

February 1, 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 on behalf of The Narragansett Electric Company (“Narragansett” or “Company”) are ten copies of the Company’s Standard Offer Reconciliation report (“Report”) through December 2004. The enclosed Report provides the Company’s most current projection of the Standard Offer reconciliation balance through December 31, 2005 based on actual revenues and actual expenses through December 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 December 23, 27, and 28, 2004.

In Docket Nos. 3508 and 3571, 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. Narragansett has also committed to apply 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 projecting an over collection of approximately \$23.4 million as of December 31, 2005 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, 2005. 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 6.7¢ 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 3 has been adjusted to include an estimate of the effect of the Standard Offer contract amendment approved by the Commission in Docket No. 3496.

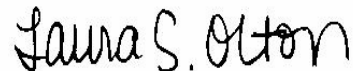
Ms. Luly E. Massaro, Commission Clerk  
Docket 3648 – Standard Offer Reconciliation Report  
February 1, 2005  
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Attachment 2 shows the calculation of the estimated monthly fuel index adjustment prices per kWh based on the December 23, 27 and 28, 2004 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.

Although the projected Standard Offer reconciliation balance for the period October 2004 through December 2005 exceeds \$16 million in this analysis, the Company does not recommend an adjustment to the Standard Offer rate at this time. The volatility in fuel prices over the past several months, evidence of which was presented at the hearing in Docket No. 3648 in December 2004, has resulted in large swings in the Company's Standard Offer reconciliation projection. Therefore, the Company proposes to maintain the Standard Offer rate at its current level and to continue to monitor fuel prices throughout the winter months.

Please do not hesitate to contact me if you have any questions regarding this report.

Very truly yours,

A handwritten signature in black ink that reads "Laura S. Olton". The signature is written in a cursive, slightly slanted style.

Laura S. Olton

Enclosures

cc: Docket 3648 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 2004 through December 2005**

**Submitted: January 2005**

**The Narragansett Electric Company**  
 Standard Offer Reconciliation

Actual Balance for the Period October 2004 through September 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)	\$14,125,135	\$26,492,483	\$7,308,707	\$33,801,190	(\$19,676,055)		(\$20,052,816)	(\$2,904,539)
(1) Nov-04	(\$20,052,816)	\$34,296,553	\$26,752,338	\$8,305,944	\$35,058,282	(\$761,728)		(\$20,814,545)	(\$1,257,826)
(1) Dec-04	(\$20,814,545)	\$39,113,437	\$29,627,256	\$10,089,033	\$39,716,289	(\$602,852)		(\$21,417,396)	(\$1,236,567)
(2) Jan-05	(\$21,417,396)	\$40,361,659	\$33,391,742	\$5,325,329	\$38,717,072	\$1,644,587		(\$19,772,809)	(\$647,456)
(2) Feb-05	(\$19,772,809)	\$38,250,706	\$31,645,323	\$5,058,228	\$36,703,550	\$1,547,155		(\$18,225,654)	\$259,267
(2) Mar-05	(\$18,225,654)	\$36,969,842	\$30,585,647	\$5,076,456	\$35,662,103	\$1,307,739		(\$16,917,915)	\$679,686
(2) Apr-05	(\$16,917,915)	\$35,195,202	\$29,117,464	\$4,890,557	\$34,008,021	\$1,187,181		(\$15,730,733)	\$1,245,677
(2) May-05	(\$15,730,733)	\$33,952,821	\$28,089,625	\$4,535,489	\$32,625,114	\$1,327,707		(\$14,403,026)	\$3,590,060
(2) Jun-05	(\$14,403,026)	\$35,986,172	\$29,771,844	\$4,474,102	\$34,245,945	\$1,740,227		(\$12,662,799)	\$7,538,923
(2) Jul-05	(\$12,662,799)	\$40,403,444	\$33,426,312	\$4,794,140	\$38,220,452	\$2,182,992		(\$10,479,807)	\$10,683,852
(2) Aug-05	(\$10,479,807)	\$42,327,318	\$35,017,959	\$4,858,165	\$39,876,124	\$2,451,194		(\$8,028,613)	\$11,909,588
(2) Sep-05	(\$8,028,613)	\$39,876,401	\$32,990,283	\$4,600,665	\$37,590,948	\$2,285,453		(\$5,743,160)	\$15,904,067
* (2) Oct-05	(\$5,743,160)	\$21,647,227				\$21,647,227		\$15,904,067	
Totals	(\$376,761)	\$452,505,918	\$366,908,274	\$69,316,815	\$436,225,090	\$16,280,828	\$0	\$15,904,067	
Interest (3)								\$323,097	
Ending Balance@ September 30, 2005 with Interest								\$16,227,165	

- (1) Actual revenues and expenses
- (2) Estimated revenues and expenses
- (3) Interest expense calculation :  $(-376,761 + 15,904,067)/2 * (4.01\% * 5/12 + 4.27\% * 7/12)$

\* 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	\$16,227,165	\$13,683,648	\$29,229,707	\$3,886,396	\$33,116,104	(\$19,432,456)		(\$3,205,291)	\$15,048,680
(2) Nov-05	(\$3,205,291)	\$36,507,941	\$30,203,510	\$3,514,570	\$33,718,080	\$2,789,861		(\$415,430)	\$19,172,983
(2) Dec-05	(\$415,430)	\$39,176,827	\$32,411,515	\$3,596,082	\$36,007,597	\$3,169,230		\$2,753,800	\$23,237,341
* (2) Jan-06	\$2,753,800	\$20,483,542				\$20,483,542		\$23,237,341	
Totals	\$16,227,165	\$109,851,957	\$91,844,732	\$10,997,049	\$102,841,781	\$7,010,176	\$0	\$23,237,341	
Interest (3)								\$210,642	
Ending Balance@ December 31, 2005 with Interest								\$23,447,983	

\* For December usage billed in January

- (2) Estimated revenues and expenses
- (3) Interest expense calculation :  $(16,227,165 + 23,237,341)/2 * (4.27\% * 3/12)$

Column Notes:

- Column (a) Column (h) from previous row; beginning balance from Exhibit JAL-7, RIPUC Docket No. 3648.
- Column (b) from Page 2
- Column (c) from Page 3
- Column (d) from Page 3
- Column (e) Column (c) + Column (d)
- Column (f) Column (b) - Column (e)
- Column (g)
  
- Column (h) Column (a) + Column (f) + Column (g)
- Column (i) Column (h) + 50% of next month's Column (b)

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

(1) Estimated Standard Offer kWh Deliveries 86.5%

<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)
			\$0.06700	
Oct-04	-	-	\$0.06700	\$0
Nov-04	-	-	\$0.06700	\$0
Dec-04	-	-	\$0.06700	\$0
Jan-05	696,431,000	602,412,815	\$0.06700	\$40,361,659
Feb-05	660,007,000	570,906,055	\$0.06700	\$38,250,706
Mar-05	637,906,000	551,788,690	\$0.06700	\$36,969,842
Apr-05	607,285,000	525,301,525	\$0.06700	\$35,195,202
May-05	585,848,000	506,758,520	\$0.06700	\$33,952,821
Jun-05	620,933,000	537,107,045	\$0.06700	\$35,986,172
Jul-05	697,152,000	603,036,480	\$0.06700	\$40,403,444
Aug-05	730,348,000	631,751,020	\$0.06700	\$42,327,318
Sep-05	688,058,000	595,170,170	\$0.06700	\$39,876,401
Oct-05	609,626,000	527,326,490	\$0.06700	\$35,330,875
Nov-05	629,936,000	544,894,640	\$0.06700	\$36,507,941
Dec-05	675,987,000	584,728,755	\$0.06700	\$39,176,827
Jan-06	706,877,465	611,449,007	\$0.06700	\$40,967,083

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 2005

**Section 1. Estimation of Standard Offer kWh Deliveries**

	<u>Dec-04</u>
(1) Standard Offer kWhs	584,484,383
(2) Total kWh Deliveries	675,320,438
(3) Percentage of Standard Offer kWhs to Total kWhs	86.5%

Notes:

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

**Section 2. 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)
Jan-05	696,431,000	86.5%	602,412,815	\$0.05543	\$33,391,742	\$0.00884	\$5,325,329	\$38,717,072
Feb-05	660,007,000	86.5%	570,906,055	\$0.05543	\$31,645,323	\$0.00886	\$5,058,228	\$36,703,550
Mar-05	637,906,000	86.5%	551,788,690	\$0.05543	\$30,585,647	\$0.00920	\$5,076,456	\$35,662,103
Apr-05	607,285,000	86.5%	525,301,525	\$0.05543	\$29,117,464	\$0.00931	\$4,890,557	\$34,008,021
May-05	585,848,000	86.5%	506,758,520	\$0.05543	\$28,089,625	\$0.00895	\$4,535,489	\$32,625,114
Jun-05	620,933,000	86.5%	537,107,045	\$0.05543	\$29,771,844	\$0.00833	\$4,474,102	\$34,245,945
Jul-05	697,152,000	86.5%	603,036,480	\$0.05543	\$33,426,312	\$0.00795	\$4,794,140	\$38,220,452
Aug-05	730,348,000	86.5%	631,751,020	\$0.05543	\$35,017,959	\$0.00769	\$4,858,165	\$39,876,124
Sep-05	688,058,000	86.5%	595,170,170	\$0.05543	\$32,990,283	\$0.00773	\$4,600,665	\$37,590,948
Oct-05	609,626,000	86.5%	527,326,490	\$0.05543	\$29,229,707	\$0.00737	\$3,886,396	\$33,116,104
Nov-05	629,936,000	86.5%	544,894,640	\$0.05543	\$30,203,510	\$0.00645	\$3,514,570	\$33,718,080
Dec-05	675,987,000	86.5%	584,728,755	\$0.05543	\$32,411,515	\$0.00615	\$3,596,082	\$36,007,597
Total Expected Payments through December 2005 .....							\$54,610,180	\$430,491,109

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 12/23/04, 12/27/04 & 12/28/04
- (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 2006**

Prices published in WSJ on: 23-Dec-04 27-Dec-04 28-Dec-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-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	<b>\$6.745</b>	<b>\$6.225</b>	<b>\$6.341</b>	<b>\$6.437</b>	<b>\$6.161</b>	n/a	Feb-05
Mar-05	Feb-05	<b>\$6.733</b>	<b>\$6.250</b>	<b>\$6.359</b>	<b>\$6.447</b>	<b>\$6.272</b>	n/a	Mar-05
Apr-05	Mar-05	<b>\$6.353</b>	<b>\$6.085</b>	<b>\$6.149</b>	<b>\$6.196</b>	<b>\$6.341</b>	n/a	Apr-05
May-05	Apr-05	<b>\$6.343</b>	<b>\$6.095</b>	<b>\$6.159</b>	<b>\$6.199</b>	<b>\$6.370</b>	n/a	May-05
Jun-05	May-05	<b>\$6.382</b>	<b>\$6.140</b>	<b>\$6.202</b>	<b>\$6.241</b>	<b>\$6.333</b>	n/a	Jun-05
Jul-05	Jun-05	<b>\$6.427</b>	<b>\$6.190</b>	<b>\$6.250</b>	<b>\$6.289</b>	<b>\$6.329</b>	n/a	Jul-05
Aug-05	Jul-05	<b>\$6.447</b>	<b>\$6.215</b>	<b>\$6.275</b>	<b>\$6.312</b>	<b>\$6.356</b>	n/a	Aug-05
Sep-05	Aug-05	<b>\$6.427</b>	<b>\$6.195</b>	<b>\$6.255</b>	<b>\$6.292</b>	<b>\$6.447</b>	n/a	Sep-05
Oct-05	Sep-05	<b>\$6.452</b>	<b>\$6.225</b>	<b>\$6.285</b>	<b>\$6.321</b>	<b>\$6.519</b>	n/a	Oct-05
Nov-05	Oct-05	<b>\$6.772</b>	<b>\$6.570</b>	<b>\$6.630</b>	<b>\$6.657</b>	<b>\$6.410</b>	n/a	Nov-05
Dec-05	Nov-05	<b>\$7.087</b>	<b>\$6.915</b>	<b>\$6.970</b>	<b>\$6.991</b>	<b>\$6.394</b>	n/a	Dec-05
Jan-06	Dec-05	<b>\$7.302</b>	<b>\$7.140</b>	<b>\$7.195</b>	<b>\$7.212</b>	<b>\$6.466</b>	n/a	Jan-06
Feb-06	Jan-06	<b>\$7.292</b>	<b>\$7.130</b>	<b>\$7.185</b>	<b>\$7.202</b>	<b>\$6.530</b>	n/a	Feb-06
Mar-06	Feb-06	<b>\$7.077</b>	<b>\$6.920</b>	<b>\$6.970</b>	<b>\$6.989</b>	<b>\$6.575</b>	n/a	Mar-06
Apr-06	Mar-06	<b>\$6.127</b>	<b>\$5.990</b>	<b>\$6.035</b>	<b>\$6.051</b>	<b>\$6.563</b>	n/a	Apr-06
May-06	Apr-06	<b>\$6.127</b>	<b>\$5.860</b>	<b>\$5.895</b>	<b>\$5.961</b>	<b>\$6.543</b>	n/a	May-06
Jun-06	May-06	<b>\$6.127</b>	<b>\$5.885</b>	<b>\$5.915</b>	<b>\$5.976</b>	<b>\$6.521</b>	n/a	Jun-06
Jul-06	Jun-06	<b>\$6.127</b>	<b>\$5.915</b>	<b>\$5.945</b>	<b>\$5.996</b>	<b>\$6.497</b>	n/a	Jul-06
Aug-06	Jul-06	<b>\$6.127</b>	<b>\$5.930</b>	<b>\$5.960</b>	<b>\$6.006</b>	<b>\$6.471</b>	n/a	Aug-06
Sep-06	Aug-06	<b>\$6.127</b>	<b>\$5.905</b>	<b>\$5.935</b>	<b>\$5.989</b>	<b>\$6.446</b>	n/a	Sep-06
Oct-06	Sep-06	<b>\$6.127</b>	<b>\$5.905</b>	<b>\$5.955</b>	<b>\$5.996</b>	<b>\$6.419</b>	n/a	Oct-06
Nov-06	Oct-06	<b>\$6.127</b>	<b>\$5.905</b>	<b>\$6.245</b>	<b>\$6.092</b>	<b>\$6.372</b>	n/a	Nov-06
Dec-06	Nov-06	<b>\$6.127</b>	<b>\$6.490</b>	<b>\$6.245</b>	<b>\$6.287</b>	<b>\$6.313</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 - Dec-06)  
- Settlement price as reported in the Wall Street Journal on 23-Dec-04. (Jan-05 - Dec-06)
- Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Dec-06)  
- Settlement price as reported in the Wall Street Journal on 27-Dec-04. (Jan-05 - Dec-06)
- Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Dec-06)  
- Settlement price as reported in the Wall Street Journal on 28-Dec-04. (Jan-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 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-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	\$4.3570	\$10.4603	\$8.48	1.21714	n/a	n/a	n/a	n/a	n/a	1.194	n/a	0.884
Feb-05	\$6.1614	\$4.3029	\$10.4643	\$8.48	1.21758	n/a	n/a	n/a	n/a	n/a	1.197	n/a	0.886
Mar-05	\$6.2722	\$4.2702	\$10.5424	\$8.48	1.22614	n/a	n/a	n/a	n/a	n/a	1.244	n/a	0.920
Apr-05	\$6.3414	\$4.2241	\$10.5655	\$8.48	1.22868	n/a	n/a	n/a	n/a	n/a	1.258	n/a	0.931
May-05	\$6.3699	\$4.1150	\$10.4848	\$8.48	1.21983	n/a	n/a	n/a	n/a	n/a	1.209	n/a	0.895
Jun-05	\$6.3325	\$4.0131	\$10.3456	\$8.48	1.20456	n/a	n/a	n/a	n/a	n/a	1.125	n/a	0.833
Jul-05	\$6.3294	\$3.9318	\$10.2612	\$8.48	1.19530	n/a	n/a	n/a	n/a	n/a	1.074	n/a	0.795
Aug-05	\$6.3556	\$3.8487	\$10.2043	\$8.48	1.18906	n/a	n/a	n/a	n/a	n/a	1.040	n/a	0.769
Sep-05	\$6.4475	\$3.7656	\$10.2130	\$8.48	1.19003	n/a	n/a	n/a	n/a	n/a	1.045	n/a	0.773
Oct-05	\$6.5193	\$3.6118	\$10.1311	\$8.48	1.18104	n/a	n/a	n/a	n/a	n/a	0.996	n/a	0.737
Nov-05	\$6.4097	\$3.5153	\$9.9249	\$8.48	1.15844	n/a	n/a	n/a	n/a	n/a	0.871	n/a	0.645
Dec-05	\$6.3941	\$3.4632	\$9.8574	\$8.48	1.15103	n/a	n/a	n/a	n/a	n/a	0.831	n/a	0.615
Jan-06	\$6.4663	\$3.4293	\$9.8956	\$9.22	1.06852	n/a	n/a	n/a	n/a	n/a	0.404	n/a	0.299
Feb-06	\$6.5300	\$3.4160	\$9.9461	\$9.22	1.07364	n/a	n/a	n/a	n/a	n/a	0.434	n/a	0.321
Mar-06	\$6.5752	\$3.4015	\$9.9767	\$9.22	1.07674	n/a	n/a	n/a	n/a	n/a	0.453	n/a	0.335
Apr-06	\$6.5631	\$3.3867	\$9.9497	\$9.22	1.07401	n/a	n/a	n/a	n/a	n/a	0.437	n/a	0.323
May-06	\$6.5432	\$3.3733	\$9.9165	\$9.22	1.07064	n/a	n/a	n/a	n/a	n/a	0.417	n/a	0.308
Jun-06	\$6.5211	\$3.3578	\$9.8789	\$9.22	1.06683	n/a	n/a	n/a	n/a	n/a	0.394	n/a	0.292
Jul-06	\$6.4966	\$3.3440	\$9.8406	\$9.22	1.06295	n/a	n/a	n/a	n/a	n/a	0.371	n/a	0.275
Aug-06	\$6.4711	\$3.3317	\$9.8028	\$9.22	1.05911	n/a	n/a	n/a	n/a	n/a	0.349	n/a	0.258
Sep-06	\$6.4458	\$3.3209	\$9.7667	\$9.22	1.05545	n/a	n/a	n/a	n/a	n/a	0.327	n/a	0.242
Oct-06	\$6.4187	\$3.3105	\$9.7292	\$9.22	1.05165	n/a	n/a	n/a	n/a	n/a	0.305	n/a	0.225
Nov-06	\$6.3716	\$3.3013	\$9.6730	\$9.22	1.04594	n/a	n/a	n/a	n/a	n/a	0.271	n/a	0.201
Dec-06	\$6.3130	\$3.2906	\$9.6036	\$9.22	1.03891	n/a	n/a	n/a	n/a	n/a	0.230	n/a	0.170

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.

**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.

/s/

\_\_\_\_\_  
Mary A. Smith

February 1, 2005  
Date

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

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone/FAX</b>
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