



March 10, 2004

**BY HAND DELIVERY & ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**Re: Docket 3571 - Standard Offer Reconciliation Report**

Dear Ms. Massaro:

Enclosed on behalf of The Narragansett Electric Company (“Narragansett” or “Company”) are ten copies of the Company’s Standard Offer Reconciliation report (“Report”) through January 2004. The enclosed Report provides the Company’s most current projection of the Standard Offer reconciliation balance through December 31, 2004 based on actual revenues and expenses through January 2004. The projected revenues and expenses are calculated using estimated fuel index payments based on projected gas and oil futures prices as reported in the Wall Street Journal for February 23, 24, and 25, 2004.

In R.I.P.U.C. Docket No. 3508, the Company agreed to file monthly reconciliation reports with the Commission showing its projected Standard Offer reconciliation balance. That requirement has been continued as part of Docket 3571. Pursuant to the Commission’s Order in this proceeding, Narragansett is also required to apply for a rate adjustment if the Company’s projections show that the accrual of the over- or under-collection through December 31, 2004 will be more than \$16 million. Based on the current fuel price estimates, the Company is projecting an under collection of approximately \$3.4 million as of December 31, 2004 as shown on Attachment 1, page 1.

Attachment 1, page 1, of this Report shows the Company’s projected Standard Offer reconciliation balance through December 31, 2004. Pages 2 and 3 of Attachment 1 support the calculation of the Company’s projected Standard Offer revenues and expenses. Projected revenues are estimated by applying the Standard Offer rate of 5.9¢ per kWh to the Company’s forecasted retail Standard Offer deliveries. Standard Offer base expenses are calculated by multiplying the forecasted kWh deliveries by the base

Ms. Luly E. Massaro, Commission Clerk  
Docket 3571 – Standard Offer Reconciliation Report  
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wholesale charge in effect for each period under the Company's wholesale Standard Offer supply contracts. The base wholesale charge show in Column (d) on Page 3 has been adjusted to include an estimate of the effect of the Standard Offer contract amendment approved by the Commission in R.I.P.U.C. Docket No. 3496.

Attachment 2 shows the calculation of the estimated monthly fuel index adjustment prices per kWh based on the February 23, 24 and 25, 2004 forecasted fuel prices. Pages 1 and 2 include the projections of natural gas and crude oil prices, respectively. The monthly weighted fuel index adjustments are calculated on Page 3.

Please do not hesitate to contact me if you have any questions regarding this report.

Very truly yours,

Terry L. Schwennesen

Enclosures

c: Docket 3571 Service List  
Steve Scialabba

**Attachment 1**

**The Narragansett Electric Company**

**Report to the R.I.P.U.C.  
Standard Offer Reconciliation**

**Projected Balance  
for the period October 2003 through December 2004**

**Submitted: March 2004**

**The Narragansett Electric Company**  
 Standard Offer Reconciliation  
 Projected Balance at Year Ending December 31, 2004

**Section 1. Projected Balance @ September 30, 2004**

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Adjustments (g)	Over(Under) Ending Monthly Balance (h)	Monthly Balance Including Unbilled (i)
(1) Oct-03	\$22,825,747	11,207,288	\$24,816,572	\$8,224,546	\$33,041,118	(\$21,833,830)	(\$546,718)	\$445,199	\$14,476,731
(1) Nov-03	445,199	28,063,064	\$24,577,110	\$8,233,798	32,810,907	(4,747,843)		(4,302,644)	11,650,255
(1) Dec-03	(4,302,644)	31,905,799	\$27,227,305	\$9,324,229	36,551,534	(4,645,735)	573,639	(8,374,740)	9,120,339
(1) Jan-04	(8,374,740)	34,990,158	\$32,339,637	\$7,215,687	39,555,324	(4,565,167)		(12,939,907)	3,826,268
(2) Feb-04	(12,939,907)	33,532,349	\$29,229,978	\$6,501,866	35,731,844	(2,199,495)		(15,139,401)	826,282
(2) Mar-04	(15,139,401)	31,931,366	\$27,834,410	\$5,590,695	33,425,105	(1,493,738)		(16,633,140)	(1,429,451)
(2) Apr-04	(16,633,140)	30,407,379	\$26,505,957	\$5,674,326	32,180,283	(1,772,905)		(18,406,045)	(3,809,846)
(2) May-04	(18,406,045)	29,192,398	\$25,446,865	\$5,670,252	31,117,117	(1,924,719)		(20,330,764)	(4,695,902)
(2) Jun-04	(20,330,764)	31,269,723	\$27,257,658	\$6,121,446	33,379,104	(2,109,381)		(22,440,145)	(4,936,102)
(2) Jul-04	(22,440,145)	35,008,087	\$30,516,371	\$6,859,212	37,375,583	(2,367,496)		(24,807,641)	(6,917,853)
(2) Aug-04	(24,807,641)	35,779,577	\$31,188,875	\$6,895,149	38,084,024	(2,304,447)		(27,112,088)	(9,882,404)
(2) Sep-04	(27,112,088)	34,459,369	\$30,038,057	\$6,547,280	36,585,337	(2,125,968)		(29,238,056)	(13,000,067)
(2) Oct-04	(29,238,056)	16,237,989				16,237,989		(13,000,067)	
Totals	\$22,825,747	\$383,984,545	\$336,978,795	\$82,858,485	\$419,837,280	(\$35,852,735)	\$26,921	(\$13,000,067)	
Interest (3)								\$209,287	
Ending Balance@ September 30, 2004 with Interest								(\$12,790,780)	

- (1) Actual revenues and expenses
- (2) Estimated revenues and expenses
- (3) Interest expense calculation :  $(22,825,747 + -13,000,067)/2 * (4.61\%/12 + 4.01\% * 7/12)$

\* For September usage billed in October

**Section 2. Projected Balance @ December 31, 2004**

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Adjustments (g)	Over(Under) Ending Monthly Balance (h)	Monthly Balance Including Unbilled (i)
(2) Oct-04	(\$12,790,780)	\$16,237,989	\$28,309,145	\$6,186,949	\$34,496,094	(\$18,258,105)		(\$31,048,885)	(\$15,111,690)
(2) Nov-04	(31,048,885)	31,874,390	27,784,744	6,180,390	33,965,134	(2,090,744)		(33,139,629)	(16,825,928)
(2) Dec-04	(33,139,629)	32,627,401	28,441,140	6,481,240	34,922,379	(2,294,978)		(35,434,607)	(17,055,047)
* (2) Jan-05	(35,434,607)	18,379,560				18,379,560		(17,055,047)	
Totals	(\$12,790,780)	\$99,119,340	\$84,535,028	\$18,848,579	\$103,383,607	(\$4,264,267)	\$0	(\$17,055,047)	
Interest (3)								(\$149,602)	
Ending Balance@ December 31, 2004 with Interest								(\$17,204,650)	

\* For December usage billed in January

- (2) Estimated revenues and expenses
- (3) Interest expense calculation :  $(-12,790,780 + -17,055,047)/2 * (4.01\% * 3/12)$

**Column Notes:**

- Column (a) Column (g) from previous row; beginning balance from Exhibit JAL-6, RIPUC Docket No. 3571.
- Column (b) from Page 2
- Column (c) from Page 3
- Column (d) from Page 3
- Column (e) Column (c) + Column (d)
- Column (f) Column (b) - Column (e)
- Column (g) Oct 2003: Adjustment to correct entry in 2003 reconciliation. Expense adjustment in October 2002 of \$273,359 was inadvertently recorded as an expense offset.  
Dec: Ending balance from Last Resort Service reconciliation per Commission order in RIPUC Docket No. 3571
- Column (h) Column (a) + Column (f)
- Column (i) Column (g) + 50% of next month's Column (b)

The Narragansett Electric Company  
Standard Offer Reconciliation  
Estimated Revenue through January 2005

(1) Estimated Standard Offer kWh Deliveries 87.0%

<u>Month</u>	<u>Estimated Total Company kWh Deliveries</u> (a)	<u>Estimated Standard Offer Deliveries</u> (b)	<u>Standard Offer Rate</u> (c)	<u>Total Revenues</u> (d)
			\$0.05900	
Feb-04	653,270,000	568,344,900	\$0.05900	\$33,532,349
Mar-04	622,080,000	541,209,600	\$0.05900	\$31,931,366
Apr-04	592,390,000	515,379,300	\$0.05900	\$30,407,379
May-04	568,720,000	494,786,400	\$0.05900	\$29,192,398
Jun-04	609,190,000	529,995,300	\$0.05900	\$31,269,723
Jul-04	682,020,000	593,357,400	\$0.05900	\$35,008,087
Aug-04	697,050,000	606,433,500	\$0.05900	\$35,779,577
Sep-04	671,330,000	584,057,100	\$0.05900	\$34,459,369
Oct-04	632,690,000	550,440,300	\$0.05900	\$32,475,978
Nov-04	620,970,000	540,243,900	\$0.05900	\$31,874,390
Dec-04	635,640,000	553,006,800	\$0.05900	\$32,627,401
Jan-05	716,133,250	623,035,928	\$0.05900	\$36,759,120

Column Notes:

- (a) Per Company forecast  
(b) Column (a) x Line (1)  
(c) Per currently effective tariff  
(d) Column (b) x Column (c)
- (1) From Page 3, Line (3)

The Narragansett Electric Company  
 Standard Offer Reconciliation  
 Estimated Standard Offer Expenses through December 2004

**Section 1. Estimation of Standard Offer kWh Deliveries**

	<u>Jan-04</u>
(1) Standard Offer kWhs	617,638,437
(2) Total kWh Deliveries	709,525,073
(3) Percentage of Standard Offer kWhs to Total kWhs	87.0%

Notes:

- (1) Company revenue reports
- (2) Company revenue reports
- (3) Line (1) ÷ Line (2)

**Section 2. Calculation of Projected Expenses**

	Projected Total Company kWh Deliveries (a)	% of Standard Offer kWhs to Total kWhs (b)	Projected Standard Offer kWh Deliveries (c)	Base Standard Offer Charge (d)	Base Standard Offer Expenses (e)	Projected Fuel Index Cost per kWh (f)	Projected Fuel Index Payments (g)	Total Projected Standard Offer Expenses (h)
Feb-04	653,270,000	87.0%	568,344,900	\$0.05143	\$29,229,978	\$0.01144	\$6,501,866	\$35,731,844
Mar-04	622,080,000	87.0%	541,209,600	\$0.05143	\$27,834,410	\$0.01033	\$5,590,695	\$33,425,105
Apr-04	592,390,000	87.0%	515,379,300	\$0.05143	\$26,505,957	\$0.01101	\$5,674,326	\$32,180,283
May-04	568,720,000	87.0%	494,786,400	\$0.05143	\$25,446,865	\$0.01146	\$5,670,252	\$31,117,117
Jun-04	609,190,000	87.0%	529,995,300	\$0.05143	\$27,257,658	\$0.01155	\$6,121,446	\$33,379,104
Jul-04	682,020,000	87.0%	593,357,400	\$0.05143	\$30,516,371	\$0.01156	\$6,859,212	\$37,375,583
Aug-04	697,050,000	87.0%	606,433,500	\$0.05143	\$31,188,875	\$0.01137	\$6,895,149	\$38,084,024
Sep-04	671,330,000	87.0%	584,057,100	\$0.05143	\$30,038,057	\$0.01121	\$6,547,280	\$36,585,337
Oct-04	632,690,000	87.0%	550,440,300	\$0.05143	\$28,309,145	\$0.01124	\$6,186,949	\$34,496,094
Nov-04	620,970,000	87.0%	540,243,900	\$0.05143	\$27,784,744	\$0.01144	\$6,180,390	\$33,965,134
Dec-04	635,640,000	87.0%	553,006,800	\$0.05143	\$28,441,140	\$0.01172	\$6,481,240	\$34,922,379
							Total Expected Fuel Payments through December 2004 .....	\$68,708,804

Column Notes:

- (a) Per Company forecast
- (b) Section 1, Line (3)
- (c) Column (a) x Column (b)
- (d) Per standard offer contract (includes estimate for base SO adjustment for contract amendment as approved in RIPUC Docket No. 3496)
- (e) Column (c) x Column (d)
- (f) Company estimate based on fuel prices as reported on 1/26/04, 1/27/04 & 1/28/04
- (g) Column (c) x Column (f)
- (h) Column (e) + Column (g)

**Attachment 2**

**The Narragansett Electric Company**

**Report to the R.I.P.U.C.  
Standard Offer Reconciliation**

**Calculation of the Fuel Index Adjustment  
through December 2004**

Prices published in WSJ on: **26-Jan-04 27-Jan-04 28-Jan-04**

**The Narragansett Electric Company  
DETERMINATION OF MARKET GAS PRICE**

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)
Contract Month	Last Month of Trading	Settlement Prices (\$/mmBtu)			Gas Index	NGrid's Market Gas Price	EUA's Market Gas Price	SOS Delivery Month
		3rd Last	2nd Last	Last				
Feb-03	Jan-03	\$5.396	\$5.444	\$5.660	\$5.500	\$3.731	\$3.901	Feb-03
Mar-03	Feb-03	\$9.137	\$9.577	\$9.133	\$9.282	\$4.306	\$4.328	Mar-03
Apr-03	Mar-03	\$5.077	\$5.097	\$5.146	\$5.107	\$4.446	\$5.298	Apr-03
May-03	Apr-03	\$5.474	\$5.477	\$5.123	\$5.358	\$4.615	\$5.542	May-03
Jun-03	May-03	\$6.119	\$5.900	\$5.945	\$5.988	\$4.835	\$5.750	Jun-03
Jul-03	Jun-03	\$5.697	\$5.757	\$5.291	\$5.582	\$5.018	\$6.045	Jul-03
Aug-03	Jul-03	\$4.706	\$4.700	\$4.693	\$4.700	\$5.165	\$6.136	Aug-03
Sep-03	Aug-03	\$5.083	\$5.038	\$4.927	\$5.016	\$5.295	\$6.003	Sep-03
Oct-03	Sep-03	\$4.588	\$4.542	\$4.430	\$4.520	\$5.368	\$5.292	Oct-03
Nov-03	Oct-03	\$4.512	\$4.486	\$4.459	\$4.486	\$5.399	\$5.194	Nov-03
Dec-03	Nov-03	\$4.634	\$4.682	\$4.860	\$4.725	\$5.441	\$5.049	Dec-03
Jan-04	Dec-03	\$6.143	\$6.379	\$6.150	\$6.224	\$5.541	\$4.838	Jan-04
Feb-04	Jan-04	\$5.727	\$5.716	\$5.775	\$5.739	\$5.561	\$4.945	Feb-04
Mar-04	Feb-04	<b>\$5.711</b>	<b>\$5.656</b>	<b>\$5.740</b>	<b>\$5.702</b>	<b>\$5.262</b>	<b>\$5.118</b>	Mar-04
Apr-04	Mar-04	<b>\$5.321</b>	<b>\$5.266</b>	<b>\$5.325</b>	<b>\$5.304</b>	<b>\$5.279</b>	<b>\$5.233</b>	Apr-04
May-04	Apr-04	<b>\$5.231</b>	<b>\$5.191</b>	<b>\$5.233</b>	<b>\$5.218</b>	<b>\$5.267</b>	<b>\$5.363</b>	May-04
Jun-04	May-04	<b>\$5.231</b>	<b>\$5.188</b>	<b>\$5.230</b>	<b>\$5.216</b>	<b>\$5.203</b>	<b>\$5.486</b>	Jun-04
Jul-04	Jun-04	<b>\$5.253</b>	<b>\$5.208</b>	<b>\$5.245</b>	<b>\$5.235</b>	<b>\$5.174</b>	<b>\$5.567</b>	Jul-04
Aug-04	Jul-04	<b>\$5.265</b>	<b>\$5.218</b>	<b>\$5.253</b>	<b>\$5.245</b>	<b>\$5.219</b>	<b>\$5.403</b>	Aug-04
Sep-04	Aug-04	<b>\$5.240</b>	<b>\$5.193</b>	<b>\$5.228</b>	<b>\$5.220</b>	<b>\$5.236</b>	<b>\$5.320</b>	Sep-04
Oct-04	Sep-04	<b>\$5.250</b>	<b>\$5.203</b>	<b>\$5.233</b>	<b>\$5.229</b>	<b>\$5.295</b>	<b>\$5.240</b>	Oct-04
Nov-04	Oct-04	<b>\$5.455</b>	<b>\$5.403</b>	<b>\$5.431</b>	<b>\$5.430</b>	<b>\$5.374</b>	<b>\$5.227</b>	Nov-04
Dec-04	Nov-04	<b>\$5.640</b>	<b>\$5.588</b>	<b>\$5.621</b>	<b>\$5.616</b>	<b>\$5.448</b>	<b>\$5.263</b>	Dec-04
Jan-05	Dec-04	<b>\$5.780</b>	<b>\$5.728</b>	<b>\$5.756</b>	<b>\$5.755</b>	<b>\$5.409</b>	n/a	Jan-05
Feb-05	Jan-05	<b>\$5.740</b>	<b>\$5.688</b>	<b>\$5.716</b>	<b>\$5.715</b>	<b>\$5.407</b>	n/a	Feb-05
Mar-05	Feb-05	<b>\$5.565</b>	<b>\$5.513</b>	<b>\$5.541</b>	<b>\$5.540</b>	<b>\$5.394</b>	n/a	Mar-05
Apr-05	Mar-05	<b>\$5.020</b>	<b>\$4.973</b>	<b>\$4.996</b>	<b>\$4.996</b>	<b>\$5.368</b>	n/a	Apr-05
May-05	Apr-05	<b>\$4.915</b>	<b>\$4.873</b>	<b>\$4.896</b>	<b>\$4.895</b>	<b>\$5.341</b>	n/a	May-05
Jun-05	May-05	<b>\$4.935</b>	<b>\$4.873</b>	<b>\$4.896</b>	<b>\$4.901</b>	<b>\$5.315</b>	n/a	Jun-05
Jul-05	Jun-05	<b>\$4.975</b>	<b>\$4.873</b>	<b>\$4.896</b>	<b>\$4.915</b>	<b>\$5.288</b>	n/a	Jul-05
Aug-05	Jul-05	<b>\$4.990</b>	<b>\$4.873</b>	<b>\$4.896</b>	<b>\$4.920</b>	<b>\$5.261</b>	n/a	Aug-05
Sep-05	Aug-05	<b>\$4.955</b>	<b>\$4.873</b>	<b>\$4.896</b>	<b>\$4.908</b>	<b>\$5.235</b>	n/a	Sep-05
Oct-05	Sep-05	<b>\$4.990</b>	<b>\$4.873</b>	<b>\$4.896</b>	<b>\$4.920</b>	<b>\$5.209</b>	n/a	Oct-05
Nov-05	Oct-05	<b>\$5.175</b>	<b>\$4.873</b>	<b>\$4.896</b>	<b>\$4.981</b>	<b>\$5.172</b>	n/a	Nov-05
Dec-05	Nov-05	<b>\$5.355</b>	<b>\$4.873</b>	<b>\$4.896</b>	<b>\$5.041</b>	<b>\$5.124</b>	n/a	Dec-05

Notes:

Col. A - Contract refers to the NYMEX Natural Gas Futures Contract, as approved by the CFTC, for the purchase and sale of natural gas at Henry Hub.

Col. B - Month that trading for the Contract ends (the month before the delivery month)

Col. C - Settlement price for the third last trading day as reported in the Wall Street Journal. (Jan-99 - Feb-04)

- Settlement price as reported in the Wall Street Journal on 26-Jan-04. (Mar-04 Dec-05)

Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Feb-04)

- Settlement price as reported in the Wall Street Journal on 27-Jan-04. (Mar-04 Dec-05)

Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Feb-04)

- Settlement price as reported in the Wall Street Journal on 28-Jan-04. (Mar-04 Dec-05)

Col. F - Average value of Col. C, Col. D and Col. E (=AVERAGE(Col. C..Col. E))

Col. G - Average of the most recent twelve months of values in Col. F (including current SOS delivery month)

Col. H - Average of the most recent six months of values in Col. F (ending month prior to SOS delivery month)

Col. I - month in which SOS was delivered at wholesale.



The Narragansett Electric Company  
DETERMINATION OF FUEL ADJUSTMENT VALUE

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)	(Col. J)	(Col. K)	(Col. L)	(Col. M)	(Col. N)
SOS Delivery Month	NGrid's Market Gas Price	NGrid's Market Oil Price	NGrid's Fuel Value	NGrid's Fuel Trigger	NGrid's Adjustment Value	EUA's Market Gas Price	EUA's Market Oil Price	EUA's Fuel Value	EUA's Fuel Trigger	EUA's Adjustment Value	Ngrid Adjustment e/kWh	EUA Adjustment e/kWh	Weighted Adjustment e/kWh
Jan-03	\$3.4375	\$3.7437	\$7.1812	\$7.01	1.02238	\$3.6262	\$3.9658	\$7.5920	\$7.01	1.07608	0.105	0.358	0.171
Feb-03	\$3.7305	\$4.0107	\$7.7412	\$7.01	1.09559	\$3.9006	\$4.2037	\$8.1043	\$7.01	1.14305	0.449	0.672	0.507
Mar-03	\$4.3056	\$4.1730	\$8.4786	\$7.01	1.19197	\$4.3276	\$4.4587	\$8.7863	\$7.01	1.23219	0.902	1.091	0.951
Apr-03	\$4.4463	\$4.1958	\$8.6421	\$7.01	1.21335	\$5.2976	\$4.6092	\$9.9068	\$7.01	1.37866	1.003	1.780	1.205
May-03	\$4.6154	\$4.2112	\$8.8266	\$7.01	1.23747	\$5.5419	\$4.5442	\$10.0861	\$7.01	1.40210	1.116	1.890	1.317
Jun-03	\$4.8354	\$4.2441	\$9.0794	\$7.01	1.27051	\$5.7499	\$4.5618	\$10.3117	\$7.01	1.43160	1.271	2.029	1.468
Jul-03	\$5.0184	\$4.3101	\$9.3285	\$7.01	1.30307	\$6.0445	\$4.5223	\$10.5668	\$7.01	1.46495	1.424	2.185	1.622
Aug-03	\$5.1652	\$4.3412	\$9.5063	\$7.01	1.32632	\$6.1361	\$4.4165	\$10.5526	\$7.01	1.46309	1.534	2.177	1.701
Sep-03	\$5.2946	\$4.3261	\$9.6207	\$7.01	1.34127	\$6.0027	\$4.2237	\$10.2264	\$7.01	1.42045	1.604	1.976	1.701
Oct-03	\$5.3679	\$4.3199	\$9.6877	\$7.01	1.35003	\$5.2917	\$4.0430	\$9.3347	\$7.01	1.30388	1.645	1.428	1.589
Nov-03	\$5.3992	\$4.3505	\$9.7497	\$7.01	1.35813	\$5.1939	\$4.0956	\$9.2894	\$7.01	1.29797	1.683	1.400	1.610
Dec-03	\$5.4413	\$4.3383	\$9.7796	\$7.01	1.36204	\$5.0485	\$4.1392	\$9.1877	\$7.01	1.28466	1.702	1.338	1.607
Jan-04	\$5.5406	\$4.2925	\$9.8331	\$7.74	1.24977	\$4.8381	\$4.1543	\$8.9923	\$7.74	1.14944	1.274	0.762	1.141
Feb-04	\$5.5606	\$4.2362	\$9.7967	\$7.74	1.24543	\$4.9451	\$4.1685	\$9.1136	\$7.74	1.16391	1.252	0.836	1.144
Mar-04	\$5.2622	\$4.2000	\$9.4622	\$7.74	1.20551	\$5.1184	\$4.2486	\$9.3670	\$7.74	1.19416	1.048	0.990	1.033
Apr-04	\$5.2787	\$4.2571	\$9.5358	\$7.74	1.21430	\$5.2328	\$4.3569	\$9.5897	\$7.74	1.22072	1.093	1.126	1.101
May-04	\$5.2670	\$4.2994	\$9.5664	\$7.74	1.21795	\$5.3634	\$4.4187	\$9.7822	\$7.74	1.24370	1.112	1.243	1.146
Jun-04	\$5.2027	\$4.3262	\$9.5289	\$7.74	1.21348	\$5.4856	\$4.4596	\$9.9451	\$7.74	1.26314	1.089	1.342	1.155
Jul-04	\$5.1739	\$4.3162	\$9.4901	\$7.74	1.20884	\$5.5674	\$4.4982	\$10.0656	\$7.74	1.27751	1.065	1.415	1.156
Aug-04	\$5.2193	\$4.2985	\$9.5178	\$7.74	1.21215	\$5.4026	\$4.4640	\$9.8666	\$7.74	1.25377	1.082	1.294	1.137
Sep-04	\$5.2364	\$4.3162	\$9.5526	\$7.74	1.21630	\$5.3203	\$4.3484	\$9.6687	\$7.74	1.23015	1.103	1.174	1.121
Oct-04	\$5.2954	\$4.3157	\$9.6111	\$7.74	1.22328	\$5.2399	\$4.2756	\$9.5155	\$7.74	1.21187	1.139	1.081	1.124
Nov-04	\$5.3741	\$4.3083	\$9.6824	\$7.74	1.23179	\$5.2274	\$4.2126	\$9.4400	\$7.74	1.20287	1.182	1.035	1.144
Dec-04	\$5.4483	\$4.3042	\$9.7526	\$7.74	1.24016	\$5.2626	\$4.1570	\$9.4196	\$7.74	1.20043	1.225	1.022	1.172
Jan-05	\$5.4092	\$4.2668	\$9.6760	\$8.48	1.13114	n/a	n/a	n/a	n/a	n/a	0.721	n/a	0.534
Feb-05	\$5.4072	\$4.1915	\$9.5986	\$8.48	1.12266	n/a	n/a	n/a	n/a	n/a	0.675	n/a	0.499
Mar-05	\$5.3936	\$4.1385	\$9.5321	\$8.48	1.11536	n/a	n/a	n/a	n/a	n/a	0.634	n/a	0.470
Apr-05	\$5.3680	\$4.0942	\$9.4621	\$8.48	1.10769	n/a	n/a	n/a	n/a	n/a	0.592	n/a	0.438
May-05	\$5.3410	\$4.0565	\$9.3975	\$8.48	1.10060	n/a	n/a	n/a	n/a	n/a	0.553	n/a	0.409
Jun-05	\$5.3148	\$4.0196	\$9.3343	\$8.48	1.09367	n/a	n/a	n/a	n/a	n/a	0.515	n/a	0.381
Jul-05	\$5.2880	\$3.9878	\$9.2758	\$8.48	1.08726	n/a	n/a	n/a	n/a	n/a	0.480	n/a	0.355
Aug-05	\$5.2609	\$3.9611	\$9.2220	\$8.48	1.08136	n/a	n/a	n/a	n/a	n/a	0.447	n/a	0.331
Sep-05	\$5.2349	\$3.9369	\$9.1718	\$8.48	1.07586	n/a	n/a	n/a	n/a	n/a	0.417	n/a	0.309
Oct-05	\$5.2091	\$3.9171	\$9.1262	\$8.48	1.07086	n/a	n/a	n/a	n/a	n/a	0.390	n/a	0.288
Nov-05	\$5.1718	\$3.9009	\$9.0727	\$8.48	1.06498	n/a	n/a	n/a	n/a	n/a	0.357	n/a	0.264
Dec-05	\$5.1238	\$3.8784	\$9.0023	\$8.48	1.05726	n/a	n/a	n/a	n/a	n/a	0.315	n/a	0.233

Notes:

Forecast of fuel prices based on NYMEX futures as reported in the Wall Street Journal on January 26, 27 & 28, 2004

Notes:

Col. A - month in which SOS was delivered at wholesale

Col. B - Average of the values of Gas Index for the most recent 12 months. (Col. G - Determination of Market Gas Price)

Col. C - Average of the values of Oil Index for the most recent 12 months. (Col. LL - Determination of Market Oil Price)

Col. D - Col. B + Col. C

Col. E - Applicable value from the Standard Offer Supply Contracts.

Col. F - @if(Col. D > Col. E, (Col. B + \$0.60 + Col. C + \$0.04) / (Col. E + \$0.64), 1.000)

Col. G - Average of the values of Gas Index for the most recent 6 months. (Col. H - Determination of Market Gas Price)

Col. H - Average of the values of Oil Index for the most recent 6 months. (Col. MM - Determination of Market Oil Price)

Col. I - Col. G + Col. H

Col. J - Applicable value from the Standard Offer Supply Contracts.

Col. K - @if(Col. I > Col. J, (Col. G + \$0.60 + Col. H + \$0.04) / (Col. J + \$0.64), 1.000)

Col. L - (Col. F - 1.0) \* Applicable Contract Price from the Standard Offer Supply Contracts.

Col. M - (Col. K - 1.0) \* Applicable Contract Price from the Standard Offer Supply Contracts.