PSC NO: 219 GAS NIAGARA MOHAWK POWER CORPORATION INITIAL EFFECTIVE DATE: 12/01/04

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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 November 24, 2004 using Supplier Rates Effective for the Month of December 2004:	\$0.803489	\$0.803489	\$0.798944
Factor of Adjustment:	1.017600	1.017600	1.017600
Resulting Monthly Cost Adjustment is:	\$0.81763	\$0.81763	\$0.81300
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)
TOTAL EFFECTIVE MONTHLY COST OF GAS: Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.79796	\$0.79796	\$0.79333

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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 November 24, 2004 using Supplier Rates Effective for the Month of December 2004:	\$0.770538		
Factor of Adjustment:	1.017600		
Resulting Monthly Cost Adjustment is:	\$0.78409		
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)		
TOTAL EFFECTIVE MONTHLY COST OF GAS: Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.76442	\$0.28067	\$0.48375

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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 November 24, 2004 using Supplier Rates Effective for the Month of		
December 2004:	\$0.735314	\$0.755766
Factor of Adjustment:	1.017600	1.017600
Resulting Monthly Cost Adjustment is:	\$0.74825	\$0.76906
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)
TOTAL EFFECTIVE MONTHLY COST OF GAS: Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.72858	\$0.74939

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