

PSC NO: 219 GAS  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: 09/01/03

STATEMENT TYPE: MCG  
 STATEMENT NO: 2  
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**MONTHLY COST OF GAS STATEMENT**  
**Applicable to Billing for Service Classification Nos. 1 & 2**

	<u>SC1</u> <u>Per Therm</u>	SC2 Residential & Commercial <u>Per Therm</u>	SC2 Industrial <u>Per Therm</u>
Average Cost of Gas Per Therm as defined in Rule 17.3 of the General Information Section of PSC 219 Gas determined on August 27, 2003 using Supplier Rates Effective for the Month of September 2003:	\$0.639281	\$0.639281	\$0.621970
Factor of Adjustment:	1.017600	1.017600	1.017600
Resulting Monthly Cost Adjustment is:	\$0.65053	\$0.65053	\$0.63291
Reconciliation of Gas Cost Recoveries to Gas Costs Incurred Applicable to Period: Twelve Months Ending 8/31/2002 Refund Effective: 1/01/2003 through 12/31/2003	(\$0.00036)	(\$0.00036)	(\$0.00036)
Gas Supplier Refund from Dominion Transmission Inc. Applicable to SC1, 2 & 3 Applicable to Period: 4/01/2001 through 10/31/2001 Refund Effective: 2/01/2003 through 1/31/2004	(\$0.00279)	(\$0.00279)	(\$0.00279)
Gas Supplier Refund from Texas Gas Transmission Applicable to SC1, 2 & 3 Applicable to Period: 11/01/2000 through 7/31/2002 Refund Effective: 2/01/2003 through 1/31/2004	(\$0.00176)	(\$0.00176)	(\$0.00176)
<b>TOTAL EFFECTIVE MONTHLY COST OF GAS:</b> Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.64562	\$0.64562	\$0.62800

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

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**MONTHLY COST OF GAS STATEMENT**  
**Applicable to Billing for Service Classification No. 3**

	SC3 Large Comm. & Industrial Per Therm	SC3 MCG Applicable to Ratchet Usage Per Therm	SC3 MCG Applicable to Metered Usage Per Therm
Average Cost of Gas Per Therm as defined in Rule 17.3 of the General Information Section of PSC 219 Gas determined on August 27, 2003 using Supplier Rates Effective for the Month of September 2003:	\$0.620888		
Factor of Adjustment:	1.017600		
Resulting Monthly Cost Adjustment is:	\$0.63181		
Reconciliation of Gas Cost Recoveries to Gas Costs Incurred Applicable to Period: Twelve Months Ending 8/31/2002 Refund Effective: 1/01/2003 through 12/31/2003	(\$0.00036)		
Gas Supplier Refund from Dominion Transmission Inc. Applicable to SC1, 2 & 3 Applicable to Period: 4/01/2001 through 10/31/2001 Refund Effective: 2/01/2003 through 1/31/2004	(\$0.00279)		
Gas Supplier Refund from Texas Gas Transmission Applicable to SC1, 2 & 3 Applicable to Period: 11/01/2000 through 7/31/2002 Refund Effective: 2/01/2003 through 1/31/2004	(\$0.00176)		
<b>TOTAL EFFECTIVE MONTHLY COST OF GAS:</b> Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.62690	\$0.28980	\$0.33710

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