

# ANNUAL REPORT

(FORM F-16 G)

(In compliance with Puc 509.04)



OF

Name: Northern Utilities, Inc.

Address: 6 Liberty Lane West, Hampton, NH 03842-1720

TO THE

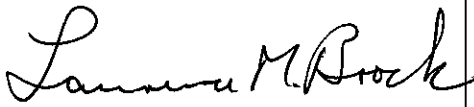
**PUBLIC UTILITIES COMMISSION**

OF THE

**STATE OF NEW HAMPSHIRE**

FOR THE

**YEAR ENDED DECEMBER 31, 2016**

PART I : IDENTIFICATION			
01 Exact Legal Name of Respondent Northern Utilities, Inc.		02 Year of Report December 31, 2016	
03 Previous Name and Date of Change (If name changed during year) N/A			
04 Address of Principal Business Office at End of Year (Street, City, State, Zip Code) 6 Liberty Lane West, Hampton, NH 03842-1720			
05 Name of Contact Person Daniel V. Main		06 Title of Contact Person Assistant Controller	
07 Address of Contact Person (Street, City, State, Zip Code) 6 Liberty Lane West, Hampton, NH 03842-1720			
08 Telephone of Contact Person, Including Area Code  (603) 772-0775	09 This Report is (1) (X) An Original (1) A Resubmission		10 Date of Report (Mo, Da, Yr)
11 Name of Officer Having Custody of the Books of Account Laurence M. Brock		12 Title of Officer Controller	
13 Address of Officer Where Books of Account Are Kept (Street, City, State, Zip code) 6 Liberty Lane West, Hampton, NH 03842-1720			
14 Name of State Where Respondent is Incorporated  New Hampshire	15 Date of Incorporation (Mo, Da, Yr) January 9, 1979	16 If applicable, Reference to Law Incorporated Under  N/A	
17 Explanation of Manner and Extent of Corporate Control (If the respondent controls or is controlled by any other corporation, business trust, or similar organization)  Unitil Corporation, 6 Liberty Lane West, Hampton, NH 03842  Unitil Corporation owns 100% of the outstanding Common Stock of Northern Utilities, Inc.  Other companies controlled by Northern Utilities, Inc.: N/A			
PART II: ATTESTATION			
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.			
01 Name Laurence M. Brock	03 Signature 		04 Date Signed (Mo, Da, Yr) March 30, 2017
02 Title Controller			

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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LIST OF CITIES AND TOWNS SERVED DIRECTLY

Line No.	LOCATION	NUMBER OF CUSTOMERS	POPULATION
1	Atkinson	262	6,722
2	Brentwood	4	4,678
3	Dover	5,910	30,524
4	Durham	743	16,009
5	East Kingston	19	2,398
6	East Rochester (included in Rochester)	218	(included in Rochester)
7	Exeter	2,835	14,582
8	Gonic (included in Rochester)	309	(included in Rochester)
9	Greenland	118	3,860
10	Hampton	6,309	15,050
11	Hampton Falls	11	2,239
12	Kensington	79	2,114
13	Madbury	13	1,791
14	Newington	261	770
15	North Hampton	174	4,511
16	Plaistow	1,081	7,602
17	Portsmouth	6,628	21,496
18	Rochester	2,836	29,875
19	Rollinsford	15	2,520
20	Salem	1,183	28,674
21	Seabrook	2,011	8,814
22	Somersworth	1,195	11,698
23	Stratham	68	7,334
24	Total	<u>32,282</u>	
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Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised        -	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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AFFILIATED INTERESTS

Include on this page, a summary listing of all affiliated interests of the respondent and its parent. Indicate the relationship to the parent and the respondent and the percentage owned by the corporate group.

1 Northern Utilities, Inc. is a wholly-owned subsidiary of Unitil Corporation as of December 1, 2008.

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division function (such as sales, administration or finance), and any other person who performs similarly policy-making functions.

3. Utilities which are required to file the same data with the Securities and Exchange Commission, may substitute a copy of item 4 of Regulation S-K (identified as this page). The substitute page(s) should be the same size as this page.

2. If a change was made during the year in the incumbent of any position, show name of the previous incumbent, and date the change in incumbency was made.

4 Report below any additional companies where the officer holds office along with their title.

Line No.	Title (a)	Name of Officer (b)	Other Companies Officer Of with Title (c)
1			
2	President	Robert G. Schoenberger	see page 4 A.1
3			
4	Sr. Vice President	Todd R. Black	
5			
6	Sr. Vice President	Thomas P. Meissner, Jr.	
7			
8	Sr. Vice President	Mark H. Collin	
9			
10	Vice President	Justin Eisfeller	
11			
12	Vice President	Robert S. Furino	
13			
14	Vice President	Christopher Leblanc	
15			
16	Vice President	Raymond Letourneau, Jr.	
17			
18	Treasurer	David Chong	
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20	Controller	Laurence M. Brock	
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22	Secretary	Sandra L. Whitney	
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Northern Utilities, Inc.  
December 31, 2016

	Schoenberger	Black	Meissner	Eisfeller	Furino	Leblanc	Letourneau	Collin	Chong	Brock	Whitney
Unifi Corporation	Chairman/CEO/President	-	Sr. VP/COO	-	-	-	-	Sr. VP/CFO/Treasurer	-	Controller/CAO	Secretary
Unifi Energy Systems, Inc.	President/Director	Sr. VP	Sr. VP	VP	VP	VP	VP	Sr. VP	Treasurer	Controller	Secretary
Fitchburg Gas and Electric Light Company	President/Director	Sr. VP	Sr. VP	VP	VP	VP	VP	Sr. VP	Treasurer	Controller	Secretary
Granite State Gas Transmission, Inc.	President/Director	Sr. VP	Sr. VP	VP	VP	VP	VP	Sr. VP	Treasurer	Controller	Secretary
Unifi Service Corp.	Director	Sr. VP/Director	Sr. VP/Director	VP	-	VP	VP	President/Director	Treasurer	VP/Controller	Secretary
Unifi Power Corp.	Director	-	Director	-	-	-	-	President/Treasurer/Director	-	VP/Controller	Secretary
Unifi Realty Corp.	Director	-	-	-	-	-	-	Sr. VP/Treasurer/Director	-	Controller	Secretary
Unifi Resources, Inc.	-	-	-	-	-	-	-	Director	-	Director	Secretary
Usource, Inc.	-	-	-	-	-	-	-	-	-	-	Secretary
Fitchburg Energy Development Company	Director	President/Director	-	-	-	-	-	Sr. VP/Treasurer/Director	-	-	Secretary

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
DIRECTORS			
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.		2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.	
Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Year (c)	Fees During Year (d)
Robert V. Antonucci	Unitil Corporation 6 Liberty Lane West Hampton, NH 03842	4	see Note A 0
David P. Brownell	Unitil Corporation 6 Liberty Lane West Hampton, NH 03842	4	0
Lisa Crutchfield	Unitil Corporation 6 Liberty Lane West Hampton, NH 03842	4	0
Albert H. Eifner III	Unitil Corporation 6 Liberty Lane West Hampton, NH 03842	4	0
Edward F. Godfrey	Unitil Corporation 6 Liberty Lane West Hampton, NH 03842	4	0
Michael B. Green	Unitil Corporation 6 Liberty Lane West Hampton, NH 03842	4	0
Eben S. Moulton	Seacoast Capital Corporation 55 Femcroft Road Danvers, MA 01923	4	0
M. Brian O'Shaughnessy	Revere Copper Products, Inc. One Revere Park Rome, NY 13440	4	0
Robert G. Schoenberger (President)	Unitil Corporation 6 Liberty Lane West Hampton, NH 03842	4	0
David A. Whiteley	Unitil Corporation 6 Liberty Lane West Hampton, NH 03842	4	0
Sarah P. Voll	Unitil Corporation 6 Liberty Lane West Hampton, NH 03842	4	0
Note A: Starting in January, 2011, the subsidiary Board meeting fees were eliminated as separate payments, and included in one cash retainer for Unitil Corporation paid quarterly. The Unitil Corporation retainer covers all board and committee service.			

Name of Respondent Northern Utilities, Inc.	This Report is: (1) An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016		
<p>1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.</p> <p>2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent: of contingent, describe the contingency.</p> <p>3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.</p> <p>4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.</p>					
<p>1. Give the date of the latest closing of the stock book prior to the end of the year, and state the purpose of such closing:</p>		<p>2. State the total number of votes cast at the latest general meeting prior to the end of the year for election of the directors of the respondent and number of such votes cast by proxy</p> <p>Total: 100 By proxy: 0</p>	<p>3. Give the date and place of such Meeting:</p> <p>March 24, 2016 Hampton, NH</p>		
VOTING SECURITIES					
Number of votes as of (date):					
Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	100	100		
5	TOTAL numbers of security holders	1	1		
6	TOTAL votes of security holders listed below	100	100		
7	Unitil Corporation				
8	6 Liberty Lane West				
9	Hampton, NH 03842				
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Name of Respondent Northern Utilities, Inc.	This Report is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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PAYMENTS TO INDIVIDUALS

1. List names of all individuals, partnerships, or corporations, to whom payments totaling \$50,000 or more for services rendered were made or accrued during the year, and the amount paid or accrued to each. Where payments or accruals to the individual members of a partnership or firm together total \$50,000 or more, list each individual and the amount paid or due each.

Line No.	Name	Street	City	State	Zip Code	Amount
(a)	(b)	(c)	(d)	(e)	(f)	
1	ADECCO EMPLOYMENT SERVICES	PO BOX 371084	PITTSBURGH	PA	15250-7084	\$ 406,617
2	AECOM	1178 PAYSOPHERE CIR	CHICAGO	IL	60674	222,585
3	AMEC FOSTER WHEELER ENVIRONMENT & INFRASTRUCTURE INC	24376 NETWORK PLACE	CHICAGO	IL	60673-1376	250,627
4	APPLUS RTD	PO BOX 29254	NEW YORK	NY	10087-9254	281,715
5	ARK ENGINEER & TECH SERVICES	639 GRANITE ST SUITE 200	BRAINTREE	MA	02184	136,048
6	BILL DODGE	2 SAUNDERS WAY	WESTBROOK	ME	04098	58,779
7	CHARTER CONTRACTING COMPANY LLC	500 HARRISON AVENUE	BOSTON	MA	02118	446,694
8	CIANBRO	40 EAST DUDLEY TOWN RD	BLOOMFIELD	CT	06002	78,445
9	COASTAL ROAD REPAIR	77 BLACKSTRAP ROAD	CUMBERLAND	ME	04021	141,380
10	COLLINS PIPE	PO BOX 1053	EAST WINDSOR	CT	06088	620,770
11	CONSOLIDATED PIPE & SUPPLY COMPANY	DEPT 3147 PO BOX 2153	BIRMINGHAM	AL	35287-3147	200,119
12	DIG SAFE SYSTEM INC	331 MONTVALE AVENUE	WOBURN	MA	01801-0000	58,623
13	DRESSER INC-METERS	PO BOX 845590	DALLAS	TX	75284-5590	129,699
14	ELSTER AMERICAN METER	PO BOX 5809	CAROL STREAM	IL	60197-5809	137,765
15	ELSTER PERFECTION CORPORATION	PO BOX 5809	CAROL STREAM	IL	60197-5809	376,468
16	ENERGY FEDERATION INC	40 WASHINGTON STREET	WESTBOURGH	MA	01581-1088	310,873
17	E-Z LINE PIPE SUPPORT CO LLC	PO BOX 767	MANVEL	TX	77578	55,366
18	FAIRPOINT COMMUNICATIONS	CLAIMS DEPT	OKLAHOMA	OK	73146	109,038
19	FOUR SEASONS FENCE	15 BANFIELD ROAD	PORTSMOUTH	NH	03801	134,875
20	GEORG FISCHER CENTRAL PLASTICS LLC	PO BOX 849792	DALLAS	TX	75284-9792	138,358
21	GRANITE GROUP, THE	PO BOX 2004	CONCORD	NH	03302-2004	79,654
22	HART PLUMBING & HEATING INC	P.O. BOX 687	PORTSMOUTH	NH	03802-0687	69,887
23	HENNIKER DIRECTIONAL DRILLING LLC	PO BOX 2156	HENNIKER	NH	03242	405,470
24	INDEPENDENT PIPE & SUPPLY CO	PO BOX 843024	BOSTON	MA	02284	54,597
25	ISCO INDUSTRIES	1974 SOLUTIONS CENTER	CHICAGO	IL	60677-1009	91,353
26	ITRON INC	PO BOX 200209	DALLAS	TX	75320-0209	50,908
27	JDH ENERGY SOLUTIONS LLC	952 ECHO LANE SUITE 100	HOUSTON	TX	77024	209,306
28	K C AUTO REPAIR	185 RIVER RD	LEWISTON	ME	04240	160,044
29	KEELEY CRANE SERVICE	19 WESTFIELD STREET	PORTLAND	ME	04104	73,547
30	KUBRA DATA TRANSFER LTD	39577 TREASURY CENTER	CHICAGO	IL	60694-9500	324,893
31	LIBERTY SALES AND DISTRIBUTION	2880 BERGEE ROAD	HATFIELD	PA	19440	50,061
32	MACKWORTH GROUP LLC	2 WHITE SANDS LANE	SCARBOROUGH	ME	04074	160,515
33	MSR UTILITY MAINTENANCE CORP	PO BOX 506	DUNSTABLE	MA	01827	227,166
34	MERCHANTS AUTOMOTIVE GROUP	1278 HOOKSETT ROAD	HOOKSETT	NH	03106	366,633
35	MILLIKEN BROTHERS	474 RIVERSIDE INDUSTRIAL PARKW	PORTLAND	ME	04103	53,674
36	MUELLER CO.	23418 NETWORK PLACE	CHICAGO	IL	60673-1234	180,341
37	MULCARE PIPELINE SOLUTIONS	9 MARS COURT	BOONTON TOWNSHIP	NJ	07005	335,497
38	NEUCO	143 SPRING STREET	EVERETT	MA	02149	23,979,650
39	NEW ENGLAND CONTROLS	9 OXFORD ROAD	MANFIELD	MA	03234	78,990
40	NEW ENGLAND CP INC	294 EAST STREET	WEST BRIDGEWATER	MA	02379	72,075
41	NEW ENGLAND TRAFFIC CONTROL SERVICES INC	PO BOX 9	EPSOM	NH	03234	150,688
42	NORTHSTAR DEMOLITION AND REMEDIATION LP	2760 SOUTH FALKENBURG ROAD	RIVERVIEW	FL	33578	495,404
43	OMARK CONSULTANTS INC	PO BOX 1086	BOYLSTON	MA	01505-1686	165,656
44	OUELLET ASSOCIATES	55 BIBBER PARKWAY	BRUNSWICK	ME	04011	364,341
45	PAVEMENT TREATMENTS, INC.	PO BOX 775	KENNEBUNK	ME	04043	285,610
46	PERKINS THOMPSON	ONE CANAL PLAZA	PORTLAND	ME	04112-0426	139,771
47	PIERCE ATWOOD LLP	MERRILLS WHARF	PORTLAND	ME	04101	387,099
48	PL-ENERSERV LLC	1059 GLENBROOK WAY	HENDERSONVILLE	TN	37075	288,638
49	PLCS INC	102 GAITHER DRIVE, UNIT 1	MT. LAUREL	NJ	08054	81,919
50	PORTSMOUTH CAR CLINIC	20 MIRONA ROAD	PORTSMOUTH	NH	03801	87,434
51	POWELL CONTROLS	3 BALDWIN GREEN COMMON STE	WOBURN	MA	01801	322,412
52	PPI GAS DISTRIBUTION INC	PO BOX 7056	PROSPECT	CT	06712	243,172
53	PROCESS PIPELINE SERVICES	1600 PROVIDENCE HWY	WALPOLE	MA	02081	499,911
54	QUARTER TURN RESOURCES	PO BOX 1455	PONCA CITY	OK	74602	271,068
55	R W LYALL & COMPANY INC DBA MECHANICAL SPECIALTIES	2865 RESEARCH DRIVE	CORONA	CA	92878-2259	101,006
56	ROACH HEWITT RUPRECHT SANCHEZ & BISCHOFF PC	68 PEARL STREET	PORTLAND	ME	04101	150,067
57	SCADA NETWORK SERVICES INC	4 GLENWOOD CIRCLE	HAVERHILL	MA	01830	88,120
58	SHAW BROTHERS CONSTRUCTION INC	PO BOX 69	GORHAM	ME	04038	75,413
59	SOUTHERN NH SERVICES	PO BOX 5040	MANCHESTER	NH	03108-5040	122,422
60	STEVENS BUSINESS SERVICE	92 BOLT ST/SUITE 1	LOWELL	MA	01853	55,959
61	SUSSEX ECONOMIC ADVISORS LLC	1900 WEST PARK DRIVE	WESTBOROUGH	MA	01581	53,594
62	TRI MONT ENGINEERING CO	38 RESNIK ROAD	PLYMOUTH	MA	02364	976,126
63	UNITED CONCRETE PRODUCTS	173 CHURCH ST	WALLINGFORD	CT	06492	306,327
64	UPSCO INC	PO BOX 431	MORAVIA	NY	13118-0000	118,032
65	UTILITIES & INDUSTRIES C/O DBI INC	PO BOX 280	REYNOLDSVILLE	PA	15851	148,020
66	WEBBER SUPPLY	32 THATCHER STREET	BANGOR	ME	04401	71,188
67	WESCO RECEIVABLES CORP	1751 SOLUTIONS CENTER	CHICAGO	IL	60677-1007	54,959
TOTAL						\$ 37,441,456

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised -	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**IMPORTANT CHANGES DURING THE YEAR**

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none" or "not applicable" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. List changes in and important additions to franchise area.

None

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to commission authorization.

None

3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required.

None

4. List important leaseholds that have been acquired given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

None

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required.

None

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.

None

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

None

8. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

See below.

9. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 6, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

None

10. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instructions 1 to 9 above, such notes may be attached to this page.

Not applicable.

8. For legal activity description, please refer to the discussion of Regulatory Matters in Note 8 to the Consolidated Financial Statements of Unifit Corporation in its Form 10-K for the period ended December 31, 2016, as filed with the Securities and Exchange Commission on February 2, 2017.

Name of Respondent Northern Utilities, Inc.		This Report is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016	
<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)</b>					
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)	Increase or (decrease) (e)
UTILITY PLANT					
02	Utility Plant (101-106, 114)	17	409,071,283	451,090,090	42,018,807
03	Construction Work in Progress (107)	17	19,344,542	18,637,040	(707,502)
04	TOTAL Utility Plant (Enter Total of lines 2 and 3)		428,415,825	469,727,130	41,311,305
05	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	17	(105,690,721)	(114,199,076)	(8,508,355)
06	Net Utility Plant (Enter total of line 04 less 05)	-	322,725,104	355,528,054	32,802,950
07	Utility Plant Adjustments (116)				-
08	Gas Stored Underground-Noncurrent (117)				-
OTHER PROPERTY AND INVESTMENTS					
10	Nonutility Property (121)		2,628,501	2,643,487	14,986
11	(Less) Accum. Prov. for Depr. and Amort. (122)		(2,586,185)	(2,590,565)	(24,380)
12	Investments In Associated Companies (123)				-
13	Investments In Subsidiary Companies (123.1)				-
14	(For Cost of Account 123.1	-			-
15	Noncurrent Portion of Allowances	-			-
16	Other Investments (124)				-
17	Special Funds (125 - 128)				-
18	Long-Term Portion of Derivative Assets (175)				-
19	Long-Term Portion of Derivative Assets - Hedges (176)	-			-
20	TOTAL Other Property and Investments (Total lines 10-13, 15-19)	-	62,316	52,922	(9,394)
CURRENT AND ACCRUED ASSETS:					
22	Cash (131)	-	657,287	454,747	(202,540)
23	Special Deposits (132-134)	-	50,000	75,000	25,000
24	Working Funds (135)	-	1,250	1,750	500
25	Temporary Cash Investments (136)				-
26	Notes Receivable (141)	-			-
27	Customer Accounts Receivable (142)		15,535,343	20,361,094	4,825,751
28	Other Accounts Receivable (143)	-	22,482	23,546	1,064
29	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	-	(400,424)	(230,304)	170,120
30	Notes Receivable from Associated Companies (145)	-			-
31	Accounts Receivable from Assoc. Companies (146)		1,970,818	2,390,725	419,907
32	Fuel Stock (151)	-			-
33	Fuel Stock Expenses Undistributed (152)	-			-
34	Residuals (Elec) and Extracted Products (Gas) (153)	-			-
35	Plant Materials and Operating Supplies (154)	-	3,526,795	4,092,932	566,137
36	Merchandise (155)	-			-
37	Other Materials and Supplies (156)	-			-
38	Stores Expense Undistributed (163)	-	622,360	489,074	(133,286)
39	Gas Stored Underground - Current (164.1)		331,630	294,647	(36,983)
40	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		125,791	73,190	(52,601)
41	Prepayments (165)		1,835,623	1,935,437	99,814
42	Advances for Gas (166-167)				-
43	Interest and Dividends Receivable (171)	-			-
44	Rents Receivable (172)				-
45	Accrued Utility Revenues (173)		6,573,470	6,969,655	396,185
46	Miscellaneous Current and Accrued Assets (174)		10,396,696	7,937,528	(2,459,168)
47	Derivative Instrument Assets (175)				-
48	(Less) Long-Term Portion of Derivative Instruments Assets (175)	-	44,839	385,213	340,374
49	Derivative Instrument Assets - Hedges (176)	-			-
50	(Less) Long-Term Portion of Derivative Instruments Assets - Hedges (176)	-			-
51	TOTAL Current and Accrued Assets (Enter Total of lines 22 thru 50)	-	41,293,960	45,254,234	3,960,274
DEFERRED DEBITS					
53	Unamortized Debt Expense (181)	-	1,027,709	933,597	(94,112)
54	Extraordinary Property Losses (182.1)				-
55	Unrecovered Plant and Regulatory Study Costs (182.2)				-
56	Other Regulatory Assets (182.3)	21	19,978,852	23,575,510	3,596,658
57	Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2)		321,814	534,174	212,360
58	Clearing Accounts (184)	-	152,981	167,388	14,407
59	Temporary Facilities (185)				-
60	Miscellaneous Deferred Debits (186)	22	4,708,438	3,076,156	(1,632,282)
61	Def. Losses from Disposition of Utility Plt. (187)	-			-
62	Research, Devel. and Demonstration Expend. (188)				-
63	Unamortized Loss on Reacquired Debt (189)	-			-
64	Accumulated Deferred Income Taxes (190)				-
65	Unrecovered Purchased Gas Costs (191)	-	2,081,415	7,686,664	5,605,249
66	TOTAL Deferred Debits (Enter Total of lines 53 thru 65)		28,271,209	35,973,489	7,702,280
67	TOTAL Assets and other Debits (Enter Total of lines 6, 7, 8, 20, 51, 66)		392,352,589	436,808,699	44,456,110

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**COMPARATIVE BALANCE SHEET (LIABILITIES AND CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)	Increase or (decrease) (e)
1	<b>PROPRIETARY CAPITAL</b>				
2	Common Stock Issued (201)		1,000	1,000	-
3	Preferred Stock Issued (204)				-
4	Capital Stock Subscribed (202, 206)				-
5	Stock Liability for Conversion (203, 206)				-
6	Premium on Capital Stock (207)				-
7	Other Paid-In Capital (208-211)		113,199,000	143,199,000	30,000,000
8	Installments Received on Capital Stock (212)				-
9	(Less) Discount on Capital Stock (213)				-
10	(Less) Capital Stock Expense (213)				-
11	Retained Earnings (215, 215.1, 216)	13	10,356,063	11,983,729	1,627,666
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	13			-
13	(Less) Reacquired Capital Stock (217)				-
14	<b>TOTAL Proprietary Capital (Enter Total of lines 2 thru 14)</b>		123,556,063	155,183,729	31,627,666
15	<b>LONG-TERM DEBT</b>		XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
16	Bonds (221)	23	155,000,000	145,000,000	(10,000,000)
17	(Less) Reacquired Bonds (222)	23			-
18	Advances from Associated Companies (223)	23			-
19	Other Long-Term Debt (224)	23			-
20	Unamortized Premium on Long-Term Debt (225)				-
21	(Less) Unamortized Discount on Long-Term Debt-Debit. (226)				-
22	(Less) Current Portion of Long-Term Debt				-
23	<b>TOTAL Long-Term Debt (Enter Total of lines 16 thru 22)</b>		155,000,000	145,000,000	(10,000,000)
24	<b>OTHER NONCURRENT LIABILITIES</b>		XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
25	Obligations Under Capital Leases - Noncurrent (227)	-			-
26	Accumulated Provision for Property Insurance (228.1)	-			-
27	Accumulated Provision for Injuries and Damages (228.2)	-			-
28	Accumulated Provision for Pensions and Benefits (228.3)	-			-
29	Accumulated Miscellaneous Operating Provision (228.4)	-			-
30	Accumulated Provision for Rate Refunds (229)	-			-
31	<b>TOTAL Other Noncurrent Liabilities (Enter Total of lines 25 thru 29)</b>		0	0	0
32	<b>CURRENT AND ACCRUED LIABILITIES</b>		XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
33	Notes Payable (231)	-			-
34	Accounts Payable (232)	-	13,530,562	11,592,237	(1,938,325)
35	Notes Payable to Associated Companies (233)	-	17,820,632	36,977,214	19,156,582
36	Accounts Payable to Associated Companies (234)	-	3,288,987	2,580,731	(708,256)
37	Customer Deposits (235)	-	1,021,611	941,909	(79,702)
38	Taxes Accrued (236)	25	1,750,496	92,733	(1,657,763)
39	Interest Accrued (237)	-	1,369,194	1,349,211	(19,983)
40	Dividends Declared (238)	-	2,876,400	1,852,600	(1,023,800)
41	Matured Long-Term Debt (239)	-			-
42	Matured Interest (240)	-			-
43	Tax Collections Payable (241)	-	177,210	176,895	(315)
44	Miscellaneous Current and Accrued Liabilities (242) & (244)	-	20,144,752	16,019,420	(4,125,332)
45	Obligations Under Capital Leases-Current (243)	-			-
46	<b>TOTAL Current and Accrued Liabilities (Enter Total of lines 32 thru 44)</b>		61,979,844	71,582,950	9,603,106
47	<b>DEFERRED CREDITS</b>				
48					
49	Customer Advances for Construction (252)		31,619	31,619	-
50	Accumulated Deferred Investment Tax Credits (255)				-
51	Deferred Gains from Disposition of Utility Plant (256)				-
52	Other Deferred Credits (253)	26	25,937,741	34,297,184	8,359,443
53	Other Regulatory Liabilities (254)	27	8,448,354	2,726,464	(5,721,890)
54	Unamortized Gain on Reacquired Debt (257)				-
55	Accumulated Deferred Income Taxes (281-283)		17,398,968	27,986,753	10,587,785
56	<b>TOTAL Deferred Credits (Enter Total of lines 49 thru 55)</b>		51,816,682	65,042,020	13,225,338
57					
58	<b>TOTAL Liabilities and Other Credits (Enter Total of lines 14, 23, 31, 46 and 56)</b>		392,352,589	436,808,699	44,456,110

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**STATEMENT OF INCOME FOR THE YEAR**

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others in a similar manner to a utility department manner to a utility department. Spread the amount(s) over lines 02 thru 24 as appropriate.
2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
3. Report data for lines 7,9, and 10 for Natural Gas companies using accounts 404.1,404.2,404.3, 407.1 and 407.2.
4. Use page 16 (Notes to Financial Statement) for important notes regarding the statement of income for any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax ef-

- fects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
  7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 16.
  8. Enter on page 16 a concise explanation of only c year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
  9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

Line No.	Account  (a)	(Ref.) Page No.  (b)	TOTAL		
			Current Year  (c)	Previous Year  (d)	Increase or (decrease)  (e)
1	UTILITY OPERATING INCOME				
2	Operating Revenues (400)	28	64,947,341	76,141,918	(11,194,577)
3	Operating Expenses				
4	Operation Expenses (401)	34-39	41,784,894	52,932,144	(11,147,250)
5	Maintenance Expenses (402)	34-39	706,070	885,902	(179,832)
6	Depreciation Expense (403)		6,118,814	5,565,273	553,541
7	Amort. & Depl. of Utility Plant (404-405)		426,964	491,842	(64,878)
8	Amort. of Utility Plant Acq. Adj. (406)		(940,817)	(940,818)	1
9	Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)				-
10	Amort. of Conversion Expenses (407)				-
11	Regulatory Debits (407.3)		588,349	769,921	(181,572)
12	(Less) Regulatory Credits (407.4)				-
13	Taxes Other Than Income Taxes (408.1)	25	3,763,930	3,240,165	523,765
14	Income Taxes - Federal (409.1)	25	3,227,137	(226,650)	3,453,787
15	- Other (409.1)	25	(269,172)	962,594	(1,231,766)
16	Provision for Deferred Income Taxes (410.1)		4,699	2,660,085	(2,655,386)
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)				-
18	Investment Tax Credit Adj. - Net (411.4)		0	0	-
19	(Less) Gains from Disp. of Utility Plant (411.6)				-
20	Losses from Disp. of Utility Plant (411.7)				-
21	(Less) Gains from Disposition of Allowances (411.8)				-
22	Losses from Disposition of Allowances (411.9)				-
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)		55,410,868	66,340,458	(10,929,590)
24	Net Utility Operating Income (Enter Total of line 2 less 23)		9,536,473	9,801,460	(264,987)

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised -	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**STATEMENT OF INCOME FOR THE YEAR**

Line No.	Account  (a)	(Ref.) Page No.  (b)	TOTAL		
			Current Year  (c)	Previous Year  (d)	Increase or (decrease)  (e)
25	Net Utility Operating Income (Carried forward from page 11)		9,536,473	9,801,460	(264,987)
26	Other Income and Deductions				
27	Other Income				
28	Nonutility Operating Income				
29	Revenues from Merchandising, Jobbing, and Contract Work (415)		340,689	296,177	44,512
30	(Less) Costs and Exp. of Merch., Job, & Contract Work (416)		(169,483)	(125,302)	(44,181)
31	Revenues From Nonutility Operations (417)				-
32	(Less) Expenses of Nonutility Operations (417.1)				-
33	Nonoperating Rental Income (418)		1,291	789	502
34	Equity in Earnings of Subsidiary Companies (418.1)				-
35	Interest and Dividend Income (419)		33,334	118,886	(85,552)
36	Allowance for Other Funds Used During Construction (419.1)				-
37	Miscellaneous Nonoperating Income (421)		19,753	(4,027)	23,780
38	Gain on Disposition of Property (421.1)				-
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		225,584	286,523	(60,939)
40	Other Income Deductions				
41	Loss on Disposition of Property (421.2)				-
42	Miscellaneous Amortization (425)				-
43	Donations (426.1)		20,512	27,996	(7,484)
44	Life Insurance (426.2)				-
45	Penalties (426.3)		133,500	4,000	129,500
46	Expenditures for Certain Civic, Political and Related Activities (426.4)		33,397	25,454	7,943
47	Other Deductions (426.5)		220,493	230,194	(9,701)
48	TOTAL Other Income Deductions (Total of lines 41 thru 47)		407,902	287,644	120,258
49	Taxes Applic. to Other Income and Deductions				
50	Taxes Other Than Income Taxes (408.2)				-
51	Income Taxes - Federal (409.2)		(56,905)	(349)	(56,556)
52	Income Taxes - Other (409.2)		(14,950)	(95)	(14,855)
53	Provision for Deferred Inc. Taxes (410.2)				-
54	(Less) Provision for Deferred Income Taxes - Cr. (411.2)				-
55	Investment Tax Credit Adj. - Net (411.5)				-
56	(Less) Investment Tax Credits (420)				-
57	TOTAL Taxes on Other Inc. and Ded. (Total of 50 thru 56)		(71,855)	(444)	(71,411)
58	Net Other Income and Deductions (Enter Total of lines 39,48,57)		(110,463)	(677)	(109,786)
59	Interest Charges				
60	Interest on Long-Term Debt (427)		4,340,544	4,399,455	(58,911)
61	Amort. of Debt Disc. and Expense (428)		43,367	43,687	(320)
62	Amortization of Loss on Reaquired Debt (428.1)				-
63	(Less) Amort. of Premium on Debt-Credit (429)				-
64	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)				-
65	Interest on Debt to Assoc. Companies (430)		56,759	13,585	43,174
66	Other Interest Expense (431)		257,837	262,036	(4,199)
67	(Less) Allowance for Borrowed Funds Used During Const.- Cr.(432)		(50,974)	(169,769)	118,795
68	Net Interest Charges (Enter Total of lines 60 thru 67)		4,647,533	4,548,994	98,539
69	Income Before Extraordinary Items (Enter Total of lines 25, 58, and 68)		4,778,477	5,251,789	(473,312)
70	Extraordinary Items				
71	Extraordinary Income (434)				-
72	(Less) Extraordinary Deductions (435)				-
73	Net Extraordinary Items (Enter Total of line 71 less line 72)		0	0	0
74	Income Taxes - Federal and Other (409.3)				-
75	Extraordinary Items After Taxes (Enter Total of line 73 less line 74)		0	0	0
76	Net Income (Enter Total of lines 69 and 75)		4,778,477	5,251,789	(473,312)

Name of Respondent Northern Utilities, Inc.		This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
<b>STATEMENT OF RETAINED EARNINGS FOR THE YEAR</b>				
<p>1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.</p> <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the State and Federal income tax effect of items shown in Account 439, Adjustments to Retained Earnings.</p> <p>7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 16 (Notes to Financial Statements).</p>				
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)	
<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>				
1	Balance-Beginning of Year		10,356,063	
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	Credit:			
5	Credit:			
6	Credit:			
7	Credit:			
8	Credit:			
9	TOTAL Credits to Retained Earnings (Account 439)(Enter Total of lines 4 thru 8)			
10	Debit:			
11	Debit:			
12	Debit:			
13	Debit:			
14	Debit:			
15	TOTAL Debits to Retained Earnings (Account 439)(Enter Total of lines 10 thru 14)		0	
16	Balance Transferred from Income (Account 433 less Account 418.1)		10,828,566	
17	Appropriations of Retained Earnings (Account 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Account 436)(Total of lines 18 thru 21)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Account 437)(Total of lines 24 thru 28)			
30	Dividends Declared-Common Stock (Account 438)		(9,200,900)	
31				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Account 438)(Total of lines 31 thru 35)		(9,200,900)	
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings			
38	Balance-End of Year (Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		11,983,729	
<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>				
State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.				
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
<b>APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)</b>				
State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.				
46	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
47	TOTAL Appropriated Retained Earnings (Accounts 215,215.1)(Enter Total of lines 45 & 46)			
48	TOTAL Retained Earnings (Account 215,215.1,216) (Enter Total of lines 38 and 47)		11,983,729	
<b>UNAPPROPRIATED UNDISTIBUTED SUBSIDIARY EARNINGS (216.1)</b>				
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52	Other Changes (Explain)			
53	Balance-End of Year (Total of lines 49 thru 52)			

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised -	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**STATEMENT OF CASH FLOWS**

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| <p>1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be attached to page 16 (Notes to Financial Statements). Information about noncash investing and financing activities should be provided on page 16. Provide also on page 16 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.</p> | <p>2. Under "Other" specify significant amounts and group others.</p> <p>3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 16 the amounts of interest paid (net of amounts capitalized) and income taxes paid.</p> |
|--|--|

Line No.	DESCRIPTION (See instructions for Explanation of Codes) (a)	Amount (b)
	Net Cash Flow from Operating Activities:	
1	Net Income for Northern (from page 14)	10,828,566
2	Noncash Charges (Credits) to Income:	
3	Depreciation and Depletion	16,817,337
4	Amortization of (Specify): Intangibles	(2,215,539)
5	Debt Discount	94,112
6		
7	Deferred Income Taxes (Net)	10,587,785
8	Investment Tax Credit Adjustments (Net)	0
9	Net (Increase) Decrease in Receivables	(4,996,936)
10	Net (Increase) Decrease in Inventory	2,127,704
11	Net Increase (Decrease) in Fuel Purchase Commitments	0
12	Net Increase (Decrease) in Accounts Payable	(3,252,753)
13	Net (Increase) Decrease in Other Assets	(3,773,512)
14	Net Increase (Decrease) in Other Liabilities	(8,730,973)
15	(Less) Allowance for Other Funds Used During Construction	
16	(Less) Undistributed Earnings from Subsidiary Companies	
17	Other: Net Increase in Deferred Debits	25,505
18	Net Decrease in Accrued Utility Revenue	(736,559)
19	Net Increase in Taxes Payable	(1,657,762)
20	Net Increase (Decrease) in Accrued Interest Expense	(19,984)
21	Net (Increase) Decrease in Deferred Fuel Costs	
22	Net Cash Provided by (Used in) Operating Activities	
23	(Total of lines 2 thru 20)	15,096,991
24		
25	Cash Flows from Investment Activities:	
26	Construction and Acquisition of Plant (including land):	
27	Gross Additions to Utility Plant (less nuclear fuel)	(45,445,122)
28	Gross Additions to Nuclear Fuel	
29	Gross Additions to Common Utility Plant	
30	Gross Additions to Nonutility Plant	
31	(Less) Allowance for Other Funds Used During Construction	
32	Other: Adjustment for Accrued Capital Expenditures	1,239,209
33		
34		
35	Cash Outflows for Plant (Total of lines 26b thru 33)	(44,205,913)
36		
37	Acquisition of Other Noncurrent Assets (d)	
38	Proceeds from Disposal of Noncurrent Assets (d)	
39		
40	Investments in and Advances to Assoc. and Subsidiary Companies	
41	Contributions and Advances from Assoc. and Subsidiary Companies	
42	Disposition of Investments in (and Advances to)	
43	Associated and Subsidiary Companies	
44		
45	Purchase of Investment Securities (a)	
46	Proceeds from Sales of Investment Securities (a)	



Name of Respondent Northern Utilities, Inc. STATEMENT OF CASH FLOWS (Continued)	This Report Is: (1) Original (2) Revised #	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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4. Investing Activities  
 Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 12 (Statement of Income for the Year). Do not include on this statement the dollar amount of leases capitalized per USofA General instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

5. Codes used:  
 (a) Net proceeds or payments.  
 (b) Bonds, debentures and other long-term  
 (c) Include commercial paper.  
 (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on page 12 clarifications and explanations

Line No.	DESCRIPTION (See Instruction No. 5 for Explanation of Codes) (a)	Amount (b)
47	Loans Made or Purchased	
48	Collections on Loans	
49		
50	Net (Increase) Decrease in Receivables	
51	Net (Increase) Decrease in Inventory	
52	Net (Increase) Decrease in	
53	Allowances Held for Speculation	
54	Net Increase (Decrease) in Payables and Accrued Expenses	
55	Other:	
56		
57	Net Cash Provided by (Used in) Investing Activities	
58	(Total of lines 34 thru 55)	(44,205,913)
59		
60	Cash Flows from Financing Activities:	
61	Proceeds from Issuance of:	
62	Long-Term Debt (b)	0
63	Preferred Stock	
64	Common Stock	
65	Other: Capital Contribution from Parent	30,000,000
66		
67	Net Increase in Short-Term Debt (c)	19,156,582
68	Other:	
69		
70		
71	Cash Provided by Outside Sources (Total of lines 61 thru 69)	49,156,582
72		
73	Payments for Retirement of:	
74	Long-Term Debt (b)	(10,000,000)
75	Preferred Stock	
76	Common Stock	
77	Other:	
78		
79	Net Decrease in Short-Term Debt (c)	
80		
81	Dividends on Preferred Stock	
82	Dividends on Common Stock	(10,224,700)
83	Net Cash Provided by (Used in) Financing Activities	
84	(Total of lines 70 thru 81)	28,931,882
85		
86	Net Increase (Decrease) in Cash and Cash Equivalents	
87	(Total of lines 22, 57 and 83)	(177,040)
88		
89	Cash and Cash Equivalents at Beginning of Year	708,537
90		
91	Cash and Cash Equivalents at End of Year	531,497

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised -	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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NOTES TO FINANCIAL STATEMENTS

NORTHERN UTILITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations** – Northern Utilities, Inc. (Northern Utilities or Company), a wholly-owned subsidiary of Unitil Corporation (Unitil), provides natural gas service in southeastern New Hampshire and portions of southern and central Maine, including the city of Portland and the Lewiston-Auburn area and is subject to regulation by the New Hampshire Public Utilities Commission (NHPUC) and the Maine Public Utilities Commission (MPUC) with respect to its rates and accounting practices. A description of Northern Utilities' significant accounting policies follows.

**Basis of Presentation** – The accompanying financial statements were prepared in accordance with accounting requirements of the NHPUC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Statement of Income reflects only the Maine division of the Company while the remaining financial statements and these Notes to the financial statements incorporate both the Maine and New Hampshire divisions of the Company.

The notes below are excerpts from the Company's GAAP financial statements for the year ended December 31, 2016. The following disclosures contain information in accordance with GAAP reporting requirements. As such, due to the differences between NHPUC and GAAP reporting requirements, certain amounts disclosed in the following notes may not agree to balances in the NHPUC financial statements.

The primary differences from the Company's GAAP basis financial statements as presented in the NHPUC financial statements are that: (i) cost of removal is reported in accumulated depreciation for NHPUC reporting purposes (GAAP requires that cost of removal be classified as a regulatory liability); (ii) there is no current liability classification of the current portion of long-term debt for NHPUC reporting; and (iii) penalties and disallowances are reported in other income deductions for NHPUC reporting.

**Transactions with Affiliates** - In addition to its investment in Northern Utilities, Unitil has interests in two other distribution utility companies, one doing business in New Hampshire and one doing business in Massachusetts, an interstate natural gas transmission pipeline company (Granite State), a service company (Unitil Service Corp.), a realty company, a power company, and a non-regulated energy consulting company.

Transactions among Northern Utilities and other affiliated companies include professional and management services rendered by Unitil Service Corp. of approximately \$20.1 million and \$19.1 million in the years ended December 31, 2016 and 2015, respectively. The Company's transactions with affiliated companies are subject to review by the NHPUC, MPUC, the Securities and Exchange Commission (SEC) and the Federal Energy Regulatory Commission (FERC).

Approximately 7% and 5% of the Company's natural gas purchases for the years ended December 31, 2016 and 2015, respectively, were from Granite State.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, and requires disclosure of contingent assets and liabilities at the date of the financial

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statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fair Value** – The Financial Accounting Standards Board (FASB) Codification defines fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the FASB Codification are described below:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or from Level 2 to Level 3.

There have been no changes in the valuation techniques used during the current period.

**Utility Revenue Recognition** - Regulated utility revenues are based on rates and charges approved by federal and state regulatory commissions. Revenues related to the sale of natural gas service are recorded when service is rendered or energy is delivered to customers. The determination of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on estimated customer usage by class and applicable customer rates.

**Depreciation** - Depreciation expense is calculated on a group straight-line basis based on the useful lives of assets, and judgment is involved when estimating the useful lives of certain assets. The Company conducts independent depreciation studies on a periodic basis as part of the regulatory ratemaking process and considers the results presented in these studies in determining the useful lives of the Company's fixed assets. A change in the estimated useful lives of these assets could have a material impact on the Company's financial statements. Provisions for depreciation were equivalent to an annual composite rate of 3.13% and 3.15% in 2016 and 2015, respectively, based on the

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average depreciable property balances at the beginning and end of the year. Depreciation expense for Northern Utilities was \$14.0 million and \$12.7 million for the years ended December 31, 2016 and 2015, respectively.

**Sales Taxes** – The Company bills its customers sales tax in Maine. This tax is remitted to the Maine Revenue Service and is excluded from revenues on the Company's Statements of Earnings.

**Income Taxes** – Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of earnings is presented. The Company accounts for income taxes in accordance with the FASB Codification guidance on Income Taxes, which requires an asset and liability approach for the financial accounting and reporting of income taxes. Significant judgments and estimates are required in determining the current and deferred tax assets and liabilities. The Company's deferred tax assets and liabilities reflect its best assessment of estimated future taxes to be paid. In accordance with the FASB Codification, the Company periodically assesses the realization of its deferred tax assets and liabilities and adjusts the income tax provision, the current tax liability and deferred taxes in the period in which the facts and circumstances which gave rise to the revision become known.

Unitil Corporation and its subsidiaries, including Northern Utilities, file consolidated federal income tax returns as well as combined or separate state income tax returns. Federal and state income taxes paid by Unitil Corporation are collected from, or refunded to, Unitil Corporation's subsidiaries based on a tax sharing agreement between Unitil Corporation and each of its affiliated subsidiaries. The tax sharing agreement apportions taxes paid among Unitil Corporation and its subsidiaries as though each affiliate had filed a separate tax return.

**Cash and Cash Equivalents** – Cash and Cash Equivalents includes all cash and cash equivalents to which the Company has legal title. Cash equivalents include short-term investments with original maturities of three months or less and interest bearing deposits. The Company has cash deposits to satisfy requirements for its operational balancing agreement. There was \$75 thousand and \$50 thousand deposited for this purpose on December 31, 2016 and 2015, respectively. These amounts are included in Cash and Cash Equivalents on the Company's Balance Sheets.

**Allowance for Uncollectible Accounts** - The Company recognizes a Provision for Doubtful Accounts each month. The amount of the monthly Provision is based upon the Company's experience in collecting natural gas utility service accounts receivable in prior periods. Account write-offs and recoveries are processed monthly. At the end of each month, an analysis of the delinquent receivables is performed and the adequacy of the Allowance for Doubtful Accounts is reviewed. The analysis takes into account the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company is authorized by regulators to recover a portion of the costs of its energy commodity portion of bad debts through rate mechanisms. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

**Accrued Revenue** - Accrued Revenue includes the current portion of Regulatory Assets (see "Regulatory Accounting" below) and unbilled revenues (see Utility Revenue Recognition above.) Accrued Revenue was \$15.0 million and \$9.0 million at December 31, 2016 and 2015, respectively.

**Exchange Gas Receivable** – The Company has a gas exchange and storage agreement whereby natural gas purchases during the months of April through October are delivered to a third party. The third party delivers natural gas back to the Company during the months of November through March.

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The exchange and storage gas volumes are recorded at weighted average cost. Exchange Gas Receivable was \$7.8 million and \$10.3 million at December 31, 2016 and 2015, respectively. Although the asset management agreement associated with the exchange gas receivable may qualify as an embedded derivative because its terms contain notional amounts, the Company does not classify the agreement as a derivative because it meets the criteria for exception as a contract for normal purchases and normal sales, as such instruments are defined per the FASB Codification.

**Gas Inventory** – The Company uses the weighted average cost methodology to value natural gas inventory. Natural gas inventory was \$0.4 million and \$0.5 million at December 31, 2016 and 2015, respectively.

Gas Inventory (\$ millions)	December 31,	
	2016	2015
Natural Gas	\$ 0.3	\$ 0.4
Liquefied Natural Gas	0.1	0.1
<b>Total Gas Inventory</b>	<b>\$ 0.4</b>	<b>\$ 0.5</b>

**Materials and Supplies** – Materials and Supplies consist of distribution construction and repair materials. Materials and Supplies are stated at average cost and are issued from stock using the average cost of existing stock. Materials and Supplies are recorded when purchased and subsequently charged to expense or capitalized to property, plant, and equipment when installed. Materials and Supplies were \$4.6 million and \$4.1 million at December 31, 2016 and 2015, respectively.

**Utility Plant** – The cost of additions to Utility Plant and the cost of renewals and betterments are capitalized. Cost consists of labor, materials, services and certain indirect construction costs, including an allowance for funds used during construction (AFUDC). The average annualized interest rate applied to AFUDC was 1.56% and 3.24% in 2016 and 2015, respectively. The costs of current repairs and minor replacements are charged to operating expense accounts. The original cost of utility plant retired or otherwise disposed of and the cost of removal, less salvage, are charged to the accumulated provision for depreciation. The Company includes in its mass asset depreciation rates, which are periodically reviewed as part of its ratemaking proceedings, depreciation amounts to provide for future negative salvage value. At December 31, 2016 and 2015, the Company estimates that the cost of removal amounts are \$28.7 million and \$26.9 million, respectively.

**Goodwill and Intangible Assets** – On December 1, 2008, the Company and Granite State were acquired by Unifil, (the "Acquisitions"), and the Company recognized an estimated bargain purchase adjustment, the Plant Acquisition Adjustment (PAA), as a reduction to Utility Plant, to be amortized over a ten year period. For the years ended December 31, 2016 and 2015, the Company recognized credits to amortization expense totaling \$2.2 million and \$2.2 million, respectively. The Company's unamortized PAA balance at December 31, 2016 and 2015 was \$4.2 million and \$6.5 million, respectively, and is included in Net Utility Plant on the Company's Balance Sheets. This balance will be amortized over the next two years.

**Regulatory Accounting** – Northern Utilities' principal business is the distribution of natural gas and it is regulated by the MPUC and NHPUC. Accordingly, the Company uses the Regulated Operations guidance as set forth in the FASB Codification. The Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

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Generally, the Company receives a return on investment on its Regulatory Assets for which a cash outflow has been made. Included in Regulatory Assets as of December 31, 2016 are \$6.0 million of environmental and other expenditures to be recovered over the next seven years. Regulators have authorized recovery of these expenditures, but without a return. The Company expects that it will recover all its investments in long-lived assets through its utility rates, including those amounts recognized as Regulatory Assets.

If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of the FASB Codification topic on Regulated Operations. If unable to continue to apply the FASB Codification provisions for Regulated Operations, the Company would be required to apply the provisions for the Discontinuation of Rate-Regulated Accounting included in the FASB Codification. In the Company's opinion, its regulated operations will be subject to the FASB Codification provisions for Regulated Operations for the foreseeable future.

**Derivatives** – The Company's regulated energy subsidiaries enter into energy supply contracts to serve their electric and gas customers. The Company follows a procedure for determining whether each contract qualifies as a derivative instrument under the guidance provided by the FASB Codification on Derivatives and Hedging. For each contract, the Company reviews and documents the key terms of the contract. Based on those terms and any additional relevant components of the contract, the Company determines and documents whether the contract qualifies as a derivative instrument as defined in the FASB Codification. The Company has determined that none of its energy supply contracts, other than the regulatory approved hedging program, described below, qualifies as a derivative instrument under the guidance set forth in the FASB Codification.

The Company has a regulatory approved hedging program for Northern Utilities designed to fix or cap a portion of its gas supply costs for the coming years of service. Prior to April 2013 Northern Utilities purchased natural gas futures contracts on the New York Mercantile Exchange (NYMEX) that correspond to associated delivery months. Beginning in April 2013, the hedging program was redesigned and the Company began purchasing call option contracts on NYMEX natural gas futures contracts for future winter period months. As of December 31, 2015, all futures contracts purchased under the prior program design have been sold and the hedging portfolio now consists entirely of call option contracts.

Any gains or losses resulting from the change in the fair value of these derivatives are passed through to customers directly through Northern Utilities' Cost of Gas Adjustment Clause. The fair value of these derivatives is determined using Level 2 inputs (valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly), specifically based on the NYMEX closing prices for outstanding contracts as of the balance sheet date. As a result of the ratemaking process, the Company records gains and losses resulting from the change in fair value of the derivatives as regulatory liabilities or assets, then reclassifies these gains or losses into Cost of Gas Sales when the gains and losses are passed through to customers through the Cost of Gas Adjustment Clause.

As of December 31, 2016 and December 31, 2015, the Company had 2.0 billion and 2.5 billion cubic feet (BCF), respectively, outstanding in natural gas purchase contracts under its hedging program.

The tables below show derivatives, which are part of the regulatory approved hedging program, that are not designated as hedging instruments under FASB ASC 815-20. The tables below include

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disclosure of the derivative assets and liabilities and the recognition of the charges from their corresponding regulatory liabilities and assets, respectively into Cost of Gas Sales. The current and noncurrent portions of these regulatory assets are recorded as Accrued Revenue and Regulatory Assets, respectively, on the Company's Balance Sheets. The current and noncurrent portions of these regulatory liabilities are recorded as Regulatory Liabilities and Other Noncurrent Liabilities, respectively on the Company's Balance Sheets.

**Fair Value Amount of Derivative Assets / Liabilities (millions) Offset in Regulatory Liabilities / Assets, as of:**

Description	Balance Sheet Location	Fair Value	
		December 31, 2016	December 31, 2015
<b>Derivative Assets</b>			
Natural Gas Futures / Options Contracts	Prepayments and Other	\$ 0.1	\$ ---
Natural Gas Futures / Options Contracts	Other Noncurrent Assets	0.3	---
Total Derivative Assets		\$ 0.4	\$ ---
<b>Derivative Liabilities</b>			
Natural Gas Futures / Options Contracts	Other Current Liabilities	\$ ---	\$ ---
Natural Gas Futures / Options Contracts	Other Noncurrent Liabilities	---	---
Total Derivative Liabilities		\$ ---	\$ ---
		<b>Twelve Months Ended December 31,</b>	
		<b>2016</b>	<b>2015</b>
<b>Amount of Loss / (Gain) Recognized in Regulatory Assets (Liabilities) for Derivatives:</b>			
Natural Gas Futures / Options Contracts		\$ (0.1)	\$ 0.3
<b>Amount of Loss / (Gain) Reclassified into the Consolidated Statements of Earnings<sup>(1)</sup>:</b>			
Cost of Gas Sales		\$ 0.3	\$ 0.2

<sup>(1)</sup> These amounts are offset in the Statements of Earnings with Accrued Revenue and therefore there is no effect on earnings.

**Energy Supply Obligations**— The Company enters into asset management agreements under which it releases certain natural gas pipeline and storage assets, resells the natural gas storage inventory to an asset manager and subsequently repurchases the inventory over the course of the natural gas heating season at the same price at which it sold the natural gas inventory to the asset manager. The gas volumes related to these agreements are recorded in Exchange Gas Receivable on the



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Company's Balance Sheets while the corresponding obligations are recorded in Energy Supply Obligations.

**Retirement Benefit Obligations** – The Company co-sponsors the Unitil Corporation Retirement Plan (Pension Plan), which is a defined benefit pension plan covering substantially all of its employees. The Company also co-sponsors an unfunded retirement plan, the Unitil Corporation Supplemental Executive Retirement Plan (SERP), covering certain executives of the Company and an employee 401(k) savings plan. Additionally, the Company co-sponsors the Unitil Employee Health and Welfare Benefits Plan (PBOP Plan), primarily to provide health care and life insurance benefits to retired employees.

The Company records on its balance sheets a liability for the underfunded status of its retirement benefit obligations (RBO) based on the projected benefit obligation. The Company has recognized a corresponding Regulatory Asset, to recognize the future collection of these obligations in gas rates.

**Commitments and Contingencies** - The Company's accounting policy is to record and/or disclose commitments and contingencies in accordance with the FASB Codification as it applies to an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. As of December 31, 2016, the Company is not aware of any material commitments or contingencies other than those disclosed in the Commitments and Contingencies footnote to the Company's financial statements below.

**Environmental Matters** - The Company's past and present operations include activities that are generally subject to extensive federal and state environmental laws and regulations. The Company has or will recover substantially all of the costs of the environmental remediation work performed to date from customers or from its insurance carriers. The Company believes it is in compliance with all applicable environmental and safety laws and regulations, and the Company believes that as of December 31, 2016, there are no material losses that would require additional liability reserves to be recorded other than those disclosed in Commitments and Contingencies below. Changes in future environmental compliance regulations or in future cost estimates of environmental remediation costs could have a material effect on the Company's financial position if those amounts are not recoverable in regulatory rate mechanisms.

**Off-Balance Sheet Arrangements** – As of December 31, 2016, the Company does not have any significant arrangements that would be classified as Off-Balance Sheet Arrangements. In the ordinary course of business, the Company does contract for certain office and other equipment and motor vehicles under operating leases and, in the Company's opinion, the amount of these transactions is not material.

**Concentrations of Credit Risk** – Financial instruments that subject the Company to credit risk concentrations consist of cash and cash equivalents and accounts receivable. The Company's cash and cash equivalents are held at financial institutions and at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Accounts receivable may be affected by changes in economic conditions. However, the Company believes that the credit risk associated with accounts receivable is offset by the diversification of the Company's customer base. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents and accounts receivable.

**Recently Issued Pronouncements** - In April and March 2016, the FASB issued ASU 2016-10 and ASU 2016-08, respectively. ASU 2016-10 clarifies the implementation guidance on licensing and the identification of performance obligations considerations included in ASU 2014-09. ASU 2016-08

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provides amendments to clarify the implementation guidance on principal versus agent considerations included in ASU 2014-09. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09. ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The effective date of this pronouncement is for fiscal years beginning after December 15, 2017 with early adoption permitted as of the original effective date. The Company will implement the standard in the first quarter of 2018 on a modified retrospective basis and it is not expected to have a material impact on the Company's Financial Statements.

In March 2016, the FASB issued ASU 2016-09, which provides for improvements to employee share-based payment accounting. ASU 2016-09 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The Company does not expect that this new guidance will have a material impact on the Company's Financial Statements.

In February 2016, the FASB issued ASU 2016-02, which replaces the existing guidance in Accounting Standard Codification 840, Leases. ASU 2016-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. ASU 2016-02 requires a dual approach for lessee accounting under which a lessee would account for leases as finance (also referred to as capital) leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and corresponding lease liability. For finance leases the lessee would recognize interest expense and amortization of the right-of-use asset and for operating leases the lessee would recognize straight-line total lease expense. The Company is evaluating the impact that this new guidance will have on the Company's Financial Statements.

In January 2016, the FASB issued Accounting Standards Update (ASU) 2016-01 which addresses certain aspects of recognition, measurement, presentation and disclosure of financial instruments. A financial instrument is defined as cash, evidence of ownership interest in a company or other entity, or a contract that both: (i) imposes on one entity a contractual obligation either to deliver cash or another financial instrument to a second entity or to exchange other financial instruments on potentially unfavorable terms with the second entity and (ii) conveys to that second entity a contractual right either to receive cash or another financial instruments from the first entity or to exchange other financial instruments on potentially favorable terms with the first entity. This pronouncement is effective for financial statements issued for annual periods beginning after December 15, 2017 and interim periods within those annual periods with earlier application permitted as of the beginning of the fiscal year of adoption. The Company is evaluating the impact that this new guidance will have on the Company's Financial Statements.

In May 2015, the FASB issued ASU 2015-07 which provides authoritative guidance removing the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. Investments measured at net asset value per share using the practical expedient will be presented as a reconciling item between the fair value hierarchy disclosure and the investment line item on the statement of financial position. The guidance also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using the practical expedient. The guidance is effective for fiscal years beginning after December 15, 2015 with early adoption permitted. The guidance is required to be applied retrospectively to all periods

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presented. The Company adopted this new guidance and it did not have a material impact on the Company's Financial Statements.

Other than the pronouncements discussed above, there are no recently issued pronouncements that the Company has not already adopted or that have a material impact on the Company.

**Subsequent Events** – The Company has evaluated all events or transactions through March 30, 2017, the date the Financial Statements were available to be issued. During this period, the Company did not have any material subsequent events that would result in adjustment to or disclosure in its Financial Statements.

**NOTE 2: DEBT AND FINANCING ARRANGEMENTS**

**Long-Term Debt and Interest Expense**

All the Company's long-term debt is issued under unsecured promissory notes with negative pledge provisions, which, among other things, limit the incursion of additional long-term debt. Accordingly, in order for the Company to issue new long-term debt, the covenants of the existing long-term agreements must be satisfied, including that the Company have total funded indebtedness less than 65% of total capitalization. The Company's unsecured promissory note agreements require that if it defaults on any long-term debt agreement, it would constitute a default under all its long-term debt agreements. The default provisions are not triggered by the actions or defaults of other companies owned by Unitil. The Company's long-term debt agreements also contain covenants restricting its ability to incur liens and to enter into sale and leaseback transactions, and restricting its ability to consolidate with, to merge with or into or to sell or otherwise dispose of all or substantially all of its assets.

On October 15, 2014, Northern Utilities completed a private placement of \$50 million aggregate principal amount of 4.42% Senior Unsecured Notes due October 15, 2044 to institutional investors. The proceeds from the offering were used to repay short-term debt and for general corporate purposes.

Details of long-term debt at December 31, 2016 and 2015 are shown below:

<b>Long-term Debt (\$ millions)</b>	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
Senior Notes:		
6.95% Senior Notes, Series A, Due December 3, 2018	\$ 20.0	\$ 30.0
5.29% Senior Notes, Due March 2, 2020	25.0	25.0
7.72% Senior Notes, Series B, Due December 3, 2038	50.0	50.0
4.42% Senior Notes, Due October 15, 2044	50.0	50.0
	145.0	155.0
Total Long-Term Debt		
Less: Unamortized Debt Issuance Costs	0.9	1.0
Total Long-Term Debt, net of Unamortized Debt Issuance Costs	144.1	154.0
Less: Current Portion	9.9	10.0
Total Long-Term Debt, Less Current Portion	\$ 134.2	\$ 144.0

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The aggregate amount of Note repayment requirements is \$10.0 million in 2017, \$18.4 million in 2018, \$8.4 million in 2019, \$8.2 million in 2020, \$0 in 2021 and \$100.0 million thereafter.

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's long-term debt at December 31, 2016 is estimated to be approximately \$160.1 million, before considering any costs, including prepayment costs, to market the Company's debt. Currently, management believes that there is no active market in the Company's debt securities, which have all been sold through private placements. If there were an active market for the Company's debt securities, the fair value of the Company's long-term debt would be estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's long-term debt is estimated using Level 2 inputs (valuations based on quoted prices available in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are directly observable, and inputs derived principally from market data.) In estimating the fair value of the Company's long-term debt, the assumed market yield reflects the Moody's Baa Utility Bond Average Yield. Costs, including prepayment costs, associated with the early settlement of long-term debt are not taken into consideration in determining fair value.

**Credit Arrangements**

Northern Utilities' short-term borrowings are presently provided under a cash pooling and loan agreement between Unitil and its subsidiaries. Under the existing pooling and loan agreement, Unitil Corporation borrows, as required, from its banks on behalf of its subsidiaries. At December 31, 2016, Unitil had unsecured committed bank lines of credit for short-term debt aggregating \$120 million. The weighted average interest rates on all short-term borrowings were 1.8% and 1.5% during 2016 and 2015, respectively. The Company had short-term debt outstanding through bank borrowings of approximately \$37.0 million and \$17.8 million at December 31, 2016 and 2015, respectively.

Northern Utilities enters into asset management agreements under which Northern Utilities releases certain natural gas pipeline and storage assets, resells the natural gas storage inventory to an asset manager and subsequently repurchases the inventory over the course of the natural gas heating season at the same price at which it sold the natural gas inventory to the asset manager. There was \$9.9 million and \$10.8 million of natural gas storage inventory at December 31, 2016 and 2015, respectively, related to these asset management agreements. The amount of natural gas inventory released in December 2016, which was payable in January 2017, was \$2.1 million and recorded in Accounts Payable at December 31, 2016. The amount of natural gas inventory released in December 2015, which was payable in January 2016, was \$0.6 million and recorded in Accounts Payable at December 31, 2015.

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**Leases**

The Company leases some of its vehicles under operating lease arrangements. The following is a schedule of future operating lease payment obligations as of December 31, 2016:

Year Ending December 31, (\$000's)	
2017	\$ 499
2018	388
2019	253
2020	152
2021	22
2022 - 2026	---
Total Future Operating Lease Payments	<u>\$ 1,314</u>

Total rental expense charged to operations for the years ended December 31, 2016 and 2015 amounted to \$672,000 and \$603,000, respectively.

**NOTE 3: RESTRICTION ON DIVIDENDS**

Under the terms of the Note Purchase Agreements relating to Northern Utilities' Senior Notes, \$98.4 million was available for dividends and similar distributions at December 31, 2016. Common dividends declared by Northern Utilities are paid exclusively to Unifil Corporation.

**NOTE 4: COMMITMENTS AND CONTINGENCIES**

**Regulatory Matters**

**Overview** - Northern Utilities is a New Hampshire corporation and a public utility under both New Hampshire and Maine law. Northern Utilities provides natural gas distribution services to approximately 64,100 customers in 44 New Hampshire and southern Maine communities at rates established under traditional cost of service regulation. Under this regulatory structure, the Company recovers the cost of providing distribution service to its customers based on a representative test year, in addition to earning a return on their capital investment in utility assets. The Company's business customers are entitled to purchase their natural gas supplies from third-party suppliers. Most small and medium-sized customers, however, continue to purchase such supplies through the Company as the provider of basic service energy supply. The Company purchases natural gas for basic service from unaffiliated wholesale suppliers and recovers the actual costs of these supplies, without profit or markup, through reconciling, pass-through rate mechanisms that are periodically adjusted.

**Base Rates - Maine** - The rate case settlement in Northern Utilities' Maine division's last rate case allowed the Company to implement a Targeted Infrastructure Replacement Adjustment (TIRA) rate mechanism to adjust base distribution rates annually to recover the revenue requirements associated with targeted investments in gas distribution system infrastructure replacement and upgrade projects. The TIRA has an initial term of four years and covers targeted capital expenditures in 2013 through 2016. The 2016 TIRA, for 2015 expenditures, provides for an annual increase in distribution base revenue of \$1.5 million, effective May 1, 2016, and was approved by the MPUC on April 28, 2016. The

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2017 TIRA, for 2016 expenditures, which is pending approval by the MPUC, requests an annual increase in distribution base revenue of \$1.1 million, effective May 1, 2017.

**Targeted Area Build-out Program - Maine** - On December 22, 2015 the MPUC approved a new Targeted Area Build-out program and associated rate surcharge mechanism. This program is designed to allow the economic extension of natural gas mains to new, targeted service areas in Maine. It allows customers in the targeted area the ability to pay a monthly rate surcharge, instead of a large upfront payment or capital contribution to connect to the natural gas delivery system. The first targeted area of the program, which was approved by the MPUC and begun in 2016, is a three year effort in the City of Saco with the potential to add 1,000 new customers and approximately \$1 million in annual distribution revenue in the Saco area. The second target, which is pending approval by the MPUC, will be in the City of Sanford and has the potential to add over 2,000 customers and over \$2 million in distribution revenue. The Company will continue to evaluate the success of the program and ways to economically reach new targeted service areas.

**Base Rates - New Hampshire** - Northern Utilities' New Hampshire division's last rate case resulted in a settlement agreement providing for an increase of \$4.6 million in distribution base revenue and an additional step increase in revenue of \$1.4 million for investments in gas mains extensions and infrastructure replacement projects, effective May 1, 2014, and a step adjustment that provided for an annual increase of \$1.8 million in revenue effective May 1, 2015.

**Pipeline Refund**— On February 19, 2015, the FERC issued Opinion No. 524-A, the final order in Portland Natural Gas Transmission's (PNGTS) Section 4 rate case, requiring PNGTS to issue refunds to shippers. Northern Utilities received a pipeline refund of \$22.0 million on April 15, 2015. As a gas supply-related refund, the entire amount refunded will be credited to Northern Utilities' customers and marketers. In New Hampshire, the refund is being credited to all customers over a three year period as directed by the NHPUC. In Maine, the refund has been divided into two parts, as directed by the MPUC. Maine retail customers who purchase their gas directly from Northern Utilities are being credited their portion of the refund over a three year period. The second part of the refund was paid on October 5, 2015 as a one-time lump sum payment directly to marketers who transport gas on Northern Utilities' distribution system. The Company has recorded current and noncurrent Regulatory Liabilities related to these refunds of \$4.4 million and \$2.4 million, respectively, on its Balance Sheets as of December 31, 2016.

**NHPUC Energy Efficiency Resource Standard Proceeding**— In May 2015, the NHPUC opened a proceeding to establish an Energy Efficiency Resource Standard ("EERS"), an energy efficiency policy with specific targets or goals for energy savings that New Hampshire electric and gas utilities must meet. On April 27, 2016, a comprehensive settlement agreement was filed by the parties, including Northern Utilities, which was approved by the NHPUC on August 2, 2016. The settlement provides for: extending the 2014-2016 Core program an additional year (through 2017); establishing an EERS; establishing a recovery mechanism to compensate the utilities for lost-revenue related to the EERS programs; and approving the performance incentives and processes for stakeholder involvement, evaluation, measurement and verification, and oversight of the EERS programs.

### **Environmental Matters**

The Company's past and present operations include activities that are generally subject to extensive and complex federal and state environmental laws and regulations. The Company is in material compliance with applicable environmental and safety laws and regulations and, as of December 31, 2016, has not identified any material losses reasonably likely to be incurred in excess of recorded amounts. However, we cannot assure that significant costs and liabilities will not be incurred in the future. It is possible that other developments, such as increasingly stringent federal, state or local

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environmental laws and regulations could result in increased environmental compliance costs. Based on the Company's current assessment of its environmental responsibilities, existing legal requirements and regulatory policies, the Company does not believe that these environmental costs will have a material adverse effect on the Company's consolidated financial position or results of operations.

**Manufactured Gas Plant (MGP) Sites** - Northern Utilities has an extensive program to identify, investigate and remediate former manufactured gas plant (MGP) sites, which were operated from the mid-1800s through the mid-1900s. In New Hampshire, MGP sites were identified in Dover, Exeter, Portsmouth, Rochester and Somersworth. In Maine, Northern Utilities has documented the presence of MGP sites in Lewiston and Portland, and a former MGP disposal site in Scarborough.

Northern Utilities has worked with the Maine Department of Environmental Protection (ME DEP) and New Hampshire Department of Environmental Services (NH DES) to address environmental concerns with these sites. Northern Utilities or others have substantially completed remediation of the Exeter, Rochester, Dover, Somersworth, Portsmouth, Lewiston, Portland and Scarborough sites, though on site monitoring continues and it is possible that future activities may be required.

In December 2016, the ME DEP issued a Certificate of Completion for the Portland remediation activities completed in early 2016. Pursuant to an agreement between the State of Maine and Northern Utilities, future remedial activities necessitated as a result of development of the Portland site will be primarily the responsibility of the State of Maine.

The NHPUC and MPUC have approved regulatory mechanisms for the recovery of MGP environmental costs. For Northern Utilities' New Hampshire division, the NHPUC has approved the recovery of MGP environmental costs over succeeding seven-year periods. For Northern Utilities' Maine division, the MPUC has authorized the recovery of environmental remediation costs over succeeding five-year periods.

The Environmental Obligations table below shows the amounts accrued for Northern Utilities related to estimated future cleanup costs associated with Northern Utilities' environmental remediation obligations for former MGP sites. Corresponding Regulatory Assets were recorded to reflect that the future recovery of these environmental remediation costs is expected based on regulatory precedent and established practices.

**Environmental Obligations**

	(millions)	
	2016	2015
<b>Total Balance at Beginning of Period</b>	\$ 1.6	\$ 3.6
Additions	1.8	2.9
Less: Payments / Reductions	1.6	4.9
<b>Total Balance at End of Period</b>	\$ 1.8	\$ 1.6
Less: Current Portion	0.3	1.1
<b>Noncurrent Balance at End of Period</b>	\$ 1.5	\$ 0.5

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**Litigation** - The Company is also involved in other legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. The Company believes, based upon information furnished by counsel and others, that the ultimate resolution of these claims will not have a material impact on its financial position, operating results or cash flows.

**Market Risk** - Although the Company is subject to commodity price risk as part of its traditional operations, the current regulatory framework within which the Company operates allows for full collection of fuel and gas costs in rates. Consequently, there is limited commodity price risk after consideration of the related rate-making.

**NOTE 5: SUPPLEMENTAL CASH FLOW INFORMATION**

**Supplemental Cash Flow Information (millions):**

	Year Ended December 31,	
	2016	2015
Interest Paid	\$ 9.9	\$ 9.5
Income Taxes	\$ 5.2	\$ 1.0
Non-cash Investing Activity:		
Capital Expenditures Included in Accounts Payable	\$ 0.1	\$ 0.2



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SUMMARY OF PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION, AND DEPLETION			
Line No.	Item (a)	Total (b)	
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified)	463,231,797	
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	10,013,684	
7	Experimental Plant Unclassified		
8	Total Utility Plant (Total of lines 3 thru 7)	473,245,481	
9	Leased to Others		
10	Held for Future Use	-	
11	Construction Work in Progress	18,637,040	
12	Acquisition Adjustments	(22,155,391)	
13	Total Utility Plant (Totals of lines 8 thru 12)	469,727,130	
14	Accumulated Provisions for Depreciation, Amortization & Depletion	114,199,076	
15	Net Utility Plant (Totals of lines 13 less 14)	355,528,054	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation	126,245,771	
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights		
20	Amortization of Underground Storage Land and Land Rights		
21	Amortization of Other Utility Plant	5,862,247	
22	Total In Service (Totals of lines 18 thru 21)	132,108,018	
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (Totals off lines 24 and 25)	-	
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (Totals of lines 28 and 29)	-	
31	Abandonment of Leases (Natural Gas)		
32	Amortization of Plant Acquisition Adjustment	(17,908,942)	
33	Total Accum Provisions (Should agree with line 14 above) (Total of lines 22, 26, 30, 31, and 32)	114,199,076	

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**GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)**

- |  |   |   |
|--|---|---|
| <p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Gas Plant in Service(Classified), include Account 102, Gas Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified-Gas.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise if the respondent has a</p> | <p>significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions or prior year of unclassified retirements. Attach supplemental statement showing the account distribution 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.</p> <p>6. Show in column (f) reclassifications or transfers within utility plant accounts. Include</p> | <p>also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (d) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.</p> <p>7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing the subaccount classification of such plant conforming to the requirements of these pages.</p> <p>8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction.</p> |
|--|---|---|

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	<b>1. Intangible Plant</b>						
2	301 Organization						0
3	302 Franchises and Consents						0
4	303 Miscellaneous Intangible Plant	3,476,308	64,278				3,540,586
5	<b>TOTAL Intangible Plant (1)</b>	3,476,308	64,278	0	0	0	3,540,586
6	<b>2. Production Plant</b>						
7	<b>Natural Gas Production and Gathering Plant</b>						
8	325.1 Producing Lands						0
9	325.2 Producing Leaseholds						0
10	325.3 Gas Rights						0
11	325.4 Rights-of-Way						0
12	325.5 Other Land and Land Rights	6,816					6,816
13	326 Gas Well Structures						0
14	327 Field Compressor Station Structures						0
15	328 Field Meas. and Reg. Sta. Structures	161,860					161,860
16	329 Other Structures						0
17	330 Producing Gas Wells-Well Construction						0
18	331 Producing Gas Wells-Well Equipment						0
19	332 Field Lines						0
20	333 Field Compressor Station Equipment						0
21	334 Field Meas. and Reg. Sta. Equipment						0
22	335 Drilling and Cleaning Equipment						0
23	336 Purification Equipment						0
24	337 Other Equipment	91,796					91,796
25	338 Unsuccessful Exploration and Devel. Costs						0
26	<b>TOTAL Production and Gathering Plant</b>	260,472	0	0	0	0	260,472
27	<b>Products Extraction Plant</b>						
28	340 Land and Land Rights						0
29	341 Structures and Improvements						0
30	342 Extraction and Refining Equipment						0
31	343 Pipe Lines						0
32	344 Compressor Equipment						0
33	345 Gas Meas. and Reg. Equipment						0
34	346 Compressor Equipment						0
35	347 Other Equipment						0
36	<b>TOTAL Products Extraction Plant</b>						0
37	<b>TOTAL Nat. Gas Production Plant</b>	0	0	0	0	0	0
38	<b>Mfd. Gas Prod. Plant (Submit Suppl. Statement)</b>						0
39	<b>TOTAL Production Plant (2)</b>	260,472	0	0	0	0	260,472
40	<b>3. Natural Gas Storage and Processing Plant</b>						
41	<b>Under Ground Storage Plant</b>						
42	350.1 Land						0
43	350.2 Rights-of-Way						0
44	351 Structures and Improvements						0
45	352 Wells						0
46	352.1 Storage Leaseholds and Rights						0
47	352.2 Reservoirs						0
48	352.3 Non-recoverable Natural Gas						0
49	353 Lines						0
50	354 Compressor Station Equipment						0
51	355 Measuring and Reg. Equipment						0
52	356 Purification Equipment						0
53	357 Other Equipment						0
54	<b>TOTAL Underground Storage Plant</b>	0	0	0	0	0	0

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GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
55	Other Storage Plant						
56	360 Land and Land Rights						0
57	361 Structures and Improvements						0
58	362 Gas Holders						0
59	363 Purification Equipment						0
60	363.1 Liquefaction Equipment						0
61	363.2 Vaporizing Equipment						0
62	363.3 Compressor Equipment						0
63	363.4 Meas. and Reg. Equipment						0
64	363.5 Other Equipment						0
65	TOTAL Other Storage Plant	0	0	0	0	0	0
66	Base Load Liquefied Natural Gas Terminating and Processing Plant						
67	364.1 Land and Land Rights						0
68	364.2 Structures and Improvements						0
69	364.3 LNG Processing Terminal Equipment						0
70	364.4 LNG Transportation Equipment						0
71	364.5 Measuring and Regulating Equipment						0
72	364.6 Compressor Station Equipment						0
73	364.7 Communications Equipment						0
74	364.8 Other Equipment						0
75	TOTAL Base Load Liquefied Natural Gas, Terminating and Processing Plant	0	0	0	0	0	0
76	TOTAL Nat. Gas Storage and Proc. Plant (3)						
77	4. Transmission Plant						
78	365.1 Land and Land Rights						0
79	365.2 Rights-of-Way						0
80	366 Structures and Improvements						0
81	366 Mains						0
82	368 Compressor Station Equipment						0
83	369 Measuring and Reg. Sta. Equipment						0
84	370 Communication Equipment						0
85	371 Other Equipment						0
86	TOTAL Transmission Plant (4)	0		0	0	0	0
87	5. Distribution Plant						
88	374 Land and Land Rights	107,022					107,022
89	375 Structures and Improvements	2,897,619	12,575				2,910,194
90	376 Mains	98,909,230	8,393,405	452,769			106,849,866
91	377 Compressor Station Equipment						0
92	378 Meas. and Reg. Sta. Equip.-General	3,272,308	173,388	263			3,445,431
93	379 Meas. and Reg. Sta. Equip.-City Gate	39,265	1				39,266
94	380 Services	54,633,453	5,877,402	260,540			60,250,315
95	381 Meters	3,954,557	41,158	82,010			3,913,705
96	382 Meter Installations	18,532,113	1,668,111	261,495			19,938,729
97	383 House Regulators	493,196	44,570				537,766
98	384 House Reg. Installations						0
99	385 Industrial Meas. and Reg. Sta. Equipment						0
100	386 Other Prop. on Customers' Premises	1,539,489	97,868				1,637,357
101	387 Other Equipment						0
102	TOTAL Distribution Plant (5)	184,378,252	16,308,478	1,057,077	0	0	199,629,651
103	6. General Plant						
104	389 Land and Land Rights	232,947					232,947
105	390 Structures and Improvements	0					0
106	391 Office Furniture and Equipment	413,976	6,173				420,149
107	392 Transportation Equipment	0					0
108	393 Stores Equipment	31,520	0				31,520
109	394 Tools, Shop, and Garage Equipment	1,132,398	43,885	3,254			1,173,029
110	395 Laboratory Equipment	0					0
111	396 Power Operated Equipment	75,266					75,266
112	397 Communication Equipment	4,432,593	69,874				4,502,467
113	398 Miscellaneous Equipment	0					0
114	Subtotal	6,318,700	119,932	3,254	0	0	6,435,378
115	399 Other Tangible Property						0
116	TOTAL General Plant (6)	6,318,700	119,932	3,254	0	0	6,435,378
117	TOTAL (Accounts 101 and 106)	194,433,732	16,492,686	1,060,331	0	0	209,866,087
118	Gas Plant Purchased (See Instr. 8)						0
119	(Less) Gas Plant Sold (See Instr. 8)						0
120	Experimental Gas Plant Unclassified						0
121	TOTAL Gas Plant in Service	194,433,732	16,492,686	1,060,331	0	0	209,866,087
122							

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**ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)**

1. Explain in a footnote any important adjustments during year.

2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 18-19, column (d), excluding retirements of non-depreciable property.

3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is

removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.

4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d+e) (b)	NH Division (c)	Maine Division (d)	Gas Plant Leased to Others (e)
1	Balance Beginning of Year	116,086,612	59,004,032	57,082,580	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	13,979,734	6,118,814	7,860,920	
4	Exp. of Gas Plt. Leas. to Others	0			
5	Transportation Expenses- Clearing	0			
6	Other Clearing Accounts	0			
7	Other Accounts (Specify):	0			
8					
9	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	13,979,734	6,118,814	7,860,920	0
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	(1,925,008)	(1,060,331)	(864,677)	
12	Cost of Removal	(2,352,535)	(1,101,122)	(1,251,413)	
13	Salvage (Credit)	459,246	7,070	452,176	
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(3,818,297)	(2,154,383)	(1,663,914)	0
15	Other Debit or Cr. Items (Describe)	(2,278)		(2,278)	
16	Adjust. to Reserve	0	0	0	
17	Balance End of Year (Enter Total of lines 1,9,14,15, and 16)	126,245,771	62,968,463	63,277,308	0

**Section B. Balances at End of Year According to Functional Classifications**

18	Production-Manufactured Gas	903,787	188,832	714,955	
19	Prod. and Gathering-Natural Gas	0			
20	Products Extraction-Natural Gas	0			
21	Underground Gas Storage	0			
22	Other Storage Plant	3,054,522		3,054,522	
23	Base Load LNG Term. and Proc. Plt.	0			
24	Transmission	0		0	
25	Distribution	115,791,615	58,819,193	56,972,422	
26	General	6,495,847	3,960,438	2,535,409	
27	TOTAL (Enter Total of lines 18 thru 26)	126,245,771	62,968,463	63,277,308	0

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**OTHER REGULATORY ASSETS (ACCOUNT 182.3)**

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not included in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses"

Line No.	Description and Purpose of Other Regulatory Assets	Balance at Beginning of Year	Debits	Written off During Year		Balance at End of Year
				Account Charged	Amount	
	(a)	(b)	(c)	(d)	(e)	(f)
1	Non-Distribution Bad Debt	62,330	38,511	144	41,009	59,832
2	PBOP FAS 158	1,504,026	6,984,156	253	5,687,067	2,801,115
3	Pension FAS 158	2,831,877	15,639,506	253	15,160,738	3,310,645
4	SERP	308,365	2,197,224	253	2,291,398	214,191
5	Bad Debt	145,952	318,322	253	382,670	81,604
6	ERC Prior Site Costs	1,599,969	636,652	Various	2,206,276	30,345
7	ERC Prior Year Layers	355,476	2,179,865	182	425,462	2,109,899
8	LT ERC Costs	700,000	1,078,000	242	1,500,000	278,000
9	Minor items	(45,921)	101,732	Various	132,990	(77,179)
10						-
11						-
12						-
13						-
14						-
15						-
16						-
17	Subtotal NH:	7,462,074	29,173,988		27,827,610	8,808,452
18						
19						
20	Maine division	12,516,778	\$ 37,315,354	Various	\$ 35,065,074	14,767,058
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40	TOTAL	19,978,852	66,489,342		62,892,684	23,575,510

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MISCELLANEOUS DEFERRED DEBITS (ACCOUNT 186)

- Report below the details called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a).
- Minor items amounts less than \$250,000 may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits	Balance at Beginning of Year	Debits	Credits		Balance at End of Year
				Account Charged	Amount	
	(a)	(b)	(c)	(d)	(e)	(f)
1	Transition Costs (10 yr amort)	785,636	22,447	407	291,808	516,275
2	Transaction Costs (10 yr amort)	930,383	26,582	407	345,571	611,394
3	Plant and M&S Accruals/Misc	1,500	1,342,967	various	1,344,467	-
4	LT Portion - IRP	101,150	13,793		68,966	45,977
5		-				-
6	Common - LT Portion Prepaid Revolver	66,367	2,864	Various	20,050	49,181
7						-
8	Subtotal - NH	1,885,036	1,408,653		2,070,862	1,222,827
9						
10	Maine Division	2,823,402	2,501,329	various	3,471,402	1,853,329
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33						
34						
35						
36						
37						
38						
39	Miscellaneous Work in Progress					
40	TOTAL	4,708,438	3,909,982		5,542,264	3,076,156

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised -	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**LONG-TERM DEBT (Accounts 221, 222, 223, and 224)**

1. Report by balance sheet the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.
5. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.

Line No.	Class and Series of Obligation and Name of Stock Exchange	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)	INTEREST FOR YEAR		HELD BY RESPONDENT		Redemption Price Per \$100 at End of Year (i)
					Rate (in %) (e)	Amount (f)	Reacquired Bonds (Acct. 222)	Sinking and Other Funds (h)	
1									
2	6.95% note, Series A	12/03/08	12/03/2018	20,000,000	6.95%	\$ 2,027,083			
3	7.72% note, Series B	12/03/08	12/03/2038	50,000,000	7.72%	\$ 3,860,000			
4	5.29% note	03/02/10	03/02/2020	25,000,000	5.29%	\$ 1,322,500			
5	4.42% note	10/15/14	10/15/2044	50,000,000	4.42%	\$ 2,210,000			
6									
7									
8									
9									
10									
11									
12	FERC Account 223	-					Account 427 NH		
13	FERC Account 224	145,000,000					Maine	\$4,340,544 \$5,079,039	
14	FERC Account 231	0						\$9,419,583	
15		<u>145,000,000</u>							
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26		XXXXXXXX	XXXXXXXX	145,000,000		9,419,583		0	0

Name of Respondent	This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report
Northern Utilities, Inc.	-		December 31, 2016
<b>RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES</b>			
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate</p>		<p>clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p>	
Line No.	Particulars (Details) (a)	Amount (b)	
1	New Hampshire Net Income for the Year (Page 12)	4,778,477	
2	Reconciling Items for the Year		
3	Federal Income Taxes	0	
4	Taxable Income Not Reported on Books		
5			
6	See Attached Schedule on page 24a	0	
7			
8			
9	Deductions Recorded on Books Not Deducted for Return		
10			
11	See Attached Schedule on page 24a	(162,647)	
12			
13			
14	Income Recorded on Books Not Included in Return		
15			
16	See Attached Schedule on page 24a	0	
17			
18			
19	Deductions on Return Not Charged Against Book Income		
20			
21	See Attached Schedule on page 24a	(14,730,489)	
22			
23			
24			
25			
26			
27	New Hampshire Federal Tax Net Income	<u>(10,114,659)</u>	
28	Show Computation of Tax:		
29	NH Federal Taxable Income	(10,114,659)	
30	Federal Income Tax Rate	<u>0.34</u>	
31			
32	Total Federal Income Tax-Current	(3,438,984)	
33	Federal Income Tax-Net Operating Loss Adjustment	3,438,984	
34	Federal Income Tax-Prior years	<u>3,170,232</u>	
35			
36	Total	<u>3,170,232</u>	
37			
38			
39			
40			
41			
42			



**NORTHERN UTILITIES, INC.**  
**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME**  
**FOR FEDERAL INCOME TAXES**  
**Supplement to NH PUC Report page 24**  
**FOR THE YEAR ENDED: DECEMBER 31, 2016**

	<u>2016</u>
<u>LINE 4 - TAXABLE INCOME NOT REPORTED ON BOOKS</u>	0
	<u>0</u>
<u>LINE 9 - DEDUCTIONS RECORDED ON BOOKS NOT DEDUCTED FOR RETURN</u>	
BOOK BAD DEBTS OVER TAX BAD DEBTS	(19,155)
SFAS 106	269,865
SFAS 87	(232,970)
AMORTIZATION OF PURCHASE DISCOUNT	(940,818)
AMORTIZATION OF TRANSACTION COSTS	318,988
AMORTIZATION OF TRANSITION COSTS	269,361
AMORTIZATION OF STATE REGULATORY ASSET	0
INSURANCE CLAIM RESERVE ACCRUAL	5,184
DISALLOWED 50% TRAVEL AND ENTERTAINMENT	0
PENALTIES	133,500
LOBBYING EXPENSE	33,398
	<u>(162,647)</u>
<u>LINE 14 - INCOME RECORDED ON BOOKS NOT INCLUDED IN RETURN</u>	
REGULATORY ASSET: DEFERRED ITC	0
	<u>0</u>
<u>LINE 19 - DEDUCTIONS ON RETURN NOT CHARGED AGAINST BOOK INCOME</u>	
DEBT DISCOUNT	0
DEFERRED RATE CATE COSTS	55,173
DEFERRED INCOME TAX	3,717,360
ACCRUED REVENUE	64,773
PNGTS REFUND	(5,277,371)
PROPERTY TAXES	(130,091)
ENVIRONMENTAL CLEANUP COSTS	0
(UNDER)/OVER ACCRUAL OF SIT	0
ENVIRONMENTAL REMEDIATION	(665,432)
UTILITY PROPERTY DIFFERENCES	(12,494,901)
	<u>(14,730,489)</u>

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr) -	Year of Report December 31, 2016
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

- |  |   |   |
|--|---|---|
| <p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other</p> | <p>accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p> <p>5. If any tax (Exclude Federal and state income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> | <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deduction or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in column (i) thru (p) how the taxed accounts were distributed. 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.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. For NHPUC reporting purposes, taxes greater than \$25,000 should be reported separately -- others may be combined.</p> |
|--|---|---|

Line No.	Kind of Tax (See Instruction 5)	BALANCE BEGINNING OF YEAR		Taxes Charged During Year	Taxes Paid During Year	Adjustments	BALANCE END OF YEAR	
		Taxes Accrued (Account 236)	Prepaid Taxes (Incl. in Account 165)				Taxes Accrued (Account 236)	Prepaid Taxes (Incl. in Account 165)
	(a)	(b)	(c)	(d)		(f)	(g)	(h)
1	NH + Maine Combined							
2								
3	See Attached Schedules	\$ 1,750,496	\$ 441,501	\$ 963,324	\$ (7,377,705)	\$ 4,626,527	\$ 92,733	\$ 571,592
4	on pages 25a & 25b							
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18	TOTAL	1,750,496	441,501	963,324	(7,377,705)	4,626,527	92,733	571,592

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)**

Line No.		Gas	Other Utility	Other Income	Extraordinary	Other Utility	Adjustment to	Other
		(408.1 409.1)	Departments (408.1, 409.1)	and Deductions (408.2, 409.2)	Items (409.3)	Opn. Income (408.1, 409.1)	Ret. Earnings (439)	
		(i)	(j)	(k)	(l)	(m)	(n)	(o)
1								
2								
3	See Attached Schedules							
4	on pages 25a & 25b							
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18	TOTAL	-	-	-	-	-	-	-

NORTHERN UTILITIES, INC.  
TAXES ACCRUED, PREPAID AND CHARGED  
DECEMBER 31, 2016

Supplement to page 25

LINE NO.	KIND OF TAX	TAXES ACCRUED	PREPAID TAXES	TAXES CHARGED DURING YEAR	RECEIVED (PAID) DURING YEAR	ADJUSTMENTS	TAXES ACCRUED A/C 236	PREPAID TAXES INCLUDED IN A/C 165
1	STATE							
2	MAINE							
3	PUBLIC UTILITIES	0	0	0	0		0	0
4	INCOME TAX - CURRENT	936,729	0	0	0	(936,729)	0	0
5	INCOME TAX - PRIOR	(565,000)	0	(175,031)	131,000	609,031	0	0
	NEW YORK							
	INCOME TAX - CURRENT	0		0	0	0	0	
	INCOME TAX - PRIOR	0		0	0	0	0	
6	NEW HAMPSHIRE							
7	BUSINESS PROFITS - CURRENT	1,240,701	0	6,498	0	(1,247,199)	0	0
8	BUSINESS PROFITS - PRIOR	69,240	0	(290,621)	0	221,381	0	0
9	MA INCOME TAX	0		0	0		0	
10	MA INCOME TAX - PRIOR	0		0	0		0	
11	PUBLIC UTILITIES	0	0	0	0		0	0
12	FEDERAL							
13	INCOME - CURRENT	0	0	0	0	0	0	0
14	INCOME - PRIOR	0	0	(5,956,043)	0	5,956,043	0	0
15	PAYROLL TAXES	0	0	320,271	(320,271)		0	0
16	PROPERTY TAXES	426	441,501	6,947,947	(7,078,131)		333	571,592
17	SALES AND USE TAXES	0		0	0		0	
18	STATE FUEL TAX	0		0	0		0	
19	STATE EXCISE	68,400		110,303	(110,303)	24,000	92,400	
20	FEDERAL EXCISE	0		0	0		0	
21	SUPERFUND - CURRENT	0		0	0		0	
22	SUPERFUND - PRIOR	0		0	0		0	
23	NON RESIDENT STATE TAXES	0	0	0	0		0	0
24	TOTAL	1,750,496	441,501	963,324	(7,377,705)	4,626,527	92,733	571,592

NORTHERN UTILITIES, INC.  
TAXES ACCRUED, PREPAID AND CHARGED  
AND DISTRIBUTION OF TAXES CHARGED  
DURING YEAR END DECEMBER 31, 2016

Supplement to page 25

LINE NO.	KIND OF TAX	GAS A/C 408.1 A/C 409.1	OTHER UTIL DEPT 408.1 409.1	OTHER INCOME, DEDUCTIONS A/C 408.2 A/C 409.2	ACCOUNT 107	OTHER UTIL. OPERATING INCOME A/C 408.1 A/C 409.1	ADJUST TO R/E A/C 236	ACCOUNT 928 OTHER	SUBTOTAL	CLEARING ACCT AND OTHER NON-TAX CHARGES	GRAND TOTAL
1	<b>MAINE</b>										
2	PUBLIC UTILITIES							0	0	0	0
3	INCOME TAX - CURRENT	0		0			-		0		0
4	INCOME TAX - PRIOR	(175,031)					175,031		0		0
5	SUB TOTAL MAINE INCOME TAXES	(175,031)	0	0	0	0	175,031	0	0	0	0
	<b>NEW YORK</b>										
6	STATE EXCISE TAX	0							0		0
7	OTHER TAXES	0							0		0
8	SUB TOTAL PENN. INCOME TAXES	0	0	0	0	0	0	0	0	0	0
9	TOTAL STATE INCOME TAXES	0	0	0	0	0	0	0	0	0	0
10	<b>FEDERAL</b>										
11	INCOME TAX - CURRENT	0		0			-		0		0
12	INCOME TAX - PRIOR	(9,126,275)					9,126,275		0		0
13	TOTAL FEDERAL INCOME	(9,126,275)	0	0	0	0	9,126,275	0	0	0	0
14	FEDERAL EXCISE			0					0		0
15	PAYROLL TAXES	302,580		(145,147)			(157,433)		0		0
16	PROPERTY TAXES	3,447,524		0			(3,447,857)		(333)		(333)
17	SALES AND USE TAX	0		0					0		0
18	STATE EXCISE	9,633					(9,633)		0		0
19	STATE FUEL TAX EXPENSE	0		0					0		0
20	SUPERFUND TAX - CURRENT	0							0		0
21	SUPERFUND TAX - PRIOR	0							0		0
22	TOTAL OTHER	3,759,737	0	0	(145,147)	0	(3,614,923)	0	(333)	0	(333)
23	TOTAL MAINE	(5,541,569)	0	0	(145,147)	0	5,666,383	0	(333)	0	(333)
24	<b>NEW HAMPSHIRE</b>										
25	PUBLIC UTILITIES							0	0		0
26	<b>FEDERAL</b>										
27	INCOME TAX - CURRENT	0							0		(0)
28	INCOME TAX - PRIOR	3,170,232					(3,170,232)		0		0
29	TOTAL INCOME TAXES	3,170,232	0	0	0	0	0	0	(0)	0	(0)
30	FEDERAL EXCISE	0							0		0
31	PAYROLL TAXES	293,336		(130,498)			(162,838)		0		0
32	PROPERTY TAXES	3,500,423		0			(2,928,831)		571,592		571,592
33	NH BUSINESS PROFITS - CURREN	6,498		0			(6,498)		0		0
34	NH BUSINESS PROFITS - PRIOR	(290,621)					290,621		0		0
35	MA INCOME TAX	0		0					0		0
36	STATE EXCISE	100,670					(193,070)		(92,400)		(92,400)
37	STATE FUEL TAX EXPENSE	0		0					0		0
38	SUPERFUND TAX - CURRENT	0							0		0
39	SUPERFUND TAX - PRIOR	0							0		0
40	NON RESIDENT STATE TAXES	0							0		0
40	TOTAL OTHER	3,610,306	0	0	(130,498)	0	(3,000,616)	0	479,192	0	479,192
41	TOTAL NEW HAMPSHIRE	6,790,538	0	0	(130,498)	0	(3,000,616)	0	479,192	0	479,192
42	TOTAL COMPANY	1,238,969	0	0	(275,645)	0	2,685,767	0	478,859	0	478,859

Name of Respondent Northern Utilities, Inc.	This Report is: (1) Original (2) Revised -	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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MISCELLANEOUS DEFERRED CREDITS (ACCOUNT 253)

1. Report below the details called for concerning miscellaneous deferred credits
2. For any deferred credit being amortized, show period of amortization in column (a).
3. Minor items amounts less than \$150,000 may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debits		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	LT ERC Costs	200,000		510,000	380,000	70,000
2	FAS 106	2,239,687	Various	425,050	694,915	2,509,552
3	FAS 158 Pension	4,788,333	182/283	26,021,240	26,801,087	5,568,180
4	FAS 158 PBOP	3,479,583	182/283	18,539,270	20,717,032	5,657,345
5	FAS 158 SERP	1,199,660	182/283	11,185,834	11,274,061	1,287,887
6						
7						
8						
9						
10	Total NH	11,907,263		56,681,394	59,867,095	15,092,964
11						
12						
13	Maine division	14,030,478	Various	68,365,922	73,539,664	19,204,220
14						
15						
16						
17						
18						
19						
20						
21						
22						
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31						
32						
33						
34						
35						
36						
37						
38						
39						
40	Total	25,937,741		125,047,316	133,406,759	34,297,184

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr) -	Year of Report December 31, 2016
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**OTHER REGULATORY LIABILITIES (Account 254)**

1. Report below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beg of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Account Credited (c)	Amount (d)		
1	Price Risk - Non Current	13,582	175	520,609	612,540	105,513
2	Gas Supplier Refund (2 Years)	4,209,011	242	3,683,394	657,793	1,183,410
3	FAS 109 Costs	0	410	0	36,300	36,300
4						
5						
6	<b>Total NH</b>	4,222,593		4,204,003	1,306,633	1,325,223
7						
8	<b>Maine division</b>	4,225,761	various	4,741,084	1,916,564	1,401,241
9						
10						
11						
12						
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39						
40						
41						
42	<b>TOTAL</b>	8,448,354		8,945,087	3,223,197	2,726,464

NAME OF RESPONDENT:  
Northern Utilities, Inc.

This Report Is:  
(1) Original  
(2) Revised

Date of Report  
December 31, 2016

Year of Report  
December 31, 2016

GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.  
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.  
3. Report number of customers, columns (i) and (k), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.  
4. Report quantities of natural gas sold on a per therm basis.  
5. If increases or decreases from previous year columns (c), (e) and (g), are not derived from previously reported figures explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481 may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Dth per year or approximately 800 Dth per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See page 7, Important Changes During Year, for important new territory added and important rate increases or decreases.

Line No.	Title of Account	OPERATING REVENUES						DEKATHERM OF NATURAL GAS		AVG. NO. OF GAS CUSTOMERS PER MO.	
		Total		BASE		GAS (FLOWTHRU)		Current Year (h)	Prior Year (i)	Current Year (j)	Prior Year (k)
		Current Year (b)	Prior Year (c)	Current Year (d)	Prior Year (e)	Current Year (f)	Prior Year (g)				
1	GAS SERVICE REVENUES										
2	480 Residential Sales	\$26,084,639	\$31,650,544	\$15,215,731	\$15,524,274	\$10,868,908	\$16,126,270	1,848,396	1,855,124	25,045	24,532
3	481 Commercial & Industrial Sales	19,210,870	25,841,312	8,431,260	8,782,251	10,779,610	17,059,061	1,681,779	2,024,618	5,779	5,725
4	Small (or Comm.) (See Instr. 6)	1,849,604	2,679,083	515,807	620,345	1,333,797	2,058,738	208,517	282,097	15	18
5	Large (or Ind.) (See Instr. 6)	0	0	0	0	0	0	0	0	0	0
6	482 Other Sales to Public Authorities	565,352	(1,667,457)	(151,597)	(44,568)	716,949	(1,622,889)	(23,211)	(34,579)	0	0
7	484 Unbilled Revenue	47,710,495	58,503,482	24,011,201	24,862,302	23,669,264	33,621,180	3,515,481	4,127,260	30,839	30,275
8	TOTAL Sales to Ultimate Consumers	3,382,422	5,958,987	0	0	3,382,422	5,958,987	50,954	63,918	0	0
9	493 Sales for Resale	51,092,887	64,462,469	24,011,201	24,862,302	27,081,686	39,580,167	3,566,435	4,191,178	30,839	30,275
10	TOTAL Natural Gas Service Revenues	51,092,887	64,462,469	24,011,201	24,862,302	27,081,686	39,580,167	3,566,435	4,191,178	30,839	30,275
11	Revenues from Manufactured Gas	0	0	0	0	0	0	0	0	0	0
12	TOTAL Gas Service Revenues	51,092,887	64,462,469	24,011,201	24,862,302	27,081,686	39,580,167	3,566,435	4,191,178	30,839	30,275
13	485 Intracompany Transfers	0	0	0	0	0	0	0	0	0	0
14	487 Forfeited Discounts	104,863	158,330	104,863	158,330	104,863	158,330	104,863	158,330	0	0
15	488 Misc. Service Revenues	721,444	751,110	721,444	751,110	721,444	751,110	721,444	751,110	0	0
16	489 1 Rev. from Trans. of Gas of Others through Gathering Facilities	0	0	0	0	0	0	0	0	0	0
17	489 2 Rev. from Trans. of Gas of Others through Transmission Facilities	0	0	0	0	0	0	0	0	0	0
18	489 3 Rev. from Trans. of Gas of Others through Distribution Facilities	0	0	0	0	0	0	0	0	0	0
19	489 4 Rev. from Trans. of Gas of Others through Distribution Facilities	8,411,697	8,178,231	7,672,203	7,166,248	739,494	1,011,983	4,318,933	4,168,600	980	969
20	480 Sales of Prod. Ext. from Nat. Gas	0	0	0	0	0	0	0	0	0	0
21	481 Rev. from Nat. Gas Proc. by Others	0	0	0	0	0	0	0	0	0	0
22	492 Incidental Gasoline and Oil Sales	0	0	0	0	0	0	0	0	0	0
23	493 Rent from Gas Property	152,772	66,029	152,772	66,029	152,772	66,029	152,772	66,029	0	0
24	494 Interdepartmental Rents	4,463,678	2,525,749	(2,498)	(281,296)	4,466,176	2,807,045	4,466,176	2,807,045	0	0
25	495 Other Gas Revenues	13,854,454	11,679,449	8,648,784	7,860,421	5,205,670	3,819,028	4,318,933	4,168,600	980	969
26	TOTAL Other Operating Revenues	\$64,947,341	\$76,141,918	\$32,659,985	\$32,742,723	\$32,287,356	\$43,399,195	7,885,368	8,359,978	31,819	31,244
27	TOTAL Gas Operating Revenues	\$64,947,341	\$76,141,918	\$32,659,985	\$32,742,723	\$32,287,356	\$43,399,195	7,885,368	8,359,978	31,819	31,244
28	(Less) 498 Provision for Rate Refunds	0	0	0	0	0	0	0	0	0	0
29	TOTAL Gas Operating Revenues Net of Provision for Refunds	\$64,947,341	\$76,141,918	\$32,659,985	\$32,742,723	\$32,287,356	\$43,399,195	7,885,368	8,359,978	31,819	31,244
30	Dist. Type Sales by States (Inc. Main Line Sales to Resid and Comm Cust)	\$45,295,509	\$57,491,856	\$23,646,991	\$24,306,525	\$21,648,518	\$33,185,331	3,330,175	3,879,742	30,824	30,257
31	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	1,849,604	2,679,083	515,807	620,345	1,333,797	2,058,738	208,517	282,097	15	18
32	Sales for Resale	3,382,422	5,958,987	0	0	3,382,422	5,958,987	50,954	63,918	0	0
33	Unbilled Revenues	565,352	(1,667,457)	(151,597)	(44,568)	716,949	(1,622,889)	(23,211)	(34,579)	0	0
34	Other Sales to Pub. Auth. (Local Dist. Only)	\$51,092,887	\$64,462,469	\$24,011,201	\$24,862,302	\$27,081,686	\$39,580,167	3,566,435	4,191,178	30,839	30,275
35	TOTAL (Same as Line 10, Columns (b) and (d))	\$51,092,887	\$64,462,469	\$24,011,201	\$24,862,302	\$27,081,686	\$39,580,167	3,566,435	4,191,178	30,839	30,275

Name of Respondent Northern Utilities, Inc.	This Report is: (1) Original (2) Revised -	Date of Report (Mo, Da, Yr) -	Year of Report December 31, 2016
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**REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH DISTRIBUTION FACILITIES (ACCOUNT 489.3)**

- |  |  |
|--|--|
| <p>1. Report revenues and Dth of gas delivered by zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.</p> <p>2. Revenues for penalties including penalties for unauthorized overruns must be reported separately.</p> | <p>3. Other revenues include reservation charges received plus usage charges for transportation and hub services.</p> <p>4. Delivered Dth of gas must not be adjusted for discounting.</p> <p>5. Each incremental rate schedule and each individually certified rate schedule must be separately reported.</p> |
|--|--|

Line No.	Zone of Delivery, Rate Schedule  (a)	OTHER REVENUES		TOTAL OPERATING REVENUES \$		DEKATHERM OF NATURAL GAS	
		Amount for Current Year  (b)	Amount for Previous Year  (c)	Amount for Current Year  (d)	Amount for Previous Year  (e)	Amount for Current Year  (f)	Amount for Previous Year  (g)
1	G-40 (Small) High Winter Use			633,189	686,680	133,337	151,123
2	G-41 (Medium) High Winter Use			2,039,136	1,801,858	633,452	554,467
3	G-50 (Small) Low Winter Use			99,454	115,340	24,525	29,955
4	G-51 (Medium) Low Winter Use			610,972	650,478	232,415	250,524
5	G-42 (Large) High Winter Use			1,210,597	1,229,517	480,819	496,252
6	G-52 (Large) Low Winter Use			2,678,405	2,658,281	1,633,819	1,605,527
7	Special Contracts			1,139,943	1,036,076	1,180,563	1,080,952
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	Total	\$ -	\$ -	\$ 8,411,696	\$ 8,178,230	4,318,930	4,168,800
21							
22							
23							
24							
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26							
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NAME OF RESPONDENT: Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report	Year of Report December 31, 2016
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GAS OPERATING REVENUES by Tariff Sheets

- Complete the following information for the calendar year ending December 31 according to the column headings.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).

Line No.	Rate Designation	GAS SERVICE TARIFFS	Revenue	Therms	Number of Customers *See Note B*	Therm Use per Customer	Revenue per Therm Units Sold	Number of Customers in Previous Year *See Note B*
			(b)	(c)	(d)	(e)	(f)	(g)
1		Residential Sales						
2		Residential Heating						
3	R-5	Base Revenues	\$14,518,644					
4		COG Revenues	\$9,704,859					
5		Other Revenues (LDAC)	\$615,157					
6		Total	\$24,838,660	15,627,935	22,723	688	1,569	22,016
7	R-6	Residential Non-Heating						
8		Base Revenues	\$452,176					
9		COG Revenues	\$130,814					
10		Other Revenues (LDAC)	\$ 8,978					
11		Total	\$591,969	231,566	1,384	167	2,556	1,462
12	R-10	Residential Heating Low Income						
13		Base Revenues	\$243,962					
14		COG Revenues	\$384,596					
15		Other Revenues (LDAC)	\$24,165					
16		Total	\$652,723	623,834	935	667	1,046	1,050
17	R-11	Residential Non-Heating Low income						
18		Base Revenues	\$948					
19		COG Revenues	\$316					
20		Other Revenues (LDAC)	\$24					
21		Total	\$1,288	641	4	160	2,010	5
22								
23		Total Residential Heating - Combined						
24		Base Revenues	\$14,762,607					
25		COG Revenues	\$10,089,455					
26		Other Revenue (LDAC)	\$639,321					
27		Total	\$25,491,383	16,251,769	23,658	687	1,569	23,068
28		Total Residential Non-Heating - Combined						
29		Base Revenues	\$453,124					
30		COG Revenues	\$131,131					
31		Other Revenue (LDAC)	\$9,002					
32		Total	\$593,257	232,197	1,388	167	2,555	1,467
33		Total Residential (Heating & Non-Heating)						
34		Base Revenues	\$15,215,731					
35		COG Revenues	\$10,220,585					
36		Other Revenue (LDAC)	\$648,323					
37		Total	\$26,084,639	16,483,966	25,046	658	1,582	24,533
38								
39								
40		Commercial and Industrial Sales Service						
41	G-40	C&I Low Annual Use, High Peak Period Use						
42		Base Revenues	\$4,788,047					
43		COG Revenues	\$4,811,349					
44		Other Revenues (LDAC)	\$176,223					
45		Total	\$9,775,619	7,429,662	4,460	1,666	1,316	4,361
46	G-41	C&I Medium Annual Use, High Peak Period Use						
47		Base Revenues	\$2,200,668					
48		COG Revenues	\$3,787,042					
49		Other Revenues (LDAC)	\$140,204					
50		Total	\$6,127,914	5,960,055	424	14,057	1,026	456
51	G-42	C&I High Annual Use, High Peak Period Use						
52		Base Revenues	\$433,413					
53		COG Revenues	\$1,051,563					
54		Other Revenues (LDAC)	\$38,872					
55		Total	\$1,523,847	1,651,460	13	127,035	0,923	14
56	G-50	C&I Low Annual Use, Low Peak Period Use						
57		Base Revenues	\$829,300					
58		COG Revenues	\$723,962					
59		Other Revenues (LDAC)	\$32,831					
60		Total	\$1,586,092	1,416,154	749	1,891	1,120	765
61	G-51	C&I Medium Annual Use, Low Peak Period Use						
62		Base Revenues	\$613,245					
63		COG Revenues	\$1,061,637					
64		Other Revenues (LDAC)	\$46,362					
65		Total	\$1,721,245	2,011,920	146	13,780	0,856	143
66	G-52	C&I High Annual Use, Low Peak Period Use						
67		Base Revenues	\$82,394					
68		COG Revenues	\$233,200					
69		Other Revenues (LDAC)	\$10,163					
70		Total	\$325,756	433,706	2	216,853	0,751	4
71		Total Commercial and Industrial Sales Service						
72								
73		Total C&I Sales Service - Combined						
74		Base Revenues	\$8,947,067					
75		COG Revenues	\$11,668,752					
76		Other Revenue (LDAC)	\$444,655					
77		Total	\$21,060,474	18,902,957	5,794	3,263	1,114	5,743

Note A - The amounts in columns (c), (d), (e), (f) and (g) are shown only on the Total lines for each class since units are not tracked according to whether they are CGFC, Base, ERC, etc. Some section Totals in col (e) and (f) are also removed to avoid per unit distortion.  
 Note B - Northern Utilities, Inc. does not track the number of bills rendered. As such, the average customer counts shown in column (d) are based on the sum of the monthly customer counts divided by 12 months.

NAME OF RESPONDENT: Northern Utilities, Inc.	This Report is: (1) Original (2) Revised	Date of Report -	Year of Report December 31, 2016
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GAS OPERATING REVENUES by Tariff Sheets

- Complete the following information for the calendar year ending December 31 according to the column headings.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).

Line No.	Rate Designation	GAS SERVICE TARIFFS	Revenue	Therms	Number of Customers *See Note B*	Therm Use per Customer	Revenue per Therm Units Sold	Number of Customers in Previous Year *See Note B*
			(b)	(c)	(d)	(e)	(f)	(g)
78		Commercial and Industrial Transportation Service						
79	G-40	C&I Low Annual Use, High Peak Period Use						
80		Base Revenues	\$601,630					
81		Other Revenues (LDAC)	\$31,560					
82		Total	\$633,190	1,333,374	481	2,772	0.47488	496
83	G-41	C&I Medium Annual Use, High Peak Period Use						
84		Base Revenues	\$1,889,572					
85		Other Revenues (LDAC)	\$149,564					
86		Total	\$2,039,136	6,334,517	264	23,994	0.32191	234
87	G-42	C&I High Annual Use, High Peak Period Use						
88		Base Revenues	\$1,095,736					
89		Other Revenues (LDAC)	\$114,861					
90		Total	\$1,210,597	4,808,193	24	200,341	0.25178	23
91	G-50	C&I Low Annual Use, Low Peak Period Use						
92		Base Revenues	\$93,777					
93		Other Revenues (LDAC)	\$5,677					
94		Total	\$99,454	245,250	66	3,607	0.40552	74
95	G-51	C&I Medium Annual Use, Low Peak Period Use						
96		Base Revenues	\$556,907					
97		Other Revenues (LDAC)	\$54,065					
98		Total	\$610,972	2,324,152	111	20,938	0.26288	112
99	G-52	C&I High Annual Use, Low Paak Period Use						
100		Base Revenues	\$2,294,638					
101		Other Revenues (LDAC)	\$383,767					
102		Total	\$2,678,405	16,338,188	30	544,606	0.16394	28
103		Total C&I Transportation Service - Combined						
104		Base Revenues	\$6,532,260					
105		Other Revenue (LDAC)	\$739,494					
106		Total	\$7,271,754	31,383,674	978	32,090	0.23170	967
107								
108		C&I Special Contract Sales Service						
109		Base Revenues						
110		COG Revenues						
111		Other Revenues (LDAC)						
112		Total C&I Special Contract Sales Service	\$0	0	0			0
113								
114		C&I Special Contract Firm Transportation Service						
115		Base Revenues	\$1,139,943					
116		Other Revenues (LDAC)	\$0					
117		Total C&I Special Contract FT Service	\$1,139,943	11,805,653	2	5,902,827	0.09656	2
118								
119		C&I Special Contract Interruptible Transportation Service						
120		Base Revenues						
121		Other Revenues (LDAC)						
122		Total C&I Special Contract IT Service	\$0	0	0			0
123								
124		C&I Special Contract Transportation (Firm & IT)						
125		Base Revenues	\$1,139,943					
126		Other Revenue (LDAC)	\$0					
127		Total	\$1,139,943	11,805,653	2	5,902,827	0.09656	2
128								
129		C&I Special Contract (Sales & Transportation)						
130		Base Revenues						
131		COG Revenues						
132		Other Revenue (LDAC)						
133		Total	\$0	0	0			0
134								
135		Total C&I (Sales, Transportation & Special Contract)						
136		Base Revenues	\$1,139,943					
137		COG Revenues	-					
138		Other Revenue (LDAC)	\$0					
139		Total	\$1,139,943	0	0			0
140								
141		Total Residential & Commercial and Industrial						
142		Base Revenues	\$7,672,203					
143		COG Revenues	-					
144		Other Revenue (LDAC)	\$739,494					
145		Total	\$8,411,697	43,189,327	980	44,071	0.19476	969
146								

Note A - The amounts in columns (c), (d), (e), (f) and (g) are shown only on the Total lines for each class since units are not tracked according to whether they are CGFC, Base, ERC, etc. Some section Totals in col (e) and (f) are also removed to avoid per unit distortion.  
 Note B - Northern Utilities, Inc. does not track the number of bills rendered. As such, the average customer counts shown in column (d) are based on the sum of the monthly customer counts divided by 12 months.

NAME OF RESPONDENT: Northern Utilities, Inc.		This Report is: (1) Original (2) Revised	Date of Report	Year of Report				
				December 31, 2016				
CAPACITY EXEMPT TRANSPORTATION								
1 Complete the following information for the calendar year ending December 31 according to the column headings.								
2 The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).								
Line No.	Rate Designation	GAS SERVICE TARIFFS - CAPACITY EXEMPT TRANSPORTATION CUSTOMER CLASSES	Revenue (b)	Therms (c)	Peak Month Therms (d)	Peak Month Therms in Previous Year (e)	Number of Customers (f)	Number of Customers in Previous Year (g)
1		Commercial and Industrial Transportation Service						
2	G-40	C&I Low Annual Use, High Peak Period Use						
3		Base Revenues						
4		Other Revenues (LDAC)						
5		Total	\$7,907	16,464	2,749	6,205	6	7
6	G-41	C&I Medium Annual Use, High Peak Period Use						
7		Base Revenues						
8		Other Revenues (LDAC)						
9		Total	\$99,066	356,165	47,454	60,457	9	9
10	G-42	C&I High Annual Use, High Peak Period Use						
11		Base Revenues						
12		Other Revenues (LDAC)						
13		Total	\$792,133	3,688,391	521,582	645,903	11	11
14	G-50	C&I Low Annual Use, Low Peak Period Use						
15		Base Revenues						
16		Other Revenues (LDAC)						
17		Total	\$9,759	20,535	1,369	1,971	7	6
18	G-51	C&I Medium Annual Use, Low Peak Period Use						
19		Base Revenues						
20		Other Revenues (LDAC)						
21		Total	\$39,645	159,958	17,160	20,336	6	7
22	G-52	C&I High Annual Use, Low Peak Period Use						
23		Base Revenues						
24		Other Revenues (LDAC)						
25		Total	\$2,287,227	14,305,362	1,427,906	1,346,410	21	21
27		Total C&I Transportation Service - Combined						
28		Base Revenues	\$0					
29		Other Revenue (LDAC)	\$0					
30		Total	\$3,235,737	18,546,874	2,018,220	2,081,282	60	61
32		C&I Special Contract Firm Transportation Service						
33		Base Revenues						
34		Other Revenues (LDAC)						
35		Total C&I Special Contract FT Service	\$702,041	6,921,323	551,057	552,555	1	1
38		C&I Special Contract Interruptible Transportation Service						
39		Base Revenues						
40		Other Revenues (LDAC)						
41		Total C&I Special Contract IT Service	\$0	0	0	0	0	0
43		Total Capacity Exempt Transportation	\$3,937,778	25,468,197	2,569,276	2,633,837	61	62
46		Total Transportation - p. 31 - lines 107 + 128	\$8,411,697	43,189,327			980	969
47								
48		Percentage of Capacity Exempt Transportation	46.81%	58.97%			6.22%	6.40%

Note A - Northern Utilities, Inc. does not track the number of bills rendered. As such, the average customer counts shown in columns (f) and (g) are based on the sum of the monthly customer counts divided by 12 months.

Note B - Therms and Customers are recorded in base accounts, so only Totals are shown for each class in order to be comparable.

Note C - Data is based on billed cycle, not calendar year.

NAME OF RESPONDENT: Northern Utilities, Inc.	This Report is: (1) Original (2) Revised	Date of Report	Year of Report December 31, 2016
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CAPACITY ASSIGNED TRANSPORTATION

- 1 Complete the following information for the calendar year ending December 31 according to the column headings.
- 2 The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).

Line No.	Rate Designation	GAS SERVICE TARIFFS - CAPACITY ASSIGNED TRANSPORTATION CUSTOMER CLASSES	Revenue (b)	Total Therms (c)	Slice of System Assigned Therms * See Note A * (d)	Company Managed Assigned Therms * See Note A * (e)	Number of Customers * See Note B * (f)	Number of Customers In Previous Year * See Note B * (g)
1		Commercial and Industrial Transportation Service						
2	G-40	C&I Low Annual Use, High Peak Period Use						
3		Base Revenues						
4		Other Revenues (LDAC)						
5		Total	\$625,283	1,316,910			475	489
6	G-41	C&I Medium Annual Use, High Peak Period Use						
7		Base Revenues						
8		Other Revenues (LDAC)						
9		Total	\$1,940,070	5,978,352			255	225
10	G-42	C&I High Annual Use, High Peak Period Use						
11		Base Revenues						
12		Other Revenues (LDAC)						
13		Total	\$418,464	1,119,802			13	12
14	G-50	C&I Low Annual Use, Low Peak Period Use						
15		Base Revenues						
16		Other Revenues (LDAC)						
17		Total	\$89,695	224,715			61	88
18	G-51	C&I Medium Annual Use, Low Peak Period Use						
19		Base Revenues						
20		Other Revenues (LDAC)						
21		Total	\$571,327	2,164,194			105	105
22	G-52	C&I High Annual Use, Low Peak Period Use						
23		Base Revenues						
24		Other Revenues (LDAC)						
25		Total	\$391,178	2,032,826			9	7
26								
27		Total C&I Transportation Service - Combined						
28		Base Revenues	\$0					
29		Other Revenue (LDAC)	\$0					
30		Total	4,036,017	12,836,800	0	0	918	906
31		C&I Special Contract Firm Transportation Service						
32		Base Revenues						
33		Other Revenues (LDAC)						
34		Total C&I Special Contract FT Service	\$0					
35								
36		C&I Special Contract Interruptible Transportation Service						
37		Base Revenues						
38		Other Revenues (LDAC)						
39		Total C&I Special Contract IT Service	\$437,902	4,884,330			1	1
40								
41								
42		Total Capacity Assigned Transportation	\$ 4,473,919	17,721,130	12,017	8,552	919	907
43								
44								
45		Total Transportation - p. 31 - lines 107 + 128	\$8,411,697	43,189,327			980	969
46								
47		Percentage of Capacity Assigned Transportation	53.19%	41.03%			93.78%	93.60%

Note A: Slice of System and Company Managed therms represent the average monthly demand billing determinants.

Note B - Northern Utilities, Inc. does not track the number of bills rendered. As such, the average customer counts shown in columns (f) and (g) are based on the sum of the monthly customer counts divided by 12 months.

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Northern Utilities, Inc.	(1) Original (2) Revised	-	December 31, 2016	
<b>GAS OPERATION AND MAINTENANCE EXPENSES</b>				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	Increase or (decrease) (d)
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement) * See Note A below for detail *	(\$49,546)	\$95,493	(\$145,039)
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			-
8	751 Production Maps and Records			-
9	752 Gas Wells Expenses			-
10	753 Field Lines Expenses			-
11	754 Field Compressor Station Expenses			-
12	755 Field Compressor Station Fuel and Power			-
13	756 Field Measuring and Regulating Station Expenses			-
14	757 Purification Expenses			-
15	758 Gas Well Royalties			-
16	759 Other Expenses			-
17	760 Rents			-
18	TOTAL Operation (Enter Total of lines 7 thru 17)	0	0	-
19	Maintenance			
20	761 Maintenance Supervision and Engineering			-
21	762 Maintenance of Structures and Improvements			-
22	763 Maintenance of Producing Gas Wells			-
23	764 Maintenance of Field Lines			-
24	765 Maintenance of Field Compressor Station Equipment			-
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment			-
26	767 Maintenance of Purification Equipment			-
27	768 Maintenance of Drilling and Cleaning Equipment			-
28	769 Maintenance of Other Equipment			-
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	0	0	-
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	-
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering			-
34	771 Operation Labor			-
35	772 Gas Shrinkage			-
36	773 Fuel			-
37	774 Power			-
38	775 Materials			-
39	776 Operation Supplies and Expenses			-
40	777 Gas Processed by Others			-
41	778 Royalties on Products Extracted			-
42	779 Marketing Expenses			-
43	780 Products Purchased for Resale			-
44	781 Variation in Products Inventory			-
45	(Less) 782 Extracted Products Used by the Utility-Credit			-
46	783 Rents			-
47	TOTAL Operation (Enter Total of lines 33 thru 46)	0	0	-

Name of Respondent		This Report Is:	Date of Report	Year of Report
Northern Utilities, Inc.		(1) Original (2) Revised	-	December 31, 2016
<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>				
Line No.	Item (a)	Amount for Current Year (b)	Amount for Previous Year (c)	Increase or (decrease) (d)
<b>B2. Products Extraction (Continued)</b>				
48	<b>Maintenance</b>			
49	784 Maintenance Supervision and Engineering			-
50	785 Maintenance of Structures and Improvements			-
51	786 Maintenance of Extraction and Refining Equipment			-
52	787 Maintenance of Pipe Lines			-
53	788 Maintenance of Extracted Products Storage Equipment			-
54	789 Maintenance of Compressor Equipment			-
55	790 Maintenance of Gas Measuring and Reg. Equipment			-
56	791 Maintenance of Other Equipment			-
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	0	0	-
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	0	0	-
<b>C. Exploration and Development</b>				
60	<b>Operation</b>			
61	795 Delay Rentals			-
62	796 Nonproductive Well Drilling			-
63	797 Abandoned Leases			-
64	798 Other Exploration			-
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	0	0	-
<b>D. Other Gas Supply Expenses</b>				
66	<b>Operation</b>			
67	800 Natural Gas Well Head Purchases			-
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers			-
69	801 Natural Gas Field Line Purchases			-
70	802 Natural Gasoline Plant Outlet Purchases			-
71	803 Natural Gas Transmission Line Purchases			-
72	804 Natural Gas City Gate Purchases	14,431,589	20,519,478	(6,087,889)
73	804.1 Liquefied Natural Gas Purchases	15,505,622	17,578,106	(2,072,484)
74	805 Other Gas Purchases			-
75	(Less) 805.1 Purchased Gas Cost Adjustments			-
76	TOTAL Purchased Gas (Enter Total of lines 67 to 75)	29,937,211	38,097,584	(8,160,373)
77	806 Exchange Gas	(33,402)	(75,003)	41,601
79	<b>Purchased Gas Expenses</b>			
80	807.1 Well Expenses-Purchased Gas			-
81	807.2 Operation of Purchased Gas Measuring Stations			-
82	807.3 Maintenance of Purchased Gas Measuring Stations			-
83	807.4 Purchased Gas Calculations Expenses			-
84	807.5 Other Purchased Gas Expenses	(4,821,495)	(5,236,381)	414,886
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	(4,821,495)	(5,236,381)	414,886
86	808.1 Gas Withdrawn from Storage-Debit	4,075,405	6,976,433	(2,901,028)
87	Unbilled Revenue Costs			-
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit			-
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit			-
90	<b>Gas Used in Utility Operations-Credit</b>			
91	810 Gas Used for Compressor Station Fuel-Credit			-
92	811 Gas Used for Products Extraction-Credit			-
93	812 Gas Used for Other Utility Operations-Credit			-
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	0	0	-
95	813 Other Gas Supply Expenses	428,212	351,397	76,815
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	29,585,931	40,114,030	(10,528,099)
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)	\$29,536,385	\$40,209,523	(\$10,673,138)

Name of Resondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report	Year of Report December 31, 2016
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**GAS OPERATION AND MAINTENANCE EXPENSES (Continued)**

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	Increase or (decrease) (d)
98	<b>2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES</b>			
99	<b>A. Underground Storage Expenses</b>			
100	<b>Operation</b>			
101	814 Operation Supervision and Engineering			-
102	815 Maps and Records			-
103	816 Wells Expenses			-
104	817 Lines Expense			-
105	818 Compressor Station Expenses			-
106	819 Compressor Station Fuel and Power			-
107	820 Measuring and Regulating Station Expenses			-
108	821 Purification Expenses			-
109	822 Exploration and Development			-
110	823 Gas Losses			-
111	824 Other Expenses			-
112	825 Storage Well Royalties			-
113	826 Rents			-
114	TOTAL Operation (Enter Total of lines 101 thru 113)	0	0	-
115	<b>Maintenance</b>			
116	830 Maintenance Supervision and Engineering			-
117	831 Maintenance of Structures and Improvements			-
118	832 Maintenance of Reservoirs and Wells			-
119	833 Maintenance of Lines			-
120	834 Maintenance of Compressor Station Equipment			-
121	835 Maintenance of Measuring and Regulating Station Equipment			-
122	836 Maintenance of Purification Equipment			-
123	837 Maintenance of Other Equipment			-
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	0	0	-
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	0	0	-
126	<b>B. Other Storage Expenses</b>			
127	<b>Operation</b>			
128	840 Operation Supervision and Engineering			-
129	841 Operation Labor and Expenses			-
130	842 Rents			-
131	842.1 Fuel			-
132	842.2 Power			-
133	842.3 Gas Losses			-
134	TOTAL Operation (Enter Total of lines 128 thru 133)	0	0	-
135	<b>Maintenance</b>			
136	843.1 Maintenance Supervision and Engineering			-
137	843.2 Maintenance of Structures and Improvements			-
138	843.3 Maintenance of Gas Holders			-
139	843.4 Maintenance of Purification Equipment			-
140	843.5 Maintenance of Liquefaction Equipment			-
141	843.6 Maintenance of Vaporizing Equipment			-
142	843.7 Maintenance of Compressor Equipment			-
143	843.8 Maintenance of Measuring and Regulating Equipment			-
144	843.9 Maintenance of Other Equipment			-
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	0	0	-
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	0	0	-

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report	Year of Report December 31, 2016
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**GAS OPERATION AND MAINTENANCE EXPENSES (Continued)**

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	Increase or (decrease) (d)
147	<b>C. Liquefied Natural Gas Terminating and Processing Expenses</b>			
148	<b>Operation</b>			
149	844.1 Operation Supervision and Engineering			-
150	844.2 LNG Processing Terminal Labor and Expenses			-
151	844.3 Liquefaction Processing Labor and Expenses			-
152	844.4 Liquefaction Transportation Labor and Expenses			-
153	844.5 Measuring and Regulating Labor and Expenses			-
154	844.6 Compressor Station Labor and Expenses			-
155	844.7 Communication System Expenses			-
156	844.8 System Control and Load Dispatching			-
157	845.1 Fuel			-
158	845.2 Power			-
159	845.3 Rents			-
160	845.4 Demurrage Charges			-
161	(Less) 845.5 Wharfage Receipts-Credit			-
162	845.6 Processing Liquefied or Vaporized Gas by Others			-
163	846.1 Gas Losses			-
164	846.2 Other Expenses			-
165	TOTAL Operation (Enter Total of lines 149 thru 164)	0	0	-
166	<b>Maintenance</b>			
167	847.1 Maintenance Supervision and Engineering			-
168	847.2 Maintenance of Structures and Improvements			-
169	847.3 Maintenance of LNG Processing Terminal Equipment			-
170	847.4 Maintenance of LNG Transportation Equipment			-
171	847.5 Maintenance of Measuring and Regulating Equipment			-
172	847.6 Maintenance of Compressor Station Equipment			-
173	847.7 Maintenance of Communication Equipment			-
174	847.8 Maintenance of Other Equipment			-
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	0	0	-
176	TOTAL Liquefied Nat Gas Terminating and Processing Exp (Lines 165 & 175)	0	0	-
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 176)	0	0	-
178	<b>3. TRANSMISSION EXPENSES</b>			
179	<b>Operation</b>			
180	850 Operation Supervision and Engineering			-
181	851 System Control and Load Dispatching	349,400	325,791	23,609
182	852 Communication System Expenses	45,324	46,585	(1,261)
183	853 Compressor Station Labor and Expenses			-
184	854 Gas for Compressor Station Fuel			-
185	855 Other Fuel and Power for Compressor Stations			-
186	856 Mains Expenses	0	0	-
187	857 Measuring and Regulating Station Expenses	0	14	(14)
188	858 Transmission and Compression of Gas by Others			-
189	859 Other Expenses			-
190	860 Rents			-
191	TOTAL Operation (Enter Total of lines 180 thru 190)	394,724	372,390	22,334



Name of Respondent		This Report Is:	Date of Report	Year of Report
Northern Utilities, Inc.		(1) Original (2) Revised		December 31, 2016
<b>GAS OPERATION AND MAINTENANCE EXPENSE (Continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	Increase or (decrease) (d)
<b>3. TRANSMISSION EXPENSES (Continued)</b>				
192	<b>Maintenance</b>			
193	861 Maintenance Supervision and Engineering			-
194	862 Maintenance of Structures and Improvements			-
195	863 Maintenance of Mains			-
196	864 Maintenance of Compressor Station Equipment			-
197	865 Maintenance of Measuring and Reg. Station Equipment			-
198	866 Maintenance of Communication Equipment			-
199	867 Maintenance of Other Equipment			-
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	0	0	-
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	394,724	372,390	22,334
<b>4. DISTRIBUTION EXPENSES</b>				
202	<b>Operation</b>			
203	870 Operation Supervision and Engineering	\$33,632	\$32,265	1,367
204	871 Distribution Load Dispatching			-
205	872 Compressor Station Labor and Expenses			-
206	873 Compressor Station Fuel and Power			-
207	874 Mains and Services Expenses	682,358	784,623	(102,265)
208	875 Measuring and Regulating Station Expenses-General	220,978	170,887	50,091
209	876 Measuring and Regulating Station Expenses-Industrial			-
210	877 Measuring and Regulating Station Expenses-City Gate Check Station			-
211	878 Meter and House Regulator Expenses	995,427	1,024,512	(29,085)
212	879 Customer Installations Expenses	47,743	78,418	(30,675)
213	880 Other Expenses	455,698	433,844	21,854
214	881 Rents			-
215	TOTAL Operation (Enter Total of lines 204 thru 215)	2,435,836	2,524,549	(88,713)
216	<b>Maintenance</b>			
217	885 Maintenance Supervision and Engineering	68,672	68,955	(283)
218	886 Maintenance of Structures and Improvements	6,369	28,615	(22,246)
219	887 Maintenance of Mains	93,438	112,011	(18,573)
220	888 Maintenance of Compressor Station Equipment			-
221	889 Maintenance of Meas. and Reg. Sta. Equip.-General	31,746	25,102	6,644
222	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	86	1,418	(1,332)
223	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	53,877	50,692	3,185
224	892 Maintenance of Services	120,017	241,921	(121,904)
225	893 Maintenance of Meters and House Regulators	12,495	10,519	1,976
226	894 Maintenance of Other Equipment	172,250	208,216	(35,966)
227	TOTAL Maintenance (Enter Total of lines 218 thru 227)	558,950	747,449	(188,499)
228	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	\$2,994,786	\$3,271,998	(277,212)
229	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>			
230	<b>Operation</b>			
231	901 Supervision			-
232	902 Meter Reading Expenses	110,170	111,367	(1,197)
233	903 Customer Records and Collection Expenses	1,462,490	1,523,208	(60,718)
234	904 Uncollectible Accounts	281,795	592,390	(310,595)
235	905 Miscellaneous Customer Accounts Expenses		0	-
236	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	\$1,854,455	\$2,226,965	(372,510)
237				

Name of Resondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report	Year of Report December 31, 2016
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**GAS OPERATION AND MAINTENANCE EXPENSES (Continued)**

Line No.		Amount for Current Year (b)	Amount for Previous Year (c)	Increase or (decrease) (d)
238	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>			
239	<b>Operation</b>			
240	907 Supervision			
241	908 Customer Assistance Expenses	1,346,436	1,341,468	4,968
242	909 Informational and Instructional Expenses	2,570	3,889	(1,319)
243	910 Miscellaneous Customer Service and Informational Expenses			
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	\$1,349,006	\$1,345,357	\$3,649
245	<b>7. SALES EXPENSES</b>			
246	<b>Operation</b>			
247	911 Supervision			
248	912 Demonstration and Selling Expenses			-
249	913 Advertising Expenses			-
250	916 Miscellaneous Sales Expenses			-
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	\$0	\$0	\$0
252	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
253	<b>Operation</b>			
254	920 Administrative and General Salaries	\$11,770	\$10,588	1,182
255	921 Office Supplies and Expenses	204,409	346,667	(142,258)
256	(Less) (922) Administrative Expenses Transferred-Cr.			-
257	923 Outside Services Employed	3,358,161	3,181,512	176,649
258	924 Property Insurance	5,024	5,797	(773)
259	925 Injuries and Damages	228,942	220,251	8,691
260	926 Employee Pensions and Benefits	1,753,710	1,761,596	(7,886)
261	927 Franchise Requirements		0	-
262	928 Regulatory Commission Expenses	455,212	525,653	(70,441)
263	(Less) (929) Duplicate Charges-Cr.			-
264	930.1 General Advertising Expenses	0	0	-
265	930.2 Miscellaneous General Expenses	181,657	188,774	(7,117)
266	931 Rents	15,603	12,524	3,079
267	TOTAL Operation (Enter Total of lines 254 thru 266)	6,214,488	6,253,362	(38,874)
268	<b>Maintenance</b>	111,765		
269	935 Maintenance of General Plant	147,120	138,451	8,669
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	\$6,361,608	\$6,391,813	(\$30,205)
271	TOTAL Gas O. and M. Exp (Lines 97, 177, 201, 229, 237, 244, 251, and 270)	\$42,490,964	\$53,818,046	(\$11,327,082)

**NUMBER OF GAS DEPARTMENT EMPLOYEES**

- |   |  |
|---|--|
| <p>1. The data on number of employees should be reported for the payroll period ending nearest to December 31.</p> <p>2. If the respondent's payroll for the reporting period include any special construction personnel, include such employees on line 3, and and show the number of such special construction in a footnote.</p> | <p>3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.</p> |
|---|--|

Line No.		Number for Current Year (b) NH division	Number for Previous Year (c) NH division	Increase or (decrease) (d)
1	Total Regular Full-time Employees	44	44	0
2	Total Part-Time and Temporary Employees	3	0	3
3	Total Employees	47	44	3

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**REGULATORY COMMISSION EXPENSES**

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to cases before a regulatory body or cases in which such a body was a party.

2. In columns (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

4. The totals of columns (e), (f), (k), and (l) must agree with the totals shown at the bottom of page 22 for Account 186 - Misc. Deferred Debits.

5. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant or other accounts.

6. Minor items (less than \$25,000) may be grouped.

Line No.	(Furnish name of regulatory commission and the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	In Account 186 at Beginning of Year (e)	Expenses Incurred During Year			Amortized During Year			
						Charged Currently To		Deferred to Account 186 (f)	Contra Account (j)	Amount (k)	Deferred In Account 186 at End of Year (l)	
						Department (f)	Account No. (g)					Amount (h)
1												
2	PUC Utility Assessment/Gas Pipeline Safety Assessment, NH			339,210		Reg Services	928	339,210				
3	PUC	339,210		116,002		Reg Services	928	116,002				
4	Other Legal/Regulatory Commission Expenses		116,002	116,002								
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
39												
40	Total			455,212	0			455,212				

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES**

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, legal, valuation, accounting, purchasing, advertising, labor relations and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$50,000, including payments for legislative services, except those which should be reported in Account 426.4, Expenditures for Certain Civic, Political and Related Activities.  
(a) Name of person or organization rendering service.  
(b) Total charges for the year.

2. Designate associated companies with an asterisk in column (b).

Line No.	Description (a)	Associated Company * (b)	Amount Paid (c) * See Note A *	Amount Distributed to * See Note B *		
				Fixed Plant (d)	Operations (e)	Other Accounts (f)
1	ADECCO EMPLOYMENT SERVICES		\$ 406,617	\$ -	\$ 406,617	
2	AECOM		\$ 222,585	\$ -	\$ 222,585	
3	AMEC FOSTER WHEELER ENVIRONMENT & INFRASTRUCTURE INC		\$ 250,627	\$ -	\$ 250,627	
4	APPLUS RTD		\$ 281,715	\$ -	\$ 281,715	
5	ARK ENGINEER & TECH SERVICES		\$ 136,048	\$ -	\$ 136,048	
6	BILL DODGE		\$ 58,779	\$ -	\$ 58,779	
7	CHARTER CONTRACTING COMPANY LLC		\$ 446,694	\$ 446,694	\$ -	
8	CIANBRO		\$ 78,445	\$ -	\$ 78,445	
9	COASTAL ROAD REPAIR		\$ 141,380	\$ 141,380	\$ -	
10	COLLINS PIPE		\$ 620,770	\$ 620,770	\$ -	
11	CONSOLIDATED PIPE & SUPPLY COMPANY		\$ 200,119	\$ 200,119	\$ -	
12	DIG SAFE SYSTEM INC		\$ 56,623	\$ 56,623	\$ -	
13	DRESSER INC-METERS		\$ 129,699	\$ 129,699	\$ -	
14	ELSTER AMERICAN METER		\$ 137,765	\$ 137,765	\$ -	
15	ELSTER PERFECTION CORPORATION		\$ 376,468	\$ 376,468	\$ -	
16	ENERGY FEDERATION INC		\$ 310,873	\$ -	\$ 310,873	
17	E-Z LINE PIPE SUPPORT CO LLC		\$ 55,366	\$ 55,366	\$ -	
18	FAIRPOINT COMMUNICATIONS		\$ 109,038	\$ -	\$ 109,038	
19	FOUR SEASONS FENCE		\$ 134,875	\$ 134,875	\$ -	
20	GEORG FISCHER CENTRAL PLASTICS LLC		\$ 138,358	\$ 138,358	\$ -	
21	GRANITE GROUP, THE		\$ 79,654	\$ 79,654	\$ -	
22	HART PLUMBING & HEATING INC		\$ 69,887	\$ 69,887	\$ -	
23	HENNIKER DIRECTIONAL DRILLING LLC		\$ 405,470	\$ 405,470	\$ -	
24	INDEPENDENT PIPE & SUPPLY CO		\$ 54,597	\$ 54,597	\$ -	
25	ISCO INDUSTRIES		\$ 91,353	\$ 91,353	\$ -	
26	ITRON INC		\$ 50,906	\$ 50,906	\$ -	
27	JDH ENERGY SOLUTIONS LLC		\$ 209,306	\$ -	\$ 209,306	
28	K C AUTO REPAIR		\$ 160,044	\$ -	\$ 160,044	
29	KEELEY CRANE SERVICE		\$ 73,547	\$ -	\$ 73,547	
30	KUBRA DATA TRANSFER LTD		\$ 324,893	\$ -	\$ 324,893	
31	LIBERTY SALES AND DISTRIBUTION		\$ 50,061	\$ 50,061	\$ -	
32	MACKWORTH GROUP LLC		\$ 160,515	\$ -	\$ 160,515	
33	MSR UTILITY MAINTNEANCE CORP		\$ 227,166	\$ 227,166	\$ -	
34	MERCHANTS AUTOMOTIVE GROUP		\$ 386,633	\$ -	\$ 386,633	
35	MILLIKEN BROTHERS		\$ 53,674	\$ 53,674	\$ -	
36	MUELLER CO.		\$ 180,341	\$ 180,341	\$ -	
37	MULCARE PIPELINE SOLUTIONS		\$ 335,497	\$ 335,497	\$ -	
38	NEUCO		\$ 23,979,650	\$ 23,979,650	\$ -	
39	NEW ENGLAND CONTROLS		\$ 78,990	\$ 78,990	\$ -	
40	NEW ENGLAND CP INC.		\$ 72,075	\$ -	\$ 72,075	
41	NEW ENGLAND TRAFFIC CONTROL SERVICES INC		\$ 150,668	\$ 150,668	\$ -	
42	NORTHSTAR DEMOLITION AND REMEDIATION LP		\$ 495,404	\$ 495,404	\$ -	
43	OMARK CONSULTANTS INC		\$ 165,656	\$ 165,656	\$ -	
44	OUELLET ASSOCIATES		\$ 364,341	\$ 364,341	\$ -	
45	PAVEMENT TREATMENTS, INC.		\$ 285,610	\$ 285,610	\$ -	
46	PERKINS THOMPSON		\$ 139,771	\$ -	\$ 139,771	
47	PIERCE ATWOOD LLP		\$ 387,099	\$ -	\$ 387,099	
48	PL-ENERSERV LLC		\$ 288,638	\$ 288,638	\$ -	
49	PLCS INC		\$ 81,919	\$ 81,919	\$ -	
50	PORTSMOUTH CAR CLINIC		\$ 87,434	\$ -	\$ 87,434	
51	POWELL CONTROLS		\$ 322,412	\$ 322,412	\$ -	
52	PPI GAS DISTRIBUTION INC		\$ 243,172	\$ 243,172	\$ -	
53	PROCESS PIPELINE SERVICES		\$ 499,911	\$ 499,911	\$ -	
54	QUARTER TURN RESOURCES		\$ 271,068	\$ 271,068	\$ -	
55	R W LYALL & COMPANY INC DBA MECHANICAL SPECIALTIES		\$ 101,006	\$ 101,006	\$ -	
56	ROACH HEWITT RUPRECHT SANCHEZ & BISCHOFF PC		\$ 150,087	\$ -	\$ 150,087	
57	SCADA NETWORK SERVICES INC		\$ 88,120	\$ -	\$ 88,120	
58	SHAW BROTHERS CONSTRUCTION INC		\$ 75,413	\$ 75,413	\$ -	
59	SOUTHERN NH SERVICES		\$ 122,422	\$ -	\$ 122,422	
60	STEVENS BUSINESS SERVICE		\$ 55,959	\$ -	\$ 55,959	
61	SUSSEX ECONOMIC ADVISORS LLC		\$ 53,594	\$ -	\$ 53,594	
62	TRI MONT ENGINEERING CO		\$ 976,126	\$ -	\$ 976,126	
63	UNITED CONCRETE PRODUCTS		\$ 306,327	\$ 306,327	\$ -	
64	UPSCO INC		\$ 118,032	\$ 118,032	\$ -	
65	UTILITIES & INDUSTRIES C/O DBI INC		\$ 148,020	\$ 148,020	\$ -	
66	WEBBER SUPPLY		\$ 71,188	\$ 71,188	\$ -	
67	WESCO RECEIVABLES CORP		\$ 54,959	\$ 54,959	\$ -	
68	Unithl Service Corp (NH Division)		\$ 9,259,767	\$ 2,966,017	\$ 6,273,750	
			\$ 46,701,223	\$ 35,125,123	\$ 11,576,100	0

Note A - These payments are for the Maine and NH divisions combined, as separate data is not available.

Note B: Account distribution varies by individual invoice, and can include amounts distributed to Fixed Plant, Operations, and/or Other Accounts. The distribution in columns (d) and (e) are based on the primary service provided by the vendor.

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised -	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**GAS ACCOUNTS - NATURAL GAS**

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.

2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.

3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.

4. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.

5. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of this page as necessary.

6. Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received received through gathering facilities or intrastate facilities, but not through any of the interstate of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.

7. Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.

8. Also indicate the volumes of pipeline production field sales included in both the company's total sales figures and total transportation figure.

Line No.	Name of System Item (a)	Ref Page No. (b)	Amount of Dth (c)
2	<b>GAS RECEIVED</b>		
3	Gas Purchases (Accounts 800-805)		3,652,565
4	Gas of Others Received for Gathering (Account 489.1)		
5	Gas of Others Received for Transmission (Account 489.2)		
6	Gas of Others Received for Distribution (Account 489.3)		4,460,549
7	Gas of Others Received for Contract Storage (Account 489.4)		
8	Exchanged Gas Received from Others (Account 806)		
9	Gas Received as Imbalances (Account 806)		
10	Receipts of Respondent's Gas Transported by Others (Account 858)		
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as Compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify)		0
15	Total Receipts (Total of lines 3 thru 14)		8,113,114
16	<b>GAS DELIVERED</b>		
17	Gas Sales (Accounts 480-484)		3,520,052
18	Deliveries of Gas Gathered for Others (Account 489.1)		
19	Deliveries of Gas Transported for Others (Account 489.2)		
20	Deliveries of Gas Distributed for Others (Account 489.3)		4,298,722
21	Deliveries of Contract Storage Gas (Account 489.4)		
22	Exchange Gas Delivered to Others (Account 806)		
23	Exchange Gas Delivered as Imbalances (Account 806)		
24	Deliveries of Gas to Others for Transportation (Account 858)		
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel		
27	Other Deliveries (Specify) Company Use		1,803
28	Total Deliveries (Total of lines 17 thru 27)		7,820,577
29	<b>GAS UNACCOUNTED FOR</b>		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		
34	Storage System Losses		
35	Other Losses (Specify)		292,537
36	Total Unaccounted For (Total of Lines 30 thru 35)		292,537
37	Total Deliveries & Unaccounted For (Total of lines 28 and 36)		8,113,114

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northern Utilities, Inc.	(1) Original (2) Revised		December 31, 2016

Information Required Pursuant to **Puc 510.06**.  
Political Activities, Institutional Advertising, Promotional Advertising and Promotional Allowances

NH Division:

Political Activities, Institutional Advertising  
Promotional Advertising and Promotional Allowances

Institutional Advertising

Advertising-Public Relations                   \$   107,959

Promotional Advertising

Various Other Promotional Programs       \$   127,881

Lobbying Expenses

\$   33,398

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northern Utilities, Inc.	(1) Original (2) Revised	(Mo, Da, Yr)	December 31, 2016

Summary of Affiliated Transactions  
Report of Affiliate Transactions - Past Year

Provide affiliate name and description of the service(s) provided.

Unitil Service Corp

Services provided by Unitil Service Corp

- Accounting, Finance & Tax, Administrative, Business Development, Communication, Customer Support, Distributed Energy Resources, Energy Measurement & Control, Engineering, Executive, Financial, Legal & Corporate, Human Resources, Information Technology Systems, Operations Support and Regulatory Services
- Short term financing/cash pool
- Convenience bill payments
- Allocation of certain benefits

Granite State Gas Transmission

Services provided by Northern

- Office space

Services provided by Granite

- Pipeline capacity and natural gas

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised -	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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LIQUEFIED PETROLEUM GAS OPERATIONS

1. Report the information called for below concerning plants which produce gas from liquefied gas (LPG). which is only an adjunct of a manufactured gas plant, may include or exclude (as appropriate) the plant cost and expenses of any plant used jointly with the manufactured plant facilities on the basis of predominant use. Indicate in a footnote how the plant cost and expense for the liquefied petroleum plant described above are reported.
2. For columns (b) and (c), the plant cost and operation and maintenance expenses of any liquefied petroleum gas installation

Line No.	Identification of Plant and Year Installed (a)	Cost of Plant (Land, struc, equip.) (b)	Operations & Maintenance, Rents Expense (c)	LPG Facility Number of Days of Peakshaving Operations (d)
1				
2	Portland, Maine	\$865,576	\$973	0
3				
4	NH does not have any LPG, so all data is for Maine division.			
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40	Total	865,576	973	0



Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised -	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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LIQUEFIED PETROLEUM GAS OPERATIONS (continued)

3. (continued) Designate any plant held under a title other than full ownership and in a footnote state name of owner or co-owner, nature of respondent's title and percent ownership if jointly owned.

4. For column (g) report the Mcf that is mixed with natural gas or which is substituted for deliveries normally made from natural gas. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas or mixture of natural gas and gasified LPG.

5. If any plant was not operated during the past year, give details in a footnote, and state whether the book cost of plant or any portion thereof, has been retired in the books of account or what disposition of the plant and its book cost is contemplated.

6. Report pressure base of gas at 14.73 psia at 60 F. Indicate the Btu content in a footnote.

Gallons of LPG Used  (e)	Sendout Volumes		LPG Storage Capacity Gallons  (h)	Maximum Daily Delivery Capacity of Facility, MMBtu at 14.73 psia at 60  (i)
	Peak Day Propane MMBTU  (f)	Annual Propane MMBtu MMBTU  (g)		

Name of Respondent Northern Utilities, Inc.	This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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Liquefied Natural Gas (LNG) PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plant, oil gas sets, etc.  
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the maximum

daily delivery capacities.  
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	LNG Facility Number of Days of Peakshaving Operation (b)	Maximum Daily Delivery Capacity of Facility, MMBtu at 14.73 psia at 60 (c)	Cost of Facility (in dollars) (d)	Sendout Volumes MMBtu Units	
					Peak Day (e)	Annual (f)
1	Lewiston, ME	LNG	10,000		4,639	26,025
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Name of Respondent Northern Utilities, Inc.		This Report Is: (1) Original (2) Revised	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1)				
1. Provide totals for the following accounts: 800 Natural Gas Well Head Purchases 800.1 Natural Gas Well Head Purchases, Intracompany Transfers 801 Natural Gas Field Line Purchases 802 Natural Gas Gasoline Plant Outlet Purchases 803 Natural Gas Transmission Line Purchases 804 Natural Gas City Gate Purchases 804.1 Liquefied Natural Gas Purchases 805 Other Gas Purchases 805.1 Purchase Gas Cost Adjustments		The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote. 2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in previous years. 3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volume of gas shown in column (b). 4. State in column (d) the average cost per Dth to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)		
Line No.	Account Title (a)	Gas Purchased - Dth (14.73 psia at 60F) (b)	Cost of Gas (in dollars) (c)	Average Cost per Dth (To nearest .01 of a cent) (d)
1	800 - Natural Gas Well Head Purchases			
2	800.1 - Natural Gas Well Head Purchases, Intracompany Transfers			
3	801 - Natural Gas Field Line Purchases			
4	802 - Natural Gas Gasoline Plant Outlet Purchases			
5	803 - Natural Gas Transmission Line Purchases			
6	804 - Natural Gas City Gate Purchases			
7	804.1 - Liquefied Natural Gas Purchases	3,652,565	\$29,937,211	\$8.20
8	805 - Other Gas Purchases			
9	805.1 - Purchase Gas Cost Adjustments			
10	Total (Lines 1 through 9)	3,652,565	29,937,211	\$8.20
Notes to Gas Purchases				
NHPUC Page 48				

Name of Respondent		This Report Is:		Date of Report		Year of Report			
Northern Utilities, Inc.		(1) Original (2) Revised		(Mo, Da, Yr)		December 31, 2016			
<b>Table 50 Summary of Gas Plant Operations</b>									
<b>I. Natural Gas Volumes Transported by Company and Others Through Interstate Pipelines, Received by Company and Retained by Pipelines as Fuel Retention</b>									
Month	Volumes Purchased and Shipped by Company on Interstate Pipelines	Volumes Purchased and Delivered for Company on Interstate Pipelines	Volumes Injected into Contracted Underground Storage Capacity	Volumes Withdrawn from Contracted Underground Storage Capacity	Competitive Natural Gas Supplier Volumes Received at City Gates for Unbundled Customers	Off-System Sales for Resale	Interstate Pipeline Compressor Fuel Retention Amount of Company Purchased and Storage Withdrawn Volumes	Total Delivered Pipeline Natural Gas Volumes to City Gates	
	+ Dth	+ Dth	- Dth	+ Dth	+ Dth	+ Dth	- Dth	+ Dth	
1	888,924.0	264,500.0	63,392.0	824,110.0	1,246,061.4	(101,033.0)	391,712.0	2,667,458.4	
2	844,879.0	320,500.0	19,800.0	506,823.0	1,143,014.0	(2,740.0)	363,299.0	2,429,377.0	
3	718,061.0	267,500.0	-	157,805.0	1,182,497.0	-	375,652.0	1,950,211.0	
4	900,134.0	150,000.0	246,629.0	20,000.0	898,901.0	-	120,299.0	1,602,107.0	
5	703,883.0	-	227,418.0	-	742,269.0	-	122,010.0	1,096,724.0	
6	543,699.0	-	226,629.0	-	632,986.0	-	117,610.0	832,446.0	
7	478,510.0	-	227,974.0	-	586,092.0	-	138,556.0	698,072.0	
8	478,518.0	-	227,418.0	-	619,194.0	-	133,303.0	736,991.0	
9	468,159.0	-	226,629.0	-	633,708.0	-	116,640.0	758,588.0	
10	666,334.0	107,000.0	236,950.0	-	799,103.0	-	169,608.0	1,165,879.0	
11	761,059.0	200,000.0	27,214.0	73,761.0	1,106,930.0	(53,833.0)	362,740.0	1,697,963.0	
12	967,053.0	279,500.0	65,440.0	763,889.0	1,184,293.0	(82,224.0)	386,830.0	2,660,241.0	
13									
14									
15	Total Natural Gas	8,419,213.0	1,589,000.0	1,795,493.0	2,346,388.0	10,775,048.4	(239,830.0)	2,798,259.0	18,296,067.4
<b>II. On-Site Peakshaving Gas Volumes</b>									
Month	LNG Volume Used	LNG Volume Received	LNG Volume on Hand at End of Month	LPG Volume Used	LPG Volume Received	LPG Volume on Hand at End of Month	Interstate Pipeline Compressor Fuel Retention Amount of Company Purchased and Storage Withdrawn Volumes	Total LNG and LPG Volumes used	
	+ MMBtu	+ MMBtu	+ MMBtu	+ MMBtu	+ MMBtu	+ MMBtu	+ MMBtu		
1	10,231.0	10,121.0	10,968.0	-	-	-	-	10,231.0	
2	1,806.0	-	9,162.0	-	-	-	-	1,806.0	
3	2,923.0	4,533.0	10,772.0	-	-	-	-	2,923.0	
4	8,748.0	8,840.0	10,864.0	-	-	-	-	8,748.0	
5	2,148.0	1,802.0	10,518.0	-	-	-	-	2,148.0	
6	2,349.0	1,843.0	10,012.0	-	-	-	-	2,349.0	
7	2,539.0	-	7,473.0	-	-	-	-	2,539.0	
8	2,701.0	3,678.0	8,450.0	-	-	-	-	2,701.0	
9	409.0	921.0	8,962.0	-	-	-	-	409.0	
10	1,709.0	2,598.0	9,851.0	-	-	-	-	1,709.0	
11	1,585.0	-	8,266.0	-	-	-	-	1,585.0	
12	11,157.0	13,298.0	10,407.0	-	-	-	-	11,157.0	
13									
14									
15	Total On-Site Peakshaving	48,305.0	47,634.0	115,705.0	-	-	-	48,305.0	
<b>III. Annual Demand-Supply Summary</b>									
Month	Total Distribution Gas, LNG and LPG Gas Available	Total Sales Customer Demand	Total Unbundled Transportation Customer Demand	Total Volumes Used by Company	Total Unbilled Volumes	Total Unaccounted For Volumes	Total Distribution Sendout Volumes	Total Pipeline Supply Over/(Under) Delivery Cashout Imbalance	
	+ Dth	+ Dth	+ Dth	+ Dth	+/- Dth	+/- Dth	+ Dth	+/- Dth	
1	2,677,689.4	1,419,586.0	989,288.0	1,740.2	46,617.1	227,047.6	2,684,278.9	(6,589.4)	
2	2,431,183.0	1,532,251.0	978,146.0	2,168.0	(456,339.9)	328,587.5	2,384,812.6	46,370.4	
3	1,953,134.0	1,291,013.0	901,305.0	1,784.3	58,676.7	(240,563.9)	2,012,215.1	(59,081.1)	
4	1,610,855.0	925,748.0	775,554.0	1,505.8	(244,445.7)	146,848.9	1,605,211.0	5,644.0	
5	1,098,872.0	578,948.0	633,420.0	656.9	(221,327.1)	95,381.8	1,087,079.6	11,792.4	
6	834,795.0	329,648.0	523,014.0	116.8	(152,227.4)	101,237.0	801,788.4	33,006.6	
7	700,611.0	245,584.0	460,356.0	75.5	87,983.8	(62,278.8)	731,720.5	(31,109.5)	
8	739,692.0	260,875.0	505,699.0	103.5	(122,742.5)	116,397.2	760,332.2	(20,640.2)	
9	759,007.0	251,076.0	504,966.0	113.5	71,258.9	(52,530.2)	774,884.2	(15,877.2)	
10	1,167,586.0	389,163.0	609,708.0	273.9	193,131.2	28,466.2	1,220,744.3	(53,156.3)	
11	1,699,548.0	749,364.0	730,391.0	827.5	415,182.9	(194,223.9)	1,701,541.5	(1,993.5)	
12	2,671,398.0	1,239,966.0	888,253.0	1,371.8	316,889.2	136,164.9	2,582,844.9	88,753.1	
13									
14									
15	Total Annual Volume	18,344,372.4	9,213,222.0	8,500,100.0	10,737.7	(7,342.8)	630,536.3	18,347,253.2	(2,880.8)
16	Percent of Sendout	99.98%	50.22%	46.33%	0.06%	-0.04%	3.44%	100.00%	-0.02%
17									