

October 4, 2005

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 3648 - Standard Offer Reconciliation Report**

Dear Ms. Massaro:

Enclosed are ten copies of The Narragansett Electric Company's ("Narragansett" or "Company") Standard Offer Reconciliation Report ("Report") through August 2005. The enclosed Report provides the Company's most current projection of the Standard Offer reconciliation balance through December 31, 2006 based on actual revenues through September 2005 and actual expenses through August 2005. 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 September 26, 27, and 28, 2005.

In 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 No. 3648. In Order No. 18151 (February 17, 2005) in this proceeding, the Commission recommended that Narragansett consider applying for a rate adjustment if the Company's projections show that the accrual of the over- or under-collection through December 31, 2005 will be more than \$16 million. Based on the current fuel price estimates, the Company is estimating an under-collection of approximately \$22.0 million as of December 31, 2005 as shown on Attachment 1, page 1. The projected under collection through December 2006, as shown on page 2 of Attachment 1, is approximately \$190.0 million.

Attachment 1, pages 1 and 2, of this Report shows the Company's projected Standard Offer reconciliation balance through December 31, 2005 and December 31, 2006, respectively. Pages 3 and 4 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 rate of 8.2¢ per kWh to the Company's forecasted retail Standard Offer deliveries. Standard Offer base expenses are calculated by multiplying the forecasted kWh deliveries by the base wholesale charge in effect for each period under the Company's wholesale Standard Offer supply contracts. The base wholesale charge shown in Column (d) on Page 4 has been adjusted to include an estimate of the effect of the Standard Offer contract amendment approved by the Commission in Docket No. 3496.

The calculation of the estimated monthly fuel index adjustment prices per kWh based on the September 26, 27, and 28, 2005 forecasted fuel prices is contained in Attachment 2. Pages 1 and 2 include the projections of natural gas and crude oil prices, respectively. The monthly weighted fuel index adjustments are calculated on Page 3.

The Standard Offer reconciliation on page 1 of Attachment 1 also reflects additional payments, as shown in Column (g), that the Company has made and is expecting to make under protest to one of its Standard Offer suppliers.

If the current fuel price forecast proves to be accurate, the current Standard Offer rate of 8.2¢ per kWh will not be adequate to cover the estimated costs under the Company's wholesale Standard Offer contracts over the next twelve to fifteen months. Based on the current fuel price forecast, a 10.6¢ per kWh Standard Offer rate effective December 1, 2005 would eliminate the projected under collection through December 31, 2006. Alternatively, a 10.8¢ per kWh Standard Offer rate effective January 1, 2006 would also eliminate the under collection at the end of 2006. For the convenience of the Commission, Attachment 3 to this report contains an exhibit similar to that which was provided in Docket 3689, showing the under collection of estimated Standard Offer costs under several different rate scenarios.

Thank you for your attention to this filing. If you have any questions regarding this report, please do not hesitate to contact me at (508) 421-7634.

Very truly yours,

/S/

Ronald T. Gerwatowski  
Vice President,  
Distribution Regulatory Services

Enclosures

cc: Docket 3648 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 2004 through December 2006**

**Submitted: October 4, 2005**

**The Narragansett Electric Company**  
Standard Offer Reconciliation

Actual Balance for the Period October 2004 through August 2005 and Projected Balance through December 2005

**Section 1. Balance @ September 30, 2005**

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-04	(\$376,761)	\$14,128,523	\$26,492,483	\$7,308,707	\$33,801,190	(\$19,672,668)	(\$699,182)	(\$20,748,611)	(\$1,884,236)
(1) Nov-04	(\$20,748,611)	\$34,298,864	\$26,752,338	\$8,305,944	\$35,058,282	(\$759,418)	\$13,501	(\$21,494,528)	\$19,427
(1) Dec-04	(\$21,494,528)	\$39,116,281	\$29,627,256	\$10,089,033	\$39,716,289	(\$600,008)	(\$3,502)	(\$22,098,038)	(\$422,030)
(1) Jan-05	(\$22,098,038)	\$39,410,924	\$33,160,403	\$5,557,938	\$38,718,341	\$692,583	(\$319,578)	(\$21,725,033)	(\$1,101,069)
(1) Feb-05	(\$21,725,033)	\$37,498,116	\$28,633,026	\$5,071,210	\$33,704,236	\$3,793,880	(\$282,636)	(\$18,213,789)	\$2,659,944
(1) Mar-05	(\$18,213,789)	\$37,952,243	\$30,626,125	\$6,015,288	\$36,641,412	\$1,310,830	(\$320,345)	(\$17,223,304)	\$1,636,142
(1) Apr-05	(\$17,223,304)	\$34,289,901	\$26,893,604	\$5,868,843	\$32,762,447	\$1,527,454	(\$317,451)	(\$16,013,300)	\$1,521,902
(1) May-05	(\$16,013,300)	\$31,882,186	\$26,926,841	\$6,413,255	\$33,340,096	(\$1,457,910)	(\$372,113)	(\$17,843,323)	\$1,529,018
(1) Jun-05	(\$17,843,323)	\$35,222,439	\$33,019,216	\$8,152,810	\$41,172,027	(\$5,949,587)	(\$456,890)	(\$24,249,801)	(\$1,073,082)
(1) Jul-05	(\$24,249,801)	\$42,139,489	\$37,515,937	\$10,097,754	\$47,613,690	(\$5,474,201)	(\$546,130)	(\$30,270,132)	(\$4,886,043)
(1) Aug-05	(\$30,270,132)	\$46,152,890	\$39,484,124	\$11,816,377	\$51,300,501	(\$5,147,611)	(\$642,146)	(\$36,059,889)	(\$11,115,672)
(2) Sep-05	(\$36,059,889)	\$45,353,123	\$37,166,459	\$13,095,092	\$50,261,551	(\$4,908,428)	(\$660,669)	(\$41,628,987)	(\$21,506,216)
* (2) Oct-05	(\$41,628,987)	\$20,122,770				\$20,122,770		(\$21,506,216)	
Totals	(\$376,761)	\$457,567,747	\$376,297,812	\$97,792,249	\$474,090,061	(\$16,522,314)	(\$4,607,141)	(\$21,506,216)	
Interest (3)								(\$455,348)	
Ending Balance@ September 30, 2005 with Interest								(\$21,961,565)	

(1) Actual revenues and expenses

(2) Estimated revenues and expenses

(3) Interest expense calculation :  $(-376,761 + -21506216.46)/2 * (4.01\% * 5/12 + 4.27\% * 7/12)$ 

\* For September usage billed in October

**Section 2. Projected Balance @ December 31, 2005**

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-05	(\$21,961,565)	\$20,150,074	\$30,268,796	\$12,783,556	\$43,052,353	(\$22,902,279)	(\$656,844)	(\$45,520,688)	(\$20,954,466)
(2) Nov-05	(\$45,520,688)	\$44,665,858	\$30,193,030	\$14,576,321	\$44,769,352	(\$103,494)	(\$810,157)	(\$46,434,339)	(\$19,499,615)
(2) Dec-05	(\$46,434,339)	\$48,972,224	\$33,104,029	\$18,406,390	\$51,510,419	(\$2,538,195)	(\$1,055,259)	(\$50,027,792)	(\$21,798,404)
* (2) Jan-06	(\$50,027,792)	\$28,229,388				\$28,229,388		(\$21,798,404)	
Totals	(\$21,961,565)	\$142,017,544	\$93,565,856	\$45,766,267	\$139,332,124	\$2,685,420	(\$2,522,259)	(\$21,798,404)	
Interest (3)								(\$233,569)	
Ending Balance@ December 31, 2005 with Interest								(\$22,031,973)	

\* For December usage billed in January

(2) Estimated revenues and expenses

(3) Interest expense calculation :  $(-21961564.75 + -21798403.73)/2 * (4.01\% * 5/12 + 4.27\% * 7/12)$ Column Notes:

Column (a) Column (h) from previous row; beginning balance from Exhibit JAL-7, RIPUC Docket No. 3648.

Column (b) from Page 3

Column (c) from Page 4

Column (d) from Page 4

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

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

Column (g) Includes actual and estimated protest payments made to one of the Company's suppliers, estimated NE\_GIS expenses and USGEN congestion costs

Column (h) Column (a) + Column (f) + Column (g)

Column (i) Column (h) + 55% of next month's Column (b)

**The Narragansett Electric Company**  
Standard Offer Reconciliation  
Projected Balance at Year Ending December 31, 2006

**Section 1. Projected Balance @ September 30, 2006**

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-05	(\$21,961,565)	\$20,150,074	\$30,268,796	\$12,783,556	\$43,052,353	(\$22,902,279)	(\$656,844)	(\$45,520,688)	(\$20,954,466)
(2) Nov-05	(\$45,520,688)	\$44,665,858	\$30,193,030	\$14,576,321	\$44,769,352	(\$103,494)	(\$810,157)	(\$46,434,339)	(\$19,499,615)
(2) Dec-05	(\$46,434,339)	\$48,972,224	\$33,104,029	\$18,406,390	\$51,510,419	(\$2,538,195)	(\$1,055,259)	(\$50,027,792)	(\$21,798,404)
(2) Jan-06	(\$50,027,792)	\$51,326,160	\$37,198,947	\$19,716,757	\$56,915,704	(\$5,589,544)	(\$1,120,061)	(\$56,737,396)	(\$30,507,756)
(2) Feb-06	(\$56,737,396)	\$47,690,255	\$34,563,803	\$20,687,102	\$55,250,905	(\$7,560,650)	(\$1,207,897)	(\$65,505,943)	(\$39,023,848)
(2) Mar-06	(\$65,505,943)	\$48,149,264	\$34,896,473	\$23,064,672	\$57,961,145	(\$9,811,881)	(\$1,354,523)	(\$76,672,346)	(\$52,807,855)
(2) Apr-06	(\$76,672,346)	\$43,389,984	\$31,447,156	\$21,954,274	\$53,401,429	(\$10,011,445)	(\$1,283,777)	(\$87,967,569)	(\$65,177,250)
(2) May-06	(\$87,967,569)	\$41,436,944	\$30,031,678	\$22,032,326	\$52,064,004	(\$10,627,060)	(\$1,195,748)	(\$99,790,377)	(\$74,701,820)
(2) Jun-06	(\$99,790,377)	\$45,615,559	\$33,060,154	\$25,489,084	\$58,549,238	(\$12,933,680)	(\$1,274,057)	(\$113,998,114)	(\$85,963,916)
(2) Jul-06	(\$113,998,114)	\$50,971,268	\$36,941,737	\$29,625,496	\$66,567,233	(\$15,595,965)	(\$1,349,905)	(\$130,943,984)	(\$101,672,422)
(2) Aug-06	(\$130,943,984)	\$53,221,021	\$38,572,260	\$31,932,613	\$70,504,872	(\$17,283,851)	(\$1,334,518)	(\$149,562,352)	(\$120,976,629)
(2) Sep-06	(\$149,562,352)	\$51,974,042	\$37,668,504	\$31,336,544	\$69,005,048	(\$17,031,006)	(\$1,233,387)	(\$167,826,745)	(\$142,846,229)
* (2) Oct-06	(\$167,826,745)	\$24,980,516				\$24,980,516		(\$142,846,229)	
Totals	(\$21,961,565)	\$572,543,170	\$407,946,568	\$271,605,135	\$679,551,703	(\$107,008,533)	(\$13,876,131)	(\$142,846,229)	
Interest (3)								(\$3,518,646)	
Ending Balance@ September 30, 2006 with Interest								(\$146,364,876)	

(1) Actual revenues and expenses

(2) Estimated revenues and expenses

(3) Interest expense calculation :  $(-21961564.75 + -142846229.11) / 2 * (4.01\% * 5/12 + 4.27\% * 7/12)$ 

\* For September usage billed in October

**Section 2. Projected Balance @ December 31, 2006**

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-06	(\$146,364,876)	\$20,438,604	\$32,917,785	\$26,913,598	\$59,831,383	(\$39,392,779)	(\$1,030,670)	(\$186,788,325)	(\$162,136,456)
(2) Nov-06	(\$186,788,325)	\$44,821,580	\$32,484,713	\$26,105,837	\$58,590,551	(\$13,768,971)	(\$1,002,915)	(\$201,560,211)	(\$174,577,644)
(2) Dec-06	(\$201,560,211)	\$49,059,212	\$35,555,963	\$28,005,631	\$63,561,594	(\$14,502,382)	(\$1,107,824)	(\$217,170,416)	(\$188,181,523)
* (2) Jan-07	(\$217,170,416)	\$28,988,894				\$28,988,894		(\$188,181,523)	
Totals	(\$146,364,876)	\$143,308,290	\$100,958,461	\$81,025,066	\$181,983,528	(\$38,675,238)	(\$3,141,409)	(\$188,181,523)	
Interest (3)								(\$1,785,641)	
Ending Balance@ December 31, 2006 with Interest								(\$189,967,164)	

\* For December usage billed in January

(2) Estimated revenues and expenses

(3) Interest expense calculation :  $(-146364875.51 + -188181522.59) / 2 * (4.01\% * 5/12 + 4.27\% * 7/12)$ Column Notes:

Column (a) Column (g) from previous row; beginning balance from Page 1.

Column (b) from Page 3

Column (c) from Page 4

Column (d) from Page 4

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

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

Column (g) Includes actual and estimated protest payments made to one of the Company's suppliers, estimated NE\_GIS expenses and USGEN congestion costs

Column (h) Column (a) + Column (f)

Column (i) Column (g) + 55% of next month's Column (b)

The Narragansett Electric Company  
Standard Offer Reconciliation  
Estimated Revenue through December 2006

<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 Estimated Revenues</u> (d)
Aug-05			\$0.06700	
Sep-05	775,157,934	670,511,613	\$0.06700	\$44,924,278
Oct-05	631,297,642	546,072,460	\$0.08200	\$40,272,844
Nov-05	629,717,437	544,705,583	\$0.08200	\$44,665,858
Dec-05	690,430,346	597,222,249	\$0.08200	\$48,972,224
Jan-06	723,617,087	625,928,780	\$0.08200	\$51,326,160
Feb-06	672,356,620	581,588,476	\$0.08200	\$47,690,255
Mar-06	678,827,917	587,186,148	\$0.08200	\$48,149,264
Apr-06	611,729,652	529,146,149	\$0.08200	\$43,389,984
May-06	584,194,896	505,328,585	\$0.08200	\$41,436,944
Jun-06	643,106,707	556,287,302	\$0.08200	\$45,615,559
Jul-06	718,613,679	621,600,832	\$0.08200	\$50,971,268
Aug-06	750,331,612	649,036,844	\$0.08200	\$53,221,021
Sep-06	732,751,192	633,829,781	\$0.08200	\$51,974,042
Oct-06	640,337,244	553,891,716	\$0.08200	\$45,419,121
Nov-06	631,912,873	546,604,635	\$0.08200	\$44,821,580
Dec-06	691,656,730	598,283,071	\$0.08200	\$49,059,212
Jan-07	743,085,848	642,769,259	\$0.08200	\$52,707,079

Column Notes:

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

The Narragansett Electric Company  
 Standard Offer Reconciliation  
 Estimated Standard Offer Expenses through December 2006

Calculation of Calculation of Estimated Expenses

	Estimated Total Company kWh Deliveries (a)	% of Standard Offer kWhs to Total kWhs (b)	Estimated Standard Offer kWh Deliveries (c)	Estimated Base Standard Offer Charge (d)	Estimated Base Standard Offer Expenses (e)	Estimated Fuel Index Value per kWh (f)	Estimated Fuel Index Payments (g)	Total Estimated Standard Offer Expenses (h)
Sep-05	775,157,934	86.5%	670,511,613	\$0.05543	\$37,166,459	\$0.01953	\$13,095,092	\$50,261,551
Oct-05	631,297,642	86.5%	546,072,460	\$0.05543	\$30,268,796	\$0.02341	\$12,783,556	\$43,052,353
Nov-05	629,717,437	86.5%	544,705,583	\$0.05543	\$30,193,030	\$0.02676	\$14,576,321	\$44,769,352
Dec-05	690,430,346	86.5%	597,222,249	\$0.05543	\$33,104,029	\$0.03082	\$18,406,390	\$51,510,419
Total Expected Payments through December 2005 .....							\$58,861,359	\$189,593,674
<b>2006:</b>								
Jan-06	723,617,087	86.5%	625,928,780	\$0.05943	\$37,198,947	\$0.03150	\$19,716,757	\$56,915,704
Feb-06	672,356,620	86.5%	581,588,476	\$0.05943	\$34,563,803	\$0.03557	\$20,687,102	\$55,250,905
Mar-06	678,827,917	86.5%	587,186,148	\$0.05943	\$34,896,473	\$0.03928	\$23,064,672	\$57,961,145
Apr-06	611,729,652	86.5%	529,146,149	\$0.05943	\$31,447,156	\$0.04149	\$21,954,274	\$53,401,429
May-06	584,194,896	86.5%	505,328,585	\$0.05943	\$30,031,678	\$0.04360	\$22,032,326	\$52,064,004
Jun-06	643,106,707	86.5%	556,287,302	\$0.05943	\$33,060,154	\$0.04582	\$25,489,084	\$58,549,238
Jul-06	718,613,679	86.5%	621,600,832	\$0.05943	\$36,941,737	\$0.04766	\$29,625,496	\$66,567,233
Aug-06	750,331,612	86.5%	649,036,844	\$0.05943	\$38,572,260	\$0.04920	\$31,932,613	\$70,504,872
Sep-06	732,751,192	86.5%	633,829,781	\$0.05943	\$37,668,504	\$0.04944	\$31,336,544	\$69,005,048
Oct-06	640,337,244	86.5%	553,891,716	\$0.05943	\$32,917,785	\$0.04859	\$26,913,598	\$59,831,383
Nov-06	631,912,873	86.5%	546,604,635	\$0.05943	\$32,484,713	\$0.04776	\$26,105,837	\$58,590,551
Dec-06	691,656,730	86.5%	598,283,071	\$0.05943	\$35,555,963	\$0.04681	\$28,005,631	\$63,561,594
Total Expected Payments through December 2006 .....							\$306,863,934	\$722,203,107

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) 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 09/26/05, 09/27/05 & 09/28/05
- (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 2006**



Prices published in WSJ on: 26-Sep-05 27-Sep-05 28-Sep-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-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	\$6.485	\$6.353	\$6.141	\$6.326	\$5.397	\$5.832	Jul-04
Aug-04	Jul-04	\$5.957	\$5.989	\$6.048	\$5.998	\$5.505	\$5.849	Aug-04
Sep-04	Aug-04	\$5.298	\$5.189	\$5.082	\$5.190	\$5.520	\$5.893	Sep-04
Oct-04	Sep-04	\$5.392	\$5.262	\$5.723	\$5.459	\$5.598	\$5.904	Oct-04
Nov-04	Oct-04	\$7.890	\$8.402	\$7.626	\$7.973	\$5.889	\$5.920	Nov-04
Dec-04	Nov-04	\$6.762	\$6.793	\$7.976	\$7.177	\$6.093	\$6.273	Dec-04
Jan-05	Dec-04	\$6.668	\$6.160	\$6.213	\$6.347	\$6.103	n/a	Jan-05
Feb-05	Jan-05	\$6.403	\$6.388	\$6.288	\$6.360	\$6.155	n/a	Feb-05
Mar-05	Feb-05	\$6.103	\$6.311	\$6.304	\$6.239	\$6.248	n/a	Mar-05
Apr-05	Mar-05	\$7.062	\$6.999	\$7.323	\$7.128	\$6.395	n/a	Apr-05
May-05	Apr-05	\$7.153	\$7.120	\$6.748	\$7.007	\$6.491	n/a	May-05
Jun-05	May-05	\$6.349	\$6.315	\$6.123	\$6.262	\$6.456	n/a	Jun-05
Jul-05	Jun-05	\$7.360	\$7.138	\$6.976	\$7.158	\$6.525	n/a	Jul-05
Aug-05	Jul-05	\$7.284	\$7.425	\$7.647	\$7.452	\$6.646	n/a	Aug-05
Sep-05	Aug-05	\$9.770	\$9.792	\$10.847	\$10.136	\$7.058	n/a	Sep-05
Oct-05	Sep-05	\$12.440	\$12.656	\$13.907	\$13.001	\$7.687	n/a	Oct-05
Nov-05	Oct-05	<b>\$13.137</b>	<b>\$13.120</b>	<b>\$14.100</b>	<b>\$13.452</b>	<b>\$8.143</b>	n/a	Nov-05
Dec-05	Nov-05	<b>\$13.637</b>	<b>\$13.710</b>	<b>\$14.570</b>	<b>\$13.972</b>	<b>\$8.710</b>	n/a	Dec-05
Jan-06	Dec-05	<b>\$13.932</b>	<b>\$14.040</b>	<b>\$14.875</b>	<b>\$14.282</b>	<b>\$9.371</b>	n/a	Jan-06
Feb-06	Jan-06	<b>\$13.789</b>	<b>\$13.860</b>	<b>\$14.665</b>	<b>\$14.105</b>	<b>\$10.016</b>	n/a	Feb-06
Mar-06	Feb-06	<b>\$13.409</b>	<b>\$13.440</b>	<b>\$14.215</b>	<b>\$13.688</b>	<b>\$10.637</b>	n/a	Mar-06
Apr-06	Mar-06	<b>\$10.809</b>	<b>\$10.820</b>	<b>\$11.415</b>	<b>\$11.015</b>	<b>\$10.961</b>	n/a	Apr-06
May-06	Apr-06	<b>\$10.319</b>	<b>\$10.310</b>	<b>\$10.885</b>	<b>\$10.505</b>	<b>\$11.252</b>	n/a	May-06
Jun-06	May-06	<b>\$10.346</b>	<b>\$10.337</b>	<b>\$10.905</b>	<b>\$10.529</b>	<b>\$11.608</b>	n/a	Jun-06
Jul-06	Jun-06	<b>\$10.389</b>	<b>\$10.380</b>	<b>\$10.942</b>	<b>\$10.570</b>	<b>\$11.892</b>	n/a	Jul-06
Aug-06	Jul-06	<b>\$10.436</b>	<b>\$10.427</b>	<b>\$10.984</b>	<b>\$10.616</b>	<b>\$12.156</b>	n/a	Aug-06
Sep-06	Aug-06	<b>\$10.416</b>	<b>\$10.407</b>	<b>\$10.958</b>	<b>\$10.594</b>	<b>\$12.194</b>	n/a	Sep-06
Oct-06	Sep-06	<b>\$10.448</b>	<b>\$10.439</b>	<b>\$10.985</b>	<b>\$10.624</b>	<b>\$11.996</b>	n/a	Oct-06
Nov-06	Oct-06	<b>\$10.878</b>	<b>\$10.869</b>	<b>\$11.405</b>	<b>\$11.051</b>	<b>\$11.796</b>	n/a	Nov-06
Dec-06	Nov-06	<b>\$10.878</b>	<b>\$11.284</b>	<b>\$11.815</b>	<b>\$11.326</b>	<b>\$11.575</b>	n/a	Dec-06

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 - Oct-05)  
- Settlement price as reported in the Wall Street Journal on 26-Sep-05 (Nov-05 - Dec-06)
- Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Oct-05)  
- Settlement price as reported in the Wall Street Journal on 27-Sep-05 (Nov-05 - Dec-06)
- Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Oct-05)  
- Settlement price as reported in the Wall Street Journal on 28-Sep-05 (Nov-05 - Dec-06)
- 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 MARKET OIL PRICE

(Col. A)	(Col. B)	(Col. HH)	(Col. II)	(Col. JJ)	(Col. KK)	(Col. LL)	(Col. MM)	(Col. NN)	Prices published in WSJ on:			
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	26-Sep-05	27-Sep-05	28-Sep-05	
Dec-00	Dec-00	507.40	20	6.3	4.03	3.95	4.30	35.3833	35.58	35.12	35.45	<=Dec closing prices in WSJ on 11/16, 11/17,11/20
Jan-01	Jan-01	526.65	21	6.3	3.98	4.00	4.26	29.3200	28.87	29.76	29.33	<=Jan closing prices from NYMEX on Dec 15, 18 & 15
Feb-01	Feb-01	440.45	19	6.3	3.68	4.00	4.28	31.7500	31.75	31.75	31.75	<=Feb closing from WSJ on 1/23/01
Mar-01	Mar-01	509.35	22	6.3	3.67	4.03	4.25	28.5800	28.58	28.58	28.58	<=March closing from WSJ on 2/21/01
Apr-01	Apr-01	453.25	20	6.3	3.60	4.06	4.08	25.9600	25.96	25.96	25.96	<=April closing from WSJ on 3/21/01
May-01	May-01	506.75	22	6.3	3.66	4.04	3.91	27.2800	27.28	27.28	27.28	<=May closing from WSJ on 4/23/01
Jun-01	Jun-01	425.15	21	6.3	3.21	3.95	3.77	29.7400	29.74	29.74	29.74	<=June closing from WSJ on 5/23/01
Jul-01	Jul-01	403.35	21	6.3	3.05	3.88	3.63	26.5000	26.50	26.50	26.50	<=July closing from WSJ on 6/21/01
Aug-01	Aug-01	462.15	23	6.3	3.19	3.82	3.48	25.5900	25.59	25.59	25.59	<=August closing from WSJ on 7/23/01
Sep-01	Sep-01	339.15	17	6.3	3.17	3.70	3.40	27.9100	27.91	27.91	27.91	<=September closing from WSJ on 8/22/01
Oct-01	Oct-01	409.65	23	6.3	2.83	3.55	3.31	26.5900	26.59	26.59	26.59	<=October closing from WSJ on 9/21/01
Nov-01	Nov-01	318.10	20	6.3	2.52	3.38	3.18	21.7600	21.76	21.76	21.76	<=November closing from WSJ on 10/23/01
Dec-01	Dec-01	311.45	19	6.3	2.60	3.26	3.00	17.7200	17.72	17.72	17.72	<=December closing from WSJ on 11/20/01
Jan-02	Jan-02	334.25	21	6.3	2.53	3.14	2.89	19.8000	19.80	19.80	19.80	<=January closing from WSJ on 12/21/01
Feb-02	Feb-02	278.85	19	6.3	2.33	3.03	2.81	20.5967	19.62	21.27	20.90	
Mar-02	Mar-02	385.45	20	6.3	3.06	2.98	2.66	20.2900	20.29	20.29	20.29	<=March closing from WSJ on 2/21/02
Apr-02	Apr-02	485.10	22	6.3	3.50	2.97	2.64	24.9000	24.90	24.90	24.90	<=April closing from WSJ on 3/21/02
May-02	May-02	510.35	22	6.3	3.68	2.97	2.76	26.2700	26.27	26.27	26.27	<=May closing from WSJ on 4/23/02
Jun-02	Jun-02	450.85	20	6.3	3.58	3.00	2.95	27.3300	27.33	27.33	27.33	<=June closing from WSJ on 5/22/02
Jul-02	Jul-02	470.10	21	6.3	3.55	3.04	3.11	25.5300	25.53	25.53	25.53	<=July closing from WSJ on 6/21/02
Aug-02	Aug-02	554.95	22	6.3	4.00	3.11	3.28	26.6000	26.60	26.60	26.60	<=August closing from WSJ on 7/23/02
Sep-02	Sep-02	517.00	20	6.3	4.10	3.19	3.56	30.1100	30.11	30.11	30.11	<=September closing from WSJ on 8/21/02
Oct-02	Oct-02	603.40	23	6.3	4.16	3.30	3.74	29.6100	29.61	29.61	29.61	<=October closing from WSJ on 9/23/02
Nov-02	Nov-02	450.10	19	6.3	3.76	3.41	3.85	27.9200	27.92	27.92	27.92	<=November closing from WSJ on 10/23/02
Dec-02	Dec-02	556.95	21	6.3	4.21	3.54	3.86	26.9800	26.98	26.98	26.98	<=December closing from WSJ on 11/21/02
Jan-03	Jan-03	658.95	21	6.3	4.98	3.74	3.97	30.1000	30.10	30.10	30.10	<=January closing from WSJ on 12/20/02
Feb-03	Feb-03	662.40	19	6.3	5.53	4.01	4.20	34.6100	34.61	34.61	34.61	<=February closing from WSJ on 1/22/03
Mar-03	Mar-03	662.35	21	6.3	5.01	4.17	4.46	36.7900	36.79	36.79	36.79	<=March closing from WSJ on 2/21/03
Apr-03	Apr-03	499.30	21	6.3	3.77	4.20	4.61	28.6100	28.61	28.61	28.61	<=April closing from WSJ on 3/20/03
May-03	May-03	511.50	21	6.3	3.87	4.21	4.54	29.9100	29.91	29.91	29.91	<=May closing from WSJ on 4/22/03
Jun-03	Jun-03	525.60	21	6.3	3.97	4.24	4.56	29.2800	29.28	29.28	29.28	<=June closing from WSJ on 5/21/03
Jul-03	Jul-03	602.35	22	6.3	4.35	4.31	4.52	30.8200	30.82	30.82	30.82	<=July closing from WSJ on 6/23/03
Aug-03	Aug-03	579.05	21	6.3	4.38	4.34	4.42	30.1900	30.19	30.19	30.19	<=Aug closing from WSJ on 7/23/03
Sep-03	Sep-03	518.95	21	6.3	3.92	4.33	4.22	30.9500	30.95	30.95	30.95	<=Sept closing from WSJ on 8/21/03
Oct-03	Oct-03	592.50	23	6.3	4.09	4.32	4.04	26.9600	26.96	26.96	26.96	<=Oct closing from WSJ on 9/23/03
Nov-03	Nov-03	468.10	18	6.3	4.13	4.35	4.10	30.1800	30.18	30.18	30.18	<=Nov closing from WSJ on 10/22/03
Dec-03	Dec-03	537.60	21	6.3	4.06	4.34	4.14	32.8600	32.86	32.86	32.86	<=Dec closing from WSJ on 11/21/03
Jan-04	Jan-04	530.40	19	6.3	4.43	4.29	4.15	33.0200	33.02	33.02	33.02	<=Jan closing from WSJ on 12/19/03
Feb-04	Feb-04	494.90	19	6.3	4.13	4.18	4.17	36.2000	36.20	36.20	36.20	<=Feb closing from WSJ on 01/20/04
Mar-04	Mar-04	564.10	23	6.3	3.89	4.08	4.13	35.6000	35.60	35.60	35.60	<=Mar closing from WSJ on 02/20/04
Apr-04	Apr-04	535.55	21	6.3	4.05	4.11	4.12	37.1100	37.11	37.11	37.11	<=Apr closing from WSJ on 03/22/04
May-04	May-04	603.20	20	6.3	4.79	4.18	4.12	37.6000	37.60	37.60	37.60	<=May closing from WSJ on 04/20/04
Jun-04	Jun-04	619.25	21	6.3	4.68	4.24	4.23	40.9200	40.92	40.92	40.92	<=June closing from WSJ on 05/20/04
Jul-04	Jul-04	583.85	21	6.3	4.41	4.25	4.33	38.1100	38.11	38.11	38.11	<=July closing from WSJ on 06/22/04
Aug-04	Aug-04	612.20	22	6.3	4.42	4.25	4.33	40.8600	40.86	40.86	40.86	<=Aug closing from WSJ on 07/20/04
Sep-04	Sep-04	582.00	21	6.3	4.40	4.29	4.37	47.8600	47.86	47.86	47.86	<=Sept closing from WSJ on 08/20/04
Oct-04	Oct-04	693.40	21	6.3	5.24	4.39	4.46	47.1000	47.10	47.10	47.10	<=October closing from WSJ on 09/21/04
Nov-04	Nov-04	572.15	20	6.3	4.54	4.42	4.66	54.9200	54.92	54.92	54.92	<=November closing from WSJ on 10/20/04
Dec-04	Dec-04	526.50	21	6.3	3.98	4.41	4.62	48.4400	48.44	48.44	48.44	<=December closing from WSJ on 11/19/04
Jan-05	Jan-05	594.00	20	6.3	4.71	4.44	n/a	45.6400	45.64	45.64	45.64	<=January 2005 closing from WSJ on 12/20/04
Feb-05	Feb-05	584.70	19	6.3	4.88	4.50	n/a	46.9100	46.91	46.91	46.91	<=February 2005 closing from WSJ on 01/20/05
Mar-05	Mar-05	779.75	22	6.3	5.63	4.64	n/a	51.1500	51.15	51.15	51.15	<=March 2005 closing from WSJ on 02/22/05
Apr-05	Apr-05	811.40	21	6.3	6.13	4.82	n/a	56.6200	56.62	56.62	56.62	<=April 2005 closing from WSJ on 03/21/05
May-05	May-05	721.00	19	6.3	6.02	4.92	n/a	52.4400	52.44	52.44	52.44	<=May 2005 closing from WSJ on 04/20/05
Jun-05	Jun-05	900.25	22	6.3	6.50	5.07	n/a	46.8000	46.80	46.80	46.80	<=June 2005 closing from WSJ on 05/20/05
Jul-05	Jul-05	838.10	20	6.3	6.65	5.26	n/a	59.3700	59.37	59.37	59.37	<=July 2005 closing from WSJ on 06/22/05
Aug-05	Aug-05	1048.35	23	6.3	7.23	5.49	n/a	57.4600	57.46	57.46	57.46	<=Aug 2005 closing from WSJ on 07/20/05
Sep-05	Sep-05	1063.50	21	6.3	8.04	5.80	n/a	65.4500	65.45	65.45	65.45	<=Sep 2005 closing from WSJ on 08/22/05
Oct-05	Oct-05	66.23	8.13	6.04	n/a	n/a	n/a	66.2300	66.23	66.23	66.23	<=Oct 2005 closing from WSJ on 09/20/05
Nov-05	Nov-05	65.75	8.07	6.33	n/a	n/a	n/a	65.7467	65.82	65.07	66.35	
Dec-05	Dec-05	65.95	8.10	6.68	n/a	n/a	n/a	65.9467	66.03	65.35	66.46	
Jan-06	Jan-06	66.35	8.15	6.96	n/a	n/a	n/a	66.3533	66.46	65.83	66.77	
Feb-06	Feb-06	66.70	8.19	7.24	n/a	n/a	n/a	66.7000	66.81	66.21	67.08	
Mar-06	Mar-06	66.95	8.22	7.45	n/a	n/a	n/a	66.9533	67.07	66.48	67.31	
Apr-06	Apr-06	67.08	8.24	7.63	n/a	n/a	n/a	67.0833	67.20	66.62	67.43	
May-06	May-06	67.11	8.24	7.81	n/a	n/a	n/a	67.1067	67.22	66.65	67.45	
Jun-06	Jun-06	67.07	8.24	7.96	n/a	n/a	n/a	67.0700	67.18	66.62	67.41	
Jul-06	Jul-06	67.03	8.23	8.09	n/a	n/a	n/a	67.0333	67.12	66.57	67.41	
Aug-06	Aug-06	67.03	8.23	8.17	n/a	n/a	n/a	67.0333	67.12	66.57	67.41	
Sep-06	Sep-06	66.98	8.23	8.19	n/a	n/a	n/a	66.9767	66.95	66.57	67.41	
Oct-06	Oct-06	66.98	8.23	8.20	n/a	n/a	n/a	66.9767	66.95	66.57	67.41	
Nov-06	Nov-06	66.98	8.23	8.21	n/a	n/a	n/a	66.9767	66.95	66.57	67.41	
Dec-06	Dec-06	66.47	8.16	8.22	n/a	n/a	n/a	66.4733	66.58	66.08	66.76	

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 - Oct-05)
- Sep-05 Final Crude oil contract price as reported in the Wall Street Journal on 22-Aug-05
- average of Crude oil contract prices as reported in the Wall Street Journal on Sep 26, 27 & 28, 2005
- 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 - Oct-05)
- Current month value Col. HH \* Aug-05 value in Col. KK / 65.45 (Oct-05 - Dec-06)
- Where 65.45 represents the Sep-05 closing value from the WSJ 22-Aug-05
- 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)

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 €/kWh	EUA Adjustment €/kWh	Weighted Adjustment €/kWh
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	\$4.2417	\$9.5769	\$7.74	1.21920	\$5.5049	\$4.2262	\$9.7312	\$7.74	1.23761	1.118	1.212	1.142
Jul-04	\$5.3973	\$4.2473	\$9.6445	\$7.74	1.22727	\$5.8323	\$4.3291	\$10.1614	\$7.74	1.28895	1.159	1.474	1.241
Aug-04	\$5.5054	\$4.2506	\$9.7561	\$7.74	1.24058	\$5.8494	\$4.3261	\$10.1755	\$7.74	1.29063	1.227	1.482	1.293
Sep-04	\$5.5199	\$4.2903	\$9.8103	\$7.74	1.24705	\$5.8925	\$4.3732	\$10.2657	\$7.74	1.30139	1.260	1.537	1.332
Oct-04	\$5.5982	\$4.3864	\$9.9845	\$7.74	1.26784	\$5.9044	\$4.4575	\$10.3620	\$7.74	1.31288	1.366	1.596	1.426
Nov-04	\$5.8888	\$4.4208	\$10.3095	\$7.74	1.30663	\$5.9201	\$4.6564	\$10.5764	\$7.74	1.33848	1.564	1.726	1.606
Dec-04	\$6.0931	\$4.4138	\$10.5068	\$7.74	1.33017	\$6.2726	\$4.6153	\$10.8879	\$7.74	1.37564	1.684	1.916	1.744
Jan-05	\$6.1033	\$4.4374	\$10.5407	\$8.48	1.22595	n/a	n/a	n/a	n/a	1.00000	1.243	n/a	0.920
Feb-05	\$6.1550	\$4.4999	\$10.6549	\$8.48	1.23848	n/a	n/a	n/a	n/a	1.00000	1.312	n/a	0.971
Mar-05	\$6.2484	\$4.6443	\$10.8927	\$8.48	1.26456	n/a	n/a	n/a	n/a	1.00000	1.455	n/a	1.077
Apr-05	\$6.3953	\$4.8181	\$11.2134	\$8.48	1.29971	n/a	n/a	n/a	n/a	1.00000	1.648	n/a	1.220
May-05	\$6.4911	\$4.9211	\$11.4122	\$8.48	1.32151	n/a	n/a	n/a	n/a	1.00000	1.768	n/a	1.309
Jun-05	\$6.4555	\$5.0723	\$11.5278	\$8.48	1.33419	n/a	n/a	n/a	n/a	1.00000	1.838	n/a	1.360
Jul-05	\$6.5248	\$5.2588	\$11.7836	\$8.48	1.36224	n/a	n/a	n/a	n/a	1.00000	1.992	n/a	1.474
Aug-05	\$6.6460	\$5.4937	\$12.1396	\$8.48	1.40128	n/a	n/a	n/a	n/a	1.00000	2.207	n/a	1.633
Sep-05	\$7.0582	\$5.7969	\$12.8551	\$8.48	1.47973	n/a	n/a	n/a	n/a	1.00000	2.639	n/a	1.953
Oct-05	\$7.6867	\$6.0380	\$13.7247	\$8.48	1.57508	n/a	n/a	n/a	n/a	1.00000	3.163	n/a	2.341
Nov-05	\$8.1433	\$6.3326	\$14.4759	\$8.48	1.65744	n/a	n/a	n/a	n/a	1.00000	3.616	n/a	2.676
Dec-05	\$8.7096	\$6.6759	\$15.3855	\$8.48	1.75718	n/a	n/a	n/a	n/a	1.00000	4.164	n/a	3.082
Jan-06	\$9.3709	\$6.9622	\$16.3330	\$9.22	1.72140	n/a	n/a	n/a	n/a	1.00000	4.256	n/a	3.150
Feb-06	\$10.0163	\$7.2378	\$17.2541	\$9.22	1.81481	n/a	n/a	n/a	n/a	1.00000	4.807	n/a	3.557
Mar-06	\$10.6370	\$7.4542	\$18.0912	\$9.22	1.89972	n/a	n/a	n/a	n/a	1.00000	5.308	n/a	3.928
Apr-06	\$10.9609	\$7.6297	\$18.5906	\$9.22	1.95037	n/a	n/a	n/a	n/a	1.00000	5.607	n/a	4.149
May-06	\$11.2524	\$7.8146	\$19.0670	\$9.22	1.99868	n/a	n/a	n/a	n/a	1.00000	5.892	n/a	4.360
Jun-06	\$11.6080	\$7.9598	\$19.5678	\$9.22	2.04947	n/a	n/a	n/a	n/a	1.00000	6.192	n/a	4.582
Jul-06	\$11.8923	\$8.0916	\$19.9839	\$9.22	2.09167	n/a	n/a	n/a	n/a	1.00000	6.441	n/a	4.766
Aug-06	\$12.1560	\$8.1747	\$20.3307	\$9.22	2.12685	n/a	n/a	n/a	n/a	1.00000	6.648	n/a	4.920
Sep-06	\$12.1941	\$8.1904	\$20.3845	\$9.22	2.13230	n/a	n/a	n/a	n/a	1.00000	6.681	n/a	4.944
Oct-06	\$11.9960	\$8.1980	\$20.1940	\$9.22	2.11298	n/a	n/a	n/a	n/a	1.00000	6.567	n/a	4.859
Nov-06	\$11.7959	\$8.2106	\$20.0065	\$9.22	2.09396	n/a	n/a	n/a	n/a	1.00000	6.454	n/a	4.776
Dec-06	\$11.5753	\$8.2160	\$19.7913	\$9.22	2.07214	n/a	n/a	n/a	n/a	1.00000	6.326	n/a	4.681

Notes:

- Col. A - month in which SOS was delivered at wholesale
- Col. B - Average of the values of Gas Index for the most recent 12 months. (Col. G - Determination of Market Gas Price)
- Col. C - Average of the values of Oil Index for the most recent 12 months. (Col. LL - Determination of Market Oil Price)
- Col. D - Col. B + Col. C
- Col. E - Applicable value from the Standard Offer Supply Contracts.
- Col. F - @if(Col. D > Col. E, (Col. B + \$0.60 + Col. C + \$0.04) / (Col. E + \$0.64), 1.000)
- Col. G - Average of the values of Gas Index for the most recent 6 months. (Col. H - Determination of Market Gas Price)
- Col. H - Average of the values of Oil Index for the most recent 6 months. (Col. I - Determination of Market Oil Price)
- Col. I - Col. G + Col. H
- Col. J - Applicable value from the Standard Offer Supply Contracts.
- Col. K - @if(Col. I > Col. J, (Col. G + \$0.60 + Col. H + \$0.04) / (Col. J + \$0.64), 1.000)
- Col. L - (Col. F - 1.0) \* Applicable Contract Price from the Standard Offer Supply Contracts.
- Col. M - (Col. K - 1.0) \* Applicable Contract Price from the Standard Offer Supply Contracts.
- Col. N - (0.74 \* Col. K) + (0.26 \* Col. L)

Forecast of fuel prices based on NYMEX futures as reported in the Wall Street Journal on September 26, 27, & 28, 2005

4.051406577

The Narragansett Electric Company  
Standard Offer Pricing Options and Quarterly Deferrals

Deferrals Based on Fuel Prices as Reported in the WSJ on September 26, 27 and 28, 2005

Standard Offer Effective Date	10/01/05	12/01/05	12/01/05	12/01/05	01/01/06
Standard Offer Rate	8.2¢ per kWh	9.7¢ per kWh	10.2¢ per kWh	10.6¢ per kWh	10.8¢ per kWh
Deferral @ 12/31/05	(\$22.0)	(\$12.8)	(\$9.7)	(\$7.2)	(\$22.0)
Deferral @ 03/31/06	(\$52.8)	(\$17.5)	(\$5.7)	\$3.7	(\$7.5)
Deferral @ 06/30/06	(\$86.0)	(\$26.0)	(\$6.0)	\$9.9	\$2.0
Deferral @ 09/30/06	(\$146.3)	(\$56.5)	(\$26.6)	(\$2.6)	(\$6.9)
Deferral @ 12/31/06	(\$190.0)	(\$72.8)	(\$33.8)	(\$2.5)	(\$3.4)

Certificate of Service

I certify that a copy of the cover letter and/or any materials accompanying this certificate has been faxed, mailed or hand-delivered to the parties listed below.



\_\_\_\_\_  
Joanne M. Scanlon

October 4, 2005  
Date

**Narragansett Electric Co. – Annual Reconciliation Filing – Dkt. 3648**  
**Service list as of 12/08/04**

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cc: Steve Scialabba, Division