

DE 02-007

GRANITE STATE ELECTRIC COMPANY

Transition Service Filing

Order Approving Settlement Agreement

O R D E R N O. 23,966

May 8, 2002

APPEARANCES: Seth Shortlidge, Esquire, of Gallagher, Callahan & Gartrell, for Granite State Electric Company; Andrew Katz, Esquire, for Constellation Power Source; James Rodier, Esquire, for Freedom Energy Partners; Michael Giaimo for the Business & Industry Association; Wynn Arnold, Assistant Attorney General, of the New Hampshire Office of Attorney General, for the Governor's Office of Energy & Community Service; Michael Holmes, Esquire, of the Office of Consumer Advocate, for New Hampshire Ratepayers; and Lynmarie Cusack, Esquire, for the Staff of the New Hampshire Public Utilities Commission.

I. PROCEDURAL HISTORY

On January 15, 2002, Granite State Electric Company (GSEC or Company) filed with the New Hampshire Public Utilities Commission (Commission) a request for an extension and/or modification of its transition service offering. In the filing, the Company presented the Commission with two alternatives for service to customers remaining on transition service at the expiration of the current transition service offering. The alternatives are explained in detail in the letter filing, the testimony of GSEC representatives, and Commission Order No. 23,937 (March 18, 2002).

On February 12, 2002, the Commission issued an Order of Notice establishing a Prehearing Conference, which was held at the Commission on March 5, 2002. On February 14, 2002, the Office of Consumer Advocate (OCA) filed its intent to participate in this docket. Constellation Power Source (Constellation), the Business and Industry Association (BIA), Freedom Energy, and the Governor's Office of Energy and Community Service (GOECS) filed motions for intervention. At the Prehearing Conference, Public Service Company of New Hampshire expressed its desire to monitor the case. On March 18, 2002, the Commission issued Order No. 23,937, setting forth the preliminary positions of the parties, granting the motions for intervention, and establishing a procedural schedule for the efficient progression of this docket.

During the course of the proceeding, Commission Staff and GOECS requested discovery of both GSEC and Constellation. As a result of discovery production, on March 18, 2002, GSEC filed a Motion for Confidential Treatment regarding certain information contained in GSEC affiliate agreements. On April 19, 2002, pursuant to RSA 91-A:5,IV and Admin. Rules Puc 204.06, the Commission granted GSEC's request for confidential treatment in Order No. 23,953.

On April 17, 2002, Constellation filed a motion requesting the Commission delegate authority to the Executive Director to contingently approve the application for registration of Constellation as a Competitive Electric Power Supplier (CEPS) in the State of New Hampshire. This document was submitted so Constellation would be registered as a retail CEPS if the need arose.

In an effort to reach a settlement in this proceeding, the Parties and Staff met in Technical Sessions and Settlement Conferences on March 5, 2002, March 22, 2002, and April 3, 2002. Settlement was reached among the Parties and Staff and on April 12, 2002, the Company filed with the Commission a Comprehensive Settlement Agreement.

In anticipation of the scheduled hearing in this docket, written testimony was filed by Mr. James Rodier, on behalf of Freedom Energy, on April 15, 2002, and by Constellation on April 17, 2002. Constellation's testimony reflected support of the transition service extension proposal, the transition service pricing provided by Constellation, and its belief that the proposed Settlement Agreement represents a fair and reasonable resolution of the docket.

The testimony of Mr. Rodier indicates his support of the Settlement Agreement, with the exception of Section 11.d which provides for the pricing treatment of G-1 customers. Mr. Rodier asserts that, as written, Section 11.d "will not achieve its intended purpose of increasing the Transition Service price for Rate G-1 customers, if necessary, to a price consistent with future market conditions since it is very unlikely that it would ever be implemented by the Commission." Rodier Testimony at para. 2.

A panel of witnesses from GSEC and Constellation testified regarding the Settlement Agreement at the hearing held on April 18, 2002. The panel members discussed their opinions as to why the prices for transition service in the Settlement Agreement were reasonable and why the Settlement was in the public good.

On April 25, 2002, the Commission issued a written request to GSEC and Constellation for additional evidence to aid in deliberations of the docket. On April 29, 2002, Constellation filed answers to the Commission's request and also requested confidential treatment of answers to Question 1, parts (a), (b) and (c), relating to Exhibit 3 (indicative prices).

Constellation asserts the response to Question 1

contains confidential, commercially sensitive and competitive information that represents the methodology that Constellation employs to calculate its prices for full-service requirements load, public disclosure of which would be harmful to Constellation's competitive position in future wholesale electric supply transaction negotiations.

Also on April 25, 2002, the Executive Director notified the Parties and Staff that the Commission intended to take administrative notice of two documents entitled *Vermont Department of Public Service, Wholesale Electricity Market Price Forecast, Technical Report No. 52* and *Avoided-Energy-Supply-Component Study Group, Updated Avoided-Energy-Supply Costs*. The Secretarial Letter requested that any party desiring to challenge the Administrative Notice do so no later than April 29, 2002. No challenges by any Party were received by the Commission, although Constellation took advantage of the opportunity provided by the Commission in its request to comment on the applicability of the material to the reasonableness of the Settlement Agreement prices.

On May 2, 2002, GSEC filed a letter asking the Commission to supplement Mr. Hager's testimony with default service rates should the Settlement Agreement be approved. The letter indicated that GSEC issued an RFP for Default

Service on a *de minimus* load for the period of July 1, 2002 to April 30, 2003. The letter also indicated that should the Commission not approve the Settlement Agreement, each supplier has the opportunity to terminate the conditional Default Service obligation within three days.

On May 3, 2002, consistent with the terms of the Settlement Agreement, Constellation filed indicative prices with the Commission prior to oral deliberations in the docket. The average prices were as follows:

Residential	5.7¢/kWh
Commercial	5.9¢/kWh
Industrial	5.3¢/kWh

On May 3, 2002, the Commission deliberated on the proposed Settlement Agreement using those indicative prices. Thereafter, the settling Parties, including Mr. Rodier and Staff, proposed, by letter dated May 7, 2002, that the Commission accept an amended settlement.

1. TERMS OF THE APRIL 12, 2002 SETTLEMENT AGREEMENT

The Settlement Agreement reached by the Parties¹ and Staff in this docket provides for the extension of GSEC's transition service from July 1, 2002, through April 30, 2006.

¹ Mr. Rodier did not sign the Agreement given his concerns related to "reopen" provisions for industrial customers found in para. 11.d of the Agreement.

Key elements include:

- i. Transition Service available to all Granite State customers who have not taken service from a competitive supplier, including any future new customers of Granite State, from July 1, 2002 through April 30, 2006;
- ii. Additional protections for low-income customers allowing them to select service from a competitive supplier and return to Transition Service;
- iii. Transition Service supply provided by Constellation at pre-determined prices with annual/seasonal variations designed to provide stability to customers and a benchmark for the formation of the competitive retail supply market;
- iv. A mid-course reevaluation of Transition Service prices to the Company's largest customers, with an opportunity to increase such prices to align them with then-current market conditions to foster development of a competitive market;
- v. The implementation of initiatives designed to foster the creation of a competitive retail supply market; and
- vi. Development of a proposal for a Green Transition Service option.

The Parties agree that Transition Service should be extended through April 30, 2006, for Granite State customers who have not yet chosen a competitive power supplier. The Settlement Agreement also provides for procurement by GSEC of power for Transition Service solely from Constellation from July 1, 2002, through April 30, 2006. The Parties and Staff agree that the Commission has the right to investigate and

make a determination regarding the reasonableness of prices prior to the execution of a Transition Service Supply Contract between GSEC and Constellation. However, it was also agreed that if the Commission fails to approve the Settlement Agreement, the Parties may amend or terminate it, and if they should terminate it, it will be deemed withdrawn.

The Settlement Agreement also proposes that the offering should provide protection for low-income customers whose competitive supply arrangement is terminated by allowing low-income customers to return to GSEC Transition Service after the first such termination rather than being placed on Default Service upon their return.² GOECS argued that low-income customers of GSEC should be afforded the same protections provided to other low-income customers.

At the April 19, 2002 hearing, GSEC indicated that another option it had considered was to continue the existing practice of returning low-income customers to Default Service in the event their supply arrangement is terminated. GSEC argues that this would provide administrative ease for procurement purposes and protection for customers, who would be charged the lower of the Transition Service price or the

² The proposed low-income provision was not fully supported by the GOECS, which advocated for an unlimited number of returns of low-income customers to transition service.

Default Service price. To the extent Default Service prices were lower, the customer would have a lower rate; if Default Service prices were higher, customers would receive protection. See Transcript at p. 30-32.

The Parties and Staff also agreed that Transition Service rates for G-1 customers shall be fixed for the period of July 1, 2002, through June 30, 2004. Rates for the period July 1, 2004, through April 30, 2006, shall be established in accordance with Paragraph 11 of the Agreement. Freedom disagreed with this provision of the Agreement, as stated earlier.

The Parties and Staff further agreed that GSEC would establish, and provide to the Commission quarterly, a revised Transition Service reconciliation provision and adjustment factor that would reflect reconciliation of revenues and expenses as of July 1, 2002, associated with providing Transition Service and other costs, including administrative costs.

Additionally, the Parties and Staff agreed that GSEC and Constellation would facilitate meetings regarding an additional Transition Service product offering that would provide customers with an option that supports renewable energy sources, or Green Transition Service. The meetings

would occur so that a proposal might be developed for GSEC to present to the Commission at a future date.

The Parties and Staff also agreed that GSEC would propose initiatives to stimulate the development of a competitive market. The Settlement Agreement did not purport to advocate for the initiatives that were attached as Exhibit D, but merely indicated that GSEC proposed such an endeavor.

Finally, the Parties and Staff agreed that Constellation would be identified on customer bills as GSEC's Transition Service Supplier, and GSEC agreed to include bill stuffers notifying customers of the extension of Transition Service and rates in its June 2002 bills.

III. COMMISSION ANALYSIS

The Commission has general authority under RSA 541-A:31, V(a) to resolve contested matters through consideration of settlement agreements. In general, the Commission encourages parties to attempt to reach settlement of issues through negotiation and compromise, as it is an opportunity for creative problem-solving, allows the parties to reach a result more in line with their expectations, and is often a more expedient alternative to litigation.

As we have stated in previous dockets, the Commission has an independent statutory duty to resolve

matters before it in a manner consistent with the public interest and all applicable specific statutory requirements. Thus, even where, as in the present case, all parties join the settlement agreement, the Commission cannot approve it without independently determining that the result comports with the applicable standards. Moreover, the issues must be reviewed, considered and ultimately judged according to standards that provide the public with the assurance that a just and reasonable result has been reached.

RSA 374-F:3, V(b) provides, in part, that transition service "should be procured through competitive means." In the Settlement Agreement under consideration, a new wholesale contract for transition service was not put out for bid by GSEC. Rather, a contract extension of the previous wholesale supply agreement was developed as an option by GSEC and Constellation, and a settlement was reached and filed with the Commission under which the extension was recommended along with a negotiated rate for the service. We note that RSA 374-F:3, V(e) provides that an alternative means to provide transition service may be approved by the Commission as long as it minimizes customer risk, does not unduly harm the development of competitive markets, mitigates against price volatility without creating new deferred costs, and the

Commission determines that such means are in the public interest.

In this instance a negotiated arrangement rather than a bid process may be considered an "alternative means" as contemplated by RSA 374-F:3,V(e). Thus, the fact that the transition service arrangement at issue here was achieved by negotiation rather than through competitive bid does not bar approval of the Settlement Agreement. However, we must consider the result with particular scrutiny, in light of what we believe is a general directive from the Legislature to use competitive means to determine prices whenever possible, so as to achieve the lowest prices. In other words, we must be satisfied that the prices achieved through the Settlement Agreement present an outcome that is reasonably comparable to what would believe may be achieved through a competitive process.

It must also be recognized that while we do not have a competitive bid basis upon which to compare the price of the contract extension, neither do we have a complete cost basis from the seller, Constellation, available for a benchmark analysis, such as would be provided by a regulated utility. Thus, we must make our determination by applying our judgment as to what is a reasonable rate, considering the risk to

ratepayers of approving a price that is too high against what should be an appropriate compensatory rate to the buyer for its risks and costs.

In performing this analysis, we rely on the response to Commission Record Request No. 1, Exhibit No. 3 (confidential), which provides the wholesale market price used to derive the indicative prices submitted on April 18, 2002, the source of the wholesale market price, and the breakout of the factors used to derive the retail price from the wholesale price. The response from Constellation provides a matrix that "represents the methodology that Constellation employs to calculate its prices for full-service requirements (FSR) load." The confidential matrix contains "building blocks" of risk factors, with an associated cost or premium percentage adder for each block.

Several of the factors and their associated adders cause us to conclude that the resulting rate for residential and small commercial customers is above the range we believe is reasonable, as we discuss below.

First, the wholesale price employed as a starting point reflects blocks of on-peak energy. We believe that the wholesale price should not be based solely on on-peak prices, and that including some consideration of off-peak prices

produces a more accurate picture of the likely path of future prices in the competitive market.

Second, as discussed at the hearing, a cost premium is added for congestion risk. While there are currently congestion costs that must be recognized, the New Hampshire load zone should be recognized as a low value zone on the PTF once NEPOOL implements a congestion management system, which we believe is likely by the end of the second quarter of 2003. Delivering power into this zone should result in credits, rather than incremental costs. There is some risk that the current "Seller's Choice" rule may persist after locational marginal pricing is instituted, but we consider this risk low, given the incompatibility of this rule with the fundamental premises of congestion management. Also, a prudent load-serving entity can hedge against this risk by purchasing firm transmission rights. Thus, the premium adder does not reflect the potential reduction in uplift costs and increase in congestion credits, which are being assigned to Constellation by GSEC under this agreement.

Third, we believe that the premium for Installed Capacity (ICAP) is too high relative to the value of this product in the market. The evidence in the record shows that relatively low ICAP values are likely to continue, given the

addition of substantial amounts of capacity in New England recently and in the near future.

Finally, we believe that customer attrition risk is overstated. As a practical matter, small consumers have few or no alternatives to Transition or Default Service at the present time. We do not expect this situation to change dramatically in the short run. Thus, for such small customers, there is presently little likelihood that significant loads will migrate to competitors. With respect to large commercial and industrial customers, on Rate G-1, Constellation has proposed rates whose margin above forecast wholesale costs is generally lower than that proposed for smaller customers, and varies quarterly, reflecting Constellation's sense of the competitiveness of these larger customers. We do think there is some risk that Constellation will lose load among these customers, although even here, the risk is likely not as great as suggested by Constellation. We note that the risk of losing residential customers has been insignificant in other jurisdictions, even where significant "headroom" in transition prices makes competitive offerings more attractive.

GSEC's witness, Mr. Hager, explained that to anticipate competitive retail electricity prices, GSEC

generally applies a multiplier in the range of 1.1 to 1.5 to the on-peak forward wholesale prices posted by Natsource, and that a 1.3 multiplier (30%) is a good rule of thumb. Mr. Hager states,

...again, it's just a rule of thumb with a wide bandwidth in there, if you were to take an on-peak price quoted in Natsource, on average, if you increase that by about 30 percent, you'd be in the ballpark...of what a load-following service would be. The highs and lows would be about a 10 to a 50 percent adder, depending on the particular season, the liquidity of the particular product in the marketplace,... a particular supplier's portfolio risk assessment and so on and so forth. *Hearing Transcript*, 4-18-02, p. 116.

Other, higher, multipliers were suggested as well, based on the confidential information supplied by Constellation. Taking these factors into consideration, we believe that proposed transition service rates should be reduced for small consumers to a rate reflective of the lower end of the range of reasonable multipliers of the projected wholesale prices in New England. We accepted the large customer rates (Rate G-1) proposed by Constellation as reasonable. They are more reflective of the market, and G-1 customers are more likely to have competitive alternatives. As noted below, after our oral deliberations, the parties proposed that G-2 commercial customers be treated as large consumers also.

The adjustments required would reduce the proposed residential and affected commercial rates by about 7 percent. We applied the reduced multiplier to the futures prices in the same proportion between residential and commercial classes as originally proposed. For residential prices, over the period of the extended Transition Service, the adjustment to the multiplier produces rates for the supply portion of the bill that average 5.25 cents per kilowatthour. For affected commercial customers, the average rate for Transition Service supply would be 5.37 cents per kilowatthour. These revised Transition Service prices represent an increase of 8 to 10 percent from current Transition Service supply prices, and result in an increase of the total bill for the average residential consumer taking 500 kilowatthours per month of 3.7 percent. The average prices based on our adjustments reflect an average of 5.3¢/kWh for residential customers and an average of 5.4¢/kWh for affected commercial classes.

This conclusion is supported by other evidence in the record, including the projected New England wholesale prices developed by the Vermont Department of Public Service, which are lower than the Natsource forward prices, and by the projected New England retail prices developed for the estimation of avoided costs for New England-wide demand side

management programs. Reliance on this evidence is a helpful check on a price developed using the forward price curves, because the forward markets remain fairly illiquid as one goes out beyond the very near term. While no projection of prices can be guaranteed to be accurate, the evidence in this docket taken as a whole supports a lower range of prices than those proposed by Constellation.

We turn next to miscellaneous provisions of the Settlement Agreement that require our review. First, we accept the proposed mid-course reevaluation of Transition Service prices for the Company's G-1 Customers. We note for most periods that G-1 prices are at the lower end of the range and track anticipated seasonal price changes more closely. Thus, they are likely to be more indicative of the market. As noted above, the G-1 customers also will have the most flexibility in their ability to move into the retail market. Having the prices established through April of 2006 with an opportunity to evaluate these fixed prices against the market midway through the period, and raise them if necessary, is an option that is reasonable. The Settlement Agreement does not require the Commission to raise prices if the then-current market prices exceed the minimum prices established today. It does, however, give the Commission the ability to increase the

prices so that Constellation does not capture the customers by offering below-cost prices, and other suppliers can continue to market to this group.

The Settlement Agreement also includes a provision for low income customers to return to transition service from retail service one time when the retail supply arrangement ended. The GOECS advocated that low income customers should be afforded other protections, for example, an unlimited number of returns. At the hearing, Granite State presented us with an option where low income customers would in such cases return to default service and the Commission could put in place a mechanism that allowed Granite State to charge the customers the lower of the Transition Service price or the Default Service prices, regardless of which supply was being used to procure the energy.

At this time, we see no reason to allow an unlimited number of returns to transition service. The residential retail market has yet to develop. As indicated above, we do not believe, based on the experience of other states who have moved to retail competition, that, in the short term, residential customers will be moving to retail providers in any significant numbers. Accordingly, we adopt the position of the Settlement Agreement but will revisit the issue if

conditions warrant it.

With regard to the Competitive Initiatives proposed by Granite State, we will not opine on them at this time. We will open another docket at a future date that deals with the matter on a broader basis and will not limit our consideration of those issues to this transition service docket.

The Settlement Agreement also contained a provision on the so-called Green Transition Service that requires the Company to consult and cooperate with other parties to develop a definitive proposal. The Settlement Agreement itself does not contain specifics related to a Green Transition Service offering. At the hearing, it was suggested that Constellation would be in a better position to create the Green Transition Service proposal in the future when the development and implementation of a regional generation information system (GIS) takes place. We believe this concept is appropriate and will accept the proffer with regard to implementing a docket, if need be, in the future.

Other miscellaneous matters we must consider are the Constellation Motion for Confidentiality, the GSEC Motion to Supplement Testimony, the GOECS request to take administrative notice of several other restructuring proposals and settlement agreements, and customer notification provisions. We note

that in earlier deliberations we approved the Constellation Motion for Confidentiality.

On April 29, 2002, Constellation submitted a motion to keep confidential certain responses to our previously issued record requests. Constellation indicated that several answers contained confidential and commercially sensitive information concerning the development of the indicative prices. The information submitted by Constellation represented the methodology Constellation employs to calculate prices for full-service requirements (FSR) load. Applying the balancing test used in requests of this nature, we find that the documents sought to be made confidential are within the exemptions permitted by RSA 91-A:5, IV. We note, as was pointed out by Constellation, that we granted confidentiality to GSEC in this case in Order No. 23,953 that was similar in nature, *i.e.*, commercially sensitive. Thus, we will approve the motion.

As for the GSEC Motion to Supplement Testimony, we will not grant the request. The record in the docket was closed as of the hearing, except for the items we believed were essential to our deliberations. We sent out notice of our intent to take administrative notice of two documents. To this notice we received no objections, therefore we used them

in our deliberative process. We did not, however, consider the information submitted by GSEC to supplement Mr. Hager's testimony as the information, we believed, was untimely. Likewise, we do not see the need to take administrative notice of the materials requested by GOECS. These documents were only partial excerpts of certain other material that we did not need to consider in making our decision in this docket. Finally, any requirements for notice to customers regarding the prices and terms of the new Transition Service offering must be made no later than 30 days prior to the start of the July 1, 2002 Transition Service period.

**IV. AMENDED SETTLEMENT PROPOSAL AS A
RESULT OF MAY 3rd DELIBERATIONS**

On May 7, 2002, Constellation submitted a letter to the Commission suggesting an alternative proposal for pricing Transition Service based on the May 3rd oral deliberations. The letter stated,

Under the alternative modification, the rates for Granite State's residential class and N.H.P.U.C. Tariff classes G-3 and V would be at the levels the Commission adopted on May 3. The rates for Granite State's remaining commercial G-2 class, however, would be restored to the levels proposed by Constellation on May 3 due to the higher cost and risk to serve this customer class. The Settling Parties believe this is a reasonable and fair resolution of the remaining issues in this proceeding and respectfully request that the Commission adopt this alternative in lieu of the adjustments the Commission described in its oral deliberations.

The letter also indicated that all Parties to the Settlement Agreement concurred with the proposed modification. It also asked for an expedited order so that the customer notification process could begin.

V. COMMISSION ANALYSIS ON AMENDED PROPOSAL

As discussed above, the Settlement Agreement included a term that raised an arguable claim by Constellation that our modification of the Settlement might provide them with the opportunity to terminate the Agreement and withdraw from it. We note that the Settlement did provide, however, in paragraph 8, the provision that the Commission reserves the right to investigate and make a determination on the reasonableness of prices.

Notwithstanding this provision, Constellation expressed concern about the adjustments we made to the May 3rd prices. In Constellation letter dated May 7, 2002, which was supported by all Parties to the docket and Commission Staff, the Settlement Agreement was amended to accept the prices set for residential customers and the non-demand metered commercial customers. However, the Parties seek approval of the original settlement rates for demand-metered commercial customers who, Constellation asserts are a high risk and high cost class, similar to G-1 customers.

Part of our rationale for changing the prices for residential and commercial customers was the concern that the retail market would not be developed sufficiently to allow for residential and small commercial migration. We noted, however, that very large customers, such as those in the G-1 class, should have more competitive alternatives, should the indicative prices indeed be excessive. We believe this is true, as well, for the larger commercial demand-metered customers. For this reason, the modified proposal is a reasonable outcome for this docket and consistent with the intent of our oral deliberations because, essentially, smaller commercial customers are treated like the residential customers they more nearly resemble and larger commercial customers are treated like the G-1 customers they more nearly resemble. We will therefore, accept the May 3rd prices as proposed by Constellation for the G-1 class and the G-2 commercial class customers. The adjusted Transition Service Prices remain the operative prices for the residential class and the G-3 and V commercial class customers. Appendix A to this Order reflects the adjusted Transition Service prices and period for which they will be in effect.

With respect to the procedure followed here, we note our traditional practice after oral deliberations is to issue

our written order, which controls, and only then entertain motions for rehearing. In this unusual case, the parties to a consensus settlement seek to amend their settlement based on our oral deliberations in a way that largely adopts the conditions we would require but partially refines the conditions. As noted above, we find the results in the public interest. In addition, we find the process reasonable because it will serve to avoid time delays that could have resulted in the interruption of transition service and could have created unnecessary confusion for customers.

Based upon the foregoing, it is hereby

ORDERED, that the Settlement Agreement proposed by the parties and as modified by them on May 7, 2002, is **APPROVED,** consistent with the foregoing analysis; and it is

FURTHER ORDERED, that Granite State Electric Company provide a Compliance Tariff no later than May 31, 2002, for effect on July 1, 2002, in accordance with the provisions of this Order; and it is

FURTHER ORDERED, that Granite State Electric Company notify its customers of the Transition Service terms and prices at least 30 days prior to the effective date of the new Transition Service prices; and it is

FURTHER ORDERED, that the Constellation Motion for Confidentiality is GRANTED.

By order of the Public Utilities Commission of New Hampshire this eighth day of May, 2002.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary

APPENDIX A
GSE Transition Service Extension
Final Binding Pricing - \$ per MWh
Date 3-May-02 with Order Modifications

Rate Classes:	D,D-10,M,T		Average	\$52.51	
<u>Term</u>			High	\$52.73	
Jul 02-Jun 03	\$52.73		Low	\$52.40	
Jul 03-Jun 04	\$52.45				
Jul 04-Jun 05	\$52.40				
Jul 05-Apr 06	\$52.45				
				G-02	G-03,V
Rate Classes:	G-02	G-03, V	Average	\$57.90	\$53.66
<u>Term</u>			High	\$59.60	\$55.23
Jul 02-Dec 02	\$59.60	\$55.23	Low	\$56.10	\$51.99
Jan 03-Jun 03	\$57.05	\$52.87			
Jul 03-Dec 03	\$59.10	\$54.77			
Jan 04-Jun 04	\$56.90	\$52.73			
Jul 04-Dec 04	\$58.70	\$54.40			
Jan 05-Jun 05	\$57.00	\$52.82			
Jul 05-Dec 05	\$58.75	\$54.44			
Jan 06-Apr 06	\$56.10	\$51.99			
Rate Class:	G-01		Average	\$53.76	
<u>Term</u>			High	\$62.00	
Jul 02-Sep 02	\$62.00		Low	\$47.95	
Oct 02-Dec 02	\$47.95				
Jan 03-Mar 03	\$53.55				
Apr 03-Jun 03	\$52.80				
Jul 03-Sep 03	\$61.00				
Oct 03-Dec 03	\$48.25				
Jan 04-Mar 04	\$53.20				
Apr 04-Jun 04	\$52.75				
Floor Price:					
Jul 04-Sep 04	\$60.35				
Oct 04-Dec 04	\$48.10				
Jan 05-Mar 05	\$53.20				
Apr 05-Jun 05	\$52.90				
Jul 05-Sep 05	\$60.20				
Oct 05-Dec 05	\$48.10				
Jan 06-Apr 06	\$52.05				