

PSC NO: 219 GAS
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: 08/07/03

STATEMENT TYPE: CASH
 STATEMENT NO: 1

STATEMENT OF MONTHLY CASHOUT RATES
 Applicable to Billings Pursuant to Rule 29 - Cashout of Imbalances
 Applicable to the Month of July 2003

1. **FOR UNDERDELIVERIES:**

Monthly Imbalance Level	All Pools < 2% Imbalance Charge Per Therm (Gas Daily CNG North Point Average)	DTI Storage Withdrawal Charge Per Therm	Applicable Cashout Rate All Pools < 2% Imbalance Charge Per Therm	All Pools > 2% Imbalance Charge Per Therm (Gas Daily CNG North Point Average)	DTI Storage Withdrawal Charge Per Therm	Applicable Cashout Rate All Pools > 2% Imbalance Charge Per Therm
0 to 2%	\$0.53187	\$0.00171	\$0.53358	\$0.53187	\$0.00171	\$0.53358
> 2%	\$0.53187	\$0.00171	\$0.53358	*\$0.63824	\$0.00171	\$0.63995

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

2. **FOR OVERDELIVERIES:**

Monthly Imbalance Level	All Pools < 2% Imbalance Payment Per Therm (Gas Daily CNG North Point Average)	DTI Storage Injection Payment Per Therm	Applicable Cashout Rate All Pools < 2% Imbalance Payment Per Therm	All Pools > 2% Imbalance Payment Per Therm (Gas Daily CNG North Point Average)	DTI Storage Injection Payment Per Therm	Applicable Cashout Rate All Pools > 2% Imbalance Payment Per Therm
0 to 2%	\$0.53187	\$0.00207	\$0.53394	\$0.53187	\$0.00207	\$0.53394
> 2%	\$0.53187	\$0.00207	\$0.53394	*\$0.42550	\$0.00207	\$0.42757

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

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