

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 02/01/04

STATEMENT TYPE: MCG
STATEMENT NO: 7
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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 January 28, 2004 using Supplier Rates Effective for the Month of February 2004:	\$0.720180	\$0.720180	\$0.701632
Factor of Adjustment:	1.017600	1.017600	1.017600
Resulting Monthly Cost Adjustment is:	\$0.73285	\$0.73285	\$0.71398
Reconciliation of Gas Cost Recoveries to Gas Costs Incurred Applicable to Period: Twelve Months Ending 8/31/2003 Refund Effective: 1/01/2004 through 12/31/2004	(\$0.01967)	(\$0.01967)	(\$0.01967)
Gas Supplier Refund From Transcontinental Gas Pipeline/Tennessee Gas Pipeline/Transcontinental Gas Pipeline Applicable to SC1, 2 & 3 Applicable to Period: 9/1/2001 through 8/31/2003 Refund Effective: 12/1/2003 through 11/30/2004	(\$0.00152)	(\$0.00152)	(\$0.00152)
TOTAL EFFECTIVE MONTHLY COST OF GAS: Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.71166	\$0.71166	\$0.69279

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

	<u>SC3</u> <u>Large Comm.</u> <u>& Industrial</u> <u>Per Therm</u>	<u>SC3 MCG</u> <u>Applicable to</u> <u>Ratchet Usage</u> <u>Per Therm</u>	<u>SC3 MCG</u> <u>Applicable to</u> <u>Metered Usage</u> <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 January 28, 2004 using Supplier Rates Effective for the Month of February 2004:	\$0.700473		
Factor of Adjustment:	1.017600		
Resulting Monthly Cost Adjustment is:	\$0.71280		
Reconciliation of Gas Cost Recoveries to Gas Costs Incurred Applicable to Period: Twelve Months Ending 8/31/2003 Refund Effective: 1/01/2004 through 12/31/2004	(\$0.01967)		
Gas Supplier Refund From Transcontinental Gas Pipeline/Tennessee Gas Pipeline/Transcontinental Gas Pipeline Applicable to SC1, 2 & 3 Applicable to Period: 9/1/2001 through 8/31/2003 Refund Effective: 12/1/2003 through 11/30/2004	(\$0.00152)		
TOTAL EFFECTIVE MONTHLY COST OF GAS: Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.69161	\$0.29622	\$0.39359

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MONTHLY COST OF GAS STATEMENT
Applicable to Billing for Service Classification No. 12

	SC12 Distributed Generation 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 January 28, 2004 using Supplier Rates Effective for the Month of February 2004:	\$0.650626
Factor of Adjustment:	1.017600
Resulting Monthly Cost Adjustment is:	\$0.66207
Reconciliation of Gas Cost Recoveries to Gas Costs Incurred Applicable to Period: Twelve Months Ending 8/31/2003 Refund Effective: 1/01/2004 through 12/31/2004	(\$0.01967)
Gas Supplier Refund From Transcontinental Gas Pipeline/Tennessee Gas Pipeline/Transcontinental Gas Pipeline Applicable to SC1, 2 & 3 Applicable to Period: 9/1/2001 through 8/31/2003 Refund Effective: 12/1/2003 through 11/30/2004	(\$0.00152)
TOTAL EFFECTIVE MONTHLY COST OF GAS: Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.64088

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