Received: 07/27/2001 Status: CANCELLED Effective Date: 08/01/2001

..DID: 16243

..TXT: PSC NO: 218 GAS STATEMENT TYPE: DTR

COMPANY: NIAGARA MOHAWK POWER CORPORATION STATEMENT NO: 12

INITIAL EFFECTIVE DATE: 08/01/01

STAMPS:

Cancelled by Statement DTR Number 13 Effective 09/01/2001

RECEIVED: 07/27/01 STATUS: Cancelled EFFECTIVE: 08/01/01

STATEMENT OF DEMAND TRANSFER RECOVERY RATE Effective to Billing Commencing August 1, 2001 Applicable to Billing for Service Classification No. 11

Pursuant to Service Classification No. 11 of Niagara Mohawk Power Corporation*s PSC No. 218, the storage gas transfer rate shall be the sum of:

(1) The Company*s estimated weighted average commodity cost of gas in storage as of July 31, 2001 \$0.44341

(2) Demand Transfer Recovery Rate (DTR Rate) = \$0.00747

RESULTING IN THE:

TOTAL EFFECTIVE STORAGE TRANSFER RATE PER THERM:

\$0.45088

Issued By: Darlene D. Kerr, President and Chief Operating Officer, Syracuse, New York