

PSC NO: 219 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 12/01/06

STATEMENT TYPE: DTR  
STATEMENT NO: 42  
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**STATEMENT OF DEMAND TRANSFER RECOVERY RATE**  
**Effective to Billing Commencing December 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<br>October 31, 2006   | \$0.66198 |
| (2) Demand Transfer Recovery Rate (DTR Rate)<br>(The DTR Rate is equal to the System Average Unrecovered Dominion Transmission<br>Inc. Demand Charge revenue per therm beginning in the month of April through the<br>initial month that storage capacity is released to a Marketer.) | \$0.03400 |

**Per Therm**

<b>RESULTING IN THE:</b>	
<b>TOTAL EFFECTIVE STORAGE TRANSFER RATE PER THERM:</b>	<b>\$0.69598</b>

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