



June 25, 2004

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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 May 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 and expenses through May 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 June 23, 24, and 25, 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 \$28.0 million as of December 31, 2004 as shown on Attachment 1, page 1. In compliance with the Commission’s order, the Company intends to make a filing in the near future to propose an adjustment to the Standard Offer.

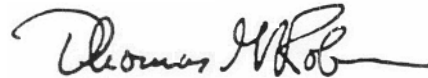
Attachment 1, page 1, of this Report shows the Company’s projected Standard Offer reconciliation balance through December 31, 2004. Pages 2 and 3 of Attachment 1 support the calculation of the Company’s projected Standard Offer revenues and expenses. Projected revenues are estimated by applying the Standard 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 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 June 23, 24 and 25, 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 if you have any questions regarding this report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas G. Robinson", with a long horizontal flourish extending to the right.

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: June 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
(1) 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
(1) Apr-04	(14,037,317)	30,415,360	\$25,578,070	\$4,789,030	30,367,100	48,259		(13,989,058)	368,562
(1) May-04	(13,989,058)	28,715,240	\$26,016,605	\$5,251,443	31,268,048	(2,552,809)		(16,541,867)	(949,368)
(2) Jun-04	(16,541,867)	31,184,998	\$27,183,804	\$5,999,148	33,182,952	(1,997,954)		(18,539,821)	(1,086,275)
(2) Jul-04	(18,539,821)	34,907,092	\$30,428,334	\$7,371,904	37,800,239	(2,893,147)		(21,432,968)	(3,168,060)
(2) Aug-04	(21,432,968)	36,529,815	\$31,842,854	\$8,302,794	40,145,647	(3,615,833)		(25,048,800)	(7,802,184)
(2) Sep-04	(25,048,800)	34,493,232	\$30,067,575	\$8,553,152	38,620,727	(4,127,495)		(29,176,296)	(13,858,772)
(2) Oct-04	(29,176,296)	15,317,524				15,317,524		(13,858,772)	
Totals	\$22,825,747	\$384,032,795	\$336,168,487	\$84,575,747	\$420,744,234	(\$36,711,440)	\$26,921	(\$13,858,772)	
Interest (3)								\$190,997	
Ending Balance@ September 30, 2004 with Interest								(\$13,667,775)	

(1) Actual revenues and expenses

(2) Estimated revenues and expenses

(3) Interest expense calculation :  $(22,825,747 + -13,858,772)/2 * (4.61\% * 5/12 + 4.01\% * 7/12)$ 

\* 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	(\$13,667,775)	\$15,317,524	\$26,704,416	\$8,416,850	\$35,121,265	(\$19,803,741)		(\$33,471,516)	(\$17,637,951)
(2) Nov-04	(33,471,516)	31,667,131	27,604,077	9,526,976	37,131,053	(5,463,922)		(38,935,438)	(21,949,878)
(2) Dec-04	(38,935,438)	33,971,120	29,612,453	10,945,610	40,558,063	(6,586,943)		(45,522,381)	(27,833,382)
* (2) Jan-05	(45,522,381)	17,688,999				17,688,999		(27,833,382)	
Totals	(\$13,667,775)	\$98,644,775	\$83,920,946	\$28,889,436	\$112,810,381	(\$14,165,607)	\$0	(\$27,833,382)	
Interest (3)								(\$208,025)	
Ending Balance@ December 31, 2004 with Interest								(\$28,041,406)	

\* For December usage billed in January

(2) Estimated revenues and expenses

(3) Interest expense calculation :  $(-13,667,775 + -27,833,382)/2 * (4.01\% * 3/12)$ 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  
Summary of Standard Offer Revenue

	<u>Actual</u>		
	<u>Gross Revenue</u>	<u>HVM Discount</u>	<u>Net Revenue</u>
	(a)	(b)	(c)
Oct-03	\$28,731,005	(\$36,014)	\$28,694,991
Nov-03	\$28,097,951	(\$34,887)	\$28,063,064
Dec-03	\$31,941,394	(\$35,595)	\$31,905,799
Jan-04	\$35,025,505	(\$35,348)	\$34,990,158
Feb-04	\$34,020,866	(\$35,855)	\$33,985,011
Mar-04	\$32,352,063	(\$33,849)	\$32,318,214
Apr-04	\$30,451,422	(\$36,063)	\$30,415,360
May-04	\$28,752,238	(\$36,998)	\$28,715,240
Jun-04	\$0	\$0	\$0
Jul-04	\$0	\$0	\$0
Aug-04	\$0	\$0	\$0
Sep-04	\$0	\$0	\$0
Oct-04	\$0	\$0	\$0

## Notes:

- (a) from Company SMB702 monthly revenue reports
- (b) Page 4
- (c) Column (a) + Column (b)

The Narragansett Electric Company  
Summary of Standard Offer Revenue - HVM Discount

	kWh Subject to <u>Discount</u> (a)	Discounted <u>kWhs</u> (b)	Effective Standard <u>Offer Rate</u> (c)	Standard Offer HVM <u>Discount</u> (d)
* Oct-03 Sept usage	37,708,701	377,087	\$0.05500	\$20,740
* Oct-03 Oct usage	27,771,361	277,714	\$0.05500	15,274
Nov-03	63,431,241	634,312	\$0.05500	34,887
Dec-03	64,717,377	647,174	\$0.05500	35,595
* Jan-04 Dec usage	32,959,839	329,598	\$0.05500	18,128
* Jan-04 Jan usage	29,186,284	291,863	\$0.05900	17,220
Feb-04	60,770,963	607,710	\$0.05900	35,855
Mar-04	57,370,976	573,710	\$0.05900	33,849
Apr-04	61,123,516	611,235	\$0.05900	36,063
May-04	62,708,596	627,086	\$0.05900	36,998
Jun-04		-	\$0.05900	-
Jul-04		-	\$0.05900	-
Aug-04		-	\$0.05900	-
Sep-04		-	\$0.05900	-
* Oct-04 Sep usage		-	\$0.05900	-
* Oct-04 Oct usage		-	\$0.05900	-

\* Usage for these months prorated for rate changes effective for usage on and after the 1st day of the month.

## Notes:

- (a) CIS System Data
- (b) Column (a) x 1%
- (c) Currently effective tariff
- (d) Column (b) x Column (c)

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

(1) Estimated Standard Offer kWh Deliveries 86.1%

<u>Month</u>	Estimated Total Company kWh <u>Deliveries</u> (a)	Estimated Standard Offer <u>Deliveries</u> (b)	Standard Offer <u>Rate</u> (c)	Total Estimated <u>Revenues</u> (d)
			\$0.05900	
Jun-04	613,890,000	528,559,290	\$0.05900	\$31,184,998
Jul-04	687,161,000	591,645,621	\$0.05900	\$34,907,092
Aug-04	719,105,000	619,149,405	\$0.05900	\$36,529,815
Sep-04	679,014,000	584,631,054	\$0.05900	\$34,493,232
Oct-04	603,064,000	519,238,104	\$0.05900	\$30,635,048
Nov-04	623,381,000	536,731,041	\$0.05900	\$31,667,131
Dec-04	668,736,000	575,781,696	\$0.05900	\$33,971,120
Jan-05	696,431,000	599,627,091	\$0.05900	\$35,377,998

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>May-04</u>
(1) Standard Offer kWhs	487,351,484
(2) Total kWh Deliveries	566,108,513
(3) Percentage of Standard Offer kWhs to Total kWhs	86.1%

Notes:

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

**Section 2. Calculation of Estimated Expenses**

	<u>Estimated Total Company kWh Deliveries</u> (a)	<u>% of Standard Offer kWhs to Total kWhs</u> (b)	<u>Estimated Standard Offer kWh Deliveries</u> (c)	<u>Estimated Base Standard Offer Charge</u> (d)	<u>Estimated Base Standard Offer Expenses</u> (e)	<u>Estimated Fuel Index Value per kWh</u> (f)	<u>Estimated Fuel Index Payments</u> (g)	<u>Total Estimated Standard Offer Expenses</u> (h)
Jun-04	613,890,000	86.1%	528,559,290	\$0.05143	\$27,183,804	\$0.01135	\$5,999,148	\$33,182,952
Jul-04	687,161,000	86.1%	591,645,621	\$0.05143	\$30,428,334	\$0.01246	\$7,371,904	\$37,800,239
Aug-04	719,105,000	86.1%	619,149,405	\$0.05143	\$31,842,854	\$0.01341	\$8,302,794	\$40,145,647
Sep-04	679,014,000	86.1%	584,631,054	\$0.05143	\$30,067,575	\$0.01463	\$8,553,152	\$38,620,727
Oct-04	603,064,000	86.1%	519,238,104	\$0.05143	\$26,704,416	\$0.01621	\$8,416,850	\$35,121,265
Nov-04	623,381,000	86.1%	536,731,041	\$0.05143	\$27,604,077	\$0.01775	\$9,526,976	\$37,131,053
Dec-04	668,736,000	86.1%	575,781,696	\$0.05143	\$29,612,453	\$0.01901	\$10,945,610	\$40,558,063
							Total Expected Fuel Index Payments through December 2004.....	\$59,116,434

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 futures prices as reported on 6/23/04, 6/24/04 & 6/25/04
- (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: **23-Jun-04 24-Jun-04 25-Jun-05**

**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	\$6.705	\$6.684	\$6.680	\$6.690	\$5.335	\$5.505	Jun-04
Jul-04	Jun-04	<b>\$6.412</b>	<b>\$6.310</b>	<b>\$6.485</b>	<b>\$6.402</b>	<b>\$5.404</b>	<b>\$5.832</b>	Jul-04
Aug-04	Jul-04	<b>\$6.487</b>	<b>\$6.380</b>	<b>\$6.538</b>	<b>\$6.468</b>	<b>\$5.551</b>	<b>\$5.862</b>	Aug-04
Sep-04	Aug-04	<b>\$6.497</b>	<b>\$6.400</b>	<b>\$6.553</b>	<b>\$6.483</b>	<b>\$5.673</b>	<b>\$5.984</b>	Sep-04
Oct-04	Sep-04	<b>\$6.515</b>	<b>\$6.425</b>	<b>\$6.571</b>	<b>\$6.504</b>	<b>\$5.839</b>	<b>\$6.211</b>	Oct-04
Nov-04	Oct-04	<b>\$6.727</b>	<b>\$6.640</b>	<b>\$6.788</b>	<b>\$6.718</b>	<b>\$6.025</b>	<b>\$6.401</b>	Nov-04
Dec-04	Nov-04	<b>\$6.937</b>	<b>\$6.850</b>	<b>\$7.000</b>	<b>\$6.929</b>	<b>\$6.208</b>	<b>\$6.544</b>	Dec-04
Jan-05	Dec-04	<b>\$7.062</b>	<b>\$6.960</b>	<b>\$7.125</b>	<b>\$7.049</b>	<b>\$6.277</b>	n/a	Jan-05
Feb-05	Jan-05	<b>\$7.002</b>	<b>\$6.930</b>	<b>\$7.065</b>	<b>\$6.999</b>	<b>\$6.382</b>	n/a	Feb-05
Mar-05	Feb-05	<b>\$6.837</b>	<b>\$6.770</b>	<b>\$6.900</b>	<b>\$6.836</b>	<b>\$6.525</b>	n/a	Mar-05
Apr-05	Mar-05	<b>\$6.087</b>	<b>\$6.060</b>	<b>\$6.145</b>	<b>\$6.097</b>	<b>\$6.586</b>	n/a	Apr-05
May-05	Apr-05	<b>\$5.912</b>	<b>\$5.885</b>	<b>\$5.975</b>	<b>\$5.924</b>	<b>\$6.592</b>	n/a	May-05
Jun-05	May-05	<b>\$5.912</b>	<b>\$5.895</b>	<b>\$5.980</b>	<b>\$5.929</b>	<b>\$6.528</b>	n/a	Jun-05
Jul-05	Jun-05	<b>\$5.947</b>	<b>\$5.930</b>	<b>\$6.015</b>	<b>\$5.964</b>	<b>\$6.492</b>	n/a	Jul-05
Aug-05	Jul-05	<b>\$5.957</b>	<b>\$5.950</b>	<b>\$6.025</b>	<b>\$5.977</b>	<b>\$6.451</b>	n/a	Aug-05
Sep-05	Aug-05	<b>\$5.932</b>	<b>\$5.950</b>	<b>\$6.003</b>	<b>\$5.962</b>	<b>\$6.407</b>	n/a	Sep-05
Oct-05	Sep-05	<b>\$5.950</b>	<b>\$5.960</b>	<b>\$6.025</b>	<b>\$5.978</b>	<b>\$6.364</b>	n/a	Oct-05
Nov-05	Oct-05	<b>\$6.115</b>	<b>\$6.110</b>	<b>\$6.190</b>	<b>\$6.138</b>	<b>\$6.315</b>	n/a	Nov-05
Dec-05	Nov-05	<b>\$6.280</b>	<b>\$6.275</b>	<b>\$6.355</b>	<b>\$6.303</b>	<b>\$6.263</b>	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 - Jun-05)
  - Settlement price as reported in the Wall Street Journal on 23-Jun-04. (Jul-04 Dec-05)
- Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Jun-05)
  - Settlement price as reported in the Wall Street Journal on 24-Jun-04. (Jul-04 Dec-05)
- Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Jun-05)
  - Settlement price as reported in the Wall Street Journal on 25-Jun-04. (Jul-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	\$4.1827	\$9.4594	\$7.74	1.20518	\$5.2763	\$4.1163	\$9.3926	\$7.74	1.19721	1.046	1.006	1.036
Jun-04	\$5.3352	\$4.2259	\$9.5611	\$7.74	1.21731	\$5.5049	\$4.2262	\$9.7312	\$7.74	1.23761	1.108	1.212	1.135
Jul-04	<b>\$5.4036</b>	<b>\$4.2627</b>	<b>\$9.6663</b>	<b>\$7.74</b>	<b>1.22986</b>	<b>\$5.8323</b>	<b>\$4.2975</b>	<b>\$10.1298</b>	<b>\$7.74</b>	<b>1.28518</b>	<b>1.172</b>	<b>1.454</b>	<b>1.246</b>
Aug-04	<b>\$5.5510</b>	<b>\$4.2949</b>	<b>\$9.8458</b>	<b>\$7.74</b>	<b>1.25129</b>	<b>\$5.8621</b>	<b>\$4.3569</b>	<b>\$10.2189</b>	<b>\$7.74</b>	<b>1.29582</b>	<b>1.282</b>	<b>1.509</b>	<b>1.341</b>
Sep-04	<b>\$5.6733</b>	<b>\$4.3655</b>	<b>\$10.0387</b>	<b>\$7.74</b>	<b>1.27431</b>	<b>\$5.9836</b>	<b>\$4.4616</b>	<b>\$10.4452</b>	<b>\$7.74</b>	<b>1.32282</b>	<b>1.399</b>	<b>1.646</b>	<b>1.463</b>
Oct-04	<b>\$5.8386</b>	<b>\$4.4197</b>	<b>\$10.2583</b>	<b>\$7.74</b>	<b>1.30051</b>	<b>\$6.2111</b>	<b>\$4.6078</b>	<b>\$10.8189</b>	<b>\$7.74</b>	<b>1.36741</b>	<b>1.533</b>	<b>1.874</b>	<b>1.621</b>
Nov-04	<b>\$6.0246</b>	<b>\$4.4679</b>	<b>\$10.4925</b>	<b>\$7.74</b>	<b>1.32846</b>	<b>\$6.4008</b>	<b>\$4.7231</b>	<b>\$11.1239</b>	<b>\$7.74</b>	<b>1.40381</b>	<b>1.675</b>	<b>2.059</b>	<b>1.775</b>
Dec-04	<b>\$6.2083</b>	<b>\$4.5183</b>	<b>\$10.7265</b>	<b>\$7.74</b>	<b>1.35639</b>	<b>\$6.5443</b>	<b>\$4.7096</b>	<b>\$11.2539</b>	<b>\$7.74</b>	<b>1.41932</b>	<b>1.818</b>	<b>2.139</b>	<b>1.901</b>
Jan-05	<b>\$6.2770</b>	<b>\$4.5339</b>	<b>\$10.8109</b>	<b>\$8.48</b>	<b>1.25558</b>	n/a	n/a	n/a	n/a	n/a	<b>1.406</b>	n/a	<b>1.040</b>
Feb-05	<b>\$6.3820</b>	<b>\$4.5705</b>	<b>\$10.9525</b>	<b>\$8.48</b>	<b>1.27110</b>	n/a	n/a	n/a	n/a	n/a	<b>1.491</b>	n/a	<b>1.103</b>
Mar-05	<b>\$6.5251</b>	<b>\$4.6261</b>	<b>\$11.1512</b>	<b>\$8.48</b>	<b>1.29289</b>	n/a	n/a	n/a	n/a	n/a	<b>1.611</b>	n/a	<b>1.192</b>
Apr-05	<b>\$6.5861</b>	<b>\$4.6666</b>	<b>\$11.2527</b>	<b>\$8.48</b>	<b>1.30402</b>	n/a	n/a	n/a	n/a	n/a	<b>1.672</b>	n/a	<b>1.237</b>
May-05	<b>\$6.5916</b>	<b>\$4.6434</b>	<b>\$11.2350</b>	<b>\$8.48</b>	<b>1.30209</b>	n/a	n/a	n/a	n/a	n/a	<b>1.661</b>	n/a	<b>1.229</b>
Jun-05	<b>\$6.5283</b>	<b>\$4.6378</b>	<b>\$11.1661</b>	<b>\$8.48</b>	<b>1.29452</b>	n/a	n/a	n/a	n/a	n/a	<b>1.620</b>	n/a	<b>1.199</b>
Jul-05	<b>\$6.4917</b>	<b>\$4.6067</b>	<b>\$11.0984</b>	<b>\$8.48</b>	<b>1.28711</b>	n/a	n/a	n/a	n/a	n/a	<b>1.579</b>	n/a	<b>1.169</b>
Aug-05	<b>\$6.4508</b>	<b>\$4.5769</b>	<b>\$11.0277</b>	<b>\$8.48</b>	<b>1.27935</b>	n/a	n/a	n/a	n/a	n/a	<b>1.536</b>	n/a	<b>1.137</b>
Sep-05	<b>\$6.4073</b>	<b>\$4.5411</b>	<b>\$10.9484</b>	<b>\$8.48</b>	<b>1.27066</b>	n/a	n/a	n/a	n/a	n/a	<b>1.489</b>	n/a	<b>1.102</b>
Oct-05	<b>\$6.3636</b>	<b>\$4.5078</b>	<b>\$10.8713</b>	<b>\$8.48</b>	<b>1.26221</b>	n/a	n/a	n/a	n/a	n/a	<b>1.442</b>	n/a	<b>1.067</b>
Nov-05	<b>\$6.3152</b>	<b>\$4.4772</b>	<b>\$10.7925</b>	<b>\$8.48</b>	<b>1.25356</b>	n/a	n/a	n/a	n/a	n/a	<b>1.395</b>	n/a	<b>1.032</b>
Dec-05	<b>\$6.2631</b>	<b>\$4.4438</b>	<b>\$10.7069</b>	<b>\$8.48</b>	<b>1.24417</b>	n/a	n/a	n/a	n/a	n/a	<b>1.343</b>	n/a	<b>0.994</b>

Notes:  
**Forecast of fuel prices based on NYMEX futures as reported in the Wall Street Journal on June 23, 24 & 25, 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.