PSC NO: 219 GAS NIAGARA MOHAWK POWER CORPORATION INITIAL EFFECTIVE DATE: 08/01/03 STATEMENT TYPE: RDS STATEMENT NO: 1

STATEMENT OF RESEARCH AND DEVELOPMENT SURCHARGE

Applicable to Billing for Firm Sales and Firm Transportation Service Classification Nos. 1, 2, 3, 5, 7, & 8

 Pursuant to Rule 30 of Niagara Mohawk Power Corporation's PSC No. 219,

 the Research and Development Surcharge shall be:
 \$0.000490

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