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PSC NO: 219 GAS NIAGARA MOHAWK POWER CORPORATION INITIAL EFFECTIVE DATE: 02/06/04

STATEMENT NO: 7 PAGE 1 OF 1

STATEMENT TYPE: CASH

STATEMENT OF MONTHLY CASHOUT RATES

Applicable to Billings Pursuant to Rule 29 - Cashout of Imbalances Applicable to the Month of January 2004

1. **FOR UNDERDELIVERIES:**

	All Pools < 2%			All Pools > 2%		
	Imbalance		Applicable	Imbalance		Applicable
	Charge	DTI	Cashout Rate	Charge	DTI	Cashout Rate
	Per Therm	Storage	All Pools < 2%	Per Therm	Storage	All Pools > 2%
Monthly	(Gas Daily	Withdrawal	Imbalance	(Gas Daily	Withdrawal	Imbalance
Imbalance	CNG North	Charge	Charge	CNG North	Charge	Charge
Level	Point Average)	Per Therm	Per Therm	Point Average)	Per Therm	Per Therm
0 to 2%	\$0.69895	\$0.00177	\$0.70072	\$0.69895	\$0.00177	\$0.70072
> 2%	\$0.69895	\$0.00177	\$0.70072	*\$0.83874	\$0.00177	\$0.84051

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

2. **FOR OVERDELIVERIES:**

	All Pools < 2%			All Pools > 2%		
	Imbalance		Applicable	Imbalance		Applicable
	Payment	DTI	Cashout Rate	Payment	DTI	Cashout Rate
	Per Therm	Storage	All Pools < 2%	Per Therm	Storage	All Pools > 2%
Monthly	(Gas Daily	Injection	Imbalance	(Gas Daily	Injection	Imbalance
Imbalance	CNG North	Payment	Payment	CNG North	Payment	Payment
Level	Point Average)	Per Therm	Per Therm	Point Average)	Per Therm	Per Therm
0 to 2%	\$0.69895	\$0.00215	\$0.70110	\$0.69895	\$0.00215	\$0.70110
> 2%	\$0.69895	\$0.00215	\$0.70110	*\$0.55916	\$0.00215	\$0.56131

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

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