



Thomas G. Robinson
Deputy General Counsel

May 24, 2004

VIA HAND DELIVERY & ELECTRONIC MAIL

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

Re: Docket 3571 - Standard Offer Reconciliation Report

Dear Ms. Massaro:

Enclosed on behalf of The Narragansett Electric Company (“Narragansett” or “Company”) are ten copies of the Company’s Standard Offer Reconciliation report (“Report”) through March 2004. The enclosed Report provides the Company’s most current projection of the Standard Offer reconciliation balance through December 31, 2004 based on actual revenues through April 2004 and expenses through March 2004. The projected revenues and 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 26, 27, and 28, 2004.

In R.I.P.U.C. Docket No. 3508, the Company agreed to file monthly reconciliation reports with the Commission showing its projected Standard Offer reconciliation balance. That requirement has been continued as part of Docket 3571. Pursuant to the Commission’s Order in this proceeding, Narragansett is also required to apply for a rate adjustment if the Company’s projections show that the accrual of the over- or under-collection through December 31, 2004 will be more than \$16 million. Based on the current fuel price estimates, the Company is projecting an under collection of approximately \$14.1 million as of December 31, 2004 as shown on Attachment 1, page 1.

Attachment 1, page 1, of this Report shows the Company’s projected Standard Offer reconciliation balance through December 31, 2004. Pages 2 and 3 of Attachment 1 support the calculation of the Company’s projected Standard Offer revenues and expenses. Projected revenues are estimated by applying the Standard Offer rate of 5.9¢ 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

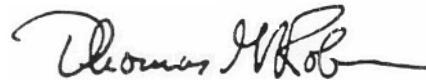
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Page 2

wholesale charge in effect for each period under the Company's wholesale Standard Offer supply contracts. The base wholesale charge show in Column (d) on Page 3 has been adjusted to include an estimate of the effect of the Standard Offer contract amendment approved by the Commission in R.I.P.U.C. Docket No. 3496.

Attachment 2 shows the calculation of the estimated monthly fuel index adjustment prices per kWh based on the April 26, 27 and 28, 2004 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.

Please do not hesitate to contact me at (508) 389-2877 if you have any questions regarding this report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas G. Robinson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas G. Robinson

Enclosures

cc: Docket 3571 Service List
Steve Scialabba

Attachment 1

The Narragansett Electric Company

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

**Projected Balance
for the period October 2003 through December 2004**

Submitted: May 2004

The Narragansett Electric Company
Standard Offer Reconciliation
Projected Balance at Year Ending December 31, 2004

Section 1. Projected Balance @ September 30, 2004

| 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-03 | \$22,825,747 | 11,207,288 | \$24,816,572 | \$8,224,546 | \$33,041,118 | (\$21,833,830) | (\$546,718) | \$445,199 | \$14,476,731 |
| (1) Nov-03 | 445,199 | 28,063,064 | \$24,577,110 | \$8,233,798 | 32,810,907 | (4,747,843) | | (4,302,644) | 11,650,255 |
| (1) Dec-03 | (4,302,644) | 31,905,799 | \$27,227,305 | \$9,324,229 | 36,551,534 | (4,645,735) | 573,639 | (8,374,740) | 9,120,339 |
| (1) Jan-04 | (8,374,740) | 34,990,158 | \$32,339,637 | \$7,215,687 | 39,555,324 | (4,565,167) | | (12,939,907) | 4,052,599 |
| (1) Feb-04 | (12,939,907) | 33,985,011 | \$28,128,580 | \$6,108,978 | 34,237,558 | (252,547) | | (13,192,454) | 2,966,654 |
| (2) Mar-04 | (13,192,454) | 32,318,214 | \$27,962,040 | \$5,201,038 | 33,163,078 | (844,864) | | (14,037,317) | 1,170,362 |
| (2) Apr-04 | (14,037,317) | 30,415,360 | \$26,384,091 | \$4,930,024 | 31,314,115 | (898,755) | | (14,936,072) | (406,982) |
| (2) May-04 | (14,936,072) | 29,058,180 | \$25,329,867 | \$4,974,366 | 30,304,234 | (1,246,054) | | (16,182,126) | (619,150) |
| (2) Jun-04 | (16,182,126) | 31,125,954 | \$27,132,336 | \$5,523,538 | 32,655,874 | (1,529,920) | | (17,712,046) | (288,481) |
| (2) Jul-04 | (17,712,046) | 34,847,130 | \$30,376,066 | \$6,402,422 | 36,778,488 | (1,931,358) | | (19,643,404) | (1,835,868) |
| (2) Aug-04 | (19,643,404) | 35,615,073 | \$31,045,478 | \$6,658,208 | 37,703,685 | (2,088,613) | | (21,732,017) | (4,581,549) |
| (2) Sep-04 | (21,732,017) | 34,300,935 | \$29,899,951 | \$6,656,707 | 36,556,658 | (2,255,723) | | (23,987,739) | (7,824,408) |
| (2) Oct-04 | (23,987,739) | 16,163,331 | | | | 16,163,331 | | (7,824,408) | |
| Totals | \$22,825,747 | \$383,995,497 | \$335,219,032 | \$79,453,540 | \$414,672,573 | (\$30,677,076) | \$26,921 | (\$7,824,408) | |
| Interest (3) | | | | | | | | \$319,529 | |
| Ending Balance@ September 30, 2004 with Interest | | | | | | | | (\$7,504,879) | |

- (1) Actual revenues and expenses
- (2) Estimated revenues and expenses
- (3) Interest expense calculation : $(22,825,747 + -7,824,408)/2 * (4.61\%/12 + 4.01\% * 7/12)$

* For September usage billed in October

Section 2. Projected Balance @ December 31, 2004

| 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-04 | (\$7,504,879) | \$16,163,331 | \$28,178,988 | \$6,684,496 | \$34,863,484 | (\$18,700,153) | | (\$26,205,032) | (\$10,341,111) |
| (2) Nov-04 | (26,205,032) | 31,727,841 | 27,656,998 | 6,920,971 | 34,577,969 | (2,850,128) | | (29,055,160) | (12,816,465) |
| (2) Dec-04 | (29,055,160) | 32,477,390 | 28,310,376 | 7,381,725 | 35,692,101 | (3,214,711) | | (32,269,871) | (13,974,815) |
| * (2) Jan-05 | (32,269,871) | 18,295,056 | | | | 18,295,056 | | (13,974,815) | |
| Totals | (\$7,504,879) | \$98,663,619 | \$84,146,361 | \$20,987,193 | \$105,133,555 | (\$6,469,936) | \$0 | (\$13,974,815) | |
| Interest (3) | | | | | | | | (\$107,667) | |
| Ending Balance@ December 31, 2004 with Interest | | | | | | | | (\$14,082,482) | |

* For December usage billed in January

- (2) Estimated revenues and expenses
- (3) Interest expense calculation : $(-7,504,879 + -13,974,815)/2 * (4.01\% * 3/12)$

Column Notes:

- Column (a) Column (g) from previous row; beginning balance from Exhibit JAL-6, RIPUC Docket No. 3571.
- 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) Oct 2003: Adjustment to correct entry in 2003 reconciliation. Expense adjustment in October 2002 of \$273,359 was inadvertently recorded as an expense offset. Dec: Ending balance from Last Resort Service reconciliation per Commission order in RIPUC Docket No. 3571
- Column (h) Column (a) + Column (f)
- Column (i) Column (g) + 50% of next month's Column (b)

The Narragansett Electric Company
 Standard Offer Reconciliation
 Estimated Revenue through January 2005

(1) Estimated Standard Offer kWh Deliveries 86.6%

| <u>Month</u> | <u>Estimated Total Company kWh Deliveries</u> (a) | <u>Estimated Standard Offer Deliveries</u> (b) | <u>Standard Offer Rate</u> (c) | <u>Total Revenues</u> (d) |
|--------------|--|---|---------------------------------------|----------------------------------|
| | | | \$0.05900 | |
| | | | \$0.05900 | |
| May-04 | 568,720,000 | 492,511,520 | \$0.05900 | \$29,058,180 |
| Jun-04 | 609,190,000 | 527,558,540 | \$0.05900 | \$31,125,954 |
| Jul-04 | 682,020,000 | 590,629,320 | \$0.05900 | \$34,847,130 |
| Aug-04 | 697,050,000 | 603,645,300 | \$0.05900 | \$35,615,073 |
| Sep-04 | 671,330,000 | 581,371,780 | \$0.05900 | \$34,300,935 |
| Oct-04 | 632,690,000 | 547,909,540 | \$0.05900 | \$32,326,663 |
| Nov-04 | 620,970,000 | 537,760,020 | \$0.05900 | \$31,727,841 |
| Dec-04 | 635,640,000 | 550,464,240 | \$0.05900 | \$32,477,390 |
| Jan-05 | 716,133,250 | 620,171,395 | \$0.05900 | \$36,590,112 |

Column Notes:

- (a) Per Company forecast
 - (b) Column (a) x Line (1)
 - (c) Per currently effective tariff
 - (d) Column (b) x Column (c)
- (1) From Page 3, Line (3)

The Narragansett Electric Company
 Standard Offer Reconciliation
 Estimated Standard Offer Expenses through December 2004

Section 1. Estimation of Standard Offer kWh Deliveries

| | |
|---|---------------|
| | <u>Apr-04</u> |
| (1) Standard Offer kWhs | 516,025,134 |
| (2) Total kWh Deliveries | 595,612,924 |
| (3) Percentage of Standard Offer kWhs to Total kWhs | 86.6% |

Notes:

- (1) Company revenue reports
- (2) Company revenue reports
- (3) Line (1) ÷ Line (2)

Section 2. Calculation of Projected Expenses

| | Projected Total Company kWh Deliveries (a) | % of Standard Offer kWhs to Total kWhs (b) | Projected Standard Offer kWh Deliveries (c) | Base Standard Offer Charge (d) | Base Standard Offer Expenses (e) | Projected Fuel Index Cost per kWh (f) | Projected Fuel Index Payments (g) | Total Projected Standard Offer Expenses (h) |
|--------|---|--|--|---|--|---|--|---|
| Apr-04 | 592,390,000 | 86.6% | 513,009,740 | \$0.05143 | \$26,384,091 | \$0.00961 | \$4,930,024 | \$31,314,115 |
| May-04 | 568,720,000 | 86.6% | 492,511,520 | \$0.05143 | \$25,329,867 | \$0.01010 | \$4,974,366 | \$30,304,234 |
| Jun-04 | 609,190,000 | 86.6% | 527,558,540 | \$0.05143 | \$27,132,336 | \$0.01047 | \$5,523,538 | \$32,655,874 |
| Jul-04 | 682,020,000 | 86.6% | 590,629,320 | \$0.05143 | \$30,376,066 | \$0.01084 | \$6,402,422 | \$36,778,488 |
| Aug-04 | 697,050,000 | 86.6% | 603,645,300 | \$0.05143 | \$31,045,478 | \$0.01103 | \$6,658,208 | \$37,703,685 |
| Sep-04 | 671,330,000 | 86.6% | 581,371,780 | \$0.05143 | \$29,899,951 | \$0.01145 | \$6,656,707 | \$36,556,658 |
| Oct-04 | 632,690,000 | 86.6% | 547,909,540 | \$0.05143 | \$28,178,988 | \$0.01220 | \$6,684,496 | \$34,863,484 |
| Nov-04 | 620,970,000 | 86.6% | 537,760,020 | \$0.05143 | \$27,656,998 | \$0.01287 | \$6,920,971 | \$34,577,969 |
| Dec-04 | 635,640,000 | 86.6% | 550,464,240 | \$0.05143 | \$28,310,376 | \$0.01341 | \$7,381,725 | \$35,692,101 |
| | | | | | | | Total Expected Fuel Payments through December 2004 | \$56,132,458 |

Column Notes:

- (a) Per Company forecast
- (b) Section 1, Line (3)
- (c) Column (a) x Column (b)
- (d) Per standard offer contract (includes estimate for base SO adjustment for contract amendment as approved in RIPUC Docket No. 3496)
- (e) Column (c) x Column (d)
- (f) Company estimate based on fuel prices as reported on 4/26/04, 4/27/04 & 4/28/04
- (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 2005

Prices published in WSJ on: 26-Apr-04 27-Apr-04 28-Apr-04

**The Narragansett Electric Company
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 | | | | |
| Feb-03 | Jan-03 | \$5.396 | \$5.444 | \$5.660 | \$5.500 | \$3.731 | \$3.901 | Feb-03 |
| Mar-03 | Feb-03 | \$9.137 | \$9.577 | \$9.133 | \$9.282 | \$4.306 | \$4.328 | Mar-03 |
| Apr-03 | Mar-03 | \$5.077 | \$5.097 | \$5.146 | \$5.107 | \$4.446 | \$5.298 | Apr-03 |
| May-03 | Apr-03 | \$5.474 | \$5.477 | \$5.123 | \$5.358 | \$4.615 | \$5.542 | May-03 |
| Jun-03 | May-03 | \$6.119 | \$5.900 | \$5.945 | \$5.988 | \$4.835 | \$5.750 | Jun-03 |
| Jul-03 | Jun-03 | \$5.697 | \$5.757 | \$5.291 | \$5.582 | \$5.018 | \$6.045 | Jul-03 |
| Aug-03 | Jul-03 | \$4.706 | \$4.700 | \$4.693 | \$4.700 | \$5.165 | \$6.136 | Aug-03 |
| Sep-03 | Aug-03 | \$5.083 | \$5.038 | \$4.927 | \$5.016 | \$5.295 | \$6.003 | Sep-03 |
| Oct-03 | Sep-03 | \$4.588 | \$4.542 | \$4.430 | \$4.520 | \$5.368 | \$5.292 | Oct-03 |
| Nov-03 | Oct-03 | \$4.512 | \$4.486 | \$4.459 | \$4.486 | \$5.399 | \$5.194 | Nov-03 |
| Dec-03 | Nov-03 | \$4.634 | \$4.682 | \$4.860 | \$4.725 | \$5.441 | \$5.049 | Dec-03 |
| Jan-04 | Dec-03 | \$6.143 | \$6.379 | \$6.150 | \$6.224 | \$5.541 | \$4.838 | Jan-04 |
| Feb-04 | Jan-04 | \$5.727 | \$5.716 | \$5.775 | \$5.739 | \$5.561 | \$4.945 | Feb-04 |
| Mar-04 | Feb-04 | \$5.127 | \$5.077 | \$5.150 | \$5.118 | \$5.214 | \$5.118 | Mar-04 |
| Apr-04 | Mar-04 | \$5.336 | \$5.395 | \$5.365 | \$5.365 | \$5.235 | \$5.135 | Apr-04 |
| May-04 | Apr-04 | \$5.764 | \$5.874 | \$5.935 | \$5.858 | \$5.277 | \$5.276 | May-04 |
| Jun-04 | May-04 | \$5.871 | \$5.970 | \$5.966 | \$5.936 | \$5.272 | \$5.505 | Jun-04 |
| Jul-04 | Jun-04 | \$5.933 | \$6.037 | \$6.033 | \$6.001 | \$5.307 | \$5.707 | Jul-04 |
| Aug-04 | Jul-04 | \$5.970 | \$6.074 | \$6.072 | \$6.039 | \$5.419 | \$5.670 | Aug-04 |
| Sep-04 | Aug-04 | \$5.950 | \$6.054 | \$6.052 | \$6.019 | \$5.502 | \$5.719 | Sep-04 |
| Oct-04 | Sep-04 | \$5.968 | \$6.065 | \$6.066 | \$6.033 | \$5.629 | \$5.870 | Oct-04 |
| Nov-04 | Oct-04 | \$6.135 | \$6.228 | \$6.229 | \$6.197 | \$5.771 | \$5.981 | Nov-04 |
| Dec-04 | Nov-04 | \$6.305 | \$6.394 | \$6.395 | \$6.365 | \$5.908 | \$6.037 | Dec-04 |
| Jan-05 | Dec-04 | \$6.420 | \$6.508 | \$6.509 | \$6.479 | \$5.929 | n/a | Jan-05 |
| Feb-05 | Jan-05 | \$6.365 | \$6.453 | \$6.454 | \$6.424 | \$5.986 | n/a | Feb-05 |
| Mar-05 | Feb-05 | \$6.160 | \$6.238 | \$6.244 | \$6.214 | \$6.077 | n/a | Mar-05 |
| Apr-05 | Mar-05 | \$5.480 | \$5.498 | \$5.484 | \$5.487 | \$6.088 | n/a | Apr-05 |
| May-05 | Apr-05 | \$5.340 | \$5.348 | \$5.329 | \$5.339 | \$6.044 | n/a | May-05 |
| Jun-05 | May-05 | \$5.350 | \$5.358 | \$5.339 | \$5.349 | \$5.995 | n/a | Jun-05 |
| Jul-05 | Jun-05 | \$5.350 | \$5.378 | \$5.359 | \$5.362 | \$5.942 | n/a | Jul-05 |
| Aug-05 | Jul-05 | \$5.373 | \$5.381 | \$5.369 | \$5.374 | \$5.887 | n/a | Aug-05 |
| Sep-05 | Aug-05 | \$5.373 | \$5.343 | \$5.331 | \$5.349 | \$5.831 | n/a | Sep-05 |
| Oct-05 | Sep-05 | \$5.348 | \$5.353 | \$5.341 | \$5.347 | \$5.774 | n/a | Oct-05 |
| Nov-05 | Oct-05 | \$5.348 | \$5.353 | \$5.511 | \$5.404 | \$5.708 | n/a | Nov-05 |
| Dec-05 | Nov-05 | \$5.688 | \$5.353 | \$5.681 | \$5.574 | \$5.642 | n/a | Dec-05 |

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 - Dec-05)
- Settlement price as reported in the Wall Street Journal on 26-Apr-04. (May-04 Dec-05)
- Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Dec-05)
- Settlement price as reported in the Wall Street Journal on 27-Apr-04. (May-04 Dec-05)
- Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Dec-05)
- Settlement price as reported in the Wall Street Journal on 28-Apr-04. (May-04 Dec-05)
- 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.

The Narragansett Electric Company
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-03 | \$3.4375 | \$3.7437 | \$7.1812 | \$7.01 | 1.02238 | \$3.6262 | \$3.9658 | \$7.5920 | \$7.01 | 1.07608 | 0.105 | 0.358 | 0.171 |
| Feb-03 | \$3.7305 | \$4.0107 | \$7.7412 | \$7.01 | 1.09559 | \$3.9006 | \$4.2037 | \$8.1043 | \$7.01 | 1.14305 | 0.449 | 0.672 | 0.507 |
| Mar-03 | \$4.3056 | \$4.1730 | \$8.4786 | \$7.01 | 1.19197 | \$4.3276 | \$4.4587 | \$8.7863 | \$7.01 | 1.23219 | 0.902 | 1.091 | 0.951 |
| Apr-03 | \$4.4463 | \$4.1958 | \$8.6421 | \$7.01 | 1.21335 | \$5.2976 | \$4.6092 | \$9.9068 | \$7.01 | 1.37866 | 1.003 | 1.780 | 1.205 |
| May-03 | \$4.6154 | \$4.2112 | \$8.8266 | \$7.01 | 1.23747 | \$5.5419 | \$4.5442 | \$10.0861 | \$7.01 | 1.40210 | 1.116 | 1.890 | 1.317 |
| Jun-03 | \$4.8354 | \$4.2441 | \$9.0794 | \$7.01 | 1.27051 | \$5.7499 | \$4.5618 | \$10.3117 | \$7.01 | 1.43160 | 1.271 | 2.029 | 1.468 |
| Jul-03 | \$5.0184 | \$4.3101 | \$9.3285 | \$7.01 | 1.30307 | \$6.0445 | \$4.5223 | \$10.5668 | \$7.01 | 1.46495 | 1.424 | 2.185 | 1.622 |
| Aug-03 | \$5.1652 | \$4.3412 | \$9.5063 | \$7.01 | 1.32632 | \$6.1361 | \$4.4165 | \$10.5526 | \$7.01 | 1.46309 | 1.534 | 2.177 | 1.701 |
| Sep-03 | \$5.2946 | \$4.3261 | \$9.6207 | \$7.01 | 1.34127 | \$6.0027 | \$4.2237 | \$10.2264 | \$7.01 | 1.42045 | 1.604 | 1.976 | 1.701 |
| Oct-03 | \$5.3679 | \$4.3199 | \$9.6877 | \$7.01 | 1.35003 | \$5.2917 | \$4.0430 | \$9.3347 | \$7.01 | 1.30388 | 1.645 | 1.428 | 1.589 |
| Nov-03 | \$5.3992 | \$4.3505 | \$9.7497 | \$7.01 | 1.35813 | \$5.1939 | \$4.0956 | \$9.2894 | \$7.01 | 1.29797 | 1.683 | 1.400 | 1.610 |
| Dec-03 | \$5.4413 | \$4.3383 | \$9.7796 | \$7.01 | 1.36204 | \$5.0485 | \$4.1392 | \$9.1877 | \$7.01 | 1.28466 | 1.702 | 1.338 | 1.607 |
| Jan-04 | \$5.5406 | \$4.2925 | \$9.8331 | \$7.74 | 1.24977 | \$4.8381 | \$4.1543 | \$8.9923 | \$7.74 | 1.14944 | 1.274 | 0.762 | 1.141 |
| Feb-04 | \$5.5606 | \$4.1759 | \$9.7364 | \$7.74 | 1.23824 | \$4.9451 | \$4.1685 | \$9.1136 | \$7.74 | 1.16391 | 1.215 | 0.836 | 1.116 |
| Mar-04 | \$5.2135 | \$4.0831 | \$9.2966 | \$7.74 | 1.18576 | \$5.1184 | \$4.1281 | \$9.2465 | \$7.74 | 1.17977 | 0.947 | 0.917 | 0.939 |
| Apr-04 | \$5.2351 | \$4.1059 | \$9.3410 | \$7.74 | 1.19105 | \$5.1354 | \$4.1232 | \$9.2586 | \$7.74 | 1.18121 | 0.974 | 0.924 | 0.961 |
| May-04 | \$5.2767 | \$4.1255 | \$9.4023 | \$7.74 | 1.19836 | \$5.2763 | \$4.1163 | \$9.3926 | \$7.74 | 1.19721 | 1.012 | 1.006 | 1.010 |
| Jun-04 | \$5.2724 | \$4.1337 | \$9.4061 | \$7.74 | 1.19882 | \$5.5049 | \$4.1119 | \$9.6169 | \$7.74 | 1.22397 | 1.014 | 1.142 | 1.047 |
| Jul-04 | \$5.3073 | \$4.1079 | \$9.4152 | \$7.74 | 1.19990 | \$5.7067 | \$4.1132 | \$9.8198 | \$7.74 | 1.24819 | 1.020 | 1.266 | 1.084 |
| Aug-04 | \$5.4189 | \$4.0757 | \$9.4946 | \$7.74 | 1.20937 | \$5.6695 | \$4.0473 | \$9.7168 | \$7.74 | 1.23590 | 1.068 | 1.203 | 1.103 |
| Sep-04 | \$5.5024 | \$4.0770 | \$9.5795 | \$7.74 | 1.21951 | \$5.7194 | \$4.0233 | \$9.7426 | \$7.74 | 1.23898 | 1.119 | 1.219 | 1.145 |
| Oct-04 | \$5.6285 | \$4.0606 | \$9.6891 | \$7.74 | 1.23259 | \$5.8695 | \$4.0309 | \$9.9004 | \$7.74 | 1.25781 | 1.186 | 1.315 | 1.220 |
| Nov-04 | \$5.7712 | \$4.0372 | \$9.8084 | \$7.74 | 1.24682 | \$5.9808 | \$4.0048 | \$9.9856 | \$7.74 | 1.26797 | 1.259 | 1.367 | 1.287 |
| Dec-04 | \$5.9078 | \$4.0156 | \$9.9234 | \$7.74 | 1.26055 | \$6.0374 | \$3.9625 | \$9.9999 | \$7.74 | 1.26968 | 1.329 | 1.375 | 1.341 |
| Jan-05 | \$5.9290 | \$3.9607 | \$9.8897 | \$8.48 | 1.15457 | n/a | n/a | n/a | n/a | n/a | 0.850 | n/a | 0.629 |
| Feb-05 | \$5.9861 | \$3.9279 | \$9.9140 | \$8.48 | 1.15724 | n/a | n/a | n/a | n/a | n/a | 0.865 | n/a | 0.640 |
| Mar-05 | \$6.0774 | \$3.9092 | \$9.9866 | \$8.48 | 1.16520 | n/a | n/a | n/a | n/a | n/a | 0.909 | n/a | 0.672 |
| Apr-05 | \$6.0876 | \$3.8765 | \$9.9641 | \$8.48 | 1.16273 | n/a | n/a | n/a | n/a | n/a | 0.895 | n/a | 0.662 |
| May-05 | \$6.0444 | \$3.8360 | \$9.8803 | \$8.48 | 1.15354 | n/a | n/a | n/a | n/a | n/a | 0.844 | n/a | 0.625 |
| Jun-05 | \$5.9955 | \$3.7926 | \$9.7881 | \$8.48 | 1.14343 | n/a | n/a | n/a | n/a | n/a | 0.789 | n/a | 0.584 |
| Jul-05 | \$5.9423 | \$3.7522 | \$9.6945 | \$8.48 | 1.13316 | n/a | n/a | n/a | n/a | n/a | 0.732 | n/a | 0.542 |
| Aug-05 | \$5.8869 | \$3.7142 | \$9.6011 | \$8.48 | 1.12293 | n/a | n/a | n/a | n/a | n/a | 0.676 | n/a | 0.500 |
| Sep-05 | \$5.8311 | \$3.6805 | \$9.5116 | \$8.48 | 1.11312 | n/a | n/a | n/a | n/a | n/a | 0.622 | n/a | 0.460 |
| Oct-05 | \$5.7739 | \$3.6508 | \$9.4247 | \$8.48 | 1.10359 | n/a | n/a | n/a | n/a | n/a | 0.570 | n/a | 0.422 |
| Nov-05 | \$5.7078 | \$3.6180 | \$9.3258 | \$8.48 | 1.09275 | n/a | n/a | n/a | n/a | n/a | 0.510 | n/a | 0.377 |
| Dec-05 | \$5.6419 | \$3.5853 | \$9.2273 | \$8.48 | 1.08194 | n/a | n/a | n/a | n/a | n/a | 0.451 | n/a | 0.333 |

Notes:
Forecast of fuel prices based on NYMEX futures as reported in the Wall Street Journal on April 26, 27 & 28, 2004

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. MM - 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.