	9.23
50%	8.95
40%	8.73
35%	8.575
30%	8.42
20%	8.09
10%	7.56
MIN	5.43
Mean	9.57
Median	8.95

The opinions expressed herein are those of RMI and do not reflect the opinion of any other individual or organization. Any statement of fact herein contained are derived from sources believed to be reliable but are not guaranteed as to accuracy nor do they purport to be complete. Nor responsibility is assumed with respect to any such statement nor with respect to any expression of opinion herein contained.

Northern Utilities Inc.
Price Risk Management
Profit and Loss Statement
Jul-08

Current

Account #996 - 44188

ACB	\$1,201,728.42
HE	(\$330,631.96)
NH	(\$330,631.96)

Date	Term	Hedge No.	Trade	Contract	Entry Price	Exit Price	Profit and Loss	HE	NH
ACTIVITY - Gains profit and loss total for all trades closed with this month's activity									
07/29/08			Buy	1	\$9,970	\$0,000	\$9,970	\$0,00	\$0,00
07/29/08			Buy	1	\$10,100	\$0,000	\$10,100	\$0,00	\$0,00
07/29/08			Buy	1	\$10,170	\$0,000	\$10,170	\$0,00	\$0,00
07/29/08			Buy	2	\$0,255	\$0,000	\$0,255	\$0,00	\$0,00
07/29/08			Buy	2	\$9,910	\$0,000	\$9,910	\$0,00	\$0,00
NH P/L									
							\$0,00	\$0,00	\$0,00

TRANSACTION COSTS - New activity									
Transaction Cost-Futures									
Transaction Cost-Futures Global									
		12			\$6,621	\$0,000	(\$7,462)	(\$37,28)	(\$37,28)
Transaction Cost - Futures EFS									
Transaction Cost-Futures EFS									
		0			\$3,971	\$0,000	\$3,971	\$0,00	\$0,00
Transaction Cost - Options									
Transaction Cost-Call Option									
		0			\$3,327	\$0,000	\$3,327	\$0,00	\$0,00
Transaction Cost - NYM Henry/Swap									
Transaction Cost - NYM Henry/Swap									
		0			\$1,165	\$0,000	\$1,165	\$0,00	\$0,00
Adj. EFS Fees									
		0			\$0,000	\$0,000	\$0,000	\$0,00	\$0,00
Total New Transaction Costs							(\$7,462)	(\$37,28)	(\$37,28)

MARGIN CASH BALANCE									
07/31/08 Beginning Balance-carried forward from last month									
							\$1,201,716		
Interest Credit (for-Druid)									
									\$1,201,716
Deposit to Margin Account									
									\$4,403,029.00
Option Premiums of new activity and closed open option positions									
									\$0,000
Monthly Option Premium									
									\$0,000
Monthly NMI P/L									
									\$0,000
Monthly Transaction Costs									
									(\$7,462)
Total Monthly Cash Adjustment									
									\$4,405,344.67
Ending Balance							\$1,201,728.42	\$600,664.21	\$2,202,022.34

OPEN FUTURES POSITIONS - Total Trade Equity									
		Hedge No.	Trade	Qty	Entry Price	7/31/08 Price	Profit and Loss	HE	NH
06/29/07	Buy	1	1	1	\$8,370	\$8,395	(\$25)	(\$38.44)	(\$38.44)
06/29/07	Buy	1	1	1	\$8,395	\$8,395	\$0,000	(\$1,162.88)	(\$1,162.88)
11/29/07	Buy	1	1	1	\$7,970	\$8,395	(\$2,600.00)	\$3,026.57	\$3,026.57
12/27/08	Buy	1	1	1	\$8,620	\$8,395	(\$2,570.00)	\$4,179.62	\$4,179.62
01/29/08	Buy	1	1	1	\$10,135	\$8,788	(\$13,789.40)	(\$13,789.40)	(\$13,789.40)
02/27/08	Buy	1	1	1	\$12,000	\$8,788	(\$32,000.00)	(\$32,000.00)	(\$32,000.00)
04/29/08	Buy	1	1	1	\$11,600	\$8,395	(\$32,070.00)	(\$32,070.00)	(\$32,070.00)
04/29/08	Buy	1	1	1	\$12,300	\$8,395	(\$39,370.00)	(\$39,370.00)	(\$39,370.00)
04/29/08	Buy	1	1	1	\$13,350	\$8,395	(\$50,220.00)	(\$50,220.00)	(\$50,220.00)
07/29/08	Buy	1	1	1	\$9,570	\$8,395	(\$12,070.00)	(\$9,317.44)	(\$9,317.44)
06/29/07	Buy	2	2	2	\$8,790	\$8,798	(\$100.00)	\$81.50	(\$18.50)
10/29/07	Buy	2	2	2	\$8,920	\$8,798	(\$2,720.00)	(\$1,081.20)	(\$1,081.20)
11/29/07	Buy	1	1	1	\$8,740	\$8,798	(\$58.00)	\$3,241.80	(\$3,241.80)
01/29/08	Buy	1	1	1	\$8,890	\$8,798	(\$90.00)	\$3,781.50	(\$3,781.50)
02/27/08	Buy	1	1	1	\$10,135	\$8,788	(\$13,789.40)	(\$13,789.40)	(\$13,789.40)
02/27/08	Buy	1	1	1	\$12,000	\$8,788	(\$32,000.00)	(\$32,000.00)	(\$32,000.00)
04/29/08	Buy	1	1	1	\$11,600	\$8,395	(\$32,070.00)	(\$32,070.00)	(\$32,070.00)
04/29/08	Buy	1	1	1	\$12,300	\$8,395	(\$39,370.00)	(\$39,370.00)	(\$39,370.00)
04/29/08	Buy	1	1	1	\$13,350	\$8,395	(\$50,220.00)	(\$50,220.00)	(\$50,220.00)
07/29/08	Buy	1	1	1	\$9,500	\$8,788	(\$712.00)	(\$5,977.28)	(\$5,977.28)
06/29/07	Buy	2	2	2	\$8,955	\$9,018	(\$63.00)	(\$318.48)	(\$318.48)
10/29/07	Buy	2	2	2	\$9,200	\$9,018	(\$182.00)	(\$2,624.00)	(\$2,624.00)
11/29/07	Buy	1	1	1	\$9,000	\$9,018	(\$18.00)	\$179.71	(\$197.71)
12/27/08	Buy	2	2	2	\$8,690	\$9,018	(\$328.00)	\$3,274.76	(\$3,274.76)
01/29/08	Buy	1	1	1	\$8,985	\$9,018	(\$33.00)	(\$1,328.48)	(\$1,328.48)
02/27/08	Buy	1	1	1	\$10,170	\$9,018	(\$11,570.00)	(\$11,570.00)	(\$11,570.00)
02/27/08	Buy	1	1	1	\$12,260	\$9,018	(\$32,971.71)	(\$32,971.71)	(\$32,971.71)
04/29/08	Buy	1	1	1	\$12,665	\$9,018	(\$36,640.00)	(\$36,640.00)	(\$36,640.00)
04/29/08	Buy	1	1	1	\$13,820	\$9,018	(\$48,170.00)	(\$48,170.00)	(\$48,170.00)
07/29/08	Buy	1	1	1	\$10,190	\$9,018	(\$11,420.00)	(\$5,970.44)	(\$5,970.44)
06/29/07	Buy	1	1	1	\$9,955	\$9,038	(\$917.00)	(\$484.85)	(\$438.15)
10/29/07	Buy	1	1	1	\$9,200	\$9,038	(\$162.00)	(\$1,762.80)	(\$1,762.80)
11/29/07	Buy	1	1	1	\$8,795	\$9,038	(\$243.00)	\$1,695.00	(\$1,695.00)
12/27/08	Buy	1	1	1	\$8,795	\$9,038	(\$243.00)	\$1,695.00	(\$1,695.00)
01/29/08	Buy	1	1	1	\$10,325	\$9,038	(\$13,287.00)	(\$13,287.00)	(\$13,287.00)
02/27/08	Buy	1	1	1	\$12,740	\$9,038	(\$37,771.00)	(\$37,771.00)	(\$37,771.00)
02/27/08	Buy	1	1	1	\$12,655	\$9,038	(\$36,640.00)	(\$36,640.00)	(\$36,640.00)
04/29/08	Buy	1	1	1	\$13,820	\$9,038	(\$48,170.00)	(\$48,170.00)	(\$48,170.00)
04/29/08	Buy	1	1	1	\$14,300	\$9,038	(\$54,900.00)	(\$54,900.00)	(\$54,900.00)
07/29/08	Buy	2	2	2	\$10,170	\$9,038	(\$12,940.00)	(\$11,289.02)	(\$11,289.02)
06/29/07	Buy	2	2	2	\$9,800	\$9,818	(\$18.00)	\$772.20	(\$772.20)

Contract No.	Instrument	Hedge No.	Trade	QTY	Entry Price	7/31/2008 Price	Profit/Loss	ME	NH
10/29/07	Boi Hard Future			1	\$0.020	\$0.078	(\$1,420.00)		(\$172.50)
11/28/07	Boi Hard Future			1	\$0.190	\$0.078	(\$1,420.00)		(\$171.10)
07/25/08	Boi Hard Future			1	\$0.015	\$0.078	\$3,800.70	\$3,800.70	\$3,800.20
02/27/08	Boi Hard Future			1	\$10.000	\$0.078	\$0.00	\$4.85	\$4.15
02/27/08	Boi Hard Future			2	\$10.500	\$0.078	(\$12,020.00)	(\$12,020.00)	(\$12,020.00)
02/27/08	Boi Hard Future			2	\$10.600	\$0.078	(\$25,440.00)	(\$25,440.00)	(\$25,440.00)
02/27/08	Boi Hard Future			2	\$12.800	\$0.078	(\$31,200.00)	(\$31,200.00)	(\$31,200.00)
02/28/08	Boi Hard Future			1	\$13.570	\$0.078	(\$46,600.00)	(\$46,600.00)	(\$46,600.00)
07/28/08	Boi Hard Future			1	\$10.000	\$0.078	(\$11,220.00)	(\$11,220.00)	(\$11,220.00)
00/28/07	Boi Hard Future			2	\$7.020	\$0.518	\$11,900.00	\$4,697.12	\$1,272.88
10/29/07	Boi Hard Future			2	\$6.140	\$0.518	\$7,500.00	\$3,002.76	\$4,507.24
11/28/07	Boi Hard Future			2	\$7.205	\$0.518	\$11,600.00	\$4,508.55	\$7,090.45
12/27/08	Boi Hard Future			2	\$7.840	\$0.518	\$13,060.00	\$5,314.10	\$3,469.94
01/28/08	Boi Hard Future			2	\$8.120	\$0.518	\$15,900.00	\$6,523.84	\$4,567.84
02/27/08	Boi Hard Future			2	\$8.220	\$0.518	(\$4,200.00)	(\$1,001.60)	(\$2,078.94)
02/27/08	Boi Hard Future			2	\$8.650	\$0.518	(\$8,640.00)	(\$3,300.02)	(\$5,338.98)
02/28/08	Boi Hard Future			2	\$10.070	\$0.518	(\$31,040.00)	(\$12,104.80)	(\$18,935.20)
02/28/08	Boi Hard Future			2	\$10.700	\$0.518	(\$43,040.00)	(\$17,102.62)	(\$26,937.38)
07/29/08	Boi Hard Future			2	\$0.200	\$0.518	(\$14,200.00)	(\$5,016.50)	(\$9,183.50)
02/27/08	Boi May9 Future			1	\$0.800	\$0.628	(\$7,220.00)	(\$1,051.20)	(\$1,008.72)
02/28/08	Boi May9 Future			1	\$10.650	\$0.628	(\$20,220.00)	(\$7,815.03)	(\$12,404.97)
02/28/08	Boi May9 Future			1	\$11.320	\$0.628	(\$27,020.00)	(\$10,791.08)	(\$17,128.92)
07/28/08	Boi May9 Future			2	\$0.170	\$0.628	(\$12,840.00)	(\$4,002.00)	(\$7,737.94)
02/27/08	Boi CASH Future			2	\$0.070	\$0.913	(\$3,140.00)	(\$1,497.00)	(\$1,509.47)
02/27/08	Boi CASH Future			1	\$10.170	\$0.913	(\$25,140.00)	(\$11,072.50)	(\$12,726.87)
02/28/08	Boi CASH Future			1	\$10.840	\$0.913	(\$10,270.00)	(\$8,047.00)	(\$8,784.47)
02/28/08	Boi CASH Future			2	\$11.820	\$0.913	(\$28,230.00)	(\$20,700.00)	(\$24,700.00)
07/28/08	Boi CASH Future			2	\$0.070	\$0.913	(\$1,340.00)	(\$45,504.71)	(\$47,214.47)
07/31/08	Net Futures Open Trade Equity			143			(\$1,540,560.00)	(\$781,429.43)	(\$795,779.58)
07/31/08	Total Trade Equity						(\$333,431.54)	(\$150,559.22)	(\$184,914.37)
07/31/08	Current Option Premium reversal						\$0.00	\$0.00	\$0.00
07/31/08	Net Open Option						\$0.00	\$0.00	\$0.00
07/31/08	Net Options Liquidating Value			0	\$0.000		\$0.00	\$0.00	\$0.00
07/31/08	Previous Option Premium			0	\$0.000		\$0.00	\$0.00	\$0.00
07/31/08	Net Previous Option Premium						\$0.00	\$0.00	\$0.00
07/31/08	Net Liquidating Value						(\$333,431.54)	(\$150,559.22)	(\$184,914.37)

ME (\$500000) NH (\$500000)