Received: 06/27/2002 Status: CANCELLED Effective Date: 07/01/2002

..DID: 19731

..TXT: PSC NO: 218 GAS STATEMENT TYPE: MCG

COMPANY: NIAGARA MOHAWK POWER CORPORATION STATEMENT NO: 33

INITIAL EFFECTIVE DATE: 07/01/02

STAMPS:

Cancelled by Statement MCG Number 34 Effective 08/01/2002

RECEIVED: 06/27/02 STATUS: Cancelled EFFECTIVE: 07/01/02

MONTHLY COST OF GAS STATEMENT

Applicable to Billing for Service Classification Nos. 1 & 2

Average Cost of Gas Per Therm as defined in Rule 17.3 of the General Information Section of P.S.C. 218 Gas determined on June 27, 2002 using Supplier Rates Effective for the Month	SC1 <u>Per Therm</u>	SC2 Residential & Commercial <u>Per Therm</u>	SC2 Industrial <u>Per Therm</u>
of July 2002:	\$0.477205	\$0.477205	\$0.487300
Factor of Adjustment:	1.017600	1.017600	1.017600
Resulting Monthly Cost Adjustment is:	\$0.48560	\$0.48560	\$0.49587
Reconciliation of Gas Cost Recoveries to Gas Costs Incurred. Applicable to Period: Twelve Months Ending August 31, 2001 Effective January 1, 2002 - December 31, 2002	(\$0.00078)	(\$0.00078)	(\$0.00078)
Capacity Incentive Program: 12 Months ended January 31, 2003 Surcharge Effective February 1, 2002 - January 31, 2003	\$0.00299	\$0.00299	\$0.00299
TOTAL EFFECTIVE MONTHLY COST OF GAS: Commencing with usage on or after the effective date of this statement and thereafter until changed.	\$0.48781	\$0.48781	\$0.49808

STATEMENT: MCG STATEMENT NO.: 33 PAGE: 2

MONTHLY COST OF GAS STATEMENT Applicable to Billing for Service Classification No. 3 Effective July 1, 2002

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

Received: 06/27/2002 Status: CANCELLED

Effective Date: 07/01/2002

SC3 SC3 MCG SC3 MCG Large Comm. Applicable to Applicable to & Industrial Ratchet Usage Metered Usage Per Therm Per Therm Average Cost of Gas Per Therm Per Therm

as defined in Rule 17.3 of the General Information Section of P.S.C. 218 Gas determined on June 27, 2002 using Supplier Rates Effective for the Month of July 2002:

\$0.452977

Factor of Adjustment: 1.017600

\$0.46094 Resulting Monthly Cost Adjustment is:

Reconciliation Applicable to Period: Twelve Months Ending August 31, 2001. SC3 Refund Effective January 1, 2002 -

December 31, 2002: (\$0.00078)

Capacity Incentive Program:

12 Months ending January 31, 2003 Surcharge Effective February 1, 2002 -January 31, 2003

\$0.00299

TOTAL EFFECTIVE MONTHLY COST OF GAS:

\$0.46315 \$0.27672 \$0.18643

Commencing with usage on or after the effective date of this statement and thereafter until changed.

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