

May 21, 2007

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 3788 - Standard Offer Reconciliation Report

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's¹ ("Company") Standard Offer Reconciliation Report ("Report") through December 2007. The enclosed Report provides the Company's most current projection of the Standard Offer reconciliation balance through December 31, 2007 based on actual revenues and expenses through April 2007. 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 April 24, 25, and 26, 2007.

As shown in the Report, the Company estimates an over-collection of approximately \$39.0 million by the end of September 2007. By the end of December 2007, the Company estimates that the over-collection will be approximately \$33.4 million.

Attachment 1, page 1, of this Report shows the Company's projected Standard Offer reconciliation balance through December 31, 2007. 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 Service rate of 8.3¢ 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.

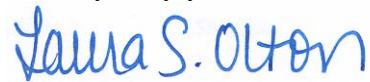
The calculation of the estimated monthly fuel index adjustment prices per kWh based on the April 24, 25, and 26, 2007 forecasted fuel prices is contained in Attachment 2. Pages 1 and 2 include the projections of natural gas and crude oil prices, respectively. The monthly weighted fuel index adjustments are calculated on page 3.

¹ The Narragansett Electric Company, d/b/a National Grid

Luly E. Massaro, Commission Clerk
Docket 3788 – Standard Offer Reconciliation Report
May 21, 2007
Page 2 of 2

Thank you for your attention to this filing. If you have any questions regarding this Report, please do not hesitate to contact me at (401) 784-7667.

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket 3788 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 2006 through December 2007**

Submitted: May 2007

Standard Offer Reconciliation
for the period October 2006 through December 2007**Projected Balance @ September 30, 2007**

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-06	\$18,341,722	\$16,630,596	\$29,000,719	\$13,855,929	\$42,856,649	(\$26,226,053)	(\$529,549)	(\$8,413,880)	\$15,936,585
(1) Nov-06	(\$8,413,880)	\$44,273,572	\$29,451,077	\$12,529,022	\$41,980,099	\$2,293,474	(\$444,632)	(\$6,565,038)	\$21,660,088
(1) Dec-06	(\$6,565,038)	\$51,318,411	\$31,825,408	\$12,880,886	\$44,706,294	\$6,612,117	(\$126,646)	(\$79,567)	\$28,725,951
(1) Jan-07	(\$79,567)	\$52,373,669	\$34,643,929	\$9,930,718	\$44,574,647	\$7,799,022	(\$412,769)	\$7,306,686	\$31,779,528
(1) Feb-07	\$7,306,686	\$44,496,076	\$32,693,644	\$8,891,902	\$41,585,546	\$2,910,530	(\$355,437)	\$9,861,778	\$34,606,945
(1) Mar-07	\$9,861,778	\$44,991,212	\$32,700,347	\$8,844,326	\$41,544,673	\$3,446,539	(\$335,744)	\$12,972,573	\$35,115,365
(1) Apr-07	\$12,972,573	\$40,259,621	\$29,960,895	\$7,954,554	\$37,915,448	\$2,344,173	(\$329,859)	\$14,986,888	\$36,316,355
(2) May-07	\$14,986,888	\$38,780,849	\$29,450,084	\$7,826,256	\$37,276,339	\$1,504,510	(\$845,563)	\$15,645,835	\$39,182,556
(2) Jun-07	\$15,645,835	\$42,794,038	\$32,497,689	\$9,146,581	\$41,644,270	\$1,149,768	(\$824,921)	\$15,970,682	\$42,256,109
(2) Jul-07	\$15,970,682	\$47,791,685	\$36,292,891	\$10,825,105	\$47,117,995	\$673,690	(\$797,820)	\$15,846,552	\$44,245,077
(2) Aug-07	\$15,846,552	\$51,633,683	\$39,210,494	\$12,174,351	\$51,384,846	\$248,837	(\$741,166)	\$15,354,223	\$42,751,690
(2) Sep-07	\$15,354,223	\$49,813,576	\$37,828,309	\$12,597,433	\$50,425,742	(\$612,167)	(\$688,715)	\$14,053,341	\$37,702,190
(2) * Oct-07	\$14,053,341	\$23,648,850				\$23,648,850		\$37,702,190	
Totals	\$18,341,722	\$548,805,838	\$395,555,485	\$127,457,064	\$523,012,549	\$25,793,289	(\$6,432,821)	\$37,702,190	
Interest (3)								\$1,285,507	
Ending Balance with Interest								\$38,987,697	

(1) Actual revenues and expenses

(2) Estimated revenues and expenses

(3) Interest expense calculation : $(18341722 + 37702190) / 2 * ((4.29\% * 5/12) + (4.80\% * 7/12))$

* For September usage billed in October

Section 2. Projected Balance @ December 31, 2007

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-07	\$38,987,697	\$19,349,059	\$32,652,508	\$12,117,121	\$44,769,629	(\$25,420,571)	(\$571,259)	\$12,995,867	\$36,458,600
(2) Nov-07	\$12,995,867	\$42,659,514	\$32,395,532	\$12,725,898	\$45,121,431	(\$2,461,917)	(\$474,120)	\$10,059,831	\$37,034,948
(2) Dec-07	\$10,059,831	\$49,045,667	\$37,245,161	\$15,564,613	\$52,809,774	(\$3,764,107)	(\$524,524)	\$5,771,200	\$32,985,583
(2) * Jan-08	\$5,771,200	\$27,214,383				\$27,214,383		\$32,985,583	
Totals	\$38,987,697	\$138,268,622	\$102,293,201	\$40,407,633	\$142,700,834	(\$4,432,211)	(\$1,569,903)	\$32,985,583	
Interest (3)								\$431,840	
Ending Balance with Interest								\$33,417,423	

* For December usage billed in January

(2) Estimated revenues and expenses

(3) Interest expense calculation : $(38987697 + 32985583) / 2 * (4.80\%)$ **Column Notes:**

Column (a) Column (g) from previous row; beginning balance from RIPUC Docket No. 3788

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 protest payments made to one of the Company's suppliers and NE_GIS expenses

Dec 2006: Last Resort Service reconciliation over recovery of \$343,357, incurred for the period October 2005 through September 2006 transferred to Standard Offer reconciliation per Commission decision in Docket No. 3788

Column (h) Column (a) + Column (f) + Column (g)

Column (i) Column (h) + 55% of next month's Column (b)

Standard Offer Reconciliation
Estimated Revenue through December 2007

<u>Month</u>	Estimated Standard Offer <u>Deliveries</u> (a)	Standard Offer <u>Rate</u> (b)	Total Estimated <u>Revenues</u> (c)
Oct-06	n/a	\$0.09400	n/a
Nov-06	n/a	\$0.09400	n/a
Dec-06	n/a	\$0.09400	n/a
Jan-07	n/a	\$0.08300	n/a
Feb-07	n/a	\$0.08300	n/a
Mar-07	n/a	\$0.08300	n/a
Apr-07	n/a	\$0.08300	n/a
May-07	467,239,149	\$0.08300	\$38,780,849
Jun-07	515,590,818	\$0.08300	\$42,794,038
Jul-07	575,803,437	\$0.08300	\$47,791,685
Aug-07	622,092,564	\$0.08300	\$51,633,683
Sep-07	600,163,561	\$0.08300	\$49,813,576
Oct-07	518,047,087	\$0.08300	\$42,997,908
Nov-07	513,970,048	\$0.08300	\$42,659,514
Dec-07	590,911,648	\$0.08300	\$49,045,667
Jan-08 full mo kWh	596,152,966	\$0.08300	\$49,480,696

Column Notes:

- (a) from Page 3, Column (c)
- (b) Per currently effective tariff
- (c) Column (a) x Column (b)

Standard Offer Reconciliation
Estimated Standard Offer Expenses

	Estimated Total Company kWh Deliveries (a)	% of Standard Offer kWhs to Total kWhs (b)	Estimated Standard Offer kWh Deliveries (c)	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)
2007								
Oct-2006	596,398,898	84.2%	n/a	\$0.05943	n/a	\$0.02804	n/a	n/a
Nov-2006	574,791,077	84.2%	n/a	\$0.05943	n/a	\$0.02539	n/a	n/a
Dec-2006	661,816,165	84.2%	n/a	\$0.05943	n/a	\$0.02360	n/a	n/a
Jan-2007	698,858,049	84.2%	n/a	\$0.06303	n/a	\$0.01768	n/a	n/a
Feb-2007	635,681,237	84.2%	n/a	\$0.06303	n/a	\$0.01672	n/a	n/a
Mar-2007	642,973,053	84.2%	n/a	\$0.06303	n/a	\$0.01658	n/a	n/a
Apr-2007	586,770,888	84.2%	n/a	\$0.06303	n/a	\$0.01646	n/a	n/a
May-2007	554,915,854	84.2%	467,239,149	\$0.06303	\$29,450,084	\$0.01675	\$7,826,256	\$37,276,339
Jun-2007	612,340,639	84.2%	515,590,818	\$0.06303	\$32,497,689	\$0.01774	\$9,146,581	\$41,644,270
Jul-2007	683,852,063	84.2%	575,803,437	\$0.06303	\$36,292,891	\$0.01880	\$10,825,105	\$47,117,995
Aug-2007	738,827,273	84.2%	622,092,564	\$0.06303	\$39,210,494	\$0.01957	\$12,174,351	\$51,384,846
Sep-2007	712,783,327	84.2%	600,163,561	\$0.06303	\$37,828,309	\$0.02099	\$12,597,433	\$50,425,742
Oct-2007	615,257,823	84.2%	518,047,087	\$0.06303	\$32,652,508	\$0.02339	\$12,117,121	\$44,769,629
Nov-2007	610,415,734	84.2%	513,970,048	\$0.06303	\$32,395,532	\$0.02476	\$12,725,898	\$45,121,431
Dec-2007	701,795,306	84.2%	590,911,648	\$0.06303	\$37,245,161	\$0.02634	\$15,564,613	\$52,809,774

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) Estimated per prices contained in wholesale standard offer contracts
- (e) Column (c) x Column (d)
- (f) from Attachment 2
- (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 2008**

Prices published in WSJ on: **24-Apr-07** **25-Apr-07** **26-Apr-07**

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	\$7.283	\$7.458	\$7.112	\$7.284	\$9.243	n/a	Mar-06
Apr-06	Mar-06	\$7.067	\$7.214	\$7.233	\$7.171	\$9.246	n/a	Apr-06
May-06	Apr-06	\$7.558	\$7.254	\$7.198	\$7.337	\$9.274	n/a	May-06
Jun-06	May-06	\$5.964	\$5.975	\$5.925	\$5.955	\$9.248	n/a	Jun-06
Jul-06	Jun-06	\$5.969	\$6.107	\$5.887	\$5.988	\$9.151	n/a	Jul-06
Aug-06	Jul-06	\$6.409	\$6.887	\$7.042	\$6.779	\$9.095	n/a	Aug-06
Sep-06	Aug-06	\$7.157	\$6.472	\$6.816	\$6.815	\$8.818	n/a	Sep-06
Oct-06	Sep-06	\$4.475	\$4.526	\$4.201	\$4.401	\$8.101	n/a	Oct-06
Nov-06	Oct-06	\$7.693	\$7.497	\$7.153	\$7.448	\$7.549	n/a	Nov-06
Dec-06	Nov-06	\$7.718	\$7.998	\$8.318	\$8.011	\$7.261	n/a	Dec-06
Jan-07	Dec-06	\$6.635	\$6.113	\$5.838	\$6.195	\$6.812	n/a	Jan-07
Feb-07	Jan-07	\$6.905	\$7.175	\$6.917	\$6.999	\$6.699	n/a	Feb-07
Mar-07	Feb-07	\$7.727	\$7.755	\$7.547	\$7.676	\$6.731	n/a	Mar-07
Apr-07	Mar-07	\$7.254	\$7.503	\$7.558	\$7.438	\$6.754	n/a	Apr-07
May-07	Apr-07	\$7.598	\$7.689	\$7.508	\$7.598	\$6.775	n/a	May-07
Jun-07	May-07	\$7.708	\$7.781	\$7.602	\$7.697	\$6.921	n/a	Jun-07
Jul-07	Jun-07	\$7.863	\$7.937	\$7.764	\$7.855	\$7.076	n/a	Jul-07
Aug-07	Jul-07	\$7.983	\$8.056	\$7.892	\$7.977	\$7.176	n/a	Aug-07
Sep-07	Aug-07	\$8.038	\$8.109	\$7.944	\$8.030	\$7.277	n/a	Sep-07
Oct-07	Sep-07	\$8.146	\$8.216	\$8.057	\$8.140	\$7.589	n/a	Oct-07
Nov-07	Oct-07	\$8.831	\$8.906	\$8.762	\$8.833	\$7.704	n/a	Nov-07
Dec-07	Nov-07	\$9.506	\$9.586	\$9.457	\$9.516	\$7.830	n/a	Dec-07
Jan-08	Dec-07	\$9.841	\$9.921	\$9.802	\$9.855	\$8.135	n/a	Jan-08
Feb-08	Jan-08	\$9.831	\$9.911	\$9.792	\$9.845	\$8.372	n/a	Feb-08
Mar-08	Feb-08	\$9.591	\$9.671	\$9.552	\$9.605	\$8.532	n/a	Mar-08
Apr-08	Mar-08	\$8.246	\$8.321	\$8.237	\$8.268	\$8.602	n/a	Apr-08
May-08	Apr-08	\$8.121	\$8.191	\$8.107	\$8.140	\$8.647	n/a	May-08
Jun-08	May-08	\$8.191	\$8.261	\$8.179	\$8.210	\$8.689	n/a	Jun-08
Jul-08	Jun-08	\$8.276	\$8.346	\$8.264	\$8.295	\$8.726	n/a	Jul-08
Aug-08	Jul-08	\$8.346	\$8.416	\$8.334	\$8.365	\$8.759	n/a	Aug-08
Sep-08	Aug-08	\$8.391	\$8.416	\$8.334	\$8.380	\$8.788	n/a	Sep-08
Oct-08	Sep-08	\$8.486	\$8.556	\$8.472	\$8.505	\$8.818	n/a	Oct-08
Nov-08	Oct-08	\$8.956	\$9.026	\$8.947	\$8.976	\$8.830	n/a	Nov-08
Dec-08	Nov-08	\$8.956	\$9.496	\$9.417	\$9.290	\$8.811	n/a	Dec-08

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 - May-07)
- Settlement price as reported in the Wall Street Journal on 04-24-07 (Jun-07 - Dec-07)

Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - May-07)
- Settlement price as reported in the Wall Street Journal on 04-25-07 (Jun-07 - Dec-07)

Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - May-07)
- Settlement price as reported in the Wall Street Journal on 04-26-07 (Jun-07 - Dec-07)

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)	(Col. OO)	(Col. PP)	(Col. QQ)	(Col. RR)
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	Prices published in WSJ on:				
								Average	24-Apr-07	25-Apr-07	26-Apr-07	
Jan-05	Jan-05	594.00	20	6.3	4.71	4.43738	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	4.49990	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	4.64430	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	4.81806	n/a	56.6200	56.62	56.62	56.62	<=Apr closing from WSJ on 03/21/05
May-05	May-05	792.25	21	6.3	5.99	4.91814	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	5.06936	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	5.26003	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	5.49487	n/a	57.4600	57.46	57.46	57.46	<=Aug closing from WSJ on 07/20/05
Sep-05	Sep-05	1064.75	21	6.3	8.05	5.79894	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	6.02252	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	6.25192	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	6.56276	n/a	56.1400	56.14	56.14	56.14	<=Dec closing from WSJ on 11/18/05
Jan-06	Jan-06	948.15	20	6.3	7.53	6.79699	n/a	57.9800	57.98	57.98	57.98	<=Jan closing from WSJ on 12/20/05
Feb-06	Feb-06	911.50	19	6.3	7.61	7.02450	n/a	68.3500	68.35	68.35	68.35	<=Feb closing from WSJ on 01/20/06
Mar-06	Mar-06	1086.62	23	6.3	7.50	7.18060	n/a	61.1000	61.10	61.10	61.10	<=Mar closing from WSJ on 02/21/06
Apr-06	Apr-06	967.73	19	6.3	8.08	7.34323	n/a	60.5700	60.57	60.57	60.57	<=Apr closing from WSJ on 03/21/06
May-06	May-06	1081.50	22	6.3	7.80	7.49446	n/a	71.9500	71.95	71.95	71.95	<=May closing from WSJ on 04/20/06
Jun-06	Jun-06	1060.25	22	6.3	7.65	7.59066	n/a	69.2300	69.23	69.23	69.23	<=June closing from WSJ on 05/22/06
Jul-06	Jul-06	923.40	19	6.3	7.71	7.67509	n/a	70.3300	70.33	70.33	70.33	<=July closing from WSJ on 06/20/06
Aug-06	Aug-06	1155.05	23	6.3	7.97	7.73645	n/a	73.0800	73.08	73.08	73.08	<=Aug closing from WSJ on 07/20/06
Sep-06	Sep-06	796.22	20	6.3	6.32	7.59239	n/a	72.6300	72.63	72.63	72.63	<=Sep closing from WSJ on 08/22/06
Oct-06	Oct-06	863.40	22	6.3	6.23	7.45117	n/a	60.4600	60.46	60.46	60.46	<=Oct closing from WSJ on 09/20/06
Nov-06	Nov-06	847.60	20	6.3	6.73	7.40395	n/a	56.8200	56.82	56.82	56.82	<=Nov closing from WSJ on 10/20/06
Dec-06	Dec-06	799.00	20	6.3	6.34	7.28991	n/a	55.8100	55.81	55.81	55.81	<=Dec closing from WSJ on 11/17/06
Jan-07	Jan-07	743.10	20	6.3	5.90	7.15429	n/a	63.1500	63.15	63.15	63.15	<=Jan closing from WSJ on 12/19/06
Feb-07	Feb-07	759.45	19	6.3	6.34	7.04844	n/a	51.1300	51.13	51.13	51.13	<=Feb closing from WSJ on 01/22/07
Mar-07	Mar-07	935.70	22	6.3	6.75	6.98610	n/a	58.0700	58.07	58.07	58.07	<=Mar closing from WSJ on 02/20/07
Apr-07	Apr-07	941.55	20	6.3	7.47	6.93510	n/a	56.7300	56.73	56.73	56.73	<=April 2007 closing from WSJ on 03/20/07
May-07	May-07	63.38			8.35	6.98056	n/a	63.3800	63.38	63.38	63.38	<=May 2007 closing from WSJ on 04/20/07
Jun-07	Jun-07	65.16			8.58	7.05834	n/a	65.1600	64.58	65.84	65.06	
Jul-07	Jul-07	66.50			8.76	7.14545	n/a	66.5000	65.89	67.20	66.41	
Aug-07	Aug-07	67.37			8.87	7.22068	n/a	67.3700	66.73	68.09	67.29	
Sep-07	Sep-07	68.03			8.96	7.44087	n/a	68.0333	67.38	68.75	67.97	
Oct-07	Oct-07	68.56			9.03	7.67433	n/a	68.5600	67.89	69.27	68.52	
Nov-07	Nov-07	69.00			9.09	7.87111	n/a	68.9967	68.32	69.70	68.97	
Dec-07	Dec-07	69.37			9.14	8.10418	n/a	69.3733	68.69	70.07	69.36	
Jan-08	Jan-08	69.48			9.15	8.37538	n/a	69.4800	68.69	70.07	69.68	
Feb-08	Feb-08	69.95			9.21	8.61450	n/a	69.9500	69.26	70.64	69.95	
Mar-08	Mar-08	70.02			9.22	8.82054	n/a	70.0233	69.48	70.64	69.95	
Apr-08	Apr-08	70.15			9.24	8.96789	n/a	70.1533	69.48	70.64	70.34	
May-08	May-08	70.26			9.25	9.04341	n/a	70.2600	69.80	70.64	70.34	
Jun-08	Jun-08	70.63			9.30	9.10345	n/a	70.6300	69.95	71.30	70.64	
Jul-08	Jul-08	70.63			9.30	9.14879	n/a	70.6300	69.95	71.30	70.64	
Aug-08	Aug-08	70.63			9.30	9.18457	n/a	70.6300	69.95	71.30	70.64	
Sep-08	Sep-08	70.63			9.30	9.21308	n/a	70.6300	69.95	71.30	70.64	
Oct-08	Oct-08	70.63			9.30	9.23580	n/a	70.6300	69.95	71.30	70.64	
Nov-08	Nov-08	70.63			9.30	9.25373	n/a	70.6300	69.95	71.30	70.64	
Dec-08	Dec-08	70.90			9.34	9.27052	n/a	70.9033	70.24	71.57	70.90	

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 - Apr-07)
- May-07 Final Crude oil contract price as reported in the Wall Street Journal on 04/20/07
- average of Crude oil contract prices as reported in the Wall Street Journal on 04-24-07, 04-25-07, and 04-26-07
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 - Apr-07)
' - Current month value Col. HH * Apr-07 value in Col KK/56.73 (May-07 - Dec-07)
- Where 56.73 represents the Apr-07 closing value from the WSJ on 03/20/07
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 ¢/kWh	EUA Adjustment ¢/kWh	Weighted Adjustment ¢/kWh
Jan-05	\$6.10331	\$4.43738	\$10.5407	\$8.48	1.22595	n/a	n/a	n/a	n/a	n/a	1.243	n/a	0.920
Feb-05	\$6.15500	\$4.49990	\$10.6549	\$8.48	1.23848	n/a	n/a	n/a	n/a	n/a	1.312	n/a	0.971
Mar-05	\$6.24844	\$4.64430	\$10.8927	\$8.48	1.26456	n/a	n/a	n/a	n/a	n/a	1.455	n/a	1.077
Apr-05	\$6.39533	\$4.81806	\$11.2134	\$8.48	1.29971	n/a	n/a	n/a	n/a	n/a	1.648	n/a	1.220
May-05	\$6.49111	\$4.91814	\$11.4092	\$8.48	1.32119	n/a	n/a	n/a	n/a	n/a	1.767	n/a	1.307
Jun-05	\$6.45550	\$5.06936	\$11.5249	\$8.48	1.33387	n/a	n/a	n/a	n/a	n/a	1.836	n/a	1.359
Jul-05	\$6.52481	\$5.26003	\$11.7848	\$8.48	1.36237	n/a	n/a	n/a	n/a	n/a	1.993	n/a	1.475
Aug-05	\$6.64597	\$5.49487	\$12.1408	\$8.48	1.40141	n/a	n/a	n/a	n/a	n/a	2.208	n/a	1.634
Sep-05	\$7.05819	\$5.79894	\$12.8571	\$8.48	1.47995	n/a	n/a	n/a	n/a	n/a	2.640	n/a	1.953
Oct-05	\$7.68669	\$6.02252	\$13.7092	\$8.48	1.57338	n/a	n/a	n/a	n/a	n/a	3.154	n/a	2.334
Nov-05	\$8.19481	\$6.25192	\$14.4467	\$8.48	1.65425	n/a	n/a	n/a	n/a	n/a	3.598	n/a	2.663
Dec-05	\$8.55267	\$6.56276	\$15.1154	\$8.48	1.72757	n/a	n/a	n/a	n/a	n/a	4.002	n/a	2.961
Jan-06	\$8.98864	\$6.79699	\$15.7856	\$9.22	1.66589	n/a	n/a	n/a	n/a	n/a	3.929	n/a	2.907
Feb-06	\$9.15558	\$7.02450	\$16.1801	\$9.22	1.70589	n/a	n/a	n/a	n/a	n/a	4.165	n/a	3.082
Mar-06	\$9.24267	\$7.18060	\$16.4233	\$9.22	1.73055	n/a	n/a	n/a	n/a	n/a	4.310	n/a	3.190
Apr-06	\$9.24628	\$7.34323	\$16.5895	\$9.22	1.74742	n/a	n/a	n/a	n/a	n/a	4.410	n/a	3.263
May-06	\$9.27375	\$7.49446	\$16.7682	\$9.22	1.76554	n/a	n/a	n/a	n/a	n/a	4.517	n/a	3.342
Jun-06	\$9.24811	\$7.59066	\$16.8388	\$9.22	1.77270	n/a	n/a	n/a	n/a	n/a	4.559	n/a	3.374
Jul-06	\$9.15058	\$7.67509	\$16.8257	\$9.22	1.77137	n/a	n/a	n/a	n/a	n/a	4.551	n/a	3.368
Aug-06	\$9.09453	\$7.73645	\$16.8310	\$9.22	1.77190	n/a	n/a	n/a	n/a	n/a	4.554	n/a	3.370
Sep-06	\$8.81775	\$7.59239	\$16.4101	\$9.22	1.72922	n/a	n/a	n/a	n/a	n/a	4.302	n/a	3.184
Oct-06	\$8.10106	\$7.45117	\$15.5522	\$9.22	1.64221	n/a	n/a	n/a	n/a	n/a	3.789	n/a	2.804
Nov-06	\$7.54919	\$7.40395	\$14.9531	\$9.22	1.58145	n/a	n/a	n/a	n/a	n/a	3.431	n/a	2.539
Dec-06	\$7.26086	\$7.28991	\$14.5508	\$9.22	1.54065	n/a	n/a	n/a	n/a	n/a	3.190	n/a	2.360
Jan-07	\$6.81225	\$7.15429	\$13.9665	\$9.95	1.37928	n/a	n/a	n/a	n/a	n/a	2.389	n/a	1.768
Feb-07	\$6.69858	\$7.04844	\$13.7470	\$9.95	1.35855	n/a	n/a	n/a	n/a	n/a	2.259	n/a	1.672
Mar-07	\$6.73125	\$6.98610	\$13.7174	\$9.95	1.35575	n/a	n/a	n/a	n/a	n/a	2.241	n/a	1.658
Apr-07	\$6.75350	\$6.93510	\$13.6886	\$9.95	1.35303	n/a	n/a	n/a	n/a	n/a	2.224	n/a	1.646
May-07	\$6.77531	\$6.98056	\$13.7559	\$9.95	1.35938	n/a	n/a	n/a	n/a	n/a	2.264	n/a	1.675
Jun-07	\$6.92050	\$7.05834	\$13.9788	\$9.95	1.38044	n/a	n/a	n/a	n/a	n/a	2.397	n/a	1.774
Jul-07	\$7.07608	\$7.14545	\$14.2215	\$9.95	1.40335	n/a	n/a	n/a	n/a	n/a	2.541	n/a	1.880
Aug-07	\$7.17589	\$7.22068	\$14.3966	\$9.95	1.41988	n/a	n/a	n/a	n/a	n/a	2.645	n/a	1.957
Sep-07	\$7.27717	\$7.44087	\$14.7180	\$9.95	1.45024	n/a	n/a	n/a	n/a	n/a	2.837	n/a	2.099
Oct-07	\$7.58875	\$7.67433	\$15.2631	\$9.95	1.50171	n/a	n/a	n/a	n/a	n/a	3.161	n/a	2.339
Nov-07	\$7.70419	\$7.87111	\$15.5753	\$9.95	1.53119	n/a	n/a	n/a	n/a	n/a	3.346	n/a	2.476
Dec-07	\$7.82961	\$8.10418	\$15.9338	\$9.95	1.56504	n/a	n/a	n/a	n/a	n/a	3.560	n/a	2.634
Jan-08	\$8.13456	\$8.37538	\$16.5099	\$10.69	1.51367	n/a	n/a	n/a	n/a	n/a	3.442	n/a	2.547
Feb-08	\$8.37169	\$8.61450	\$16.9862	\$10.69	1.55571	n/a	n/a	n/a	n/a	n/a	3.723	n/a	2.755
Mar-08	\$8.53239	\$8.82054	\$17.3529	\$10.69	1.58808	n/a	n/a	n/a	n/a	n/a	3.940	n/a	2.916
Apr-08	\$8.60153	\$8.96789	\$17.5694	\$10.69	1.60719	n/a	n/a	n/a	n/a	n/a	4.068	n/a	3.010
May-08	\$8.64664	\$9.04341	\$17.6900	\$10.69	1.61783	n/a	n/a	n/a	n/a	n/a	4.139	n/a	3.063
Jun-08	\$8.68942	\$9.10345	\$17.7929	\$10.69	1.62691	n/a	n/a	n/a	n/a	n/a	4.200	n/a	3.108
Jul-08	\$8.72614	\$9.14879	\$17.8749	\$10.69	1.63415	n/a	n/a	n/a	n/a	n/a	4.249	n/a	3.144
Aug-08	\$8.75850	\$9.18457	\$17.9431	\$10.69	1.64017	n/a	n/a	n/a	n/a	n/a	4.289	n/a	3.174
Sep-08	\$8.78767	\$9.21308	\$18.0007	\$10.69	1.64526	n/a	n/a	n/a	n/a	n/a	4.323	n/a	3.199
Oct-08	\$8.81808	\$9.23580	\$18.0539	\$10.69	1.64995	n/a	n/a	n/a	n/a	n/a	4.355	n/a	3.222
Nov-08	\$8.83003	\$9.25373	\$18.0838	\$10.69	1.65258	n/a	n/a	n/a	n/a	n/a	4.372	n/a	3.236
Dec-08	\$8.81114	\$9.27052	\$18.0817	\$10.69	1.65240	n/a	n/a	n/a	n/a	n/a	4.371	n/a	3.235

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. L) + (0.26 * Col. M)

Forecast of fuel prices based on NYMEX futures as reported in the Wall Street Journal on 04-24-07, 04-25-07, and 04-26-07

Certificate of Service

I certify that a copy of the cover letter and materials accompanying this certificate were mailed or hand-delivered to the individuals listed below.



Date: May 21, 2007

Joanne M. Scanlon
National Grid

Annual Reconciliation Rate Filing – Docket No. 3788 **Service list as 12/28/2006**

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