PSC NO: 219 GAS NIAGARA MOHAWK POWER CORPORATION INITIAL EFFECTIVE DATE: 3/01/06

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MONTHLY COST OF GAS STATEMENT Applicable to Billing for Service Classification Nos. 1 & 2

	SC1 <u>Per Therm</u>	SC2 Residential & Commercial <u>Per Therm</u>	SC2 Industrial <u>Per Therm</u>
Average Cost of Gas Per Therm as defined in Rule 17.3 of the General Information Section of PSC 219 Gas determined on February 24, 2006 using Supplier Rates Effective for the Month of			
March 2006:	\$0.915878	\$0.915878	\$0.911678
Factor of Adjustment:	1.017600	1.017600	1.017600
Resulting Monthly Cost Adjustment is:	\$0.93199	\$0.93199	\$0.92772
Reconciliation of Gas Cost Recoveries to Gas Costs Incurred Applicable to Period: Twelve Months Ending 8/31/2005 Surcharge Effective: 1/1/2006 through 12/31/2006	\$(0.00546)	\$(0.00546)	\$(0.00546)
TOTAL EFFECTIVE MONTHLY COST OF GAS: Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.92653	\$0.92653	\$0.92226
Effective Merchant Function Charge:	\$0.02222	\$0.02222	\$0.02222

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MONTHLY COST OF GAS STATEMENT Applicable to Billing for Service Classification No. 3

	SC3 Large Comm. & Industrial <u>Per Therm</u>	SC3 MCG Applicable to Ratchet Usage <u>Per Therm</u>	SC3 MCG Applicable to Metered Usage <u>Per Therm</u>
Average Cost of Gas Per Therm as defined in Rule 17.3 of the General Information Section of PSC 219 Gas determined on February 24, 2006 using Supplier Rates Effective for the Month of March 2006:	\$0.885430		
Factor of Adjustment:	1.017600		
Resulting Monthly Cost Adjustment is:	\$0.90101		
Reconciliation of Gas Cost Recoveries to Gas Costs Incurred Applicable to Period: Twelve Months Ending 8/31/2005 Surcharge Effective: 1/1/2006 through 12/31/2006	\$(0.00546)		
TOTAL EFFECTIVE MONTHLY COST OF GAS: Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.89555	\$0.27454	\$0.62101
Effective Merchant Function Charge:	\$0.00000	\$0.00000	\$0.00000

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MONTHLY COST OF GAS STATEMENT Applicable to Billing for Service Classification Nos. 12 & 13 Distributed Generation

	SC12 Distributed Generation Non-Residential <u>Per Therm</u>	SC13 Distributed Generation Residential <u>Per Therm</u>
Average Cost of Gas Per Therm as defined in Rule 17.3 of the General Information Section of PSC 219 Gas determined on February 24, 2006 using Supplier Rates Effective for the Month of		
March 2006:	\$0.852882	\$0.871781
Factor of Adjustment:	1.017600	1.017600
Resulting Monthly Cost Adjustment is:	\$0.86789	\$0.88712
Reconciliation of Gas Cost Recoveries to Gas Costs Incurred		
Applicable to Period: Twelve Months Ending 8/31/2005 Surcharge Effective: 1/1/2006 through 12/31/2006	\$(0.00546)	\$(0.00546)
TOTAL EFFECTIVE MONTHLY COST OF GAS: Commencing with usage on or after the effective date of		
this statement and thereafter until changed.	\$0.86243	\$0.88166
Effective Merchant Function Charge:	\$0.02222	\$0.02222

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