

February 13, 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 December 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 January 2006 and actual expenses through December 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 January 25, 26, and 27, 2006.

Based on the current fuel price estimates, the Company is estimating an under-collection of approximately \$943,000 by the end of December 2006. The substantially lower estimate of the under-collection as compared to the January 2006 estimate is a reflection of the positive effects of lower fuel prices which apparently have been driven by milder than normal weather conditions this winter.

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 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.

Luly E. Massaro, Commission Clerk
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The calculation of the estimated monthly fuel index adjustment prices per kWh based on the January 25, 26, and 27, 2006 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,

A handwritten signature in black ink, appearing to read "Ronald T. Gerwatowski". The signature is written in a cursive, flowing style.

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: February 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)	(\$50,770)	(\$39,827,825)	(\$16,787,553)
(1) Nov-05	(\$39,827,825)	\$41,891,403	\$27,904,900	\$13,527,645	\$41,432,545	\$458,858	(\$789,290)	(\$40,158,256)	(\$13,012,302)
(1) Dec-05	(\$40,158,256)	\$49,356,280	\$31,774,975	\$17,134,045	\$48,909,020	\$447,260	(\$1,069,992)	(\$40,780,988)	(\$11,325,741)
(2) Jan-06	(\$40,780,988)	\$53,554,994	\$35,615,276	\$17,427,095	\$53,042,371	\$512,623	(\$1,170,203)	(\$41,438,568)	(\$10,741,719)
(2) Feb-06	(\$41,438,568)	\$55,812,453	\$33,169,341	\$17,463,716	\$50,633,057	\$5,179,396	(\$1,205,134)	(\$37,464,307)	(\$6,578,442)
(2) Mar-06	(\$37,464,307)	\$56,156,118	\$33,373,581	\$18,671,909	\$52,045,490	\$4,110,628	(\$1,258,055)	(\$34,611,734)	(\$5,543,032)
(2) Apr-06	(\$34,611,734)	\$52,852,185	\$31,410,054	\$18,376,705	\$49,786,759	\$3,065,427	(\$1,164,541)	(\$32,710,848)	(\$4,966,822)
(2) May-06	(\$32,710,848)	\$50,443,683	\$29,978,681	\$18,376,634	\$48,355,314	\$2,088,368	(\$1,045,447)	(\$31,667,926)	(\$1,566,537)
(2) Jun-06	(\$31,667,926)	\$54,729,798	\$32,525,919	\$20,934,148	\$53,460,067	\$1,269,731	(\$1,064,264)	(\$31,462,458)	\$2,297,853
(2) Jul-06	(\$31,462,458)	\$61,382,384	\$36,479,551	\$24,374,945	\$60,854,495	\$527,889	(\$1,151,564)	(\$32,086,133)	\$3,162,919
(2) Aug-06	(\$32,086,133)	\$64,089,187	\$38,088,204	\$26,218,886	\$64,307,090	(\$217,903)	(\$1,171,711)	(\$33,475,747)	(\$226,565)
(2) Sep-06	(\$33,475,747)	\$60,453,059	\$35,927,253	\$24,689,029	\$60,616,282	(\$163,223)	(\$1,120,724)	(\$34,759,694)	(\$5,498,487)
* (2) Oct-06	(\$34,759,694)	\$29,261,207				\$29,261,207		(\$5,498,487)	
Totals	(\$14,122,974)	\$645,633,138	\$395,243,821	\$229,503,138	\$624,746,959	\$20,886,179	(\$12,261,693)	(\$5,498,487)	
Interest (3)								(\$420,063)	
Ending Balance@ September 30, 2006 with Interest								(\$5,918,550)	

(1) Actual revenues and expenses

(2) Estimated revenues and expenses

(3) Interest expense calculation : $(-14122974 + -5498487) / 2 * ((4.27\% * 5/12) + (4.29\% * 7/12))$

* 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	(\$5,918,550)	\$23,940,987	\$31,618,064	\$21,174,473	\$52,792,538	(\$28,851,550)	(\$1,009,788)	(\$35,779,888)	(\$6,155,466)
(2) Nov-06	(\$35,779,888)	\$53,862,585	\$32,010,534	\$20,968,704	\$52,979,239	\$883,346	(\$1,029,145)	(\$35,925,687)	(\$2,935,904)
(2) Dec-06	(\$35,925,687)	\$59,981,423	\$35,646,960	\$23,488,725	\$59,135,685	\$845,738	(\$1,178,567)	(\$36,258,516)	(\$906,207)
* (2) Jan-07	(\$36,258,516)	\$35,352,309				\$35,352,309		(\$906,207)	
Totals	(\$5,918,550)	\$173,137,305	\$99,275,559	\$65,631,903	\$164,907,462	\$8,229,844	(\$3,217,501)	(\$906,207)	
Interest (3)								(\$36,598)	
Ending Balance@ December 31, 2006 with Interest								(\$942,805)	

* For December usage billed in January

(2) Estimated revenues and expenses

(3) Interest expense calculation : $(-5918550 + -906207) / 2 * (4.29\%)$ 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

Oct 2005: Last Resort Service reconciliation over recovery of \$631,413 incurred for the period October 2004 through September 2005 transferred to Standard Offer reconciliation per Commission decision in Docket No. 3706

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)
Jan-06			\$0.10000	
Feb-06	645,230,665	558,124,525	\$0.10000	\$55,812,453
Mar-06	649,203,679	561,561,182	\$0.10000	\$56,156,118
Apr-06	611,007,924	528,521,854	\$0.10000	\$52,852,185
May-06	583,163,961	504,436,826	\$0.10000	\$50,443,683
Jun-06	632,714,427	547,297,979	\$0.10000	\$54,729,798
Jul-06	709,622,935	613,823,839	\$0.10000	\$61,382,384
Aug-06	740,915,456	640,891,869	\$0.10000	\$64,089,187
Sep-06	698,879,291	604,530,587	\$0.10000	\$60,453,059
Oct-06	615,054,271	532,021,944	\$0.10000	\$53,202,194
Nov-06	622,688,847	538,625,853	\$0.10000	\$53,862,585
Dec-06	693,426,860	599,814,234	\$0.10000	\$59,981,423
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)
Jan-06	692,810,528	86.5%	599,281,107	\$0.05943	\$35,615,276	\$0.02908	\$17,427,095	\$53,042,371
Feb-06	645,230,665	86.5%	558,124,525	\$0.05943	\$33,169,341	\$0.03129	\$17,463,716	\$50,633,057
Mar-06	649,203,679	86.5%	561,561,182	\$0.05943	\$33,373,581	\$0.03325	\$18,671,909	\$52,045,490
Apr-06	611,007,924	86.5%	528,521,854	\$0.05943	\$31,410,054	\$0.03477	\$18,376,705	\$49,786,759
May-06	583,163,961	86.5%	504,436,826	\$0.05943	\$29,978,681	\$0.03643	\$18,376,634	\$48,355,314
Jun-06	632,714,427	86.5%	547,297,979	\$0.05943	\$32,525,919	\$0.03825	\$20,934,148	\$53,460,067
Jul-06	709,622,935	86.5%	613,823,839	\$0.05943	\$36,479,551	\$0.03971	\$24,374,945	\$60,854,495
Aug-06	740,915,456	86.5%	640,891,869	\$0.05943	\$38,088,204	\$0.04091	\$26,218,886	\$64,307,090
Sep-06	698,879,291	86.5%	604,530,587	\$0.05943	\$35,927,253	\$0.04084	\$24,689,029	\$60,616,282
Oct-06	615,054,271	86.5%	532,021,944	\$0.05943	\$31,618,064	\$0.03980	\$21,174,473	\$52,792,538
Nov-06	622,688,847	86.5%	538,625,853	\$0.05943	\$32,010,534	\$0.03893	\$20,968,704	\$52,979,239
Dec-06	693,426,860	86.5%	599,814,234	\$0.05943	\$35,646,960	\$0.03916	\$23,488,725	\$59,135,685
Total Expected Payments through December 2006							\$252,164,970	\$658,008,387

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 01-25-06, 01-26-06 & 01-27-06
- (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: **25-Jan-06** **26-Jan-06** **27-Jan-06**

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-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	\$11.620	\$11.180	\$11.471	\$8.553	n/a	Dec-05
Jan-06	Dec-05	\$12.283	\$11.022	\$11.431	\$11.579	\$8.989	n/a	Jan-06
Feb-06	Jan-06	\$8.460	\$8.229	\$8.400	\$8.363	\$9.156	n/a	Feb-06
Mar-06	Feb-06	\$8.637	\$8.421	\$8.507	\$8.522	\$9.346	n/a	Mar-06
Apr-06	Mar-06	\$8.722	\$8.551	\$8.652	\$8.642	\$9.472	n/a	Apr-06
May-06	Apr-06	\$8.812	\$8.651	\$8.752	\$8.738	\$9.616	n/a	May-06
Jun-06	May-06	\$8.908	\$8.755	\$8.855	\$8.839	\$9.831	n/a	Jun-06
Jul-06	Jun-06	\$8.998	\$8.850	\$8.950	\$8.933	\$9.979	n/a	Jul-06
Aug-06	Jul-06	\$9.083	\$8.935	\$9.035	\$9.018	\$10.109	n/a	Aug-06
Sep-06	Aug-06	\$9.133	\$8.985	\$9.085	\$9.068	\$10.020	n/a	Sep-06
Oct-06	Sep-06	\$9.218	\$9.070	\$9.170	\$9.153	\$9.700	n/a	Oct-06
Nov-06	Oct-06	\$10.108	\$9.990	\$10.090	\$10.063	\$9.366	n/a	Nov-06
Dec-06	Nov-06	\$10.888	\$10.800	\$10.900	\$10.863	\$9.315	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 - Feb-06)
- Settlement price as reported in the Wall Street Journal on 01-25-06 (Mar-06 - Dec-06)

Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Feb-06)
- Settlement price as reported in the Wall Street Journal on 01-26-06 (Mar-06 - Dec-06)

Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Feb-06)
- Settlement price as reported in the Wall Street Journal on 01-27-06 (Mar-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	25-Jan-06	26-Jan-06	27-Jan-06		
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	948.25	20	6.3	7.53	6.80	n/a	57.9800	57.98	57.98	57.98	<=Jan closing from WSJ on 12/20/05	
Feb-06	Feb-06	68.35			8.87	7.13	n/a	68.3500	68.35	68.35	68.35	<=Feb closing from WSJ on 01/20/06	
Mar-06	Mar-06	66.62			8.65	7.38	n/a	66.6233	65.85	66.26	67.76		
Apr-06	Apr-06	67.33			8.74	7.60	n/a	67.3300	66.48	66.99	68.52		
May-06	May-06	67.81			8.80	7.83	n/a	67.8100	66.93	67.48	69.02		
Jun-06	Jun-06	68.17			8.85	8.03	n/a	68.1667	67.28	67.84	69.38		
Jul-06	Jul-06	68.42			8.88	8.21	n/a	68.4233	67.54	68.10	69.63		
Aug-06	Aug-06	68.62			8.91	8.35	n/a	68.6233	67.75	68.30	69.82		
Sep-06	Sep-06	68.77			8.93	8.42	n/a	68.7700	67.90	68.45	69.96		
Oct-06	Oct-06	68.88			8.94	8.51	n/a	68.8800	68.02	68.56	70.06		
Nov-06	Nov-06	68.93			8.95	8.65	n/a	68.9300	68.02	68.64	70.13		
Dec-06	Dec-06	69.02			8.96	8.75	n/a	69.0167	68.18	68.70	70.17		

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 - Jan-06)
 - Jan-06 Final Crude oil contract price as reported in the Wall Street Journal on 20-Dec-05
 - average of Crude oil contract prices as reported in the Wall Street Journal on 01-25-06, 01-26-06 & 01-27-06
- 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 - Jan-06)
 - Current month value Col. HH * Jan-06 value in Col KK/ 57.98 (Jan-06 - Dec-06)
 - Where 57.98 represents the Jan-06 closing value from the WSJ 20-Dec-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 Adjustmt Value	EUA's Market Gas Price	EUA's Market Oil Price	EUA's Fuel Value	EUA's Fuel Trigger	EUA's Adjustmt Value	Ngrid Adjustmt €/kWh	EUA Adjustmt €/kWh	Weighted Adjustmt €/kWh
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	\$8.5527	\$6.5649	\$15.1176	\$8.48	1.72780	n/a	n/a	n/a	n/a	n/a	4.003	n/a	2.962
Jan-06	\$8.9886	\$6.7992	\$15.7878	\$9.22	1.66611	n/a	n/a	n/a	n/a	n/a	3.930	n/a	2.908
Feb-06	\$9.1556	\$7.1315	\$16.2870	\$9.22	1.71674	n/a	n/a	n/a	n/a	n/a	4.229	n/a	3.129
Mar-06	\$9.3458	\$7.3833	\$16.7290	\$9.22	1.76157	n/a	n/a	n/a	n/a	n/a	4.493	n/a	3.325
Apr-06	\$9.4719	\$7.6005	\$17.0724	\$9.22	1.79639	n/a	n/a	n/a	n/a	n/a	4.699	n/a	3.477
May-06	\$9.6162	\$7.8320	\$17.4482	\$9.22	1.83450	n/a	n/a	n/a	n/a	n/a	4.924	n/a	3.643
Jun-06	\$9.8309	\$8.0281	\$17.8590	\$9.22	1.87617	n/a	n/a	n/a	n/a	n/a	5.169	n/a	3.825
Jul-06	\$9.9788	\$8.2097	\$18.1886	\$9.22	1.90959	n/a	n/a	n/a	n/a	n/a	5.367	n/a	3.971
Aug-06	\$10.1093	\$8.3491	\$18.4584	\$9.22	1.93696	n/a	n/a	n/a	n/a	n/a	5.528	n/a	4.091
Sep-06	\$10.0203	\$8.4231	\$18.4433	\$9.22	1.93543	n/a	n/a	n/a	n/a	n/a	5.519	n/a	4.084
Oct-06	\$9.6996	\$8.5078	\$18.2073	\$9.22	1.91150	n/a	n/a	n/a	n/a	n/a	5.378	n/a	3.980
Nov-06	\$9.3656	\$8.6456	\$18.0112	\$9.22	1.89160	n/a	n/a	n/a	n/a	n/a	5.260	n/a	3.893
Dec-06	\$9.3149	\$8.7496	\$18.0645	\$9.22	1.89701	n/a	n/a	n/a	n/a	n/a	5.292	n/a	3.916

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 01-25-06, 01-26-06 & 01-27-06

3706 - Certificate of Service

I hereby certify that a copy of the cover letter and accompanying material(s) have been hand-delivered or sent via U.S. mail to the parties listed below.



Joanne M. Scanlon
National Grid

February 13, 2006
Date

Narragansett Electric Co. – Standard Offer Rate Filing – Docket No. 3706
Service list as 11/03/05

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