



January 11, 2006

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 3706 - Standard Offer Reconciliation Report**

Dear Ms. Massaro:

Enclosed are ten copies of The Narragansett Electric Company's d/b/a National Grid ("National Grid" or "Company") Standard Offer Reconciliation Report ("Report") through November 2005. The enclosed Report provides the Company's most current projection of the Standard Offer reconciliation balance through December 31, 2006 based on actual revenues through December 2005 and actual expenses through November 2005. The estimated expenses are calculated using estimated fuel index payments based on projected gas and oil futures prices as reported in the *Wall Street Journal* for December 23, 27, and 28, 2005.

In 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 Dockets 3648 and 3706. In Order No. 18151 (February 17, 2005) in this proceeding, the Commission recommended that Narragansett consider applying for a rate adjustment if the Company's projections show that the accrual of the over- or under-collection will be more than \$16 million. In Docket No. 3706, the Commission increased the recommended threshold to \$23 million, as recommended by Dr. Stutz. Based on the current fuel price estimates, the Company is estimating an under-collection of approximately \$20.7 million by the end of September 2006, an amount below the Commission's new threshold, as shown on Attachment 1, page 1. While projections beyond September would suggest deferrals could grow by approximately \$2 to \$3 million in excess of the new threshold before the end of 2006, the Company intends to evaluate the data over the next few months for trends, before drawing any definitive conclusions in reliance on projections beyond September.

Attachment 1, page 1, of this Report shows the Company's projected Standard Offer reconciliation balance through December 31, 2006. Pages 2 and 3 of Attachment 1 support the calculation of the Company's estimated Standard Offer revenues and expenses, respectively. Estimated revenues are determined by applying the current Standard Offer rate of 10.0¢ 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 wholesale charge in effect for each period under the Company's wholesale Standard Offer supply contracts. The base

Luly E. Massaro, Commission Clerk  
Docket 3706 – Standard Offer Reconciliation Report  
January 11, 2006  
Page 2 of 2

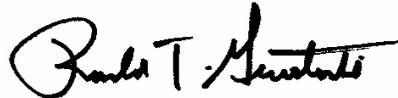
wholesale charge shown in Column (d) on page 4 has been adjusted to include an estimate of the effect of the Standard Offer contract amendment approved by the Commission in Docket No. 3496.

The calculation of the estimated monthly fuel index adjustment prices per kWh based on the December 23, 27, and 28, 2005 forecasted fuel prices is contained in Attachment 2. 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.

The Standard Offer reconciliation on page 1 of Attachment 1 also reflects additional payments, as shown in Column (g), that the Company has made and is expecting to make under protest to one of its Standard Offer suppliers.

Thank you for your attention to this filing. If you have any questions regarding this report, please do not hesitate to contact me at (508) 421-7634.

Very truly yours,



Ronald T. Gerwatowski  
Vice President,  
Distribution Regulatory Services

Enclosures

cc: Docket 3706 Service List  
Steve Scialabba, RI Division

**Attachment 1**

**The Narragansett Electric Company**

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

**Projected Balance  
for the period October 2005 through December 2006**

**Submitted: January 2006**

Standard Offer Reconciliation  
Projected Balance at Year Ending December 31, 2006

**Section 1. Projected Balance @ September 30, 2006**

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-05	(\$14,122,974)	\$15,650,388	\$28,996,088	\$12,308,381	\$41,304,469	(\$25,654,081)	(\$673,139)	(\$40,450,194)	(\$17,409,922)
(1) Nov-05	(\$40,450,194)	\$41,891,403	\$27,904,900	\$13,527,645	\$41,432,545	\$458,858	(\$789,290)	(\$40,780,626)	(\$13,602,503)
(2) Dec-05	(\$40,780,626)	\$49,414,768	\$33,104,029	\$17,689,723	\$50,793,752	(\$1,378,985)	(\$946,098)	(\$43,105,709)	(\$12,087,808)
(2) Jan-06	(\$43,105,709)	\$56,396,183	\$37,198,947	\$18,302,158	\$55,501,105	\$895,078	(\$1,185,602)	(\$43,396,232)	(\$11,408,866)
(2) Feb-06	(\$43,396,232)	\$58,158,848	\$34,563,803	\$18,849,283	\$53,413,086	\$4,745,762	(\$1,142,695)	(\$39,793,165)	(\$7,497,927)
(2) Mar-06	(\$39,793,165)	\$58,718,615	\$34,896,473	\$20,780,518	\$55,676,991	\$3,041,624	(\$1,269,575)	(\$38,021,115)	(\$8,918,077)
(2) Apr-06	(\$38,021,115)	\$52,914,615	\$31,447,156	\$19,758,317	\$51,205,473	\$1,709,142	(\$1,244,425)	(\$37,556,398)	(\$9,763,325)
(2) May-06	(\$37,556,398)	\$50,532,859	\$30,031,678	\$19,879,627	\$49,911,304	\$621,554	(\$1,221,550)	(\$38,156,394)	(\$7,560,592)
(2) Jun-06	(\$38,156,394)	\$55,628,730	\$33,060,154	\$23,069,234	\$56,129,389	(\$500,659)	(\$1,303,078)	(\$39,960,131)	(\$5,772,085)
(2) Jul-06	(\$39,960,131)	\$62,160,083	\$36,941,737	\$26,871,804	\$63,813,541	(\$1,653,458)	(\$1,381,184)	(\$42,994,773)	(\$7,297,746)
(2) Aug-06	(\$42,994,773)	\$64,903,684	\$38,572,260	\$29,018,437	\$67,590,697	(\$2,687,013)	(\$1,426,733)	(\$47,108,518)	(\$12,247,880)
(2) Sep-06	(\$47,108,518)	\$63,382,978	\$37,668,504	\$28,465,295	\$66,133,799	(\$2,750,821)	(\$1,371,752)	(\$51,231,091)	(\$20,767,047)
* (2) Oct-06	(\$51,231,091)	\$30,464,044				\$30,464,044		(\$20,767,047)	
Totals	(\$14,122,974)	\$660,217,198	\$404,385,729	\$248,520,422	\$652,906,151	\$7,311,047	(\$13,955,120)	(\$20,767,047)	
Interest (3)								(\$744,902)	
Ending Balance@ September 30, 2006 with Interest								(\$21,511,949)	

- (1) Actual revenues and expenses
- (2) Estimated revenues and expenses
- (3) Interest expense calculation :  $(-14122974 + -20767047) / 2 * (4.27\%)$

\* For September usage billed in October

**Section 2. Projected Balance @ December 31, 2006**

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-06	(\$21,511,949)	\$24,925,127	\$32,917,785	\$24,437,703	\$57,355,487	(\$32,430,360)	(\$1,182,941)	(\$55,125,250)	(\$25,061,995)
(2) Nov-06	(\$55,125,250)	\$54,660,464	\$32,484,713	\$23,689,845	\$56,174,558	(\$1,514,095)	(\$1,135,587)	(\$57,774,932)	(\$24,869,363)
(2) Dec-06	(\$57,774,932)	\$59,828,307	\$35,555,963	\$26,067,193	\$61,623,156	(\$1,794,849)	(\$1,247,726)	(\$60,817,507)	(\$25,465,198)
* (2) Jan-07	(\$60,817,507)	\$35,352,309				\$35,352,309		(\$25,465,198)	
Totals	(\$21,511,949)	\$174,766,207	\$100,958,461	\$74,194,741	\$175,153,202	(\$386,995)	(\$3,566,254)	(\$25,465,198)	
Interest (3)								(\$250,741)	
Ending Balance@ December 31, 2006 with Interest								(\$25,715,939)	

\* For December usage billed in January

- (2) Estimated revenues and expenses
- (3) Interest expense calculation :  $(-21511949 + -25465198) / 2 * (4.27\%)$

Column Notes:

- Column (a) Column (g) from previous row; beginning balance from Page 1.
- 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) Includes estimated protest payments made to one of the Company's suppliers and estimated NE\_GIS expenses
- Column (h) Column (a) + Column (f)
- Column (i) Column (g) + 55% of next month's Column (b)

Standard Offer Reconciliation  
Estimated Revenue through December 2006

<u>Month</u>	Estimated Total Company kWh <u>Deliveries</u> (a)	Estimated Standard Offer <u>Deliveries</u> (b)	Standard Offer <u>Rate</u> (c)	Total Estimated <u>Revenues</u> (d)
Dec-05			\$0.08200	
Jan-06	723,617,087	625,928,780	\$0.10000	\$56,396,183
Feb-06	672,356,620	581,588,476	\$0.10000	\$58,158,848
Mar-06	678,827,917	587,186,148	\$0.10000	\$58,718,615
Apr-06	611,729,652	529,146,149	\$0.10000	\$52,914,615
May-06	584,194,896	505,328,585	\$0.10000	\$50,532,859
Jun-06	643,106,707	556,287,302	\$0.10000	\$55,628,730
Jul-06	718,613,679	621,600,832	\$0.10000	\$62,160,083
Aug-06	750,331,612	649,036,844	\$0.10000	\$64,903,684
Sep-06	732,751,192	633,829,781	\$0.10000	\$63,382,978
Oct-06	640,337,244	553,891,716	\$0.10000	\$55,389,172
Nov-06	631,912,873	546,604,635	\$0.10000	\$54,660,464
Dec-06	691,656,730	598,283,071	\$0.10000	\$59,828,307
Jan-07	743,085,848	642,769,259	\$0.10000	\$64,276,926

Column Notes:

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

Standard Offer Reconciliation  
Estimated Standard Offer Expenses through December 2006

	Estimated Total Company kWh Deliveries (a)	% of Standard Offer kWhs to Total kWhs (b)	Estimated Standard Offer kWh Deliveries (c)	Estimated Base Standard Offer Charge (d)	Estimated Base Standard Offer Expenses (e)	Estimated Fuel Index Value per kWh (f)	Estimated Fuel Index Payments (g)	Total Estimated Standard Offer Expenses (h)
Dec-05	690,430,346	86.5%	597,222,249	\$0.05543	\$33,104,029	\$0.02962	\$17,689,723	\$50,793,752
Jan-06	723,617,087	86.5%	625,928,780	\$0.05943	\$37,198,947	\$0.02924	\$18,302,158	\$55,501,105
Feb-06	672,356,620	86.5%	581,588,476	\$0.05943	\$34,563,803	\$0.03241	\$18,849,283	\$53,413,086
Mar-06	678,827,917	86.5%	587,186,148	\$0.05943	\$34,896,473	\$0.03539	\$20,780,518	\$55,676,991
Apr-06	611,729,652	86.5%	529,146,149	\$0.05943	\$31,447,156	\$0.03734	\$19,758,317	\$51,205,473
May-06	584,194,896	86.5%	505,328,585	\$0.05943	\$30,031,678	\$0.03934	\$19,879,627	\$49,911,304
Jun-06	643,106,707	86.5%	556,287,302	\$0.05943	\$33,060,154	\$0.04147	\$23,069,234	\$56,129,389
Jul-06	718,613,679	86.5%	621,600,832	\$0.05943	\$36,941,737	\$0.04323	\$26,871,804	\$63,813,541
Aug-06	750,331,612	86.5%	649,036,844	\$0.05943	\$38,572,260	\$0.04471	\$29,018,437	\$67,590,697
Sep-06	732,751,192	86.5%	633,829,781	\$0.05943	\$37,668,504	\$0.04491	\$28,465,295	\$66,133,799
Oct-06	640,337,244	86.5%	553,891,716	\$0.05943	\$32,917,785	\$0.04412	\$24,437,703	\$57,355,487
Nov-06	631,912,873	86.5%	546,604,635	\$0.05943	\$32,484,713	\$0.04334	\$23,689,845	\$56,174,558
Dec-06	691,656,730	86.5%	598,283,071	\$0.05943	\$35,555,963	\$0.04357	\$26,067,193	\$61,623,156
Total Expected Payments through December 2006 .....							\$279,189,414	\$694,528,587

Column Notes:

- (a) Per Company forecast  
(b) Reflects 12-month average Standard Offer kWh deliveries as a percentage of total kWh deliveries  
(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 futures prices as reported on 12-23-05, 12-27-05 & 12-28-05  
(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 2006**

Prices published in WSJ on: 23-Dec-05 27-Dec-05 28-Dec-05

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				
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	\$5.127	\$5.077	\$5.150	\$5.118	\$5.214	\$5.118	Mar-04
Apr-04	Mar-04	\$5.336	\$5.395	\$5.365	\$5.365	\$5.235	\$5.135	Apr-04
May-04	Apr-04	\$5.764	\$5.874	\$5.935	\$5.858	\$5.277	\$5.276	May-04
Jun-04	May-04	\$6.705	\$6.684	\$6.680	\$6.690	\$5.335	\$5.505	Jun-04
Jul-04	Jun-04	\$6.485	\$6.353	\$6.141	\$6.326	\$5.397	\$5.832	Jul-04
Aug-04	Jul-04	\$5.957	\$5.989	\$6.048	\$5.998	\$5.505	\$5.849	Aug-04
Sep-04	Aug-04	\$5.298	\$5.189	\$5.082	\$5.190	\$5.520	\$5.893	Sep-04
Oct-04	Sep-04	\$5.392	\$5.262	\$5.723	\$5.459	\$5.598	\$5.904	Oct-04
Nov-04	Oct-04	\$7.890	\$8.402	\$7.626	\$7.973	\$5.889	\$5.920	Nov-04
Dec-04	Nov-04	\$6.762	\$6.793	\$7.976	\$7.177	\$6.093	\$6.273	Dec-04
Jan-05	Dec-04	\$6.668	\$6.160	\$6.213	\$6.347	\$6.103	n/a	Jan-05
Feb-05	Jan-05	\$6.403	\$6.388	\$6.288	\$6.360	\$6.155	n/a	Feb-05
Mar-05	Feb-05	\$6.103	\$6.311	\$6.304	\$6.239	\$6.248	n/a	Mar-05
Apr-05	Mar-05	\$7.062	\$6.999	\$7.323	\$7.128	\$6.395	n/a	Apr-05
May-05	Apr-05	\$7.153	\$7.120	\$6.748	\$7.007	\$6.491	n/a	May-05
Jun-05	May-05	\$6.349	\$6.315	\$6.123	\$6.262	\$6.456	n/a	Jun-05
Jul-05	Jun-05	\$7.360	\$7.138	\$6.976	\$7.158	\$6.525	n/a	Jul-05
Aug-05	Jul-05	\$7.284	\$7.425	\$7.647	\$7.452	\$6.646	n/a	Aug-05
Sep-05	Aug-05	\$9.770	\$9.792	\$10.847	\$10.136	\$7.058	n/a	Sep-05
Oct-05	Sep-05	\$12.440	\$12.656	\$13.907	\$13.001	\$7.687	n/a	Oct-05
Nov-05	Oct-05	\$14.338	\$14.040	\$13.832	\$14.070	\$8.195	n/a	Nov-05
Dec-05	Nov-05	\$11.614	\$11.600	\$11.180	\$11.465	\$8.552	n/a	Dec-05
Jan-06	Dec-05	\$12.283	\$11.022	\$11.431	<b>\$11.579</b>	<b>\$8.988</b>	n/a	Jan-06
Feb-06	Jan-06	<b>\$12.402</b>	<b>\$11.216</b>	<b>\$11.637</b>	<b>\$11.752</b>	<b>\$9.437</b>	n/a	Feb-06
Mar-06	Feb-06	<b>\$12.417</b>	<b>\$11.260</b>	<b>\$11.697</b>	<b>\$11.791</b>	<b>\$9.900</b>	n/a	Mar-06
Apr-06	Mar-06	<b>\$10.567</b>	<b>\$10.060</b>	<b>\$10.397</b>	<b>\$10.341</b>	<b>\$10.168</b>	n/a	Apr-06
May-06	Apr-06	<b>\$10.372</b>	<b>\$9.950</b>	<b>\$10.282</b>	<b>\$10.201</b>	<b>\$10.434</b>	n/a	May-06
Jun-06	May-06	<b>\$10.404</b>	<b>\$9.985</b>	<b>\$10.317</b>	<b>\$10.235</b>	<b>\$10.765</b>	n/a	Jun-06
Jul-06	Jun-06	<b>\$10.449</b>	<b>\$10.030</b>	<b>\$10.362</b>	<b>\$10.280</b>	<b>\$11.025</b>	n/a	Jul-06
Aug-06	Jul-06	<b>\$10.489</b>	<b>\$10.075</b>	<b>\$10.407</b>	<b>\$10.324</b>	<b>\$11.265</b>	n/a	Aug-06
Sep-06	Aug-06	<b>\$10.494</b>	<b>\$10.085</b>	<b>\$10.417</b>	<b>\$10.332</b>	<b>\$11.281</b>	n/a	Sep-06
Oct-06	Sep-06	<b>\$10.544</b>	<b>\$10.140</b>	<b>\$10.472</b>	<b>\$10.385</b>	<b>\$11.063</b>	n/a	Oct-06
Nov-06	Oct-06	<b>\$11.019</b>	<b>\$10.630</b>	<b>\$10.967</b>	<b>\$10.872</b>	<b>\$10.796</b>	n/a	Nov-06
Dec-06	Nov-06	<b>\$11.489</b>	<b>\$11.110</b>	<b>\$11.447</b>	<b>\$11.349</b>	<b>\$10.787</b>	n/a	Dec-06

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 - Jan-06)  
- Settlement price as reported in the Wall Street Journal on 12-23-05 (Feb-06 - Dec-06)
- Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Jan-06)  
- Settlement price as reported in the Wall Street Journal on 12-27-05 (Feb-06 - Dec-06)
- Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Jan-06)  
- Settlement price as reported in the Wall Street Journal on 12-28-05 (Feb-06 - Dec-06)
- 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.

DETERMINATION OF MARKET OIL PRICE

(Col. A)	(Col. B)	(Col. HH)	(Col. II)	(Col. JJ)	(Col. KK)	(Col. LL)	(Col. MM)	(Col. NN)	Prices published in WSJ on:				
SOS Delivery Month	Trading Month	Sum of Values	# of Values	Conversion Factor	Oil Index (\$/mmBtu)	NGrid's Market Oil Price	EUA's Market Oil Price	Average	23-Dec-05	27-Dec-05	28-Dec-05		
Jan-04	Jan-04	530.40	19	6.3	4.43	4.29	4.15	33.0200	33.02	33.02	33.02	<=Jan closing from WSJ on 12/19/03	
Feb-04	Feb-04	494.90	19	6.3	4.13	4.18	4.17	36.2000	36.20	36.20	36.20	<=Feb closing from WSJ on 01/20/04	
Mar-04	Mar-04	564.10	23	6.3	3.89	4.08	4.13	35.6000	35.60	35.60	35.60	<=Mar closing from WSJ on 02/20/04	
Apr-04	Apr-04	535.55	21	6.3	4.05	4.11	4.12	37.1100	37.11	37.11	37.11	<=Apr closing from WSJ on 03/22/04	
May-04	May-04	603.20	20	6.3	4.79	4.18	4.12	37.6000	37.60	37.60	37.60	<=May closing from WSJ on 04/20/04	
Jun-04	Jun-04	619.25	21	6.3	4.68	4.24	4.23	40.9200	40.92	40.92	40.92	<=June closing from WSJ on 05/20/04	
Jul-04	Jul-04	583.85	21	6.3	4.41	4.25	4.33	38.1100	38.11	38.11	38.11	<=July closing from WSJ on 06/22/04	
Aug-04	Aug-04	612.20	22	6.3	4.42	4.25	4.33	40.8600	40.86	40.86	40.86	<=Aug closing from WSJ on 07/20/04	
Sep-04	Sep-04	582.00	21	6.3	4.40	4.29	4.37	47.8600	47.86	47.86	47.86	<=Sept closing from WSJ on 08/20/04	
Oct-04	Oct-04	693.40	21	6.3	5.24	4.39	4.46	47.1000	47.10	47.10	47.10	<=Oct closing from WSJ on 09/21/04	
Nov-04	Nov-04	572.15	20	6.3	4.54	4.42	4.66	54.9200	54.92	54.92	54.92	<=Nov closing from WSJ on 10/20/04	
Dec-04	Dec-04	526.50	21	6.3	3.98	4.41	4.62	48.4400	48.44	48.44	48.44	<=Dec closing from WSJ on 11/19/04	
Jan-05	Jan-05	594.00	20	6.3	4.71	4.44	n/a	45.6400	45.64	45.64	45.64	<=Jan closing from WSJ on 12/20/04	
Feb-05	Feb-05	584.70	19	6.3	4.88	4.50	n/a	46.9100	46.91	46.91	46.91	<=Feb closing from WSJ on 01/20/05	
Mar-05	Mar-05	779.75	22	6.3	5.63	4.64	n/a	51.1500	51.15	51.15	51.15	<=Mar closing from WSJ on 02/22/05	
Apr-05	Apr-05	811.40	21	6.3	6.13	4.82	n/a	56.6200	56.62	56.62	56.62	<=Apr closing from WSJ on 03/21/05	
May-05	May-05	721.00	19	6.3	6.02	4.92	n/a	52.4400	52.44	52.44	52.44	<=May closing from WSJ on 04/20/05	
Jun-05	Jun-05	900.25	22	6.3	6.50	5.07	n/a	46.8000	46.80	46.80	46.80	<=Jun closing from WSJ on 05/20/05	
Jul-05	Jul-05	844.35	20	6.3	6.70	5.26	n/a	59.3700	59.37	59.37	59.37	<=Jul closing from WSJ on 06/22/05	
Aug-05	Aug-05	1048.35	23	6.3	7.23	5.50	n/a	57.4600	57.46	57.46	57.46	<=Aug closing from WSJ on 07/20/05	
Sep-05	Sep-05	1063.50	21	6.3	8.04	5.80	n/a	65.4500	65.45	65.45	65.45	<=Sep closing from WSJ on 08/22/05	
Oct-05	Oct-05	1048.35	21	6.3	7.92	6.02	n/a	66.2300	66.23	66.23	66.23	<=Oct closing from WSJ on 09/20/05	
Nov-05	Nov-05	919.00	20	6.3	7.29	6.25	n/a	61.3000	61.30	61.30	61.30	<=Nov closing from WSJ on 10/20/05	
Dec-05	Dec-05	1020.00	21	6.3	7.71	6.56	n/a	56.1400	56.14	56.14	56.14	<=Dec closing from WSJ on 11/18/05	
Jan-06	Jan-06	57.98			7.96	6.84	n/a	57.9800	57.98	57.98	57.98	<=Jan closing from WSJ on 12/20/05	
Feb-06	Feb-06	58.80			8.08	7.10	n/a	58.8033	58.43	58.16	59.82		
Mar-06	Mar-06	59.35			8.15	7.31	n/a	59.3467	59.00	58.68	60.36		
Apr-06	Apr-06	59.77			8.21	7.48	n/a	59.7700	59.43	59.10	60.78		
May-06	May-06	60.12			8.26	7.67	n/a	60.1233	59.79	59.46	61.12		
Jun-06	Jun-06	60.43			8.30	7.82	n/a	60.4267	60.10	59.77	61.41		
Jul-06	Jul-06	60.70			8.34	7.96	n/a	60.6967	60.37	60.04	61.68		
Aug-06	Aug-06	60.94			8.37	8.05	n/a	60.9367	60.61	60.28	61.92		
Sep-06	Sep-06	61.06			8.39	8.08	n/a	61.0633	60.61	60.47	62.11		
Oct-06	Oct-06	61.11			8.39	8.12	n/a	61.1133	60.61	60.47	62.26		
Nov-06	Nov-06	61.15			8.40	8.21	n/a	61.1533	60.61	60.47	62.38		
Dec-06	Dec-06	61.48			8.44	8.27	n/a	61.4767	61.15	60.82	62.46		

Notes:

- Col. A - month in which SOS was delivered at wholesale.
- Col. B - month in which oil prices were quoted and delivered.
- Col. C - Col. GG - daily prices as quoted by Platt's MarketScan. (not shown)
- Col. HH - sum of values in Col. C through Col. GG. (Jan-99 - Dec-05)
  - Dec-05 Final Crude oil contract price as reported in the Wall Street Journal on 18-Nov-05
  - average of Crude oil contract prices as reported in the Wall Street Journal on 12-23-05, 12-27-05 & 12-28-05
- Col. II - number of non-zero values in Col. C through Col. GG.
- Col. JJ - a fixed factor of 6.3 mmBtu per bbl.
- Col. KK - Col. HH divided by (Col. II x Col. JJ) (Jan-99 - Dec-05)
  - Current month value Col. HH \* Dec-05 value in Col KK/ 56.14 (Jan-06 - Dec-06)
  - Where 56.14 represents the Dec-05 closing value from the WSJ 18-Nov-05
- Col. LL - Average of the most recent twelve months of values in Col. KK (including current SOS delivery month)
- Col. MM - Average of the most recent six months of values in Col. KK (ending month prior to SOS delivery month)

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-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	\$4.1759	\$9.7364	\$7.74	1.23824	\$4.9451	\$4.1685	\$9.1136	\$7.74	1.16391	1.215	0.836	1.116
Mar-04	\$5.2135	\$4.0831	\$9.2966	\$7.74	1.18576	\$5.1184	\$4.1281	\$9.2465	\$7.74	1.17977	0.947	0.917	0.939
Apr-04	\$5.2351	\$4.1059	\$9.3410	\$7.74	1.19105	\$5.1354	\$4.1232	\$9.2586	\$7.74	1.18121	0.974	0.924	0.961
May-04	\$5.2767	\$4.1827	\$9.4594	\$7.74	1.20518	\$5.2763	\$4.1163	\$9.3926	\$7.74	1.19721	1.046	1.006	1.036
Jun-04	\$5.3352	\$4.2417	\$9.5769	\$7.74	1.21920	\$5.5049	\$4.2262	\$9.7312	\$7.74	1.23761	1.118	1.212	1.142
Jul-04	\$5.3973	\$4.2473	\$9.6445	\$7.74	1.22727	\$5.8323	\$4.3291	\$10.1614	\$7.74	1.28895	1.159	1.474	1.241
Aug-04	\$5.5054	\$4.2506	\$9.7561	\$7.74	1.24058	\$5.8494	\$4.3261	\$10.1755	\$7.74	1.29063	1.227	1.482	1.293
Sep-04	\$5.5199	\$4.2903	\$9.8103	\$7.74	1.24705	\$5.8925	\$4.3732	\$10.2657	\$7.74	1.30139	1.260	1.537	1.332
Oct-04	\$5.5982	\$4.3864	\$9.9845	\$7.74	1.26784	\$5.9044	\$4.4575	\$10.3620	\$7.74	1.31288	1.366	1.596	1.426
Nov-04	\$5.8888	\$4.4208	\$10.3095	\$7.74	1.30663	\$5.9201	\$4.6564	\$10.5764	\$7.74	1.33848	1.564	1.726	1.606
Dec-04	\$6.0931	\$4.4138	\$10.5068	\$7.74	1.33017	\$6.2726	\$4.6153	\$10.8879	\$7.74	1.37564	1.684	1.916	1.744
Jan-05	\$6.1033	\$4.4374	\$10.5407	\$8.48	1.22595	n/a	n/a	n/a	n/a	n/a	1.243	n/a	0.920
Feb-05	\$6.1550	\$4.4999	\$10.6549	\$8.48	1.23848	n/a	n/a	n/a	n/a	n/a	1.312	n/a	0.971
Mar-05	\$6.2484	\$4.6443	\$10.8927	\$8.48	1.26456	n/a	n/a	n/a	n/a	n/a	1.455	n/a	1.077
Apr-05	\$6.3953	\$4.8181	\$11.2134	\$8.48	1.29971	n/a	n/a	n/a	n/a	n/a	1.648	n/a	1.220
May-05	\$6.4911	\$4.9211	\$11.4122	\$8.48	1.32151	n/a	n/a	n/a	n/a	n/a	1.768	n/a	1.309
Jun-05	\$6.4555	\$5.0723	\$11.5278	\$8.48	1.33419	n/a	n/a	n/a	n/a	n/a	1.838	n/a	1.360
Jul-05	\$6.5248	\$5.2630	\$11.7878	\$8.48	1.36269	n/a	n/a	n/a	n/a	n/a	1.995	n/a	1.476
Aug-05	\$6.6460	\$5.4978	\$12.1438	\$8.48	1.40173	n/a	n/a	n/a	n/a	n/a	2.210	n/a	1.635
Sep-05	\$7.0582	\$5.8011	\$12.8593	\$8.48	1.48018	n/a	n/a	n/a	n/a	n/a	2.641	n/a	1.954
Oct-05	\$7.6867	\$6.0247	\$13.7113	\$8.48	1.57361	n/a	n/a	n/a	n/a	n/a	3.155	n/a	2.335
Nov-05	\$8.1948	\$6.2541	\$14.4489	\$8.48	1.65448	n/a	n/a	n/a	n/a	n/a	3.600	n/a	2.664
Dec-05	\$8.5521	\$6.5649	\$15.1170	\$8.48	1.72774	n/a	n/a	n/a	n/a	n/a	4.003	n/a	2.962
Jan-06	\$8.9881	\$6.8356	\$15.8237	\$9.22	1.66974	n/a	n/a	n/a	n/a	n/a	3.951	n/a	2.924
Feb-06	\$9.4374	\$7.1015	\$16.5389	\$9.22	1.74228	n/a	n/a	n/a	n/a	n/a	4.379	n/a	3.241
Mar-06	\$9.9001	\$7.3118	\$17.2119	\$9.22	1.81054	n/a	n/a	n/a	n/a	n/a	4.782	n/a	3.539
Apr-06	\$10.1679	\$7.4848	\$17.6526	\$9.22	1.85524	n/a	n/a	n/a	n/a	n/a	5.046	n/a	3.734
May-06	\$10.4341	\$7.6709	\$18.1049	\$9.22	1.90111	n/a	n/a	n/a	n/a	n/a	5.317	n/a	3.934
Jun-06	\$10.7651	\$7.8211	\$18.5863	\$9.22	1.94993	n/a	n/a	n/a	n/a	n/a	5.605	n/a	4.147
Jul-06	\$11.0253	\$7.9573	\$18.9827	\$9.22	1.99013	n/a	n/a	n/a	n/a	n/a	5.842	n/a	4.323
Aug-06	\$11.2646	\$8.0518	\$19.3164	\$9.22	2.02398	n/a	n/a	n/a	n/a	n/a	6.041	n/a	4.471
Sep-06	\$11.2809	\$8.0807	\$19.3617	\$9.22	2.02857	n/a	n/a	n/a	n/a	n/a	6.069	n/a	4.491
Oct-06	\$11.0630	\$8.1198	\$19.1828	\$9.22	2.01042	n/a	n/a	n/a	n/a	n/a	5.961	n/a	4.412
Nov-06	\$10.7965	\$8.2118	\$19.0083	\$9.22	1.99273	n/a	n/a	n/a	n/a	n/a	5.857	n/a	4.334
Dec-06	\$10.7868	\$8.2729	\$19.0597	\$9.22	1.99794	n/a	n/a	n/a	n/a	n/a	5.888	n/a	4.357

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. I - 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.
- Col. N - (0.74 \* Col. K) + (0.26 \* Col. L)

Forecast of fuel prices based on NYMEX futures as reported in the Wall Street Journal on 12-23-05, 12-27-05 & 12-28-05