Received: 09/26/2002 Status: CANCELLED Effective Date: 10/01/2002

..DID: 20534

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

COMPANY: NIAGARA MOHAWK POWER CORPORATION STATEMENT NO: 36

INITIAL EFFECTIVE DATE: 10/01/02

STAMPS:

Cancelled by Statement MCG Number 37 Effective 11/01/2002

RECEIVED: 09/26/02 STATUS: Cancelled EFFECTIVE: 10/01/02

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 September 26, 2002 using Supplier Rates Effective for the Month	SC1 <u>Per Therm</u>	SC2 Residential & Commercial Per Therm	SC2 Industrial <u>Per Therm</u>
of October 2002:	\$0.462255	\$0.462255	\$0.472162
Factor of Adjustment:	1.017600	1.017600	1.017600
Resulting Monthly Cost Adjustment is:	\$0.47039	\$0.47039	\$0.48047
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.	\$0.47260	\$0.47260	\$0.48268

STATEMENT: MCG STATEMENT NO.: 36 PAGE: 2

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

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

Received: 09/26/2002 Status: CANCELLED Effective Date: 10/01/2002

SC3

SC3 MCG

SC3 MCG

Applicable to

Metered Usage

Per Therm

Effective Date: 10/01/20

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 September 26, 2002 using
Supplier Rates Effective for the Month

\$0.438479

Factor of Adjustment: 1.017600

Resulting Monthly Cost Adjustment is: \$0.44619

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

December 31, 2002: (\$0.00078)

Capacity Incentive Program:

of October 2002:

12 Months ending January 31, 2003 Surcharge Effective February 1, 2002 -January 31, 2003 \$0.00299

TOTAL EFFECTIVE MONTHLY COST OF GAS:

GAS: \$0.44840 \$0.27529 \$0.17311

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