

April 3, 2008

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 3902 - Standard Offer Reconciliation Report

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's¹ ("Company") Standard Offer Reconciliation Report ("Report"). The enclosed Report provides the Company's most current projection of the Standard Offer reconciliation balance through December 31, 2008 based on actual revenues and expenses through February 2008. 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 March 25, 26, and 27, 2008.

Based on the January futures prices, the Company estimates an under-collection of approximately \$11.6 million by the end of September 2008. By the end of December 2008, the Company estimates an under-collection of approximately \$43.4 million.

Attachment 1, page 1, of this Report shows the Company's projected Standard Offer reconciliation balance through December 31, 2008. 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 9.2¢ 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.

Attachment 2 contains the calculation of the estimated monthly fuel index adjustment prices per kWh based on the March 25, 26, and 27, 2008 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.

The projected under recovery as of December 31, 2008 exceeds the threshold of \$25.0 million recommended by the Division in Docket No. 3902 as the trigger point for considering a Standard Offer rate adjustment. Crude oil prices have reached historically high levels in the past several months and natural gas prices are also at their highest level in two years. Based on reports from industry analysts, the Company does not expect fuel prices to subside significantly in the next few months. The Company intends to consult with the Division after the filing of this report to determine if an adjustment is appropriate at this time.

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

Luly E. Massaro, Commission Clerk
Docket 3902 – Standard Offer Reconciliation Report
April 3, 2008
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,



Thomas R. Teehan

Enclosures

cc: Docket 3902 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 2007 through September 2008**

Report for: March 2008

Standard Offer Reconciliation
for the period October 2007 through September 2008**Projected Balance @ September 30, 2008**

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-07	\$42,042,142	\$14,282,610	\$32,272,127	\$10,866,364	\$43,138,491	(\$28,855,882)	(\$582,376)	\$12,603,884	\$35,228,710
(1) Nov-07	\$12,603,884	\$41,136,046	\$32,117,436	\$11,623,256	\$43,740,692	(\$2,604,646)	(\$603,858)	\$9,395,380	\$35,004,226
(1) Dec-07	\$9,395,380	\$46,561,538	\$35,332,585	\$13,926,945	\$49,259,530	(\$2,697,992)	(\$720,492)	\$5,976,896	\$33,950,291
(1) Jan-08	\$5,976,896	\$50,860,718	\$37,333,300	\$13,325,006	\$50,658,306	\$202,412	(\$688,518)	\$5,490,790	\$33,088,352
(1) Feb-08	\$5,490,790	\$50,177,386	\$34,848,369	\$13,581,802	\$48,430,171	\$1,747,215	(\$702,099)	\$6,535,906	\$34,938,445
(2) Mar-08	\$6,535,906	\$51,640,980	\$37,608,105	\$15,643,849	\$53,251,954	(\$1,610,974)	(\$844,656)	\$4,080,276	\$29,131,020
(2) Apr-08	\$4,080,276	\$45,546,807	\$33,169,957	\$14,975,988	\$48,145,945	(\$2,599,138)	(\$850,606)	\$630,531	\$24,374,973
(2) May-08	\$630,531	\$43,171,714	\$31,440,270	\$15,166,411	\$46,606,680	(\$3,434,967)	(\$892,965)	(\$3,697,401)	\$22,480,816
(2) Jun-08	(\$3,697,401)	\$47,596,759	\$34,662,857	\$17,745,313	\$52,408,170	(\$4,811,411)	(\$1,046,931)	(\$9,555,744)	\$19,671,987
(2) Jul-08	(\$9,555,744)	\$53,141,328	\$38,700,749	\$21,002,377	\$59,703,126	(\$6,561,799)	(\$1,214,355)	(\$17,331,897)	\$14,138,466
(2) Aug-08	(\$17,331,897)	\$57,218,843	\$41,670,245	\$24,206,059	\$65,876,303	(\$8,657,460)	(\$1,368,356)	(\$27,357,713)	\$3,045,682
(2) Sep-08	(\$27,357,713)	\$55,278,900	\$40,257,460	\$24,917,565	\$65,175,025	(\$9,896,125)	(\$1,373,263)	(\$38,627,101)	(\$12,319,451)
(2) * Oct-08	(\$38,627,101)	\$26,307,650				\$26,307,650		(\$12,319,451)	
Totals	\$42,042,142	\$582,921,277	\$429,413,460	\$196,980,934	\$626,394,395	(\$43,473,117)	(\$10,888,476)	(\$12,319,451)	
Interest (3)								\$698,607	
Ending Balance with Interest								(\$11,620,844)	

(1) Actual revenues and expenses

(2) Estimated revenues and expenses

(3) Interest expense calculation : $(42042142 + -12319451)/2 * ((4.80\% * 5/12) + (4.63\% * 7/12))$

* For September usage billed in October

Section 2. Projected Balance @ December 31, 2008

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-08	(\$11,620,844)	\$21,524,441	\$34,834,240	\$22,574,667	\$57,408,907	(\$35,884,466)	(\$1,206,369)	(\$48,711,679)	(\$23,138,154)
(2) Nov-08	(\$48,711,679)	\$46,497,319	\$33,862,178	\$22,541,092	\$56,403,269	(\$9,905,951)	(\$1,175,462)	(\$59,793,091)	(\$30,272,714)
(2) Dec-08	(\$59,793,091)	\$53,673,413	\$39,088,247	\$26,685,021	\$65,773,268	(\$12,099,854)	(\$1,361,341)	(\$73,254,287)	(\$43,049,363)
(2) * Jan-09	(\$73,254,287)	\$30,204,924				\$30,204,924		(\$43,049,363)	
Totals	(\$11,620,844)	\$151,900,097	\$107,784,665	\$71,800,780	\$179,585,444	(\$27,685,347)	(\$3,743,171)	(\$43,049,363)	
Interest (3)								(\$316,404)	
Ending Balance with Interest								(\$43,365,767)	

* For December usage billed in January

(2) Estimated revenues and expenses

(3) Interest expense calculation : $(-11620844 + -43049363)/2 * (4.63\% * 3/12)$ **Column Notes:**

Column (a) Column (g) from previous row; beginning balance from RIPUC Docket No. 3902
 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

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 2008

<u>Month</u>	Estimated Standard Offer Deliveries (a)	Standard Offer Rate (b)	Total Estimated Revenues (c)
		\$0.08300	
Jan-08 full mo kWh	587,656,725	\$0.09200	\$51,155,518
Feb-08	528,628,589	\$0.09200	\$48,633,830
Mar-08	561,315,004	\$0.09200	\$51,640,980
Apr-08	495,073,988	\$0.09200	\$45,546,807
May-08	469,257,757	\$0.09200	\$43,171,714
Jun-08	517,356,071	\$0.09200	\$47,596,759
Jul-08	577,623,126	\$0.09200	\$53,141,328
Aug-08	621,943,950	\$0.09200	\$57,218,843
Sep-08	600,857,611	\$0.09200	\$55,278,900
Oct-08	519,914,031	\$0.09200	\$47,832,091
Nov-08	505,405,639	\$0.09200	\$46,497,319
Dec-08	583,406,668	\$0.09200	\$53,673,413
Jan-09 full mo kWh	596,935,255	\$0.09200	\$54,918,043
Feb-09	537,565,075	\$0.09200	\$49,455,987
Mar-09	569,993,212	\$0.09200	\$52,439,375
Apr-09	503,413,008	\$0.09200	\$46,313,997
May-09	477,342,863	\$0.09200	\$43,915,543
Jun-09	525,333,291	\$0.09200	\$48,330,663
Jul-09	585,585,780	\$0.09200	\$53,873,892
Aug-09	629,850,275	\$0.09200	\$57,946,225
Sep-09	608,459,147	\$0.09200	\$55,978,242
Oct-09	527,281,924	\$0.09200	\$48,509,937
Nov-09	512,636,624	\$0.09200	\$47,162,569
Dec-09	590,752,334	\$0.09200	\$54,349,215
Jan-10 full mo kWh	604,488,873	\$0.09200	\$55,612,976

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)
<u>2008</u>								
Jan-08	708,020,150	83.0%	587,656,725	\$0.06700	\$39,373,001	\$0.02347	\$13,792,303	\$53,165,304
Feb-08	636,901,914	83.0%	528,628,589	\$0.06700	\$35,418,115	\$0.02562	\$13,543,464	\$48,961,580
Mar-08	676,283,137	83.0%	561,315,004	\$0.06700	\$37,608,105	\$0.02787	\$15,643,849	\$53,251,954
Apr-08	596,474,684	83.0%	495,073,988	\$0.06700	\$33,169,957	\$0.03025	\$14,975,988	\$48,145,945
May-08	565,370,791	83.0%	469,257,757	\$0.06700	\$31,440,270	\$0.03232	\$15,166,411	\$46,606,680
Jun-08	623,320,568	83.0%	517,356,071	\$0.06700	\$34,662,857	\$0.03430	\$17,745,313	\$52,408,170
Jul-08	695,931,477	83.0%	577,623,126	\$0.06700	\$38,700,749	\$0.03636	\$21,002,377	\$59,703,126
Aug-08	749,330,060	83.0%	621,943,950	\$0.06700	\$41,670,245	\$0.03892	\$24,206,059	\$65,876,303
Sep-08	723,924,832	83.0%	600,857,611	\$0.06700	\$40,257,460	\$0.04147	\$24,917,565	\$65,175,025
Oct-08	626,402,447	83.0%	519,914,031	\$0.06700	\$34,834,240	\$0.04342	\$22,574,667	\$57,408,907
Nov-08	608,922,457	83.0%	505,405,639	\$0.06700	\$33,862,178	\$0.04460	\$22,541,092	\$56,403,269
Dec-08	702,899,600	83.0%	583,406,668	\$0.06700	\$39,088,247	\$0.04574	\$26,685,021	\$65,773,268
<u>2009</u>								
Jan-09	719,199,102	83.0%	596,935,255	\$0.07100	\$42,382,403	\$0.04360	\$26,026,377	\$68,408,780
Feb-09	647,668,765	83.0%	537,565,075	\$0.07100	\$38,167,120	\$0.04471	\$24,034,535	\$62,201,655
Mar-09	686,738,809	83.0%	569,993,212	\$0.07100	\$40,469,518	\$0.04523	\$25,780,793	\$66,250,311
Apr-09	606,521,696	83.0%	503,413,008	\$0.07100	\$35,742,324	\$0.04487	\$22,588,142	\$58,330,465
May-09	575,111,883	83.0%	477,342,863	\$0.07100	\$33,891,343	\$0.04441	\$21,198,797	\$55,090,140
Jun-09	632,931,676	83.0%	525,333,291	\$0.07100	\$37,298,664	\$0.04390	\$23,062,131	\$60,360,795
Jul-09	705,525,036	83.0%	585,585,780	\$0.07100	\$41,576,590	\$0.04341	\$25,420,279	\$66,996,869
Aug-09	758,855,753	83.0%	629,850,275	\$0.07100	\$44,719,370	\$0.04293	\$27,039,472	\$71,758,842
Sep-09	733,083,310	83.0%	608,459,147	\$0.07100	\$43,200,599	\$0.04248	\$25,847,345	\$69,047,944
Oct-09	635,279,426	83.0%	527,281,924	\$0.07100	\$37,437,017	\$0.04204	\$22,166,932	\$59,603,949
Nov-09	617,634,487	83.0%	512,636,624	\$0.07100	\$36,397,200	\$0.04160	\$21,325,684	\$57,722,884
Dec-09	711,749,800	83.0%	590,752,334	\$0.07100	\$41,943,416	\$0.04114	\$24,303,551	\$66,246,967
Jan-10	728,299,847	83.0%	604,488,873		\$0	\$0.00000	\$0	\$0

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 2009**

Prices published in WSJ on: 25-Mar-08 26-Mar-08 27-Mar-08

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	\$7.681	\$7.640	\$7.591	\$7.637	\$6.916	n/a	Jun-07
Jul-07	Jun-07	\$6.940	\$6.877	\$6.929	\$6.915	\$6.993	n/a	Jul-07
Aug-07	Jul-07	\$5.925	\$5.943	\$6.110	\$5.993	\$6.927	n/a	Aug-07
Sep-07	Aug-07	\$5.380	\$5.593	\$5.430	\$5.468	\$6.815	n/a	Sep-07
Oct-07	Sep-07	\$6.370	\$6.360	\$6.423	\$6.384	\$6.980	n/a	Oct-07
Nov-07	Oct-07	\$7.188	\$7.218	\$7.269	\$7.225	\$6.962	n/a	Nov-07
Dec-07	Nov-07	\$7.723	\$7.557	\$7.203	\$7.494	\$6.919	n/a	Dec-07
Jan-08	Dec-07	\$7.025	\$7.046	\$7.172	\$7.081	\$6.992	n/a	Jan-08
Feb-08	Jan-08	\$7.983	\$8.095	\$7.996	\$8.025	\$7.078	n/a	Feb-08
Mar-08	Feb-08	\$9.186	\$9.206	\$8.930	\$9.107	\$7.197	n/a	Mar-08
Apr-08	Mar-08	\$9.419	\$9.572	\$9.578	\$9.523	\$7.371	n/a	Apr-08
May-08	Apr-08	\$9.511	\$9.685	\$9.687	\$9.628	\$7.540	n/a	May-08
Jun-08	May-08	\$9.601	\$9.775	\$9.783	\$9.720	\$7.714	n/a	Jun-08
Jul-08	Jun-08	\$9.705	\$9.877	\$9.885	\$9.822	\$7.956	n/a	Jul-08
Aug-08	Jul-08	\$9.770	\$9.940	\$9.948	\$9.886	\$8.280	n/a	Aug-08
Sep-08	Aug-08	\$9.790	\$9.959	\$9.968	\$9.906	\$8.650	n/a	Sep-08
Oct-08	Sep-08	\$9.856	\$10.025	\$10.037	\$9.973	\$8.949	n/a	Oct-08
Nov-08	Oct-08	\$10.121	\$10.283	\$10.307	\$10.237	\$9.200	n/a	Nov-08
Dec-08	Nov-08	\$10.476	\$10.630	\$10.662	\$10.589	\$9.458	n/a	Dec-08
Jan-09	Dec-08	\$10.701	\$10.855	\$10.887	\$10.814	\$9.769	n/a	Jan-09
Feb-09	Jan-09	\$10.681	\$10.830	\$10.862	\$10.791	\$10.000	n/a	Feb-09
Mar-09	Feb-09	\$10.456	\$10.600	\$10.632	\$10.563	\$10.121	n/a	Mar-09
Apr-09	Mar-09	\$8.926	\$9.035	\$9.027	\$8.996	\$10.077	n/a	Apr-09
May-09	Apr-09	\$8.786	\$8.895	\$8.887	\$8.856	\$10.013	n/a	May-09
Jun-09	May-09	\$8.836	\$8.945	\$8.937	\$8.906	\$9.945	n/a	Jun-09
Jul-09	Jun-09	\$8.911	\$9.020	\$9.010	\$8.980	\$9.875	n/a	Jul-09
Aug-09	Jul-09	\$8.966	\$9.075	\$9.065	\$9.035	\$9.804	n/a	Aug-09
Sep-09	Aug-09	\$8.981	\$9.090	\$9.080	\$9.050	\$9.733	n/a	Sep-09
Oct-09	Sep-09	\$9.056	\$9.165	\$9.155	\$9.125	\$9.662	n/a	Oct-09
Nov-09	Oct-09	\$9.291	\$9.400	\$9.385	\$9.359	\$9.589	n/a	Nov-09
Dec-09	Nov-09	\$9.656	\$9.760	\$9.740	\$9.719	\$9.516	n/a	Dec-09

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 - Apr-08)
- Settlement price as reported in the Wall Street Journal on 03-25-08 (May-08 - Dec-07)
- Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Apr-08)
- Settlement price as reported in the Wall Street Journal on 03-26-08 (May-08 - Dec-07)
- Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Apr-08)
- Settlement price as reported in the Wall Street Journal on 03-27-08 (May-08 - 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	25-Mar-08	26-Mar-08	27-Mar-08	
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	1151.60	22	6.3	8.31	6.97725	n/a	63.3800	63.38	63.38	63.38 <=May 2007 closing from WSJ on 04/20/07	
Jun-07	Jun-07	1132.60	21	6.3	8.56	7.05318	n/a	64.9700	64.97	64.97	64.97 <=June 2007 closing from WSJ on 05/22/07	
Jul-07	Jul-07	1197.55	21	6.3	9.05	7.16463	n/a	68.1900	68.19	68.19	68.19 <=July 2007 closing from WSJ on 06/20/07	
Aug-07	Aug-07	1249.15	23	6.3	8.62	7.21875	n/a	75.5700	75.57	75.57	75.57 <=August 2007 closing from WSJ on 07/20/07	
Sep-07	Sep-07	1092.55	19	6.3	9.13	7.45277	n/a	69.4700	69.47	69.47	69.47 <=September 2007 closing from WSJ on 08/21/07	
Oct-07	Oct-07	1427.75	23	6.3	9.85	7.75476	n/a	83.3200	83.32	83.32	83.32 <=October 2007 closing from WSJ on 09/21/07	
Nov-07	Nov-07	1502.60	21	6.3	11.36	8.14064	n/a	87.5600	87.56	87.56	87.56 <=November 2007 closing from WSJ on 10/22/07	
Dec-07	Dec-07	1303.50	18	6.3	11.49	8.57009	n/a	95.1000	95.10	95.10	95.10 <=December 2007 closing from WSJ on 11/16/07	
Jan-08	Jan-08	1560.10	21	6.3	11.79	9.06130	n/a	90.4900	90.49	90.49	90.49 <=January 2008 closing from WSJ on 12/18/07	
Feb-08	Feb-08	1410.80	20	6.3	11.20	9.46565	n/a	89.8500	89.85	89.85	89.85 <=February 2008 closing from WSJ on 01/22/08	
Mar-08	Mar-08	1303.50	18	6.3	11.49	9.86096	n/a	100.7400	100.74	100.74	100.74 <=March 2008 closing from WSJ on 02/20/08	
Apr-08	Apr-08	104.48			11.92	10.23169	n/a	104.480	104.48	104.48	104.48 <=April 2008 closing from WSJ on 03/20/08	
May-08	May-08	104.90			11.97	10.53674	n/a	104.900	101.22	105.90	107.58	
Jun-08	Jun-08	104.19			11.89	10.81400	n/a	104.187	100.83	105.14	106.59	
Jul-08	Jul-08	103.48			11.81	11.04366	n/a	103.483	100.45	104.37	105.63	
Aug-08	Aug-08	102.85			11.74	11.30325	n/a	102.853	100.07	103.68	104.81	
Sep-08	Sep-08	102.33			11.68	11.51562	n/a	102.327	99.69	103.13	104.16	
Oct-08	Oct-08	101.89			11.63	11.66330	n/a	101.887	99.32	102.68	103.66	
Nov-08	Nov-08	101.49			11.58	11.68186	n/a	101.490	98.99	102.26	103.22	
Dec-08	Dec-08	101.10			11.54	11.68532	n/a	101.103	98.67	101.85	102.79	
Jan-09	Jan-09	100.67			11.49	11.65990	n/a	100.673	98.31	101.39	102.32	
Feb-09	Feb-09	100.67			11.49	11.68409	n/a	100.673	98.31	101.39	102.32	
Mar-09	Mar-09	100.46			11.46	11.68146	n/a	100.463	97.68	101.39	102.32	
Apr-09	Apr-09	100.46			11.46	11.64326	n/a	100.463	97.68	101.39	102.32	
May-09	May-09	100.46			11.46	11.60108	n/a	100.463	97.68	101.39	102.32	
Jun-09	Jun-09	99.02			11.30	11.55192	n/a	99.017	96.94	99.59	100.52	
Jul-09	Jul-09	98.92			11.29	11.50856	n/a	98.923	96.94	99.59	100.24	
Aug-09	Aug-09	98.84			11.28	11.47040	n/a	98.840	96.94	99.59	99.99	
Sep-09	Sep-09	98.84			11.28	11.43725	n/a	98.840	96.94	99.59	99.99	
Oct-09	Oct-09	98.70			11.26	11.40691	n/a	98.697	96.94	99.59	99.56	
Nov-09	Nov-09	98.70			11.26	11.38035	n/a	98.697	96.94	99.59	99.56	
Dec-09	Dec-09	97.50			11.13	11.34612	n/a	97.503	96.08	98.25	98.18	

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 - Mar-08)
- Apr-08 Final Crude oil contract price as reported in the Wall Street Journal on 02/20/08
- average of Crude oil contract prices as reported in the Wall Street Journal on 03-25-08, 03-26-08, and 03-27-08
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 - Mar-08)
' - Current month value Col. HH * Mar-08 value in Col KK/89.85 (Apr-08 - Dec-07)
- Where 89.85 represents the Mar-08 closing value from the WSJ on 01/22/08
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-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	\$6.97725	\$13.7526	\$9.95	1.35907	n/a	n/a	n/a	n/a	n/a	2.262	n/a	1.674
Jun-07	\$6.91553	\$7.05318	\$13.9687	\$9.95	1.37948	n/a	n/a	n/a	n/a	n/a	2.391	n/a	1.769
Jul-07	\$6.99283	\$7.16463	\$14.1575	\$9.95	1.39731	n/a	n/a	n/a	n/a	n/a	2.503	n/a	1.852
Aug-07	\$6.92728	\$7.21875	\$14.1460	\$9.95	1.39623	n/a	n/a	n/a	n/a	n/a	2.496	n/a	1.847
Sep-07	\$6.81500	\$7.45277	\$14.2678	\$9.95	1.40772	n/a	n/a	n/a	n/a	n/a	2.569	n/a	1.901
Oct-07	\$6.98031	\$7.75476	\$14.7351	\$9.95	1.45185	n/a	n/a	n/a	n/a	n/a	2.847	n/a	2.107
Nov-07	\$6.96175	\$8.14064	\$15.1024	\$9.95	1.48653	n/a	n/a	n/a	n/a	n/a	3.065	n/a	2.268
Dec-07	\$6.91867	\$8.57009	\$15.4888	\$9.95	1.52302	n/a	n/a	n/a	n/a	n/a	3.295	n/a	2.438
Jan-08	\$6.99247	\$9.06130	\$16.0538	\$10.69	1.47341	n/a	n/a	n/a	n/a	n/a	3.172	n/a	2.347
Feb-08	\$7.07794	\$9.46565	\$16.5436	\$10.69	1.51665	n/a	n/a	n/a	n/a	n/a	3.462	n/a	2.562
Mar-08	\$7.19719	\$9.86096	\$17.0582	\$10.69	1.56206	n/a	n/a	n/a	n/a	n/a	3.766	n/a	2.787
Apr-08	\$7.37092	\$10.23169	\$17.6026	\$10.69	1.61012	n/a	n/a	n/a	n/a	n/a	4.088	n/a	3.025
May-08	\$7.54003	\$10.53674	\$18.0768	\$10.69	1.65197	n/a	n/a	n/a	n/a	n/a	4.368	n/a	3.232
Jun-08	\$7.71356	\$10.81400	\$18.5276	\$10.69	1.69175	n/a	n/a	n/a	n/a	n/a	4.635	n/a	3.430
Jul-08	\$7.95581	\$11.04366	\$18.9995	\$10.69	1.73340	n/a	n/a	n/a	n/a	n/a	4.914	n/a	3.636
Aug-08	\$8.28025	\$11.30325	\$19.5835	\$10.69	1.78495	n/a	n/a	n/a	n/a	n/a	5.259	n/a	3.892
Sep-08	\$8.65008	\$11.51562	\$20.1657	\$10.69	1.83634	n/a	n/a	n/a	n/a	n/a	5.603	n/a	4.147
Oct-08	\$8.94911	\$11.66330	\$20.6124	\$10.69	1.87576	n/a	n/a	n/a	n/a	n/a	5.868	n/a	4.342
Nov-08	\$9.20011	\$11.68186	\$20.8820	\$10.69	1.89956	n/a	n/a	n/a	n/a	n/a	6.027	n/a	4.460
Dec-08	\$9.45803	\$11.68532	\$21.1433	\$10.69	1.92263	n/a	n/a	n/a	n/a	n/a	6.182	n/a	4.574
Jan-09	\$9.76914	\$11.65990	\$21.4290	\$11.42	1.82994	n/a	n/a	n/a	n/a	n/a	5.893	n/a	4.360
Feb-09	\$9.99967	\$11.68409	\$21.6838	\$11.42	1.85106	n/a	n/a	n/a	n/a	n/a	6.043	n/a	4.471
Mar-09	\$10.12094	\$11.68146	\$21.8024	\$11.42	1.86090	n/a	n/a	n/a	n/a	n/a	6.112	n/a	4.523
Apr-09	\$10.07703	\$11.64326	\$21.7203	\$11.42	1.85409	n/a	n/a	n/a	n/a	n/a	6.064	n/a	4.487
May-09	\$10.01272	\$11.60108	\$21.6138	\$11.42	1.84526	n/a	n/a	n/a	n/a	n/a	6.001	n/a	4.441
Jun-09	\$9.94492	\$11.55192	\$21.4968	\$11.42	1.83556	n/a	n/a	n/a	n/a	n/a	5.932	n/a	4.390
Jul-09	\$9.87475	\$11.50856	\$21.3833	\$11.42	1.82615	n/a	n/a	n/a	n/a	n/a	5.866	n/a	4.341
Aug-09	\$9.80386	\$11.47040	\$21.2743	\$11.42	1.81710	n/a	n/a	n/a	n/a	n/a	5.801	n/a	4.293
Sep-09	\$9.73258	\$11.43725	\$21.1698	\$11.42	1.80844	n/a	n/a	n/a	n/a	n/a	5.740	n/a	4.248
Oct-09	\$9.66197	\$11.40691	\$21.0689	\$11.42	1.80007	n/a	n/a	n/a	n/a	n/a	5.681	n/a	4.204
Nov-09	\$9.58878	\$11.38035	\$20.9691	\$11.42	1.79180	n/a	n/a	n/a	n/a	n/a	5.622	n/a	4.160
Dec-09	\$9.51622	\$11.34612	\$20.8623	\$11.42	1.78295	n/a	n/a	n/a	n/a	n/a	5.559	n/a	4.114

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 03-25-08, 03-26-08, and 03-27-08

Narragansett Electric d/b/a National Grid
Docket No. 3902
Service list as 12/04/07

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