

PSC NO: 219 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 09/08/03

STATEMENT TYPE: CASH  
STATEMENT NO: 2

STATEMENT OF MONTHLY CASHOUT RATES  
Applicable to Billings Pursuant to Rule 29 - Cashout of Imbalances  
Applicable to the Month of August 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%	\$0.52334	\$0.00171	<b>\$0.52505</b>	\$0.52334	\$0.00171	<b>\$0.52505</b>
> 2%	\$0.52334	\$0.00171	<b>\$0.52505</b>	*\$0.62801	\$0.00171	<b>\$0.62972</b>

\*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%	\$0.52334	\$0.00207	<b>\$0.52541</b>	\$0.52334	\$0.00207	<b>\$0.52541</b>
> 2%	\$0.52334	\$0.00207	<b>\$0.52541</b>	*\$0.41867	\$0.00207	<b>\$0.42074</b>

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

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