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

..DID: 20532

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

COMPANY: NIAGARA MOHAWK POWER CORPORATION STATEMENT NO: 26

INITIAL EFFECTIVE DATE: 10/01/02

STAMPS:

Cancelled by Statement DTR Number 27 Effective 11/01/2002

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

STATEMENT OF DEMAND TRANSFER RECOVERY RATE Effective to Billing Commencing October 1, 2002 Applicable to Billing for Service Classification No. 11

Pursuant to Service Classification No. 11 of Niagara Mohawk Power Corporation\*s PSC No. 218, the storage gas transfer rate shall be the sum of:

(1) The Company\*s estimated weighted average commodity cost of gas in storage as of September 30, 2002 \$0.34272

(2) Demand Transfer Recovery Rate (DTR Rate) = \$0.02141

RESULTING IN THE:

TOTAL EFFECTIVE STORAGE TRANSFER RATE PER THERM:

\$0.36413

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