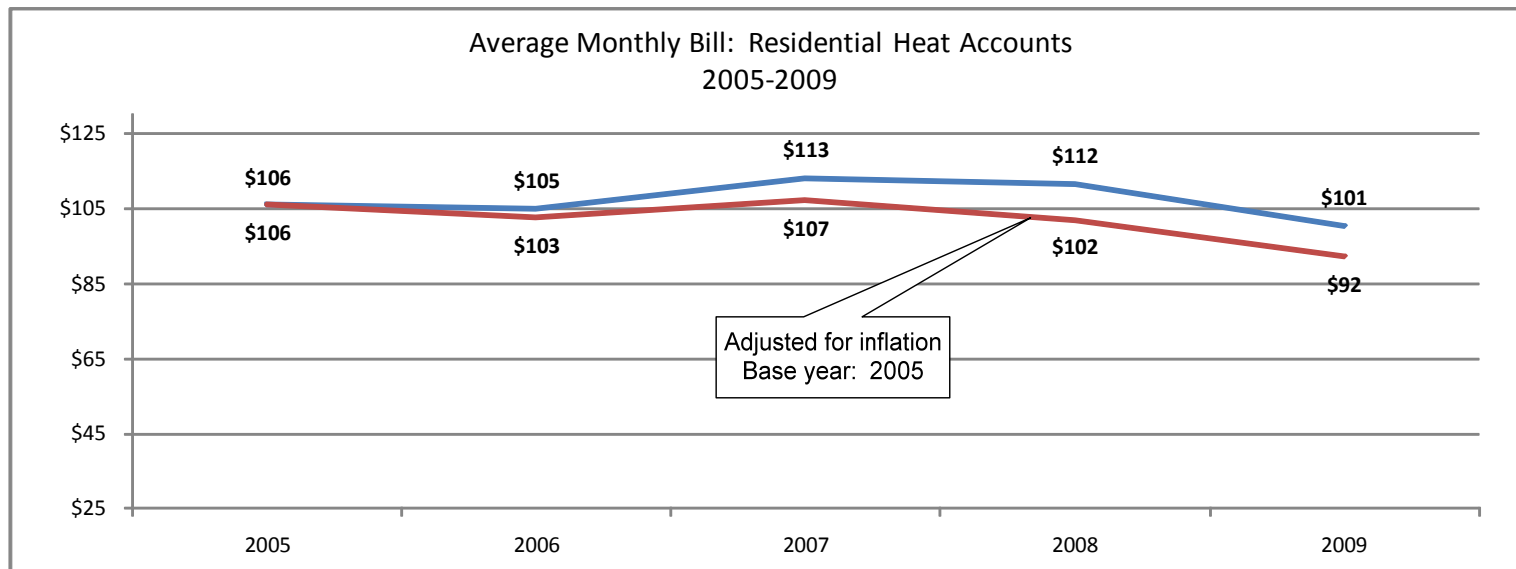
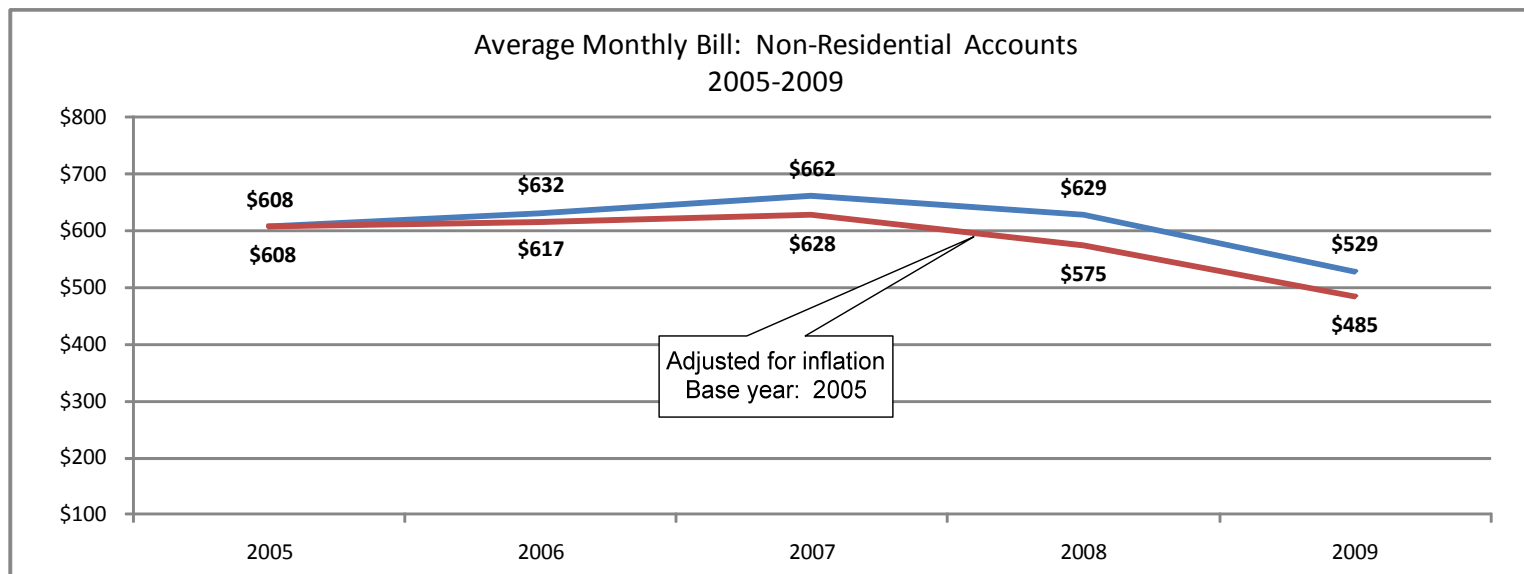


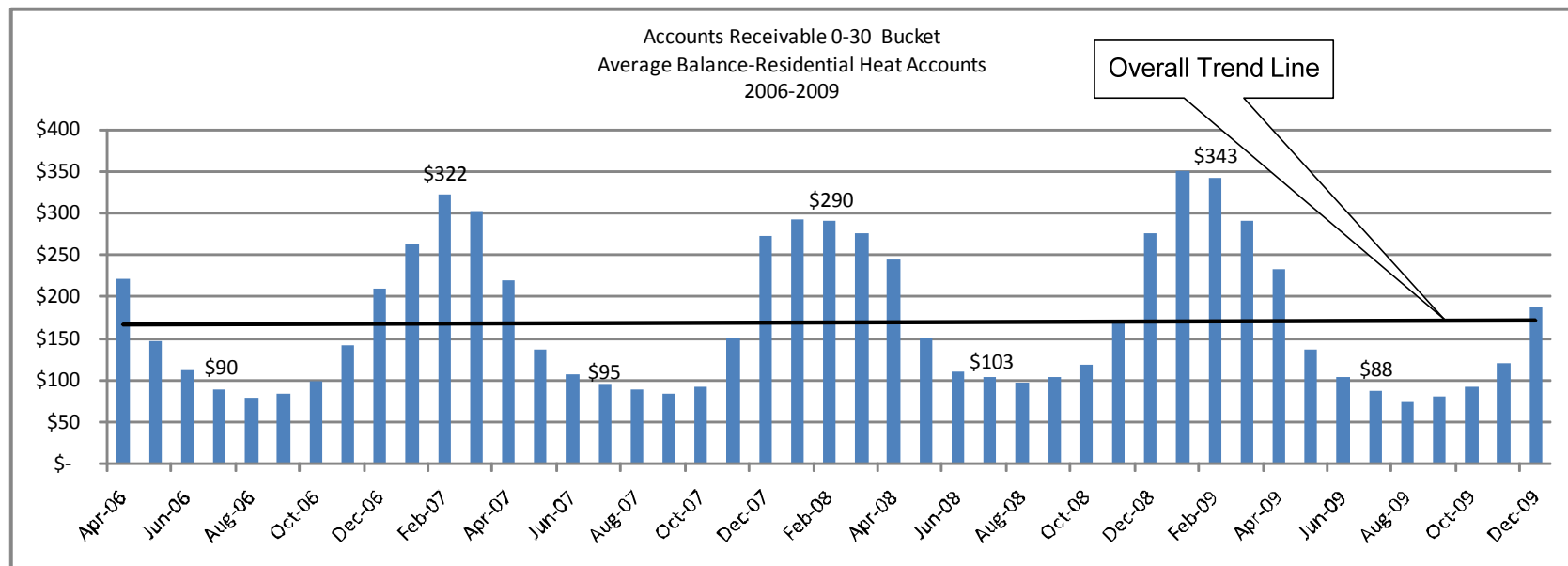
EnergyNorth Natural Gas, Inc. d/b/a National Grid NH



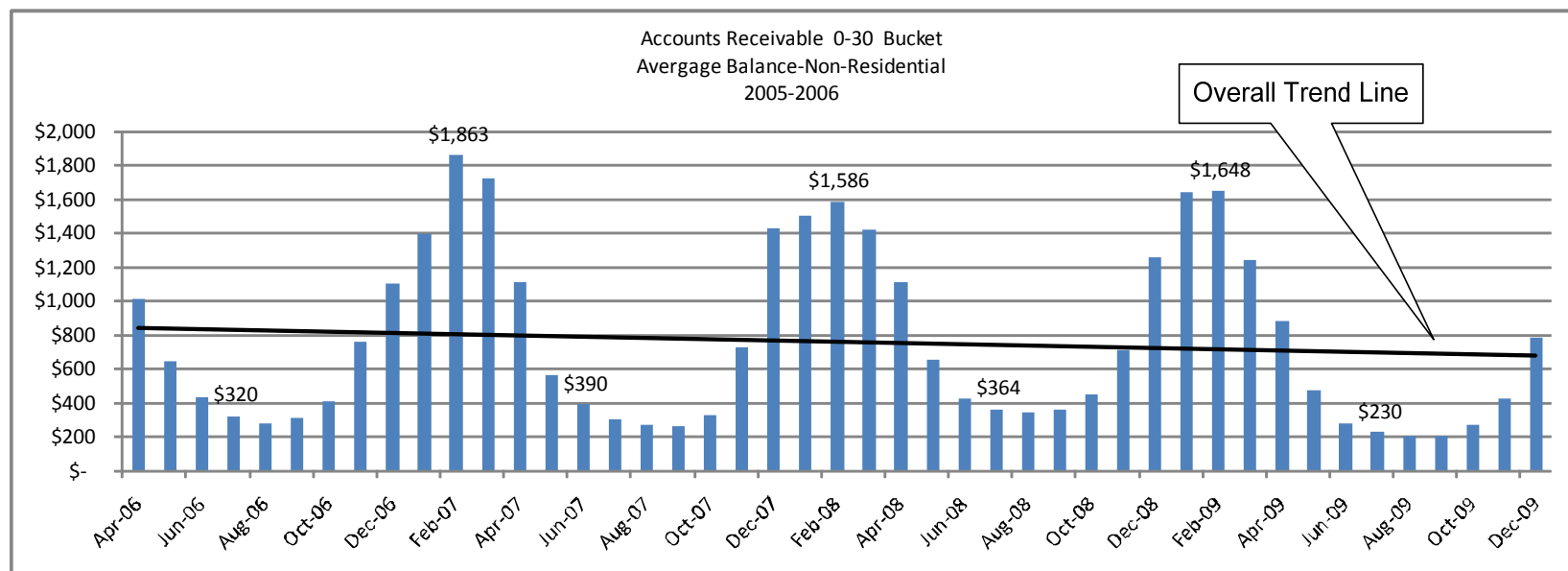
EnergyNorth Natural Gas, Inc. d/b/a National Grid NH



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Charge-offs on Residential Heat Accounts, Balances >\$500, 2005-2009

	<u>Number of Accounts</u>	<u>Dollars</u>	<u>% of Total</u>	<u>Average Balance</u>
Closed Voluntarily & Meter Outside:	5,642	\$5,853,318		\$1,037
Disconnected & Meter Outside:	2,707	\$3,844,466		\$1,420
	8,349	\$9,697,784	49%	\$1,162
Total 2005-2009	15,392	\$19,832,341		\$1,288

EnergyNorth Natural Gas, Inc. d/b/a National Grid NH

Accounts Receivable and Payment Agreements

As of April 2007

	<u>Greater Than 60 Days Past Due</u>	<u>Net Payment Arrangements</u>	<u>Eligible for Colletion Treatment</u>
Number of Accounts	15,824	1,268	14,556
Total Bill Due on Accounts*	\$16,738,740	\$1,101,640	\$15,637,100

* Total bill due includes current bill and all arrearages

Accounts Receivable and Payment Agreements

As of April 2008

	<u>Greater Than 60 Days Past Due</u>	<u>Net Payment Arrangements</u>	<u>Eligible for Colletion Treatment</u>
Number of Accounts	16,201	1,220	14,981
Total Bill Due on Accounts*	\$17,453,260	\$1,040,897	\$16,412,363

* Total bill due includes current bill and all arrearages

Estimated Benefits of Planned Charge-off Reduction Initiatives--Net Charge-Offs
New Hampshire, July 2008-June 2009

Initiative	Units	Conservative Scenario	Likely Scenario	Aggressive Scenario
Lower Cut Threshold	\$K	\$595	\$741	\$882
Require Deposits	\$K	\$233	\$327	\$409
Increase Replevin	\$K	\$220	\$218	\$215
HEAP Penetration	\$K	\$8	\$81	\$145
Behavioral Scoring	\$K	\$69	\$91	\$112
Account Initiation	\$K	\$18	\$30	\$44
Total		\$1,143	\$1,488	\$1,807

ADDITIONAL FACTORS:

A. Implement Above Strategies Prior to Test Year

B. Implement Strategies Prior to Test Year

1. Earlier collection treatment action on all past due residential accounts
2. Earlier collection treatment action on all past due non-residential accounts
3. Long-term strategy to relocate meters outside from inside
4. Strategy to relocate meters outside on premises with history of disconnection & access problems
5. Immediate disconnection action on accounts with defaulted payment agreements
6. Increased use of disconnection via the street shut off option
7. Fast-track and custom collection treatment action on new customers
8. Increased disconnection activity
9. Deposit program for delinquent active residential customers
10. Winter disconnection program for high-risk residential heat accounts

Additional Factors % Increase:	50%	50%	50%
Additional Factors \$ Increase:	\$572	\$744	\$904
Additional Factors \$ Increase:	\$1,714,500	\$2,232,000	\$2,710,500
Test year Revenue (Actual):	\$171,642,539		
Net Charge-Off (Actual) :	\$5,763,008		
Net Charge-Off (Recommended):	\$4,048,508	\$3,531,008	\$3,052,508
Charge-Off %(Actual):	3.36%		
Charge-Off %(Recommended):	2.36%	2.06%	1.78%