

PSC NO: 219 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 09/01/04

STATEMENT TYPE: BSC  
STATEMENT NO: 3  
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**STATEMENT OF BALANCING SERVICES COST RECOVERY**

Effective to Billing Commencing September 1, 2004  
Applicable to Billing for Service Classification No. 11

Pursuant to Service Classification No. 11 of Niagara Mohawk Power Corporation's  
PSC No. 219, the balancing service cost recovery rate shall be:

The estimated 12 month operating and maintenance cost:	\$345,000
Prior year (over)/under recovery (Period 9/1/2003-8/31/2004):	<u>\$10,326</u>
Total 12 month operating and maintenance cost:	\$355,326

Throughput forecast ending August 31, 2005 for SC-5 Firm, SC-7, SC-8 Transport, SC-1 Delivery Service and SC-2 Delivery Service of:	419,285,301
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<b>RESULTING IN THE:</b>	<b><u>Per Therm</u></b>
<b>TOTAL EFFECTIVE BALANCING SERVICES COST RECOVERY RATE</b>	<b>\$0.00085</b>

Issued By: William F. Edwards, President, Syracuse, New York