

November 30, 2005

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 3706 - October 2005 Standard Offer Service Rate Filing

Dear Ms. Massaro:

Enclosed on behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) are ten copies of the Company’s updated Standard Offer Service Rate Filing. This filing contains the testimony and exhibits of Jeanne A. Lloyd and Michael J. Hager.

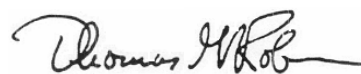
The Company’s original filing in this docket proposed a 10.2¢ per kWh Standard Offer Service rate effective for consumption on and after December 1, 2005, or alternatively, a 10.5¢ per kWh Standard Offer Service rate effective for consumption on and after January 1, 2006. On November 10, 2005, the Rhode Island Public Utilities Commission (“Commission”) suspended the Company’s filing and directed the Company to file on or before November 30, 2005, a revised Standard Offer Service rate proposal reflecting then current natural gas and crude oil prices to be effective for consumption on and after January 1, 2006.

Based on fuel price estimates as reported in the *Wall Street Journal* on November 21, 22 and 23, 2005, the Company is requesting that the Commission approve a Standard Offer Service rate of 10.0¢ per kWh, effective for consumption on and after January 1, 2006, a 0.5¢ per kWh reduction from the Company’s original proposal.

If the proposed Standard Offer Service rate of 10.0¢ per kWh is approved, a typical residential customer using 500 kWh per month would see a bill increase of \$9.37 or approximately 13.3%.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me at (508) 389-2877.

Very truly yours,



Thomas G. Robinson

cc: Docket 3706 Service List

National Grid

October 2005 Standard Offer Service
Rate Filing - UPDATE

Testimony and Exhibits
Of
Jeanne A. Lloyd and
Michael J. Hager

November 30, 2005

Submitted to:
Rhode Island Public Utilities Commission
R.I.P.U.C. Docket No. 3706

Submitted by:

nationalgrid

DIRECT TESTIMONY
OF
JEANNE A. LLOYD

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1 **I. Introduction and Qualifications**

2 Q. Please state your full name and business address.

3 A. My name is Jeanne A. Lloyd, and my business address is 55 Bearfoot Road,
4 Northborough, Massachusetts 01532.

5
6 Q. Please state your position.

7 A. I am a Principal Financial Analyst in the Distribution Regulatory Services Department of
8 National Grid USA Service Company, Inc. The Distribution Regulatory Services
9 Department provides rate related support to The Narragansett Electric Company d/b/a
10 National Grid (“National Grid” or “Company”).

11
12 Q. Have you previously filed testimony in this proceeding?

13 A. Yes, I have. My pre-filed testimony was submitted with the initial filing in this docket on
14 October 31, 2005.

15
16 **II. Purpose of Testimony**

17 Q. What is the purpose of this filing?

18 A. Pursuant to a request of the Rhode Island Public Utilities Commission (“Commission”),
19 the Company is filing an updated Standard Offer Service rate calculation based on more
20 recent natural gas and crude oil price estimates than those reflected in the Company’s
21 filing submitted on October 31, 2005. In the original filing in this docket, the Company
22 had proposed a Standard Offer Service rate of 10.2¢ per kWh, effective for consumption
23 on and after December 1, 2005 and, in the alternative, 10.5¢ per kWh effective for
24 consumption on and after January 1, 2006. The Commission suspended the Company’s

1 proposal for a December 1, 2005 Standard Offer Service rate of 10.2¢ per kWh on
2 November 10, 2005. Based on the current fuel price estimates, the Company is
3 requesting that the Commission approve a rate of 10.0¢ per kWh, effective for
4 consumption on and after January 1, 2006.

5
6 The total impact of the Standard Offer Service rate change proposed by the Company in
7 this filing would be an increase in the typical monthly 500 kWh bill of a residential
8 customer of \$9.37 per month or approximately 13.3%, from \$70.58 to \$79.95.

9
10 **III. Standard Offer Service Rate Proposal**

11 Q. Has the Company prepared an updated estimate of costs expected to be incurred for the
12 period December 2005 through December 2006?

13 A. Yes. The Company's Energy Supply Department has provided an estimate of Standard
14 Offer Service expenses, including fuel index payments, expected to be incurred for the
15 period December 2005 through December 2006 that is explained in detail in the
16 testimony of Mr. Michael J. Hager.

17
18 Q. Based on the current Standard Offer Service rate of 8.2¢ per kWh and the most recent
19 forecast of fuel prices, does the Company expect to incur an under recovery of Standard
20 Offer Service costs through December 2006?

21 A. Yes. Exhibit JAL-1 shows that, based on the most recent forecast of fuel prices, the
22 Company expects to incur an under recovery of approximately \$138 million by
23 December 2006 if the current Standard Offer Service rate was to remain in effect for that
24

1 entire period. Exhibit JAL-1, page 1, described in more detail below, shows an under
2 collection of Standard Offer Service expenses through September 2006 of approximately
3 \$109.4 million and a projected under recovery through December 2006 of approximately
4 \$138 million.

5
6 Q. Please describe the development of the projected Standard Offer Service reconciliation.

7 A. Pages 2 and 3 of Exhibit JAL-1 support the calculation of the projected revenue and
8 expenses. Projected revenue is estimated on page 2 by applying the current Standard
9 Offer Service rate of 8.2¢ per kWh to the Company's forecasted retail Standard Offer
10 Service kWh deliveries. Standard Offer Service base expenses are calculated on page 3
11 by multiplying the forecasted Standard Offer Service kWh deliveries by the base
12 wholesale charge in effect for each period under the Company's wholesale Standard
13 Offer Service supply contracts. Estimated fuel index payments have been calculated in
14 accordance with the formula specified in the wholesale contracts using the average of
15 projected gas and crude oil prices reported in the Wall Street Journal on November 21, 22
16 and 23, 2005.

17
18 Q. Is the Company revising its proposed Standard Offer Service rate?

19 A. Yes. Based on the current fuel price estimates, the Company is proposing a Standard
20 Offer Service rate of 10.0¢ per kWh beginning January 1, 2006. The calculation of the
21 proposed rate is shown on Exhibit JAL-2. Column (a) shows the estimated monthly fuel
22 adjustments for the period January 2006 through September 2006. The base Standard
23 Offer Service contract price in effect in each month is shown in Column (b). The sum of
24 the two individual charges is shown in Column (c). Column (d) is the projected Standard

1 Offer Service kWh deliveries for each month. Columns (e) and (f) estimate monthly
2 Standard Offer Service fuel index payments and Standard Offer Service base charges,
3 respectively, by multiplying the appropriate charge by the projected Standard Offer
4 Service kWh deliveries. Column (g) is the estimated adjustments to Standard Offer
5 Service expenses as shown on Exhibit JAL-1, page 1, Column (g). Column (h) sums the
6 fuel index payments, the base charges and the adjustments resulting in the total estimated
7 Standard Offer Service expense in each month. The proposed Standard Offer Service
8 rate is calculated by summing the estimated expenses for the nine months plus three-
9 fourths of the expected under recovery as of December 30, 2005 of about \$17.2 million,
10 or approximately \$12.9 million, and dividing the total by the estimated Standard Offer
11 Service kWh deliveries for the nine-month period, resulting in a overall Standard Offer
12 Service rate of 10.0¢ per kWh.

13
14 Q. Has the Company considered any alternatives to the Standard Offer Service rate it is
15 proposing?

16 A. The Company has evaluated several alternative Standard Offer Service rates. The
17 various options considered and the resulting quarterly deferrals associated with each
18 option are illustrated in Exhibit JAL-3. The rates shown in this exhibit are calculated
19 assuming various effective periods and are calculated in a manner similar to the method
20 described above used to calculate the proposed Standard Offer Service rate.

21
22 **IV. Revised Standard Offer Service Tariff**

23 Q. Has the Company prepared a revised Standard Offer Service tariff reflecting the proposed
24 rate?

1 A. Yes. The revised Standard Offer Service tariff as well as a marked to show changes
2 version is in Exhibit JAL-4.
3

4 **V. Typical Bills**

5 Q. Has the Company provided a typical bill analysis to illustrate the impact of the proposed
6 rate change?

7 A. Yes it has. The typical bill analysis for each rate class is included in Exhibit JAL-5.
8

9 Q. What is the impact on a typical residential customer of the Company's proposed rate
10 change?

11 A. Exhibit JAL-5, page 1, shows the proposed rate would increase the monthly bill for a 500
12 kWh residential customer by \$9.37, or 13.3%, from \$70.58 to \$79.95.
13

14 **VI. Conclusion**

15 Q. Does this conclude your testimony?

16 A. Yes it does.

Exhibits of
Jeanne A. Lloyd

Exhibits

| | |
|---------------|---|
| Exhibit JAL-1 | Projected Standard Offer Service Reconciliation Balance at December 2006 |
| Exhibit JAL-2 | Calculation of Proposed Standard Offer Service Rate |
| Exhibit JAL-3 | Alternatives to Proposed Rate |
| Exhibit JAL-4 | Proposed Standard Offer Service Tariff |
| Exhibit JAL-5 | Typical Bills |

Exhibit JAL-1

Projected Standard Offer Service Reconciliation
Balance at December 2006

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 | (\$14,122,974) | \$15,644,505 | \$30,268,796 | \$12,750,792 | \$43,019,588 | (\$27,375,083) | (\$581,480) | (\$42,079,538) | (\$17,513,316) |
| (2) Nov-05 | (\$42,079,538) | \$44,665,858 | \$30,193,030 | \$14,532,745 | \$44,725,775 | (\$59,918) | (\$715,030) | (\$42,854,485) | (\$15,919,761) |
| (2) Dec-05 | (\$42,854,485) | \$48,972,224 | \$33,104,029 | \$17,522,501 | \$50,626,530 | (\$1,654,306) | (\$946,098) | (\$45,454,889) | (\$17,225,501) |
| (2) Jan-06 | (\$45,454,889) | \$51,326,160 | \$37,198,947 | \$18,020,490 | \$55,219,437 | (\$3,893,277) | (\$1,188,381) | (\$50,536,546) | (\$24,306,906) |
| (2) Feb-06 | (\$50,536,546) | \$47,690,255 | \$34,563,803 | \$18,453,802 | \$53,017,605 | (\$5,327,350) | (\$1,126,556) | (\$56,990,452) | (\$30,508,357) |
| (2) Mar-06 | (\$56,990,452) | \$48,149,264 | \$34,896,473 | \$20,205,075 | \$55,101,548 | (\$6,952,284) | (\$1,242,852) | (\$65,185,588) | (\$41,321,097) |
| (2) Apr-06 | (\$65,185,588) | \$43,389,984 | \$31,447,156 | \$19,017,513 | \$50,464,668 | (\$7,074,684) | (\$1,208,792) | (\$73,469,064) | (\$50,678,745) |
| (2) May-06 | (\$73,469,064) | \$41,436,944 | \$30,031,678 | \$18,954,875 | \$48,986,553 | (\$7,549,609) | (\$1,171,816) | (\$82,190,489) | (\$57,101,932) |
| (2) Jun-06 | (\$82,190,489) | \$45,615,559 | \$33,060,154 | \$21,812,025 | \$54,872,179 | (\$9,256,621) | (\$1,225,070) | (\$92,672,180) | (\$64,637,982) |
| (2) Jul-06 | (\$92,672,180) | \$50,971,268 | \$36,941,737 | \$25,181,050 | \$62,122,787 | (\$11,151,519) | (\$1,264,578) | (\$105,088,277) | (\$75,816,715) |
| (2) Aug-06 | (\$105,088,277) | \$53,221,021 | \$38,572,260 | \$26,954,500 | \$65,526,760 | (\$12,305,739) | (\$1,297,535) | (\$118,691,551) | (\$90,105,828) |
| (2) Sep-06 | (\$118,691,551) | \$51,974,042 | \$37,668,504 | \$26,158,155 | \$63,826,659 | (\$11,852,617) | (\$1,228,462) | (\$131,772,630) | (\$106,792,113) |
| * (2) Oct-06 | (\$131,772,630) | \$24,980,516 | | | | \$24,980,516 | | (\$106,792,113) | |
| Totals | (\$14,122,974) | \$568,037,602 | \$407,946,568 | \$239,563,523 | \$647,510,091 | (\$79,472,490) | (\$13,196,650) | (\$106,792,113) | |
| Interest (3) | | | | | | | | (\$2,581,537) | |
| Ending Balance@ September 30, 2006 with Interest | | | | | | | | (\$109,373,650) | |

(1) Actual revenues and expenses

(2) Estimated revenues and expenses

(3) Interest expense calculation : $(-14122974 + -106792113) / 2 * (4.27\%)$

* 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 | (\$109,373,650) | \$20,438,604 | \$32,917,785 | \$22,161,208 | \$55,078,992 | (\$34,640,388) | (\$1,044,606) | (\$145,058,644) | (\$120,406,775) |
| (2) Nov-06 | (\$145,058,644) | \$44,821,580 | \$32,484,713 | \$21,169,998 | \$53,654,711 | (\$8,833,131) | (\$990,578) | (\$154,882,354) | (\$127,899,787) |
| (2) Dec-06 | (\$154,882,354) | \$49,059,212 | \$35,555,963 | \$23,207,400 | \$58,763,363 | (\$9,704,151) | (\$1,086,351) | (\$165,672,856) | (\$136,683,963) |
| * (2) Jan-07 | (\$165,672,856) | \$28,988,894 | | | | \$28,988,894 | | (\$136,683,963) | |
| Totals | (\$109,373,650) | \$143,308,290 | \$100,958,461 | \$66,538,605 | \$167,497,067 | (\$24,188,777) | (\$3,121,536) | (\$136,683,963) | |
| Interest (3) | | | | | | | | (\$1,313,333) | |
| Ending Balance@ December 31, 2006 with Interest | | | | | | | | (\$137,997,296) | |

* For December usage billed in January

(2) Estimated revenues and expenses

(3) Interest expense calculation : $(-109373650 + -136683963) / 2 * (4.27\%)$ Column Notes:

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

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) Includes estimated protest payments made to one of the Company's suppliers and estimated NE_GIS expenses

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

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

Standard Offer Reconciliation
Estimated Revenue through December 2006

| <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) |
|--------------|---|---|--------------------------------------|--|
| Sep-05 | - | - | \$0.06700 | \$0 |
| 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)

Standard Offer Reconciliation
Estimated Standard Offer Expenses through December 2006

| | 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) |
|---|---|--|--|--|---|--|--|---|
| 2005: | | | | | | | | |
| Oct-05 | 631,297,642 | 86.5% | 546,072,460 | \$0.05543 | \$30,268,796 | \$0.02335 | \$12,750,792 | \$43,019,588 |
| Nov-05 | 629,717,437 | 86.5% | 544,705,583 | \$0.05543 | \$30,193,030 | \$0.02668 | \$14,532,745 | \$44,725,775 |
| Dec-05 | 690,430,346 | 86.5% | 597,222,249 | \$0.05543 | \$33,104,029 | \$0.02934 | \$17,522,501 | \$50,626,530 |
| Total Expected Payments through December 2005 | | | | | | | \$44,806,038 | \$138,371,894 |
| 2006: | | | | | | | | |
| Jan-06 | 723,617,087 | 86.5% | 625,928,780 | \$0.05943 | \$37,198,947 | \$0.02879 | \$18,020,490 | \$55,219,437 |
| Feb-06 | 672,356,620 | 86.5% | 581,588,476 | \$0.05943 | \$34,563,803 | \$0.03173 | \$18,453,802 | \$53,017,605 |
| Mar-06 | 678,827,917 | 86.5% | 587,186,148 | \$0.05943 | \$34,896,473 | \$0.03441 | \$20,205,075 | \$55,101,548 |
| Apr-06 | 611,729,652 | 86.5% | 529,146,149 | \$0.05943 | \$31,447,156 | \$0.03594 | \$19,017,513 | \$50,464,668 |
| May-06 | 584,194,896 | 86.5% | 505,328,585 | \$0.05943 | \$30,031,678 | \$0.03751 | \$18,954,875 | \$48,986,553 |
| Jun-06 | 643,106,707 | 86.5% | 556,287,302 | \$0.05943 | \$33,060,154 | \$0.03921 | \$21,812,025 | \$54,872,179 |
| Jul-06 | 718,613,679 | 86.5% | 621,600,832 | \$0.05943 | \$36,941,737 | \$0.04051 | \$25,181,050 | \$62,122,787 |
| Aug-06 | 750,331,612 | 86.5% | 649,036,844 | \$0.05943 | \$38,572,260 | \$0.04153 | \$26,954,500 | \$65,526,760 |
| Sep-06 | 732,751,192 | 86.5% | 633,829,781 | \$0.05943 | \$37,668,504 | \$0.04127 | \$26,158,155 | \$63,826,659 |
| Oct-06 | 640,337,244 | 86.5% | 553,891,716 | \$0.05943 | \$32,917,785 | \$0.04001 | \$22,161,208 | \$55,078,992 |
| Nov-06 | 631,912,873 | 86.5% | 546,604,635 | \$0.05943 | \$32,484,713 | \$0.03873 | \$21,169,998 | \$53,654,711 |
| Dec-06 | 691,656,730 | 86.5% | 598,283,071 | \$0.05943 | \$35,555,963 | \$0.03879 | \$23,207,400 | \$58,763,363 |
| Total Expected Payments through December 2006 | | | | | | | \$261,296,091 | \$676,635,264 |

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 11-21-05, 11-22-05 & 11-23-05
- (g) Column (c) x Column (f)
- (h) Column (e) + Column (g)

Exhibit JAL-2

Calculation of Proposed Standard Offer Service Rate

**Calculation of Proposed Standard Offer Charge (Including Protested Fuel Index Payments)
Based on Fuel Price Estimates as Reported in the WSJ on 11-21-05, 11-22-05 & 11-23-05**

Calculation of Nine-month Average Standard Offer Rate for the period January 2005 through September 2006

| | Estimated Monthly Fuel <u>Adjustment</u> (a) | Current Base Standard <u>Offer Charge</u> (b) | Total Standard <u>Offer Charge</u> (c) | Projected Monthly kWhs (d) | Estimated Fuel Index <u>Payments</u> (e) | Estimated Base Standard <u>Offer Expense</u> (f) | Estimated <u>Adjustments</u> (g) | Estimated Total Standard <u>Offer Expense</u> (h) |
|----------|---|--|---|-------------------------------------|---|---|--|---|
| Jan-2006 | \$0.02879 | \$0.05943 | \$0.08822 | 625,928,780 | \$18,020,490 | \$37,198,947 | \$1,188,381 | \$56,407,818 |
| Feb-2006 | \$0.03173 | \$0.05943 | \$0.09116 | 581,588,476 | \$18,453,802 | \$34,563,803 | \$1,126,556 | \$54,144,161 |
| Mar-2006 | \$0.03441 | \$0.05943 | \$0.09384 | 587,186,148 | \$20,205,075 | \$34,896,473 | \$1,242,852 | \$56,344,400 |
| Apr-2006 | \$0.03594 | \$0.05943 | \$0.09537 | 529,146,149 | \$19,017,513 | \$31,447,156 | \$1,208,792 | \$51,673,460 |
| May-2006 | \$0.03751 | \$0.05943 | \$0.09694 | 505,328,585 | \$18,954,875 | \$30,031,678 | \$1,171,816 | \$50,158,369 |
| Jun-2006 | \$0.03921 | \$0.05943 | \$0.09864 | 556,287,302 | \$21,812,025 | \$33,060,154 | \$1,225,070 | \$56,097,250 |
| Jul-2006 | \$0.04051 | \$0.05943 | \$0.09994 | 621,600,832 | \$25,181,050 | \$36,941,737 | \$1,264,578 | \$63,387,365 |
| Aug-2006 | \$0.04153 | \$0.05943 | \$0.10096 | 649,036,844 | \$26,954,500 | \$38,572,260 | \$1,297,535 | \$66,824,295 |
| Sep-2006 | \$0.04127 | \$0.05943 | \$0.10070 | 633,829,781 | \$26,158,155 | \$37,668,504 | \$1,228,462 | \$65,055,121 |
| | | | | 5,289,932,898 | \$194,757,485 | \$314,380,712 | \$10,954,041 | \$520,092,239 |
| | | | | | | | | 3/4 of Estimated Under-Recovery through December 2005 |
| | | | | | | | | \$12,919,125 |
| | | | | | | | | Total Expenses to be Recovered |
| | | | | | | | | \$533,011,364 |
| | | | | | | | | Projected kWh Deliveries for the period Jan 2006 through Sep 2006 |
| | | | | | | | | 5,289,932,898 |
| | | | | | | | | Average Standard Offer for the period Jan 2006 through Sep 2006 |
| | | | | | | | | \$0.1000 |

- (a) Company estimate based on fuel futures prices as reported on 11-21-05, 11-22-05 & 11-23-05
- (b) per wholesale contract
- (c) Column (a) + Column (b)
- (d) Company projection
- (e) Column (a) * Column (d)
- (f) Column (b) * Column (d)
- (g) from Exhibit JAL-1, page 1, column (g)
- (h) Column (e) + Column (f) + Column (g)

Exhibit JAL-3

Alternatives to Proposed Rate

Standard Offer Pricing Options and Quarterly Deferrals

Deferrals Based on the Fuel Prices as Reported in the WSJ on November 21, 22 and 23, 2005

| | Current rate | 6-month rate | 9 month rate | 12 month rate |
|---------------------|-----------------|--------------|--------------|---------------|
| Effective Date | January 1, 2006 | | | |
| Rate per kWh | 8.2¢ | 9.8¢ | 10.0¢ | 10.1¢ |
| Deferral @ 12/31/05 | (\$17.2) | (\$17.2) | (\$17.2) | (\$17.2) |
| Deferral @ 03/31/06 | (\$41.3) | (\$13.5) | (\$10.0) | (\$8.2) |
| Deferral @ 06/30/06 | (\$64.6) | (\$10.5) | (\$3.7) | (\$0.4) |
| Deferral @ 09/30/06 | (\$106.8) | (\$22.8) | (\$12.3) | (\$7.0) |
| Deferral @ 12/31/06 | (\$136.7) | (\$22.98) | (\$8.7) | (\$1.6) |

Note: Amounts exclude the effect of interest on the deferral balance.

Exhibit JAL-4

Proposed Standard Offer Service Tariff

**THE NARRAGANSETT ELECTRIC COMPANY
STANDARD OFFER SERVICE**

AVAILABILITY

All Customers (including new Customers) who have not elected to take their electric supply from a non-regulated power producer will receive their power supply under this Standard Offer Rate until the Customer either: (1) takes its electric supply from a non-regulated power producer; or (2) takes Last Resort Service.

Customers who leave Standard Offer Service may not return to Standard Offer Service.

Standard Offer Service may be terminated by a Customer upon the next scheduled meter read provided that notice of the change of supplier was received in accordance with the Company's Terms and Conditions for Nonregulated Power Producers.

MONTHLY CHARGE

The Monthly Charge for Service under this tariff will be the sum of the applicable Standard Offer Service charges in addition to all appropriate Retail Delivery charges as stated in the applicable tariff.

RATE FOR ALL CLASSES

| | |
|------------------------|-------|
| Standard Offer per kWh | 10.0¢ |
|------------------------|-------|

RATE CHANGES

The rates set forth in this tariff are effective for usage on and after January 1, 2006 until changes. Any changes will be filed with the Commission and are subject to Commission review and approval.

Effective: January 1, 2006

THE NARRAGANSETT ELECTRIC COMPANY
STANDARD OFFER SERVICE

AVAILABILITY

All Customers (including new Customers) who have not elected to take their electric supply from a non-regulated power producer will receive their power supply under this Standard Offer Rate until the Customer either: (1) takes its electric supply from a non-regulated power producer; or (2) takes Last Resort Service.

Customers who leave Standard Offer Service may not return to Standard Offer Service.

Standard Offer Service may be terminated by a Customer upon the next scheduled meter read provided that notice of the change of supplier was received in accordance with the Company's Terms and Conditions for Nonregulated Power Producers.

MONTHLY CHARGE

The Monthly Charge for Service under this tariff will be the sum of the applicable Standard Offer Service charges in addition to all appropriate Retail Delivery charges as stated in the applicable tariff.

RATE FOR ALL CLASSES

Standard Offer per kWh

10.0¢

Deleted: 8.20

RATE CHANGES

The rates set forth in this tariff are effective for usage on and after January 1, 2006 until changes. Any changes will be filed with the Commission and are subject to Commission review and approval.

Deleted: October

Deleted: 5

Effective: January 1, 2006

Deleted: October

Deleted: 5

Exhibit JAL-5

Typical Bills

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-16 Rate Customers

| Monthly kWh | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | | Number of Custs |
|-------------|---------------|----------------|---------|----------------|----------------|---------|---------------------|------------|-----------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total | |
| 120 | \$19.12 | \$10.25 | \$8.87 | \$21.37 | \$12.50 | \$8.87 | \$2.25 | 11.8% | 29,288 |
| 240 | \$35.37 | \$20.50 | \$14.87 | \$39.87 | \$25.00 | \$14.87 | \$4.50 | 12.7% | 51,254 |
| 500 | \$70.58 | \$42.71 | \$27.87 | \$79.95 | \$52.08 | \$27.87 | \$9.37 | 13.3% | 124,474 |
| 700 | \$97.66 | \$59.79 | \$37.87 | \$110.79 | \$72.92 | \$37.87 | \$13.13 | 13.4% | 65,898 |
| 950 | \$131.52 | \$81.15 | \$50.37 | \$149.33 | \$98.96 | \$50.37 | \$17.81 | 13.5% | 47,593 |
| 1,000 | \$138.30 | \$85.42 | \$52.88 | \$157.05 | \$104.17 | \$52.88 | \$18.75 | 13.6% | 7,322 |

Present Rates: A-16

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$2.75 |
| Transmission Energy Charge (1) | kWh x | \$0.00675 |
| Distribution Energy Charge | kWh x | \$0.03380 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: A-16

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$2.75 |
| Transmission Energy Charge (2) | kWh x | \$0.00675 |
| Distribution Energy Charge | kWh x | \$0.03380 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-16 (former A-32) Rate Customers

| Monthly kWh | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | | Number of Custs |
|-------------|---------------|----------------|----------|----------------|----------------|----------|---------------------|------------|-----------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total | |
| 500 | \$68.02 | \$42.71 | \$25.31 | \$77.39 | \$52.08 | \$25.31 | \$9.37 | 13.8% | 139 |
| 1,000 | \$133.18 | \$85.42 | \$47.76 | \$151.93 | \$104.17 | \$47.76 | \$18.75 | 14.1% | 334 |
| 2,500 | \$328.64 | \$213.54 | \$115.10 | \$375.52 | \$260.42 | \$115.10 | \$46.88 | 14.3% | 1,033 |
| 5,000 | \$654.42 | \$427.08 | \$227.34 | \$748.17 | \$520.83 | \$227.34 | \$93.75 | 14.3% | 927 |
| 7,500 | \$980.21 | \$640.63 | \$339.58 | \$1,120.83 | \$781.25 | \$339.58 | \$140.62 | 14.3% | 206 |

Present Rates: A-16 (former A-32)

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$2.75 |
| Transmission Energy Charge (1) | kWh x | \$0.00675 |
| Distribution Energy Charge | kWh x | \$0.03380 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00820 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | | \$0.08200 |

Proposed Rates: A-16 (former A-32)

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$2.75 |
| Transmission Energy Charge (2) | kWh x | \$0.00675 |
| Distribution Energy Charge | kWh x | \$0.03380 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00820 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-60 Rate Customers - Winter (December through March)
Without Control Credit for Water Heater

| Monthly kWh | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|-------------|---------------|----------------|---------|----------------|----------------|---------|---------------------|------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 100 | \$11.68 | \$8.54 | \$3.14 | \$13.56 | \$10.42 | \$3.14 | \$1.88 | 16.1% |
| 200 | \$23.35 | \$17.08 | \$6.27 | \$27.10 | \$20.83 | \$6.27 | \$3.75 | 16.1% |
| 300 | \$35.04 | \$25.63 | \$9.41 | \$40.66 | \$31.25 | \$9.41 | \$5.62 | 16.0% |
| 500 | \$59.10 | \$42.71 | \$16.39 | \$68.47 | \$52.08 | \$16.39 | \$9.37 | 15.9% |
| 750 | \$91.86 | \$64.06 | \$27.80 | \$105.93 | \$78.13 | \$27.80 | \$14.07 | 15.3% |
| 1250 | \$157.10 | \$106.77 | \$50.33 | \$180.54 | \$130.21 | \$50.33 | \$23.44 | 14.9% |

Present Rates: A-60

| | | |
|---|-------|------------|
| Customer Charge | | \$0.00 |
| Transmission Energy Charge (1) | kWh x | \$0.00577 |
| Initial Block Energy Charge (1st 450 kWh) | kWh x | \$0.01688 |
| Second Block Energy Charge (next 750 kWh) | kWh x | \$0.03055 |
| Tail Block Energy Charge | kWh x | \$0.02548 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: A-60

| | | |
|---|-------|------------|
| Customer Charge | | \$0.00 |
| Transmission Energy Charge (2) | kWh x | \$0.00577 |
| Initial Block Energy Charge (1st 450 kWh) | kWh x | \$0.01688 |
| Second Block Energy Charge (next 750 kWh) | kWh x | \$0.03055 |
| Tail Block Energy Charge | kWh x | \$0.02548 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-60 Rate Customers - Winter (December through March)
With Control Credit for Water Heater

| Monthly kWh | Present Rates | | | Proposed Rates | | | Difference | |
|-------------|---------------|----------------|---------|----------------|----------------|---------|------------|------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 100 | \$11.13 | \$8.54 | \$2.59 | \$13.01 | \$10.42 | \$2.59 | \$1.88 | 16.9% |
| 200 | \$22.25 | \$17.08 | \$5.17 | \$26.00 | \$20.83 | \$5.17 | \$3.75 | 16.9% |
| 300 | \$33.39 | \$25.63 | \$7.76 | \$39.01 | \$31.25 | \$7.76 | \$5.62 | 16.8% |
| 500 | \$56.35 | \$42.71 | \$13.64 | \$65.72 | \$52.08 | \$13.64 | \$9.37 | 16.6% |
| 750 | \$87.73 | \$64.06 | \$23.67 | \$101.80 | \$78.13 | \$23.67 | \$14.07 | 16.0% |
| 1250 | \$152.98 | \$106.77 | \$46.21 | \$176.42 | \$130.21 | \$46.21 | \$23.44 | 15.3% |

Present Rates: A-60

| | | |
|---|-------|------------|
| Customer Charge | | \$0.00 |
| Transmission Energy Charge (1) | kWh x | \$0.00577 |
| Initial Block Energy Charge (1st 450 kWh) | kWh x | \$0.01688 |
| Second Block Energy Charge (next 750 kWh) | kWh x | \$0.03055 |
| Tail Block Energy Charge | kWh x | \$0.02548 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Water Heating Credit | kWh x | -\$0.00528 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: A-60

| | | |
|---|-------|------------|
| Customer Charge | | \$0.00 |
| Transmission Energy Charge (2) | kWh x | \$0.00577 |
| Initial Block Energy Charge (1st 450 kWh) | kWh x | \$0.01688 |
| Second Block Energy Charge (next 750 kWh) | kWh x | \$0.03055 |
| Tail Block Energy Charge | kWh x | \$0.02548 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Water Heating Credit | kWh x | -\$0.00528 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-60 Rate Customers - Non-Winter (April through November)
Without Control Credit for Water Heater

| Monthly kWh | Present Rates | | | Proposed Rates | | | Difference | |
|-------------|---------------|----------------|---------|----------------|----------------|---------|------------|------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 100 | \$11.68 | \$8.54 | \$3.14 | \$13.56 | \$10.42 | \$3.14 | \$1.88 | 16.1% |
| 200 | \$23.35 | \$17.08 | \$6.27 | \$27.10 | \$20.83 | \$6.27 | \$3.75 | 16.1% |
| 300 | \$35.04 | \$25.63 | \$9.41 | \$40.66 | \$31.25 | \$9.41 | \$5.62 | 16.0% |
| 500 | \$59.10 | \$42.71 | \$16.39 | \$68.47 | \$52.08 | \$16.39 | \$9.37 | 15.9% |
| 750 | \$91.86 | \$64.06 | \$27.80 | \$105.93 | \$78.13 | \$27.80 | \$14.07 | 15.3% |
| 1250 | \$157.37 | \$106.77 | \$50.60 | \$180.81 | \$130.21 | \$50.60 | \$23.44 | 14.9% |

Present Rates: A-60

| | | |
|---|-------|------------|
| Customer Charge | | \$0.00 |
| Transmission Energy Charge (1) | kWh x | \$0.00577 |
| Initial Block Energy Charge (1st 450 kWh) | kWh x | \$0.01688 |
| Tail Block Energy Charge | kWh x | \$0.03055 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Gross Earnings Tax | | 4.0% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: A-60

| | | |
|---|-------|------------|
| Customer Charge | | \$0.00 |
| Transmission Energy Charge (2) | kWh x | \$0.00577 |
| Initial Block Energy Charge (1st 450 kWh) | kWh x | \$0.01688 |
| Tail Block Energy Charge | kWh x | \$0.03055 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Gross Earnings Tax | | 4.0% |
| Standard Offer Charge | kWh x | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.
Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on A-60 Rate Customers - Non-Winter (April through November)
With Control Credit for Water Heater

| Monthly kWh | Present Rates | | | Proposed Rates | | | Difference | |
|-------------|---------------|----------------|---------|----------------|----------------|---------|------------|------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 100 | \$11.13 | \$8.54 | \$2.59 | \$13.01 | \$10.42 | \$2.59 | \$1.88 | 16.9% |
| 200 | \$22.25 | \$17.08 | \$5.17 | \$26.00 | \$20.83 | \$5.17 | \$3.75 | 16.9% |
| 300 | \$33.39 | \$25.63 | \$7.76 | \$39.01 | \$31.25 | \$7.76 | \$5.62 | 16.8% |
| 500 | \$56.35 | \$42.71 | \$13.64 | \$65.72 | \$52.08 | \$13.64 | \$9.37 | 16.6% |
| 750 | \$87.73 | \$64.06 | \$23.67 | \$101.80 | \$78.13 | \$23.67 | \$14.07 | 16.0% |
| 1250 | \$153.24 | \$106.77 | \$46.47 | \$176.68 | \$130.21 | \$46.47 | \$23.44 | 15.3% |

Present Rates: A-60

| | | |
|---|-------|------------|
| Customer Charge | | \$0.01 |
| Transmission Energy Charge (1) | kWh x | \$0.00577 |
| Initial Block Energy Charge (1st 450 kWh) | kWh x | \$0.01688 |
| Tail Block Energy Charge | kWh x | \$0.03055 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Water Heating Credit | kWh x | -\$0.00528 |
| Gross Earnings Tax | | 4.0% |
| Standard Offer Charge | | \$0.08200 |

Proposed Rates: A-60

| | | |
|---|-------|------------|
| Customer Charge | | \$0.01 |
| Transmission Energy Charge (2) | kWh x | \$0.00577 |
| Initial Block Energy Charge (1st 450 kWh) | kWh x | \$0.01688 |
| Tail Block Energy Charge | kWh x | \$0.03055 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Water Heating Credit | kWh x | -\$0.00528 |
| Gross Earnings Tax | | 4.0% |
| Standard Offer Charge | | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on C-06 Rate Customers

| Monthly kWh | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | | Number of Custs |
|-------------|---------------|----------------|----------|----------------|----------------|----------|---------------------|------------|-----------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total | |
| 250 | \$41.00 | \$21.35 | \$19.65 | \$45.69 | \$26.04 | \$19.65 | \$4.69 | 11.4% | 17,634 |
| 500 | \$75.77 | \$42.71 | \$33.06 | \$85.14 | \$52.08 | \$33.06 | \$9.37 | 12.4% | 8,533 |
| 1,000 | \$145.28 | \$85.42 | \$59.86 | \$164.03 | \$104.17 | \$59.86 | \$18.75 | 12.9% | 9,471 |
| 1,500 | \$214.80 | \$128.13 | \$86.67 | \$242.92 | \$156.25 | \$86.67 | \$28.12 | 13.1% | 4,891 |
| 2,000 | \$284.31 | \$170.83 | \$113.48 | \$321.81 | \$208.33 | \$113.48 | \$37.50 | 13.2% | 9,573 |

Present Rates: C-06

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$6.00 |
| Transmission Energy Charge (1) | kWh x | \$0.00775 |
| Distribution Energy Charge | kWh x | \$0.03662 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00365 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: C-06

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$6.00 |
| Transmission Energy Charge (2) | kWh x | \$0.00775 |
| Distribution Energy Charge | kWh x | \$0.03662 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00365 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on R-02 (Phase-out to C-06) Rate Customers

| Monthly kWh | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | | Number of Custs |
|-------------|---------------|----------------|---------|----------------|----------------|---------|---------------------|------------|-----------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total | |
| 250 | \$28.56 | \$21.35 | \$7.21 | \$33.25 | \$26.04 | \$7.21 | \$4.69 | 16.4% | 96 |
| 500 | \$56.76 | \$42.71 | \$14.05 | \$66.13 | \$52.08 | \$14.05 | \$9.37 | 16.5% | 142 |
| 1,000 | \$113.15 | \$85.42 | \$27.73 | \$131.90 | \$104.17 | \$27.73 | \$18.75 | 16.6% | 302 |
| 1,500 | \$169.54 | \$128.13 | \$41.41 | \$197.66 | \$156.25 | \$41.41 | \$28.12 | 16.6% | 63 |
| 2,000 | \$225.91 | \$170.83 | \$55.08 | \$263.41 | \$208.33 | \$55.08 | \$37.50 | 16.6% | 11 |

Present Rates: R-02 (Phase-out to C-06)

| | | |
|--------------------------------|-------|------------|
| Unmetered Charge | | \$0.36 |
| Transmission Energy Charge (1) | kWh x | \$0.00498 |
| Distribution Energy Charge | kWh x | \$0.01418 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00365 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: R-02 (Phase-out to C-06)

| | | |
|--------------------------------|-------|------------|
| Unmetered Charge | | \$0.36 |
| Transmission Energy Charge (2) | kWh x | \$0.00498 |
| Distribution Energy Charge | kWh x | \$0.01418 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00365 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on E-30 (Phase-out to A-16) Rate Customers

| Monthly kWh | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | | Number of Custs |
|-------------|---------------|----------------|------------|----------------|----------------|------------|---------------------|------------|-----------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total | |
| 1,000 | \$121.48 | \$85.42 | \$36.06 | \$140.23 | \$104.17 | \$36.06 | \$18.75 | 15.4% | 2 |
| 2,500 | \$299.40 | \$213.54 | \$85.86 | \$346.28 | \$260.42 | \$85.86 | \$46.88 | 15.7% | 2 |
| 5,000 | \$595.93 | \$427.08 | \$168.85 | \$689.68 | \$520.83 | \$168.85 | \$93.75 | 15.7% | 5 |
| 10,000 | \$1,189.01 | \$854.17 | \$334.84 | \$1,376.51 | \$1,041.67 | \$334.84 | \$187.50 | 15.8% | 0 |
| 25,000 | \$2,968.23 | \$2,135.42 | \$832.81 | \$3,436.98 | \$2,604.17 | \$832.81 | \$468.75 | 15.8% | 1 |
| 50,000 | \$5,933.59 | \$4,270.83 | \$1,662.76 | \$6,871.09 | \$5,208.33 | \$1,662.76 | \$937.50 | 15.8% | 3 |

Present Rates: E-30 (Phase-out to A-16)

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$2.75 |
| Transmission Energy Charge (1) | kWh x | \$0.00500 |
| Distribution Energy Charge | kWh x | \$0.01941 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: E-30 (Phase-out to A-16)

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$2.75 |
| Transmission Energy Charge (2) | kWh x | \$0.00500 |
| Distribution Energy Charge | kWh x | \$0.01941 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.
Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-02 Rate Customers

Hours Use: 200

| Monthly Power | | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|---------------|--------|---------------|----------------|------------|----------------|----------------|------------|---------------------|------------|
| kW | kWh | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 20 | 4,000 | \$573.20 | \$341.67 | \$231.53 | \$648.20 | \$416.67 | \$231.53 | \$75.00 | 13.1% |
| 50 | 10,000 | \$1,343.76 | \$854.17 | \$489.59 | \$1,531.26 | \$1,041.67 | \$489.59 | \$187.50 | 14.0% |
| 100 | 20,000 | \$2,628.03 | \$1,708.33 | \$919.70 | \$3,003.03 | \$2,083.33 | \$919.70 | \$375.00 | 14.3% |
| 150 | 30,000 | \$3,912.30 | \$2,562.50 | \$1,349.80 | \$4,474.80 | \$3,125.00 | \$1,349.80 | \$562.50 | 14.4% |

Present Rates: G-02

| | | |
|--------------------------------------|-------|------------|
| Customer Charge | | \$103.41 |
| Transmission Demand Charge-xcs 10 kW | kW x | \$1.40 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge-xcs 10 kW | kW x | \$3.23 |
| Distribution Energy Charge | kWh x | \$0.00777 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00277 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: G-02

| | | |
|--------------------------------------|-------|------------|
| Customer Charge | | \$103.41 |
| Transmission Demand Charge-xcs 10 kW | kW x | \$1.40 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge-xcs 10 kW | kW x | \$3.23 |
| Distribution Energy Charge | kWh x | \$0.00777 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00277 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-02 Rate Customers

Hours Use: 300

| Monthly Power | | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|---------------|--------|---------------|----------------|------------|----------------|----------------|------------|---------------------|------------|
| kW | kWh | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 20 | 6,000 | \$781.82 | \$512.50 | \$269.32 | \$894.32 | \$625.00 | \$269.32 | \$112.50 | 14.4% |
| 50 | 15,000 | \$1,865.32 | \$1,281.25 | \$584.07 | \$2,146.57 | \$1,562.50 | \$584.07 | \$281.25 | 15.1% |
| 100 | 30,000 | \$3,671.16 | \$2,562.50 | \$1,108.66 | \$4,233.66 | \$3,125.00 | \$1,108.66 | \$562.50 | 15.3% |
| 150 | 45,000 | \$5,476.99 | \$3,843.75 | \$1,633.24 | \$6,320.74 | \$4,687.50 | \$1,633.24 | \$843.75 | 15.4% |

Present Rates: G-02

| | | |
|--------------------------------------|-------|------------|
| Customer Charge | | \$103.41 |
| Transmission Demand Charge-xcs 10 kW | kW x | \$1.40 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge-xcs 10 kW | kW x | \$3.23 |
| Distribution Energy Charge | kWh x | \$0.00777 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00277 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: G-02

| | | |
|--------------------------------------|-------|------------|
| Customer Charge | | \$103.41 |
| Transmission Demand Charge-xcs 10 kW | kW x | \$1.40 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge-xcs 10 kW | kW x | \$3.23 |
| Distribution Energy Charge | kWh x | \$0.00777 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00277 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

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Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-02 Rate Customers

Hours Use: 400

| Monthly Power | | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|---------------|--------|---------------|----------------|------------|----------------|----------------|------------|---------------------|------------|
| kW | kWh | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 20 | 8,000 | \$990.44 | \$683.33 | \$307.11 | \$1,140.44 | \$833.33 | \$307.11 | \$150.00 | 15.1% |
| 50 | 20,000 | \$2,386.88 | \$1,708.33 | \$678.55 | \$2,761.88 | \$2,083.33 | \$678.55 | \$375.00 | 15.7% |
| 100 | 40,000 | \$4,714.28 | \$3,416.67 | \$1,297.61 | \$5,464.28 | \$4,166.67 | \$1,297.61 | \$750.00 | 15.9% |
| 150 | 60,000 | \$7,041.68 | \$5,125.00 | \$1,916.68 | \$8,166.68 | \$6,250.00 | \$1,916.68 | \$1,125.00 | 16.0% |

Present Rates: G-02

| | | |
|--------------------------------------|-------|------------|
| Customer Charge | | \$103.41 |
| Transmission Demand Charge-xcs 10 kW | kW x | \$1.40 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge-xcs 10 kW | kW x | \$3.23 |
| Distribution Energy Charge | kWh x | \$0.00777 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00277 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: G-02

| | | |
|--------------------------------------|-------|------------|
| Customer Charge | | \$103.41 |
| Transmission Demand Charge-xcs 10 kW | kW x | \$1.40 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge-xcs 10 kW | kW x | \$3.23 |
| Distribution Energy Charge | kWh x | \$0.00777 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00277 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

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Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-02 Rate Customers

Hours Use: 500

| Monthly Power | | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|---------------|--------|---------------|----------------|------------|----------------|----------------|------------|---------------------|------------|
| kW | kWh | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 20 | 10,000 | \$1,199.08 | \$854.17 | \$344.91 | \$1,386.58 | \$1,041.67 | \$344.91 | \$187.50 | 15.6% |
| 50 | 25,000 | \$2,908.45 | \$2,135.42 | \$773.03 | \$3,377.20 | \$2,604.17 | \$773.03 | \$468.75 | 16.1% |
| 100 | 50,000 | \$5,757.40 | \$4,270.83 | \$1,486.57 | \$6,694.90 | \$5,208.33 | \$1,486.57 | \$937.50 | 16.3% |
| 150 | 75,000 | \$8,606.36 | \$6,406.25 | \$2,200.11 | \$10,012.61 | \$7,812.50 | \$2,200.11 | \$1,406.25 | 16.3% |

| Present Rates: | | | G-02 | | | Proposed Rates: | | | G-02 | | |
|--------------------------------------|-------|------------|--------------------------------------|-------|------------|-----------------|--|--|------|--|--|
| Customer Charge | | \$103.41 | Customer Charge | | \$103.41 | | | | | | |
| Transmission Demand Charge-xcs 10 kW | kW x | \$1.40 | Transmission Demand Charge-xcs 10 kW | kW x | \$1.40 | | | | | | |
| Transmission Adjustment Factor | kWh x | \$0.00239 | Transmission Adjustment Factor | kWh x | \$0.00239 | | | | | | |
| Distribution Demand Charge-xcs 10 kW | kW x | \$3.23 | Distribution Demand Charge-xcs 10 kW | kW x | \$3.23 | | | | | | |
| Distribution Energy Charge | kWh x | \$0.00777 | Distribution Energy Charge | kWh x | \$0.00777 | | | | | | |
| Transition Energy Charge | kWh x | \$0.00845 | Transition Energy Charge | kWh x | \$0.00845 | | | | | | |
| C&LM Adjustment | kWh x | \$0.00230 | C&LM Adjustment | kWh x | \$0.00230 | | | | | | |
| S.O. Adj. | kWh x | \$0.00000 | S.O. Adj. | kWh x | \$0.00000 | | | | | | |
| Customer Credit | kWh x | -\$0.00277 | Customer Credit | kWh x | -\$0.00277 | | | | | | |
| Gross Earnings Tax | | 4.00% | Gross Earnings Tax | | 4.00% | | | | | | |
| Standard Offer Charge | kWh x | \$0.08200 | Standard Offer Charge | kWh x | \$0.10000 | | | | | | |

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Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-02 Rate Customers

Hours Use: 600

| Monthly Power | | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|---------------|--------|---------------|----------------|------------|----------------|----------------|------------|---------------------|------------|
| kW | kWh | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 20 | 12,000 | \$1,407.70 | \$1,025.00 | \$382.70 | \$1,632.70 | \$1,250.00 | \$382.70 | \$225.00 | 16.0% |
| 50 | 30,000 | \$3,430.01 | \$2,562.50 | \$867.51 | \$3,992.51 | \$3,125.00 | \$867.51 | \$562.50 | 16.4% |
| 100 | 60,000 | \$6,800.53 | \$5,125.00 | \$1,675.53 | \$7,925.53 | \$6,250.00 | \$1,675.53 | \$1,125.00 | 16.5% |
| 150 | 90,000 | \$10,171.05 | \$7,687.50 | \$2,483.55 | \$11,858.55 | \$9,375.00 | \$2,483.55 | \$1,687.50 | 16.6% |

Present Rates: G-02

| | | |
|--------------------------------------|-------|------------|
| Customer Charge | | \$103.41 |
| Transmission Demand Charge-xcs 10 kW | kW x | \$1.40 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge-xcs 10 kW | kW x | \$3.23 |
| Distribution Energy Charge | kWh x | \$0.00777 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00277 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: G-02

| | | |
|--------------------------------------|-------|------------|
| Customer Charge | | \$103.41 |
| Transmission Demand Charge-xcs 10 kW | kW x | \$1.40 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge-xcs 10 kW | kW x | \$3.23 |
| Distribution Energy Charge | kWh x | \$0.00777 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00277 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

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Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-32 Rate Customers

Hours Use: 200

| Monthly Power | | Present Rates Standard Offer | | | Proposed Rates Standard Offer | | | Increase/(Decrease) | |
|---------------|---------|------------------------------------|-------------|-------------|-------------------------------------|-------------|-------------|---------------------|------------|
| kW | kWh | Total | "Wires" | Total | "Wires" | Total | "Wires" | Amount | % of Total |
| 200 | 40,000 | \$5,186.70 | \$3,416.67 | \$1,770.03 | \$5,936.70 | \$4,166.67 | \$1,770.03 | \$750.00 | 14.5% |
| 750 | 150,000 | \$18,772.84 | \$12,812.50 | \$5,960.34 | \$21,585.34 | \$15,625.00 | \$5,960.34 | \$2,812.50 | 15.0% |
| 1,000 | 200,000 | \$24,948.36 | \$17,083.33 | \$7,865.03 | \$28,698.36 | \$20,833.33 | \$7,865.03 | \$3,750.00 | 15.0% |
| 1,500 | 300,000 | \$37,299.41 | \$25,625.00 | \$11,674.41 | \$42,924.41 | \$31,250.00 | \$11,674.41 | \$5,625.00 | 15.1% |
| 2,500 | 500,000 | \$62,001.49 | \$42,708.33 | \$19,293.16 | \$71,376.49 | \$52,083.33 | \$19,293.16 | \$9,375.00 | 15.1% |

Present Rates: G-32

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$236.43 |
| Transmission Demand Charge | kW x | \$1.27 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.10 |
| Distribution Energy Charge | kWh x | \$0.00889 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00231 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08200

Proposed Rates: G-32

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$236.43 |
| Transmission Demand Charge | kW x | \$1.27 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.10 |
| Distribution Energy Charge | kWh x | \$0.00889 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00231 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.10000

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Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-32 Rate Customers

Hours Use: 300

| Monthly Power | | Present Rates Standard Offer | | | Proposed Rates Standard Offer | | | Increase/(Decrease) | |
|---------------|---------|------------------------------------|-------------|-------------|-------------------------------------|-------------|-------------|---------------------|------------|
| kW | kWh | Total | "Wires" | Total | "Wires" | Total | "Wires" | Amount | % of Total |
| 200 | 60,000 | \$7,305.86 | \$5,125.00 | \$2,180.86 | \$8,430.86 | \$6,250.00 | \$2,180.86 | \$1,125.00 | 15.4% |
| 750 | 225,000 | \$26,719.72 | \$19,218.75 | \$7,500.97 | \$30,938.47 | \$23,437.50 | \$7,500.97 | \$4,218.75 | 15.8% |
| 1,000 | 300,000 | \$35,544.20 | \$25,625.00 | \$9,919.20 | \$41,169.20 | \$31,250.00 | \$9,919.20 | \$5,625.00 | 15.8% |
| 1,500 | 450,000 | \$53,193.16 | \$38,437.50 | \$14,755.66 | \$61,630.66 | \$46,875.00 | \$14,755.66 | \$8,437.50 | 15.9% |
| 2,500 | 750,000 | \$88,491.07 | \$64,062.50 | \$24,428.57 | \$102,553.57 | \$78,125.00 | \$24,428.57 | \$14,062.50 | 15.9% |

Present Rates: G-32

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$236.43 |
| Transmission Demand Charge | kW x | \$1.27 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.10 |
| Distribution Energy Charge | kWh x | \$0.00889 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00231 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08200

Proposed Rates: G-32

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$236.43 |
| Transmission Demand Charge | kW x | \$1.27 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.10 |
| Distribution Energy Charge | kWh x | \$0.00889 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00231 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.10000

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-32 Rate Customers

Hours Use: 400

| Monthly Power | | Present Rates Standard Offer | | | Proposed Rates Standard Offer | | | Increase/(Decrease) | |
|---------------|-----------|------------------------------------|-------------|-------------|-------------------------------------|--------------|-------------|---------------------|------------|
| kW | kWh | Total | "Wires" | Total | "Wires" | Total | "Wires" | Amount | % of Total |
| 200 | 80,000 | \$9,425.03 | \$6,833.33 | \$2,591.70 | \$10,925.03 | \$8,333.33 | \$2,591.70 | \$1,500.00 | 15.9% |
| 750 | 300,000 | \$34,666.59 | \$25,625.00 | \$9,041.59 | \$40,291.59 | \$31,250.00 | \$9,041.59 | \$5,625.00 | 16.2% |
| 1,000 | 400,000 | \$46,140.03 | \$34,166.67 | \$11,973.36 | \$53,640.03 | \$41,666.67 | \$11,973.36 | \$7,500.00 | 16.3% |
| 1,500 | 600,000 | \$69,086.91 | \$51,250.00 | \$17,836.91 | \$80,336.91 | \$62,500.00 | \$17,836.91 | \$11,250.00 | 16.3% |
| 2,500 | 1,000,000 | \$114,980.66 | \$85,416.67 | \$29,563.99 | \$133,730.66 | \$104,166.67 | \$29,563.99 | \$18,750.00 | 16.3% |

Present Rates: G-32

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$236.43 |
| Transmission Demand Charge | kW x | \$1.27 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.10 |
| Distribution Energy Charge | kWh x | \$0.00889 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00231 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08200

Proposed Rates: G-32

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$236.43 |
| Transmission Demand Charge | kW x | \$1.27 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.10 |
| Distribution Energy Charge | kWh x | \$0.00889 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00231 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.10000

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Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-32 Rate Customers

Hours Use: 500

| Monthly Power | | Present Rates Standard Offer | | | Proposed Rates Standard Offer | | | Increase/(Decrease) | |
|---------------|-----------|------------------------------------|--------------|-------------|-------------------------------------|--------------|-------------|---------------------|------------|
| kW | kWh | Total | "Wires" | Total | "Wires" | Total | "Wires" | Amount | % of Total |
| 200 | 100,000 | \$11,544.20 | \$8,541.67 | \$3,002.53 | \$13,419.20 | \$10,416.67 | \$3,002.53 | \$1,875.00 | 16.2% |
| 750 | 375,000 | \$42,613.47 | \$32,031.25 | \$10,582.22 | \$49,644.72 | \$39,062.50 | \$10,582.22 | \$7,031.25 | 16.5% |
| 1,000 | 500,000 | \$56,735.86 | \$42,708.33 | \$14,027.53 | \$66,110.86 | \$52,083.33 | \$14,027.53 | \$9,375.00 | 16.5% |
| 1,500 | 750,000 | \$84,980.66 | \$64,062.50 | \$20,918.16 | \$99,043.16 | \$78,125.00 | \$20,918.16 | \$14,062.50 | 16.5% |
| 2,500 | 1,250,000 | \$141,470.24 | \$106,770.83 | \$34,699.41 | \$164,907.74 | \$130,208.33 | \$34,699.41 | \$23,437.50 | 16.6% |

Present Rates: G-32

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$236.43 |
| Transmission Demand Charge | kW x | \$1.27 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.10 |
| Distribution Energy Charge | kWh x | \$0.00889 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00231 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08200

Proposed Rates: G-32

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$236.43 |
| Transmission Demand Charge | kW x | \$1.27 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.10 |
| Distribution Energy Charge | kWh x | \$0.00889 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00231 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.10000

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-32 Rate Customers

Hours Use: 600

| Monthly Power | | Present Rates Standard Offer | | | Proposed Rates Standard Offer | | | Increase/(Decrease) | |
|---------------|-----------|------------------------------------|--------------|-------------|-------------------------------------|--------------|-------------|---------------------|------------|
| kW | kWh | Total | "Wires" | Total | "Wires" | Total | "Wires" | Amount | % of Total |
| 200 | 120,000 | \$13,663.36 | \$10,250.00 | \$3,413.36 | \$15,913.36 | \$12,500.00 | \$3,413.36 | \$2,250.00 | 16.5% |
| 750 | 450,000 | \$50,560.34 | \$38,437.50 | \$12,122.84 | \$58,997.84 | \$46,875.00 | \$12,122.84 | \$8,437.50 | 16.7% |
| 1,000 | 600,000 | \$67,331.70 | \$51,250.00 | \$16,081.70 | \$78,581.70 | \$62,500.00 | \$16,081.70 | \$11,250.00 | 16.7% |
| 1,500 | 900,000 | \$100,874.41 | \$76,875.00 | \$23,999.41 | \$117,749.41 | \$93,750.00 | \$23,999.41 | \$16,875.00 | 16.7% |
| 2,500 | 1,500,000 | \$167,959.82 | \$128,125.00 | \$39,834.82 | \$196,084.82 | \$156,250.00 | \$39,834.82 | \$28,125.00 | 16.7% |

Present Rates: G-32

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$236.43 |
| Transmission Demand Charge | kW x | \$1.27 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.10 |
| Distribution Energy Charge | kWh x | \$0.00889 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00231 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08200

Proposed Rates: G-32

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$236.43 |
| Transmission Demand Charge | kW x | \$1.27 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.10 |
| Distribution Energy Charge | kWh x | \$0.00889 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00231 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.10000

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-62 Rate Customers

Hours Use: 200

| Monthly Power | | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|---------------|-----------|---------------|----------------|--------------|----------------|----------------|--------------|---------------------|------------|
| kW | kWh | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 3,000 | 600,000 | \$87,625.75 | \$51,250.00 | \$36,375.75 | \$98,875.75 | \$62,500.00 | \$36,375.75 | \$11,250.00 | 12.8% |
| 5,000 | 1,000,000 | \$134,154.92 | \$85,416.67 | \$48,738.25 | \$152,904.92 | \$104,166.67 | \$48,738.25 | \$18,750.00 | 14.0% |
| 7,500 | 1,500,000 | \$192,316.38 | \$128,125.00 | \$64,191.38 | \$220,441.38 | \$156,250.00 | \$64,191.38 | \$28,125.00 | 14.6% |
| 10,000 | 2,000,000 | \$250,477.83 | \$170,833.33 | \$79,644.50 | \$287,977.83 | \$208,333.33 | \$79,644.50 | \$37,500.00 | 15.0% |
| 20,000 | 4,000,000 | \$483,123.67 | \$341,666.67 | \$141,457.00 | \$558,123.67 | \$416,666.67 | \$141,457.00 | \$75,000.00 | 15.5% |

Present Rates: G-62

| | | |
|--------------------------------|-------|-------------|
| Customer Charge | | \$17,118.72 |
| Transmission Demand Charge | kW x | \$1.39 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.34 |
| Distribution Energy Charge | kWh x | \$0.00000 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00212 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08200

Proposed Rates: G-62

| | | |
|--------------------------------|-------|-------------|
| Customer Charge | | \$17,118.72 |
| Transmission Demand Charge | kW x | \$1.39 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.34 |
| Distribution Energy Charge | kWh x | \$0.00000 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00212 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.10000

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Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-62 Rate Customers

Hours Use: 300

| Monthly Power | | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|---------------|-----------|---------------|----------------|--------------|----------------|----------------|--------------|---------------------|------------|
| kW | kWh | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 3,000 | 900,000 | \$116,694.50 | \$76,875.00 | \$39,819.50 | \$133,569.50 | \$93,750.00 | \$39,819.50 | \$16,875.00 | 14.5% |
| 5,000 | 1,500,000 | \$182,602.83 | \$128,125.00 | \$54,477.83 | \$210,727.83 | \$156,250.00 | \$54,477.83 | \$28,125.00 | 15.4% |
| 7,500 | 2,250,000 | \$264,988.25 | \$192,187.50 | \$72,800.75 | \$307,175.75 | \$234,375.00 | \$72,800.75 | \$42,187.50 | 15.9% |
| 10,000 | 3,000,000 | \$347,373.67 | \$256,250.00 | \$91,123.67 | \$403,623.67 | \$312,500.00 | \$91,123.67 | \$56,250.00 | 16.2% |
| 20,000 | 6,000,000 | \$676,915.33 | \$512,500.00 | \$164,415.33 | \$789,415.33 | \$625,000.00 | \$164,415.33 | \$112,500.00 | 16.6% |

Present Rates: G-62

| | | |
|--------------------------------|-------|-------------|
| Customer Charge | | \$17,118.72 |
| Transmission Demand Charge | kW x | \$1.39 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.34 |
| Distribution Energy Charge | kWh x | \$0.00000 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00212 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08200

Proposed Rates: G-62

| | | |
|--------------------------------|-------|-------------|
| Customer Charge | | \$17,118.72 |
| Transmission Demand Charge | kW x | \$1.39 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.34 |
| Distribution Energy Charge | kWh x | \$0.00000 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00212 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.10000

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Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-62 Rate Customers

Hours Use: 400

| Monthly Power | | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|---------------|-----------|---------------|----------------|--------------|----------------|----------------|--------------|---------------------|------------|
| kW | kWh | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 3,000 | 1,200,000 | \$145,763.25 | \$102,500.00 | \$43,263.25 | \$168,263.25 | \$125,000.00 | \$43,263.25 | \$22,500.00 | 15.4% |
| 5,000 | 2,000,000 | \$231,050.75 | \$170,833.33 | \$60,217.42 | \$268,550.75 | \$208,333.33 | \$60,217.42 | \$37,500.00 | 16.2% |
| 7,500 | 3,000,000 | \$337,660.13 | \$256,250.00 | \$81,410.13 | \$393,910.13 | \$312,500.00 | \$81,410.13 | \$56,250.00 | 16.7% |
| 10,000 | 4,000,000 | \$444,269.50 | \$341,666.67 | \$102,602.83 | \$519,269.50 | \$416,666.67 | \$102,602.83 | \$75,000.00 | 16.9% |
| 20,000 | 8,000,000 | \$870,707.00 | \$683,333.33 | \$187,373.67 | \$1,020,707.00 | \$833,333.33 | \$187,373.67 | \$150,000.00 | 17.2% |

Present Rates: G-62

| | | |
|--------------------------------|-------|-------------|
| Customer Charge | | \$17,118.72 |
| Transmission Demand Charge | kW x | \$1.39 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.34 |
| Distribution Energy Charge | kWh x | \$0.00000 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00212 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.08200

Proposed Rates: G-62

| | | |
|--------------------------------|-------|-------------|
| Customer Charge | | \$17,118.72 |
| Transmission Demand Charge | kW x | \$1.39 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.34 |
| Distribution Energy Charge | kWh x | \$0.00000 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00212 |

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.10000

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-62 Rate Customers

Hours Use: 500

| Monthly Power | | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|---------------|------------|----------------|----------------|--------------|----------------|----------------|--------------|---------------------|------------|
| kW | kWh | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 3,000 | 1,500,000 | \$174,832.00 | \$128,125.00 | \$46,707.00 | \$202,957.00 | \$156,250.00 | \$46,707.00 | \$28,125.00 | 16.1% |
| 5,000 | 2,500,000 | \$279,498.67 | \$213,541.67 | \$65,957.00 | \$326,373.67 | \$260,416.67 | \$65,957.00 | \$46,875.00 | 16.8% |
| 7,500 | 3,750,000 | \$410,332.00 | \$320,312.50 | \$90,019.50 | \$480,644.50 | \$390,625.00 | \$90,019.50 | \$70,312.50 | 17.1% |
| 10,000 | 5,000,000 | \$541,165.33 | \$427,083.33 | \$114,082.00 | \$634,915.33 | \$520,833.33 | \$114,082.00 | \$93,750.00 | 17.3% |
| 20,000 | 10,000,000 | \$1,064,498.67 | \$854,166.67 | \$210,332.00 | \$1,251,998.67 | \$1,041,666.67 | \$210,332.00 | \$187,500.00 | 17.6% |

Present Rates: G-62

| | | |
|--------------------------------|-------|-------------|
| Customer Charge | | \$17,118.72 |
| Transmission Demand Charge | kW x | \$1.39 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.34 |
| Distribution Energy Charge | kWh x | \$0.00000 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00212 |
| Gross Earnings Tax | | 4% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: G-62

| | | |
|--------------------------------|-------|-------------|
| Customer Charge | | \$17,118.72 |
| Transmission Demand Charge | kW x | \$1.39 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.34 |
| Distribution Energy Charge | kWh x | \$0.00000 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00212 |
| Gross Earnings Tax | | 4% |
| Standard Offer Charge | kWh x | \$0.10000 |

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on G-62 Rate Customers

Hours Use: 600

| Monthly Power | | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | |
|---------------|------------|----------------|----------------|--------------|----------------|----------------|--------------|---------------------|------------|
| kW | kWh | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total |
| 3,000 | 1,800,000 | \$203,900.75 | \$153,750.00 | \$50,150.75 | \$237,650.75 | \$187,500.00 | \$50,150.75 | \$33,750.00 | 16.6% |
| 5,000 | 3,000,000 | \$327,946.58 | \$256,250.00 | \$71,696.58 | \$384,196.58 | \$312,500.00 | \$71,696.58 | \$56,250.00 | 17.2% |
| 7,500 | 4,500,000 | \$483,003.88 | \$384,375.00 | \$98,628.88 | \$567,378.88 | \$468,750.00 | \$98,628.88 | \$84,375.00 | 17.5% |
| 10,000 | 6,000,000 | \$638,061.17 | \$512,500.00 | \$125,561.17 | \$750,561.17 | \$625,000.00 | \$125,561.17 | \$112,500.00 | 17.6% |
| 20,000 | 12,000,000 | \$1,258,290.33 | \$1,025,000.00 | \$233,290.33 | \$1,483,290.33 | \$1,250,000.00 | \$233,290.33 | \$225,000.00 | 17.9% |

Present Rates: G-62

| | | |
|--------------------------------|-------|-------------|
| Customer Charge | | \$17,118.72 |
| Transmission Demand Charge | kW x | \$1.39 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.34 |
| Distribution Energy Charge | kWh x | \$0.00000 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00212 |
| Gross Earnings Tax | | 4% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: G-62

| | | |
|--------------------------------|-------|-------------|
| Customer Charge | | \$17,118.72 |
| Transmission Demand Charge | kW x | \$1.39 |
| Transmission Adjustment Factor | kWh x | \$0.00239 |
| Distribution Demand Charge | kW x | \$2.34 |
| Distribution Energy Charge | kWh x | \$0.00000 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00212 |
| Gross Earnings Tax | | 4% |
| Standard Offer Charge | kWh x | \$0.10000 |

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on T-06 (Phase-out to A-16) Rate Customers

| Monthly kWh | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | | Number of Custs |
|-------------|---------------|----------------|----------|----------------|----------------|----------|---------------------|------------|-----------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total | |
| 500 | \$65.47 | \$42.71 | \$22.76 | \$74.84 | \$52.08 | \$22.76 | \$9.37 | 14.3% | 59 |
| 1,000 | \$128.07 | \$85.42 | \$42.65 | \$146.82 | \$104.17 | \$42.65 | \$18.75 | 14.6% | 48 |
| 2,000 | \$253.26 | \$170.83 | \$82.43 | \$290.76 | \$208.33 | \$82.43 | \$37.50 | 14.8% | 27 |
| 5,000 | \$628.85 | \$427.08 | \$201.77 | \$722.60 | \$520.83 | \$201.77 | \$93.75 | 14.9% | 29 |
| 10,000 | \$1,254.85 | \$854.17 | \$400.68 | \$1,442.35 | \$1,041.67 | \$400.68 | \$187.50 | 14.9% | 14 |
| 20,000 | \$2,506.82 | \$1,708.33 | \$798.49 | \$2,881.82 | \$2,083.33 | \$798.49 | \$375.00 | 15.0% | 17 |

Present Rates: T-06 (Phase-out to A-16)

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$2.75 |
| Transmission Energy Charge (1) | kWh x | \$0.00600 |
| Distribution Energy Charge | kWh x | \$0.02473 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: T-06 (Phase-out to A-16)

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$2.75 |
| Transmission Energy Charge (2) | kWh x | \$0.00600 |
| Distribution Energy Charge | kWh x | \$0.02473 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00329 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

File: S:\RADATA1\2005 neco\Standard Offer\October 31 Filing\Update - Nov 30\TYPBILLS.SO.XLS\Input Section

Date: 29-Nov-05
Time: 09:32 AM

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Impact on T-06 (Phase-out to C-06) Rate Customers

| Monthly kWh | Present Rates | | | Proposed Rates | | | Increase/(Decrease) | | Number of Custs |
|-------------|---------------|----------------|----------|----------------|----------------|----------|---------------------|------------|-----------------|
| | Total | Standard Offer | "Wires" | Total | Standard Offer | "Wires" | Amount | % of Total | |
| 500 | \$68.92 | \$42.71 | \$26.21 | \$78.29 | \$52.08 | \$26.21 | \$9.37 | 13.6% | 2 |
| 1,000 | \$131.59 | \$85.42 | \$46.17 | \$150.34 | \$104.17 | \$46.17 | \$18.75 | 14.2% | 6 |
| 2,000 | \$256.91 | \$170.83 | \$86.08 | \$294.41 | \$208.33 | \$86.08 | \$37.50 | 14.6% | 13 |
| 5,000 | \$632.91 | \$427.08 | \$205.83 | \$726.66 | \$520.83 | \$205.83 | \$93.75 | 14.8% | 14 |
| 10,000 | \$1,259.59 | \$854.17 | \$405.42 | \$1,447.09 | \$1,041.67 | \$405.42 | \$187.50 | 14.9% | 13 |
| 20,000 | \$2,512.91 | \$1,708.33 | \$804.58 | \$2,887.91 | \$2,083.33 | \$804.58 | \$375.00 | 14.9% | 27 |

Present Rates: T-06 (Phase-out to C-06)

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$6.00 |
| Transmission Energy Charge (1) | kWh x | \$0.00600 |
| Distribution Energy Charge | kWh x | \$0.02522 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00365 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.08200 |

Proposed Rates: T-06 (Phase-out to C-06)

| | | |
|--------------------------------|-------|------------|
| Customer Charge | | \$6.00 |
| Transmission Energy Charge (2) | kWh x | \$0.00600 |
| Distribution Energy Charge | kWh x | \$0.02522 |
| Transition Energy Charge | kWh x | \$0.00845 |
| C&LM Adjustment | kWh x | \$0.00230 |
| S.O. Adj. | kWh x | \$0.00000 |
| Customer Credit | kWh x | -\$0.00365 |
| Gross Earnings Tax | | 4.00% |
| Standard Offer Charge | kWh x | \$0.10000 |

Note (1): Includes Transmission Adjustment Factor of \$.00239/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00239/kWh.

Testimony of
Michael J. Hager

DIRECT TESTIMONY
OF
MICHAEL J. HAGER

DIRECT TESTIMONY
OF
MICHAEL J. HAGER

1 **I. Introduction**

2 Q. Please state your name and business address.

3 A. Michael J. Hager, 55 Bearfoot Road, Northborough, Massachusetts 01532.

4

5 Q. Please state your position.

6 A. I am the Vice President, Energy Supply – New England for National Grid. I am
7 responsible for, among other things, all power procurement and related activities for the
8 New England distribution companies of National Grid including The Narragansett
9 Electric Company (“Narragansett” or “Company”). These activities include the
10 procurement of power for Standard Offer Service and Last Resort Service.

11

12 Q. Have you previously filed testimony in this proceeding?

13 A. Yes, I have. My pre-filed testimony was submitted with the initial filing in this docket on
14 October 31, 2005.

15

16 **II. Purpose of Testimony**

17 Q. What is the purpose of your testimony?

18 A. The purpose of my testimony is to provide an update of the estimated costs Narragansett
19 expects to incur under its Standard Offer supply contracts for the period October 2005
20 through December 2006.

21

22

23

1 **III. Fuel Index Estimate for the Period October 2005 through December 2006**

2 Q. Has the Company updated its estimate of expected costs under the fuel index adjustment
3 provisions for the period October 2005 through December 2006?

4 A. Yes. The Company has estimated its expected costs under the fuel index adjustment
5 provisions using average natural gas and crude oil prices as reported in The Wall Street
6 Journal on November 21, 2005, November 22, 2005 and November 23, 2005. The
7 Company has also estimated its expected costs using average natural gas and crude oil
8 prices as reported for the period November 1, 2005 through November 23, 2005. This
9 latter analysis was performed to determine if using average fuel costs over a broader
10 period would result in a meaningful change in the expected cost value.

11

12 Q. What natural gas and oil prices were used in the current estimate?

13 A. Exhibits MJH-1 and MJH-2 provide the natural gas and oil values used in the analysis.

14

15 Q. What are the resulting fuel index trigger payments?

16 A. Exhibits MJH-3 and MJH-4 provide the resulting fuel index adjustment payments from
17 the analysis. The analysis shows that using the November 21, 22 and 23 fuel prices; the
18 Company would pay an arithmetic average fuel index adjustment payment for the period
19 January 2006 through September 2006 of 4.969¢/kWh for the Narragansett Zone load
20 which corresponds to an arithmetic average of 3.677¢/kWh applicable to both zones. The
21 fuel index adjustment is not applicable for the EUA Zone load in this period. The
22 analysis shows that using the November 1 through November 23 fuel prices, the
23 Company would pay an arithmetic average fuel index adjustment payment for the period

1 January 2006 through September 2006 of 5.025¢/kWh for the Narragansett Zone load
2 which corresponds to an arithmetic average of 3.718¢/kWh applicable to both zones. The
3 fuel index adjustment is not applicable for the EUA Zone load in this period.
4

5 Q. Can you provide the details of the current fuel index adjustment provision calculations?

6 A. Yes. Detailed calculations are provided in Exhibit MJH-5.
7

8 Q. Why is the Company basing its rate on the three day average method?

9 A. The Company believes it is the best information we have to project what actual costs are
10 likely to be. I know of no other forecasting method that is likely to produce a more
11 accurate result.
12

13 The goal is to use a forecast of future gas and oil prices that will accurately reflect the
14 prices that will actually be used in the fuel trigger calculation in the future. There is no
15 method that will produce such a forecast with true certainty. The best indicator of what
16 these prices will be in the future is the current futures market prices. Since the fuel trigger
17 calculation uses a three day average price, using a three day average of the most recent
18 futures prices is consistent with the method that will be used in that actual calculation
19 versus a method that averages prices over a longer period. We do not believe that
20 averaging prices over a longer period provides a better estimate of actual future prices
21 than the three day average method. Averaging over a longer period produces a muted
22 price that may not reflect the most recent prices. In a rising market, longer average
23 periods produce lower costs than would actually be experienced while in a falling market

1 the longer averaging period will produce a higher price than would actually be
2 experienced.

3
4 As indicated in my testimony, however, I did test the recent three day average against an
5 average of all the trading days in the month of November. Using the average of all
6 trading days results in a slightly higher fuel value than the last three days. Thus, at a
7 minimum, this would seem to indicate that the last three days are unlikely to be
8 overstating market prices.

9
10 For all these reasons, the Company is using the three day average to project its costs.

11
12 **IV. Conclusion**

13 Q. Does this conclude your testimony?

14 A. Yes, it does.

Exhibits of
Michael J. Hager

Gas and Oil Values
Used in Company's Analysis
November 21, 2005, November 22, 2005 and November 23, 2005
(\$/mmBtu)

| Month | Gas Index | Oil Index |
|--------------|------------------|------------------|
| Sep-05 | 10.136 | 8.04 |
| Oct-05 | 13.001 | 7.92 |
| Nov-05 | 14.070 | 7.41 |
| Dec-05 | 11.515 | 6.79 |
| Jan-06 | 11.993 | 7.06 |
| Feb-06 | 12.091 | 7.14 |
| Mar-06 | 11.926 | 7.19 |
| Apr-06 | 10.190 | 7.22 |
| May-06 | 10.050 | 7.25 |
| Jun-06 | 10.084 | 7.27 |
| Jul-06 | 10.129 | 7.27 |
| Aug-06 | 10.170 | 7.28 |
| Sep-06 | 10.169 | 7.30 |
| Oct-06 | 10.217 | 7.30 |
| Nov-06 | 10.692 | 7.30 |
| Dec-06 | 11.167 | 7.24 |

**Gas and Oil Values
Used in Company's Analysis
November 1, 2005 through November 23, 2005
(\$/mmBtu)**

| Month | Gas Index | Oil Index |
|--------------|------------------|------------------|
| Sep-05 | 10.136 | 8.04 |
| Oct-05 | 13.001 | 7.92 |
| Nov-05 | 14.070 | 7.41 |
| Dec-05 | 11.687 | 6.79 |
| Jan-06 | 12.316 | 7.17 |
| Feb-06 | 12.350 | 7.24 |
| Mar-06 | 12.123 | 7.27 |
| Apr-06 | 10.154 | 7.30 |
| May-06 | 9.965 | 7.32 |
| Jun-06 | 9.996 | 7.33 |
| Jul-06 | 10.043 | 7.33 |
| Aug-06 | 10.085 | 7.34 |
| Sep-06 | 10.076 | 7.34 |
| Oct-06 | 10.123 | 7.34 |
| Nov-06 | 10.592 | 7.34 |
| Dec-06 | 11.055 | 7.33 |

**Summary of Additional Payments Estimated to be
Made Pursuant to the Fuel Index Adjustment Provisions
Based on November 21-23, 2005 Fuel Costs
(Cents/kWh)**

| Month | Narragansett Zone | EUA Zone |
|--------------|------------------------------|---------------------|
| Oct-05 | 3.155 | n/a |
| Nov-05 | 3.606 | n/a |
| Dec-05 | 3.965 | n/a |
| Jan-06 | 3.890 | n/a |
| Feb-06 | 4.288 | n/a |
| Mar-06 | 4.649 | n/a |
| Apr-06 | 4.856 | n/a |
| May-06 | 5.069 | n/a |
| Jun-06 | 5.298 | n/a |
| Jul-06 | 5.475 | n/a |
| Aug-06 | 5.613 | n/a |
| Sep-06 | 5.577 | n/a |
| Oct-06 | 5.407 | n/a |
| Nov-06 | 5.233 | n/a |
| Dec-06 | 5.241 | n/a |

**Summary of Additional Payments Estimated to be
Made Pursuant to the Fuel Index Adjustment Provisions
Based on November 1-23, 2005 Fuel Costs
(Cents/kWh)**

| Month | Narragansett Zone | EUA Zone |
|--------------|------------------------------|---------------------|
| Oct-05 | 3.155 | n/a |
| Nov-05 | 3.606 | n/a |
| Dec-05 | 3.974 | n/a |
| Jan-06 | 3.920 | n/a |
| Feb-06 | 4.336 | n/a |
| Mar-06 | 4.712 | n/a |
| Apr-06 | 4.921 | n/a |
| May-06 | 5.133 | n/a |
| Jun-06 | 5.360 | n/a |
| Jul-06 | 5.536 | n/a |
| Aug-06 | 5.672 | n/a |
| Sep-06 | 5.634 | n/a |
| Oct-06 | 5.462 | n/a |
| Nov-06 | 5.285 | n/a |
| Dec-06 | 5.280 | n/a |

Prices published in WSJ on: 21-Nov-05 22-Nov-05 23-Nov-05

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 | | | | |
| 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 | \$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 | \$14.338 | \$14.040 | \$13.832 | \$14.070 | \$8.195 | n/a | Nov-05 |
| Dec-05 | Nov-05 | \$11.331 | \$11.614 | \$11.600 | \$11.515 | \$8.556 | n/a | Dec-05 |
| Jan-06 | Dec-05 | \$11.870 | \$12.059 | \$12.050 | \$11.993 | \$9.027 | n/a | Jan-06 |
| Feb-06 | Jan-06 | \$11.985 | \$12.159 | \$12.130 | \$12.091 | \$9.504 | n/a | Feb-06 |
| Mar-06 | Feb-06 | \$11.830 | \$11.999 | \$11.950 | \$11.926 | \$9.978 | n/a | Mar-06 |
| Apr-06 | Mar-06 | \$10.100 | \$10.249 | \$10.220 | \$10.190 | \$10.234 | n/a | Apr-06 |
| May-06 | Apr-06 | \$9.960 | \$10.109 | \$10.080 | \$10.050 | \$10.487 | n/a | May-06 |
| Jun-06 | May-06 | \$9.993 | \$10.144 | \$10.115 | \$10.084 | \$10.806 | n/a | Jun-06 |
| Jul-06 | Jun-06 | \$10.038 | \$10.189 | \$10.160 | \$10.129 | \$11.053 | n/a | Jul-06 |
| Aug-06 | Jul-06 | \$10.081 | \$10.229 | \$10.200 | \$10.170 | \$11.280 | n/a | Aug-06 |
| Sep-06 | Aug-06 | \$10.081 | \$10.229 | \$10.197 | \$10.169 | \$11.282 | n/a | Sep-06 |
| Oct-06 | Sep-06 | \$10.129 | \$10.277 | \$10.245 | \$10.217 | \$11.050 | n/a | Oct-06 |
| Nov-06 | Oct-06 | \$10.604 | \$10.752 | \$10.720 | \$10.692 | \$10.769 | n/a | Nov-06 |
| Dec-06 | Nov-06 | \$11.079 | \$11.227 | \$11.195 | \$11.167 | \$10.740 | 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 - Nov-05)
- Settlement price as reported in the Wall Street Journal on 11-21-05 (Dec-05 - Dec-06)
- Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Nov-05)
- Settlement price as reported in the Wall Street Journal on 11-22-05 (Dec-05 - Dec-06)
- Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Nov-05)
- Settlement price as reported in the Wall Street Journal on 11-23-05 (Dec-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.

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 | 21-Nov-05 | 22-Nov-05 | 23-Nov-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 | <=Oct 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 | <=Nov 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 | <=Dec 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 | <=Jan 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 | <=Feb 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 | <=Mar 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 | <=Apr 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 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 | 46.80 | <=Jun closing from WSJ on 05/20/05 |
| Jul-05 | Jul-05 | 844.35 | 20 | 6.3 | 6.70 | 5.26 | n/a | 59.3700 | 59.37 | 59.37 | 59.37 | 59.37 | <=Jul closing from WSJ on 06/22/05 |
| Aug-05 | Aug-05 | 1048.35 | 23 | 6.3 | 7.23 | 5.50 | n/a | 57.4600 | 57.46 | 57.46 | 57.46 | 57.46 | <=Aug 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 | 65.45 | <=Sep closing from WSJ on 08/22/05 |
| Oct-05 | Oct-05 | 1048.35 | 21 | 6.3 | 7.92 | 6.02 | n/a | 66.2300 | 66.23 | 66.23 | 66.23 | 66.23 | <=Oct closing from WSJ on 09/20/05 |
| Nov-05 | Nov-05 | 794.00 | 17 | 6.3 | 7.41 | 6.26 | n/a | 61.3000 | 61.30 | 61.30 | 61.30 | 61.30 | <=Nov closing from WSJ on 10/20/05 |
| Dec-05 | Dec-05 | 56.14 | | | 6.79 | 6.50 | n/a | 56.1400 | 56.14 | 56.14 | 56.14 | 56.14 | <=Dec closing from WSJ on 11/18/05 |
| Jan-06 | Jan-06 | 58.42 | | | 7.06 | 6.69 | n/a | 58.4167 | 57.70 | 58.84 | 58.84 | 58.71 | |
| Feb-06 | Feb-06 | 59.02 | | | 7.14 | 6.88 | n/a | 59.0167 | 58.39 | 59.41 | 59.41 | 59.25 | |
| Mar-06 | Mar-06 | 59.41 | | | 7.19 | 7.01 | n/a | 59.4133 | 58.86 | 59.78 | 59.78 | 59.60 | |
| Apr-06 | Apr-06 | 59.72 | | | 7.22 | 7.10 | n/a | 59.7167 | 59.22 | 60.07 | 60.07 | 59.86 | |
| May-06 | May-06 | 59.93 | | | 7.25 | 7.20 | n/a | 59.9333 | 59.48 | 60.27 | 60.27 | 60.05 | |
| Jun-06 | Jun-06 | 60.10 | | | 7.27 | 7.27 | n/a | 60.1000 | 59.68 | 60.42 | 60.42 | 60.20 | |
| Jul-06 | Jul-06 | 60.10 | | | 7.27 | 7.32 | n/a | 60.1000 | 59.68 | 60.42 | 60.42 | 60.20 | |
| Aug-06 | Aug-06 | 60.23 | | | 7.28 | 7.32 | n/a | 60.2333 | 59.91 | 60.42 | 60.42 | 60.37 | |
| Sep-06 | Sep-06 | 60.33 | | | 7.30 | 7.26 | n/a | 60.3300 | 59.98 | 60.64 | 60.64 | 60.37 | |
| Oct-06 | Oct-06 | 60.33 | | | 7.30 | 7.21 | n/a | 60.3300 | 59.98 | 60.64 | 60.64 | 60.37 | |
| Nov-06 | Nov-06 | 60.35 | | | 7.30 | 7.20 | n/a | 60.3500 | 60.04 | 60.64 | 60.64 | 60.37 | |
| Dec-06 | Dec-06 | 60.36 | | | 7.30 | 7.24 | n/a | 60.3567 | 60.03 | 60.63 | 60.63 | 60.41 | |

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 - Nov-05)
 - Nov-05 Final Crude oil contract price as reported in the Wall Street Journal on 20-Oct-05
 - average of Crude oil contract prices as reported in the Wall Street Journal on 11-21-05, 11-22-05 & 11-23-05
- 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 - Nov-05)
 - Current month value Col. HH * Nov-05 value in Col KK/ 61.30 (Dec-05 - Dec-06)
 - Where 61.30 represents the Nov-05 closing value from the WSJ 20-Oct-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)

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 | \$5.0723 | \$11.5278 | \$8.48 | 1.33419 | n/a | n/a | n/a | n/a | n/a | 1.838 | n/a | 1.360 |
| Jul-05 | \$6.5248 | \$5.2630 | \$11.7878 | \$8.48 | 1.36269 | n/a | n/a | n/a | n/a | n/a | 1.995 | n/a | 1.476 |
| Aug-05 | \$6.6460 | \$5.4978 | \$12.1438 | \$8.48 | 1.40173 | n/a | n/a | n/a | n/a | n/a | 2.210 | n/a | 1.635 |
| Sep-05 | \$7.0582 | \$5.8011 | \$12.8593 | \$8.48 | 1.48018 | n/a | n/a | n/a | n/a | n/a | 2.641 | n/a | 1.954 |
| Oct-05 | \$7.6867 | \$6.0247 | \$13.7113 | \$8.48 | 1.57361 | n/a | n/a | n/a | n/a | n/a | 3.155 | n/a | 2.335 |
| Nov-05 | \$8.1948 | \$6.2641 | \$14.4589 | \$8.48 | 1.65558 | n/a | n/a | n/a | n/a | n/a | 3.606 | n/a | 2.668 |
| Dec-05 | \$8.5563 | \$6.4982 | \$15.0545 | \$8.48 | 1.72089 | n/a | n/a | n/a | n/a | n/a | 3.965 | n/a | 2.934 |
| Jan-06 | \$9.0268 | \$6.6941 | \$15.7209 | \$9.22 | 1.65932 | n/a | n/a | n/a | n/a | n/a | 3.890 | n/a | 2.879 |
| Feb-06 | \$9.5044 | \$6.8818 | \$16.3863 | \$9.22 | 1.72680 | n/a | n/a | n/a | n/a | n/a | 4.288 | n/a | 3.173 |
| Mar-06 | \$9.9784 | \$7.0118 | \$16.9902 | \$9.22 | 1.78805 | n/a | n/a | n/a | n/a | n/a | 4.649 | n/a | 3.441 |
| Apr-06 | \$10.2335 | \$7.1026 | \$17.3361 | \$9.22 | 1.82313 | n/a | n/a | n/a | n/a | n/a | 4.856 | n/a | 3.594 |
| May-06 | \$10.4871 | \$7.2046 | \$17.6917 | \$9.22 | 1.85920 | n/a | n/a | n/a | n/a | n/a | 5.069 | n/a | 3.751 |
| Jun-06 | \$10.8055 | \$7.2691 | \$18.0746 | \$9.22 | 1.89803 | n/a | n/a | n/a | n/a | n/a | 5.298 | n/a | 3.921 |
| Jul-06 | \$11.0531 | \$7.3163 | \$18.3695 | \$9.22 | 1.92794 | n/a | n/a | n/a | n/a | n/a | 5.475 | n/a | 4.051 |
| Aug-06 | \$11.2796 | \$7.3205 | \$18.6001 | \$9.22 | 1.95133 | n/a | n/a | n/a | n/a | n/a | 5.613 | n/a | 4.153 |
| Sep-06 | \$11.2823 | \$7.2586 | \$18.5410 | \$9.22 | 1.94533 | n/a | n/a | n/a | n/a | n/a | 5.577 | n/a | 4.127 |
| Oct-06 | \$11.0503 | \$7.2063 | \$18.2567 | \$9.22 | 1.91650 | n/a | n/a | n/a | n/a | n/a | 5.407 | n/a | 4.001 |
| Nov-06 | \$10.7688 | \$7.1967 | \$17.9656 | \$9.22 | 1.88698 | n/a | n/a | n/a | n/a | n/a | 5.233 | n/a | 3.873 |
| Dec-06 | \$10.7398 | \$7.2392 | \$17.9791 | \$9.22 | 1.88834 | n/a | n/a | n/a | n/a | n/a | 5.241 | n/a | 3.879 |

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 11-21-05, 11-22-05 & 11-23-05