

January 15, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4011 - Standard Offer Reconciliation Report

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's¹ Standard Offer Reconciliation Report ("Report"). The enclosed Report provides the Company's most current projection of the Standard Offer reconciliation balance through December 31, 2009 based on actual revenues through December 2008 and actual expenses through November 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 December 24, 26, and 29, 2008.

Based on the December futures prices, the Company estimates an over-collection of approximately \$5.8 million by the end of September 2009. By the end of December 2009, the Company estimates an over-collection of approximately \$12.8 million.

Attachment 1, page 1, of this Report shows the Company's projected Standard Offer reconciliation balance through December 31, 2009. 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.

Attachment 2 contains the calculation of the estimated monthly fuel index adjustment prices per kWh based on the December 24, 26, 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.

¹ The Narragansett Electric Company, d/b/a National Grid ("Company").

Luly E. Massaro, Commission Clerk
Docket 4011 – Standard Offer Reconciliation Report
January 15, 2009
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 4011 Service List
Steve Scialabba, RI Division

Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate was electronically submitted to the individuals listed below.



Joanne M. Scanlon

January 15, 2009

Date

National Grid – Annual Reconciliation Retail Tariff Filing

Docket No. 4011

Service List Updated 11/25/08

Name/Address	E-mail Distribution	Phone/FAX
Thomas R. Teehan, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Thomas.teehan@us.ngrid.com	401-784-7667 401-784-4321
	Joanne.scanlon@us.ngrid.com	
Paul Roberti, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Proberti@riag.ri.gov	401-222-2424 401-222-3016
	Steve.scialabba@ripuc.state.ri.us	
	Mtobin@riag.ri.gov	
	David.stearns@ripuc.state.ri.us	
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02889	Lmassaro@puc.state.ri.us	401-780-2017 401-941-1691
	Cwilson@puc.state.ri.us	
	Nucci@puc.state.ri.us	
	Anault@puc.state.ri.us	

Attachment 1

The Narragansett Electric Company

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

**Projected Balance
for the period
October 2008 through December 2009**

Submitted: January 2009

Standard Offer Reconciliation
for the period October 2008 through September 2009

Projected Balance @ September 30, 2009

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-08	\$22,487,122	\$29,189,036	\$33,180,611	\$46,520,758	\$79,701,369	(\$50,512,333)	\$4,507	(\$28,029,718)	(\$2,812,014)
(1) Nov-08	(\$28,029,718)	\$45,850,371	\$31,718,885	\$24,680,727	\$56,399,612	(\$10,549,241)	\$0	(\$38,578,959)	(\$5,096,523)
(2) Dec-08	(\$38,578,959)	\$60,877,157	\$33,874,160	\$23,948,436	\$57,822,596	\$3,054,561	\$0	(\$35,524,398)	\$22,110
(2) Jan-09	(\$35,524,398)	\$64,630,015	\$41,867,984	\$26,086,296	\$67,954,281	(\$3,324,266)	\$0	(\$38,848,664)	(\$11,142,723)
(2) Feb-09	(\$38,848,664)	\$50,374,438	\$38,875,925	\$22,212,755	\$61,088,680	(\$10,714,242)	\$0	(\$49,562,906)	(\$21,792,553)
(2) Mar-09	(\$49,562,906)	\$50,491,550	\$38,966,305	\$19,966,920	\$58,933,225	(\$8,441,675)	\$0	(\$58,004,581)	(\$31,839,383)
(2) Apr-09	(\$58,004,581)	\$47,573,086	\$36,714,012	\$16,590,479	\$53,304,491	(\$5,731,405)	\$0	(\$63,735,986)	(\$38,871,437)
(2) May-09	(\$63,735,986)	\$45,208,271	\$34,888,992	\$13,267,870	\$48,156,862	(\$2,948,591)	\$0	(\$66,684,577)	(\$40,139,408)
(2) Jun-09	(\$66,684,577)	\$48,263,944	\$37,247,174	\$10,715,788	\$47,962,963	\$300,981	\$0	(\$66,383,596)	(\$36,308,761)
(2) Jul-09	(\$66,383,596)	\$54,681,518	\$42,199,867	\$7,693,077	\$49,892,944	\$4,788,574	\$0	(\$61,595,022)	(\$30,901,594)
(2) Aug-09	(\$61,595,022)	\$55,806,233	\$43,067,854	\$4,954,654	\$48,022,508	\$7,783,726	\$0	(\$53,811,296)	(\$23,879,868)
(2) Sep-09	(\$53,811,296)	\$54,420,778	\$41,998,644	\$2,794,183	\$44,792,827	\$9,627,951	\$0	(\$44,183,345)	\$5,206,457
(2) Oct-09	(\$44,183,345)	\$49,389,802				\$49,389,802		\$5,206,457	
Totals	\$22,487,122	\$656,756,200	\$454,600,413	\$219,431,945	\$674,032,359	(\$17,276,158)	\$4,507	\$5,206,457	
Interest (3)								\$562,757	
Ending Balance with Interest								\$5,769,214	

(1) Actual revenues and expenses

(2) Estimated revenues and expenses

(3) Interest expense calculation : $(22487122 + 5206456.93418066)/2 * ((0.0463 * 5/12) + (0.0366 * 7/12))$

NOTE: October 2009 reflects September usage billed in October

Section 2. Projected Balance @ December 31, 2009

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-09	\$5,769,214	\$0	\$38,116,043	2,516,164	\$40,632,207	(\$40,632,207)		(\$34,862,993)	(\$9,510,899)
(2) Nov-09	(\$34,862,993)	\$46,094,716	\$35,573,096	2,516,164	\$38,089,260	\$8,005,456		(\$26,857,537)	\$2,051,099
(2) Dec-09	(\$26,857,537)	\$52,561,157	\$40,563,501	2,529,492	\$43,092,993	\$9,468,164		(\$17,389,374)	\$12,827,416
(2) Jan-10	(\$17,389,374)	\$30,216,790				\$30,216,790		\$12,827,416	
Totals	\$5,769,214	\$128,872,663	\$114,252,641	\$7,561,820	\$121,814,460	\$7,058,202	\$0	\$12,827,416	

NOTE: January 2010 reflects December usage billed in January

(2) Estimated revenues and expenses

Column Notes:

Column (a) Column (h) from previous row; beginning balance - Sep '08 ending balance from RIPUC Docket No. 4011 on Schedule JAL-4

Column (b) from Page 2

Column (c) from invoices

Column (d) from invoices

Column (e) Column (c) + Column (d)

Column (f) Column (b) - Column (e)

Column (g) NE-GIS expense

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>	Estimated Standard Offer <u>Deliveries</u> (a)	Standard Offer <u>Rate</u> (b)	Total Estimated <u>Revenues</u> (c)
Dec-08	505,584,473	\$0.12400	\$62,692,475
Jan-09	589,689,919	\$0.09200	\$64,630,015
Feb-09	547,548,234	\$0.09200	\$50,374,438
Mar-09	548,821,198	\$0.09200	\$50,491,550
Apr-09	517,098,761	\$0.09200	\$47,573,086
May-09	491,394,255	\$0.09200	\$45,208,271
Jun-09	524,608,087	\$0.09200	\$48,263,944
Jul-09	594,364,327	\$0.09200	\$54,681,518
Aug-09	606,589,494	\$0.09200	\$55,806,233
Sep-09	591,530,200	\$0.09200	\$54,420,778
Oct-09	536,845,678	\$0.09200	\$49,389,802
Nov-09	501,029,521	\$0.09200	\$46,094,716
Dec-09	571,316,922	\$0.09200	\$52,561,157
Jan-10 full mo kWh	597,169,760	\$0.09200	\$54,939,618

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)	Docket No. 3959 Settlement Payments (h)	Docket No. 3969 Settlement Payments (i)	Total Estimated Fuel Index Payments (j)	Total Estimated Standard Offer Expenses (k)
<u>2008</u>											
Dec-08	609,137,919	83.0%	505,584,473	\$0.06700	\$33,874,160	\$0.04514	\$22,822,083	\$1,126,353	\$0	23,948,436	\$57,822,596
<u>2009</u>											
Jan-09	710,469,781	83.0%	589,689,919	\$0.07100	\$41,867,984	\$0.03841	\$22,649,990	\$920,143	\$2,516,164	26,086,296	\$67,954,281
Feb-09	659,696,667	83.0%	547,548,234	\$0.07100	\$38,875,925	\$0.03507	\$19,202,517	\$494,075	\$2,516,164	22,212,755	\$61,088,680
Mar-09	661,230,359	83.0%	548,821,198	\$0.07100	\$38,966,305	\$0.03135	\$17,205,545	\$245,211	\$2,516,164	19,966,920	\$58,933,225
Apr-09	623,010,555	83.0%	517,098,761	\$0.07100	\$36,714,012	\$0.02712	\$14,023,718	\$50,597	\$2,516,164	16,590,479	\$53,304,491
May-09	592,041,271	83.0%	491,394,255	\$0.07100	\$34,888,992	\$0.02188	\$10,751,706	\$0	\$2,516,164	13,267,870	\$48,156,862
Jun-09	632,057,937	83.0%	524,608,087	\$0.07100	\$37,247,174	\$0.01563	\$8,199,624	\$0	\$2,516,164	10,715,788	\$47,962,963
Jul-09	716,101,598	83.0%	594,364,327	\$0.07100	\$42,199,867	\$0.00871	\$5,176,913	\$0	\$2,516,164	7,693,077	\$49,892,944
Aug-09	730,830,716	83.0%	606,589,494	\$0.07100	\$43,067,854	\$0.00402	\$2,438,490	\$0	\$2,516,164	4,954,654	\$48,022,508
Sep-09	712,686,988	83.0%	591,530,200	\$0.07100	\$41,998,644	\$0.00047	\$278,019	\$0	\$2,516,164	2,794,183	\$44,792,827
Oct-09	646,802,021	83.0%	536,845,678	\$0.07100	\$38,116,043	\$0.00000	\$0	\$0	\$2,516,164	2,516,164	\$40,632,207
Nov-09	603,650,026	83.0%	501,029,521	\$0.07100	\$35,573,096	\$0.00000	\$0	\$0	\$2,516,164	2,516,164	\$38,089,260
Dec-09	688,333,641	83.0%	571,316,922	\$0.07100	\$40,563,501	\$0.00000	\$0	\$13,328	\$2,516,164	2,529,492	\$43,092,993

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, Page 3, Column (n)
- (g) Column (c) x Column (f)
- (h) Estimated payments to supplier per Settlement in Docket No. 3959
- (i) Payments to supplier per Settlement in Docket No. 3969
- (j) Column (g) + Column (h) + Column (i)

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: 24-Dec-08 26-Dec-08 29-Dec-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	\$7.825	\$8.278	\$8.394	\$8.166	\$8.999	n/a	Sep-08
Oct-08	Sep-08	\$7.679	\$7.724	\$7.472	\$7.625	\$9.102	n/a	Oct-08
Nov-08	Oct-08	\$6.121	\$6.186	\$6.469	\$6.259	\$9.022	n/a	Nov-08
Dec-08	Nov-08	\$6.316	\$6.480	\$6.888	\$6.561	\$8.944	n/a	Dec-08
Jan-09	Dec-08	\$5.910	\$5.826	\$6.136	\$5.957	\$8.850	n/a	Jan-09
Feb-09	Jan-09	\$5.919	\$5.812	\$6.084	\$5.938	\$8.676	n/a	Feb-09
Mar-09	Feb-09	\$5.944	\$5.847	\$6.099	\$5.963	\$8.414	n/a	Mar-09
Apr-09	Mar-09	\$5.979	\$5.887	\$6.123	\$5.996	\$8.121	n/a	Apr-09
May-09	Apr-09	\$6.026	\$5.936	\$6.166	\$6.043	\$7.706	n/a	May-09
Jun-09	May-09	\$6.121	\$6.031	\$6.254	\$6.135	\$7.230	n/a	Jun-09
Jul-09	Jun-09	\$6.241	\$6.150	\$6.362	\$6.251	\$6.671	n/a	Jul-09
Aug-09	Jul-09	\$6.326	\$6.237	\$6.442	\$6.335	\$6.436	n/a	Aug-09
Sep-09	Aug-09	\$6.374	\$6.285	\$6.492	\$6.384	\$6.287	n/a	Sep-09
Oct-09	Sep-09	\$6.489	\$6.400	\$6.612	\$6.500	\$6.194	n/a	Oct-09
Nov-09	Oct-09	\$6.859	\$6.775	\$6.962	\$6.865	\$6.244	n/a	Nov-09
Dec-09	Nov-09	\$7.239	\$7.160	\$7.337	\$7.245	\$6.301	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 - Jan-09)
- Settlement price as reported in the Wall Street Journal on 12-24-08 (Jan-09 - Dec-09)

Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Jan-09)
- Settlement price as reported in the Wall Street Journal on 12-26-08 (Jan-09 - Dec-09)

Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Jan-09)
- Settlement price as reported in the Wall Street Journal on 12-29-08 (Jan-09 - 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)
SOS											
Delivery	Trading	Sum of	# of	Conversion	Oil Index	NGrid's	EUA's	Prices published in Wall Street Journal on:			
Month	Month	Values	Values	Factor	(\$/mmBtu)	Oil Price	Oil Price	Average	24-Dec-08	26-Dec-08	29-Dec-08
Jan-06	Jan-06	948.15	20	6.3	7.525	6.797	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	7.615	7.025	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	7.499	7.181	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	8.085	7.343	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	7.803	7.494	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	7.650	7.591	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	7.714	7.675	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	7.971	7.736	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	6.319	7.592	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	6.229	7.451	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	6.727	7.404	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	6.341	7.290	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	5.898	7.154	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	6.345	7.048	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	6.751	6.986	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	7.473	6.935	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	8.309	6.977	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	8.561	7.053	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	9.052	7.165	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	8.621	7.219	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	9.127	7.453	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	9.853	7.755	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	11.358	8.141	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	11.495	8.570	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	11.792	9.061	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	11.197	9.466	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	11.512	9.862	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	12.732	10.301	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	14.222	10.793	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	16.398	11.447	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	17.381	12.141	n/a	134.6200	134.62	134.62	134.62 <=July 2008 closing from WSJ on 06/20/08
Aug-08	Aug-08	2013.25	21	6.3	15.217	12.690	n/a	127.9500	127.95	127.95	127.95 <=Aug 2008 closing from WSJ on 07/22/08
Sep-08	Sep-08	1744.10	21	6.3	13.183	13.028	n/a	114.9800	114.98	114.98	114.98 <=Sep 2008 closing from WSJ on 08/20/08
Oct-08	Oct-08	1355.85	23	6.3	9.357	12.987	n/a	120.9200	120.92	120.92	120.92 <=Oct 2008 closing from WSJ on 09/22/08
Nov-08	Nov-08	720.70	18	6.3	6.355	12.570	n/a	70.8600	70.86	70.86	70.86 <=Nov 2008 closing from WSJ on 10/21/08
Dec-08	Dec-08	713.35	21	6.3	5.392	12.062	n/a	49.6200	49.62	49.62	49.62 <=Dec 2008 closing from WSJ on 11/20/08
Jan-09	Jan-09	33.87		6.3	3.68	11.386	n/a	33.8700	33.87	33.87	33.87 <=Jan 2009 closing from WSJ on 12/19/08
Feb-09	Feb-09	37.69		6.3	4.10	10.794	n/a	37.693	35.35	37.71	40.02
Mar-09	Mar-09	40.60		6.3	4.41	10.202	n/a	40.597	38.23	40.53	43.03
Apr-09	Apr-09	42.38		6.3	4.61	9.525	n/a	42.383	40.06	42.28	44.81
May-09	May-09	43.81		6.3	4.76	8.736	n/a	43.813	41.50	43.75	46.19
Jun-09	Jun-09	45.11		6.3	4.90	7.778	n/a	45.110	42.79	45.08	47.46
Jul-09	Jul-09	46.32		6.3	5.03	6.750	n/a	46.320	43.97	46.33	48.66
Aug-09	Aug-09	47.01		6.3	5.11	5.907	n/a	47.010	45.02	46.33	49.68
Sep-09	Sep-09	47.66		6.3	5.18	5.240	n/a	47.660	45.99	46.33	50.66
Oct-09	Oct-09	48.29		6.3	5.25	4.898	n/a	48.287	46.95	46.33	51.58
Nov-09	Nov-09	48.90		6.3	5.31	4.811	n/a	48.903	47.89	46.33	52.49
Dec-09	Dec-09	51.17		6.3	5.56	4.825	n/a	51.167	48.80	51.33	53.37

Notes:

- Col. A - month in which SOS was delivered at wholesale.
- Col. B - month in which oil prices were quoted and delivered.
- Col. C - Col. GG - daily prices as quoted by Platt's MarketScan. (not shown)
- Col. HH - sum of values in Col. C through Col. GG. (Jan-99 - Dec-08)
- Dec-08 Final Crude oil contract price as reported in the Wall Street Journal on 11/20/08
- average of Crude oil contract prices as reported in the Wall Street Journal on
- Col. II - number of non-zero values in Col. C through Col. GG.
- Col. JJ - a fixed factor of 6.3 mmBtu per bbl.
- Col. KK - Col. HH divided by (Col. II x Col. JJ) (Jan-99 - Dec-08)
- ' - Current month value Col. HH * Dec-08 value in Col KK/49.62 (Dec-08 - Dec-09)
- Where 49.62 represents the closing value from the WSJ on 11/20/08
- 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	NGrid's Market Gas	NGrid's Market Oil	NGrid's Fuel	NGrid's Fuel	NGrid'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	\$9.15558	\$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	\$10.79342	\$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	\$12.69032	\$21.4643	\$10.69	1.95095	n/a	n/a	n/a	\$10.69	n/a	6.371	n/a	4.715
Sep-08	\$8.99878	\$13.02828	\$22.0271	\$10.69	2.00062	n/a	n/a	n/a	\$10.69	n/a	6.704	n/a	4.961
Oct-08	\$9.10217	\$12.98693	\$22.0891	\$10.69	2.00610	n/a	n/a	n/a	\$10.69	n/a	6.741	n/a	4.988
Nov-08	\$9.02164	\$12.57009	\$21.5917	\$10.69	1.96220	n/a	n/a	n/a	\$10.69	n/a	6.447	n/a	4.771
Dec-08	\$8.94389	\$12.06152	\$21.0054	\$10.69	1.91045	n/a	n/a	n/a	\$10.69	n/a	6.100	n/a	4.514
Jan-09	\$8.85025	\$11.38555	\$20.2358	\$11.42	1.73099	n/a	n/a	n/a	\$11.42	n/a	5.190	n/a	3.841
Feb-09	\$8.67639	\$10.79380	\$19.4702	\$11.42	1.66751	n/a	n/a	n/a	\$11.42	n/a	4.739	n/a	3.507
Mar-09	\$8.41439	\$10.20213	\$18.6165	\$11.42	1.59673	n/a	n/a	n/a	\$11.42	n/a	4.237	n/a	3.135
Apr-09	\$8.12050	\$9.52493	\$17.6454	\$11.42	1.51620	n/a	n/a	n/a	\$11.42	n/a	3.665	n/a	2.712
May-09	\$7.70647	\$8.73649	\$16.4430	\$11.42	1.41650	n/a	n/a	n/a	\$11.42	n/a	2.957	n/a	2.188
Jun-09	\$7.22958	\$7.77847	\$15.0081	\$11.42	1.29752	n/a	n/a	n/a	\$11.42	n/a	2.112	n/a	1.563
Jul-09	\$6.67081	\$6.74951	\$13.4203	\$11.42	1.16586	n/a	n/a	n/a	\$11.42	n/a	1.178	n/a	0.871
Aug-09	\$6.43583	\$5.90709	\$12.3429	\$11.42	1.07653	n/a	n/a	n/a	\$11.42	n/a	0.543	n/a	0.402
Sep-09	\$6.28733	\$5.24009	\$11.5274	\$11.42	1.00891	n/a	n/a	n/a	\$11.42	n/a	0.063	n/a	0.047
Oct-09	\$6.19361	\$4.89758	\$11.0912	\$11.42	1.00000	n/a	n/a	n/a	\$11.42	n/a	0.000	n/a	0.000
Nov-09	\$6.24417	\$4.81080	\$11.0550	\$11.42	1.00000	n/a	n/a	n/a	\$11.42	n/a	0.000	n/a	0.000
Dec-09	\$6.30117	\$4.82481	\$11.1260	\$11.42	1.00000	n/a	n/a	n/a	\$11.42	n/a	0.000	n/a	0.000

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.