

June 2, 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 April 2005. The enclosed Report provides the Company's most current projection of the Standard Offer reconciliation balance through December 31, 2005 based on actual revenues through May 2005 and actual expenses through April 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 May 24, 25, and 26, 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 \$15.7 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 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 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 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.

Luly E. Massaro, Commission Clerk
Docket 3648 – Standard Offer Reconciliation Report
June 2, 2005
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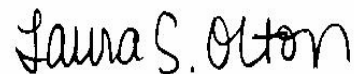
The calculation of the estimated monthly fuel index adjustment prices per kWh based on the May 24, 25 and 26, 2005 forecasted fuel prices is contained in Attachment 2. Pages 1 and 2 include the projections of natural gas and crude oil prices, respectively. The monthly weighted fuel index adjustments are calculated on Page 3.

Please note that the Standard Offer reconciliation on page 1 of Attachment 1 reflects additional fuel index 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. The Company is currently in litigation with this supplier, and will keep the Commission and Division informed as to the status of the dispute.

For purposes of comparison, the Company has also included an estimated reconciliation balance under the same fuel price assumptions, but excluding the disputed fuel index payments, which is shown on page 2 of Attachment 1. The estimated under recovery as of December 31, 2005, excluding these disputed fuel index payments, is approximately \$10.7 million as shown in Section 2.

Thank you for your attention to this filing. If you have any questions regarding this Report, please do not hesitate to contact me at (401) 784-7667.

Very truly yours,



Laura S. Olton

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 2005**

Submitted: June 2, 2005

The Narragansett Electric Company
Standard Offer Reconciliation
Actual Balance for the Period October 2004 through April 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)		(\$20,049,429)	(\$2,899,997)
(1) Nov-04	(\$20,049,429)	\$34,298,864	\$26,752,338	\$8,305,944	\$35,058,282	(\$759,418)		(\$20,808,847)	(\$1,250,706)
(1) Dec-04	(\$20,808,847)	\$39,116,281	\$29,627,256	\$10,089,033	\$39,716,289	(\$600,008)		(\$21,408,855)	(\$1,703,393)
(1) Jan-05	(\$21,408,855)	\$39,410,924	\$33,160,403	\$5,557,938	\$38,718,341	\$692,583	(\$319,578)	(\$21,035,850)	(\$2,286,792)
(1) Feb-05	(\$21,035,850)	\$37,498,116	\$28,633,026	\$5,071,210	\$33,704,236	\$3,793,880	(\$282,636)	(\$17,524,606)	\$1,451,515
(1) Mar-05	(\$17,524,606)	\$37,952,243	\$30,625,393	\$6,015,288	\$36,640,680	\$1,311,562	(\$319,613)	(\$16,532,657)	\$612,294
(1) Apr-05	(\$16,532,657)	\$34,289,901	\$26,915,590	\$5,868,843	\$32,784,433	\$1,505,468	(\$313,772)	(\$15,340,961)	\$600,132
(2) May-05	(\$15,340,961)	\$31,882,186	\$27,602,521	\$6,518,438	\$34,120,959	(\$2,238,773)	(\$373,382)	(\$17,953,117)	(\$272,049)
(2) Jun-05	(\$17,953,117)	\$35,362,134	\$29,255,569	\$6,956,312	\$36,211,881	(\$849,747)	(\$406,455)	(\$19,209,318)	\$642,085
(2) Jul-05	(\$19,209,318)	\$39,702,806	\$32,846,665	\$8,118,335	\$40,965,000	(\$1,262,194)	(\$466,843)	(\$20,938,355)	(\$141,696)
(2) Aug-05	(\$20,938,355)	\$41,593,319	\$34,410,711	\$8,939,460	\$43,350,171	(\$1,756,852)	(\$512,438)	(\$23,207,645)	(\$3,615,193)
(2) Sep-05	(\$23,207,645)	\$39,184,903	\$32,418,197	\$9,024,225	\$41,442,421	(\$2,257,518)	(\$506,289)	(\$25,971,452)	(\$4,699,610)
* (2) Oct-05	(\$25,971,452)	\$21,271,842				\$21,271,842		(\$4,699,610)	
Totals	(\$376,761)	\$445,692,040	\$358,740,152	\$87,773,731	\$446,513,883	(\$821,843)	(\$3,501,006)	(\$4,699,610)	
Interest (3)								(\$105,631)	
Ending Balance@ September 30, 2005 with Interest								(\$4,805,241)	

- (1) Actual revenues and expenses
 (2) Estimated revenues and expenses
 (3) Interest expense calculation : $(-376,761 + -4,699,610)/2 * (4.01\% * 5/12 + 4.27\% * 7/12)$

* 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	(\$4,805,241)	\$13,446,359	\$28,722,834	\$8,337,550	\$37,060,384	(\$23,614,025)	(\$457,755)	(\$28,877,021)	(\$10,939,593)
(2) Nov-05	(\$28,877,021)	\$35,874,855	\$29,679,750	\$8,802,726	\$38,482,475	(\$2,607,620)	(\$457,594)	(\$31,942,235)	(\$12,693,505)
(2) Dec-05	(\$31,942,235)	\$38,497,460	\$31,849,465	\$9,969,118	\$41,818,584	(\$3,321,124)	(\$499,951)	(\$35,763,310)	(\$15,634,974)
* (2) Jan-06	(\$35,763,310)	\$20,128,336				\$20,128,336		(\$15,634,974)	
Totals	(\$4,805,241)	\$107,947,010	\$90,252,049	\$27,109,394	\$117,361,443	(\$9,414,433)	(\$1,415,300)	(\$15,634,974)	
Interest (3)								(\$109,100)	
Ending Balance@ December 31, 2005 with Interest								(\$15,744,074)	

* For December usage billed in January

- (2) Estimated revenues and expenses
 (3) Interest expense calculation : $(-4,805,241 + -15,634,974)/2 * (4.27\% * 3/12)$

Column Notes:

- Column (a) Column (h) from previous row; beginning balance from Exhibit JAL-7, RIPUC Docket No. 3648.
 Column (b) from Page 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) January 2005 through December 2005: Actual and projected payments made under protest to one of the Company's Standard Offer suppliers.

- 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
Actual Balance for the Period October 2004 through April 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)		(\$20,049,429)	(\$2,899,997)
(1) Nov-04	(\$20,049,429)	\$34,298,864	\$26,752,338	\$8,305,944	\$35,058,282	(\$759,418)		(\$20,808,847)	(\$1,250,706)
(1) Dec-04	(\$20,808,847)	\$39,116,281	\$29,627,256	\$10,089,033	\$39,716,289	(\$600,008)		(\$21,408,855)	(\$1,703,393)
(1) Jan-05	(\$21,408,855)	\$39,410,924	\$33,160,403	\$5,557,938	\$38,718,341	\$692,583		(\$20,716,272)	(\$1,967,214)
(1) Feb-05	(\$20,716,272)	\$37,498,116	\$28,633,026	\$5,071,210	\$33,704,236	\$3,793,880		(\$16,922,392)	\$2,053,730
(1) Mar-05	(\$16,922,392)	\$37,952,243	\$30,625,393	\$6,015,288	\$36,640,680	\$1,311,562		(\$15,610,829)	\$1,534,121
(1) Apr-05	(\$15,610,829)	\$34,289,901	\$26,915,590	\$5,868,843	\$32,784,433	\$1,505,468		(\$14,105,361)	\$1,835,732
(2) May-05	(\$14,105,361)	\$31,882,186	\$27,602,521	\$6,518,438	\$34,120,959	(\$2,238,773)		(\$16,344,135)	\$1,336,933
(2) Jun-05	(\$16,344,135)	\$35,362,134	\$29,255,569	\$6,956,312	\$36,211,881	(\$849,747)		(\$17,193,881)	\$2,657,522
(2) Jul-05	(\$17,193,881)	\$39,702,806	\$32,846,665	\$8,118,335	\$40,965,000	(\$1,262,194)		(\$18,456,075)	\$2,340,584
(2) Aug-05	(\$18,456,075)	\$41,593,319	\$34,410,711	\$8,939,460	\$43,350,171	(\$1,756,852)		(\$20,212,927)	(\$620,476)
(2) Sep-05	(\$20,212,927)	\$39,184,903	\$32,418,197	\$9,024,225	\$41,442,421	(\$2,257,518)		(\$22,470,446)	(\$1,198,604)
* (2) Oct-05	(\$22,470,446)	\$21,271,842				\$21,271,842		(\$1,198,604)	
Totals	(\$376,761)	\$445,692,040	\$358,740,152	\$87,773,731	\$446,513,883	(\$821,843)	\$0	(\$1,198,604)	
Interest (3)								(\$32,781)	
Ending Balance@ September 30, 2005 with Interest								(\$1,231,385)	

- (1) Actual revenues and expenses
- (2) Estimated revenues and expenses
- (3) Interest expense calculation : $(-376,761 + -1,198,604)/2 * (4.01\% * 5/12 + 4.27\% * 7/12)$

* 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	(\$1,231,385)	\$13,446,359	\$28,722,834	\$8,337,550	\$37,060,384	(\$23,614,025)		(\$24,845,409)	(\$6,907,982)
(2) Nov-05	(\$24,845,409)	\$35,874,855	\$29,679,750	\$8,802,726	\$38,482,475	(\$2,607,620)		(\$27,453,029)	(\$8,204,300)
(2) Dec-05	(\$27,453,029)	\$38,497,460	\$31,849,465	\$9,969,118	\$41,818,584	(\$3,321,124)		(\$30,774,154)	(\$10,645,818)
* (2) Jan-06	(\$30,774,154)	\$20,128,336				\$20,128,336		(\$10,645,818)	
Totals	(\$1,231,385)	\$107,947,010	\$90,252,049	\$27,109,394	\$117,361,443	(\$9,414,433)	\$0	(\$10,645,818)	
Interest (3)								(\$63,395)	
Ending Balance@ December 31, 2005 with Interest								(\$10,709,212)	

* For December usage billed in January

- (2) Estimated revenues and expenses
- (3) Interest expense calculation : $(-1,231,385 + -10,645,818)/2 * (4.27\% * 3/12)$

Column Notes:

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

- 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 85.0%

<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	
Jun-05	620,933,000	527,793,050	\$0.06700	\$35,362,134
Jul-05	697,152,000	592,579,200	\$0.06700	\$39,702,806
Aug-05	730,348,000	620,795,800	\$0.06700	\$41,593,319
Sep-05	688,058,000	584,849,300	\$0.06700	\$39,184,903
Oct-05	609,626,000	518,182,100	\$0.06700	\$34,718,201
Nov-05	629,936,000	535,445,600	\$0.06700	\$35,874,855
Dec-05	675,987,000	574,588,950	\$0.06700	\$38,497,460

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 4, 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>May-05</u>
(1) Standard Offer kWhs	477,083,497
(2) Total kWh Deliveries	561,184,203
(3) Percentage of Standard Offer kWhs to Total kWhs	85.0%

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)
May-05	585,848,000	85.0%	497,970,800	\$0.05543	\$27,602,521	\$0.01309	\$6,518,438	\$34,120,959
Jun-05	620,933,000	85.0%	527,793,050	\$0.05543	\$29,255,569	\$0.01318	\$6,956,312	\$36,211,881
Jul-05	697,152,000	85.0%	592,579,200	\$0.05543	\$32,846,665	\$0.01370	\$8,118,335	\$40,965,000
Aug-05	730,348,000	85.0%	620,795,800	\$0.05543	\$34,410,711	\$0.01440	\$8,939,460	\$43,350,171
Sep-05	688,058,000	85.0%	584,849,300	\$0.05543	\$32,418,197	\$0.01543	\$9,024,225	\$41,442,421
Oct-05	609,626,000	85.0%	518,182,100	\$0.05543	\$28,722,834	\$0.01609	\$8,337,550	\$37,060,384
Nov-05	629,936,000	85.0%	535,445,600	\$0.05543	\$29,679,750	\$0.01644	\$8,802,726	\$38,482,475
Dec-05	675,987,000	85.0%	574,588,950	\$0.05543	\$31,849,465	\$0.01735	\$9,969,118	\$41,818,584
Total Expected Payments through December 2005							\$66,666,163	\$313,451,875

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 05/24/05, 05/25/05 & 05/26/05
- (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: 24-May-05 25-May-05 26-May-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	\$6.386	\$6.372	\$6.212	\$6.323	\$6.455	n/a	Jul-05
Aug-05	Jul-05	\$6.452	\$6.437	\$6.287	\$6.392	\$6.488	n/a	Aug-05
Sep-05	Aug-05	\$6.491	\$6.472	\$6.329	\$6.431	\$6.592	n/a	Sep-05
Oct-05	Sep-05	\$6.546	\$6.525	\$6.394	\$6.488	\$6.677	n/a	Oct-05
Nov-05	Oct-05	\$7.093	\$7.085	\$6.994	\$7.057	\$6.601	n/a	Nov-05
Dec-05	Nov-05	\$7.590	\$7.590	\$7.539	\$7.573	\$6.634	n/a	Dec-05
Jan-06	Dec-05	\$7.905	\$7.910	\$7.879	\$7.898	\$6.763	n/a	Jan-06
Feb-06	Jan-06	\$7.915	\$7.925	\$7.899	\$7.913	\$6.893	n/a	Feb-06
Mar-06	Feb-06	\$7.770	\$7.780	\$7.757	\$7.769	\$7.020	n/a	Mar-06
Apr-06	Mar-06	\$6.845	\$6.848	\$6.832	\$6.842	\$6.996	n/a	Apr-06
May-06	Apr-06	\$6.732	\$6.731	\$6.712	\$6.725	\$6.973	n/a	May-06
Jun-06	May-06	\$6.778	\$6.777	\$6.761	\$6.772	\$7.015	n/a	Jun-06
Jul-06	Jun-06	\$6.826	\$6.825	\$6.809	\$6.820	\$7.057	n/a	Jul-06
Aug-06	Jul-06	\$6.863	\$6.862	\$6.846	\$6.857	\$7.095	n/a	Aug-06
Sep-06	Aug-06	\$6.859	\$6.858	\$6.839	\$6.852	\$7.131	n/a	Sep-06
Oct-06	Sep-06	\$6.899	\$6.898	\$6.879	\$6.892	\$7.164	n/a	Oct-06
Nov-06	Oct-06	\$7.229	\$7.231	\$7.229	\$7.230	\$7.179	n/a	Nov-06
Dec-06	Nov-06	\$7.534	\$7.536	\$7.544	\$7.538	\$7.176	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 24-May-05. (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 25-May-05. (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 26-May-05. (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 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	24-May-05	25-May-05	26-May-05	
Jan-04	Jan-04	530.40	19	6.3	4.43	4.29	4.15	33.0200	33.02	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	52.44	<=May 2005 closing from WSJ on 04/20/05
Jun-05	Jun-05	46.80			5.38	4.98	n/a	46.8000	46.80	46.80	46.80	46.80	<=June 2005 closing from WSJ on 05/20/05
Jul-05	Jul-05	50.55			5.81	5.10	n/a	50.5533	49.67	50.98	51.01	51.01	
Aug-05	Aug-05	51.28			5.89	5.22	n/a	51.2800	50.47	51.66	51.71	51.71	
Sep-05	Sep-05	51.74			5.94	5.35	n/a	51.7367	51.01	52.06	52.14	52.14	
Oct-05	Oct-05	52.10			5.98	5.41	n/a	52.0967	51.43	52.38	52.48	52.48	
Nov-05	Nov-05	55.67			6.39	5.56	n/a	55.6667	51.67	62.61	52.72	52.72	
Dec-05	Dec-05	52.47			6.03	5.73	n/a	52.4733	51.82	52.74	52.86	52.86	
Jan-06	Jan-06	52.47			6.03	5.84	n/a	52.4700	51.82	52.72	52.87	52.87	
Feb-06	Feb-06	52.39			6.02	5.94	n/a	52.3900	51.75	52.63	52.79	52.79	
Mar-06	Mar-06	52.32			6.01	5.97	n/a	52.3233	51.65	52.63	52.69	52.69	
Apr-06	Apr-06	52.21			6.00	5.96	n/a	52.2100	51.55	52.39	52.69	52.69	
May-06	May-06	52.14			5.99	5.96	n/a	52.1367	51.55	52.39	52.47	52.47	
Jun-06	Jun-06	51.95			5.97	6.00	n/a	51.9467	51.33	52.15	52.36	52.36	
Jul-06	Jul-06	51.91			5.96	6.02	n/a	51.9133	51.33	52.15	52.26	52.26	
Aug-06	Aug-06	51.91			5.96	6.02	n/a	51.9133	51.33	52.15	52.26	52.26	
Sep-06	Sep-06	51.91			5.96	6.03	n/a	51.9133	51.33	52.15	52.26	52.26	
Oct-06	Oct-06	51.76			5.95	6.02	n/a	51.7633	50.88	52.15	52.26	52.26	
Nov-06	Nov-06	51.76			5.95	5.98	n/a	51.7633	50.88	52.15	52.26	52.26	
Dec-06	Dec-06	51.21			5.88	5.97	n/a	51.2067	50.62	51.34	51.66	51.66	

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 - Jan-05)
- June-05 Final Crude oil contract price as reported in the Wall Street Journal on 20-May-05
- average of Crude oil contract prices as reported in the Wall Street Journal on May 24, 25 & 26, 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 - Jan-05)
- Current month value Col. HH * June-05 value in Col KK/ 46.80 (June-05 - Dec-06)
- Where 46.80 represents the May-05 closing value from the WSJ 20-May-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 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	\$4.4374	\$10.5407	\$8.48	1.22595	n/a	n/a	n/a	n/a	n/a	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	n/a	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	n/a	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	n/a	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	n/a	1.768	n/a	1.309
Jun-05	\$6.4555	\$4.9790	\$11.4345	\$8.48	1.32396	n/a	n/a	n/a	n/a	n/a	1.782	n/a	1.318
Jul-05	\$6.4553	\$5.0951	\$11.5504	\$8.48	1.33666	n/a	n/a	n/a	n/a	n/a	1.852	n/a	1.370
Aug-05	\$6.4881	\$5.2179	\$11.7060	\$8.48	1.35372	n/a	n/a	n/a	n/a	n/a	1.945	n/a	1.440
Sep-05	\$6.5915	\$5.3465	\$11.9380	\$8.48	1.37917	n/a	n/a	n/a	n/a	n/a	2.085	n/a	1.543
Oct-05	\$6.6773	\$5.4084	\$12.0857	\$8.48	1.39536	n/a	n/a	n/a	n/a	n/a	2.174	n/a	1.609
Nov-05	\$6.6010	\$5.5628	\$12.1638	\$8.48	1.40393	n/a	n/a	n/a	n/a	n/a	2.222	n/a	1.644
Dec-05	\$6.6340	\$5.7335	\$12.3675	\$8.48	1.42626	n/a	n/a	n/a	n/a	n/a	2.344	n/a	1.735
Jan-06	\$6.7633	\$5.8428	\$12.6061	\$9.22	1.34342	n/a	n/a	n/a	n/a	n/a	2.026	n/a	1.499
Feb-06	\$6.8927	\$5.9373	\$12.8299	\$9.22	1.36612	n/a	n/a	n/a	n/a	n/a	2.160	n/a	1.598
Mar-06	\$7.0202	\$5.9693	\$12.9894	\$9.22	1.38229	n/a	n/a	n/a	n/a	n/a	2.256	n/a	1.669
Apr-06	\$6.9963	\$5.9579	\$12.9542	\$9.22	1.37872	n/a	n/a	n/a	n/a	n/a	2.234	n/a	1.654
May-06	\$6.9728	\$5.9550	\$12.9278	\$9.22	1.37605	n/a	n/a	n/a	n/a	n/a	2.219	n/a	1.642
Jun-06	\$7.0153	\$6.0043	\$13.0196	\$9.22	1.38535	n/a	n/a	n/a	n/a	n/a	2.274	n/a	1.682
Jul-06	\$7.0567	\$6.0173	\$13.0740	\$9.22	1.39087	n/a	n/a	n/a	n/a	n/a	2.306	n/a	1.707
Aug-06	\$7.0954	\$6.0234	\$13.1188	\$9.22	1.39541	n/a	n/a	n/a	n/a	n/a	2.333	n/a	1.726
Sep-06	\$7.1305	\$6.0251	\$13.1556	\$9.22	1.39915	n/a	n/a	n/a	n/a	n/a	2.355	n/a	1.743
Oct-06	\$7.1642	\$6.0219	\$13.1860	\$9.22	1.40223	n/a	n/a	n/a	n/a	n/a	2.373	n/a	1.756
Nov-06	\$7.1785	\$5.9845	\$13.1630	\$9.22	1.39990	n/a	n/a	n/a	n/a	n/a	2.359	n/a	1.746
Dec-06	\$7.1756	\$5.9724	\$13.1480	\$9.22	1.39838	n/a	n/a	n/a	n/a	n/a	2.350	n/a	1.739

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 May 24, 25, & 26, 2005

Certificate of Service

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



Joanne M. Scanlon

June 2, 2005
Date

**Narragansett Electric Company – Service Quality Plan
Docket 3628 - Service List as of 10/27/04**

Name	E-mail Distribution List	Phone/FAX
Laura Olton, Esq. Narragansett Electric Co. PO Box 1438 Providence RI 02901-1438	Laura.olton@us.ngrid.com	401-784-7667
	Joanne.scanlon@us.ngrid.com	401-784-4321
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	Proberti@riag.state.ri.us	401-222-2424
	Steve.scialabba@ripuc.state.ri.us	ext. 2299
	David.stearns@ripuc.state.ri.us	401-222-3016
	Al.contente@ripuc.state.ri.us	
John Stutz Tellus Institute 11 Arlington St. Boston MA 02116-3411	Jstutz@tellus.org	
W. Mark Russo, Esq.	mrusso@frlawri.com	
Original & nine (9) copies file w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Boulevard Warwick RI 02888	Lmassaro@puc.state.ri.us	401-941-4500
	Sfrias@puc.state.ri.us	
	Tmassaro@puc.state.ri.us	
W. Mark Russo, Esq.	mrusso@frlawri.com	

cc: Steve Scialabba, RI Division