

CALCULATION OF COST OF GAS ADJUSTMENT
Period Covered: November 1, 2004 - April 30, 2005
Anticipated Cost of Delivered and Produced Gas

Delivered:	Therms	Rate	Amount
Product: Commodity			
GSGT: DEM	1,082,682	\$ 0.624	\$ 675,230
GSGT: Supply via Iroquois	1,052,310	\$ 0.633	\$ 666,496
GSGT: Progas	248,516	\$ 0.619	\$ 153,882
Encana	652,323	\$ 0.699	\$ 456,281
Canadian	935,046	\$ 0.607	\$ 567,631
Domestic	9,350,213	\$ 0.697	\$ 6,515,635
District Gas	4,029,943	\$ 0.489	\$ 1,970,642
Spot PNGTS			
TGP FS STG WD	1,399,111	\$ 0.570	\$ 798,011
TETCO STG WD	26,817	\$ 0.475	\$ 12,734
TGP FS STG WD IT			
MCN Storage	19,520,876	\$ 0.575	\$ 11,217,997
Duke	162,295	\$ 0.852	\$ 138,194
Propane	4,791	\$ 0.785	\$ 3,763
LNG Boil-off/Production	156,795	\$ 0.754	\$ 118,199
Hedging (Gain)/Loss			\$ (292,585)
Product: Demand			
GSGT: DEM	36,133	\$ 1.521	\$ 54,953
GSGT: Supply via Iroquois	209,477	\$ -	\$ -
Encana	75,332	\$ 0.039	\$ 2,958
Canadian	31,262	\$ 3.200	\$ 100,038
Domac	430,160	\$ 2.234	\$ 960,870
Duke	645,240	\$ 0.432	\$ 278,744
Pipeline Reservations			
Granite State	1,915,169	\$ 0.126	\$ 242,058
Texas Gas Transmission	31,843	\$ 0.911	\$ 28,998
Transcontinental Pipe Line	9,227	\$ 0.291	\$ 2,685
National Fuel Gas Supply	31,907	\$ 0.404	\$ 12,891
Texas Eastern Transmission	33,036	\$ 0.622	\$ 20,551
Iroquois Gas Trans	211,929	\$ 0.693	\$ 146,930
Tennessee	739,864	\$ 1.195	\$ 884,115
Algonquin	176,215	\$ 0.622	\$ 109,638
PNGTS	35,488	\$ 2.585	\$ 91,752
Trans Canada Pipeline	32,262	\$ 1.150	\$ 37,101
Storage Demand			
Tenn FT-A (SSNE)	246,385	\$ 0.205	\$ 50,413
GST-FT	836,673	\$ 0.198	\$ 165,701
FS-MA Capacity	136,888	\$ 0.113	\$ 15,478
FS-MA Deliverability	3,952	\$ 3.983	\$ 15,742
SS-1 Space	678	\$ 0.075	\$ 51
SS-1 Reservation	10,324	\$ 0.036	\$ 372
FSS-1 Space	2,065	\$ 0.065	\$ 133
FSS-1 Reservation	2,065	\$ 0.090	\$ 185
TETCO	887,205	\$ 0.001	\$ 1,081
PNGTS	887,205	\$ 4.912	\$ 4,358,208
TranCanada	914,090	\$ 1.339	\$ 1,224,343
MCN	1,064,646	\$ 1.485	\$ 1,581,010
Capacity Release			\$ (31,714)
	38,621,717	Total Anticipated Cost of Gas	\$ 33,357,399

Issued: September 15, 2004

Effective Date: November 1, 2004
 Authorized by NHPUC Order No. In Case No. dated

Issued by: 
 Stephen H. Bryant
 Title: President

Calculation of Anticipated Indirect Cost of Gas

Working Capital Calculation

Total Anticipated Direct Cost of Gas	\$	33,357,399
Summer Deferred	\$	1,525,683
Interruptible Profits	\$	(2,099)
Total Direct Cost of Gas (including Deferred)	\$	34,880,982
Total Direct Gas Costs-including Summer Deferred	\$	34,880,982
Working Capital Percentage (NHPUC No. 10 Section 4.06.1)		0.19%
Working Capital	\$	66,274
plus: Working Capital Reconciliation	\$	3,210
Total Working Capital Allowance	\$	69,484

Bad Debt Calculation

Total Anticipated Direct Cost of Gas	\$	34,880,982
plus: Total Working Capital	\$	69,484
	\$	34,950,467
Bad Debt Percentage (NHPUC No. 10 Section 4.06.1)		0.45%
Total Bad Debt Allowance	\$	157,277
plus: Bad Debt Reconciliation	\$	10,957
Total Bad Debt Allowance	\$	168,234

Working Capital Allowance	\$	69,484
Bad Debt Allowance	\$	168,234
Miscellaneous Overhead-78.2% Allocated to Winter Season	\$	97,234
Production and Storage Capacity	\$	686,673
Prior Period Over Collection	\$	(311,393)
Refunds	\$	-
Interest	\$	7,922
	\$	718,154
Total Anticipated Indirect Cost of Gas	\$	34,880,982
Total Anticipated Direct Cost of Gas	\$	34,880,982
Total Anticipated Period Cost of Gas	\$	35,599,137

Total Anticipated Indirect Cost of Gas Rate	\$	0.0189
Total Anticipated Direct Cost of Gas and Summer Deferred Rate	\$	0.9156
Total Anticipated Cost of Gas Adjustment	\$	0.9345

Forecasted November 2004 - April 2005 Therms

38,094,890

Forecasted Residential Winter Season Cost of Gas Rate

Minimum	\$	0.7476
Maximum	\$	1.1214

COGwr	\$	0.9345 / therm
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Forecasted C & I Winter Season Low Winter Cost of Gas Rate

Minimum	\$	0.5389
Maximum	\$	0.8083

COGwl	\$	0.6736 / therm
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Low Winter R	0.72633
Correction Fa	0.9924

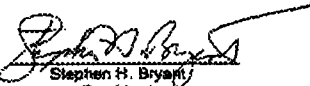
Forecasted C & I Winter Summer Season High Winter Cost of Gas Rate

Minimum	\$	0.7982
Maximum	\$	1.1974

COGwh	\$	0.9978 / therm
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High Winter R	1.07588
Correction Fa	0.9924

Issued: September 15, 2004
Effective: With Service Rendered On and After November 1, 2004

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Local Delivery Adjustment Clause

Rate Schedule	RPC	DSM	ERC	ITM	WLNG	CCE	RCE	LDAC
Residential Heating	\$ -	\$ 0.0003	\$ 0.0105	\$ -	\$ 0.0068	\$ -	\$ -	\$ 0.0176
Residential Non-Heating	\$ -	\$ 0.0003	\$ 0.0105	\$ -	\$ 0.0068	\$ -	\$ -	\$ 0.0176
Small C&I	\$ -	\$ (0.0058)	\$ 0.0105	\$ -	\$ 0.0068	\$ -	\$ -	\$ 0.0115
Medium C&I	\$ -	\$ (0.0058)	\$ 0.0105	\$ -	\$ 0.0068	\$ -	\$ -	\$ 0.0115
Large C&I	\$ -	\$ (0.0058)	\$ 0.0105	\$ -	\$ 0.0068	\$ -	\$ -	\$ 0.0115
No Previous Sales Service								

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 President