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PSC NO: 219 GAS STATEMENT TYPE: DTR NIAGARA MOHAWK POWER CORPORATION STATEMENT NO: 16

INITIAL EFFECTIVE DATE: 11/01/04 PAGE 1 OF 1

STATEMENT OF DEMAND TRANSFER RECOVERY RATE Effective to Billing Commencing November 1, 2004 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 October 31, 2004 \$0.58283

(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.)

Per Therm

\$0.02602

RESULTING IN THE:

TOTAL EFFECTIVE STORAGE TRANSFER RATE PER THERM: \$0.60885

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