

# DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

## OFFICE OF UTILITY ACCOUNTING

One South Station

Boston, MA. 02110

### Statement of Gross Revenues

Name of Company Bay State Gas Company

2009

|   |    |                           |
|---|----|---------------------------|
| Massachusetts Gross Revenues (Intrastate) | \$ | 484,282,166               |
| Gross Revenues Outside Mass. (Interstate) |    | <u>71,761</u>             |
| Total Revenues as per Annual Return Form  | \$ | <u><u>484,353,927</u></u> |

I hereby certify under the penalties of perjury, that the foregoing statement is true to the best of my knowledge and belief.



Robert G. Kriner

Title Controller

1997

**Bay State Gas Company**  
**Return on Equity**  
**For the Twelve Months Ended December 31, 2009**

| Ln.<br>No. | <u>Item</u><br>(1)   | <u>Detail</u><br>(2)   | <u>Total</u><br>(3)                |
|------------|--|--|------------------------------------|
| 1          | <b><u>Net Utility Income Available for Common Shareholders</u></b>   |  |                                    |
| 2          | Total Utility Operating Income - Annual Return - Pg. 10, Ln 18       |  | \$ 21,681,763                      |
| 3          | Plus:  |  |                                    |
| 4          | Amortization of Acquisition Premium                                  | \$ 10,989,478  |                                    |
| 5          | Service Quality Penalties  | -  |                                    |
| 6          | Total  | \$ 10,989,478  |                                    |
| 7          | Income Taxes on amortization   | \$ 4,310,623   |                                    |
| 8          | Net Additions to Utility Operating Income (Ln. 6 - Ln. 7)            |  | \$ 6,678,855                       |
| 9          | Less:  |  |                                    |
| 10         | Total Interest Charges - Annual Return - Pg. 10, Ln. 39              | \$ 14,744,973  |                                    |
| 11         | Dividends Declared - Preferred Stock                                 | -  |                                    |
| 12         | Total  | \$ 14,744,973  |                                    |
| 13         | Utility Ratio (See Ln. 35 below)                                     | 99.97%   |                                    |
| 14         | Utility Interest Charges (Ln. 12 * Ln. 13)                           | \$ 14,740,550  |                                    |
| 15         | Income taxes on difference (Ln. 12 - Ln. 14) * 0.39225               | \$ 1,735   |                                    |
| 16         | Net Utility Interest Charges (Ln. 14 + Ln. 15)                       |  | \$ 14,742,285                      |
| 17         | <b>Net Utility Income (Ln.2 + Ln.8 - Ln. 16)</b>                     |  | <b>\$ 13,618,333</b>               |
| 18         | <b><u>Total Utility Common Equity</u></b>                            |  |                                    |
| 19         | Total Proprietary Capital - Annual Return - Pg. 9, Ln. 13            |  |                                    |
| 20         | Balance Beginning of Year - Column (b)                               |  | \$ 448,547,768                     |
| 21         | Balance End of Year - Column (c)                                     |  | \$ 428,528,024                     |
| 22         | Average (Ln. 20 + Ln 21)/2   |  | \$ 438,537,896                     |
| 23         | Less:  | <u>Beginning Year</u> <u>Ending Year</u>   |                                    |
| 24         | Average Preferred stock - Annual Return - Pg. 9, Ln. 4               |  | -                                  |
| 25         | Average Unamortized Acquisition Premium net of deferred income taxes |  | \$ 197,582,802                     |
| 26         | Average Investments in Subsidiary Companies-Annual Return-Pg8, Ln.5  | \$ (4,488,502)    \$ (2,907,292)   | \$ (3,697,897)                     |
| 27         | Total Average Common Equity (Ln. 22 - Lns. 24, 25 and 26)            |  | \$ 244,652,991                     |
| 28         | Utility Ratio (See Ln. 35 below)                                     |  | 99.97%                             |
| 29         | <b>Total Average Utility Common Equity (Ln. 27 * Ln. 28)</b>         |  | <b>\$ 244,579,595</b>              |
| 30         | <b>Return on Equity (Ln. 17/Ln. 29)</b>                              |  | <b>5.57%</b>                       |
| 31         | <b>Utility Ratio:</b>  | <u>Total</u> <u>Less Acquisition<br/>Premium &amp;<br/>Invest. In Subs.</u> <u>Net</u> |                                    |
| 32         | Utility Plant - Annual Return - Pg. 8, Ln. 2                         | \$ 1,424,816,557   | \$ (442,163,257)    \$ 982,653,300 |
| 33         | Total Other Property & Investment - Annual Return - Pg 8, Ln 8       | \$ (2,615,062)   | \$ 2,907,292    \$ 292,230         |
| 34         | Total  | \$ 1,422,201,495   | \$ 982,945,530                     |
| 35         | <b>Utility Ratio (Ln. 32/ Ln. 34)</b>                                |  | <b>99.97%</b>                      |

**TABLE OF CONTENTS**

Designate in column (c) by the terms "none" or "not applicable," as appropriate, in instances where no information or amounts have been reported in certain schedules. Pages may be omitted where the responses are "none" or "not applicable" to the schedules on such pages.

| Title of Schedule<br>(a)   | Schedule<br>Page Number<br>(b) | Remarks<br>(c) |
|--|--------------------------------|----------------|
| Table of Contents  | 2- 3                           |                |
| Condensed Statement of Income for the Year                                 | C1                             |                |
| Condensed Balance Sheet  | C2                             |                |
| Condensed Earned Surplus   | C3                             |                |
| Condensed Gas Revenue  | C4                             |                |
| Condensed Summary of Gas Operations and Maintenance Expenses               | C4                             |                |
| Statement of Gross Revenues  | R1                             |                |
| Return on Equity   | R2                             |                |
| General Information  | 4- 7                           |                |
| Comparative Balance Sheet  | 8- 9                           |                |
| Statement of Income for the Year   | 10                             |                |
| Statement of Earned Surplus  | 12                             |                |
| Summary of Utility Plant and Reserves for<br>Depreciation and Amortization | 13                             |                |
| Utility Plant-Electric   | 14-16                          | N/A            |
| Utility Plant-Gas  | 17-18                          |                |
| Completed Construction Not Classified                                      | 18A                            | N/A            |
| Nonutility Property  | 19                             |                |
| Investments  | 20                             |                |
| Special Funds  | 21                             | N/A            |
| Special Deposits   | 21                             | N/A            |
| Notes Receivable   | 22                             |                |
| Accounts Receivable  | 22                             |                |
| Receivables from Associated Companies                                      | 23                             |                |
| Materials and Supplies   | 24                             |                |
| Production Fuel and Oil Stocks   | 25                             |                |
| Unamortized Debt Discount and Expense and<br>Unamortized Premium on Debt   | 26                             |                |
| Extraordinary Property Losses  | 27                             |                |
| Miscellaneous Deferred Debits  | 27                             |                |
| Discount on Capital Stock  | 28                             | N/A            |
| Capital Stock Expense  | 28                             | N/A            |
| Capital Stock and Premium  | 29                             |                |
| Other Paid-In Capital  | 30                             |                |
| Long-Term Debt   | 31                             |                |
| Notes Payable  | 32                             |                |
| Payables to Associated Companies   | 32                             |                |
| Miscellaneous Current and Accrued Liabilities                              | 33                             |                |
| Other Deferred Credits   | 33                             |                |

Annual report of .....BAY STATE GAS COMPANY.....Year ended December 31,2009

## TABLE OF CONTENTS (Continued)

| Title of Schedule<br>(a)   | Schedule<br>Page Number<br>(b) | Remarks<br>(c) |
|--|--------------------------------|----------------|
| Reserve for Depreciation of Utility Plant in Service             | 34                             |                |
| Method of Determination of Depreciation Charges                  | 34                             |                |
| Dividends Declared During Year                                   | 34-34A                         |                |
| Operating Reserves   | 35                             |                |
| Reserves for Deferred Federal Income Taxes                       | 36                             |                |
| Contributions in Aid of Construction                             | 36                             |                |
| Electric Operating Revenues                                      | 37                             | N/A            |
| Sales of Electricity to Ultimate Customers                       | 38                             | N/A            |
| Electric Operation and Maintenance Expenses                      | 39-42                          | N/A            |
| Summary of Electric Operation and Maintenance Expenses           | 42                             | N/A            |
| Gas Operating Revenues   | 43                             |                |
| Sales of Gas to Ultimate Consumers                               | 44                             |                |
| Gas Operation and Maintenance Expenses                           | 45-47                          |                |
| Summary of Gas Operation and Maintenance Expenses                | 47                             |                |
| Sales for Resale - Gas   | 48                             |                |
| Purchased Gas  | 48A                            |                |
| Taxes Charged During Year  | 49                             |                |
| Other Utility Operating Income                                   | 50                             | N/A            |
| Income from Merchandising, Jobbing and Contract Work             | 51                             |                |
| Pages detailing Electric Operations                              | 52-71                          | N/A            |
| Record of Sendout for the Year in MCF                            | 72-73                          |                |
| Gas Generating Plant   | 74                             |                |
| Boilers  | 75                             | N/A            |
| Scrubbers, Condensers, and Exhausters                            | 75                             | N/A            |
| Purifiers  | 76                             | N/A            |
| Holders  | 76                             | N/A            |
| Transmission and Distribution Mains                              | 77                             |                |
| Gas Distribution Services, House Governors and Meters            | 78                             |                |
| Rate Schedule Information  | 79                             |                |
| Rate Schedules   | 79A-LL                         |                |
| Expenditures for certain civic, political and related activities | 80A                            |                |
| Advertising Expenses   | 80B                            |                |
| Deposits and Collateral  | 80C                            |                |
| Signature Page   | 81                             |                |

| GENERAL INFORMATION  |  |   |                 |
|--|--|---|-----------------|
| PRINCIPAL AND SALARIED OFFICERS *  |  |   |                 |
| Titles   | Names                                  | Addresses                               | Annual Salaries |
| President  | Stephen Bryant                         | 300 Friberg Parkway, Westborough, MA    | \$              |
| Chief Executive Officer  | Jimmy D. Staton                        | 801 East 86th Avenue, Merrillville, IN  |                 |
| Senior Vice President, Energy Supply Services  | Steven M. Warnick                      | 200 Civic Center Drive, Columbus, OH    |                 |
| General Manager  | Frank Davis Jr.                        | 300 Friberg Parkway, Westborough, MA    |                 |
| Senior Vice President, Customer Engagement   | M. Carol Fox (until 7/1/2009)          | 200 Civic Center Drive, Columbus, OH    |                 |
| Vice President, Engineering  | Shawn L. Patterson (until 7/1/2009)    | 200 Civic Center Drive, Columbus, OH    |                 |
| Vice President   | Jeff Grossman                          | 801 East 86th Ave., Merrillville, IN    |                 |
| Vice President, Retail Products  | Scott MacDonald                        | 100 International Drive, Portsmouth, NH |                 |
| Vice President, External Affairs   | Terrence J. Murphy                     | 501 Technology Drive, Canonsburg, PA    |                 |
| Vice President, Ethics and Compliance  | Gary Pottorff                          | 801 East 86th Ave., Merrillville, IN    |                 |
| Chief Financial Officer-Gas Distribution   | Stanley J. Sagun                       | 200 Civic Center Drive, Columbus, OH    |                 |
| Vice President, Human Resources  | Ed Santry                              | 501 Technology Drive, Canonsburg, PA    |                 |
| Vice President, Engineering and Operations   | Charles E. Shafer II                   | 200 Civic Center Drive, Columbus, OH    |                 |
| Vice President and Assistant Clerk   | Robert E. Smith                        | 801 East 86th Ave., Merrillville, IN    |                 |
| Vice President, Regulatory Strategy/Support  | Suzanne Surface                        | 200 Civic Center Drive, Columbus, OH    |                 |
| Vice President, Treasurer and Chief Risk Officer   | David J. Vajda                         | 801 East 86th Ave., Merrillville, IN    |                 |
| Vice President, Supply Development   | Michael D. Watson                      | 200 Civic Center Drive, Columbus, OH    |                 |
| Master Plumber and Master Gas Fitter   | Francis Corkery                        | 995 Belmont Street, Brockton, MA        |                 |
| Controller   | Robert Kriner                          | 200 Civic Center Drive, Columbus, OH    |                 |
| Assistant Controller   | John O'Brien                           | 200 Civic Center Drive, Columbus, OH    |                 |
| Assistant Clerk  | James H. Keshian                       | 300 Friberg Parkway, Westborough, MA    |                 |
| Assistant Treasurer  | Vincent Rea                            | 801 East 86th Ave., Merrillville, IN    |                 |
| DIRECTORS *  |  |   |                 |
| Names  | Addresses                              | Fees Paid During Year (E)               |                 |
| Danny G. Cote (until 7/1/2009)   | 501 Technology Drive, Canonsburg PA    |   |                 |
| Stephen H. Bryant  | 300 Friberg Parkway, Westborough, MA   |   |                 |
| Frank Davis Jr.  | 300 Friberg Parkway, Westborough, MA   |   |                 |
| Jimmy D. Staton  | 801 East 86th Avenue, Merrillville, IN |   |                 |
| <p>(E) Included, where applicable, annual retainer paid to Directors who are not salaried officers of Company or subsidiary. Directors' meeting attendance fees, annual committee fees and committee meeting attendance fees.</p> <p>* By General Laws, Chapter 164, Section 83, the Return must contain a "list of the names of all their salaried officers and the amount of the salary paid to each," and by Section 77, the department is required to include in its annual report "the names and addresses of the principal officers and of the directors."</p> |  |   |                 |

Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

**GENERAL INFORMATION - Continued**

1. Corporate name of company making this report:

**Bay State Gas Company**

2. Date of organization:

**See Note 1**

3. Date of incorporation:

**November 10, 1998 as Acquisition Gas Company, Inc.**

4. Give location (including street and number) of principal business office:

**300 Friberg Parkway, Westborough, Massachusetts 01581**

5. Total number of stockholders: One - NiSource Inc., 801 East 86th Avenue, Merrillville, IN 46410

6. Number of stockholders in Massachusetts: None

- |   |                |              |     |
|---|----------------|--------------|-----|
| 7. Amount of stock held in Massachusetts: | No. of shares, | 0 Common     | \$0 |
|   | No. of shares, | 0 \$50 Pfd.  | \$0 |
|   | No. of shares, | 0 \$100 Pfd. | \$0 |

- |   |                |              |       |
|---|----------------|--------------|-------|
| 8. Capital stock issued prior to June 5, 1894:  | No. of shares, | N/A          |       |
| 9. Capital stock issued with approval of Board of Gas and Electric Light Commissioners or Department of Public Utilities since June 5, 1894 | No. of shares, | 100 Common   | \$100 |
|   | No. of shares, | 0 \$100 Pfd. | \$0   |
|   | No. of shares, | 0 \$50 Pfd.  | \$0   |

Total 100 Common Shares, par value, \$1.00, outstanding at December 31, 2009 \$100

0 Pfd., par value, \$100 \$0

0 Pfd., par value, \$ 50 \$0

10. In connection with the Company's Common Stock Issuance:

DTE #98-31

In connection with the Company's Merger with NiSource Inc. 100 Shares of Common Stock, \$ 1.00 Par Value, were Issued, as approved in DTE #98-31, dated November 5, 1998.

11. Management Fees and Expenses during the Year.

List all individuals, corporations or concerns with whom the company has any contract or agreement covering management or supervision of its affairs, such as accounting, financing, engineering, construction, purchasing, operation, etc., &amp; show the total amount paid to each for the year.

|  | Gross Dollars Billed to Bay State | Portion of Billed Charged to Balance Sheet or Non-Utility Expense |
|--|-----------------------------------|---|
| <b>Year 2009</b>                                 |                                   |   |
| Management Fee - NiSource Corporate Services Co. | 36,798,921                        | 6,311,989   |

**GENERAL INFORMATION - Continued**

12. Describe briefly all the important physical changes in the property during the last fiscal period including additions, alterations or improvements to the works or physical property retired.

**ADDITIONS - MAJOR**

Gas Mains

Gas Services

**RETIREMENTS - MAJOR**

Gas Services

Gas Mains



Annual report of .....BAY STATE GAS COMPANY.....Year ended December 31, 2009

| <b>GENERAL INFORMATION - Continued</b>  |   |   |   |
|---|---|---|---|
| Names of the cities or towns in which the company supplies GAS, with the number of customers' meters in each place. |   | Names of the cities or towns in which the company supplies GAS, with the number of customers' meters in each place. |   |
| City or Town  | Number of Customers' Meters, Dec.31, 2009 | City or Town  | Number of Customers' Meters, Dec.31, 2009 |
| Abington  | 191                                       | Mansfield   | 5,163                                     |
| Agawam  | 7,457                                     | Marshfield  | 7,491                                     |
| Andover   | 7,428                                     | Medfield  | 2,512                                     |
| Attleboro   | 7,803                                     | Medway  | 2,328                                     |
| Avon  | 1,040                                     | Mendon  | 56  |
| Bellingham  | 1,959                                     | Methuen   | 13,069                                    |
| Berkley   | 83  | Middleboro  | 54  |
| Bridgewater   | 3,367                                     | Millis  | 1,089                                     |
| Brockton  | 19,497                                    | Monson  | 155                                       |
| Canton  | 5,978                                     | Norfolk   | 376                                       |
| Chicopee  | 13,308                                    | North Andover   | 6,092                                     |
| Dighton   | 641                                       | Northampton   | 6,018                                     |
| Dover   | 82  | Norton  | 3,886                                     |
| Duxbury   | 3,143                                     | Norwell   | 1,598                                     |
| East Bridgewater  | 2,235                                     | Palmer  | 187                                       |
| East Longmeadow   | 4,408                                     | Pembroke  | 3,754                                     |
| Easthampton   | 3,312                                     | Plympton  | 144                                       |
| Easton  | 3,930                                     | Randolph  | 6,949                                     |
| Florence  | 2,170                                     | Raynham   | 1,770                                     |
| Foxboro   | 4,285                                     | Rehoboth  | 111                                       |
| Franklin  | 7,577                                     | Scituate  | 4,892                                     |
| Granby  | 254                                       | Seekonk   | 2,431                                     |
| Halifax   | 764                                       | Sharon  | 4,451                                     |
| Hampden   | 792                                       | South Hadley  | 3,810                                     |
| Hanover   | 2,887                                     | Southwick   | 594                                       |
| Hanson  | 1,983                                     | Springfield   | 35,830                                    |
| Holbrook  | 2,037                                     | Stoughton   | 6,908                                     |
| Indian Orchard  | 2,522                                     | Taunton   | 13,189                                    |
| Lakeville   | 480                                       | Walpole   | 5,359                                     |
| Lawrence  | 19,654                                    | West Bridgewater  | 1,525                                     |
| Leeds   | 319                                       | West Springfield  | 8,499                                     |
| Longmeadow  | 4,868                                     | Wilbraham   | 2,787                                     |
| Ludlow  | 4,309                                     | Wrentham  | 1,492                                     |
|   | 140,763                                   |   | 154,569                                   |
|   |   | * TOTAL   | 295,332                                   |

\* Total represents active meters at December 31,2009

| <b>COMPARATIVE BALANCE SHEET Assets and Other Debits</b> |   |                               |                         |                            |
|--|---|-------------------------------|-------------------------|----------------------------|
| Line No.   | Title of Account (a)                                    | Balance Beginning of Year (b) | Balance End of Year (c) | Increase or (Decrease) (d) |
| 1  | <b>UTILITY PLANT</b>                                    |                               |                         |                            |
| 2  | Utility Plant (101-107) P.13 .....                      | 1,390,118,440                 | 1,424,816,557           | 34,698,117                 |
| 3  | <b>OTHER PROPERTY AND INVESTMENTS</b>                   |                               |                         |                            |
| 4  | Nonutility Property (121) P.19.....                     | 267,230                       | 267,230                 | 0                          |
| 5  | Investment in Associated Companies (123) P.20.....      | (4,488,502)                   | (2,907,292)             | 1,581,210                  |
| 6  | Other Investments (124) P.20.....                       | 32,000                        | 25,000                  | (7,000)                    |
| 7  | Special Funds (125,126,127,128) P.21.....               | 0                             | 0                       | 0                          |
| 8  | Total Other Property and Investments.....               | (4,189,272)                   | (2,615,062)             | 1,574,210                  |
| 9  | <b>CURRENT AND ACCRUED ASSETS</b>                       |                               |                         |                            |
| 10   | Cash (131).....   | 1,519,436                     | 1,901,168               | 381,732                    |
| 11   | Special Deposits (132,133,134) P.21.....                | 0                             | 0                       | 0                          |
| 12   | Working Funds (135).....                                | 6,700                         | 6,700                   | 0                          |
| 13   | Temporary Cash Investments (136) P.20.....              | 0                             | 0                       | 0                          |
| 14   | Notes and Accounts Receivable (141,142,143) P.22.....   | 81,456,754                    | 60,511,965              | (20,944,789)               |
| 15   | Receivables from Assoc. Companies (145,146) P.23.....   | 793,645                       | 1,347,525               | 553,880                    |
| 16   | Materials and Supplies (151-159,163) P.24.....          | 37,774,177                    | 22,978,608              | (14,795,569)               |
| 17   | Prepayments (165).....                                  | 2,035,790                     | 2,047,715               | 11,925                     |
| 18   | Interest and Dividends Receivable (171).....            | 0                             | 0                       | 0                          |
| 19   | Rents Receivable (172).....                             | 0                             | 0                       | 0                          |
| 20   | Accrued Utility Revenues (173).....                     | 53,900,898                    | 48,946,678              | (4,954,220)                |
| 21   | Miscellaneous Current and Accrued Assets (174)          | 54,804,083                    | 0                       | (54,804,083)               |
| 22   | Def. Fuel Costs (175).....                              | 8,511,748                     | 7,683,864               | (827,884)                  |
| 23   | Total Current and Accrued Assets.....                   | 240,803,231                   | 145,424,223             | (95,379,008)               |
| 24   | <b>DEFERRED DEBITS</b>                                  |                               |                         |                            |
| 25   | Unamortized Debt Discount and Expense (181) P.26.....   | -4,923,734                    | 4,650,098               | (273,636)                  |
| 26   | Extraordinary Property Losses (182) P.27.....           | 0                             | 0                       | 0                          |
| 27   | Preliminary Survey and Investigation Charges (183)..... | 520,430                       | 578,671                 | 58,241                     |
| 28   | Clearing Accounts (184).....                            | 0                             | 0                       | 0                          |
| 29   | Temporary Facilities (185).....                         | 0                             | 0                       | 0                          |
| 30   | Miscellaneous Deferred Debits (186)...P.27.....         | 135,862,730                   | 130,386,118             | (5,476,613)                |
| 31   | Total Deferred Debits.....                              | 141,306,894                   | 135,614,886             | (5,692,008)                |
| 32   | <b>CAPITAL STOCK DISCOUNT AND EXPENSE</b>               |                               |                         |                            |
| 33   | Discount on Capital Stock (191) P.28.....               | 0                             | 0                       | 0                          |
| 34   | Capital Stock Expense (192) P.28.....                   | 0                             | 0                       | 0                          |
| 35   | Total Capital Stock Discount and Expense.....           | 0                             | 0                       | 0                          |
| 36   | <b>REACQUIRED SECURITIES</b>                            |                               |                         |                            |
| 37   | Reacquired Capital Stock (196).....                     | 0                             | 0                       | 0                          |
| 38   | Reacquired Bonds (197).....                             | 0                             | 0                       | 0                          |
| 39   | Total Reacquired Securities.....                        | 0                             | 0                       | 0                          |
| 40   | Total Assets and Other Debits.....                      | 1,768,039,293                 | 1,703,240,604           | (64,798,689)               |

## COMPARATIVE BALANCE SHEET Liabilities and Other Credits

| Line No. | Title of Account (a)                                  | Balance Beginning of Year (b) | Balance End of Year (c) | Increase or (Decrease) (d) |
|----------|---|-------------------------------|-------------------------|----------------------------|
| 1        | PROPRIETARY CAPITAL                                   |                               |                         |                            |
| 2        | CAPITAL STOCK   |                               |                         |                            |
| 3        | Common Stock Issued (201) P.29.....                   | 100                           | 100                     | 0                          |
| 4        | Preferred Stock Issued (204) P.29.....                |                               |                         |                            |
| 5        | Capital Stock Subscribed (202,205).....               |                               |                         |                            |
| 6        | Premium on Capital Stock (207) P.29.....              | 441,771,866                   | 411,771,866             | (30,000,000)               |
| 7        | Total.....  | 441,771,966                   | 411,771,966             | (30,000,000)               |
| 8        | SURPLUS   |                               |                         |                            |
| 9        | Other Paid-In Capital (208-211) P. 30.....            | 2,283,982                     | 7,199,342               | 4,915,360                  |
| 10       | OCI Deficit .....                                     | (4,488,502)                   | (2,907,292)             | 1,581,210                  |
| 11       | Earned Surplus (215,216) P. 12.....                   | 8,980,322                     | 12,464,008              | 3,483,686                  |
| 12       | Total.....  | 6,775,802                     | 16,756,058              | 9,980,256                  |
| 13       | Total Proprietary Capital.....                        | 448,547,768                   | 428,528,024             | (20,019,744)               |
| 14       | LONG TERM DEBT  |                               |                         |                            |
| 15       | Bonds (221) P.31.....                                 |                               |                         |                            |
| 16       | Capital Lease Obligations .....                       |                               |                         |                            |
| 17       | Other Long-Term Debt (224) P.31.....                  | 218,500,000                   | 218,500,000             | 0                          |
| 18       | Total Long-Term Debt.....                             | 218,500,000                   | 218,500,000             | 0                          |
| 19       | CURRENT AND ACCRUED LIABILITIES                       |                               |                         |                            |
| 20       | Notes Payable (231) P.32.....                         | 0                             | 0                       | 0                          |
| 21       | Accounts Payable (232).....                           | 43,162,642                    | 41,234,895              | (1,927,747)                |
| 22       | Payables to Associated Companies (233,234) P.32.....  | 192,852,608                   | 89,815,890              | (103,036,718)              |
| 23       | Customer Deposits (235).....                          | 4,011,248                     | 4,041,622               | 30,374                     |
| 24       | Taxes Accrued (236).....                              | 1,518,955                     | 7,442,131               | 5,923,176                  |
| 25       | Interest Accrued (237).....                           | 1,857,563                     | 1,857,563               | 0                          |
| 26       | Dividends Declared (238).....                         |                               |                         |                            |
| 27       | Fuel Purchase Commitments.....                        | 0                             | 0                       | 0                          |
| 28       | Capital Leases (240).....                             |                               |                         |                            |
| 29       | Tax Collections Payable (241).....                    | 742,136                       | 714,184                 | (27,952)                   |
| 30       | Misc. Current and Accrued Liabilities (242) P.33..... | 24,113,405                    | 26,760,829              | 2,647,424                  |
| 31       | Total Current and Accrued Liabilities.....            | 268,258,557                   | 171,867,115             | (96,391,442)               |
| 32       | DEFERRED CREDITS                                      |                               |                         |                            |
| 33       | Unamortized Premium on Debt (251) P.26.....           |                               |                         |                            |
| 34       | Customer Advances for Construction (252) .....        | 80,270                        | 27,162                  | (53,108)                   |
| 35       | Other Deferred Credits (253) P.33.....                | 15,868,800                    | 15,449,564              | (419,236)                  |
| 36       | Total Deferred Credits.....                           | 15,949,070                    | 15,476,726              | (472,344)                  |
| 37       | RESERVES  |                               |                         |                            |
| 38       | Reserves for Depreciation (254-256) P.13.....         | 355,949,097                   | 384,701,591             | 28,752,494                 |
| 39       | Reserves for Amortization (257-259) P.13.....         | 142,111,393                   | 153,980,575             | 11,869,182                 |
| 40       | Reserve for Uncollectible Accounts (260).....         | 7,125,598                     | 5,967,496               | (1,158,102)                |
| 41       | Operating Reserves (261-265) P.35.....                | 67,668,920                    | 53,606,439              | (14,062,481)               |
| 42       | Reserve for Depreciation and Amortization of          |                               |                         |                            |
| /        | Nonutility Property (266).....                        | 192,134                       | 192,134                 | 0                          |
| 43       | Reserves for Deferred Federal Income                  |                               |                         |                            |
|          | Taxes (267,268) P.36.....                             | 243,736,756                   | 270,420,504             | 26,683,748                 |
| 44       | Total Reserves.....                                   | 816,783,898                   | 868,868,738             | 52,084,841                 |
| 45       | CONTRIBUTIONS IN AID OF CONSTRUCTION                  |                               |                         |                            |
| 46       | Contributions in Aid of Construction (271) P. 36..... | 0                             | 0                       | 0                          |
| 47       | Total Liabilities and Other Credits.....              | 1,768,039,293                 | 1,703,240,604           | (64,798,689)               |

## STATEMENT OF INCOME FOR THE YEAR

| Line No. | Account (a)   | Current Year (b) | Increase or (Decrease) from Preceding Year (c) |
|----------|---|------------------|--|
| 1        | <b>OPERATING INCOME</b>   |                  |  |
| 2        | Operating Revenues (400) P.37,43.....   | \$ 484,353,927   | \$ (69,943,289)                                |
| 3        | Operating Expenses:   |                  |  |
| 4        | Operation Expense (401) P.42,47.....  | 382,097,094      | (73,985,400)                                   |
| 5        | Maintenance Expense (402) P.42,47.....  | 10,980,506       | 1,561,001                                      |
| 6        | Depreciation Expense (403) P.34.....  | 34,851,822       | 1,695,961                                      |
| 7        | Amortization of Utility Plant (404 and 405).....                                | 13,993,817       | (236,457)                                      |
| 8        | Asset Impairment.....   | 101,598          | 101,598  |
| 9        | Amortization of Investment Tax Credit (407.2).....                              | (223,932)        | 0  |
| 10       | Taxes Other Than Income Taxes (408) P.49.....                                   | 12,698,118       | (1,228,897)                                    |
| 11       | Income Taxes (409) P.49.....  | (17,750,147)     | (20,765,530)                                   |
| 12       | Provision for Deferred Fed. Inc. Taxes (410) P.36.....                          | 45,154,498       | 22,704,237                                     |
| 13       | Fed. Inc. Taxes Def. in Prior Yrs.-Cr. (411) P. 36.....                         | (19,231,210)     | 1,759,445                                      |
| 14       | Total Operating Expenses.....   | 462,672,163      | (68,394,043)                                   |
| 15       | Net Operating Revenues.....   | 21,681,763       | (1,549,247)                                    |
| 16       | Income from Utility Plant Leased to Others (412)-Net.....                       | 0                | .371   |
| 17       | Other Utility Operating Income (414) P.50.....                                  |                  |  |
| 18       | Total Utility Operating Income.....   | 21,681,763       | (1,548,876)                                    |
| 19       | <b>OTHER INCOME</b>   |                  |  |
| 20       | Income (Loss) from Mdse. Job & Contract Work (415) P. 51-After Taxes.....       | 42,524           | (214,580)                                      |
| 21       | Income from Nonutility Operations (417)-After Taxes.....                        | (8,337)          | (3,944)  |
| 22       | Nonoperating Rental Income (418).....   | 0                | 0  |
| 23       | Interest and Dividend Income (419)-After Taxes.....                             | 572,244          | 570,811  |
| 24       | Misc Nonoperating Income (421)-After Taxes and Earnings of Subsidiaries.....    | 978,202          | (4,511,422)                                    |
| 25       | Total Other Income.....   | 1,584,633        | (4,159,135)                                    |
| 26       | Total Income.....   | 23,266,397       | (5,708,010)                                    |
| 27       | <b>MISCELLANEOUS INCOME DEDUCTIONS</b>  |                  |  |
| 28       | Miscellaneous Amortization (425).....   | 0                | 0  |
| 29       | Other Income Deductions (426) After Taxes.....                                  | 1,037,738        | (62,441,750)                                   |
| 30       | Total Income Deductions.....  | 1,037,738        | (62,441,750)                                   |
| 31       | Income Before Interest Charges.....   | 22,228,658       | 56,733,739                                     |
| 32       | <b>INTEREST CHARGES</b>   |                  |  |
| 33       | Interest on Long-Term Debt (427) P.31.....                                      | 13,019,500       | (26,620)                                       |
| 34       | Amortization of Debt Disc. & Expense (428) P.26.....                            | 399,972          | 0  |
| 35       | Amortization of Prem. on Debt-Credit (429) P.26.....                            | 0                | 0  |
| 36       | Int. on Debt to Associated Companies (430) P.31,32.....                         | 684,675          | (2,972,873)                                    |
| 37       | Other Interest Expense (431).....   | 639,769          | 3,776,318                                      |
| 38       | Interest Charged (Credited) to Construction-Credit (432).....                   | 1,056            | 107,598  |
| 39       | Total Interest Charges.....   | 14,744,973       | 884,424  |
| 40       | Net Income.....   | \$ 7,483,686     | \$ 55,849,316                                  |
| 41       | <b>EARNED SURPLUS</b>   |                  |  |
| 42       | Unappropriated Earned Surplus (at beginning of period) (216).....               | \$ 6,775,802     | \$ (62,315,686)                                |
| 43       | Balance Transferred from Income (433).....                                      | 7,483,686        | 55,849,316                                     |
| 44       | Miscellaneous Debits to Surplus (434).....SFAS 158 Retained Earnings Adjustment | 0                | 0  |
| 45       | Miscellaneous Debits to Surplus(434).....OCI Deficits                           | 1,581,210        | -6,069,712                                     |
| 46       | Miscellaneous Credits to Surplus (434).....Tax Allocation                       | 4,915,360        | 4,376,914                                      |
| 47       | Miscellaneous Debits to Surplus (435).....Rounding                              | 0                | 0  |
| 48       | Net Additions of Earned Surplus.....  | 13,980,256       | 66,295,942                                     |
| 49       | Appropriations of Surplus for Common Stock Rights(436).....                     | 0                | 0  |
| 50       | Dividends Declared-Common Stock (438).....                                      | 4,000,000        | (6,000,000)                                    |
| 51       | Unappropriated Earned Surplus (at end of period) (216).....                     | \$ 16,756,058    | \$ 9,980,256                                   |

**STATEMENT OF EARNED SURPLUS (Accounts 215-216)**

1. Report in this schedule an accounting for changes in appropriated and unappropriated earned surplus for the year.

2. Each credit and debit during the year should be identified as to the surplus account in which included (Accounts 433-438 inclusive) and the contra primary accounts affected shown. Minor items may be grouped by classes; however, the number of items in each group should be shown.

3. For each reservation or appropriation of earned surplus state the purpose, amount, and in the case of reservations, the reserve account credited.

Explain in a footnote the basis for determining the amount reserved or appropriated and if such reservation or appropriation is to be recurrent, state the number and annual payments to be reserved or appropriated as well as the totals eventually to be accumulated.

4. Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share.

5. List credits first; then debits.

| Line No. | Item (a)   | Contra Primary Account Affected (b) | Amount (c)    |
|----------|--|-------------------------------------|---------------|
| 1        | UNAPPROPRIATED EARNED SURPLUS (Account 216)  |                                     |               |
| 2        | Balance-Beginning of Year  |                                     | \$ 6,775,802  |
| 3        | Changes: (identify by prescribed earned surplus accounts)  |                                     |               |
| 4        | Net Income - Mass operations   | -433                                | 7,483,686     |
| 5        |  |                                     |               |
| 6        |  |                                     |               |
| 7        |  |                                     |               |
| 8        |  |                                     |               |
| 9        |  |                                     |               |
| 10       | APIC tax Allocation  | Various                             | -4,915,360    |
| 11       | FAS 158 Adjustment - Pension - Northern  | Various                             | 1,040,554     |
| 12       | FAS 158 Adjustment - OPEB - Northern   | Various                             | 540,656       |
| 13       |  |                                     |               |
| 14       |  |                                     |               |
| 15       |  |                                     |               |
| 16       |  |                                     |               |
| 17       |  |                                     |               |
| 18       |  |                                     |               |
| 19       | Less: Appropriation of Earned Surplus for Common Stock Rights  |                                     |               |
| 20       | Appropriation of Earned Surplus for Common Stock Dividends   |                                     | \$ -4,000,000 |
| 21       |  |                                     |               |
| 22       |  |                                     |               |
| 23       |  |                                     |               |
| 24       |  |                                     |               |
| 25       |  |                                     |               |
| 26       |  |                                     |               |
| 27       | Balance - end of year  |                                     | \$ 16,756,058 |
| 28       | APPROPRIATED EARNED SURPLUS (Account 215)  |                                     | \$            |
| 29       | State balance and purpose of each appropriated earned surplus amount at end of year and give accounting entries for any applications of appropriated earned surplus during the year. |                                     |               |
| 30       |  |                                     |               |
| 31       |  |                                     |               |
| 32       |  |                                     |               |
| 33       |  |                                     |               |
| 34       |  |                                     |               |
| 35       |  |                                     |               |
| 36       |  |                                     |               |
| 37       |  |                                     |               |
| 38       |  |                                     |               |
| 39       |  |                                     |               |
| 40       |  |                                     |               |
| 41       |  |                                     |               |
| 42       |  |                                     |               |
| 43       |  |                                     |               |

**SUMMARY OF UTILITY PLANT AND RESERVES FOR DEPRECIATION AND AMORTIZATION**

| Line No. | Item (a)  | Total (b)        | Electric (c) | Gas (d)          | (e) | (f) | Common (g) |
|----------|---|------------------|--------------|------------------|-----|-----|------------|
| 1        | UTILITY PLANT:  |                  |              |                  |     |     |            |
| 2        | In Service:   |                  |              |                  |     |     |            |
| 3        | 101 Plant in Service (Classified)                     | \$ 1,409,409,701 |              | \$ 1,409,409,701 |     |     |            |
| 4        | 106 Completed Construction not Classified.....        | 0                |              | 0                |     |     |            |
| 5        | Total P. 18.....                                      | 1,409,409,701    |              | 1,409,409,701    |     |     |            |
| 6        | 101.1 Leased from Others.....                         | 0                |              | 0                |     |     |            |
| 7        | 105 Held for Future Use.....                          | 0                |              | 0                |     |     |            |
| 8        | 106 Completed Construction Not Classified...          | 9,369,717        |              | 9,369,717        |     |     |            |
| 8        | 107 Construction Work in Progress..                   | 6,037,140        |              | 6,037,140        |     |     |            |
| 9        | Total Utility Plant.....                              | \$ 1,424,816,557 |              | \$ 1,424,816,557 |     |     |            |
| 10       | DETAIL OF RESERVES FOR DEPRECIATION AND AMORTIZATION  |                  |              |                  |     |     |            |
| 11       | In Service:   |                  |              |                  |     |     |            |
| 12       | 254 Depreciation P. 34.....                           | \$ 384,701,591   |              | \$ 384,701,591   |     |     |            |
| 13       | 257 Amortization.....                                 | 153,980,575      |              | 153,980,575      |     |     |            |
| 14       | Total, in Service.....                                | \$ 538,682,166   |              | \$ 538,682,166   |     |     |            |
| 15       | Leased to Others:                                     |                  |              |                  |     |     |            |
| 16       | 255 Depreciation.....                                 | 0                |              |                  |     |     |            |
| 17       | 258 Amortization.....                                 | 0                |              |                  |     |     |            |
| 18       | Total, Leased to Others.....                          | 0                |              | 0                |     |     |            |
| 19       | Held For Future Use.....                              |                  |              |                  |     |     |            |
| 20       | 256 Depreciation.....                                 | 0                |              |                  |     |     |            |
| 21       | 259 Amortization.....                                 | 0                |              |                  |     |     |            |
| 22       | Total, Held for Future Use.....                       |                  |              |                  |     |     |            |
| 23       | Total Reserves for Depreciation and Amortization..... | \$ 538,682,166   |              | \$ 538,682,166   |     |     |            |

UTILITY PLANT-GAS

1. Report below the cost of utility plant in service according to prescribed accounts.  
2. Do not include as adjustments, corrections of additions and retirements for the current or

the preceding year. Such items should be included in column (c) or (d) as appropriate.  
3. Credit adjustments of plant accounts should be enclosed in parentheses to indicate the negative

effect of such amounts.  
4. Reclassifications or transfers within utility plant accounts should be shown in column (f).

| Line No. | Account (a)  | Balance Beginning of Year (b) | Additions (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Balance End of Year (g) |
|----------|--|-------------------------------|---------------|-----------------|-----------------|---------------|-------------------------|
| 1        | 1. INTANGIBLE PLANT                                  | \$                            | \$            | \$              | \$              | \$            | \$                      |
| 2        | 301 Organization.....                                | 4,432,919                     |               |                 |                 |               | 4,432,919               |
| 3        | 303 Miscellaneous Intangible Plant..                 | 472,495,097                   | 1,408,823     | 2,124,636       | 0               |               | 471,779,285             |
| 4        | Total Intangible Plant.....                          | 476,928,016                   | 1,408,823     | 2,124,636       | 0               |               | 476,212,204             |
| 5        | 2. PRODUCTION PLANT                                  |                               |               |                 |                 |               |                         |
| 6        | Manufactured Gas Production Plant...                 |                               |               |                 |                 |               |                         |
| 7        | 304 Land and Land Rights                             | 412,592                       |               |                 |                 |               | 412,592                 |
| 8        | 305 Structures and Improvements.....                 | 2,909,943                     | 179,849       | 0               |                 |               | 3,089,793               |
| 9        | 306 Boiler Plant Equipment.....                      |                               |               |                 |                 |               |                         |
| 10       | 307 Other Power Equipment.....                       |                               |               |                 |                 |               |                         |
| 11       | 310 Water Gas Generating Equipment                   |                               |               |                 |                 |               |                         |
| 12       | 311 Liquefied Petroleum Gas.....<br>Equipment.....   | 4,493,572                     | 179           |                 |                 |               | 4,493,751               |
| 13       | 312 Oil Gas Generating Equipment...                  |                               |               |                 |                 |               |                         |
| 14       | 313 Generating Equipment-Other....<br>Processes..... |                               |               |                 |                 |               |                         |
| 15       | 315 Catalytic Cracking Equipment...                  |                               |               |                 |                 |               |                         |
| 16       | 316 Other Reforming Equipment.....                   |                               |               |                 |                 |               |                         |
| 17       | 317 Purification Equipment.....                      |                               |               |                 |                 |               |                         |
| 18       | 321 LNG Equipment.....                               | 16,720,383                    | 176,964       | 0               |                 |               | 16,897,347              |
| 19       | 319 Gas Mixing Equipment.....                        |                               |               |                 |                 |               |                         |
| 20       | 320 Other Equipment.....                             | 838,544                       |               | 0               |                 |               | 838,544                 |
| 21       | Total Manufactured Gas                               |                               |               |                 |                 |               |                         |
| 22       | Production Plant.....                                | 25,375,034                    | 356,992       | 0               | 0               |               | 25,732,026              |
| 23       | 3. STORAGE PLANT                                     |                               |               |                 |                 |               |                         |
| 24       | 360 Land and Land Rights.....                        |                               |               |                 |                 |               |                         |
| 25       | 361 Structures and Improvements.....                 |                               |               |                 |                 |               |                         |
| 26       | 362 Gas Holders.....                                 |                               |               |                 |                 |               |                         |
| 27       | 363 Other Equipment.....                             |                               |               |                 |                 |               |                         |
| 28       | Total Storage Plant.....                             |                               |               |                 |                 |               |                         |

| UTILITY PLANT - GAS (Continued) |   |                         |               |                 |                 |               |                         |
|---------------------------------|---|-------------------------|---------------|-----------------|-----------------|---------------|-------------------------|
| Line No.                        | Account (a)   | Balance End of Year (g) | Additions (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Balance End of Year (g) |
| 1                               | 4. TRANSMISSION AND DISTRIBUTION PLANT              |                         |               |                 |                 |               |                         |
| 2                               | 365.1 Land and Land Rights.....                     | (0)                     |               |                 |                 |               | (0)                     |
| 3                               | 365.2 Rights of Way.....                            | 0                       |               |                 |                 |               | 0                       |
| 4                               | 366 Structures and Improvements.....                | 0                       |               |                 |                 |               | 0                       |
| 5                               | 367 Mains.....                                      | (0)                     |               |                 |                 |               | (0)                     |
| 6                               | 368 Compressor Station Equipment...                 | 0                       |               |                 |                 |               | 0                       |
| 7                               | 369 Measuring and Regulating Station Equipment..... | 0                       |               |                 |                 |               | 0                       |
| 9                               | 374 Land & Land Rights, right of Way                | 328,014                 | 0             |                 |                 |               | 328,014                 |
| 10                              | 375 Structures & Improvements.....                  | 10,065,531              | 324,635       | 6,102           | (35,261)        |               | 10,348,805              |
| 11                              | 376 Mains.....                                      | 402,668,995             | 20,760,368    | 1,514,836       |                 |               | 421,914,528             |
| 12                              | 377 Compressor Station Equipment.....               | 327,265                 |               |                 |                 |               | 327,265                 |
| 13                              | 378 Regulator Station.....                          | 19,318,010              | 968,635       | 1               |                 |               | 20,286,644              |
| 14                              | 379 Other Equipment.....                            | 0                       |               |                 |                 |               | 0                       |
| 15                              | 380 Services.....                                   | 277,599,152             | 16,365,708    | 1,285,723       |                 |               | 292,679,137             |
| 16                              | 381 Meters.....                                     | 29,098,829              | 628,037       | 372,534         |                 |               | 29,354,331              |
| 17                              | 382 Meter Installations.....                        | 57,883,472              | 3,389,600     | 64,342          |                 |               | 61,208,730              |
| 18                              | 383 House Regulators.....                           | 13,144,902              |               | 422,246         |                 |               | 12,722,656              |
| 19                              | 386 Other Property on Cust's Prem....               | 31,360,576              | 2,543,997     | 73              |                 |               | 33,904,500              |
| 20                              | 387 Other Equipment.....                            | (0)                     |               |                 |                 |               | (0)                     |
| 21                              | Total Transmission and Distribution Plant.....      | 841,794,746             | 44,980,981    | 3,665,856       | (35,261) #      | 0             | 883,074,610             |
| 23                              | 5. GENERAL PLANT                                    |                         |               |                 |                 |               |                         |
| 24                              | 389 Land and Land Rights.....                       | 172,321                 |               |                 |                 |               | 172,321                 |
| 25                              | 390 Structures and Improvements.....                | (0)                     |               |                 |                 |               | (0)                     |
| 26                              | 391 Office Furniture and Equipment.....             | 4,066,311               | 1,980,517     | 775,448         | 17,260          |               | 5,288,640               |
| 27                              | 392 Transportation Equipment.....                   | 144,327                 |               | 57,404          |                 |               | 86,923                  |
| 28                              | 393 Stores Equipment.....                           | 80,853                  |               | 34,448          |                 |               | 46,405                  |
| 29                              | 394 Tools, Shop, and Garage Eqpt....                | 3,482,218 #             | 187,020       | 0               | 18,001          |               | 3,687,239               |
| 30                              | 395 Laboratory Equipment.....                       | 177,937                 |               |                 |                 |               | 177,937                 |
| 31                              | 396 Power Operated Equipment.....                   | 17,221                  |               | 0               |                 |               | 17,221                  |
| 32                              | 397 Communication Equipment.....                    | 14,096,564              | 1,004,668     | 332,713         |                 |               | 14,768,520              |
| 33                              | 398 Miscellaneous Equipment.....                    | 162,342                 |               | 16,686          |                 |               | 145,656                 |
| 34                              | 399 Other Tangible Property.....                    |                         |               |                 |                 |               |                         |
| 35                              | Total General Plant.....                            | 22,400,094              | 3,172,205     | 1,216,699       | 35,261          | 0             | 24,390,860              |
| 36                              | Total Gas Plant in Service.....                     | 1,366,497,890           | 49,919,001    | 7,007,190       | 0 #             | 0             | 1,409,409,701           |
| 37                              | 101.1 Utility Plant Leased From Others.....         |                         |               |                 |                 |               |                         |
| 38                              | 105 Held for Future Use                             | 0                       |               |                 |                 |               | 0                       |
| 39                              | 106 Completed Construction Not Classified...        | 12,975,355              | (3,605,639)   |                 |                 |               | 9,369,716               |
| 40                              | 107 Construction Work in Progress.....              | 10,645,195              | (4,608,054)   |                 |                 |               | 6,037,141               |
| 41                              | Total Utility Plant - Gas.....                      | 1,390,118,440           | 41,705,308    | 7,007,190       | 0               | 0             | 1,424,816,557           |

Note: Completed Construction Not Classified, Account 106, shall be classified in this schedule according to prescribed accounts, on an estimated basis if necessary, and the entries included in column (c). Also to be included in column (c) are entries for reversals of tentative distribution of prior year reported in column (c). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, a tentative distribution of such retirements on an estimated basis with appropriate contra entry to the Depreciation Reserve Account, shall be included in column (d). Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach an insert page showing the account distributions of these tentative classifications in columns (c) and (d) including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.



| NONUTILITY PROPERTY (ACCOUNT 121)  |                                 |                               |                          |                          |                                       |
|--|---------------------------------|-------------------------------|--------------------------|--------------------------|---------------------------------------|
| Give particulars of all investments of the respondent in physical property not devoted to utility operation. |                                 |                               |                          |                          |                                       |
| Line No.   | Description and Location (a)    | Book Value at End of Year (b) | Revenue for the Year (c) | Expense for the Year (d) | Net Income after Tax for the Year (e) |
| 1  |                                 |                               |                          |                          |                                       |
| 2  |                                 |                               |                          |                          |                                       |
| 3  | <u>Non-Utility Property</u>     |                               |                          |                          |                                       |
| 4  |                                 |                               |                          |                          |                                       |
| 6  | Land - Belmont Street, Brockton | \$ 29,197                     | 0                        | 0                        | 0                                     |
| 7  | Land - Canton St., Canton       | 40,380                        | 0                        | 0                        | 0                                     |
| 8  | Land - Meadow Lane, Brockton    | 5,519                         | 0                        | 0                        | 0                                     |
| 9  |                                 | 75,096                        | 0                        | 0                        | 0                                     |
| 10   |                                 |                               |                          |                          |                                       |
| 11   | <u>Other Non-Utility - 398</u>  | 192,134                       |                          |                          |                                       |
| 12   |                                 |                               |                          |                          |                                       |
| 13   |                                 |                               |                          |                          |                                       |
| 14   |                                 |                               |                          |                          |                                       |
| 15   |                                 |                               |                          |                          |                                       |
| 16   |                                 |                               |                          |                          |                                       |
| 17   |                                 |                               |                          |                          |                                       |
| 18   |                                 |                               |                          |                          |                                       |
| 19   |                                 |                               |                          |                          |                                       |
| 20   |                                 |                               |                          |                          |                                       |
| 21   |                                 |                               |                          |                          |                                       |
| 22   |                                 |                               |                          |                          |                                       |
| 23   |                                 |                               |                          |                          |                                       |
| 24   |                                 |                               |                          |                          |                                       |
| 25   |                                 |                               |                          |                          |                                       |
| 26   |                                 |                               |                          |                          |                                       |
| 27   |                                 |                               |                          |                          |                                       |
| 28   |                                 |                               |                          |                          |                                       |
| 29   |                                 |                               |                          |                          |                                       |
| 30   |                                 |                               |                          |                          |                                       |
| 31   |                                 |                               |                          |                          |                                       |
| 32   |                                 |                               |                          |                          |                                       |
| 33   |                                 |                               |                          |                          |                                       |
| 34   |                                 |                               |                          |                          |                                       |
| 35   |                                 |                               |                          |                          |                                       |
| 36   |                                 |                               |                          |                          |                                       |
| 38   |                                 |                               |                          |                          |                                       |
| 39   |                                 |                               |                          |                          |                                       |
| 40   |                                 |                               |                          |                          |                                       |
| 41   |                                 |                               |                          |                          |                                       |
| 42   |                                 |                               |                          |                          |                                       |
| 43   |                                 |                               |                          |                          |                                       |
| 44   |                                 |                               |                          |                          |                                       |
| 45   |                                 |                               |                          |                          |                                       |
| 46   |                                 |                               |                          |                          |                                       |
| 47   |                                 |                               |                          |                          |                                       |
| 48   |                                 |                               |                          |                          |                                       |
| 49   |                                 |                               |                          |                          |                                       |
| 50   |                                 |                               |                          |                          |                                       |
| 51   |                                 |                               |                          |                          |                                       |
| 52   |                                 |                               |                          |                          |                                       |
| 53   | TOTALS                          | \$ 267,230                    | \$ 0                     | \$ 0                     | \$ 0                                  |

Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

**INVESTMENTS (ACCOUNTS 121, 136)**

Give particulars of all investments in stocks, bonds, notes, etc. held by the respondent at the end of the year.  
Provide a subheading for each list thereunder the information called for.

| Line<br>No. | Description of Security Held by Respondent<br>(a)   | Amount<br>(b)      |
|-------------|---|--------------------|
| 1           | Investment in Northern Utilities, Inc.:   |                    |
| 2           | 100 Shares of Common Stock @ \$10 par   | 0                  |
| 3           | Other Equity  | 0                  |
| 4           | Total Investment in Northern Utilities, Inc.  | <u>0</u>           |
| 5           |   |                    |
| 6           | Investment in Northern:   |                    |
| 7           | Other Equity  | (2,907,292)        |
| 8           | Total Investment in Bay State Northern  | <u>(2,907,292)</u> |
| 9           | Note: Reflects pension and OPEB items remaining with Bay State related to Northern Utilities retirees |                    |
| 10          |   |                    |
| 11          |   |                    |
| 12          |   |                    |
| 13          |   |                    |
| 14          | Other Investments:  |                    |
| 15          | Springfield Area Development Corp.: "A" Stock, 500 Shares   | 2,500              |
| 16          | "B" Stock, 5,500 Shares   | 22,500             |
| 17          |   |                    |
| 18          |   |                    |
| 19          | Total Other Investments   | <u>25,000</u>      |

Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

**NOTES RECEIVABLE (Account 141)**

1. Give the particulars called for below concerning notes receivable at the end of year.

2. Give particulars of any note pledged or discounted.

3. Minor items may be grouped by classes, showing number of such items.

4. Designate any note the maker of which is a director, officer or other employee.

| Line No. | Name of Maker and Purpose for Which Received<br>(a) | Date of Issue<br>(b) | Date of Maturity<br>(c) | Amount End of Year<br>(e) |
|----------|---|----------------------|-------------------------|---------------------------|
| 1        |   |                      |                         |                           |
| 2        |   |                      |                         |                           |
| 3        |   |                      |                         |                           |
| 4        |   |                      |                         |                           |
| 5        |   |                      |                         |                           |
| 6        |   |                      |                         |                           |
| 7        |   |                      |                         |                           |
| 8        |   |                      |                         |                           |
| 9        |   |                      |                         |                           |
| 10       |   |                      |                         |                           |
| 11       |   |                      |                         |                           |
| 12       |   |                      |                         |                           |
| 13       |   |                      |                         |                           |
| 14       |   |                      |                         |                           |
| 15       |   |                      |                         |                           |
| 16       |   |                      |                         |                           |
| 17       |   |                      |                         |                           |
| 18       |   |                      |                         |                           |
| 19       |   |                      |                         |                           |
| 20       |   |                      |                         |                           |
| 21       |   |                      |                         |                           |
| 22       |   |                      |                         | \$0                       |

**ACCOUNTS RECEIVABLE (Accounts 142, 143)**

1. Give the particulars called for below concerning accounts receivable at end of year.

2. Designate any account included in Account 143 in excess of \$5,000.

| Line No. | Description<br>(a)                       | Amount End of Year<br>(b) |
|----------|--|---------------------------|
| 23       | Customers (Account 142):                 |                           |
| 24       |  |                           |
| 25       | Gas                                      | \$51,631,044              |
| 26       | Other Gas Utility                        | \$3,579,143               |
| 27       | Non-Utility                              | \$458,077                 |
| 28       |  |                           |
| 29       |  |                           |
| 30       | Other Accounts Receivable (Account 143): |                           |
| 31       |  |                           |
| 32       | New Business                             | \$100,295                 |
| 33       | Reimbursable Capital Projects            | \$517,049                 |
| 34       | Rate Refund                              | \$4,216,036               |
| 35       | Miscellaneous                            | \$10,320                  |
| 36       |  |                           |
| 37       |  |                           |
| 38       |  |                           |
| 39       |  |                           |
| 40       |  |                           |
| 41       |  |                           |
| 42       |  | \$60,511,965              |
| 43       | Total Notes and Accounts Receivable      | \$60,511,965              |

**RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145,146)**

- 1. Report particulars of notes and accounts receivable from associated companies at end of year.
- 2. Provide separate headings and totals for Account 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.
- 3. For notes receivable list each note separately and state purpose for which received. Show also in column (a) date of note and date of maturity.
- 4. If any note was received in satisfaction of an open account, state the period covered by such open account.
- 5. Include in column (d) interest recorded as income during the year, including interest on accounts and notes held any time during the year.
- 6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

| Line No. | Name of Company (a)               | Amount End of Year (b) | Interest for Year |            |
|----------|-----------------------------------|------------------------|-------------------|------------|
|          |                                   |                        | Rate (c)          | Amount (d) |
|          | Accounts Receivable (Account 146) |                        |                   |            |
| 1        | NiSource                          | \$ 1,347,525           |                   | \$ 0       |
| 2        |                                   |                        |                   |            |
| 3        |                                   |                        |                   |            |
| 4        |                                   |                        |                   |            |
| 5        |                                   |                        |                   |            |
| 6        |                                   |                        |                   |            |
| 7        |                                   |                        |                   |            |
| 8        |                                   |                        |                   |            |
| 9        |                                   |                        |                   |            |
| 10       |                                   |                        |                   |            |
| 11       |                                   |                        |                   |            |
| 12       |                                   |                        |                   |            |
| 13       |                                   |                        |                   |            |
| 14       |                                   |                        |                   |            |
| 15       |                                   |                        |                   |            |
| 16       |                                   |                        |                   |            |
| 17       |                                   |                        |                   |            |
| 18       |                                   |                        |                   |            |
| 19       |                                   |                        |                   |            |
| 20       |                                   |                        |                   |            |
| 21       |                                   |                        |                   |            |
| 22       |                                   |                        |                   |            |
| 23       |                                   |                        |                   |            |
| 24       |                                   |                        |                   |            |
| 25       |                                   |                        |                   |            |
| 26       |                                   |                        |                   |            |
| 27       |                                   |                        |                   |            |
| 28       |                                   |                        |                   |            |
| 29       |                                   |                        |                   |            |
| 30       |                                   |                        |                   |            |
| 31       |                                   |                        |                   |            |
| 32       |                                   |                        |                   |            |
| 33       |                                   |                        |                   |            |
| 34       |                                   |                        |                   |            |
| 35       |                                   |                        |                   |            |
| 36       |                                   |                        |                   |            |
| 37       |                                   |                        |                   |            |
| 38       |                                   |                        |                   |            |
| 39       |                                   |                        |                   |            |
| 40       |                                   |                        |                   |            |
| 41       |                                   |                        |                   |            |
| 42       |                                   |                        |                   |            |
| 43       | TOTALS                            | \$ 1,347,525           |                   | \$ 0       |
| 44       |                                   |                        |                   |            |

Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

| <b>MATERIALS AND SUPPLIES (Accounts 151-159,163)</b><br>Summary Per Balance Sheet |  |                    |               |
|---|--|--------------------|---------------|
| Line<br>No.   | Account<br>(a)                                       | Amount End of Year |               |
|   |  | Electric<br>(b)    | Gas<br>(c)    |
| 1   | Fuel (Account 151) (See Schedule, Page 25)           |                    | \$ 18,647,746 |
| 2   |  |                    |               |
| 3   |  |                    |               |
| 4   | Plant Materials and Operating Supplies (Account 154) |                    | 4,330,862     |
| 5   |  |                    |               |
| 6   |  |                    |               |
| 7   |  |                    |               |
| 8   |  |                    |               |
| 9   |  |                    |               |
| 10  | Stores Expense (Account 163)                         |                    | 0             |
| 11  |  |                    |               |
| 12  | Total Per Balance Sheet                              |                    | \$ 22,978,608 |

Annual report of ..... BAY STATE GAS COMPANY.....Year ended December 31, 2009

**PRODUCTION FUEL AND OIL STOCKS - Included in Account 151**  
(Except Nuclear Materials)

1. Report below the information called for concerning production fuel and oil stocks.
2. Show quantities in tons of 2,000 lbs., gal., or Mcf., whichever unit of quantity is applicable.
3. Each kind of coal or oil should be shown separately.
4. Show gas and electric fuels separately by specific use.

| Line No. | Item (a)                       | Total Cost (b) | Kinds of Fuel and Oil  |           |                       |            |
|----------|--------------------------------|----------------|------------------------|-----------|-----------------------|------------|
|          |                                |                | Liquid Propane         |           | Liquefied Natural Gas |            |
|          |                                |                | Quantity (Gallons) (c) | Cost (d)  | Quantity (MMBTU) (e)  | Cost (f)   |
| 1        | On Hand Beginning of Year..... | 32,767,827     | 1,268,863              | 1,446,965 | 1,641,996             | 19,039,656 |
| 2        | Received During Year.....      | 15,165,752     | 990,418                | 974,458   | 1,417,736             | 8,043,950  |
| 3        | TOTAL.....                     | 47,933,579     | 2,259,281              | 2,421,423 | 3,059,732             | 27,083,606 |
| 4        | Used During Year.....          |                |                        |           |                       |            |
| 5        | Retail Bottled Gas Sale        |                |                        |           |                       |            |
| 6        |                                |                |                        |           |                       |            |
| 7        |                                |                |                        |           |                       |            |
| 8        |                                |                |                        |           |                       |            |
| 9        |                                |                |                        |           |                       |            |
| 10       |                                |                |                        |           |                       |            |
| 11       | Sold or Transferred.....       | 29,285,833     | 787,888                | 1,115,117 | 1,570,930             | 15,731,034 |
| 12       | TOTAL DISPOSED OF.....         | 29,285,833     | 787,888                | 1,115,117 | 1,570,930             | 15,731,034 |
| 13       | BALANCE END OF YEAR.....       | 18,647,746     | 1,471,393              | 1,306,306 | 1,488,802             | 11,352,572 |

  

| Line No. | Item (g)                       | Kinds of Fuel and Oil - Continued |          |                      |            |
|----------|--------------------------------|-----------------------------------|----------|----------------------|------------|
|          |                                | Retail Propane                    |          | Natural Gas          |            |
|          |                                | Quantity (Gallons) (h)            | Cost (i) | Quantity (MMBTU) (j) | Cost (k)   |
| 14       | On Hand Beginning of Year..... | 0                                 | 0        | 1,299,303            | 12,281,206 |
| 15       | Received During Year.....      | 0                                 | 0        | 1,535,139            | 6,147,344  |
| 16       | TOTAL.....                     | 0                                 | 0        | 2,834,442            | 18,428,550 |
| 17       | Used During Year.....          |                                   |          |                      |            |
| 18       | Retail Propane Sales.....      |                                   |          |                      |            |
| 19       |                                |                                   |          |                      |            |
| 20       |                                |                                   |          |                      |            |
| 21       |                                |                                   |          |                      |            |
| 22       |                                |                                   |          |                      |            |
| 23       |                                |                                   |          |                      |            |
| 24       | Sold or Transferred.....       | 0                                 | 0        | 1,550,074            | 12,439,682 |
| 25       | TOTAL DISPOSED OF.....         | 0                                 | 0        | 1,550,074            | 12,439,682 |
| 26       | BALANCE END OF YEAR.....       | 0                                 | 0        | 1,284,368            | 5,988,868  |

Annual report of ..... BAY STATE GAS COMPANY ..... Year ended December 31, 2009

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND UNAMORTIZED PREMIUM ON DEBT (Accounts 181, 251)

1. Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particularly of discount and expense or premium applicable to each class and series of long-term debt.  
 2. Show premium amounts by enclosure in parentheses.  
 3. In column (b) show the principal amount of bonds or other long-term debt originally issued.

4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.  
 5. Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year, also, date of the Department's authorization of treatment other than as specified by the Uniform System of Accounts.

6. Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.  
 7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount or Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

| Line No. | Designation of Long-Term Debt<br>(a)                 | Balance at the end of the reporting year | Principal Amount of Securities to which Discount and Expenses or Premium Minus Expense, Relates (Omit Cents)<br>(b) | Total Discount and Expense or Net Premium (Omit Cents)<br>(c) | Amortization Period |           | Balance Beginning of Year<br>(f) | Debits During Year<br>(g) | Credits During Year<br>(h) | Balance End of Year<br>(i) |
|----------|--|--|---|---|---------------------|-----------|----------------------------------|---------------------------|----------------------------|----------------------------|
|          |  |  |   |   | From<br>(d)         | To<br>(e) |                                  |                           |                            |                            |
| 1        | 9.20% Notes, due June 06, 2011 (see Note below)      | 8,500,000                                | 10,000,000  | 151,734   | 06/05/91            | 06/06/11  | 18,328                           |                           | 7,584                      | 10,744                     |
| 2        | 6.43% Notes, due December 15, 2025                   | 10,000,000                               | 10,000,000  | 2,148,966   | 12/15/95            | 12/15/25  | 1,217,676                        |                           | 71,628                     | 1,146,048                  |
| 3        | 6.26% Notes, due February 15, 2028                   | 30,000,000                               | 30,000,000  | 5,957,659   | 12/15/98            | 2/15/28   | 3,662,626                        |                           | 191,928                    | 3,470,698                  |
| 4        | 5.4% Notes, due March 18, 2013                       | 50,000,000                               | 50,000,000  | 8,640   | 03/17/03            | 03/18/13  | 3,672                            |                           | 864                        | 2,808                      |
| 5        | 5.58% Notes due December 20, 2019                    | 35,000,000                               | 35,000,000  | 14,078  | 12/20/04            | 12/20/19  | 10,296                           |                           | 936                        | 9,360                      |
| 6        | 5.94% Notes due December 20, 2024                    | 35,000,000                               | 35,000,000  | 14,079  | 12/20/04            | 12/20/24  | 11,136                           |                           | 696                        | 10,440                     |
| 7        | 5.25% Notes, due June 19, 2015                       | 10,000,000                               | 10,000,000  | 0   |                     |           | 0                                |                           | 0                          | 0                          |
| 8        | 5.44% Notes due July 31, 2015                        | 5,000,000                                | 5,000,000   | 0   |                     |           | 0                                |                           | 0                          | 0                          |
| 9        | 6.25% Notes due April 1, 2016                        | 35,000,000                               | 35,000,000  | 0   |                     |           | 0                                |                           | 0                          | 0                          |
| 10       |  |  |   |   |                     |           |                                  |                           |                            |                            |
| 11       | portion of 9.2% note retired in 1996 - \$1,500,000   |  |   |   |                     |           |                                  |                           |                            |                            |
| 12       | Acct 181 TOTALS (Credits tie to 428 account charges) |  |   |   |                     |           | 4,923,734                        | 0                         | 273,636                    | 4,650,098                  |
| 13       | TOTALS   | 218,500,000                              | 220,000,000   | 8,295,166   |                     |           |                                  |                           |                            |                            |

**EXTRAORDINARY PROPERTY LOSSES (Account 182)**

1. Report below particulars concerning the accounting for extraordinary property losses.  
 2. In column (a) describe the property abandoned or extraordinary loss suffered, date of abandonment or loss, date of Department authorization of use of Account 182, and period over which amortization is being made.

| Line No. | Description of Property Loss or Damage (a) | Total Amount of Loss (b) | Previously Written Off (c) | Written off During Year |               | Balance End of Year (f) |
|----------|--|--------------------------|----------------------------|-------------------------|---------------|-------------------------|
|          |  |                          |                            | Account Charged (d)     | Amount Amount |                         |
| 1        |  |                          |                            |                         |               |                         |
| 2        |  |                          |                            |                         |               |                         |
| 3        |  |                          | NONE                       |                         |               |                         |
| 4        |  |                          |                            |                         |               |                         |
| 5        |  |                          |                            |                         |               |                         |
| 6        |  |                          |                            |                         |               |                         |
| 7        |  |                          |                            |                         |               |                         |
| 8        |  |                          |                            |                         |               |                         |
| 9        |  |                          |                            |                         |               |                         |
| 10       |  |                          |                            |                         |               |                         |
| 11       | TOTALS                                     |                          |                            |                         |               |                         |

**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

1. Report below the particulars called for concerning miscellaneous deferred debits.  
 2. For any deferred debit being amortized show period of amortization.  
 3. Minor items may be grouped by classes, showing number of such items.

| Line No. | Description (a)                                   | Balance Beginning of Year (b) | Debits (c) | Credits             |               | Balance End of Year (f) |
|----------|---|-------------------------------|------------|---------------------|---------------|-------------------------|
|          |   |                               |            | Account Charged (d) | Amount (d)    |                         |
| 12       | Regulatory Asset - Working Capital                | 383,986                       | 2,235,371  | -495                | 2,527,156     | 92,201                  |
| 13       | Regulatory Asset - DSM                            | (1,609,135)                   | 11,903,063 | 923,486             | 10,028,665    | 265,263                 |
| 14       | Regulatory Asset - LDAC Recoveries Unbilled       | (2,279,110)                   | 0          | 930                 | 892,427       | (3,171,537)             |
| 15       | Regulatory Asset - Production & Storage           | 935,138                       | 7,804,760  | 495                 | 7,692,898     | 1,047,000               |
| 16       | Long Term Asset - OPEB                            | 0                             | 149        |                     | 0             | 149                     |
| 17       | Regulatory Asset - Environmental - Incurred Costs | 13,672,867                    | 2,622,570  | 932                 | 2,396,890     | 13,898,547              |
| 18       | Regulatory Asset - Environmental - Expected Costs | 6,420,700                     | 1,896,100  | 242,253             | 1,605,700     | 6,711,100               |
| 19       | Regulatory Asset - Bad Debt - Gas Portion         | 10,618,904                    | 7,571,056  | 904,186             | 8,797,678     | 9,392,282               |
| 20       | Regulatory Asset - Debt Redemption                | 1,108,448                     | 0          | 428                 | 126,336       | 982,112                 |
| 21       | Regulatory Asset - Rate Case Expense              | 1,677,425                     | 2,163,941  | 928                 | 1,733,631     | 2,107,735               |
| 22       | Regulatory Asset - Metscan                        | 9,415,354                     | 0          | 930                 | 1,361,256     | 8,054,098               |
| 23       | Regulatory Asset - Pension Tracker                | 3,699,489                     | 12,286,088 | 926                 | 7,410,125     | 8,575,452               |
| 24       | Regulatory Asset - Residential Discount           | 134,108                       | 10,368,029 | -495                | 7,469,945     | 3,032,192               |
| 25       | Regulatory Asset - BSG Cares                      | (155,937)                     | 221,629    | -495                | 94,910        | (29,218)                |
| 26       | Regulatory Asset - FAS 109 Taxes                  | -4,053,223                    | 0          | 278                 | 433,740       | 3,619,483               |
| 27       | Regulatory Asset - Pension SFAS 158               | 55,702,615                    | 320,342    | 926,261-265         | 4,621,205     | 51,401,752              |
| 28       | Regulatory Asset - OPEB SFAS 158                  | 29,516,673                    | 12,753     | 926,261-265         | 7,435,591     | 22,093,835              |
| 29       | Credit Balance Regulatory Assets Transferred      | 2,418,155                     | 10,519,860 | 253                 | 12,224,383    | 713,632                 |
| 30       | Attorney General Consulting Fees                  | 0                             | 100,313    | 928                 | 12,531        | 87,782                  |
| 31       | Decoupling- Residential Heating peak              | 0                             | 2,785,516  | -495                | 1,472,138     | 1,313,378               |
| 32       | Northern Remainder                                | 0                             | 5,924,607  | 131,253             | 5,725,727     | 198,880                 |
| 33       | Misc Deferred Debit                               | 149,827                       | 83,744     | 242                 | 233,571       | 0                       |
| 34       |   |                               |            |                     |               |                         |
| 35       | TOTALS  | \$ 135,862,730                | 78,819,891 |                     | \$ 84,296,503 | 130,386,118             |
| 36       |   |                               |            |                     |               |                         |
| 37       |   |                               |            |                     |               |                         |



THIS PAGE INTENTIONALLY LEFT BLANK  
[NEXT PAGE IS 29]

**CAPITAL STOCK AND PREMIUM (Accounts 201, 204, and 207)**

1. Report below the particulars called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show totals separately for common and preferred stock.  
 2. Entries in column (b) should represent the number of shares authorized by the Department.  
 3. Give particulars concerning shares of any class

and series of stock authorized to be issued by the Department which have not yet been issued.  
 4. The designation of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.  
 5. State if any capital stock which has been nominally issued is nominally outstanding at end of year.

6. Give particulars of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

| Line No. | Class and Series of Stock (a)  | Number of Shares Authorized (b) | Par Value per Share (c) | Amount Authorized (d) | Outstanding per Balance Sheet * |            | Premium at End of Year (g) |
|----------|--|---------------------------------|-------------------------|-----------------------|---------------------------------|------------|----------------------------|
|          |  |                                 |                         |                       | Shares (e)                      | Amount (f) |                            |
| 1        | Common Stock   | 1,000                           | 1                       | 1,000                 | 100                             | 100        | 411,771,866                |
| 2        |  |                                 |                         |                       |                                 |            |                            |
| 3        |  |                                 |                         |                       |                                 |            |                            |
| 4        |  |                                 |                         |                       |                                 |            |                            |
| 5        |  |                                 |                         |                       |                                 |            |                            |
| 6        |  |                                 |                         |                       |                                 |            |                            |
| 7        |  |                                 |                         |                       |                                 |            |                            |
| 8        |  |                                 |                         |                       |                                 |            |                            |
| 9        |  |                                 |                         |                       |                                 |            |                            |
| 10       | In connection with the Company's merger with NiSource Inc., 100 shares of Common Stock, \$1.00 Par Value were issued, as approved in DTE #98-31, dated November 5, 1998. |                                 |                         |                       |                                 |            |                            |
| 11       |  |                                 |                         |                       |                                 |            |                            |
| 12       |  |                                 |                         |                       |                                 |            |                            |
| 13       |  |                                 |                         |                       |                                 |            |                            |
| 14       |  |                                 |                         |                       |                                 |            |                            |
| 15       | Bay State recorded a dividend for \$30,000,000 dollars in November 2009. This dividend was recorded as a reduction in Account 207. Detail on page 34-A.                  |                                 |                         |                       |                                 |            |                            |
| 16       |  |                                 |                         |                       |                                 |            |                            |
| 17       |  |                                 |                         |                       |                                 |            |                            |
| 18       |  |                                 |                         |                       |                                 |            |                            |
| 19       |  |                                 |                         |                       |                                 |            |                            |
| 20       |  |                                 |                         |                       |                                 |            |                            |
| 21       |  |                                 |                         |                       |                                 |            |                            |
| 22       |  |                                 |                         |                       |                                 |            |                            |
| 23       |  |                                 |                         |                       |                                 |            |                            |
| 24       |  |                                 |                         |                       |                                 |            |                            |
| 25       |  |                                 |                         |                       |                                 |            |                            |
| 26       |  |                                 |                         |                       |                                 |            |                            |
| 27       |  |                                 |                         |                       |                                 |            |                            |
| 28       |  |                                 |                         |                       |                                 |            |                            |
| 29       |  |                                 |                         |                       |                                 |            |                            |
| 30       |  |                                 |                         |                       |                                 |            |                            |
| 31       | TOTALS   | 1,000                           |                         | 1,000                 | 100                             | 100        | 411,771,866                |

\* Total amount outstanding without reduction for amounts held by respondent.

**OTHER PAID-IN CAPITAL (Accounts 208-211)**

1. Report below balance at end of year and the information specified in the instructions below for respective other paid-in capital accounts. Provide a conspicuous subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet. Additional columns may be added for any account if deemed necessary. Explain the change in any account during the year and give the accounting entries effecting such change.

2. Donations received from Stockholders (Account 208) - State amount and give brief explanation of the origin and purpose of each donation.

3. Reduction in Par Value of Capital Stock (Account 209) - State amount and give brief explanation

nation of the capital changes which gave rise to amounts reported under the caption including identification with the class and series of stock to which related.

4. Gain on Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a succinct designation of the nature of each credit and debit identified as to class and series of stock to which related.

5. Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account at end year according to captions which, together with brief explanations, disclose the general nature of transactions which gave rise to the reported amounts.

| Line No. | Item (a)           | Amount (b) |
|----------|--------------------|------------|
| 1        |                    |            |
| 2        | Tax Allocation     | 7,231,219  |
| 3        | Stock Compensation | (31,877)   |
| 4        |                    |            |
| 5        |                    |            |
| 6        |                    |            |
| 7        |                    |            |
| 8        |                    |            |
| 9        |                    |            |
| 10       |                    |            |
| 11       |                    |            |
| 12       |                    |            |
| 13       |                    |            |
| 14       |                    |            |
| 15       |                    |            |
| 16       |                    |            |
| 17       |                    |            |
| 18       |                    |            |
| 19       |                    |            |
| 20       |                    |            |
| 21       |                    |            |
| 22       |                    |            |
| 23       |                    |            |
| 24       |                    |            |
| 25       |                    |            |
| 26       |                    |            |
| 27       |                    |            |
| 28       |                    |            |
| 29       |                    |            |
| 30       |                    |            |
| 31       |                    |            |
| 32       |                    |            |
| 33       |                    |            |
| 34       |                    |            |
| 35       |                    |            |
| 36       |                    |            |
| 37       |                    |            |
| 38       |                    |            |
| 39       |                    |            |
| 40       |                    |            |
| 41       |                    |            |
| 42       |                    |            |
| 43       | TOTAL              | 7,199,342  |

Annual report of ..... BAY STATE GAS COMPANY ..... Year ended December 31, 2009

## LONG TERM DEBT (Accounts 221,223-224)

Report by balance sheet accounts particulars concerning long-term debt in Accounts 221, Bonds;  
223 Advances from Associated Companies; and 224, Other Long-Term Debt.

| Line No. | Class and Series of Obligation<br>(a) | Date of Issue<br>(b) | Date of Maturity<br>(c) | Amount Authorized<br>(d) | Amount Actually Outstanding at End of Year<br>(e) | Interest Provisions  |                  | Interest Accrued During Year, Charged to Income<br>(h) | Interest Paid During Year<br>(i) |
|----------|---------------------------------------|----------------------|-------------------------|--------------------------|---|----------------------|------------------|--|----------------------------------|
|          |                                       |                      |                         |                          |   | Rate per Cent<br>(f) | Dates Due<br>(g) |  |                                  |
| 1        | 9.20% notes, due June 6, 2011         | 6/5/91               | 6/6/11                  | 10,000,000               | 8,500,000   | 9.2%                 | 5/1-11/1         | 782,000  | 782,000                          |
| 2        | 6.43% notes, due Dec. 15, 2025        | 12/15/95             | 12/15/25                | 10,000,000               | 10,000,000  | 6.43%                | 6/12-12/15       | 643,000  | 643,000                          |
| 3        | 6.26% notes, due Feb. 15, 2028        | 2/15/98              | 2/15/28                 | 30,000,000               | 30,000,000  | 6.26%                | 2/1-8/1          | 1,878,000  | 1,878,000                        |
| 4        | 5.40% notes, due March 18, 2013       | 3/21/03              | 3/18/13                 | 50,000,000               | 50,000,000  | 5.40%                | 6/1-12/1         | 2,700,000  | 2,700,000                        |
| 5        | 5.58% notes, due December 20, 2019    | 12/21/04             | 12/20/19                | 35,000,000               | 35,000,000  | 5.58%                | 6/1-12/1         | 1,953,000  | 1,953,000                        |
| 6        | 5.94% notes, due December 20, 2024    | 12/21/04             | 12/20/24                | 35,000,000               | 35,000,000  | 5.94%                | 6/1-12/1         | 2,079,000  | 2,079,000                        |
| 7        | 5.25% notes, due June 19, 2015        | 6/21/05              | 6/19/15                 | 10,000,000               | 10,000,000  | 5.25%                | 6/1-12/1         | 525,000  | 525,000                          |
| 8        | 5.44% notes, due July 31, 2015        | 8/1/05               | 7/31/15                 | 5,000,000                | 5,000,000   | 5.44%                | 2/1-8/1          | 272,000  | 272,000                          |
| 9        | 6.25% notes, due April 1, 2016        | 4/3/06               | 4/1/16                  | 35,000,000               | 35,000,000  | 6.25%                | 6/1 -12/1        | 2,187,500  | 2,187,500                        |
| 10       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 11       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 12       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 13       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 14       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 15       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 16       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 17       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 18       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 19       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 20       |                                       |                      |                         |                          |   |                      |                  |  |                                  |
| 21       | TOTALS                                |                      |                         | \$ 220,000,000           | \$ 218,500,000                                    |                      |                  | \$ 13,019,500  | \$ 13,019,500                    |

For issues of long-term debt made during current year state purpose for which issued, date of issue, Department authorization date and D.P.U. #.

no long-term debt issuances in 2009

**NOTES PAYABLE (Account 231)**

Report the particulars indicated concerning notes payable at end of year.

| Line No. | Payee (a)      | Date of Note (b) | Date of Maturity (c) | Int. Rate (d) | Balance End of Year (e) |      |
|----------|----------------|------------------|----------------------|---------------|-------------------------|------|
| 1        | Notes Payable: |                  |                      |               |                         |      |
| 2        |                |                  |                      |               |                         |      |
| 3        |                |                  |                      |               |                         |      |
| 4        |                |                  |                      |               |                         |      |
| 5        |                |                  |                      |               |                         |      |
| 6        |                |                  |                      |               |                         |      |
| 7        |                |                  |                      |               |                         |      |
| 8        |                |                  |                      |               |                         |      |
| 13       |                |                  |                      |               |                         |      |
| 14       |                |                  |                      |               |                         |      |
| 15       |                |                  |                      |               |                         |      |
| 16       |                |                  |                      |               |                         |      |
| 17       |                |                  |                      |               |                         |      |
| 18       |                |                  |                      |               |                         |      |
| 19       |                |                  |                      |               |                         |      |
| 20       |                |                  |                      |               |                         |      |
| 21       |                | TOTAL            |                      |               |                         | \$ 0 |

**PAYABLES TO ASSOCIATED COMPANIES (Accounts 233, 234)**

Report particulars of notes and accounts payable to associated companies at end of year.

| Line No. | Name of Company (a)                    | Amount End of Year (b) | Interest for Year |            |
|----------|--|------------------------|-------------------|------------|
|          |  |                        | Rate (c)          | Amount (d) |
| 22       | Accounts Payable (Account 234)         |                        |                   |            |
| 23       | Nisource Corporate Services            | \$ 4,989,212           | see table         | \$ NONE    |
| 24       | NiSource, Inc.                         | 1,506,059              |                   | \$ NONE    |
| 25       | Nisource Money Pool and Interest       | 83,292,665             |                   | 684,675    |
| 26       | Columbia Gas of Virginia               | 27,954                 |                   |            |
| 27       |  |                        |                   |            |
| 28       |  |                        |                   |            |
| 29       |  |                        |                   |            |
| 30       | Interest Rates for Nisource Money Pool |                        |                   |            |
| 31       | January                                | 1.08%                  |                   |            |
| 32       | February                               | 1.05%                  |                   |            |
| 33       | March                                  | 1.50%                  |                   |            |
| 34       | April                                  | 0.41%                  |                   |            |
| 35       | May                                    | 0.38%                  |                   |            |
| 36       | June                                   | 0.37%                  |                   |            |
| 37       | July                                   | 0.23%                  |                   |            |
| 38       | August                                 | 0.19%                  |                   |            |
| 39       | September                              | 0.41%                  |                   |            |
| 40       | October                                | 0.52%                  |                   |            |
| 41       | November                               | 0.76%                  |                   |            |
| 42       | December                               | 0.70%                  |                   |            |
| 43       |  |                        |                   |            |
| 44       |  |                        |                   |            |
| 45       |  |                        |                   |            |
| 46       | TOTALS                                 | \$ 89,815,890          |                   | 684,675    |

Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)**

1. Report the amount and description of other current and accrued liabilities at end of year.
2. Minor items may be grouped under appropriate title.

| Line No. | Item (a)  | Amount (b)    |
|----------|---|---------------|
| 1        | Accrued Vacation                                  | \$ 3,459,000  |
| 2        | Current ERC Liabilities                           | 757,700       |
| 3        | Accrued Payroll                                   | 632,000       |
| 4        | Accrued Incentives                                | 1,964,502     |
| 5        | Accrued Itron Lease                               | 0             |
| 6        | Payroll liability                                 | 50,032        |
| 7        | Thrift Restoration                                | 12,142        |
| 8        | Accrued medical, dental and pharmacy expenses     | 103,572       |
| 9        | Accounts Receivable - Budget Plan Credit Balances | 18,824,393    |
| 10       | Accrued Professional Services                     | 127,464       |
| 11       | Supplier Refunds Peak                             | 830,025       |
| 12       |   |               |
| 13       |   |               |
| 14       |   |               |
|          | TOTAL   | \$ 26,760,829 |

**OTHER DEFERRED CREDITS (Account 253)**

1. Report below the particulars called for concerning other deferred credits.
2. For any deferred credits being amortized show the period of amortization.
3. Minor items may be grouped by classes. Show number of items.

| Line No. | Description of Other Deferred Credit (a)     | Balance Beginning of Year (b) | Debits               |               | Credits (e)   | Balance End of Year (f) |
|----------|--|-------------------------------|----------------------|---------------|---------------|-------------------------|
|          |  |                               | Account Credited (c) | Amount (d)    |               |                         |
| 15       | Unamortized Investment Tax Credit            | \$ 1,119,633                  | .407                 | \$ .223,932   | 0             | \$ 895,701              |
| 16       | Customer Refund Reserve                      | 277,398                       | 480/481/489          | 283,779       | 6,381         | 0                       |
| 17       | FASB 109 Regulatory Liability                | 722,633                       | 267/268/411          | 156,572       | 12,044        | 578,105                 |
| 18       | Credit Balance Regulatory Asset Transfer     | 2,418,155                     | 186                  | 12,224,383    | 10,519,860    | 713,632                 |
| 19       | ST Regulatory Liability - Asset Sales        | 204,098                       |                      | 0             | 0             | 204,098                 |
| 20       | LT Regulatory Liability - Asset Sales        | 1,207,583                     | .495                 | 204,098       | 0             | 1,003,485               |
| 21       | LT ERC Liabilities                           | 5,236,900                     | 186                  | 707,800       | 1,424,300     | 5,953,400               |
| 22       | LT OPEB Liability Medicare Subsidy           | 2,454,812                     | 267268               | 569,705       | 0             | 1,885,107               |
| 23       | Northern - net of all assets and liabilities | 2,227,588                     | 131,186              | 3,408,806     | 1,181,218     | (0)                     |
| 24       | Reg Liability - Rate Refund Current          | 0                             |                      | 0             | 814,035       | 814,035                 |
| 25       | Reg Liability - Rate Refund Non Current      | 0                             |                      | 0             | 3,402,001     | 3,402,001               |
| 26       |  |                               |                      |               |               |                         |
| 27       |  |                               |                      |               |               |                         |
| 28       | TOTALS                                       | \$ 15,868,800                 |                      | \$ 17,779,075 | \$ 17,359,840 | \$ 15,449,564           |

**RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)**

Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.

| Line No. | (a)  | Electric (b) | Gas (c)        | Total (d)      |
|----------|--|--------------|----------------|----------------|
| 1        | Balance at beginning of year.....            |              | \$ 355,949,097 | \$ 355,949,097 |
| 2        | Credits to Depreciation Reserve during year: |              |                |                |
| 3        | Account 403 Depreciation.....                |              | 34,851,822     | 34,851,822     |
| 3A       | Allocated Vehicle Depreciation               |              | 2,049          | 2,049          |
| 4        | Sub-Total                                    |              | 34,853,871     | 34,853,871     |
| 5        |  |              |                | 0              |
| 6        |  |              |                |                |
| 7        | TOTAL CREDITS DURING YEAR.....               |              | 34,853,871     | 34,853,871     |
| 8        | Net Charges for Plant Retired:               |              |                |                |
| 9        | Book Cost of Plant Retired.....              |              | 4,882,555      | 4,882,555      |
| 10       | Cost of Removal.....                         |              | 1,858,889      | 1,858,889      |
| 11       | Salvage (Credit).....                        |              | (306,158)      | (306,158)      |
| 12       | Other  |              | (333,909)      | (333,909)      |
| 13       | NET CHARGES DURING YEAR.....                 |              | 6,101,377      | 6,101,377      |
| 14       | Balance December 31, 2009.....               |              | \$ 384,701,591 | \$ 384,701,591 |

**METHOD OF DETERMINATION OF DEPRECIATION CHARGES**

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

| Line No. |   | Avg Plant Balance | Average Rate | Depreciation  |
|----------|---|-------------------|--------------|---------------|
| 15       |   |                   |              |               |
| 16       |   |                   |              |               |
| 17       | Production.....   | \$ 25,141,028     | 0.0341       | \$ 857,245    |
| 18       | Distribution.....   | 873,279,112       | 0.0348       | \$30,372,265  |
| 19       | General.....  | 23,090,307        | 0.1569       | \$3,622,312   |
| 20       |   |                   |              |               |
| 21       | Total.....  | \$ 921,510,447    | 0.0378       | \$ 34,851,822 |
| 22       | Note: Transportation Equip, Power Operated Equipment depreciation charged to clearing account for \$2,049. Plant-in-service and associated depreciation not included in this average. |                   |              |               |
| 23       |   |                   |              |               |

**DIVIDENDS DECLARED DURING THE YEAR (Accounts 437,438)**

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

| Line No. | Name of Security on Which Dividend was Declared (a)     | Rate Per Cent |           | Amount of Capital Stock On Which Dividend Was Declared (d) | Amount of Dividend (e) | Date     |         |
|----------|---|---------------|-----------|--|------------------------|----------|---------|
|          |   | Regular (b)   | Extra (c) |  |                        | Declared | Payable |
| 24       | See Page 34A  |               |           |  |                        |          |         |
| 25       |   |               |           |  |                        |          |         |
| 26       |   |               |           |  |                        |          |         |
| 27       |   |               |           |  |                        |          |         |
| 28       |   |               |           |  |                        |          |         |
| 29       |   |               |           |  |                        |          |         |
| 30       |   |               |           |  |                        |          |         |
| 31       |   |               |           |  |                        |          |         |
| 32       |   |               |           |  |                        |          |         |
| 33       | TOTALS  |               |           |  |                        |          |         |
| 34       | Dividend rates on Common Stock and Premium %.           |               |           |  |                        |          |         |
| 35       | Dividend rates on Common Stock, Premium, and Surplus %. |               |           |  |                        |          |         |
| 36       |   |               |           |  |                        |          |         |





**OPERATING RESERVES (Accounts 261, 262, 263, 264, 265)**

1. Report below an analysis of the change during the year for each of the above-named reserves.

2. Show name of reserve and account number, balance beginning of year, credits, debits, and balance at end of year. Credit amounts should be shown in black, debit amounts enclosed by parentheses.

3. Each credit and debit amount should be described as to its general nature and the contra account debited or credited shown. Combine the amounts of monthly accounting entries of the same general nature. If respondent has more

than one utility department, contra accounts debited or credited should indicate the utility department affected.

4. For Accounts 261, Property Insurance Reserve and 262, Injuries and Damages Reserve, explain the nature of the risks covered by the reserve.

5. For Account 265, Miscellaneous Operating Reserves, report separately each reserve comprising the account and explain briefly its purpose.

| Line No. | Item (a)   | Contra Account Debited or Credited (b) | Amount (c)           |
|----------|--|--|----------------------|
| 1        | <b>Reserve for Pensions-Union and Non-Union</b>                      |  |                      |
| 2        | Balance Beginning of Year  |  | 36,325,513           |
| 3        |  |  |                      |
| 4        | Pension/OCI Regulatory Asset   | 186                                    | (872,135)            |
| 5        | Expense - later deferred into regulatory asset per tracker mechanism | 926                                    | 3,817,252            |
| 6        | Expense  | 926                                    | 177,922              |
| 7        | Pension contribution   | 131                                    | (9,468,230)          |
| 8        | SERP payments  | 131                                    | (308,323)            |
| 9        |  |  |                      |
| 10       |  |  |                      |
| 11       | Balance End of Year - Reserve for Pensions                           |  | <u>29,671,999</u>    |
| 12       |  |  |                      |
| 13       | <b>Reserve for Other Post employment Benefits - Non-Union</b>        |  |                      |
| 14       | Beginning Balance  |  | 30,226,246           |
| 15       |  |  |                      |
| 16       |  |  |                      |
| 17       | Expense - later deferred into regulatory asset per tracker mechanism | 926                                    | 2,329,545            |
| 18       | Cash   | 131                                    | (3,949,071)          |
| 19       | OPEB Regulatory Asset  | 182                                    | (5,518,160)          |
| 20       |  |  |                      |
| 21       | Balance End of Year - OPEB   |  | <u>23,088,560</u>    |
| 22       |  |  |                      |
| 23       | <b>Reserve for Board of Directors Retirement Plan</b>                |  |                      |
| 24       | Beginning Balance  |  | 111,775              |
| 25       |  |  |                      |
| 26       | Cash Distribution  | 131                                    | (21,437)             |
| 27       |  |  |                      |
| 28       | Balance End of Year - BOD Retirement Plan                            |  | <u>90,338</u>        |
| 29       |  |  |                      |
| 30       | <b>Reserve for Window Warranties</b>                                 |  |                      |
| 31       | Beginning Balance  |  | 116,305              |
| 32       |  |  |                      |
| 33       | Cash Payment   | 131                                    | (1,250)              |
| 34       | Reserve Adjustment   |  | <u>(65,055)</u>      |
| 35       | Balance End of Year - Window Warranties                              |  | 50,000               |
| 36       |  |  |                      |
| 37       | <b>Reserve for Worker Compensation, General Liab., Auto Liab.</b>    |  |                      |
| 38       | Beginning Balance  |  | 889,081              |
| 39       |  |  |                      |
| 40       | Expense Accruals   | 926                                    | 362,655              |
| 41       | Payments Made  | 131                                    | (546,194)            |
| 42       |  |  |                      |
| 43       | Balance End of Year - Worker Compensation, General Liab., Auto Liab. |  | <u>705,542</u>       |
| 44       |  |  |                      |
| 45       | <b>Total Operating Reserves:</b>                                     |  | <u>\$ 53,606,439</u> |

Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

RESERVES FOR DEFERRED FEDERAL INCOME TAXES (Accounts 267, 268)

1. Report the information called for below concerning the respondent's accounting for deferred federal income taxes.  
 2. In the space provided furnish significant explanations, including the following:  
 (a) Accelerated Amortization - State for each certification number a brief description of property, total and amortizable cost of such property, date amortization for tax purposes commenced, "normal" depreciation rate used in computing deferred tax amounts.

(b) Liberalized Depreciation - State the general method or methods of liberalized depreciation being used (sum of years digits, declining balance, etc.), estimated useful lives and classes of plant to which each method is being applied. Furnish a table showing for each year, 1954 to date of this report, the annual amounts of tax deferral, the total debits thereto which have been accounted for as credits to Account 411, Federal Income Taxes Deferred in Prior Years - Credit or comparable account of the previous system of accounts.

| Line No. | Account Subdivisions (a)                                  | Balance Beginning of Year (b) | Changes During Year                 |                                      |              | Balance End of Year (f) |
|----------|---|-------------------------------|-------------------------------------|--------------------------------------|--------------|-------------------------|
|          |   |                               | Amounts Debited Account 410 (1) (c) | Amounts Credited Account 411 (2) (d) | Other (e)    |                         |
| 1        | Accelerated Amortization                                  | \$                            | \$                                  | \$                                   | \$           |                         |
| 2        | (Account 267)   |                               |                                     |                                      |              |                         |
| 3        | Electric.....   |                               |                                     |                                      |              |                         |
| 4        | Gas.....  |                               |                                     |                                      |              |                         |
| 5        | Other (Specify).....                                      |                               |                                     |                                      |              |                         |
| 6        | Totals.....   |                               |                                     |                                      |              |                         |
| 7        | Gas SFAS 109 Reserve - State                              | 1,524,969                     | 0                                   | 0                                    | (1,620,772)  | (95,803)                |
| 8        | Gas SFAS 109 Reserve - Federal                            | 2,713,332                     | 0                                   | 0                                    | (3,195,635)  | (482,303)               |
|          |   | 4,238,301                     | 0                                   | 0                                    | (4,816,407)  | (578,106)               |
| 9        | Gas Plant Acquisition Adjustment - State & Federal        | 129,677,901                   | 0                                   | (4,310,623)                          | 0            | 125,367,278             |
| 10       | Liberalized Depreciation                                  |                               |                                     |                                      |              |                         |
| 11       | (Account 268)   |                               |                                     |                                      |              |                         |
| 12       | Electric.....   |                               |                                     |                                      |              |                         |
| 13       | Gas - State.....  | 15,188,346                    | 5,125,757                           | (261,879)                            | (3,092,990)  | 16,959,234              |
| 14       | Gas - Federal.....  | 82,431,221                    | 25,911,424                          | (1,015,054)                          | 2,105,189    | 109,432,780             |
| 15       | Other (Specify) -   |                               |                                     |                                      |              |                         |
| 16       | Non Utility - State                                       | 0                             | 0                                   | 0                                    | 0            | 0                       |
| 17       | Non Utility - Federal                                     | 0                             | 0                                   | 0                                    | 0            | 0                       |
| 18       | Totals.....   | 97,619,567                    | 31,037,181                          | (1,276,933)                          | (987,801)    | 126,392,014             |
| 19       |   |                               |                                     |                                      |              |                         |
| 20       | Gas - Other Reserves - State.....                         | (480,151)                     | 2,194,376                           | (2,293,994)                          | (79,039,748) | (79,619,517)            |
| 21       | Gas - Other Reserves - Federal.....                       | 12,681,137                    | 11,922,941                          | (11,349,660)                         | 85,604,416   | 98,858,834              |
| 22       | Totals.....   | 12,200,986                    | 14,117,317                          | (13,643,654)                         | 6,564,668    | 19,239,317              |
| 23       | Total (Accounts 267, 268)                                 |                               |                                     |                                      |              |                         |
| 24       | Electric.....   |                               |                                     |                                      |              |                         |
| 25       | Gas.....  |                               |                                     |                                      |              |                         |
| 26       | Other Adjustments.....                                    |                               |                                     |                                      |              |                         |
| 27       |   | 109,820,553                   | 45,154,498                          | (14,920,587)                         | 5,576,867    | 145,631,331             |
| 28       | Totals.....   | 243,736,756                   | 45,154,498                          | (19,231,210)                         | 760,460      | 270,420,504             |
| 29       | Analysis of Charges:                                      |                               |                                     | 25                                   |              |                         |
| 30       | Provision for Deferred Income Taxes                       |                               |                                     | 30,233,911                           |              | 145,631,331             |
| 31       | Provision for Plant Acquisition Adjustment                |                               |                                     | (4,310,623)                          |              | 125,367,278             |
| 32       | Plant Acquisition Adjustment Reclaim/Other                |                               |                                     | 479,967                              |              |                         |
| 33       | OCI Offset  |                               |                                     | 0                                    |              |                         |
| 34       | LT OPEB Liability Medicare Subsidy (See Page 33)          |                               |                                     | 569,705                              |              |                         |
| 35       | SFAS 109 DIT Regulatory Liabilities-Act 253 (See Page 33) |                               |                                     | 144,528                              |              | (578,106)               |
| 36       | SFAS 109 DIT Regulatory Assets-Act 186 (See Page 27)      |                               |                                     | (433,740)                            |              |                         |
|          |   |                               |                                     | 26,683,748                           |              | 270,420,504             |

CONTRIBUTIONS IN AID OF CONSTRUCTION (Account 271)  
 Report below the amount of contributions in aid of construction applicable to each utility department.

| Line No. | Class of Utility Service (a) | Balance Beginning of Year (b) | Debits               |            | Credits (e) | Balance End of Year (f) |
|----------|------------------------------|-------------------------------|----------------------|------------|-------------|-------------------------|
|          |                              |                               | Account Credited (c) | Amount (d) |             |                         |
| 39       |                              |                               |                      |            |             |                         |
| 40       |                              |                               |                      |            |             |                         |
| 41       |                              |                               |                      |            |             |                         |
| 42       |                              |                               |                      |            |             |                         |
| 43       |                              |                               | NONE                 |            |             |                         |
| 44       |                              |                               |                      |            |             |                         |
| 45       |                              |                               |                      |            |             |                         |
| 46       |                              |                               |                      |            |             |                         |
| 47       |                              |                               |                      |            |             |                         |
| 48       | TOTALS                       |                               |                      |            |             |                         |

**GAS OPERATING REVENUES (Account 400)**

1. Report below the amount of operating revenue for the year for each prescribed account and the amount of increase or decrease over the preceding year.  
 2. If increases and decreases are not derived from previously reported figures explain any inconsistencies.  
 3. Number of customers should be reported on the basis of number of meters, plus number of flat rate accounts, except that where separate meter readings

are added for billing purposes, one customer shall be counted for each group of meters so added. The average number of customers means the average of the 12 figures at the close of each month. If the customer count in the residential service classification includes customers counted more than once because of special services, such as water heating etc., indicate in a footnote the number of such duplicate customers included in the

classification.  
 4. Unmetered sales should be included below. The details of such sales should be given in a footnote.  
 5. Classification of Commercial and Industrial Sales, Account 481, according to Small (or Commercial) and Large (or Industrial) may be according to the basis of classification regularly used by the respondent.

| Line No. | Account (a)                                      | Operating Revenues  |  | MMBTU Sold (1000 BTU) |  | Average Number of Customers per Month |  |
|----------|--|---------------------|--|-----------------------|--|---------------------------------------|--|
|          |  | Amount for Year (b) | Increase or (Decrease) from Preceding Year (c) | Amount for Year (d)   | Increase or (Decrease) from Preceding Year (e) | Number for Year (f)                   | Increase or (Decrease) from Preceding Year (g) |
| 1        | <b>SALES OF GAS</b>                              |                     |  |                       |  |                                       |  |
| 2        | 480 Residential Sales **                         | \$ 322,240,368      | \$ (43,149,466)                                | 23,754,298            | 158,987  | 261,012                               | 2,581  |
| 3        | 481 Commercial and Industrial Sales:             |                     |  |                       |  |                                       |  |
| 4        | Commercial & Industrial **                       | 109,967,301         | (16,802,689)                                   | 8,928,776             | (61,706)                                       | 24,149                                | (108)  |
| 5        | Interruptible see instr.5                        | 555,678             | (3,176,265)                                    | 93,835                | (230,038)                                      | 3                                     | (3)  |
| 6        | 482 Other Sales to Public Authorities            |                     |  |                       |  |                                       |  |
| 7        | 484 Interdepartmental Sales                      |                     |  |                       |  |                                       |  |
| 8        |  |                     |  |                       |  |                                       |  |
| 9        | 485 Miscellaneous Gas Sales... Unbilled          | (5,583,366)         | (10,372,505)                                   | 177,128               | 151,552  |                                       |  |
| 10       |  |                     |  |                       |  |                                       |  |
| 11       | Total Sales to Ultimate Consumers...             | 427,179,981         | (73,500,925)                                   | 32,954,037            | 18,795   | 285,164                               | 2,470  |
| 12       | 483 Sales for Resale                             | 297,935             | (2,363,470)                                    | 71,610                | (369,286)                                      |                                       | 0  |
| 13       |  |                     |  |                       |  |                                       |  |
| 14       | Total Sales of Gas                               | 427,477,916         | (75,864,395)                                   | 33,025,647            | (350,491)                                      | 285,164                               | 2,470  |
| 15       |  |                     |  |                       |  |                                       |  |
| 16       |  |                     |  |                       |  |                                       |  |
| 17       |  |                     |  |                       |  |                                       |  |
| 18       | <b>OTHER OPERATING REVENUES</b>                  |                     |  |                       |  |                                       |  |
| 19       | 480 Residential Transportation**                 | 225,953             | 47,692   | 48,324                | 6,358  | 357                                   | 48   |
| 20       | 487 Forfeited Discounts                          | 611,836             | (206,025)                                      |                       |  |                                       |  |
| 21       | 488 Miscellaneous Service Revenues               | 16,126,933          | 471,842  |                       |  |                                       |  |
| 22       | 489 Revenues from Trans.of Gas of Others**       | 33,624,853          | 2,251,067                                      | 18,865,536            | (674,804)                                      | 4,426                                 | 258  |
| 23       | 490 Sales of Products Extracted from Natural Gas |                     |  |                       |  |                                       |  |
| 24       | 491 Rev. from Natural Gas Processed by Others    |                     |  |                       |  |                                       |  |
| 25       | 493 Rent from Gas Property                       | 388,845             | (877,134)                                      |                       |  |                                       |  |
| 26       | 494 Interdepartmental Rents                      |                     |  |                       |  |                                       |  |
| 27       | 495 Other Gas Revenues                           | 5,897,591           | 4,233,664                                      |                       |  |                                       |  |
| 28       |  |                     |  |                       |  |                                       |  |
| 29       | Total Other Operating Revenues                   | 56,876,011          | 5,921,106                                      |                       |  |                                       |  |
| 30       |  |                     |  |                       |  |                                       |  |
| 31       | Total Gas Operating Revenues                     | \$ 484,353,927      | \$ (69,943,289)                                | 51,939,507            | (1,018,937)                                    | 289,947                               | 2,776  |
|          |  |                     |  |                       |  |                                       |  |
|          |  |                     | Purchased Price Adjustment Clauses             | Fuel Clauses          |  |                                       |  |
| 32       | ** Includes billed revenues from application of  |                     | \$293,536,825                                  | 24,082,189            |  |                                       |  |
| 33       | Total MMBTU to which Applied                     |                     | 32,683,074                                     | 46,770,722            |  |                                       |  |

**SALES OF GAS TO ULTIMATE CONSUMERS**

Report by account the MMBTUs sold, the amount derived and the number of customers under each filed schedule or contract. Contract sales and unbilled sales may be reported separately in total.

| Line No. | Account No.  | Schedule<br>(a)         | MMBTU<br>(1000 BTU)<br>(b) | Revenue<br>(c) | Average Revenue<br>per MMBTU<br>(\$0.0000)<br>(d) | Number of Customers<br>(Per Bills Rendered) |                    |
|----------|--|-------------------------|----------------------------|----------------|---|---|--------------------|
|          |  |                         |                            |                |   | July 31<br>(e)                              | December 31<br>(f) |
| 1        | .480   | Residential             | 23,754,298                 | \$ 322,240,368 | \$ 13.5656  | .258,709                                    | .264,334           |
| 2        | .481   | Commercial & Industrial | 8,928,776                  | 109,967,301    | 12.3161   | .23,541                                     | 24,624             |
| 3        |  |                         |                            |                |   |   |                    |
| 4        |  |                         |                            |                |   |   |                    |
| 5        |  | Unbilled                | 177,128                    | (5,583,366)    | -31.5216  | N/A   | N/A                |
| 6        |  |                         |                            |                |   |   |                    |
| 7        |  | TOTAL FIRM              | 32,860,202                 | 426,624,303    | 12.9830   | 282,250                                     | 288,958            |
| 8        |  |                         |                            |                |   |   |                    |
| 9        |  | Interruptible           | 94,409                     | 555,678        | 5.8859  | 7   | 0                  |
| 10       |  |                         |                            |                |   |   |                    |
| 11       |  |                         |                            |                |   |   |                    |
| 12       |  |                         |                            |                |   |   |                    |
| 13       |  |                         |                            |                |   |   |                    |
| 14       |  |                         |                            |                |   |   |                    |
| 15       |  |                         |                            |                |   |   |                    |
| 16       |  |                         |                            |                |   |   |                    |
| 17       |  |                         |                            |                |   |   |                    |
| 18       |  |                         |                            |                |   |   |                    |
| 19       |  |                         |                            |                |   |   |                    |
| 20       |  |                         |                            |                |   |   |                    |
| 21       |  |                         |                            |                |   |   |                    |
| 22       |  |                         |                            |                |   |   |                    |
| 23       |  |                         |                            |                |   |   |                    |
| 24       |  |                         |                            |                |   |   |                    |
| 25       |  |                         |                            |                |   |   |                    |
| 26       |  |                         |                            |                |   |   |                    |
| 27       |  |                         |                            |                |   |   |                    |
| 28       |  |                         |                            |                |   |   |                    |
| 29       |  |                         |                            |                |   |   |                    |
| 30       |  |                         |                            |                |   |   |                    |
| 31       |  |                         |                            |                |   |   |                    |
| 32       |  |                         |                            |                |   |   |                    |
| 33       |  |                         |                            |                |   |   |                    |
| 34       |  |                         |                            |                |   |   |                    |
| 35       |  |                         |                            |                |   |   |                    |
| 36       |  |                         |                            |                |   |   |                    |
| 37       |  |                         |                            |                |   |   |                    |
| 38       |  |                         |                            |                |   |   |                    |
| 39       |  |                         |                            |                |   |   |                    |
| 40       |  |                         |                            |                |   |   |                    |
| 41       |  |                         |                            |                |   |   |                    |
| 42       |  |                         |                            |                |   |   |                    |
| 43       |  |                         |                            |                |   |   |                    |
| 44       |  |                         |                            |                |   |   |                    |
| 45       |  |                         |                            |                |   |   |                    |
| 46       |  |                         |                            |                |   |   |                    |
| 47       |  |                         |                            |                |   |   |                    |
| 48       |  |                         |                            |                |   |   |                    |
| 49       | TOTAL SALES TO ULTIMATE CONSUMERS (Page 43 line 9) |                         | 32,954,611                 | \$ 427,179,981 | \$ 12.9627  | 282,257                                     | 288,958            |

Annual report of ..... BAY STATE GAS COMPANY ..... Year ended December 31, 2009

| <b>GAS OPERATION AND MAINTENANCE EXPENSES</b>   |  |                     |  |
|---|--|---------------------|--|
| 1. Enter in the space provided the operation and maintenance expenses for the year.                     |  |                     |  |
| 2. If the increases and decreases are not derived from previously reported figures explain in footnote. |  |                     |  |
| Line No.  | Account (a)  | Amount for Year (b) | Increase or (Decrease) from Preceding Year (c) |
| 1   | PRODUCTION EXPENSES  |                     |  |
| 2   | MANUFACTURED GAS PRODUCTION EXPENSES                         |                     |  |
| 3   | STEAM PRODUCTION   |                     |  |
| 4   | Operation:   |                     |  |
| 5   | 700 Operation Supervision and Engineering.....               |                     |  |
| 6   | 701 Operation labor.....                                     |                     |  |
| 7   | 702 Boiler Fuel.....   |                     |  |
| 8   | 703 Miscellaneous steam expenses.....                        |                     |  |
| 9   | 704 Steam transferred-Cr.....                                |                     |  |
| 10  | Total operation.....   |                     |  |
| 11  | Maintenance:   |                     |  |
| 12  | 705 Maintenance supervision and engineering.....             |                     |  |
| 13  | 706 Maintenance of structures and improvements.....          |                     |  |
| 14  | 707 Maintenance of boiler plant equipment.....               |                     |  |
| 15  | 708 Maintenance of other steam production plant.....         |                     |  |
| 16  | Total Maintenance.....                                       |                     |  |
| 17  | Total steam production.....                                  |                     |  |
| 18  | MANUFACTURED GAS PRODUCTION                                  |                     |  |
| 19  | Operation:   |                     |  |
| 20  | 710 Operation supervision and engineering.....               | \$ 696,748          | \$ 24,760                                      |
| 21  | Production labor and expenses:                               |                     |  |
| 22  | 711 Steam expenses.....                                      |                     |  |
| 23  | 712 Other power expenses.....                                | 14,599,198          | 2,298,744                                      |
| 24  | 715 Water gas generating expenses.....                       |                     |  |
| 25  | 716 Oil gas generating expenses.....                         |                     |  |
| 26  | 717 Liquefied petroleum gas expenses.....                    |                     |  |
| 27  | 718 Other process production expenses.....                   | 49,937              | 18,489   |
| 28  | Gas fuels:   |                     |  |
| 29  | 721 Water gas generator fuel.....                            |                     |  |
| 30  | 722 Fuel for oil gas.....                                    |                     |  |
| 31  | 723 Fuel for liquefied petroleum gas process.....            | 28,566              | (23,668)                                       |
| 32  | 724 Other gas fuels.....                                     | 944,137             | 98,588   |
| 33  | Gas raw materials:   |                     |  |
| 34  | 726 Oil for water gas.....                                   |                     |  |
| 35  | 727 Oil for oil gas.....                                     |                     |  |
| 36  | 728 Liquefied petroleum gas.....                             | 255,679             | (61,263)                                       |
| 37  | 729 Raw materials for other gas processes..... See Note..... |                     |  |
| 38  | 730 Residuals expenses.....                                  |                     |  |
| 39  | 731 Residuals produced-Cr.....                               |                     |  |
| 40  | 732 Purification expenses.....                               |                     |  |
| 41  | 733 Gas mixing expenses.....                                 |                     |  |
| 42  | 734 Duplicate charges-Cr.....                                |                     |  |
| 43  | 735 Miscellaneous production expenses.....                   | 826,605             | (266,182)                                      |
| 44  | 736 Rents.....   | 1,000,806           | 32,181   |
| 45  | Total operation.....   | 18,401,676          | 2,121,649                                      |
| 46  | Maintenance:   |                     |  |
| 47  | 740 Maintenance supervision and engineering.....             | 32,624              | 10,529   |
| 48  | 741 Maintenance of structures and improvements.....          | 206,483             | 176,882  |
| 49  | 742 Maintenance of production equipment.....                 | 428,918             | (141,549)                                      |
| 50  | Total maintenance.....                                       | 668,025             | 45,862   |
| 51  | Total manufactured gas production.....                       | \$ 19,069,701       | \$ 2,167,511                                   |

Annual report of ..... BAY STATE GAS COMPANY ..... Year ended December 31, 2008

| GAS OPERATION AND MAINTENANCE EXPENSES-Continued |  |                     |  |
|--|--|---------------------|--|
| Line No.   | Account (a)  | Amount for Year (b) | Increase or (Decrease) from Preceding Year (c) |
| 1  | OTHER GAS SUPPLY EXPENSES  |                     |  |
| 2  | Operation:   |                     |  |
| 3  | 804 Natural gas city gate purchases.....                           | \$ 190,197,844      | \$ (172,411,522)                               |
| 4  | 805 Other gas purchases.....                                       | 149,246             | 298,492  |
| 5  | 806 Deferred Cost of Gas.....                                      | (150,089)           | 7,266,338                                      |
| 6  | 807 Purchased gas expenses.....                                    |                     |  |
| 7  | 808 Natural Gas Storage Charges.....                               | 61,376,514          | 85,602,115                                     |
| 8  | Cost of Off-System Sales.....                                      | -                   | -  |
| 9  | 812 Gas used for other utility operations-Cr.....                  | (514,272)           | 852,093  |
| 10   | 813 Other gas supply expenses.....                                 | 1,208,783           | (1,884,465)                                    |
| 11   | Total other gas supply expenses.....                               | 252,268,026         | (80,276,949)                                   |
| 12   | Total Production Expenses  | 271,337,727         | (78,109,438)                                   |
| 13   | LOCAL STORAGE EXPENSES   |                     |  |
| 14   | Operation:   |                     |  |
| 15   | 840 Operation supervision and engineering.....                     |                     |  |
| 16   | 841 Operation labor and expenses.....                              |                     |  |
| 17   | 842 Rents.....   |                     |  |
| 18   | Total Operation.....   |                     |  |
| 19   | Maintenance:   |                     |  |
| 20   | 843 Maintenance supervision and engineering.....                   |                     |  |
| 21   | 844 Maintenance of structures and improvements.....                |                     |  |
| 22   | 845 Maintenance of Gas Holders.....                                |                     |  |
| 23   | 846 Maintenance of other equipment.....                            |                     |  |
| 24   | Total Maintenance.....   |                     |  |
| 25   | Total storage expenses.....  |                     |  |
| 26   | TRANSMISSION AND DISTRIBUTION EXPENSES                             |                     |  |
| 27   | Operation:   |                     |  |
| 28   | 850 Operation supervision and engineering.....                     | 589,940             | (21,029)                                       |
| 29   | 851 System control and load dispatching.....                       | -                   | -  |
| 30   | 852 Communication system expenses.....                             | 144,336             | (5,964)  |
| 31   | 853 Compressor station labor and expenses.....                     |                     |  |
| 32   | 855 Fuel and power for compressor stations.....                    |                     |  |
| 33   | 857 Measuring and regulating station expenses.....                 | 573,295             | 126,742  |
| 34   | 858 Transmission and Compression of gas by others.....             |                     |  |
| 35   | 874 Mains and services expenses.....                               | 5,905,666           | 52,942   |
| 36   | 878 Meter and house regulator expenses.....                        | 7,283,764           | 319,396  |
| 37   | 879 Customer Installations expenses.....                           | 5,669,501           | (11,544)                                       |
| 38   | 880 Other expenses.....  | 707,066             | 85,293   |
| 39   | 881 Rents.....   | 47,862              | 547  |
| -40  | Total operation.....   | 20,921,430          | 546,383  |
| 41   | Maintenance:   |                     |  |
| 42   | 885 Maintenance supervision and engineering.....                   | 17                  | (6,686)  |
| -43  | 886 Maintenance of structures and improvements.....                | 103,550             | (2,322)  |
| -44  | 887 Maintenance of mains.....                                      | 4,267,872           | 606,680  |
| -45  | 888 Maintenance of compressor station equipment.....               | -                   | -  |
| -46  | 889 Maintenance of measuring and regulating station equipment..... | 270,190             | (199,428)                                      |
| -47  | 892 Maintenance of services.....                                   | 1,755,978           | (104,437)                                      |
| -48  | 893 Maintenance of meters and house regulators.....                | 572,823             | 49,148   |
| -49  | 894 Maintenance of other equipment...(Note 1).....                 | 298,531             | (45,692)                                       |
| 50   | Total Maintenance.....   | 7,268,961           | 297,263  |
| 51   | Total Transmission and Distribution expenses.....                  | \$ 28,190,391       | \$ 843,646                                     |

Annual report of ..... BAY STATE GAS COMPANY ..... Year ended December 31, 2009

| GAS OPERATION AND MAINTENANCE EXPENSES-Continued  |  |                     |                 |  |
|---|--|---------------------|-----------------|--|
| Line No.  | Account (a)  | Amount for Year (b) |                 | Increase or (Decrease) from Preceding Year (c) |
| 1   | CUSTOMER ACCOUNTS EXPENSES   |                     |                 |  |
| 2   | Operation:   |                     |                 |  |
| 3   | 901 Supervision.....   | \$ 192,193          | \$              | (63,057)                                       |
| 4   | 902 Meter reading expenses.....  | 821,557             |                 | (14,445)                                       |
| 5   | 903 Customer records and collection expenses.....  | 9,433,980           |                 | 306,402  |
| 6   | 904 Uncollectible accounts.....  | 13,172,772          |                 | (3,383,676)                                    |
| 7   | 905 Miscellaneous customer accounts expenses.....  | 373,714             |                 | 1,900  |
| 8   | Total customer account expenses.....   | 23,994,216          |                 | (3,152,876)                                    |
|   | SALES EXPENSES   |                     |                 |  |
| 10  | Operation:   |                     |                 |  |
| 11  | 911 Supervision.....   | 181,850             |                 | 116,883  |
| 12  | 912 Demonstrating and selling expenses.....  | 545,332             |                 | 153,264  |
| 13  | 913 Advertising expenses.....  | 324,765             |                 | (16,585)                                       |
| 14  | 916 Miscellaneous sales expenses.....  | 27,366              |                 | 4,373  |
| 15  | Total sales expenses.....  | 1,079,313           |                 | 257,935  |
| 16  | ADMINISTRATIVE AND GENERAL EXPENSES  |                     |                 |  |
| 17  | Operation:   |                     |                 |  |
| 18  | 920 Administrative and general salaries.....   | 3,592,557           |                 | (1,113,420)                                    |
| 19  | 921 Office supplies and expenses.....  | 3,176,888           |                 | (901,021)                                      |
| 20  | 922 Administrative expenses transferred-Cr.....  | (2,977,020)         |                 | (1,125,469)                                    |
| 21  | 923 Outside services employed.....   | 33,158,363          |                 | 5,205,126                                      |
| 22  | 924 Property Insurance.....  | 264,927             |                 | (137,014)                                      |
| 23  | 925 Injuries and damages.....  | 2,947,592           |                 | 1,141,008                                      |
| 24  | 926 Employees pensions and benefits.....   | 15,794,449          |                 | 1,216,962                                      |
| 25  | 928 Regulatory commission expenses.....  | 2,312,173           |                 | 1,584,747                                      |
| 26  | 929 Duplicate charges-Cr.....  | -                   |                 | -  |
| 27  | 930 Miscellaneous general expenses.....  | 3,411,648           |                 | 494,655  |
| 28  | 931 Rents.....   | 3,750,856           |                 | 152,884  |
| 29  | Total operation.....   | 65,432,433          |                 | 6,518,458                                      |
| 30  | Maintenance:   |                     |                 |  |
| 31  | 932 Maintenance of general plant.....  | 3,043,519           |                 | 1,217,875                                      |
| 32  | Total administrative and general expenses.....   | 68,475,952          |                 | 7,736,333                                      |
| 33  | Total gas operation and maintenance expenses   | \$ 393,077,599      | \$              | (72,424,400)                                   |
| SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES |  |                     |                 |  |
| Line No.  | Functional Classification (a)  | Operation (b)       | Maintenance (c) | Total (d)                                      |
| 34  | Steam production.....  |                     |                 |  |
| 35  | Manufactured gas production.....   | \$ 18,401,676       | \$ 668,025      | \$ 19,069,701                                  |
| 36  | Other gas supply expenses.....   | 252,268,026         |                 | 252,268,026                                    |
| 37  | Total production expenses.....   | 270,669,702         | 668,025         | 271,337,727                                    |
| 38  | Local storage expenses.....  |                     |                 |  |
| 39  | Transmission and distribution expenses.....  | 20,921,430          | 7,268,961       | 28,190,391                                     |
| 40  | Customer accounts expenses.....  | 23,994,216          |                 | 23,994,216                                     |
| 41  | Sales expenses.....  | 1,079,313           |                 | 1,079,313                                      |
| 42  | Administrative and general expenses.....   | 65,432,433          | 3,043,519       | 68,475,952                                     |
| 43  | Total gas operation and maintenance expenses.....  | \$ 382,097,094      | \$ 10,980,505   | \$ 393,077,599                                 |
| 44  | Ratio of operating expenses to operating revenues (carry out decimal two places, e.g.: 0.00%) Compute by dividing Revenues (Acct. 400) into the sum of Operation and Maintenance Expenses (p. 47, line 43(d), Depreciation (Acct. 403) and Amortization (Acct. 407)..... |                     |                 | 88.30%   |
| 45  | Total salaries and wages of gas department for year, including amounts charged to operating expenses, construction and other accounts.   |                     |                 | 43,369,303                                     |
| 46  | Total number of employees of gas department at end of year, including administrative, operating, maintenance, construction and other employees (including part time employees).....  |                     |                 | 560  |

If gas is purchased or sold at two or more different rates, the amounts of each rate should be shown in the following table.

**SALES FOR RESALE (Account 483)**

| Line No. | Names of Companies to Which Gas is Sold (a)                                | Where Delivered and Where and How Measured (b)     | MMBTU (1000 BTU) (c) | Rate per M.C.F. (\$0.0000) (d) | Amount (e) |
|----------|--|--|----------------------|--------------------------------|------------|
| 1        | Spot Off System Sales  | Delivered to customers, various points of delivery | 71,610               | \$4.1605                       | 297,935    |
| 2        |  |  |                      |                                |            |
| 3        |  |  |                      |                                |            |
| 4        |  |  |                      |                                |            |
| 5        |  |  |                      |                                |            |
| 6        |  |  |                      |                                |            |
| 7        |  |  |                      |                                |            |
| 8        |  |  |                      |                                |            |
| 9        |  |  |                      |                                |            |
| 10       |  |  |                      |                                |            |
| 11       |  |  |                      |                                |            |
| 12       |  |  |                      |                                |            |
| 13       |  |  |                      |                                |            |
| 14       |  |  |                      |                                |            |
| 15       | TOTALS   |  | 71,610               | \$4.1605                       | 297,935    |
| 16       | Portion of above total sold to companies located outside of Massachusetts: |  | 19,600               | \$3.6613                       | 71,761     |
| 17       |  |  |                      |                                |            |

**SALE OF RESIDUALS (Accounts 730, 731)**  
State the revenues and expenses of the respondent resulting from the sale of residuals.

| Line No. | Kind (a) | Revenue (b) | Inventory Cost (c) | Labor Handling Selling, Etc. (d) | (e) | Total Cost (f) | Net Revenue (g) |  |
|----------|----------|-------------|--------------------|----------------------------------|-----|----------------|-----------------|--|
| 18       | None     |             |                    |                                  |     |                |                 |  |
| 19       |          |             |                    |                                  |     |                |                 |  |
| 20       |          |             |                    |                                  |     |                |                 |  |
| 21       |          |             |                    |                                  |     |                |                 |  |
| 22       |          |             |                    |                                  |     |                |                 |  |
| 23       |          |             |                    |                                  |     |                |                 |  |
| 24       |          |             |                    |                                  |     |                |                 |  |
| 25       |          | TOTALS      |                    |                                  |     |                |                 |  |

**PURCHASED GAS (Accounts 804-806)**

| Line No. | Names of Companies to Which Gas is Purchased (a) | Where Received and Where and How Measured (b) | M.C.F. (1000 BTU) (c) | Rate per M.C.F. (\$0.0000) (d) | Amount (e) |
|----------|--|---|-----------------------|--------------------------------|------------|
| 26       | See Page 48A                                     |   |                       |                                |            |
| 27       |  |   |                       |                                |            |
| 28       |  |   |                       |                                |            |
| 29       |  |   |                       |                                |            |
| 30       |  |   |                       |                                |            |
| 31       |  |   |                       |                                |            |
| 32       |  |   |                       |                                |            |
| 33       |  |   |                       |                                |            |
| 34       |  |   |                       |                                |            |
| 35       |  |   |                       |                                |            |
| 36       |  |   |                       |                                |            |
| 37       |  |   |                       |                                |            |
| 38       |  |   |                       |                                |            |
| 39       | TOTALS   |   |                       |                                |            |
| 40       |  |   |                       |                                |            |



Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

| PURCHASED GAS (804 - 806) |  |   |                      |                             |                    |
|---------------------------|--|---|----------------------|-----------------------------|--------------------|
| Line No.                  | Names of Companies from Which Gas is Purchased (a)   | Where Received and Where and How Measured (b) | MMBtu (1000 BTU) (c) | Rate Per MMBtu (0.0000) (d) | Amount (e)         |
| 1                         | Suppliers on the Tenn. Gas Pipeline                  | Various locations by station orifice meter    | 27,506,869           |                             | 134,637,568        |
| 2                         | Suppliers on the Algonquin Gas Pipeline              |   |                      |                             |                    |
| 3                         | Suppliers on the Portland Natural Gas Transmission   |   |                      |                             |                    |
| 4                         | Suppliers on the Maritimes and Northeast Pipeline    |   |                      |                             |                    |
| 5                         | Suppliers on the Vector Pipeline                     |   |                      |                             |                    |
| 6                         | Suppliers on the Texas Eastern Gas Transmission      |   |                      |                             |                    |
| 7                         | Suppliers on the Iroquois Gas Transmission System    |   |                      |                             |                    |
| 8                         | (Includes various Spot Supplies)                     |   |                      |                             |                    |
| 9                         |  |   |                      |                             |                    |
| 10                        |  | <b>Subtotal</b>                               | 27,506,869           | 4.8947                      | 134,637,568        |
| 11                        |  |   |                      |                             |                    |
| 12                        |  |   |                      |                             |                    |
| 13                        | Demand charges paid to suppliers and pipelines       |   |                      |                             | 55,560,276         |
| 14                        |  |   |                      |                             |                    |
| 15                        |  |   |                      |                             |                    |
| 16                        |  |   |                      |                             |                    |
| 17                        |  |   |                      |                             |                    |
| 18                        |  |   |                      |                             |                    |
| 19                        |  |   |                      |                             |                    |
| 20                        |  |   |                      |                             |                    |
| 21                        |  |   |                      |                             |                    |
| 22                        |  |   |                      |                             |                    |
| 23                        |  |   |                      |                             |                    |
| 24                        |  |   |                      |                             |                    |
| 25                        |  |   |                      |                             |                    |
| 26                        |  |   |                      |                             |                    |
| 27                        |  |   |                      |                             |                    |
| 28                        |  |   |                      |                             |                    |
| 29                        |  |   |                      |                             |                    |
| 30                        |  |   |                      |                             |                    |
| 31                        |  |   |                      |                             |                    |
| 32                        |  |   |                      |                             |                    |
| 33                        |  |   |                      |                             |                    |
| 34                        | Total  |   | 27,506,869           | \$ 6.9146                   | \$ 190,197,844     |
| 35                        |  |   |                      |                             |                    |
| 36                        | Deferred Cost of Gas                                 |   |                      |                             | (150,089)          |
| 37                        | Other Gas Purchases                                  |   |                      |                             | 149,246            |
| 38                        |  |   |                      |                             |                    |
| 39                        |  |   |                      |                             |                    |
| 40                        |  |   |                      |                             |                    |
| 41                        | Subtotal - Natural gas purchases - Account 804 - 806 |   |                      |                             | 190,197,001        |
| 42                        |  |   |                      |                             |                    |
| 43                        | Total  |   |                      | \$                          | <u>190,197,001</u> |

TAXES CHARGED DURING YEAR

1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.

2. Do not include gasoline and other sales taxes which have been charged to accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.

3. The aggregate of each kind of tax should be listed under the appropriate heading of "Federal", "State",

and "Local" in such manner that the total tax for each State and for all subdivisions can readily be ascertained.

4. The accounts to which the taxes charged were distributed should be shown in columns (c) to (j). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet plant account or subaccount.

5. For any tax which it was necessary to apportion to more than one utility

department or account, state in a footnote the basis of apportioning such a tax.

6. Do not include in this schedule entries with respect to deferred income taxes, or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

| Line No. | Kind of Tax (a)         | Total Taxes Charged During Year (omit cents) (b) | Distribution of Taxes Charged (omit cents)<br>(Show utility department where applicable and account charged) |                        |                              |              |                       |                            |                       |               |
|----------|-------------------------|--|--|------------------------|------------------------------|--------------|-----------------------|----------------------------|-----------------------|---------------|
|          |                         |  | Electric Acct. 408, 409 (c)  | Gas Acct. 408, 409 (d) | Capital, etc 107,186,254 (e) | Mdse 415 (f) | Other 417,419,421 (g) | Gas Proc by Others 777 (h) | Purch Gas Exp 807 (i) | Rents 931 (j) |
| 1        | <u>STATE</u>            |  |  |                        |                              |              |                       |                            |                       |               |
| 2        | MA Franchise (A)        | (187,023)  |  | (333,787)              |                              | 4,548        | 142,216               |                            |                       |               |
| 3        | Income (CT)(WV)(PA)(MD) | 3,648  |  | 3,648                  |                              |              |                       |                            |                       |               |
| 4        | Unemployment (B)        | 260,091  |  | 171,719                | 86,734                       | 1,638        |                       |                            |                       |               |
| 6        | Sales and Use           | 75,075   |  | 75,075                 |                              |              |                       |                            |                       |               |
| 7        | <u>LOCAL</u>            |  |  |                        |                              |              |                       |                            |                       |               |
| 8        | Property                | 10,996,616                                       |  | 10,689,777             |                              | 31,275       | 0                     | 90,740                     | 29,236                | 155,588       |
| 9        | Motor Vehicle Excise    | 7,068  |  | 7,068                  |                              |              |                       |                            |                       |               |
| 10       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 11       | <u>FEDERAL</u>          |  |  |                        |                              |              |                       |                            |                       |               |
| 12       | FICA & Medicare (B)     | 3,049,337  |  | 2,013,212              | 1,016,914                    | 19,211       |                       |                            |                       |               |
| 13       | Unemployment (B)        | 33,109   |  | 21,854                 | 11,047                       | 208          |                       |                            |                       |               |
| 14       | Excise                  | 49,544   |  | 49,544                 |                              |              |                       |                            |                       |               |
| 15       |                         |  | Account 408  | 12,698,110             |                              |              |                       |                            |                       |               |
| 16       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 17       | <u>FEDERAL</u>          |  |  |                        |                              |              |                       |                            |                       |               |
| 18       | Income (A)              | (17,011,248)                                     | Account 409  | (17,750,147)           |                              | 22,897       | 716,002               |                            |                       |               |
| 19       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 20       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 21       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 22       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 23       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 24       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 25       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 26       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 27       |                         |  |  |                        |                              |              |                       |                            |                       |               |
| 28       | TOTALS                  | (2,723,783)                                      |  | (5,052,037)            | 1,114,695                    | 79,777       | 858,218               | 90,740                     | 29,236                | 155,588       |

(A) Apportioned on Earnings Basis  
(B) Apportioned on Payroll Basis

Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

| <b>INCOME FROM MERCHANDISING, JOBBING, AND CONTRACT WORK (Account 415)</b>   |  |                         |                    |                              |           |
|--|--|-------------------------|--------------------|------------------------------|-----------|
| Report by utility departments the revenues, costs, expenses, and net income from merchandising, jobbing and contract work during year. |  |                         |                    |                              |           |
| Line No.   | Item (a)                                   | Electric Department (b) | Gas Department (c) | Other Utility Department (d) | Total (e) |
| 1  | Revenues:                                  |                         |                    |                              |           |
| 2  | Merchandise sales, less discounts,         |                         |                    |                              |           |
| 3  | allowance and returns.....                 |                         | \$ 0               |                              | \$ 0      |
| 4  | Contract work.....                         |                         |                    |                              |           |
| 5  | Commissions.....                           |                         |                    |                              |           |
| 6  | Other-list according to major classes..... |                         |                    |                              |           |
| 7  | Install. ....                              |                         | 1,399,189          |                              | 1,399,189 |
| 8  |  |                         |                    |                              |           |
| 9  |  |                         |                    |                              |           |
| 10   | Total Revenues.....                        | 0                       | 1,399,189          | 0                            | 1,399,189 |
| 11   |  |                         |                    |                              |           |
| 12   |  |                         |                    |                              |           |
| 13   | Costs and Expenses:                        |                         |                    |                              |           |
| 14   | Cost of Sales (list according to major     |                         |                    |                              |           |
| 15   | classes of cost).....                      |                         |                    |                              |           |
| 16   | Cost of Merchandise Sold.....              |                         | 770,076            |                              | 770,076   |
| 17   | Install. expenses .....                    |                         | 136,622            |                              | 136,622   |
| 18   | Servicing installed appliance (net).....   |                         | 77,827             |                              | 77,827    |
| 19   | Storeroom expenses.....                    |                         | 53,239             |                              | 53,239    |
| 20   | Fleet expenses.....                        |                         | 43,201             |                              | 43,201    |
| 21   |  |                         |                    |                              |           |
| 22   |  |                         |                    |                              |           |
| 23   |  |                         |                    |                              |           |
| 24   |  |                         |                    |                              |           |
| 25   |  |                         |                    |                              |           |
| 26   | Miscellaneous.....                         |                         |                    |                              |           |
| 27   | Customer Account Expenses.....             |                         |                    |                              |           |
| 28   | Administrative and general expenses.....   |                         |                    |                              |           |
| 29   | Clerical salaries and wages.....           |                         | 70,822             |                              | 70,822    |
| 30   | Employee Benefits & Payroll Tax.....       |                         | 147,696            |                              | 147,696   |
| 31   | Income Tax.....                            |                         | 27,445             |                              | 27,445    |
| 32   | Uncollectible Accounts.....                |                         | (1,538)            |                              | (1,538)   |
| 33   | E/S Property Tax Non-Utility               |                         | 31,275             |                              | 31,275    |
| 34   |  |                         |                    |                              |           |
| 35   |  |                         |                    |                              |           |
| 36   |  |                         |                    |                              |           |
| 37   |  |                         |                    |                              |           |
| 38   |  |                         |                    |                              |           |
| 39   |  |                         |                    |                              |           |
| 40   |  |                         |                    |                              |           |
| 41   |  |                         |                    |                              |           |
| 42   |  |                         |                    |                              |           |
| 43   |  |                         |                    |                              |           |
| 44   |  |                         |                    |                              |           |
| 45   |  |                         |                    |                              |           |
| 46   |  |                         |                    |                              |           |
| 47   |  |                         |                    |                              |           |
| 48   |  |                         |                    |                              |           |
| 49   |  |                         |                    |                              |           |
| 50   | TOTAL COSTS AND EXPENSES                   | 0                       | 1,356,665          | 0                            | 1,356,665 |
| 51   | Net Profit (or Loss)                       | 0                       | \$ 42,524          | 0                            | \$ 42,524 |

| RECORD OF SENDOUT FOR THE YEAR IN MCF<br>BASED ON 1000 BTU PER CUBIC FOOT |  |            |           |           |           |           |           |
|---|--|------------|-----------|-----------|-----------|-----------|-----------|
| Line No.  | Item   | Total      | January   | February  | March     | April     | May       |
| 1   | Gas Made                                     |            |           |           |           |           |           |
| 2   | Liquid Natural Gas                           | 1,447,977  | 330,225   | 138,727   | 253,905   | 91,385    | -46,367   |
| 3   | Propane Air Gas                              | 14,872     | 8,653     | -4,267    | 226       | 0         | 0         |
| 4   |  |            |           |           |           |           |           |
| 5   | Propane Meter Gas                            | 0          | 0         | 0         | 0         | 0         | 0         |
| 6   | TOTAL.....                                   | 1,462,849  | 338,878   | 142,994   | 254,131   | 91,385    | -46,367   |
| 7   | Off System Sales                             | (71,610)   | (16,250)  | (800)     | (3,600)   | (35,576)  | 0         |
| 8   | Storage Activity                             | 4,925,383  | 1,986,082 | 1,613,485 | 1,928,595 | 306,612   | (150,743) |
|   | TOTAL.....                                   | -4,853,773 | 1,969,832 | 1,612,685 | 1,924,995 | 271,036   | (150,743) |
| 9   | Net Gas Purchase                             | 27,506,869 | 4,799,277 | 3,267,806 | 2,186,694 | 1,844,161 | 1,274,455 |
| 10  | End User Transportation                      | 18,857,658 | 2,260,692 | 1,837,401 | 1,768,742 | 1,317,683 | 1,052,939 |
| 11  | TOTAL.....                                   | 46,364,527 | 7,059,969 | 5,105,207 | 3,955,436 | 3,161,844 | 2,327,394 |
| 12  | TOTAL MADE AND PURCHASED                     | 52,681,149 | 9,368,679 | 6,860,886 | 6,134,562 | 3,524,265 | 2,223,018 |
| 14  | Difference Throughput vs. Purchased Gas..... | 193,400    | 33,497    | 58,168    | 63,678    | 17,189    | 3,824     |
| 15  | TOTAL SENDOUT.....                           | 52,874,549 | 9,402,176 | 6,919,054 | 6,198,240 | 3,541,454 | 2,226,842 |
| 16  | Residential Gas                              | 23,878,587 | 4,805,068 | 3,711,300 | 3,322,070 | 1,651,629 | 831,599   |
| 17  | C&I Gas                                      | 8,981,615  | 1,667,662 | 1,605,761 | 1,284,322 | 493,215   | 367,813   |
| 18  | Interruptible Gas                            | 93,836     | (574)     | 0         | 0         | 6,022     | 5,354     |
| 19  | Transportation                               | 18,913,860 | 2,315,765 | 1,917,072 | 1,862,299 | 1,245,578 | 1,041,608 |
| 20  | Gas Used by Company.....                     | 55,549     | 11,053    | 9,992     | 8,858     | 6,967     | 4,359     |
| 21  | Gas Accounted for.....                       | 51,923,447 | 8,798,974 | 7,244,125 | 6,477,549 | 3,403,411 | 2,250,733 |
| 22  | Gas Unaccounted for.....                     | 951,102    | 603,202   | (325,071) | (279,309) | 138,043   | (23,891)  |
| 23  | % Unaccounted for (0.00%).....               | 1.80%      | 6.42%     | -4.70%    | -4.51%    | 3.90%     | -1.07%    |
| 24  |  |            |           |           |           |           |           |
| 25  |  |            |           |           |           |           |           |
| 26  | Sendout in 24 hours                          |            |           |           |           |           |           |
| 27  | in MMBTU .....                               |            |           |           |           |           |           |
| 28  | <u>Brockton</u>                              |            |           |           |           |           |           |
| 29  | Maximum-MMBtu.....                           | 205,850    | 205,850   | 191,952   | 161,439   | 92,575    | -50,326   |
| 30  | Maximum Date.....                            | 01/15      | 01/15     | 02/05     | 03/02     | 04/12     | 05/05     |
| 31  | Minimum-MMBtu.....                           | 16,275     | 111,518   | 59,235    | 46,648    | 22,137    | 19,514    |
| 32  | Minimum Date.....                            | 08/22      | 01/23     | 02/27     | 03/07     | 04/25     | 05/24     |
| 33  | <u>Springfield</u>                           |            |           |           |           |           |           |
| 34  | Maximum-MMBtu.....                           | 113,449    | 113,449   | 102,365   | 94,890    | 54,063    | 29,206    |
| 35  | Maximum Date.....                            | 01/16      | 01/16     | 02/05     | 03/02     | 04/12     | 05/05     |
| 36  | Minimum-MMBtu.....                           | 11,390     | 64,758    | 42,533    | 24,174    | 15,187    | 13,482    |
| 37  | Minimum Date.....                            | 07/04      | 01/23     | 02/11     | 03/28     | 04/25     | 05/24     |
| 38  | <u>Lawrence</u>                              |            |           |           |           |           |           |
| 39  | Maximum-MMBtu.....                           | 68,486     | 68,486    | 63,850    | 55,399    | 34,379    | 17,456    |
| 40  | Maximum Date.....                            | 01/15      | 01/15     | 02/05     | 03/03     | 04/12     | 05/05     |
| 41  | Minimum-MMBtu.....                           | 5,388      | 38,691    | 22,203    | 20,562    | 9,704     | 7,270     |
| 42  | Minimum Date.....                            | 08/22      | 01/23     | 02/27     | 03/07     | 04/25     | 05/24     |

Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

**RECORD OF SENDOUT FOR THE YEAR IN MCF-CONTINUED  
BASED ON 1000 BTU PER CUBIC FOOT**

| Line No. | Item   | June             | July             | August           | September        | October          | November         | December         |
|----------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 1        | <b>Gas Made</b>                              |                  |                  |                  |                  |                  |                  |                  |
| 2        | Liquid Natural Gas                           | 45,979           | 47,675           | 43,525           | 44,605           | 42,356           | 39,634           | 323,594          |
| 3        | Propane Air Gas                              | 0                | 0                | 0                | 0                | 0                | 43               | 1,683            |
| 4        | Propane Meter Gas                            | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| 5        |  |                  |                  |                  |                  |                  |                  |                  |
| 6        | <b>TOTAL.....</b>                            | <b>45,979</b>    | <b>47,675</b>    | <b>43,525</b>    | <b>44,605</b>    | <b>42,356</b>    | <b>39,677</b>    | <b>325,277</b>   |
| 7        | Off System Sales                             | 0                | 0                | (10,000)         | 0                | 0                | 0                | (5,384)          |
| 8        | Storage Activity                             | (186,064)        | (218,927)        | (188,695)        | (185,230)        | (140,221)        | (59,065)         | 219,554          |
|          | <b>TOTAL.....</b>                            | <b>(186,064)</b> | <b>(218,927)</b> | <b>(198,695)</b> | <b>(185,230)</b> | <b>(140,221)</b> | <b>(59,065)</b>  | <b>214,170</b>   |
| 9        | Net Gas Purchase                             | 1,062,720        | 983,759          | 916,217          | 1,005,171        | 2,096,068        | 2,690,959        | 5,379,582        |
| 10       | End User Transportation                      | 911,246          | 1,251,905        | 1,868,000        | 1,087,788        | 1,680,985        | 1,727,807        | 2,092,470        |
| 11       | <b>TOTAL.....</b>                            | <b>1,973,966</b> | <b>2,235,664</b> | <b>2,784,217</b> | <b>2,092,959</b> | <b>3,777,053</b> | <b>4,418,766</b> | <b>7,472,052</b> |
| 12       | <b>TOTAL MADE AND PURCHASED</b>              | <b>1,833,881</b> | <b>2,064,412</b> | <b>2,629,047</b> | <b>1,952,334</b> | <b>3,679,188</b> | <b>4,399,378</b> | <b>8,011,499</b> |
| 13       |  |                  |                  |                  |                  |                  |                  |                  |
| 14       | Difference Throughput vs. Purchased Gas..... | 3,656            | 8,574            | (2,107)          | (2,536)          | 1,045            | 549              | 7,863            |
| 15       | <b>TOTAL SENDOUT.....</b>                    | <b>1,837,537</b> | <b>2,072,986</b> | <b>2,626,940</b> | <b>1,949,798</b> | <b>3,680,233</b> | <b>4,399,927</b> | <b>8,019,362</b> |
| 16       | Residential Gas                              | 568,421          | 579,678          | 529,400          | 655,401          | 1,332,095        | 1,873,078        | 4,018,848        |
| 17       | C&I Gas                                      | 273,165          | 254,490          | 263,408          | 188,848          | 437,485          | 623,082          | 1,522,364        |
| 18       | Interruptible Gas                            | 12,034           | 10,893           | 13,160           | 15,096           | 17,515           | 14,083           | 253              |
| 19       | Transportation                               | 865,846          | 1,319,622        | 1,840,930        | 1,074,820        | 1,507,306        | 1,670,371        | 2,252,643        |
| 20       | Gas Used by Company.....                     | 3,584            | 1,625            | 1,516            | 1,186            | 1,129            | 1,970            | 3,310            |
| 21       | Gas Accounted for.....                       | 1,723,050        | 2,166,308        | 2,648,414        | 1,935,351        | 3,295,530        | 4,182,584        | 7,797,418        |
| 22       | Gas Unaccounted for.....                     | 114,487          | 325,239          | (520,694)        | 53,186           | 208,620          | 190,508          | 70,508           |
| 23       | % Unaccounted for (0.00%).....               | 6.23%            | 15.69%           | -19.82%          | 2.73%            | 5.67%            | 4.33%            | 0.88%            |
| 24       |  |                  |                  |                  |                  |                  |                  |                  |
| 25       |  |                  |                  |                  |                  |                  |                  |                  |
| 26       | Sendout in 24 hours                          |                  |                  |                  |                  |                  |                  |                  |
| 27       | in MMBTU .....                               |                  |                  |                  |                  |                  |                  |                  |
| 28       | <b>Brockton</b>                              |                  |                  |                  |                  |                  |                  |                  |
| 29       | Maximum-MMBtu.....                           | 28,348           | 23,644           | 22,426           | 33,897           | 85,260           | 88,820           | 196,794          |
| 30       | Maximum Date.....                            | 06/09            | 07/09            | 08/31            | 09/30            | 10/18            | 11/18            | 12/29            |
| 31       | Minimum-MMBtu.....                           | 19,404           | 17,618           | 16,275           | 18,387           | 23,756           | 37,324           | 46,209           |
| 32       | Minimum Date.....                            | 06/07            | 07/04            | 08/22            | 09/05            | 10/03            | 11/14            | 12/03            |
| 33       | <b>Springfield</b>                           |                  |                  |                  |                  |                  |                  |                  |
| 34       | Maximum-MMBtu.....                           | 20,818           | 15,665           | 16,863           | 25,002           | 52,396           | 55,096           | 108,077          |
| 35       | Maximum Date.....                            | 06/09            | 07/09            | 08/31            | 09/30            | 10/15            | 11/22            | 12/29            |
| 36       | Minimum-MMBtu.....                           | 12,440           | 11,390           | 11,419           | 15,191           | 19,803           | 18,539           | 30,161           |
| 37       | Minimum Date.....                            | 06/27            | 07/04            | 08/15            | 09/06            | 10/04            | 11/18            | 12/03            |
| 38       | <b>Lawrence</b>                              |                  |                  |                  |                  |                  |                  |                  |
| 39       | Maximum-MMBtu.....                           | 11,469           | 10,086           | 9,414            | 13,823           | 30,806           | 31,828           | 66,768           |
| 40       | Maximum Date.....                            | 06/10            | 07/08            | 08/31            | 09/30            | 10/18            | 11/18            | 12/17            |
| 41       | Minimum-MMBtu.....                           | 7,792            | 6,468            | 5,388            | 6,437            | 9,773            | 14,726           | 17,866           |
| 42       | Minimum Date.....                            | 06/27            | 07/04            | 08/22            | 09/05            | 10/04            | 11/09            | 12/03            |

THIS PAGE INTENTIONALLY LEFT BLANK  
[NEXT PAGE IS 74]

Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

| <b>GAS GENERATING PLANT</b> |  |             |                      |
|-----------------------------|--|-------------|----------------------|
| Line No.                    | General Description - Location, Size, Type, etc. | No. of Sets | 24 Hour Cap. (MMBtu) |
| 1                           | Liquid Propane Plant Brockton                    |             | 30,000               |
| 2                           | Liquefied Natural Gas Plant Easton               |             | 50,000               |
| 3                           | Liquefied Natural Gas Plant Marshfield           |             | 12,000               |
| 4                           | Liquid Propane Plant W. Springfield              |             | 24,699               |
| 5                           | Liquid Propane Plant Northampton                 |             | 11,740               |
| 6                           | Liquid Propane Plant Lawrence                    |             | 21,088               |
| 7                           | Liquefied Natural Gas Plant Ludlow               |             | 55,000               |
| 8                           | Liquefied Natural Gas Plant Lawrence             |             | 19,200               |
| 9                           |  |             |                      |
| 10                          |  |             |                      |
| 11                          |  |             |                      |
| 12                          |  |             |                      |
| 13                          |  |             |                      |
| 14                          |  |             |                      |
| 15                          |  |             |                      |
| 16                          |  |             |                      |
| 17                          |  |             |                      |
| 18                          |  |             |                      |
| 19                          |  |             |                      |
| 20                          |  |             |                      |
| 21                          |  |             |                      |
| 22                          |  |             |                      |
| 23                          |  |             |                      |
| 24                          |  |             |                      |
| 25                          |  |             |                      |
| 26                          |  |             |                      |
| 27                          |  |             |                      |
| 28                          |  |             |                      |
| 29                          |  |             |                      |
| 30                          |  |             |                      |
| 31                          |  |             |                      |
| 32                          |  |             |                      |
| 33                          |  |             |                      |
| 34                          |  |             |                      |
| 35                          |  |             |                      |
| 36                          |  |             |                      |
| 37                          |  |             |                      |
| 38                          |  |             |                      |
| 39                          |  |             |                      |
| 40                          |  |             |                      |
| 41                          |  |             |                      |
| 42                          |  |             |                      |
| 43                          |  |             |                      |
| 44                          |  |             |                      |
| 45                          |  | TOTAL       | 223,727              |

Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

## TRANSMISSION AND DISTRIBUTION MAINS

Report by size, for all mains and lines, the information called for below for cast iron, welded, wrought iron, and steel mains. Sub-totals should be shown for each type.

| Line No.                                    | Diameter         | Total Length in Feet at Beginning of Year | Added During Year | Taken Up During Year | Abandoned but Not Removed During Year | Total Length in Feet at End of Year |
|---|------------------|---|-------------------|----------------------|---------------------------------------|-------------------------------------|
| 1   | <b>CAST IRON</b> |   |                   |                      |                                       |                                     |
| 2   | 3"               | 271,961                                   |                   |                      | 40                                    | 271,921                             |
| 3   | 4"               | 1,251,605                                 |                   |                      | 35,132                                | 1,216,473                           |
| 4   | 6"               | 1,442,529                                 |                   |                      | 29,735                                | 1,412,794                           |
| 5   | 8"               | 185,784                                   |                   |                      | 1,780                                 | 184,004                             |
| 6   | 10"              | 74,136                                    |                   |                      | 1,410                                 | 72,726                              |
| 7   | 12"              | 126,271                                   |                   |                      | 1,241                                 | 125,030                             |
| 8   | 14"              | 6,119                                     |                   |                      | 20                                    | 6,099                               |
| 9   | 16"              | 64,708                                    |                   |                      | 0                                     | 64,708                              |
| 10  | 20"              | 6,375                                     |                   |                      | 0                                     | 6,375                               |
| 11  | 24"              | 5,732                                     |                   |                      | 0                                     | 5,732                               |
| 12  |                  |   |                   |                      |                                       |                                     |
| 13  | Sub Total        | 3,435,220                                 | 0                 | 0                    | 69,358                                | 3,365,862                           |
| 14  | <b>STEEL</b>     |   |                   |                      |                                       |                                     |
| 15  | Under 4"         | 5,751,692                                 | 140               |                      | 43,322                                | 5,708,510                           |
| 16  | 4"               | 2,748,801                                 | 535               |                      | 15,316                                | 2,734,020                           |
| 17  | 6"               | 3,245,510                                 | 1,049             |                      | 19,659                                | 3,226,900                           |
| 18  | 8"               | 1,322,488                                 | 3,428             |                      | 813                                   | 1,325,103                           |
| 19  | 10"              | 174,555                                   | 47                |                      | 1,752                                 | 172,850                             |
| 20  | 12"              | 619,561                                   | 12,436            |                      | 102                                   | 631,895                             |
| 21  | 16"              | 168,990                                   | 0                 |                      | 0                                     | 168,990                             |
| 22  | 20"              | 7,238                                     | 0                 |                      | 0                                     | 7,238                               |
| 23  | 24"              | 3,941                                     | 0                 |                      | 0                                     | 3,941                               |
| 24  | Sub Total        | 14,042,776                                | 17,635            | 0                    | 80,964                                | 13,979,447                          |
| 25  | <b>PLASTIC</b>   |   |                   |                      |                                       |                                     |
| 26  | Under 4"         | 4,681,603                                 | 121,528           |                      | 3,818                                 | 4,799,313                           |
| 27  | 4"               | 2,128,515                                 | 58,471            |                      | 2,940                                 | 2,184,046                           |
| 28  | 6"               | 1,020,047                                 | 50,189            |                      | 1,996                                 | 1,068,240                           |
| 29  | 8" or Over       | 366,416                                   | 44,875            |                      | 6                                     | 411,285                             |
| 30  | Sub Total        | 8,196,581                                 | 275,063           | 0                    | 8,760                                 | 8,462,884                           |
| 31  | TOTALS           | 25,674,577                                | 292,698           | 0                    | 159,082                               | 25,808,193                          |
| Normal Operating Pressure - Mains and Lines |                  | Maximum 100 lb                            |                   |                      | LP 6" HP 40"                          |                                     |
| Normal Operating Pressure - Services        |                  | Maximum 60 lb                             |                   |                      | LP 6" HP 25"                          |                                     |



Annual report of.....BAY STATE GAS COMPANY.....Year ended December 31, 2009

**GAS DISTRIBUTION SERVICES, HOUSE GOVERNORS AND METERS**

Report below the information called for concerning Distribution Services, House Governors and Meters

| Line No. | Item  | Gas Services | House Governors | Meters  |
|----------|---|--------------|-----------------|---------|
| 1        | Number at beginning of year.....                                | 252,776      | 0               | 319,003 |
| 2        | Additions during year:  |              |                 |         |
| 3        | Purchased.....  |              |                 |         |
| 4        | Installed.....  | 4,685        |                 | 2,322   |
| 5        | Meter adjustments.....  |              |                 |         |
| 6        | Total Additions.....  | 4,685        | 0               | 2,322   |
| 7        | Reductions during year:   |              |                 |         |
| 8        | Retirements.....  | 2,482        |                 | 4,389   |
| 9        | Service adjustments.....  |              | 0               |         |
| 10       | Total Reductions.....   | 2,482        | 0               | 4,389   |
| 11       | Number at End of Year.....                                      | 254,979      | 0               | 316,936 |
| 12       | In Stock.....   |              |                 | 14,048  |
| 13       | On Customers' Premises - Inactive.....                          |              |                 | 7,502   |
| 14       | On Customers' Premises - Active.....                            |              |                 | 295,332 |
| 15       | In Company Use.....   |              |                 | 54      |
| 16       | Number at End of Year.....                                      |              |                 | 316,936 |
| 17       | Number of Meters Tested by State Inspectors<br>During Year..... |              |                 | 49,282  |

House Governors are included as a component of the Gas Service.

**RESIDENTIAL NON-HEATING**  
**RESIDENTIAL RATE R-1****AVAILABILITY**

Service is available under this rate at single locations for all domestic purposes, except for resale, in individual private dwellings and individual apartments including condominiums and their facilities as defined in G.L. Chapter 183A, Section 1 and DPU 86-159 dated February 6, 1987.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - BI-MONTHLY**

The Bi-Monthly rate schedule applicable to all customers being served with Company meters that do not have an installed radio-based automated meter reading device is as follows:

|                                      |                  |                       |
|--------------------------------------|------------------|-----------------------|
| Customer Charge Per Two Month Period |                  | \$ 21.88              |
| Off-Peak                             | First 10 therms  | @ \$ 0.3567 per therm |
|                                      | Excess 10 therms | @ \$0.4356 per therm  |
| Peak                                 | First 10 therms  | @ \$ 0.3567 per therm |
|                                      | Excess 10 therms | @ \$0.4356 per therm  |

**RATE - MONTHLY**

The Monthly rate schedule applicable to all customers being served with Company meters that have an installed radio-based automated meter reading device is as follows:

|                                      |                 |                       |
|--------------------------------------|-----------------|-----------------------|
| Customer Charge Per One Month Period |                 | \$ 10.94              |
| Off-Peak                             | First 5 therms  | @ \$ 0.3567 per therm |
|                                      | Excess 5 therms | @ \$0.4356 per therm  |
| Peak                                 | First 5 therms  | @ \$ 0.3567 per therm |
|                                      | Excess 5 therms | @ \$0.4356 per therm  |

**RESIDENTIAL NON-HEATING  
RESIDENTIAL RATE R-1**

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the applicable bi-monthly or monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.

Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**SPECIAL PROVISION**

Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter, the billings will be calculated on the appropriate Commercial and Industrial Service Rate.

**RESIDENTIAL NON-HEATING  
RESIDENTIAL RATE R-1**

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**LOW INCOME RESIDENTIAL NON-HEATING  
RESIDENTIAL RATE R-2****AVAILABILITY**

Service is available under this rate at single locations for all domestic purposes, except for resale, in individual private dwellings and individual apartments to persons who verify receipt of any means-tested public-benefit program or verify eligibility for the low-income home energy assistance program or its successor program, for which eligibility does not exceed 60 percent of the median income in Massachusetts based on a household's gross income or other criteria approved by the Department.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - BI- MONTHLY**

The Bi-Monthly rate schedule applicable to all customers being served with Company meters that do not have an installed radio-based automated meter-reading device is as follows:

|                                      |   |                  |   |                     |
|--------------------------------------|---|------------------|---|---------------------|
| Customer Charge Per Two Month Period |   |                  |   | \$ 13.74            |
| Off-Peak                             | - | First 10 therms  | @ | \$ 0.2240 per therm |
|                                      |   | Excess 10 therms | @ | \$ 0.2736 per therm |
| Peak                                 | - | First 10 therms  | @ | \$ 0.2240 per therm |
|                                      |   | Excess 10 therms | @ | \$ 0.2736 per therm |

**RATE - MONTHLY**

The Monthly rate schedule applicable to all customers being served with Company meters that have an installed radio-based automated meter reading device is as follows:

|                                      |   |                 |   |                     |
|--------------------------------------|---|-----------------|---|---------------------|
| Customer Charge Per One Month Period |   |                 |   | \$ 6.87             |
| Off-Peak                             | - | First 5 therms  | @ | \$ 0.2240 per therm |
|                                      |   | Excess 5 therms | @ | \$ 0.2736 per therm |
| Peak                                 | - | First 5 therms  | @ | \$ 0.2240 per therm |
|                                      |   | Excess 5 therms | @ | \$ 0.2736 per therm |

**LOW INCOME RESIDENTIAL NON-HEATING  
RESIDENTIAL RATE R-2**

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the applicable bi-monthly or monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**SPECIAL PROVISIONS**

Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter, the billings shall be calculated on the appropriate Commercial and Industrial Service Rate.

**LOW INCOME RESIDENTIAL NON-HEATING  
RESIDENTIAL RATE R-2**

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**RESIDENTIAL HEATING**  
**RESIDENTIAL RATE R-3****AVAILABILITY**

Service is available under this rate at single domestic locations for all purposes, except for resale, in individual private dwellings and individual apartments including condominiums and their facilities as defined in G. L. Chapter 183A, Section 1 and DPU 86-159 dated February 6, 1987 where such residences are heated exclusively by means of permanently installed space heating equipment.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - MONTHLY**

|                           |                  |   |                     |
|---------------------------|------------------|---|---------------------|
| Customer Charge Per Month |                  |   | \$ 10.94            |
| Off-Peak                  | First 10 therms  | @ | \$ 0.3044 per therm |
|                           | Excess 10 therms | @ | \$ 0.3546 per therm |
| Peak                      | First 50 therms  | @ | \$ 0.3044 per therm |
|                           | Excess 50 therms | @ | \$ 0.3546 per therm |

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.



**RESIDENTIAL HEATING  
RESIDENTIAL RATE R-3**

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**SPECIAL PROVISION**

- a) Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter the billing shall be calculated on the appropriated Commercial and Industrial Service Rate.
- b) Temporary service will be supplied, upon written application for the limited period necessary to protect and dry out unoccupied private residences under construction. Gas fired, permanently installed heating equipment of a type approved by the Company shall be the sole source of heat for the residence. The charge shall be computed in accordance with Residential Rate R-3.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**LOW INCOME RESIDENTIAL HEATING**  
**RESIDENTIAL RATE R-4**

**AVAILABILITY**

Service is available under this rate at single domestic locations for all purposes, except for resale, in individual private dwellings and individual apartments where such residences are heated exclusively by means of permanently attached space heating equipment to persons who verify receipt of any means-tested public-benefit program or verify eligibility for the low-income home energy assistance program or its successor program, for which eligibility does not exceed 60 percent of the median income in Massachusetts based on a household's gross income or other criteria approved by the Department..

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - MONTHLY**

|                           |                  |   |                     |
|---------------------------|------------------|---|---------------------|
| Customer Charge Per Month |                  |   | \$ 3.36             |
| Off-Peak                  | First 10 therms  | @ | \$ 0.0934 per therm |
|                           | Excess 10 therms | @ | \$ 0.1088 per therm |
| Peak                      | First 50 therms  | @ | \$ 0.0934 per therm |
|                           | Excess 50 therms | @ | \$ 0.1088 per therm |

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**LOW INCOME RESIDENTIAL HEATING  
RESIDENTIAL RATE R-4**

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**SPECIAL PROVISIONS**

Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments are served through one meter the billing shall be calculated on the appropriate Commercial and Industrial Service Rate.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**COMMERCIAL AND INDUSTRIAL SERVICE  
(LOW ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE G-40**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE- MONTHLY**

|                           |                  |                       |
|---------------------------|------------------|-----------------------|
| Customer Charge Per Month |                  | \$ 17.51              |
| Off-Peak                  | First 8 therms   | @ \$0.2963 per therm  |
|                           | Excess 8 therms  | @ \$ 0.3477 per therm |
| Peak                      | First 50 therms  | @ \$0.2963 per therm  |
|                           | Excess 50 therms | @ \$ 0.3477 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of less than 5,000 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**COMMERCIAL AND INDUSTRIAL SERVICE  
(LOW ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE G-40**

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**COMMERCIAL AND INDUSTRIAL SERVICE**  
**(MEDIUM ANNUAL USE / HIGH PEAK PERIOD USE)**  
**RATE G-41**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - MONTHLY**

|                           |                   |   |                    |
|---------------------------|-------------------|---|--------------------|
| Customer Charge Per Month |                   |   | \$ 71.11           |
| Off-Peak                  | First 50 therms   | @ | \$0.1331 per therm |
|                           | Excess 50 therms  | @ | \$0.2201 per therm |
| Peak                      | First 700 therms  | @ | \$0.1732 per therm |
|                           | Excess 700 therms | @ | \$0.2002 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of between 5,000 therms and 39,999 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**COMMERCIAL AND INDUSTRIAL SERVICE  
(MEDIUM ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE G-41**

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**COMMERCIAL AND INDUSTRIAL SERVICE  
(MEDIUM ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE G-41**

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.



**COMMERCIAL AND INDUSTRIAL SERVICE  
(HIGH ANNUAL USE / HIGH PEAK PERIOD)  
RATE G-42**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - MONTHLY**

|                           |                     |                      |
|---------------------------|---------------------|----------------------|
| Customer Charge Per Month |                     | \$ 233.02            |
| Off-Peak                  | First 400 therms    | @ \$0.0630 per therm |
|                           | Excess 400 therms   | @ \$0.0993 per therm |
| Peak                      | First 4,000 therms  | @ \$0.1552 per therm |
|                           | Excess 4,000 therms | @ \$0.1794 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage between 40,000 and 249,999 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures. With the exception that customers whose annual use is greater than 249,999 therms, and if the Company has been unable to install an Automated Meter Reading Device, such customers also shall take service under this rate schedule.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**COMMERCIAL AND INDUSTRIAL SERVICE  
(HIGH ANNUAL USE / HIGH PEAK PERIOD)  
RATE G-42**

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**COMMERCIAL AND INDUSTRIAL SERVICE**  
**(HIGH ANNUAL USE / HIGH PEAK PERIOD)**  
**RATE G-42**

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**COMMERCIAL AND INDUSTRIAL SERVICE  
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE G-43**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - MONTHLY**

|                            |          |  |
|----------------------------|----------|--|
| Customer Charge Per Month: |          | \$ 854.36  |
| Demand Rates:              | Off-Peak | - @ \$ 0.6598 per therm of maximum daily gas usage |
|                            | Peak     | - @ \$ 1.5696 per therm of maximum daily gas usage |
| Volumetric Rates:          | Off-Peak | - @ \$0.0374 per therm                             |
|                            | Peak     | - @ \$0.0734 per therm                             |

**CALCULATION OF DEMAND CHARGES**

Demand charges shall be calculated by applying the Demand Rate to the actual measured maximum daily gas usage in the billing month.

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of 250,000 therms or more and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**COMMERCIAL AND INDUSTRIAL SERVICE  
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE G-43**

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which, it shall automatically renew itself for like one year periods thereafter, unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**COMMERCIAL AND INDUSTRIAL SERVICE  
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE G-43**

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**SPECIAL PROVISIONS**

All customers eligible for this service class must provide and maintain a phone line for use by the Company and provide the Company with reasonable access to the meter for installation and maintenance of the Automated Meter Reading device. Customers must have Automated Meter Reading devices installed in order to receive service according to this schedule. If the Company determines that Automated Meter Reading is impractical, the customer may receive service under the terms of Rate Schedule G-42.

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

COMMERCIAL AND INDUSTRIAL SERVICE  
(LOW ANNUAL USE / LOW PEAK PERIOD USE)  
RATE G-50

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

|                           |                  |                      |
|---------------------------|------------------|----------------------|
| Customer Charge Per Month |                  | \$ 17.51             |
| Off-Peak                  | First 20 therms  | @ \$0.2584 per therm |
|                           | Excess 20 therms | @ \$0.3490 per therm |
| Peak                      | First 20 therms  | @ \$0.2584 per therm |
|                           | Excess 20 therms | @ \$0.3490 per therm |

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of less than 5,000 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**COMMERCIAL AND INDUSTRIAL SERVICE  
(LOW ANNUAL USE / LOW PEAK PERIOD USE)  
RATE G-50**

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.



**COMMERCIAL AND INDUSTRIAL SERVICE**  
**(MEDIUM ANNUAL USE / LOW PEAK PERIOD USE)**  
**RATE G-51**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - MONTHLY**

|                           |                   |                      |
|---------------------------|-------------------|----------------------|
| Customer Charge Per Month |                   | \$71.11              |
| Off-Peak                  | First 400 therms  | @ \$0.1032 per therm |
|                           | Excess 400 therms | @ \$0.1156 per therm |
| Peak                      | First 400 therms  | @ \$0.1609 per therm |
|                           | Excess 400 therms | @ \$0.1897 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of between 5,000 and 39,999 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**COMMERCIAL AND INDUSTRIAL SERVICE  
(MEDIUM ANNUAL USE / LOW PEAK PERIOD USE)  
RATE G-51**

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**COMMERCIAL AND INDUSTRIAL SERVICE**  
**(MEDIUM ANNUAL USE / LOW PEAK PERIOD USE)**  
**RATE G-51**

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**COMMERCIAL AND INDUSTRIAL SERVICE  
(HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE G-52**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - MONTHLY**

|                           |                     |                      |
|---------------------------|---------------------|----------------------|
| Customer Charge Per Month |                     | \$ 233.02            |
| Off-Peak                  | First 2,500 therms  | @ \$0.0778 per therm |
|                           | Excess 2,500 therms | @ \$0.0898 per therm |
| Peak                      | First 2,500 therms  | @ \$0.1346 per therm |
|                           | Excess 2,500 therms | @ \$0.1715 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage between 40,000 and 249,999 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures. With the exception that customers whose annual use is greater than 249,999 therms, and if the Company has been unable to install an Automated Meter Reading Device, such customers also shall take service under this rate schedule.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**COMMERCIAL AND INDUSTRIAL SERVICE  
(HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE G-52**

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**COMMERCIAL AND INDUSTRIAL SERVICE  
(HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE G-52**

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**COMMERCIAL AND INDUSTRIAL SERVICE  
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE G-53**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - MONTHLY**

|                            |          |   |  |
|----------------------------|----------|---|--|
| Customer Charge Per Month: |          |   | \$ 854.36  |
| Demand Rates:              | Off-Peak | - | @ \$ 0.6598 per therm of maximum daily gas usage |
|                            | Peak     | - | @ \$ 1.5696 per therm of maximum daily gas usage |
| Volumetric Rates:          | Off-Peak | - | @ \$ 0.0374 per therm                            |
|                            | Peak     | - | @ \$ 0.0734 per therm                            |

**CALCULATION OF DEMAND CHARGES**

Demand charges shall be calculated by applying the Demand Rate to the actual measured maximum daily gas usage in the billing month.

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of 250,000 therms or more and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

**COMMERCIAL AND INDUSTRIAL SERVICE  
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE G-53**

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which, it shall automatically renew itself for like one year periods thereafter, unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---



**COMMERCIAL AND INDUSTRIAL SERVICE  
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE G-53**

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**SPECIAL PROVISIONS**

All customers eligible for this service class must provide and maintain a phone line for use by the Company and provide the Company with reasonable access to the meter for installation and maintenance of the Automated Meter Reading device. Customers must have Automated Meter Reading devices installed in order to receive service according to this schedule. If the Company determines that Automated Meter Reading is impractical, the customer may receive service according to Rate Schedule G-52.

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**OUTDOOR GAS LIGHTING SERVICE  
RATE L**

**AVAILABILITY**

Service to all customers is available under this rate for outdoor gas lighting where a standard gas light is attached to the Company's existing distribution system, and when it is not feasible to meter gas for such lighting along with other gas used on the premises and bill the same under the rate in effect for all other service. All such installations shall be on private property. Service under this schedule is available only to those customers taking service under this rate as of December 14, 1979.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE-- MONTHLY**

\$ 2.68 per month per light.

**COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

**TERM OF CONTRACT**

The terms of contract under this schedule shall be for an initial period of one year, and shall continue in effect thereafter until canceled by either party on 30 days' written notice.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

OUTDOOR GAS LIGHTING SERVICE  
RATE L

PAYMENT

Bills are net and payable upon presentation.

SPECIAL PROVISIONS

The customer shall own and maintain all equipment necessary for such lighting, including any necessary additional piping. The customer shall replace at his expense any mantles from time to time. All original or replacement equipment shall be approved by the Company.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**NON-HEATING FIRM TRANSPORTATION SERVICE**  
**RESIDENTIAL RATE T-R1**

**AVAILABILITY**

Service is available under this rate at single domestic locations throughout the territory served by the Company for transportation of supplier-owned gas used in individual private dwellings and individual apartments including condominiums and their facilities as defined in G. L. Chapter 183A, Section 1 and DPU 86-159 dated February 6, 1987.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - BI-MONTHLY**

The Bi-Monthly rate schedule applicable to all customers being served with Company meters that do not have an installed radio-based automated meter reading device is as follows:

|                                      |   |                  |                      |
|--------------------------------------|---|------------------|----------------------|
| Customer Charge Per Two Month Period |   |                  | \$ 21.88             |
| Off-Peak                             | - | First 10 therms  | @ \$0.3567 per therm |
|                                      |   | Excess 10 therms | @ \$0.4356 per therm |
| Peak                                 | - | First 10 therms  | @ \$0.3567 per therm |
|                                      |   | Excess 10 therms | @ \$0.4356 per therm |

**RATE - MONTHLY**

The Monthly rate schedule applicable to all customers being served with Company meters that have an installed radio-based automated meter reading device is as follows:

|                                      |   |                 |                      |
|--------------------------------------|---|-----------------|----------------------|
| Customer Charge Per One Month Period |   |                 | \$ 10.94             |
| Off-Peak                             | - | First 5 therms  | @ \$0.3567 per therm |
|                                      |   | Excess 5 therms | @ \$0.4356 per therm |
| Peak                                 | - | First 5 therms  | @ \$0.3567 per therm |
|                                      |   | Excess 5 therms | @ \$0.4356 per therm |

**NON-HEATING FIRM TRANSPORTATION SERVICE**  
**RESIDENTIAL RATE T-R1**

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the applicable bi-monthly or monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas transported under this rate.

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas transported under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**SPECIAL PROVISION**

Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter, the billings will be calculated on the appropriate Commercial and Industrial Service Rate.

**NON-HEATING FIRM TRANSPORTATION SERVICE  
RESIDENTIAL RATE T-R1**

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, or other arrangements between Customers and Suppliers operating pursuant to the Company's Supplier Service Agreement Terms and Conditions, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**LOW INCOME NON-HEATING FIRM TRANSPORTATION SERVICE  
RESIDENTIAL RATE T-R2**

**AVAILABILITY**

Service is available under this rate at single domestic locations throughout the territory served by the Company for transportation of supplier-owned gas used in individual private dwellings and individual apartments for all domestic purposes to persons who verify receipt of any means-tested public-benefit program or verify eligibility for the low-income home energy assistance program or its successor program, for which eligibility does not exceed 60 percent of the median income in Massachusetts based on a household's gross income or other criteria approved by the Department..

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - BI-MONTHLY**

The Bi-Monthly rate schedule applicable to all customers being served with Company meters that do not have an installed radio-based automated meter reading device is as follows:

|                                      |                  |   |                    |
|--------------------------------------|------------------|---|--------------------|
| Customer Charge Per Two Month Period |                  |   | \$ 13.74           |
| Off-Peak                             | First 10 therms  | @ | \$0.2240 per therm |
|                                      | Excess 10 therms | @ | \$0.2736 per therm |
| Peak                                 | First 10 therms  | @ | \$0.2240 per therm |
|                                      | Excess 10 therms | @ | \$0.2736 per therm |

**RATE - MONTHLY**

The Monthly rate schedule applicable to all customers being served with Company meters that have an installed radio-based automated meter reading device is as follows:

|                                      |                 |   |                    |
|--------------------------------------|-----------------|---|--------------------|
| Customer Charge Per One Month Period |                 |   | \$ 6.87            |
| Off-Peak                             | First 5 therms  | @ | \$0.2240 per therm |
|                                      | Excess 5 therms | @ | \$0.2736 per therm |
| Peak                                 | First 5 therms  | @ | \$0.2240 per therm |
|                                      | Excess 5 therms | @ | \$0.2736 per therm |

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**LOW INCOME NON-HEATING FIRM TRANSPORTATION SERVICE  
RESIDENTIAL RATE T-R2**

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the applicable bi-monthly or monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas transported under this rate.

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas transported under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**SPECIAL PROVISIONS**

Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter, the billings shall be calculated on the appropriate Commercial and Industrial Service Rate.



**LOW INCOME NON-HEATING FIRM TRANSPORTATION SERVICE**  
**RESIDENTIAL RATE T-R2**

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, or other arrangements between Customers and Suppliers operating pursuant to the Company's Supplier Service Agreement Terms and Conditions, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**HEATING FIRM TRANSPORTATION SERVICE**  
**RESIDENTIAL RATE T-R3****AVAILABILITY**

Service is available under this rate at single domestic locations throughout the territory served by the Company for transportation of supplier-owned gas used in individual private dwellings and individual apartments including condominiums and their facilities as defined in G. L. Chapter 183A, Section 1 and DPU 86-159 dated February 6, 1987 where such residences are heated exclusively by means of permanently installed space heating equipment.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - MONTHLY**

|                           |   |                  |                      |
|---------------------------|---|------------------|----------------------|
| Customer Charge Per Month |   |                  | \$ 10.94             |
| Off-Peak                  | - | First 10 therms  | @ \$0.3044 per therm |
|                           |   | Excess 10 therms | @ \$0.3546 per therm |
| Peak                      | - | First 50 therms  | @ \$0.3044 per therm |
|                           |   | Excess 50 therms | @ \$0.3546 per therm |

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas transported under this rate.

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas transported under this rate.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**HEATING FIRM TRANSPORTATION SERVICE  
RESIDENTIAL RATE T-R3**

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**SPECIAL PROVISION**

- a) Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter the billing shall be calculated on the appropriated Commercial and Industrial Service Rate.
- b) Temporary service will be supplied, upon written application for the limited period necessary to protect and dry out unoccupied private residences under construction. Gas fired, permanently installed heating equipment of a type approved by the Company shall be the sole source of heat for the residence. The charge shall be computed in accordance with Residential Rate R-3.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, or other arrangements between Customers and Suppliers operating pursuant to the Company's Supplier Service Agreement Terms and Conditions, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**LOW INCOME HEATING FIRM TRANSPORTATION SERVICE  
RESIDENTIAL RATE T-R4**

**AVAILABILITY**

Service is available under this rate at single domestic locations throughout the territory served by the Company to persons who verify receipt of any means-tested public-benefit program or verify eligibility for the low-income home energy assistance program or its successor program, for which eligibility does not exceed 60 percent of the median income in Massachusetts based on a household's gross income or other criteria approved by the Department, for transportation of supplier-owned gas used in individual private dwellings and individual apartments where such residences are heated exclusively by means of permanently installed space heating equipment.

**CHARACTER OF SERVICE**

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

**RATE - MONTHLY**

|                           |                  |                      |
|---------------------------|------------------|----------------------|
| Customer Charge Per Month |                  | \$ 3.36              |
| Off-Peak                  | First 10 therms  | @ \$0.0934 per therm |
|                           | Excess 10 therms | @ \$0.1088 per therm |
| Peak                      | First 50 therms  | @ \$0.0934 per therm |
|                           | Excess 50 therms | @ \$0.1088 per therm |

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas transported under this rate.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**LOW INCOME HEATING FIRM TRANSPORTATION SERVICE  
RESIDENTIAL RATE T-R4**

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas transported under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**SPECIAL PROVISIONS**

Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments are served through one meter the billing shall be calculated on the appropriate Commercial and Industrial Service Rate, and therefore such accounts are not eligible for the Pilot Program.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, or other arrangements between Customers and Suppliers operating pursuant to the Company's Supplier Service Agreement Terms and Conditions, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**FIRM TRANSPORTATION SERVICE**  
**(LOW ANNUAL USE / HIGH PEAK PERIOD USE)**  
**RATE T-40**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

**RATE - MONTHLY**

|                           |                  |                      |
|---------------------------|------------------|----------------------|
| Customer Charge Per Month |                  | \$ 17.51             |
| Off-Peak                  | First 8 therms   | @ \$0.2963 per therm |
|                           | Excess 8 therms  | @ \$0.3477 per therm |
| Peak                      | First 50 therms  | @ \$0.2963 per therm |
|                           | Excess 50 therms | @ \$0.3477 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of less than 5,000 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

**FIRM TRANSPORTATION SERVICE  
(LOW ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE T-40**

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**FIRM TRANSPORTATION SERVICE  
(MEDIUM ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE T-41**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

**RATE - MONTHLY**

|                           |                   |                      |
|---------------------------|-------------------|----------------------|
| Customer Charge Per Month |                   | \$ 71.11             |
| Off-Peak                  | First 50 therms   | @ \$0.1331 per therm |
|                           | Excess 50 therms  | @ \$0.2201 per therm |
| Peak                      | First 700 therms  | @ \$0.1732 per therm |
|                           | Excess 700 therms | @ \$0.2002 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of between 5,000 therms and 39,999 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---



**FIRM TRANSPORTATION SERVICE  
(MEDIUM ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE T-41**

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**FIRM TRANSPORTATION SERVICE  
(HIGH ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE T-42**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

**RATE - MONTHLY**

|                           |                     |   |                    |
|---------------------------|---------------------|---|--------------------|
| Customer Charge Per Month |                     |   | \$ 233.02          |
| Off-Peak                  | First 400 therms    | @ | \$0.0630 per therm |
|                           | Excess 400 therms   | @ | \$0.0993 per therm |
| Peak                      | First 4,000 therms  | @ | \$0.1552 per therm |
|                           | Excess 4,000 therms | @ | \$0.1794 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage between 40,000 and 249,999 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**FIRM TRANSPORTATION SERVICE  
(HIGH ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE T-42**

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**FIRM TRANSPORTATION SERVICE  
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE T-43**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

**RATE - MONTHLY**

|                            |          |  |
|----------------------------|----------|--|
| Customer Charge Per Month: |          | \$854.36   |
| Demand Rates:              | Off-Peak | @ \$ 0.6598 per therm of maximum daily gas usage |
|                            | Peak     | @ \$ 1.5696 per therm of maximum daily gas usage |
| Volumetric Rates:          | Off-Peak | @ \$ 0.0374 per therm                            |
|                            | Peak     | @ \$ 0.0734 per therm                            |

**CALCULATION OF DEMAND CHARGES**

Demand charges shall be calculated by applying the Demand Rate to the actual measured maximum daily gas usage in the billing month.

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of 250,000 therms or more and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**FIRM TRANSPORTATION SERVICE  
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE T-43**

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter, unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**FIRM TRANSPORTATION SERVICE  
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)  
RATE T-43**

**SPECIAL PROVISIONS**

All customers eligible for this service class must provide and maintain a phone line for use by the Company and provide the Company with reasonable access to the meter for installation and maintenance of the Automated Meter Reading device. Customers must have Automated Meter Reading devices installed in order to receive service according to this schedule.

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**FIRM TRANSPORTATION SERVICE  
(LOW ANNUAL USE / LOW PEAK PERIOD USE)  
RATE T-50**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

**RATE - MONTHLY**

|                           |                  |                      |
|---------------------------|------------------|----------------------|
| Customer Charge Per Month |                  | \$ 17.51             |
| Off-Peak                  | First 20 therms  | @ \$0.2584 per therm |
|                           | Excess 20 therms | @ \$0.3490 per therm |
| Peak                      | First 20 therms  | @ \$0.2584 per therm |
|                           | Excess 20 therms | @ \$0.3490 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of less than 5,000 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

**FIRM TRANSPORTATION SERVICE  
(LOW ANNUAL USE / LOW PEAK PERIOD USE)  
RATE T-50**

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as being the period November 1<sup>st</sup> through April 30<sup>th</sup>

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---



**FIRM TRANSPORTATION SERVICE  
(MEDIUM ANNUAL USE / LOW PEAK PERIOD USE)  
RATE T-51**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

**RATE - MONTHLY**

|                           |                   |   |                    |
|---------------------------|-------------------|---|--------------------|
| Customer Charge Per Month |                   |   | \$ 71.11           |
| Off-Peak                  | First 400 therms  | @ | \$0.1032 per therm |
|                           | Excess 400 therms | @ | \$0.1156 per therm |
| Peak                      | First 400 therms  | @ | \$0.1609 per therm |
|                           | Excess 400 therms | @ | \$0.1897 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of between 5,000 therms and 39,999 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**FIRM TRANSPORTATION SERVICE  
(MEDIUM ANNUAL USE / LOW PEAK PERIOD USE)  
RATE T-51**

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**FIRM TRANSPORTATION SERVICE  
(HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE T-52**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

**RATE - MONTHLY**

|                           |                     |   |                    |
|---------------------------|---------------------|---|--------------------|
| Customer Charge Per Month |                     |   | \$ 233.02          |
| Off-Peak                  | First 2,500 therms  | @ | \$0.0778 per therm |
|                           | Excess 2,500 therms | @ | \$0.0898 per therm |
| Peak                      | First 2,500 therms  | @ | \$0.1346 per therm |
|                           | Excess 2,500 therms | @ | \$0.1715 per therm |

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage between 40,000 and 249,999 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

**FIRM TRANSPORTATION SERVICE  
(HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE T-52**

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**FIRM TRANSPORTATION SERVICE  
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE T-53**

**AVAILABILITY**

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

**RATE - MONTHLY**

|                            |          |   |  |
|----------------------------|----------|---|--|
| Customer Charge Per Month: |          |   | \$ 854.36  |
| Demand Rates:              | Off-Peak | - | @ \$ 0.6598 per therm of maximum daily gas usage |
|                            | Peak     | - | @ \$ 1.5696 per therm of maximum daily gas usage |
| Volumetric Rates:          | Off-Peak | - | @ \$ 0.0374 per therm                            |
|                            | Peak     | - | @ \$ 0.0734 per therm                            |

**CALCULATION OF DEMAND CHARGES**

Demand charges shall be calculated by applying the Demand Rate to the actual measured maximum daily gas usage in the billing month.

**CHARACTERISTICS OF CUSTOMER**

A customer receiving service under this schedule must have annual usage of 250,000 therms or more and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

**MINIMUM CHARGE**

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

---

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

---

**FIRM TRANSPORTATION SERVICE  
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE T-53**

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1<sup>st</sup> through October 31<sup>st</sup>.  
Peak Period - Defined as the period from November 1<sup>st</sup> through April 30<sup>th</sup>.

**PAYMENT**

Bills are net and payable upon presentation.

**TERM OF CONTRACT**

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter, unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**FIRM TRANSPORTATION SERVICE  
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)  
RATE T-53**

**SPECIAL PROVISIONS**

All customers eligible for this service class must provide and maintain a phone line for use by the Company and provide the Company with reasonable access to the meter for installation and maintenance of the Automated Meter Reading device. Customers must have Automated Meter Reading devices installed in order to receive service according to this schedule.

**DUAL FUEL EQUIPMENT**

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

**FARM DISCOUNT**

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**PEAKING SUPPLY SERVICE  
RATE PSS**

**1.0 AVAILABILITY**

Peaking Service is available to all Suppliers or Customers acting as their own Suppliers that have been assigned Peaking Capacity on behalf of Customers in an Aggregation Pool, or on behalf of daily-metered Customers not included in an Aggregation Pool, upon execution of a Supplier Service Agreement with the Company.

**2.0 APPLICABILITY**

This tariff applies to all Suppliers, or Customers acting as their own Supplier, receiving Peaking Service from the Company pursuant to the Company's Terms and Conditions.

**3.0 CHARACTER OF SERVICE**

Gas provided on a firm basis and not subject to interruption or curtailment except as permitted under the Company's Terms and Conditions and the Supplier Service Agreement. The Supplier shall nominate Peaking Service quantities on a daily basis subject to the operational restrictions and nominations requirements set forth in the Company's Terms and Conditions. The Company shall be obligated to provide a quantity not to exceed the Maximum Daily Peaking Quantity ("MDPQ"), as specified in the Supplier Service Agreement. The level of supply provided by the Company is subject to operational restrictions during the service availability period as set forth in the Company's Terms and Conditions.

**4.0 PEAKING SERVICE RATES**

Service hereunder is subject to a two-part monthly rate comprising a Peaking Service Demand Charge and a Peaking Service Commodity Charge. Such charges shall reflect the costs described below and shall be computed and submitted within the Company's Cost of Gas Adjustment Clause ("CGAC") filings.



**PEAKING SUPPLY SERVICE  
RATE PSS**

**5.0 RATE PER MONTH**

The Peaking Service Demand Charge to the Supplier shall be the product of the currently effective monthly Peaking Service Demand Charge and the applicable MDPQ as established in the Supplier Service Agreement for that month for each Aggregation Pool.

The Peaking Service Commodity Charge to the Supplier shall be the Peaking Supply Commodity Charge multiplied by the volumes of gas nominated for each Aggregation Pool each month under this rate.

**6.0 MAXIMUM DAILY PEAKING QUANTITY**

The MDPQ for each of a Supplier's Aggregation Pools shall be established in the Supplier Service Agreement pursuant to Section 13.4 of the Company's Terms and Conditions.

**7.0 OPERATIONAL RESTRICTIONS**

The availability of Peaking Service may be restricted in accordance with the operational standards established by the Company in its Terms and Conditions.

**8.0 TERMS AND CONDITIONS**

Service under this rate is subject to the Company's Terms and Conditions, in effect from time to time, where not inconsistent with any specific provision herein.

**INTERRUPTIBLE TRANSPORTATION AGREEMENT**

**THIS AGREEMENT** made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Bay State Gas Company, a Massachusetts corporation with headquarters at 300 Friberg Parkway, Westborough, Massachusetts (hereafter called "Bay State" or "Company"), and \_\_\_\_\_ (hereafter called "Customer"), pursuant to the following recitals and representations:

**WHEREAS**, Customer desires Bay State to transport on an interruptible basis such volumes of gas procured by Customer from \_\_\_\_\_ located at \_\_\_\_\_ (hereafter called "Customer's Supplier") for use at Customer's facility located at \_\_\_\_\_ (hereafter called "Point of Delivery"); and

**WHEREAS**, Bay State, subject to the Company's Distribution and Default Service Terms and Conditions and the conditions, limitations and provisions hereof, is willing to transport and deliver to Customer on an interruptible basis such volumes of gas:

- (a) delivered by a properly licensed and registered third-party supplier with the following information provided by the Customer:
  - i. Customer's Transporting Pipeline: (Name) \_\_\_\_\_ located at \_\_\_\_\_
  - ii. Location of delivery of gas volumes to Bay State's distribution facilities:  
\_\_\_\_\_  
\_\_\_\_\_ (hereafter called "Point of Receipt"); or

**INTERRUPTIBLE TRANSPORTATION AGREEMENT**

(b) procured by Bay State pursuant to an executed Interruptible Gas Supply Service Agreement between Bay State and the Customer.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, Bay State and Customer agree as follows:

**ARTICLE 1: MAXIMUM DAILY TRANSPORTATION QUANTITY**

Bay State shall provide interruptible transportation to Customer from the Point of Receipt to the Point of Delivery during any Gas Day up to a Maximum Daily Transportation Quantity of \_\_\_\_\_ therms.

**ARTICLE 2: CONDITIONS PRECEDENT**

This Agreement is expressly conditioned upon Customer's agreement, at Bay State's option, to assume responsibility for the cost of any additional facilities required to serve Customer including, but not necessarily limited to, any required gas mains, service lines and meters

In addition, this Agreement is conditioned upon Customer's installation and maintenance, at its expense, of a standard modular telephone jack with two pair wiring connecting the jack to the telephone company's network interface device. Such jack shall be installed near the entry point of the gas service line, and the telephone line and jack shall be continuously in service with a dial tone and shall be for the exclusive use of the Company to automatically transmit meter readings over the telephone lines to the Company's computer.

**ARTICLE 3: RATE**

The charge to be assessed under this Agreement shall consist of a monthly "Customer Charge" and a "Volumetric Charge."

The Customer Charge shall be charged each month from April through November, and shall be Bay State's marginal customer cost incurred to provide Interruptible Transportation Service. The Customer Charge shall be \$1,500.00.

**INTERRUPTIBLE TRANSPORTATION AGREEMENT**

The Volumetric Charge per therm for Interruptible Transportation service shall be at a rate per MMBtu established on a Value of Service ("VOS") basis as set forth below:

While there will be no ceiling on the calculated IT rate, the floor price shall be based on the Company's most recently calculated marginal variable cost of providing IT service plus the Customer Charge set forth above. The marginal variable cost shall include meter and regulator operations expense, meter maintenance expense, services operations and maintenance expense and communications expense. Such current marginal variable cost is equal to \$0.0841 per MMBtu. If the Customer has alternate fuel capabilities, the volumetric IT rate shall be equal to:

$$R = \text{CAFC} - \text{DCGP}$$

If the Customer has no alternate fuel capabilities, the IT rate shall be equal to:

$$R = \text{MBVE} - \text{DCGP}$$

**where:**

CAFC = Customer's Alternate Fuel Costs, expressed in dollars per MMBtu, determined as follows:

R = Interruptible Transportation Rate

$$\text{CAFC} = \text{APP} \pm A$$

**where:**

A = An Adjustment, measured in dollars per MMBtu, may be granted by Bay State in its sole judgment to reflect any discount to the average posted price which is granted to Customer by Customer's energy supplier.

APP = Average Posted Price of Customer's alternate fuel expressed in dollars per MMBtu as specified on Appendix A to this Agreement.

DCGP = Delivered City Gate Price of gas supply delivered to the Company's city gate, calculated as the Monthly Index Price of the Company's incremental gas supply as reported in the first publication each month of McGraw Hill, Inc.'s *Inside\_FERC Gas Market Report*, plus the variable cost of transportation, including fuel reimbursement, from the zone where the gas supply is first delivered to the Transporting Pipeline to

**INTERRUPTIBLE TRANSPORTATION AGREEMENT**

MBVE = the Company's city gate.  
Market Based Value of Energy supplied to the Customer's facility, expressed in dollars per MMBtu, mutually agreed upon by the Company and Customer.

In addition to the charges provided for above, Customer shall be subject to any applicable charges and taxes in accordance with the provisions of the Company's Terms and Conditions.

**ARTICLE 4: TERM**

This Agreement shall become effective on the date hereof and shall continue in full force and effect for an initial term of one (1) year. This Agreement shall further continue thereafter for successive one-year periods ending \_\_\_\_\_ of each subsequent year, unless terminated by either party with at least thirty (30) days prior written notice from either party to the other.

**ARTICLE 5: NOMINATION AND BALANCING**

The Company's nomination and balancing terms as set forth in Section 11.0 of the Distribution and Default Service Terms and Conditions for Daily Metered Distribution Service shall apply to Customer's usage hereunder. If Customer designates the Company as its gas supplier and executes an Interruptible Gas Supply Service Agreement, Customer shall not be subject to the aforementioned nomination and balancing terms, except as provided in the Interruptible Gas Supply Service Agreement.

**ARTICLE 6: PEAK PERIOD INTERRUPTION**

Service to Customer shall be interrupted beginning on December 1<sup>st</sup> of each year and shall remain interrupted through the following March 31<sup>st</sup>. As applicable, Customer is responsible for securing its alternate fuel to meet its full requirements, or for preparing for interruption or curtailment of natural gas service, during the period of unavailability of natural gas service each winter. At its sole discretion and at no cost to Customer, Bay State may manually shut-off gas service to the Customer's meter during the winter period interruption. In the event that service is shut-off, Bay State shall charge Customer to turn on gas service at the start or during the Non-peak Period.

**INTERRUPTIBLE TRANSPORTATION AGREEMENT**

**ARTICLE 7: NON-PEAK PERIOD INTERRUPTION AND CURTAILMENT**

Service to Customer is subject to interruption and/or curtailment to the extent Bay State determines such interruption to be necessary to ensure the continued service to Bay State's firm sales or firm transportation customers. If notice of interruption is given by Bay State to Customer, Customer agrees to discontinue within two (2) hours the use of gas and change to its alternate fuel, if applicable, upon being notified of such interruption.

If notice of curtailment is given by Bay State to Customer, Customer agrees to reduce within two (2) hours its usage of gas by the level of curtailment specified by Bay State.

Customer shall be available to receive such notice twenty four (24) hours a day, seven (7) days a week. Customer agrees to provide Bay State with a telephone number(s) for providing such notice.

**ARTICLE 8: UNAUTHORIZED USAGE**

Failure by Customer to either (1) discontinue gas service during the interruption period of December 1 through March 31 or in the event of a notice of interruption or (2) to reduce usage in the event of a notice of curtailment shall constitute unauthorized use. Any such use shall be deemed to be aggravating a Critical Day and be subject to the unauthorized use penalty set out in Sections 11.6 and 12.6 of the Company's Distribution and Default Service Terms and Conditions.

**ARTICLE 9: DISCLAIMER OF LIABILITY**

Bay State shall not be liable to Customer for any loss or damage incurred by Customer resulting from any curtailment or interruption, including a permanent interruption in the delivery to Customer, whether or not notice of such curtailment or interruption has been given.

**ARTICLE 10: CUSTOMER'S COVENANTS WITH RESPECT TO THE USE OF GAS**

The Customer hereby covenants and agrees that all gas delivered by Bay State under the terms of this Agreement shall be used solely as fuel in Customer's equipment directly associated with service provided under this Agreement located at \_\_\_\_\_, and shall not be used interchangeably for gas supplied by Bay State under any other agreement or filed rate.

**INTERRUPTIBLE TRANSPORTATION AGREEMENT**

**ARTICLE 11: ACCESS TO PREMISES**

Customer shall provide Bay State such reasonable rights of way and rights of entry to Customer's facilities as may be required by Bay State in connection with this Agreement, including but not limited to access for any use, maintenance and periodic inspection of all gas facilities of Bay State or Customer including piping and metering equipment.

**ARTICLE 12: AGREEMENT IN ITS ENTIRETY**

This Agreement and the references herein constitute the entire agreement of the parties for interruptible transportation service to the Customer's facilities, and there are no oral or written understandings or agreements between Bay State and Customer relating to the subject matter (interruptible transportation service) of this Agreement other than those expressed herein.

Provisions of this Agreement shall be changed, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to an entity with which it is affiliated, but otherwise no assignment of this Agreement or any of the rights and obligations hereunder shall be made unless there first shall have been obtained the written consent of the other party.

**ARTICLE 13: PUBLIC REGULATIONS**

This Agreement shall be subject to Bay State's Distribution and Default Service Terms and Conditions on file with the Massachusetts Department of Public Utilities to the extent those Terms and Conditions are not inconsistent with the provisions of this Agreement. In the event of a conflict, the terms of this Agreement shall govern. Upon request, Bay State shall provide the Customer with copies of Bay State's complete filed Terms and Conditions thereafter provide all amendments or supplements to those documents promptly after filing.

**INTERRUPTIBLE TRANSPORTATION AGREEMENT**

**ARTICLE 14: GOVERNING LAWS**

This Agreement is entered into and shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

**IN WITNESS WHEREOF**, the parties hereto have signed and sealed this Agreement by their duly authorized officers:

**Bay State Gas Company**

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**Customer**

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Witness

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---



**INTERRUPTIBLE TRANSPORTATION AGREEMENT**

**Bay State Gas Company**  
**Appendix A**

Customer Name: \_\_\_\_\_

Customer Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Customer's Alternate Fuel: \_\_\_\_\_

Source of monthly average  
price to determine MMBtu  
price equivalency: \_\_\_\_\_

Formula: \_\_\_\_\_

**INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**

**THIS AGREEMENT** made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Bay State Gas Company, a Massachusetts corporation with headquarters at 300 Friberg Parkway, Westborough, Massachusetts (hereafter called "Bay State" or "Company"), and \_\_\_\_\_ (hereafter called "Customer"), pursuant to the following recitals and representations:

**WHEREAS**, Customer desires Bay State to supply gas on an interruptible basis such volumes of gas to be used by Customer at its facilities located at \_\_\_\_\_;

**WHEREAS**, Bay State is prepared to sell gas to Customer on an interruptible basis; and

**WHEREAS**, Customer and Bay State have entered into a separate Interruptible Transportation Agreement in the form of that set forth in Bay State's Tariff providing for the delivery of gas supplied hereunder to Customer's location.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants herein contained, Bay State and Customer agree as follows:

**ARTICLE 1: DEFINITIONS**

- a. Btu - British Thermal Unit
- b. MMBtu - One million (1,000,000) British Thermal Units
- c. Gas Dispatching Center - Bay State's central gas dispatching center located on Ravenwood Drive, Ludlow, Massachusetts 01056. Telephone number 413-583-8342.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**

**ARTICLE 2: PRIORITY OF SERVICE**

Interruptible gas supply service provided hereunder will be provided on a best efforts basis and will be subject to interruption and/or curtailment at the sole discretion of Bay State. This service is subject to interruption and/or curtailment to the extent Bay State determines such interruption to be necessary to ensure the continued service to Bay State's firm sales or firm transportation customers and Bay State's pursuit of a best-cost, long-term gas supply strategy. Bay State retains the right in its sole discretion to determine the priority of interruption and/or curtailment among and between all interruptible sales and interruptible transportation customers.

**ARTICLE 3: NON-EFFECT ON OTHER SERVICES**

Nothing herein shall be construed to limit Bay State during the term hereof, or otherwise, from contracting to provide sales or transportation services, to other customers, whether of a like or different nature and whether or not the performance of such services may impair Bay State's ability to render service to Customer as provided for herein.

**ARTICLE 4: TERM**

This Agreement shall become effective on the date hereof and shall continue in full force and effect for an initial term of one (1) year. This Agreement shall further continue thereafter for successive one-year periods ending \_\_\_\_\_ of each subsequent year, unless terminated by either party with at least thirty (30) days prior written notice from either party to the other.

**INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**

**ARTICLE 5: SUPPLY RATE**

The volumetric commodity charge to be assessed under this Agreement shall consist of the Company's monthly "Delivered City Gate Price".

The Interruptible Gas Supply Rate, expressed in dollars per MMBtu, shall be determined as follows:

$$\text{IGSR} = \text{DCGP}$$

where:

IGSR = Interruptible Gas Supply Rate

DCGP = Delivered City Gate Price of gas supply delivered to the Company's citygate, calculated as the monthly "index" price, as published by Platt's Inside FERC's Gas Market Report under the heading "Price of Spot Gas Delivered to Pipeline," for the Company's incremental gas supply, plus the variable cost of transportation and applicable fuel reimbursement required to deliver the gas to the Company's city gate for the applicable month.

Should Inside FERC's Gas Market Report fail to publish an appropriate monthly index price, the Company shall use Energy Intelligence's Natural Gas Week as a substitute publication to determine a monthly index price. The appropriate price shall be found under the heading "NATURAL GAS BIDWEEK PRICES" for the applicable month in question.

Should Inside FERC's Gas Market Report or Natural Gas Week change ownership or names, the Company will utilize the substitute publication(s).

In addition to the charges provided for above, Customer shall be subject to any applicable charges and taxes in accordance with the provisions of the Company's Terms and Conditions.

**INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**

**ARTICLE 6: BILLING AND PAYMENT**

Each month, Bay State shall send a bill to Customer for all quantities of gas, which Customer has purchased during the previous calendar month plus the charges incurred in accordance with the Customer's Interruptible Transportation Agreement (such services collectively, Rebundled Interruptible Sales Service). All bills submitted by Bay State to Customer hereunder shall be paid on or before the twentieth (20th) Calendar Day of each month (hereinafter called the "due date"). Payment shall be sent to the address designated on the bill.

Should Customer fail to pay all of the amount of any bill as herein provided when such amount is due, Customer shall pay a "Charge for Late Payment" which shall be included by Bay State on the next regular monthly bill rendered to Customer hereunder. Such Charge for Late Payment shall be determined by multiplying (a) the unpaid portion of the bill by (b) the ratio of the number of days from the due date to the date payment is received by Bay State to thirty (30), by (c) a monthly interest rate equivalent to one and one-half percent (1.5%) per month. If such failure to pay continues after payment is due, in addition to any other remedy it may have, Bay State may suspend further sales of gas until such amount is paid.

**ARTICLE 7: DEPOSITS**

At the request of Bay State, at any time prior to or during the term of this Agreement, Customer shall provide a deposit equal to a dollar amount estimated by Bay State to represent a reasonable projection of Customer's maximum gas supply bill for any two months for service under this Agreement.

**INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**

**ARTICLE 8: GAS SUPPLY SCHEDULING**

During the term of this Agreement, Bay State agrees to sell to Customer and Customer agrees to purchase from Bay State such volumes of gas at Bay State's city gate as shall be mutually agreed upon by the parties. Since this gas shall be sold on an interruptible basis, with the availability of gas varying from season to season and day to day, Customer must keep Bay State's Gas Dispatching Center informed relative to its anticipated requirements. Bay State shall consider that the Customer's gas use equals the gas Bay State has scheduled on the Customer's behalf as long as the Customer keeps Bay State informed of its anticipated requirements. If the Customer fails to inform the Company of any significant change in daily requirements, the Customer may be subject to the daily balancing provisions referenced in Customer's Interruptible Transportation Agreement with the Company. Such daily balancing shall be predicated on the difference between the Company's expectation of the Customer's requirements as last communicated by Customer and the Customer's actual gas use.

**ARTICLE 9: INTERRUPTION AND CURTAILMENT**

Customer shall comply with all notices of interruption and/or curtailment provided by the Company pursuant to the terms of Customer's Interruptible Transportation Agreement. Failure to fully comply with a notice of interruption and/or curtailment will result in the assessment of unauthorized usage penalties to the Customer pursuant to Customer's Interruptible Transportation Agreement.

**ARTICLE 10: DISCLAIMER OF LIABILITY**

Bay State shall not be liable to Customer for any loss or damage incurred by Customer resulting

**INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**

from any curtailment or interruption, including a permanent interruption in the delivery to Customer, whether or not notice of such curtailment or interruption has been given.

**ARTICLE 11: CUSTOMER'S COVENANTS WITH RESPECT TO THE USE OF GAS**

The Customer hereby covenants and agrees that all gas purchased from Bay State under the terms of this Agreement shall be used solely as fuel in Customer's equipment directly associated with service provided under this Agreement located at, and shall not be used interchangeably for gas supplied by Bay State under any other agreement or filed rate.

**ARTICLE 12: DEFAULT**

If either party shall fail to perform or otherwise be in default of any of its obligations under this Agreement, the other party may terminate this Agreement by giving the defaulting party written notice stating specifically the nature of the default and giving notice of termination effective the date of such notice. Any termination of this Agreement shall be without prejudice to the right of Bay State to collect any payments due Bay State for Rebundled Interruptible Sales Service provided prior to the time of termination including interest and late payment charges.

**ARTICLE 13: SPECIAL OR CONSEQUENTIAL DAMAGES**

Bay State shall not be liable to the Customer or any third party claiming through the Customer for special, consequential, indirect or punitive damages.

**INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**

**ARTICLE 14: WAIVER**

Notwithstanding any other provision to the contrary, no waiver by either party of any default or breach of any of the obligations contained in this Agreement to be performed by the other party shall be construed as a waiver of any succeeding default or breach of the same or any other obligation or condition.

**ARTICLE 15: AGREEMENT IN ITS ENTIRETY**

This Agreement and the references herein constitute the entire agreement of the parties for interruptible gas supply service to the Customer's equipment directly associated with service provided under this Agreement as set forth in Article 11, and there are no oral or written understandings or agreements between Bay State and Customer relating to the subject matter of this Agreement other than those expressed herein. Provisions of this Agreement shall be changed, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

All headings contained in this Agreement are for convenience only and shall not in any way affect the meaning of any of the provisions. This Agreement may be executed in one or more counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which together shall constitute one instrument. Subject to the provisions of Article 16, all terms of this Agreement shall be binding upon and enure to the benefit of the successors and assigns of the parties hereto.



**INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**

**ARTICLE 16: ASSIGNMENT**

None of the rights and obligations under this Agreement may be assigned or otherwise transferred by either party hereto without the prior written consent of the other party.

**ARTICLE 17: NOTICES**

Except as may otherwise be expressly provided, any notice required or desired to be served pursuant to this Agreement shall be in writing. In the absence of written notice of change of address to the other party to this Agreement, any such notice shall be hand delivered or mailed, first class with a postmark of the same day, to Bay State or Customer at the following addresses:

Bay State: Bay State Gas Company  
300 Friberg Parkway  
Westborough, MA 01581-5039  
Attention: Gas Supply Department

The Customer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ARTICLE 18: GOVERNING LAW**

This Agreement is entered into and shall be construed in accordance with the laws of the Commonwealth of Massachusetts. No provision of this Agreement shall be interpreted more or less

**INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**

favorably towards either party because its counsel drafted all or a portion hereof. If any provision of this Agreement is found to be invalid, in whole or in part, such provision shall be deemed modified so as to render it no longer invalid and all of the remaining provisions of this Agreement shall nonetheless remain in full force and effect.

**ARTICLE 19: PUBLIC REGULATION**

Bay State is a public utility subject to regulation by the Massachusetts Department of Public Utilities (hereinafter called "Department"). This Agreement is subject to any limitations imposed by the Department. Compliance by Bay State with any order of the Department or any other federal, state or local governmental authority issued before or after the effective date of this Agreement shall not be deemed to be breach hereof. In the event of the issuance of any order of the Department, which modifies the provisions of this Agreement, either Bay State or Customer, shall have the option within thirty (30) days after the issuance of said order to terminate this Agreement by giving notice of termination to the other party.

**ARTICLE 20: APPLICABILITY OF FILED TERMS AND CONDITIONS**

This Agreement shall be subject to Bay State's Distribution and Default Service Terms and Conditions for service on file with the Department to the extent those Terms and Conditions apply to interruptible sales of gas and are not inconsistent with the provisions of this Agreement. In the event of a conflict, the terms of this Agreement shall govern.

**INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**

**IN WITNESS WHEREOF**, the parties hereto have signed and sealed this Agreement by their  
duly authorized officers:

**BAY STATE GAS COMPANY**

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

**CUSTOMER**

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Witness

**SPECIAL PROVISION  
FOR USE OF DUAL FUEL EQUIPMENT**

**1.0 PURPOSE**

The purpose of this special provision is to enable a Customer taking service under a firm rate schedule to install dual fuel equipment thereby enabling the Customer to displace natural gas service provided by the Company at the Customer's discretion. The terms of this special provision allow the Company to recover a minimum annual revenue from the Customer in a manner reflecting the reduced utilization of the Company's firm service.

**2.0 APPLICABILITY**

This special provision may be applicable to any Customer taking service under any one or more of the Company's Commercial & Industrial Service Medium or High Annual Use, or Extra High Annual Use, Rate Schedules (G-41, G-42, G-43, G-51, G-52, G-53, T-41, T-42, T-43, T-51, T-52, T-53) that has also installed equipment capable of burning natural gas and one or more other fuels.

**3.0 NOTIFICATION REQUIREMENT**

Customer is responsible for notifying the Company of any dual fuel equipment at Customer's location upon initial application for Distribution Service. Any Customer that installs or has previously installed dual fuel equipment at any time while taking Distribution Service from the Company shall notify the Company of the installation.

**4.0 TERM**

The minimum term shall be one (1) year from the initial operation of dual fuel equipment by the Customer. The initial term shall be automatically extended for successive one (1) year terms, unless terminated by written notice to the Company at least 30 days prior to the termination of the currently effective term. In the event that Customer ceases taking Distribution Service prior to the end of the term of this special provision, the terms of this special provision shall continue in effect until terminated in accordance with the terms herein.

**5.0 MINIMUM ANNUAL REVENUE**

Customer shall be responsible for payment to Company of a minimum annual revenue, net of any

**SPECIAL PROVISION  
FOR USE OF DUAL FUEL EQUIPMENT**

gas commodity-related revenues from the Company's Cost of Gas Clause and revenues from the application of the Company's Local Distribution Adjustment Clause ("LDAC").

Company shall calculate Customer's minimum annual revenue requirement by multiplying the Company's appropriate portion of the annual unit long-run marginal cost ("LRMC") from the Company's most recent rate proceeding adjusted each year, effective September 1, for inflation, by the Customer's maximum daily requirement or quantity ("MDQ"). In accordance with D.P.U. 09-30, the appropriate portion of the unit LRMC to be applied shall be as follows:

- Constrained Capacity: Full LRMC of \$112.03 per MMBtu per MDQ
- Unconstrained Capacity: Pressure Support of \$29.95 per MMBtu per MDQ

The difference between the resulting calculated Minimum Annual Revenue and the Customer's actual annual distribution revenue shall be due to Company at the anniversary date of the Company providing service to Customer under this Special Provision for Use of Dual Fuel Equipment tariff. For any year that the difference between the Minimum Annual Revenue and the Customer's actual annual distribution revenue is zero or negative, no charge shall apply.

Annual Inflation Adjustment to Annual Unit LRMC:

The Company shall adjust the annual unit LRMC by using the gross domestic product price index ("GDP-PI") annual inflation adjustment each November 1.

Determination of Customer's MDQ:

Either:

- (a) Rated hourly natural gas input of all dual fuel equipment times 24 hours, or
- (b) The peak day use of the Customer's dual fuel equipment, agreed upon between the Company and Customer, using recent historical energy consumption data; or alternatively, the Company using the daily base load, plus the Customer's use per effective degree day ("EDD") times design day EDDs; these estimating factors shall be based on Customer's annual total energy requirements; or
- (c) If Customer has both dual fuel equipment and dedicated gas-fired equipment the Customer's MDQ shall be either (a) or (b) above, plus a representative MDQ of the dedicated gas-fired equipment using either historical Customer data or an agreed upon MDQ between the Company and Customer.

**RESIDENTIAL AND COMMERCIAL  
ENERGY CONSERVATION SERVICE CHARGE**

A Residential and Commercial Energy Conservation Service ("RCS") Charge, determined as described herein and in accordance with the provisions of 220 C.M.R. 7.00 "Residential and Commercial Energy Conservation Service Program Cost Recovery", shall be applied to bills rendered pursuant to contracts and the following rate schedules:

| <u>Title</u>  | <u>Rate</u> |
|---|-------------|
| Residential Non-Heating   | R-1         |
| Low Income Residential Non-Heating  | R-2         |
| Residential Heating   | R-3         |
| Low Income Residential Heating  | R-4         |
| Commercial and Industrial Service (Low Annual Use, High Peak Period Use)        | G-40        |
| Commercial and Industrial Service (Medium Annual Use, High Peak Period Use)     | G-41        |
| Commercial and Industrial Service (High Annual Use, High Peak Period Use)       | G-42        |
| Commercial and Industrial Service (Extra High Annual Use, High Peak Period Use) | G-43        |
| Commercial and Industrial Service (Low Annual Use, Low Peak Period Use)         | G-50        |
| Commercial and Industrial Service (Medium Annual Use, Low Peak Period Use)      | G-51        |
| Commercial and Industrial Service (High Annual Use, Low Peak Period Use)        | G-52        |
| Commercial and Industrial Service (Extra High Annual Use, Low Peak Period Use)  | G-53        |
| Non-Heating Firm Transportation Service, Residential Rate                       | T-R1        |
| Low Income Non-Heating Firm Transportation Service, Residential Rate            | T-R2        |
| Heating Firm Transportation Service, Residential Rate                           | T-R3        |
| Low Income Heating Firm Transportation Service, Residential Rate                | T-R4        |
| Firm Transportation Service (Low Annual Use, High Peak Period Use)              | T-40        |
| Firm Transportation Service (Medium Annual Use, High Peak Period Use)           | T-41        |
| Firm Transportation Service (High Annual Use, High Peak Period Use)             | T-42        |
| Firm Transportation Service (Extra High Annual Use, High Peak Period Use)       | T-43        |
| Firm Transportation Service (Low Annual Use, Low Peak Period Use)               | T-50        |
| Firm Transportation Service (Medium Annual Use, Low Peak Period Use)            | T-51        |
| Firm Transportation Service (High Annual Use, Low Peak Period Use)              | T-52        |
| Firm Transportation Service (Extra High Annual Use, Low Peak Period Use)        | T-53        |

RCS program costs shall be those expenses recorded by the Company in the appropriate sub-accounts of Account 916 - Miscellaneous Sales Expense.

RCS program revenues shall be those revenues recorded by the Company in the appropriate sub-accounts of Accounts 495 - Other Gas Revenues.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**RESIDENTIAL AND COMMERCIAL  
ENERGY CONSERVATION SERVICE CHARGE**

The accounts referenced above shall be those set forth in the Uniform System of Accounts for Gas Companies and prescribed by the Massachusetts Department of Public Utilities ("Department") from time to time.

The Company will determine its estimated RCS program costs for the twelve-month period commencing January 1st of each year as forecast by the Company. The RCS Charge applicable to said period shall be determined by dividing the total of said RCS program costs plus any prior period reconciling adjustment by the estimated total number of monthly bills to be rendered in accordance with the Company's contracts and Rate Schedules subject to this charge, as forecast by the Company for the same twelve-month period. The RCS Charge shall be applied to bills rendered pursuant to the Company's contracts and Rate Schedules subject to this charge during the twelve-month period commencing with the billing month of January of each year.

The Company shall file with the Department on or before November 1<sup>st</sup> of each year its computation of the RCS Charge to be applicable during the twelve-month period commencing with the billing month of January of said year.

The Company shall include in its computations for each such period the amount, whether positive or negative, required to reconcile any difference between amounts actually collected under this Rate Schedule and actual RCS Program costs experienced by the Company. At any time subsequent to the Company's annual filing hereunder, the Company may, or upon order of the Department, file a revised RCS Charge to be applied to future billings.

In the event that the Massachusetts Residential and Commercial Energy Conservation Service Program is terminated for any reason, this rate shall remain in effect for such further time period as shall be required to permit the Company to recover all RCS Program costs, if any, which remain unrecovered at the time of such termination.

The RCS Rate effective for the period January 2009 through December 2009 is **\$0.18 per bill**.

---

Issued by: Stephen H. Bryant  
President

Issued On: November 12, 2009  
Effective: November 1, 2009

---

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

**Section**

- 1.0 Purpose
- 2.0 Effective Date
- 3.0 Applicability
- 4.0 Definitions
- 5.0 Benchmark Base Revenue Per Customer
- 6.0 Calculation of the Decoupling Revenue Adjustment
- 7.0 Calculation of the Reconciliation Adjustment
- 8.0 Application of Decoupling Revenue Adjustment to Bills
- 9.0 Information Required to be Filed with the Department

1.0 **Purpose**

The purpose of the Revenue Decoupling Adjustment Clause ("RDAC") is to establish procedures that allow Bay State Gas Company ("Bay State" or the "Company") subject to the jurisdiction of the Department of Public Utilities ("Department") to adjust, on a semi-annual basis, its rates for firm gas sales and firm transportation service in order to reconcile actual base revenue recoveries with Benchmark base revenues. Bay State's RDAC eliminates the link between customer sales and Bay State earnings in order to align the interests of the Company and customers with respect to lowering customer usage.

2.0 **Effective Date**

The Peak Period Revenue Decoupling Adjustment Factor ("RDAF") shall be effective on the first day of each Peak Period as defined herein. The Off-peak RDAF shall become effective on the first day of each Off-peak Period as defined herein.

3.0 **Applicability**

The RDAC shall apply to all of the Company's firm sales and firm transportation Rate



**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

Schedules, subject to the jurisdiction of the Department, as determined in accordance with the provisions of this mechanism.

**4.0 Definitions**

The following definitions shall apply throughout the provisions of this Revenue Decoupling tariff:

- (1) **Actual Base Revenue per Customer** is the actual base revenue divided by the respective number of customers booked by the Company over a given season for a Customer Class Group exclusive of customers and associated revenues for customers connected to the Company's distribution system since the end of the test period for the Company's most recent base rate case
- (2) **Base Rate Element** is any customer, volumetric or demand charge reflected in the Company's Rate Schedules that recovers a portion of the Company's base revenue requirement as established in its most recent base rate case or other proceeding that results in a base rate adjustment.
- (3) **Base Rates** are the collection of Base Rate Elements for all of the Company's Rate Schedules.
- (4) **Customer Class** is the group of customers all taking service pursuant to the same Rate Schedule.
- (5) **Customer Class Group** is the group of Rate Schedules combined for purposes of calculating the Revenue Decoupling Adjustment amounts.
- (6) **Off-peak Period** is the continuous period from May 1<sup>st</sup> through October 31<sup>st</sup>.
- (7) **Peak Period** is the continuous period from November 1<sup>st</sup> through April 30<sup>th</sup>.
- (8) **Benchmark Base Revenue per Customer** is the allowed average revenue per Customer for a given season for a Customer Class Group, reflecting the base revenue for the Company's base rate case or other proceeding that results in an adjustment to base rates.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

**5.0 Benchmark Base Revenue per Customer**

**5.1 Description of Benchmark Base Revenue per Customer Calculations**

The Benchmark Base RPC shall be determined separately for each Customer Class Group for the Peak Period and for the Off-peak period. For purposes of this revenue decoupling tariff, there are three Customer Class Groups as follows:

1. The Residential Heating Customer Class Group shall consist of all sales and transportation customers taking service pursuant to one of the Company's residential heating rate schedules.
2. The Residential Non-Heating Customer Class Group shall consist of all sales and transportation customers taking service pursuant to one of the Company's residential non-heating rate schedules.
3. The Commercial and Industrial Customer Class Group shall consist of all sales and transportation customers taking service pursuant to one of the Company's general service rate schedules.

The Benchmark Base RPC for the applicable Customer Class Group shall be determined by first multiplying the then effective base rates for each rate schedule by the corresponding test period billing determinants utilized to design base rates in the Company's most recent base rate case to yield benchmark base revenues by Customer Class. The resulting benchmark base revenues by Customer Class for all Rate Schedules within the same Customer Class Group shall be added together and divided by the total test period number of customers for the corresponding Customer Classes in order to yield the Benchmark Base RPC. For purposes of calculating the RPC, the non-discounted base rate elements shall replace the discounted rates of the low income rate schedules.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

5.2 Benchmark Base RPC Formula

$$BRPC_T^{cg} = \frac{\sum_{n=1}^{n=I} \sum_{e=1}^{e=J} BR^{n,e} \times TPBD^{n,e}}{\sum_{n=1}^{n=I} TPCUSTS^n}$$

Where:

- BRPC<sub>T</sub><sup>cg</sup> The Benchmark Base Revenue Per Customer for the applicable Customer Class Group (cg) and Peak or Off-peak Period (T).
- BR<sup>n,e</sup> The Base Rate Element e shown for Rate Schedule n.
- TPBD<sup>n,e</sup> The Test Period Billing Determinant corresponding to Base Rate Element e applicable to Rate Schedule n.
- I The total number of Rate Schedules included in the Customer Class Group.
- J The total number of Base Rate Elements for Rate Schedule n.
- TPCUSTS<sup>n</sup> The Test Period number of customers corresponding to Rate Schedule n.

**REVENUE DECOUPLING ADJUSTMENT CLAUSE****5.3 Currently Effective Benchmark Base RPC**

The Benchmark Base RPC established by the Department in D.P.U. 09-30 by Customer Class Group for each season is as follows:

| <b><u>Customer Class Group</u></b> | <b><u>Winter BRPC</u></b> | <b><u>Summer BRPC</u></b> |
|------------------------------------|---------------------------|---------------------------|
| Residential Non-heating            | \$ 113.93                 | \$ 95.58                  |
| Residential Heating                | \$ 340.24                 | \$ 129.53                 |
| Commercial and Industrial          | \$1,409.98                | \$ 486.85                 |

**6.0 Calculation of Decoupling Revenue Adjustment****6.1 Description of Decoupling Revenue Adjustment**

At the conclusion of each Peak or Off-peak Period, the Company shall calculate a Decoupling Revenue Adjustment to be applied to customer bills in the next corresponding season. The Decoupling Revenue Adjustment for the Peak Period will be applied to customer bills in the next Peak Period and the Decoupling Revenue Adjustment for the Off-peak Period will be applied to customer bills in the next Off-peak Period.

The Decoupling Revenue Adjustment shall be calculated by comparing the difference between the actual Revenue per Customer to the Benchmark Base Revenue per Customer for the applicable Customer Class Group. The Decoupling Revenue Adjustment shall equal the sum of the adjustments calculated for each of the three Customer Class Groups and shall include a reconciliation component.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

6.2 Decoupling Revenue Adjustment Formula

$$RD = \frac{\sum_{cg=1}^{cg=3} (( BRPC_{T-1}^{cg} - ARPC_{T-1}^{cg} ) * \sum_{n=1}^{n=I} ACUSTS_{T-1}^{cg} ) + RCC + RF_{RD}}{TP_{VOL}}$$

Where:

|        |                  |   |
|--------|------------------|---|
| RD     |                  | The Revenue Decoupling Adjustment for the Peak or Off-peak Period (T-1).  |
| ARPC   | $\frac{cg}{T-1}$ | The Actual Base Revenue Per Customer for the applicable Customer Class Group for the most recently completed Peak or Off-peak Period (T-1), as defined in Section 4.0. For purposes of calculating the Actual Base Revenue Per Customer, the non-discounted base revenues shall replace the discounted base revenues charged through low income rate schedules. |
| BRPC   | $\frac{cg}{T-1}$ | The Benchmark Base Revenue Per Customer for the applicable Customer Class Group as determined in accordance with Section 5 of this tariff for the most recently completed Peak or Off-peak Period (T-1).  |
| I      |                  | The total number of Rate Schedules included in the Customer Class Group.  |
| ACUSTS | $\frac{cg}{T-1}$ | The Actual number of customers for the applicable Customer Class Group for the most recently completed Peak or Off-peak Period (T-1), exclusive of customers connected to the Company's distribution system since the end of the test period for the Company's most recent base rate case.  |

### REVENUE DECOUPLING ADJUSTMENT CLAUSE

|     |     |  |
|-----|-----|--|
| RCC |     | Residential Conversion Credit equal to the number of residential customers that convert from non-heating to heating service, for conversions that do not necessitate any capital investments by the Company, since the end of the test period for the Company's most recent base rate case multiplied by the difference between the Benchmark Base RPC for the Residential Heating Customer Class Group and the Benchmark Base RPC for the Residential Non-Heating Customer Class Group. |
| TP  | VOL | Forecast Throughput Volumes inclusive of all firm sales and firm transportation throughput for the Peak or Off-peak Period.  |
| RF  | RD  | Revenue Decoupling Reconciliation Adjustment - Account 182 as outlined in Section 7.0.   |

#### 6.3 Revenue Decoupling Adjustment Cap

The total Revenue Decoupling Adjustment determined in accordance with Section 6.2 may not exceed three percent (3%) of total revenues from firm sales and transportation throughput for the most recent corresponding Peak or Off-peak Period, with transportation revenues being adjusted by imputing the Company's cost of gas charges for that period. To the extent that the application of the Revenue Cap results in a Revenue Decoupling Adjustment that is less than that calculated in accordance with Section 6.2, the difference shall be deferred and included in the Revenue Decoupling Reconciliation for recovery in the subsequent year during the corresponding Peak or Off-peak Period. Carrying charges shall be calculated on the average deferred balance using the consensus prime rate as reported by the *Wall Street Journal* and then added to the end-of-month balance

#### 7.0 Reconciliation Component

Accounts 182.01 (Res. Heat), 182.02 (Res. Non-heat), and 182.03 (C&I) shall contain the accumulated difference between revenues toward Revenue Decoupling Adjustment for the Peak Period, and Accounts 182.81 (Res. Heat), 182.82 (Res. Non-heat) and

**REVENUE DECOUPLING ADJUSTMENT CLAUSE**

182.83 (C&I) for the Off-peak Period, as calculated by multiplying the RD times corresponding seasonal firm sales and transportation throughput and revenue decoupling adjustment allowed revenues for the Peak or Off-peak Period as calculated pursuant to Section 6.2 of this tariff, plus carrying charges calculated on the average monthly balance using the consensus prime rate as reported by the *Wall Street Journal* and then added to the end-of-month balance.

**8.0 Application of the RDAC to Customer Bills**

The RDAFs (\$ per therm) for each Customer Class Group shall be truncated to the nearest one one-hundredth of a cent per therm and will be applied to the monthly firm sales and firm transportation throughput for each customer in a Customer Class Group.

**9.0 Information to be Filed with the Department**

Information pertaining to the RDAC will be filed with the Department forty-five (45) days prior to the effective dates of the November 1 Peak Period and May 1 Off-peak Period RDAF. Such information shall include the calculation of the updated benchmark revenue per customer, applicable revenue decoupling revenue adjustment and revenue decoupling reconciliation adjustment. In addition, with each Peak Period and Off-peak Period RDAC filings, such information shall include the number of new High Annual Use and Extra High Annual Use Commercial and Industrial class customers and associated usage and base revenue.

**EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES**  
(Account 426.4)

1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities; Account 426.4.

2. Advertising expenditures in this Account shall be classified according to subheadings, as follows: (a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customers' bills; (d) inserts in reports to stockholders; (e) news-

paper and magazine editorial services; and (f) other advertising.

3. Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions, clearly indicating the nature and purpose of the activity.

4. If respondent has not incurred any expenditures contemplated by the instructions of Account 426.4, so state.

5. For reporting years which begin during the calendar year 1963 only, minor amounts may be grouped by classes if the number of items so grouped is shown.

Note: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

| Line No. | Item (a)        | Amount (b) |
|----------|-----------------|------------|
| 1        | Consulting Fees | \$ 117,000 |
| 2        |                 |            |
| 3        |                 |            |
| 4        |                 |            |
| 5        |                 |            |
| 6        |                 |            |
| 7        |                 |            |
| 8        |                 |            |
| 9        |                 |            |
| 10       |                 |            |
| 11       |                 |            |
| 12       |                 |            |
| 13       |                 |            |
| 14       |                 |            |
| 15       |                 |            |
| 16       |                 |            |
| 17       |                 |            |
| 18       |                 |            |
| 19       |                 |            |
| 20       |                 |            |
| 21       |                 |            |
| 22       |                 |            |
| 23       |                 |            |
| 24       |                 |            |
| 25       |                 |            |
| 26       |                 |            |
| 27       |                 |            |
| 28       |                 |            |
| 29       |                 |            |
| 30       |                 |            |
| 31       |                 |            |
| 32       |                 |            |
| 33       | TOTAL           | \$ 117,000 |



Annual report of .....BAY STATE GAS COMPANY.....Year ended December 31, 2009

## 913. ADVERTISING EXPENSES.

| Line No. | Type (a)                      | General Description (b)  | Amount for year (c) |
|----------|-------------------------------|--|---------------------|
| 1        |                               |  |                     |
| 2        | Miscellaneous Advertising     | Marketing brochures, advertising rebates, newsletters and other expenses   | \$ 0                |
| 3        |                               |  |                     |
| 4        |                               |  |                     |
| 5        | Guardian Care Advertising     |  | 260,476             |
| 6        |                               |  |                     |
| 7        | Media and Other Advertising   | Primarily radio, home shows and newspaper advertising for space heating, water heating, cooking, clothes drying usage. |                     |
| 8        |                               |  |                     |
| 9        |                               |  |                     |
| 10       |                               |  | 8,570               |
| 11       |                               |  |                     |
| 12       | Annual Inspection Advertising |  | 55,719              |
| 13       |                               |  |                     |
| 14       |                               |  |                     |
| 15       |                               |  |                     |
| 16       |                               |  |                     |
| 17       |                               |  |                     |
| 18       |                               |  |                     |
| 19       |                               |  |                     |
| 20       |                               |  |                     |
| 21       |                               |  |                     |
| 22       |                               |  |                     |
| 23       |                               |  |                     |
| 24       |                               |  |                     |
| 25       |                               |  |                     |
| 26       |                               |  |                     |
| 27       |                               |  |                     |
| 28       |                               |  |                     |
| 29       |                               |  |                     |
| 30       |                               |  |                     |
| 31       |                               |  |                     |
| 32       |                               |  |                     |
| 33       |                               |  |                     |
| 34       |                               |  |                     |
| 35       |                               |  |                     |
| 36       |                               |  |                     |
| 37       |                               |  |                     |
| 38       |                               |  |                     |
| 39       |                               |  |                     |
| 40       |                               |  |                     |
| 41       |                               |  |                     |
| 42       |                               |  |                     |
| 43       |                               |  |                     |
| 44       |                               |  |                     |
| 45       |                               |  |                     |
| 46       |                               |  |                     |
| 47       |                               |  |                     |
| 48       |                               |  |                     |
| 49       |                               | TOTAL  | \$ 324,765          |

**DEPOSITS AND COLLATERAL**

Statement of money and the value of any collateral held as guaranty for the payment of charges pursuant to Massachusetts General Laws, Chapter 164, Section 128.

|    | Town                 | Deposit            |
|----|----------------------|--------------------|
| 1  | Brockton Division    | \$ 2,051,004       |
| 2  | Lawrence Division    | 694,363            |
| 3  | Springfield Division | 1,251,960          |
| 4  | One Shield           | 44,295             |
| 5  |                      |                    |
| 6  |                      |                    |
| 7  |                      |                    |
| 8  |                      |                    |
| 9  |                      |                    |
| 10 |                      |                    |
| 11 |                      |                    |
| 12 |                      |                    |
| 13 |                      |                    |
| 14 |                      |                    |
| 15 |                      |                    |
| 16 |                      |                    |
| 17 |                      |                    |
| 18 |                      |                    |
| 19 |                      |                    |
| 20 |                      |                    |
| 21 |                      |                    |
| 22 |                      |                    |
| 23 |                      |                    |
| 24 |                      |                    |
| 25 |                      |                    |
| 26 |                      |                    |
| 27 |                      |                    |
| 28 |                      |                    |
| 29 |                      |                    |
| 30 |                      |                    |
| 31 |                      |                    |
| 32 |                      |                    |
| 33 |                      |                    |
| 34 |                      |                    |
| 35 |                      |                    |
| 36 |                      |                    |
| 37 |                      |                    |
| 38 |                      |                    |
| 40 |                      |                    |
| 41 |                      |                    |
| 44 |                      |                    |
| 45 |                      |                    |
| 47 |                      |                    |
| 48 |                      |                    |
| 49 |                      | TOTAL \$ 4,041,622 |

**THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY**

*Robert G. Kriner* ..... Robert G. Kriner, Controller  
*Stanley J. Sagun* ..... Stanley J. Sagun, Chief Financial Officer  
*Stephen H. Bryant* ..... Stephen H. Bryant, President & Director  
*Frank Davis Jr.* ..... Frank Davis Jr., General Manager & Director

Said directors constitute a majority of the directors of Bay State Gas Company in accordance with M.G.L.ch 164 § 83.

**SIGNATURES OF THE ABOVE PARTIES AFFIXED OUTSIDE THE COMMONWEALTH OF MASSACHUSETTS MUST BE PROPERLY SWORN TO**

State of Ohio )  
 ) ss:  
County of Franklin )

Before me the undersigned notary public, this day, personally appeared Robert G. Kriner, Controller; and made oath to the truth of the foregoing statement by him subscribed according to his best knowledge and belief.

Subscribed and sworn to before me this 23<sup>rd</sup> day of March, 2010.

State of Ohio  
County of Franklin



**SHARON L. BOOTH**  
Notary Public, State of Ohio  
My Commission Expires 11-03-2012

*Sharon L. Booth*  
Notary Public

Before me the undersigned notary public, this day, personally appeared Stanley J. Sagun, Chief Financial Officer; and made oath to the truth of the foregoing statement by him subscribed according to his best knowledge and belief.

Subscribed and sworn to before me this 23<sup>rd</sup> day of March, 2010.



**SHARON L. BOOTH**  
Notary Public, State of Ohio  
My Commission Expires 11-03-2012

*Sharon L. Booth*  
Notary Public

My Commission Expires 11-03-2013  
Mary Pat, 2004-01-01  
SHERON L BOOTH



My Commission Expires 11-03-2013  
Mary Pat, 2004-01-01  
SHERON L BOOTH



# DEPARTMENT OF PUBLIC UTILITIES

**This statement is filed in accordance with Chapter 164, Section 84A**

## CONDENSED FINANCIAL RETURN

FOR YEAR ENDED DECEMBER 31, 2009

FULL NAME OF COMPANY    BAY STATE GAS COMPANY

LOCATION OF PRINCIPAL BUSINESS OFFICE    300 Friberg Parkway, Westborough, MA 01581-5039

### STATEMENT OF INCOME FOR THE YEAR

| Item   | Current Year | Increase or (Decrease) from Preceding Year |
|--|--------------|--|
| <b>OPERATING INCOME</b>  |              |  |
| Operating Revenues.....  | 484,353,927  | (69,943,289)                               |
| Operating Expenses:  |              |  |
| Operation Expense.....   | 382,097,094  | (73,985,400)                               |
| Maintenance Expense.....   | 10,980,506   | 1,561,001                                  |
| Depreciation Expense.....  | 34,851,822   | 1,695,961                                  |
| Amortization of Utility Plant.....   | 13,993,817   | (236,457)                                  |
| Amortization of Property Losses.....                                       | 101,598      | 101,598                                    |
| Amortization of Investment Tax Credit.....                                 | (223,932)    | 0  |
| Taxes other than Income Taxes.....   | 12,698,118   | (1,228,897)                                |
| Income Taxes.....  | (17,750,147) | (20,765,530)                               |
| Provisions for Deferred Federal Income Taxes.....                          | 45,154,498   | 22,704,237                                 |
| Federal Income Taxes Deferred In Prior Years.....                          | (19,231,210) | 1,759,445                                  |
| Total Operating Expenses.....  | 462,672,163  | (68,394,043)                               |
| Net Operating Revenues.....  | 21,681,763   | (1,549,247)                                |
| Income from Utility Plant Leased to Others.....                            | 0            | 371  |
| Other Utility Operating Income.....  | 0            | 0  |
| Total Utility Operating Income.....  | 21,681,763   | (1,548,876)                                |
| <b>OTHER INCOME</b>  |              |  |
| Income (Loss) from Mdse. Jobbing & Contract Work - After Taxes             | 42,524       | (214,580)                                  |
| Income from Nonutility Operations - After Taxes                            | (8,337)      | (3,944)                                    |
| Nonoperating Rental Income - After Taxes                                   | 0            | 0  |
| Interest and Dividend Income - After Taxes                                 | 572,244      | 570,811                                    |
| Miscellaneous Nonoperating Income + Earnings of Subsidiaries - After Taxes | 978,202      | (4,511,422)                                |
| Total Other Income.....  | 1,584,633    | (4,159,135)                                |
| Total Income.....  | 23,266,397   | (5,708,010)                                |
| <b>MISCELLANEOUS INCOME DEDUCTIONS</b>                                     |              |  |
| Miscellaneous Amortization.....  | 0            | 0  |
| Other Income Deductions - After Taxes                                      | 1,037,738    | (62,441,750)                               |
| Total Income Deductions.....   | 1,037,738    | (62,441,750)                               |
| Income Before Interest Charges.....  | 22,228,658   | 56,733,739                                 |
| <b>INTEREST CHARGES</b>  |              |  |
| Interest on Long-Term Debt.....  | 13,019,500   | (26,620)                                   |
| Amortization of Debt Discount and Expense.....                             | 399,972      | 0  |
| Amortization of Premium on Debt-Credit.....                                | 0            | 0  |
| Interest on Debt to Associated Companies.....                              | 684,675      | (2,972,873)                                |
| Other Interest Expense.....  | 639,769      | 3,776,318                                  |
| Interest Charged to Construction-Credit.....                               | 1,056        | 107,598                                    |
| Total Interest Charges.....  | 14,744,973   | 884,424                                    |
| Net Income.....  | 7,483,686    | 55,849,316                                 |

| <b>BALANCE SHEET</b>                                 |                        |  |                        |
|--|------------------------|--|------------------------|
| Title of Account                                     | Balance<br>End of Year | Title of Account   | Balance<br>End of Year |
| <b>UTILITY PLANT</b>                                 |                        | <b>PROPRIETARY CAPITAL</b>   |                        |
| Utility Plant.....                                   | \$ / 1,424,816,557     | <b>CAPITAL STOCK</b>   |                        |
| <b>OTHER PROPERTY<br/>AND INVESTMENTS</b>            |                        | Common Stock Issued.....   | \$ 100                 |
| Nonutility Property.....                             | 267,230                | Preferred Stock Issued.....  | 0                      |
| Investment in Associated Companies.....              | (2,907,292)            | Capital Stock Subscribed.....  | 0                      |
| Other Investments.....                               | 25,000                 | Premium on Capital Stock.....  | 411,771,866            |
| Special Funds.....                                   | 0                      | Total.....   | 411,771,966            |
| Total Other Property and Investments                 | (2,615,062)            | <b>SURPLUS</b>   |                        |
| <b>CURRENT AND ACCRUED ASSETS</b>                    |                        | Other Paid-In Capital.....   | 7,199,342              |
| Cash.....  | 1,901,168              | OCI Deficit.....   | (2,907,292)            |
| Special Deposits.....                                | 0                      | Earned Surplus.....  | 12,464,008             |
| Working Funds.....                                   | 6,700                  | Total.....   | 16,756,058             |
| Temporary Cash Investments.....                      | 0                      | Total Proprietary Capital.....   | 428,528,024            |
| Notes and Accounts Receivable.....                   | 60,511,965             | <b>LONG-TERM DEBT</b>  |                        |
| Receivables from Associated Co.....                  | 1,347,525              | Bonds.....   | 0                      |
| Materials and Supplies.....                          | 22,978,608             | Capital-Lease Obligations.....   | 0                      |
| Prepayments.....                                     | 2,047,715              | Other Long-Term Debt.....  | 218,500,000            |
| Interest and Dividends Receivable.....               | 0                      | Total Long-Term Debt.....  | 218,500,000            |
| Rents Receivable.....                                | 0                      | <b>CURRENT AND ACCRUED<br/>LIABILITIES</b>                               |                        |
| Accrued Utility Revenues.....                        | 48,946,678             | Notes Payable.....   | 0                      |
| Miscellaneous Current and Accrued Assets             | 0                      | Accounts Payable.....  | 41,234,895             |
| Def. Fuel Costs.....                                 | 7,683,864              | Payables to Associated Companies.....                                    | 89,815,890             |
| Total Current and Accrued Assets.....                | 145,424,223            | Customer Deposits.....   | -4,041,622             |
| <b>DEFERRED DEBITS</b>                               |                        | Taxes Accrued.....   | 7,442,131              |
| Unamortized Debt Discount Expense                    | 4,650,098              | Interest Accrued.....  | 1,857,563              |
| Extraordinary Property Losses.....                   | 0                      | Dividends Declared.....  | 0                      |
| Preliminary Survey and Investigation<br>Charges..... | 578,671                | Fuel Purchase Commitments.....   | 0                      |
| Clearing Accounts.....                               | 0                      | Capital Leases.....  | 0                      |
| Temporary Facilities.....                            | 0                      | Tax Collections Payable.....   | 714,184                |
| Miscellaneous Deferred Debits.....                   | 130,386,118            | Misc. Current and Accrued Liabilities.....                               | 26,760,829             |
| Total Deferred Debits.....                           | 135,614,886            | Total Current and Accrued Liabilities.....                               | 171,867,115            |
| <b>CAPITAL STOCK DISCOUNT<br/>AND EXPENSE</b>        |                        | <b>DEFERRED CREDITS</b>  |                        |
| Discount on Capital Stock.....                       | 0                      | Unamortized Premium on Debt.....   | 0                      |
| Capital Stock Expense.....                           | 0                      | Customer Advances for Construction.....                                  | 27,162                 |
| Total Capital Stock Discount and Exp.                | 0                      | Other Deferred Credits.....  | 15,449,564             |
| <b>REACQUIRED SECURITIES</b>                         |                        | Total Deferred Credits.....  | 15,476,726             |
| Reacquired Capital Stock.....                        | 0                      | <b>RESERVES</b>  |                        |
| Reacquired Bonds.....                                | 0                      | Reserves for Depreciation.....   | 384,701,591            |
| Total Reacquired Securities.....                     | 0                      | Reserves for Amortization.....   | 153,980,575            |
| Total Assets and Other Debits.....                   | \$ 1,703,240,604       | Reserves for Uncollectible Accounts.....                                 | 5,967,496              |
|  |                        | Operating Reserves.....  | 53,606,439             |
|  |                        | Reserve for Depreciation and Amortization<br>of Nonutility Property..... | 192,134                |
|  |                        | Reserves for Deferred Federal Income<br>Taxes.....                       | 270,420,504            |
|  |                        | Total Reserves.....  | 868,868,738            |
|  |                        | <b>CONTRIBUTIONS IN AID<br/>OF CONSTRUCTION</b>                          |                        |
|  |                        | Contributions in Aid of Construction.....                                | 0                      |
|  |                        | Total Liabilities and Other Credits.....                                 | \$ 1,703,240,604       |

| <b>STATEMENT OF EARNED SURPLUS</b>                                       |                    |  |
|--|--------------------|--|
|  | Amount<br>for Year | Increase or<br>(Decrease) from<br>Preceding Year |
| Unappropriated Earned Surplus (at beginning of period).....              | \$ 6,775,802       | \$ (62,315,686)                                  |
| Balance Transferred from Income.....                                     | 7,483,686          | 55,849,316                                       |
| Miscellaneous Credits to Surplus.....Prior Period Adjustment             |                    | 0  |
| Miscellaneous Debits to Surplus.....FAS 158 Adjustment                   | 2,601,744          | 9,987,185  |
| Miscellaneous Credits to Surplus.....FAS 158 Adjustment State Tax Effect | (169,114)          | (649,168)  |
| Miscellaneous Credits to Surplus.....FAS 158 Adjustment Fed Tax Effect   | (851,420)          | (3,268,305)                                      |
| Miscellaneous Credits to Surplus.....OCI Deficits                        |                    | 0  |
| Miscellaneous Credits to Surplus.....Tax Allocations                     | 4,915,360          | 4,376,914  |
| <b>Net Additions to Earned Surplus.....</b>                              | <b>13,980,256</b>  | <b>66,295,942</b>                                |
| Dividends Declared-Preferred Stock.....                                  | 0                  | 0  |
| Appropriations of Surplus for Common Stock Rights.....                   | 0                  | 0  |
| Dividends Declared-Common Stock.....                                     | 4,000,000          | (6,000,000)                                      |
| Unappropriated Earned Surplus (at end of period).....                    | \$ 16,756,058      | \$ 9,980,256                                     |

| <b>ELECTRIC OPERATING REVENUES</b>      |                    |  |
|---|--------------------|--|
| Account                                 | Operating Revenues |  |
|   | Amount<br>for Year | Increase or<br>(Decrease) from<br>Preceding Year |
| <b>SALES OF ELECTRICITY</b>             |                    |  |
| Residential Sales.....                  | \$                 | \$   |
| Commercial and Industrial Sales.....    |                    |  |
| Small (or Commercial).....              |                    |  |
| Large (or Industrial).....              |                    |  |
| Public Street and Highway Lighting..... |                    |  |
| Other Sales to Public Authorities.....  |                    |  |
| Sales to Railroad and Railways.....     |                    |  |
| Interdepartmental Sales.....            |                    |  |
| Miscellaneous Electric Sales.....       |                    |  |
| Total Sales to Ultimate Consumers.....  |                    |  |
| Sales for Resale.....                   |                    |  |
| Total Sales of Electricity.....         |                    |  |
| <b>OTHER OPERATING REVENUES</b>         |                    |  |
| Forfeited Discounts.....                |                    |  |
| Miscellaneous Service Revenues.....     |                    |  |
| Sales of Water and Water Power.....     |                    |  |
| Rent from Electric Property.....        |                    |  |
| Interdepartmental Rents.....            |                    |  |
| Other Electric Revenues.....            |                    |  |
| Total Other Operating Revenues.....     |                    |  |
| Total Electric Operating Revenues.....  |                    |  |

| <b>SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b> |           |             |       |
|---|-----------|-------------|-------|
| Functional Classification                                     | Operation | Maintenance | Total |
| Power Production Expenses.....                                | \$        | \$          | \$    |
| Electric Generation   |           |             |       |
| Steam Power.....  |           |             |       |
| Nuclear Power.....  |           |             |       |
| Hydraulic Power.....  |           |             |       |
| Other Power.....  |           |             |       |
| Other Power Supply Expenses.....                              |           |             |       |
| Total Power Production Expenses.....                          |           |             |       |
| Transmission Expenses.....                                    |           |             |       |
| Distribution Expenses.....                                    |           |             |       |
| Customer Accounts Expenses.....                               |           |             |       |
| Sales Expenses.....   |           |             |       |
| Administrative and General Expenses.....                      |           |             |       |
| Total Electric Operation and Maintenance Expenses.....        |           |             |       |

| GAS OPERATING REVENUES                             |                    |  |
|--|--------------------|--|
| ACCOUNT  | Operating Revenues |  |
|  | Amount for Year    | Increase or (Decrease) from Preceding Year |
| <b>SALES OF GAS</b>                                |                    |  |
| Residential Sales.....                             | \$ 322,240,368     | \$ (43,149,466)                            |
| Commercial and Industrial Sales.....               |                    |  |
| Commercial & Industrial.....                       | 109,967,301        | (16,802,689)                               |
| Interruptible.....                                 | 555,678            | (3,176,265)                                |
| Other Sales to Public Authorities.....             | 0                  | 0  |
| Interdepartmental Sales.....                       | 0                  | 0  |
| Unbilled Gas Sales.....                            | (5,583,366)        | (10,372,505)                               |
| Total Sales to Ultimate Consumers.....             | 427,179,981        | (73,500,925)                               |
| Sales for Resale.....                              | 297,935            | (2,363,470)                                |
| Total Sales of Gas.....                            | 427,477,916        | (75,864,395)                               |
| <b>OTHER OPERATING REVENUES</b>                    |                    |  |
| Residential Transportation.....                    | 225,953            | -47,692                                    |
| Forfeited Discounts-Late Payment Charges.....      | 611,836            | (206,025)                                  |
| Miscellaneous Service Revenues.....                | 16,126,933         | -471,842                                   |
| Revenues from Transportation of Gas to Others..... | 33,624,853         | 2,251,067                                  |
| Sales of Products Extracted from Natural Gas.....  | 0                  | 0  |
| Revenues from Natural Gas Processed by Others..... | 0                  | 0  |
| Rent from Gas Property.....                        | 388,845            | (877,134)                                  |
| Interdepartmental Rents.....                       | 0                  | 0  |
| Other Gas Revenues.....                            | 5,897,591          | -4,233,664                                 |
| Total Other Operating Revenues.....                | 56,876,011         | 5,921,106                                  |
| Total Gas Operating Revenues.....                  | \$ -484,353,927    | \$ (69,943,289)                            |

| SUMMARY OF GAS OPERATIONS AND MAINTENANCE EXPENSES |                |               |                |
|--|----------------|---------------|----------------|
| Functional Classification                          | Operation      | Maintenance   | Total          |
| Steam Production.....                              |                |               |                |
| Manufactured Gas Production.....                   | \$ 18,401,676  | \$ 668,025    | \$ 19,069,701  |
| Other Gas Supply Expenses.....                     | 252,268,026    | 0             | 252,268,026    |
| Total Production Expenses.....                     | 270,669,702    | 668,025       | 271,337,727    |
| Local Storage Expenses.....                        | 0              | 0             | 0              |
| Transmission and Distribution Expense.....         | 20,921,430     | 7,268,961     | 28,190,391     |
| Customer Accounts Expense.....                     | 23,994,216     | 0             | 23,994,216     |
| Sales Expense.....                                 | 1,079,313      | 0             | 1,079,313      |
| Administrative and General Expenses.....           | 65,432,433     | 3,043,519     | 68,475,952     |
| Total Gas Operation and Maintenance Expenses.....  | \$ 382,097,094 | \$ 10,980,505 | \$ 393,077,599 |

March 31, 2009, I hereby certify that the foregoing statements are full, just and true to the best of my knowledge and belief. This statement is signed under the penalties of perjury.

  
Controller