

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

STATEMENT TYPE: BSC
STATEMENT NO: 1

STATEMENT OF BALANCING SERVICES COST RECOVERY

Effective to Billing Commencing September 1, 2002
Applicable to Billing for Service Classification No. 11

Pursuant to Service Classification No. 11 of Niagara Mohawk Power Corporation's
PSC No. 219, the balancing service cost recovery rate shall be:

The estimated 12 month operating and maintenance cost:	\$345,000
Prior year under recovery (Period 9/1/2001-8/31/2002):	<u>\$19,297</u>
Total 12 month operating and maintenance cost:	\$364,297

Throughput forecast ending August 31, 2003 for SC-5 Firm, SC-7, SC-8 Transport, SC-1 Delivery Service and SC-2 Delivery Service of:	379,099,789
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RESULTING IN THE:	<u>Per Therm</u>
TOTAL EFFECTIVE BALANCING SERVICES COST RECOVERY RATE	\$0.00096

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