

August 8, 2008

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

RECEIVED  
2008 AUG -9 PM 3:43  
RHODE ISLAND PUBLIC UTILITIES COMMISSION

**RE: Docket 3902 - Standard Offer Reconciliation Report**

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's<sup>1</sup> ("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 through July 2008 and actual expenses through June 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 July 25, 28, and 29, 2008.

Based on the July futures prices, the Company estimates an over-collection of approximately \$13.4 million by the end of September 2008. By the end of December 2008, the Company estimates an over-collection of approximately \$13.5 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 12.4¢ per kWh to the Company's forecasted retail Standard Offer deliveries. Please note that Attachment 1, page 3 contains confidential information and has been included with redaction in this report. A copy of the confidential version of Attachment 1, page 3 will be provided to the Commission under separate cover.

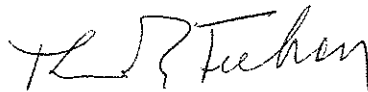
Attachment 2 contains the calculation of the estimated monthly fuel index adjustment prices per kWh based on the July 25, 28, and 29, 2008 forecasted fuel prices. Pages 1 and 2 include the projections of natural gas and crude oil prices, respectively. The monthly weighted fuel index adjustments are calculated on page 3.

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

Luly E. Massaro, Commission Clerk  
Docket 3902 – Standard Offer Reconciliation Report  
August 8, 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,

A handwritten signature in black ink, appearing to read "T. R. Teehan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

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 December 2008**

**Submitted: August 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	\$11,448,740	\$43,720,867	(\$29,438,258)		\$12,603,884	\$35,228,710
(1) Nov-07	\$12,603,884	\$41,136,046	\$32,117,436	\$12,227,114	\$44,344,550	(\$3,208,504)		\$9,395,380	\$35,004,226
(1) Dec-07	\$9,395,380	\$46,561,538	\$35,332,585	\$14,647,437	\$49,980,022	(\$3,418,484)		\$5,976,896	\$33,998,303
(1) Jan-08	\$5,976,896	\$50,948,012	\$37,333,300	\$14,013,524	\$51,346,824	(\$398,812)		\$5,578,084	\$33,401,060
(1) Feb-08	\$5,578,084	\$50,587,230	\$34,848,369	\$14,283,900	\$49,132,270	\$1,454,961		\$7,033,044	\$32,072,663
(1) Mar-08	\$7,033,044	\$45,526,579	\$34,878,114	\$15,744,263	\$50,622,377	(\$5,095,798)		\$1,937,246	\$29,108,873
(1) Apr-08	\$1,937,246	\$49,402,958	\$32,097,082	\$15,322,094	\$47,419,176	\$1,983,782		\$3,921,028	\$26,077,092
(1) May-08	\$3,921,028	\$40,283,752	\$32,014,204	\$17,143,543	\$49,157,747	(\$8,873,995)		(\$4,952,967)	\$20,220,373
(1) Jun-08	(\$4,952,967)	\$45,769,708	\$38,240,520	\$23,631,618	\$61,872,138	(\$16,102,430)		(\$21,055,396)	\$10,263,018
(2) Jul-08	(\$21,055,396)	\$56,942,572	\$38,272,231	\$26,182,387	\$64,454,619	(\$7,512,046)		(\$28,567,443)	\$14,385,894
(2) Aug-08	(\$28,567,443)	\$78,096,976	\$42,197,560	\$31,636,480	\$73,834,040	\$4,262,936		(\$24,304,507)	\$16,065,532
(2) Sep-08	(\$24,304,507)	\$73,400,070	\$39,659,715	\$32,122,892	\$71,782,607	\$1,617,463		(\$22,687,044)	\$12,170,325
(2) Oct-08	(\$22,687,044)	\$34,857,369				\$34,857,369		\$12,170,325	
Totals	\$42,042,142	\$627,795,418	\$429,263,242	\$228,403,993	\$657,667,236	(\$29,871,817)	\$0	\$12,170,325	

Interest (3)

\$1,274,219

Ending Balance with Interest

\$13,444,544

(1) Actual revenues and expenses

(2) Estimated revenues and expenses

(3) Interest expense calculation :  $(42042142+12170325)/2*((4.80\%*5/12)+(4.63\%*7/12))$

NOTE: October 2008 reflects 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	\$13,444,544	\$28,519,665	\$34,244,042	\$29,490,798	\$63,734,840	(\$35,215,175)		(\$21,770,631)	\$12,966,278
(2) Nov-08	(\$21,770,631)	\$63,158,016	\$34,125,702	\$30,751,826	\$64,877,528	(\$1,719,512)		(\$23,490,142)	\$14,637,550
(2) Dec-08	(\$23,490,142)	\$69,323,078	\$37,456,824	\$35,209,359	\$72,666,183	(\$3,343,105)		(\$26,833,248)	\$13,383,605
(2) Jan-09	(\$26,833,248)	\$40,216,852				\$40,216,852		\$13,383,605	
Totals	\$13,444,544	\$201,217,612	\$105,826,569	\$95,451,982	\$201,278,551	(\$60,939)	\$0	\$13,383,605	

Interest (3)

\$155,268

Ending Balance with Interest

\$13,538,873

NOTE: January 2009 reflects December usage billed in January

(2) Estimated revenues and expenses

(3) Interest expense calculation :  $(13444544+13383605)/2*(4.63\%*3/12)$

**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)
- Column (h) Column (a) + Column (f) + Column (g)
- Column (i) Column (h) + 55% of next month's Column (b)

Standard Offer Reconciliation  
Estimated Revenue

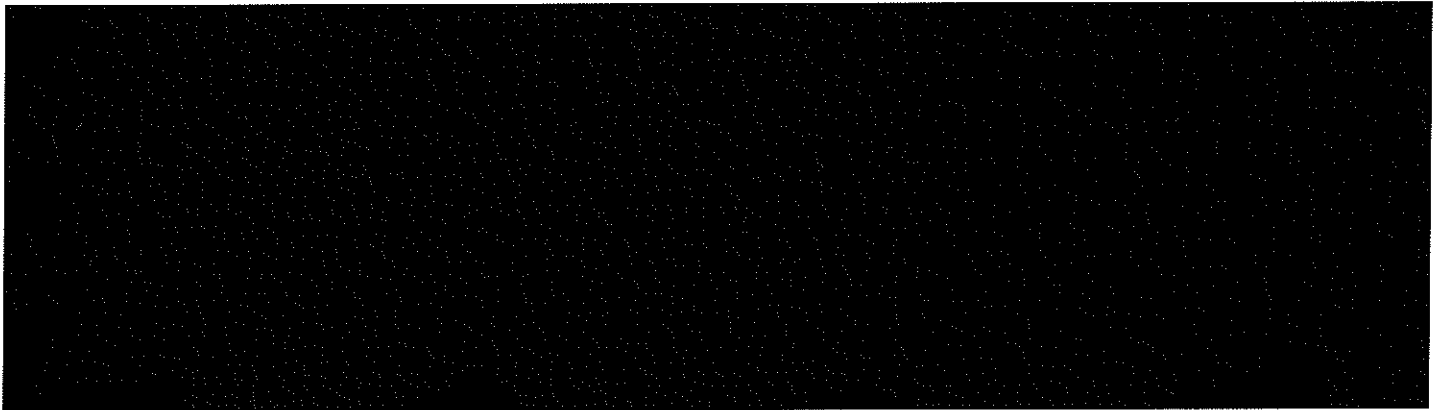
<u>Month</u>	<u>Estimated Standard Offer Deliveries</u> (a)	<u>Standard Offer Rate</u> (b)	<u>Total Estimated Revenues</u> (c)
Oct-07	n/a	\$0.08300	n/a
Nov-07	n/a	\$0.08300	n/a
Dec-07	n/a	\$0.08300	n/a
Jan-08	n/a	\$0.09200	n/a
Feb-08	n/a	\$0.09200	n/a
Mar-08	n/a	\$0.09200	n/a
Apr-08	n/a	\$0.09200	n/a
May-08	n/a	\$0.09200	n/a
Jun-08	n/a	\$0.09200	n/a
Jul-08	n/a	\$0.12400	n/a
Aug-08	629,814,322	\$0.12400	\$78,096,976
Sep-08	591,936,045	\$0.12400	\$73,400,070
Oct-08	511,105,111	\$0.12400	\$63,377,034
Nov-08	509,338,843	\$0.12400	\$63,158,016
Dec-08	559,057,080	\$0.12400	\$69,323,078
Jan-09	589,689,919	\$0.12400	\$73,121,550
Feb-09	547,548,234	\$0.12400	\$67,895,981
Mar-09	548,821,198	\$0.12400	\$68,053,829
Apr-09	517,098,761	\$0.12400	\$64,120,246
May-09	491,394,255	\$0.12400	\$60,932,888
Jun-09	524,608,087	\$0.12400	\$65,051,403
Jul-09	594,364,327	\$0.12400	\$73,701,177
Aug-09	606,589,494	\$0.12400	\$75,217,097
Sep-09	591,530,200	\$0.12400	\$73,349,745
Oct-09	536,845,678	\$0.12400	\$66,568,864
Nov-09	501,029,521	\$0.12400	\$62,127,661
Dec-09	571,316,922	\$0.12400	\$70,843,298
Jan-10 full mo kWh	597,169,760	\$0.12400	\$74,049,050

Column Notes:

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

REDACTED

Standard Offer Reconciliation  
Estimated Standard Offer Expenses



Column Notes:

[Redacted text block containing column notes]

**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-Jul-08 28-Jul-08 29-Jul-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-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	\$10.790	\$10.963	\$11.280	\$11.011	\$7.655	n/a	May-08
Jun-08	May-08	\$11.857	\$11.801	\$11.916	\$11.858	\$8.007	n/a	Jun-08
Jul-08	Jun-08	\$13.011	\$12.753	\$13.105	\$12.956	\$8.510	n/a	Jul-08
Aug-08	Jul-08	\$9.084	\$9.163	\$9.217	\$9.155	\$8.774	n/a	Aug-08
Sep-08	Aug-08	\$9.126	\$9.195	\$9.130	\$9.150	\$9.081	n/a	Sep-08
Oct-08	Sep-08	\$9.232	\$9.298	\$9.232	\$9.254	\$9.320	n/a	Oct-08
Nov-08	Oct-08	\$9.587	\$9.653	\$9.582	\$9.607	\$9.519	n/a	Nov-08
Dec-08	Nov-08	\$9.977	\$10.033	\$9.962	\$9.991	\$9.727	n/a	Dec-08
Jan-09	Dec-08	\$10.182	\$10.238	\$10.167	\$10.196	\$9.986	n/a	Jan-09
Feb-09	Jan-09	\$10.192	\$10.248	\$10.168	\$10.203	\$10.168	n/a	Feb-09
Mar-09	Feb-09	\$10.027	\$10.073	\$9.997	\$10.032	\$10.245	n/a	Mar-09
Apr-09	Mar-09	\$9.277	\$9.318	\$9.267	\$9.287	\$10.225	n/a	Apr-09
May-09	Apr-09	\$9.192	\$9.233	\$9.197	\$9.207	\$10.075	n/a	May-09
Jun-09	May-09	\$9.267	\$9.308	\$9.272	\$9.282	\$9.860	n/a	Jun-09
Jul-09	Jun-09	\$9.354	\$9.395	\$9.362	\$9.370	\$9.561	n/a	Jul-09
Aug-09	Jul-09	\$9.419	\$9.460	\$9.427	\$9.435	\$9.585	n/a	Aug-09
Sep-09	Aug-09	\$9.452	\$9.493	\$9.462	\$9.469	\$9.611	n/a	Sep-09
Oct-09	Sep-09	\$9.532	\$9.573	\$9.542	\$9.549	\$9.636	n/a	Oct-09
Nov-09	Oct-09	\$9.842	\$9.888	\$9.862	\$9.864	\$9.657	n/a	Nov-09
Dec-09	Nov-09	\$10.197	\$10.243	\$10.217	\$10.219	\$9.676	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 - Aug-08)  
- Settlement price as reported in the Wall Street Journal on 07-25-08 (Aug-08 - Dec-09)
- Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Aug-08)  
- Settlement price as reported in the Wall Street Journal on 07-28-08 (Aug-08 - Dec-09)
- Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Aug-08)  
- Settlement price as reported in the Wall Street Journal on 07-29-08 (Aug-08 - Dec-09)
- 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	Average	Prices published in WSJ on:			
									25-Jul-08	28-Jul-08	29-Jul-08	
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	1450.45	20	6.3	11.51	9.86236	n/a	100.7400	100.74	100.74	100.74	<=March 2008 closing from WSJ on 02/20/08
Apr-08	Apr-08	1764.65	22	6.3	12.73	10.30063	n/a	104.4800	104.48	104.48	104.48	<=April 2008 closing from WSJ on 03/19/08
May-08	May-08	1881.60	21	6.3	14.22	10.79342	n/a	119.3700	119.37	119.37	119.37	<=May 2008 closing from WSJ on 04/22/08
Jun-08	Jun-08	2169.45	21	6.3	16.40	11.44651	n/a	129.0700	129.07	129.07	129.07	<=June 2008 closing from WSJ on 05/20/08
Jul-08	Jul-08	2409.00	22	6.3	17.38	12.14061	n/a	134.6200	134.62	134.62	134.62	<=July 2008 closing from WSJ on 06/20/08
Aug-08	Aug-08	127.95			16.52	12.79886	n/a	127.9500	127.95	127.95	127.95	<=Aug 2008 closing from WSJ on 07/22/08
Sep-08	Sep-08	123.39			15.93	13.36587	n/a	123.3930	123.26	124.73	122.19	
Oct-08	Oct-08	123.95			16.00	13.87836	n/a	123.9500	123.82	125.29	122.74	
Nov-08	Nov-08	124.41			16.06	14.27050	n/a	124.4130	124.28	125.75	123.21	
Dec-08	Dec-08	124.76			16.11	14.65494	n/a	124.7600	124.62	126.09	123.57	
Jan-09	Jan-09	125.00			16.14	15.01713	n/a	124.9970	124.86	126.32	123.81	
Feb-09	Feb-09	125.16			16.16	15.43065	n/a	125.1570	125.03	126.47	123.97	
Mar-09	Mar-09	125.26			16.17	15.81910	n/a	125.2630	125.14	126.57	124.08	
Apr-09	Apr-09	125.30			16.18	16.10624	n/a	125.3000	125.20	126.62	124.08	
May-09	May-09	125.27			16.17	16.26891	n/a	125.2730	125.20	126.56	124.06	
Jun-09	Jun-09	125.15			16.16	16.24897	n/a	125.1530	125.07	126.44	123.95	
Jul-09	Jul-09	125.15			16.16	16.14712	n/a	125.1530	125.07	126.44	123.95	
Aug-09	Aug-09	125.15			16.16	16.11703	n/a	125.1530	125.07	126.44	123.95	
Sep-09	Sep-09	125.01			16.14	16.13438	n/a	125.0070	124.63	126.44	123.95	
Oct-09	Oct-09	124.82			16.12	16.14378	n/a	124.8230	124.63	126.44	123.40	
Nov-09	Nov-09	124.78			16.11	16.14773	n/a	124.7800	124.63	126.44	123.27	
Dec-09	Dec-09	124.30			16.05	16.14274	n/a	124.2970	124.21	125.54	123.14	

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 - Jul-08)
  - Aug-08 Final Crude oil contract price as reported in the Wall Street Journal on 06/20/08
  - average of Crude oil contract prices as reported in the Wall Street Journal on 07-25-08, 07-28-08, and 07-29-08
- 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 - Jul-08)
  - Current month value Col. HH \* Jul-08 value in Col KK/129.07 (Aug-08 - Dec-09)
  - Where 129.07 represents the Jul-08 closing value from the WSJ on 05/20/08
- 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	NGGrid's Market Gas	NGGrid's Market Oil	NGGrid's Fuel	NGGrid's Fuel	NGGrid's Adjustment	EUA's Market Gas	EUA's Market Oil	EUA's Fuel	EUA's Fuel	EUA's Adjustment	Ngrid Adjustment	EUA Adjustment	Weighted Adjustment
Jan-06	\$8.98864	\$6.79699	\$15.7856	\$9.22	1.66589	n/a	n/a	n/a	\$9.22	n/a	3.929	n/a	2.907
Feb-06	\$9.15538	\$7.02450	\$16.1801	\$9.22	1.70589	n/a	n/a	n/a	\$9.22	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	\$9.22	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	\$9.22	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	\$9.22	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	\$9.22	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	\$9.22	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	\$9.22	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	\$9.22	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	\$9.22	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	\$9.22	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	\$9.22	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	\$9.95	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	\$9.95	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	\$9.95	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	\$9.95	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	\$9.95	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	\$9.95	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	\$9.95	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	\$9.95	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	\$9.95	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	\$9.95	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	\$9.95	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	\$9.95	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	\$10.69	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	\$10.69	n/a	3.462	n/a	2.562
Mar-08	\$7.19719	\$9.86236	\$17.0596	\$10.69	1.56218	n/a	n/a	n/a	\$10.69	n/a	3.767	n/a	2.787
Apr-08	\$7.37092	\$10.30063	\$17.6716	\$10.69	1.61620	n/a	n/a	n/a	\$10.69	n/a	4.129	n/a	3.055
May-08	\$7.65531	\$10.79542	\$18.4487	\$10.69	1.68479	n/a	n/a	n/a	\$10.69	n/a	4.588	n/a	3.395
Jun-08	\$8.00703	\$11.44651	\$19.4535	\$10.69	1.77348	n/a	n/a	n/a	\$10.69	n/a	5.182	n/a	3.835
Jul-08	\$8.51044	\$12.14061	\$20.6511	\$10.69	1.87918	n/a	n/a	n/a	\$10.69	n/a	5.890	n/a	4.359
Aug-08	\$8.77394	\$12.79886	\$21.5728	\$10.69	1.96053	n/a	n/a	n/a	\$10.69	n/a	6.436	n/a	4.762
Sep-08	\$9.08083	\$13.36587	\$22.4467	\$10.69	2.03766	n/a	n/a	n/a	\$10.69	n/a	6.952	n/a	5.145
Oct-08	\$9.31997	\$13.87836	\$23.1983	\$10.69	2.10400	n/a	n/a	n/a	\$10.69	n/a	7.397	n/a	5.474
Nov-08	\$9.51850	\$14.27050	\$23.7890	\$10.69	2.15613	n/a	n/a	n/a	\$10.69	n/a	7.746	n/a	5.732
Dec-08	\$9.72653	\$14.65494	\$24.3815	\$10.69	2.20843	n/a	n/a	n/a	\$10.69	n/a	8.096	n/a	5.991
Jan-09	\$9.98608	\$15.01713	\$25.0032	\$11.42	2.12630	n/a	n/a	n/a	\$11.42	n/a	7.997	n/a	5.918
Feb-09	\$10.16758	\$15.43065	\$25.5982	\$11.42	2.17564	n/a	n/a	n/a	\$11.42	n/a	8.347	n/a	6.177
Mar-09	\$10.24467	\$15.81910	\$26.0638	\$11.42	2.21424	n/a	n/a	n/a	\$11.42	n/a	8.621	n/a	6.380
Apr-09	\$10.22503	\$16.10624	\$26.3313	\$11.42	2.23642	n/a	n/a	n/a	\$11.42	n/a	8.779	n/a	6.496
May-09	\$10.07472	\$16.26891	\$26.3436	\$11.42	2.23745	n/a	n/a	n/a	\$11.42	n/a	8.786	n/a	6.502
Jun-09	\$9.86008	\$16.24897	\$26.1091	\$11.42	2.21800	n/a	n/a	n/a	\$11.42	n/a	8.648	n/a	6.399
Jul-09	\$9.56125	\$16.14712	\$25.7084	\$11.42	2.18477	n/a	n/a	n/a	\$11.42	n/a	8.412	n/a	6.225
Aug-09	\$9.58464	\$16.11703	\$25.7017	\$11.42	2.18422	n/a	n/a	n/a	\$11.42	n/a	8.408	n/a	6.222
Sep-09	\$9.61119	\$16.13438	\$25.7456	\$11.42	2.18786	n/a	n/a	n/a	\$11.42	n/a	8.434	n/a	6.241
Oct-09	\$9.63578	\$16.14378	\$25.7796	\$11.42	2.19068	n/a	n/a	n/a	\$11.42	n/a	8.454	n/a	6.256
Nov-09	\$9.65717	\$16.14773	\$25.8049	\$11.42	2.19278	n/a	n/a	n/a	\$11.42	n/a	8.469	n/a	6.267
Dec-09	\$9.67619	\$16.14274	\$25.8189	\$11.42	2.19394	n/a	n/a	n/a	\$11.42	n/a	8.477	n/a	6.273

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 -  $\text{if}(\text{Col. D} > \text{Col. E}, (\text{Col. B} + \$0.60 + \text{Col. C} + \$0.04) / (\text{Col. E} + \$0.64), 1.000)$
- 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 -  $\text{if}(\text{Col. I} > \text{Col. J}, (\text{Col. G} + \$0.60 + \text{Col. H} + \$0.04) / (\text{Col. J} + \$0.64), 1.000)$
- 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.