

PSC NO: 219 GAS
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: 10/03/03

STATEMENT TYPE: CASH
 STATEMENT NO: 3

STATEMENT OF MONTHLY CASHOUT RATES
 Applicable to Billings Pursuant to Rule 29 - Cashout of Imbalances
 Applicable to the Month of **September 2003**

1. **FOR UNDERDELIVERIES:**

Monthly Imbalance Level	All Pools < 2% Imbalance Charge Per Therm (Gas Daily CNG North Point Average)	DTI Storage Withdrawal Charge Per Therm	Applicable Cashout Rate All Pools < 2% Imbalance Charge Per Therm	All Pools > 2% Imbalance Charge Per Therm (Gas Daily CNG North Point Average)	DTI Storage Withdrawal Charge Per Therm	Applicable Cashout Rate All Pools > 2% Imbalance Charge Per Therm
0 to 2%	\$0.48823	\$0.00171	\$0.48994	\$0.48823	\$0.00171	\$0.48994
> 2%	\$0.48823	\$0.00171	\$0.48994	*\$0.58588	\$0.00171	\$0.58759

*120% of Gas Daily CNG North Point Mid-Point Average

2. **FOR OVERDELIVERIES:**

Monthly Imbalance Level	All Pools < 2% Imbalance Payment Per Therm (Gas Daily CNG North Point Average)	DTI Storage Injection Payment Per Therm	Applicable Cashout Rate All Pools < 2% Imbalance Payment Per Therm	All Pools > 2% Imbalance Payment Per Therm (Gas Daily CNG North Point Average)	DTI Storage Injection Payment Per Therm	Applicable Cashout Rate All Pools > 2% Imbalance Payment Per Therm
0 to 2%	\$0.48823	\$0.00207	\$0.49030	\$0.48823	\$0.00207	\$0.49030
> 2%	\$0.48823	\$0.00207	\$0.49030	*\$0.39058	\$0.00207	\$0.39265

*80% of Gas Daily CNG North Point Mid-Point Average

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