

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 9/01/06

STATEMENT TYPE: DTR
STATEMENT NO: 39
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STATEMENT OF DEMAND TRANSFER RECOVERY RATE
Effective to Billing Commencing September 1, 2006
Applicable to Billing for Service Classification No. 11

Pursuant to Service Classification No. 11 of Niagara Mohawk Power Corporation's PSC No. 219, 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 August 31, 2006 | \$0.67688 |
| (2) Demand Transfer Recovery Rate (DTR Rate)
(The DTR Rate is equal to the System Average Unrecovered Dominion Transmission Inc. Demand Charge revenue per therm beginning in the month of April through the initial month that storage capacity is released to a Marketer.) | \$0.01589 |

Per Therm

RESULTING IN THE:	
TOTAL EFFECTIVE STORAGE TRANSFER RATE PER THERM:	\$0.69277

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