

PSC NO: 219 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 1/01/06

STATEMENT TYPE: MCG  
STATEMENT NO: 31  
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**MONTHLY COST OF GAS STATEMENT**  
**Applicable to Billing for Service Classification Nos. 1 & 2**

	<u>SC1</u> <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 December 28, 2005 using Supplier Rates Effective for the Month of January 2006:	\$1.105786	\$1.105786	\$1.101766
Factor of Adjustment:	1.017600	1.017600	1.017600
Resulting Monthly Cost Adjustment is:	\$1.12524	\$1.12524	\$1.12115
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)
<b>TOTAL EFFECTIVE MONTHLY COST OF GAS:</b> Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$1.11978	\$1.11978	\$1.11569
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 Per Therm	SC3 MCG Applicable to Ratchet Usage Per Therm	SC3 MCG Applicable to Metered Usage Per Therm
Average Cost of Gas Per Therm as defined in Rule 17.3 of the General Information Section of PSC 219 Gas determined on December 28, 2005 using Supplier Rates Effective for the Month of January 2006:	\$1.076644		
Factor of Adjustment:	1.017600		
Resulting Monthly Cost Adjustment is:	\$1.09559		
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)		
<b>TOTAL EFFECTIVE MONTHLY COST OF GAS:</b> Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$1.09013	\$0.27135	\$0.81878
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 December 28, 2005 using Supplier Rates Effective for the Month of January 2006:	\$1.045492	\$1.063580
Factor of Adjustment:	1.017600	1.017600
Resulting Monthly Cost Adjustment is:	\$1.06389	\$1.08229
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)
<b>TOTAL EFFECTIVE MONTHLY COST OF GAS:</b> Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$1.05843	\$1.07683
Effective Merchant Function Charge:	\$0.02222	\$0.02222

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