

NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION
Calculation of the Projected Over or Under Collection of the
Winter 2015-2016 Period Cost of Gas
DG 15-393
March 2016 Estimated

Under/(Over) collection as of 11/01/2015	\$	749,271
Forecasted firm therm sales 03/01/2016 - 04/30/2016		
Residential heat & non heat	3,661,080	
HLF classes	791,939	
LLF classes	3,685,462	
Current recovery rate per therm		
Residential heat & non heat	\$0.6676	
HLF classes	\$0.6568	
LLF classes	\$0.6722	
Total	\$	(5,441,650)
Forecasted recovered costs at current rates 03/01/2016 - 04/30/2016	\$	(5,441,650)
Actual recovered costs 11/01/2015 - 02/29/2016	\$	(12,015,022)
Estimated total recovered costs 11/01/2015 - 04/30/2016	\$	(17,456,672)
Revised projected direct gas costs 11/01/2015 - 04/30/2016 [1]	\$	16,597,590
Revised projected indirect gas costs 11/01/2015 - 04/30/2016 [2]	\$	925,988
Projected under/(over) collection as of 04/30/2016	\$	816,177

Actual gas costs to date 11/01/2015 - 02/29/2016	\$	13,981,454
Revised projected indirect gas costs 03/01/2016 - 04/30/2016	\$	331,333
Revised projected direct gas costs 03/01/2016 - 04/30/2016	\$	3,210,791
Estimated total adjusted gas costs 11/1/2015 - 04/30/2016	\$	17,523,578

Under/(over) collection as percent of total gas costs	4.66%
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Projected under/(over) collection as of 04/30/2016	\$	816,177
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Adjustment to Cost of Gas	\$	450,000
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NOTES

[1] Revised as follows:

- Futures prices as of March 21, 2016

[2] Includes: Working Capital Allowance, Bad Debt, On-system Production and Storage and Capacity, Miscellaneous Overhead and Interest

Peak Period

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

		Summer						Winter							
Sales Revenues		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	(Forecast) Mar-16	(Forecast) Apr-16	Nov- Apr Total
1	Volumes														
2	Residential Heat & Non Heat								1,921,947	2,831,438	3,574,582	2,988,250	2,303,570	1,357,510	14,977,297
3	Sales HLF Classes								415,742	612,477	773,229	646,397	498,292	293,647	3,239,784
4	Sales LLF Classes								1,934,746	2,850,295	3,598,389	3,008,152	2,318,911	1,366,551	15,077,044
5	Total								4,272,435	6,294,210	7,946,200	6,642,799	5,120,773	3,017,709	33,294,125
6	Rates														
7	Residential Heat & Non Heat CGA												\$0.6676	\$0.6676	
8	Sales HLF Classes CGA												\$0.6568	\$0.6568	
9	Sales LLF Classes CGA												\$0.6722	\$0.6722	
10	Revenues														
11	Residential Heat & Non Heat												\$ (1,537,863)	\$ (906,274)	\$ (2,444,137)
12	Sales HLF Classes												\$ (327,278)	\$ (192,867)	\$ (520,146)
13	Sales LLF Classes												\$ (1,558,772)	\$ (918,596)	\$ (2,477,368)
14	Total Sales Revenues		\$ 2,639	\$ 462	\$ (541)	\$ (137)	\$ 1,923	\$ (239)	\$ (1,897,376)	\$ (2,782,645)	\$ (3,866,177)	\$ (3,468,824)	\$ (3,423,913)	\$ (2,017,737)	\$ (17,456,672)
15															
16															
17	Gas Costs and Credits														
18			May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-15	Dec-15	Jan-16	Feb-16	(Forecast) Mar-16	(Forecast) Apr-16	Total
19	Net Demand Costs (Net of Injection Fees & Cap. Assign.)														
20	Pipeline												\$ 261,822	\$ 261,822	\$ 523,644
21	Storage												\$ 1,092,526	\$ 482,715	\$ 1,575,241
22	Peaking												\$ 366,380	\$ 60,039	\$ 426,419
23	Gross Demand Costs												\$ 1,720,728	\$ 804,576	\$ 2,525,304
24															
25	Asset Management and Capacity Release														
26	NUI AMA Revenue												\$ (797,083)	\$ (797,083)	(\$9,565,000)
27	NUI Capacity Release												\$ (5,416)	\$ (5,416)	\$ (64,987)
28	NUI AMA Rev & Cap. Release Subtotal												\$ (802,499)	\$ (802,499)	\$ (1,604,998)
29	NH AMA Revenue												\$ (281,198)	\$ (281,198)	(\$3,374,382)
30	NH Capacity Release												\$ (2,278)	\$ (2,278)	(\$27,338)
31	NH Total Asset Management and Capacity Release												\$ (283,477)	\$ (283,477)	\$ (566,953)
32															
33	PNGTS Refund												\$ (813,393.06)	\$ (813,393.06)	\$ (1,626,786)
34															
35	Total Demand Costs		\$ 617,390	\$ 441,739	\$ 430,192	\$ 298,349	\$ 346,829	\$ 480,197	\$ 707,650	\$ 722,910	\$ 778,404	\$ 736,145	\$ 623,858	\$ (292,294)	\$ 331,564
36															
37	NUI Commodity Costs														
38	NUI Total Pipeline Volumes												1,067,603	777,347	1,844,950
39	Pipeline Costs Modeled in Sendout™												\$ 5,330,659	\$ 1,881,128	\$ 7,211,787
40	NYMEX Price Used for Forecast										FEB 8 NYMEX		\$2.140	\$2.190	
41	NYMEX Price Used for Update										MAR 18 NYMEX		\$1.711	\$1.828	
42	Increase/(Decrease) NYMEX Price												\$ (0.43)	\$ (0.36)	
43	Increase/(Decrease) in Pipeline Costs												\$ (458,002)	\$ (281,400)	\$ (739,401)
44	Updated Pipeline Costs											\$ 4,872,657	\$ 1,599,728	\$ 6,472,386	
45	Interruptible Volumes - NH											0	0		
46	Average Supply Cost (\$/MMBtu)											\$ 5.45	\$ 2.64		
47	Interruptible Cost - NH											\$ -	\$ -		
48	Total Updated Pipeline Costs											\$ 4,872,657	\$ 1,599,728		
49	New Hampshire Allocated Percentage											40.21%	39.11%		
50	NH Updated Pipeline Costs											\$ 1,959,059	\$ 625,661	\$ 2,584,720	
51	Hedging (Gain)/Loss Estimate														
52	NYMEX Options Contracts														
53	Number of Contracts												33	0	
54	Option Contract Price											\$ 0.1050	\$ -		
55	Hedging Expenses											\$34,650	\$0	\$34,650	
56	NYMEX Option Strike Price											\$ 6.5000	\$ -		
57	NYMEX Price Used for Forecast											1.7110	1.8280		
58	Strike Price Hit											No	\$ -	\$ -	
59	Option Hedging Gain (Credit)											\$0	\$0		

60	Tota Northern Hedginf Net Cost																				\$34,650	\$0	
61	New Hampshire Allocated Percentage																				40.21%	39.11%	
62	NH Futures Hedging Net Cost																				\$13,931	\$0	\$ 13,931
63	NH Commodity Costs																						
64	Pipeline Excl Hedging																				\$ 1,959,059	\$ 625,661	\$ 2,584,720
65	Hedging (Gain)/Loss Estimate																				\$13,931	\$0	\$ 13,931
66	Storage																				\$ 227,807	\$ -	\$ 227,807
67	Peaking																				\$ 42,145	\$ 9,845	\$ 51,990
68	Total Commodity Costs		\$ 3,495	\$ 10,312	\$ (55,523)	\$ 15,875	\$ 11,151	\$ (1)	\$ 1,672,141	\$ 2,306,747	\$ 3,307,218	\$ 3,154,765	\$ 2,242,942	\$ 635,506	\$ 13,319,320								
69	Inventory Finance Charge		\$ 122	\$ 144	\$ 157	\$ 152	\$ 172	\$ 201	\$ 216	\$ 239	\$ 223	\$ 140	\$ 521	\$ 257	\$ 1,597								
70																							
71	Total Anticipated Direct Cost of Gas		\$ 621,008	\$ 452,194	\$ 374,826	\$ 314,376	\$ 358,152	\$ 480,397	\$ 2,380,007	\$ 3,029,896	\$ 4,085,845	\$ 3,891,050	\$ 2,867,321	\$ 343,470	\$ 16,597,590								
72																							
73																							
74																							
75																							
76	Working Capital																						
77	Total Anticipated Direct Cost of Gas		\$ 621,008	\$ 452,194	\$ 374,826	\$ 314,376	\$ 358,152	\$ 480,397	\$ 2,380,007	\$ 3,029,896	\$ 4,221,755	\$ 4,026,959	\$ 2,867,321	\$ 343,470	\$ 16,869,408								
78	Working Capital Percentage		0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.09%	0.08%	0.08%	0.08%	0.0824%									
79	Working Capital Allowance		\$ 511	\$ 372	\$ 309	\$ 259	\$ 295	\$ 396	\$ 2,072	\$ 2,704	\$ 3,479	\$ 3,318	\$ 2,363	\$ 283	\$ 14,218								
80	Beginning Period Working Capital Balance		\$ (3,542)	\$ (3,040)	\$ (2,675)	\$ (2,373)	\$ (2,120)	\$ (1,830)	\$ (1,439)	\$ 632	\$ 3,341	\$ 6,833	\$ 10,175	\$ 12,568									
81	End of Period Working Capital Allowance		\$ (3,031)	\$ (2,667)	\$ (2,366)	\$ (2,114)	\$ (1,825)	\$ (1,435)	\$ 633	\$ 3,335	\$ 6,820	\$ 10,152	\$ 12,537	\$ 12,851									
82	Interest		\$ (9)	\$ (8)	\$ (7)	\$ (6)	\$ (5)	\$ (4)	\$ (1)	\$ 6	\$ 14	\$ 23	\$ 31	\$ 34	\$ 106								
83	End of period with Interest		\$ (3,542)	\$ (3,040)	\$ (2,675)	\$ (2,373)	\$ (2,120)	\$ (1,830)	\$ (1,439)	\$ 632	\$ 3,341	\$ 6,833	\$ 10,175	\$ 12,568	\$ 12,886								
84	Bad Debt																						
85	Bad Debt Allowance		\$ 23,501	\$ 44,482	\$ 73,815	\$ 48,819	\$ 26,237	\$ 3,643	\$ 12,683	\$ 4,322	\$ (33)	\$ 3,267	\$ 4,000	\$ 41,850	\$ 66,090								
86	Beginning Period Bad Debt Balance		\$ (64,204)	\$ (40,846)	\$ 3,586	\$ 77,511	\$ 126,606	\$ 153,221	\$ 157,284	\$ 170,411	\$ 175,217	\$ 175,659	\$ 179,407	\$ 183,898									
87	End of Period Bad Debt Balance		\$ (40,703)	\$ 3,636	\$ 77,401	\$ 126,330	\$ 152,843	\$ 156,865	\$ 169,967	\$ 174,733	\$ 175,185	\$ 178,926	\$ 183,407	\$ 225,748									
88	Interest		\$ (142)	\$ (50)	\$ 110	\$ 276	\$ 378	\$ 420	\$ 443	\$ 485	\$ 475	\$ 480	\$ 491	\$ 555	\$ 2,929								
89	End of Period Bad Debt Balance with Interest		\$ (64,204)	\$ (40,846)	\$ 3,586	\$ 77,511	\$ 126,606	\$ 153,221	\$ 157,284	\$ 170,411	\$ 175,217	\$ 175,659	\$ 179,407	\$ 183,898	\$ 226,303								
90	Local Production and Storage Capacity								\$ 70,110	\$ 70,110	\$ 70,110	\$ 70,110	\$ 70,110	\$ 70,110	\$ 420,658								
91	Miscellaneous Overhead								\$ 65,800	\$ 65,800	\$ 65,800	\$ 65,800	\$ 65,800	\$ 65,800	\$ 394,798								
92	Gas Cost Other than Bad Debt and Working Capital Over/Under Collection																						
93	Beginning Balance Over/Under Collection		\$ (2,001,587)	\$ (1,382,516)	\$ (932,991)	\$ (560,725)	\$ (247,579)	\$ 112,313	\$ 593,426	\$ 1,214,411	\$ 1,601,520	\$ 1,961,917	\$ 2,526,122	\$ 2,111,711									
94	Net Costs - Revenues		\$ 623,647	\$ 452,657	\$ 374,285	\$ 314,240	\$ 360,075	\$ 480,158	\$ 618,540	\$ 383,160	\$ 355,578	\$ 558,135	\$ (420,683)	\$ (1,538,358)									
95	Ending Balance before Interest		\$ (1,377,940)	\$ (929,859)	\$ (558,705)	\$ (246,486)	\$ 112,496	\$ 592,471	\$ 1,211,966	\$ 1,597,572	\$ 1,957,098	\$ 2,520,052	\$ 2,105,439	\$ 573,353									
96	Average Balance		\$ (1,689,763)	\$ (1,156,188)	\$ (745,848)	\$ (403,606)	\$ (67,541)	\$ 352,392	\$ 902,696	\$ 1,405,991	\$ 1,779,309	\$ 2,240,985	\$ 2,315,780	\$ 1,342,532									
97	Interest Rate		3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.37%	3.25%	3.25%	3.25%	3.25%									
98	Interest Expense		\$ (4,576)	\$ (3,131)	\$ (2,020)	\$ (1,093)	\$ (183)	\$ 954	\$ 2,445	\$ 3,948	\$ 4,819	\$ 6,069	\$ 6,272	\$ 6,366	\$ 27,190								
99	Ending Balance Incl Interest Expense		\$ (2,001,587)	\$ (1,382,516)	\$ (932,991)	\$ (560,725)	\$ (247,579)	\$ 112,313	\$ 593,426	\$ 1,214,411	\$ 1,601,520	\$ 1,961,917	\$ 2,526,122	\$ 2,111,711	\$ 576,989								
100	Total Over/Under Collection Ending Balance		\$ (2,069,333)	\$ (1,426,401)	\$ (932,080)	\$ (485,588)	\$ (123,093)	\$ 263,704	\$ 749,271	\$ 1,385,453	\$ 1,780,078	\$ 2,144,410	\$ 2,715,703	\$ 2,308,177	\$ 816,177								
101																							
102	Total Indirect Cost of Gas		\$ -	\$ 19,285	\$ 41,665	\$ 72,207	\$ 48,255	\$ 26,722	\$ 5,409	\$ 153,551	\$ 147,374	\$ 144,662	\$ 149,067	\$ 149,066	\$ 182,268	\$ 925,988							
103																							
104	Total Cost of Gas		\$ -	\$ 640,292	\$ 493,859	\$ 447,033	\$ 362,631	\$ 384,874	\$ 485,805	\$ 2,533,558	\$ 3,177,270	\$ 4,230,508	\$ 4,040,117	\$ 3,016,387	\$ 525,737	\$ 17,523,578							
105																							
106	Total Interest		\$ -	\$ (4,727)	\$ (3,189)	\$ (1,917)	\$ (823)	\$ 190	\$ 1,370	\$ 2,887	\$ 4,439	\$ 5,307	\$ 6,573	\$ 6,794	\$ 4,225	\$ 30,224							

Northern Utilities, Inc.
Price Risk Management
Profit and Loss Statement
February 2016

Account # 53325

Current

ACB	(\$2,993.42)
TE	(\$2,993.42)
LV	\$32,634.58

ACTIVITY - Purchase Cost and Profit and Loss							Expense	Profit and Loss
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Date	Description	State	Contracts	Option Premium	Strike Price	Option Purchase Cost	
<i>Net P&L</i>							\$0.00

TRANSACTION COSTS							Subtotal	Total
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	Transaction Cost-Enter Options	Both	0	\$7.36		\$0.00	
	Transaction Cost-Exit Options		0			\$0.00	
	<i>Total New Transaction Costs</i>						\$0.00

OPEN CALL OPTION POSITIONS-Expense and Open Trade Equity							Total	Total
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		State	QTY	Actual Option Premium	Option Purchase Cost	Strike Price	02/29/16 Futures Price	Current Open Trade Equity
04/28/15	Nov16 Options	Both	18	0.077	\$13,860.00	\$4.800	\$2.232	\$0.00
05/27/15	Dec16 Options	Both	31	0.085	\$26,350.00	\$5.250	\$2.459	\$0.00
06/26/15	Jan17 Options	Both	45	0.103	\$46,350.00	\$6.000	\$2.598	\$0.00
07/29/15	Feb17 Options	Both	46	0.099	\$45,540.00	\$6.250	\$2.595	\$0.00
08/27/15	Mar17 Options	Both	37	0.080	\$29,600.00	\$6.300	\$2.557	\$0.00
	Total Expense, Open Trade Equity				\$161,700.00			\$0.00

OPEN CALL OPTION POSITIONS- Long Option Value							Total
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		State	QTY	Current Option Premium	Current Option Value	Strike Price
04/28/15	Nov16 Options	Both	18	0.0061	\$1,098.00	\$4.800
05/27/15	Dec16 Options	Both	31	0.0130	\$4,030.00	\$5.250
06/26/15	Jan17 Options	Both	45	0.0202	\$9,090.00	\$6.000
07/29/15	Feb17 Options	Both	46	0.0237	\$10,902.00	\$6.250
08/27/15	Mar17 Options	Both	37	0.0284	\$10,508.00	\$6.300
02/29/16	Total Long Option Value				\$35,628.00	

MARGIN CASH BALANCE							Subtotal	Total
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02/01/16	Beginning Balance-carried forward from last month							(\$2,993.42)
	Interest Credit						\$0.00	
	Net Deposit to Margin Account						\$0.00	
	Option Premiums of new activity						\$0.00	
	Monthly Transaction Costs						\$0.00	
	<i>Total Monthly Cash Adjustment</i>							\$0.00
02/29/16	Ending Balance (ACB)							(\$2,993.42)

NORTHERN UTILITIES, INC.
DETERMINATION OF INVENTORY FINANCING FROM MONEY POOL
February 2016

	Total Inventory	Average bal beg + end / 2	Internally Financed	Money Pool Interest Rate	Interest to Defer	NH	ME
January 2015	\$10,398,644.45	\$12,704,155.00	\$12,704,155.00	1.56%	\$16,515.40	\$7,872.89	\$8,642.51
February	\$5,906,333.53	\$8,152,488.99	\$8,152,488.99	1.57%	\$10,666.17	\$5,084.56	\$5,581.61
March	\$3,816,219.24	\$4,861,276.38	\$4,861,276.38	1.57%	\$6,360.17	\$3,031.89	\$3,328.28
April	\$4,853,845.91	\$4,335,032.58	\$4,335,032.58	1.58%	\$5,707.79	\$2,720.90	\$2,986.89
May	\$5,845,033.55	\$5,349,439.73	\$5,349,439.73	1.58%	\$7,043.43	\$3,357.60	\$3,685.83
June	\$6,981,986.40	\$6,413,509.97	\$6,413,509.97	1.58%	\$8,444.45	\$4,025.47	\$4,418.98
July	\$8,083,382.82	\$7,532,684.61	\$7,532,684.61	1.58%	\$9,918.03	\$4,727.93	\$5,190.11
August	\$9,191,271.89	\$8,637,327.36	\$8,637,327.36	1.58%	\$11,372.48	\$5,421.26	\$5,951.22
September	\$10,272,808.68	\$9,732,040.28	\$9,732,040.28	1.48%	\$12,002.85	\$5,721.76	\$6,281.09
October	\$11,382,175.37	\$10,827,492.03	\$10,827,492.03	1.46%	\$13,173.45	\$6,279.78	\$6,893.67
November	\$11,243,809.57	\$11,312,992.47	\$11,312,992.47	1.48%	\$13,952.69	\$6,651.25	\$7,301.44
December	\$11,245,520.69	\$11,244,665.13	\$11,244,665.13	1.63%	\$15,274.00	\$7,281.12	\$7,992.89
January 2016	\$8,349,188.69	\$9,797,354.69	\$9,797,354.69	1.70%	\$13,879.59	\$6,616.40	\$7,263.19
February	\$6,881,382.39	\$7,615,285.54	\$7,615,285.54	1.71%	\$10,851.78	\$5,173.04	\$5,678.74

Inventory ACCT #		MMBTU	AMOUNT
	LNG		
515152	Inventory - Liquefied Natural Gas NATURAL GAS	9,162	\$72,348.20
515114&115	Natural Gas Underground - SS-1 and FSS-1		
515116	Natural Gas Underground - SSNE	72,098	\$120,690.10
515113	Natural Gas Underground - MCN	2,087,812	\$6,688,344.10
516525	Washington 10 prepaid	-	
Total Inventory			<u>\$6,881,382.39</u>