

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 08/07/03

STATEMENT TYPE: CASH
STATEMENT NO: 1

STATEMENT OF MONTHLY CASHOUT RATES
Applicable to Billings Pursuant to Rule 29 - Cashout of Imbalances
Applicable to the Month of July 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% | \$0.53187 | \$0.00171 | \$0.53358 | \$0.53187 | \$0.00171 | \$0.53358 |
| > 2% | \$0.53187 | \$0.00171 | \$0.53358 | *\$0.63824 | \$0.00171 | \$0.63995 |

*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% | \$0.53187 | \$0.00207 | \$0.53394 | \$0.53187 | \$0.00207 | \$0.53394 |
| > 2% | \$0.53187 | \$0.00207 | \$0.53394 | *\$0.42550 | \$0.00207 | \$0.42757 |

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

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