

PSC NO: 3-GAS  
St. Lawrence Gas Company, Inc.  
Initial Effective Date: October 1, 2010

Statement Type: GAC  
Statement No: 77  
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OCTOBER 2010 GAS ADJUSTMENT CLAUSE STATEMENT  
SERVICE CLASSIFICATION NOS 1 AND 2

|  | Total           | Interconnection Charge | Gas Transp. TCPL | Gas Transp. Nova | Gas Supply | Load Balancing |          |
|--|-----------------|------------------------|------------------|------------------|------------|----------------|----------|
| <b>Monthly Cost of Gas</b>   |                 |                        |                  |                  |            |                |          |
| Monthly cost of gas per therm as defined on Leaf No 30 of PSC no 3-Gas determined 09/28/10 by applying the Monthly Cost of Gas which is or will be in effect on the effective date of the gas adjustment | Sales           | 0.665290               | 0.015290         | 0.185320         | 0.015690   | 0.371610       | 0.077380 |
|  | Trans           | 0.277990               | 0.015290         | 0.185320         |            |                | 0.077380 |
| <b>Factor of Adjustment</b>  |                 |                        |                  |                  |            |                |          |
| Sales .66529 x .005 Factor of Adjustment   | Sales           | 0.003326               |                  |                  | 0.003326   |                |          |
| <b>Resulting Purchased Gas Adjustment per therm:</b>   |                 |                        |                  |                  |            |                |          |
|  | Sales           | 0.668616               | 0.015290         | 0.185320         | 0.015690   | 0.374936       | 0.077380 |
|  | Trans           | 0.277990               | 0.015290         | 0.185320         |            |                | 0.077380 |
| <b>Annual GAC Surcharge / Refund</b>   |                 |                        |                  |                  |            |                |          |
| Annual refund/surcharge adjustment for the period 09/01/08 to 08/31/09 to be refunded/surcharged 01/01/10 - 12/31/10   | Sales           | 0.011473               | 0.000260         | 0.002514         | 0.002224   | 0.005806       | 0.000669 |
|  | Trans           | 0.003443               | 0.000260         | 0.002514         |            |                | 0.000669 |
|  | Sales           | 0.680089               | 0.015550         | 0.187834         | 0.017914   | 0.380742       | 0.078049 |
|  | Trans           | 0.281433               | 0.015550         | 0.187834         |            |                | 0.078049 |
| <b>Interruptible Incentive Credit</b>  |                 |                        |                  |                  |            |                |          |
| Annual adjustment of the period 01/01/2009 - 12/31/2009 to be refunded 03/01/2010 - 02/28/2011   | Sales and Trans | -0.007801              | -0.007801        |                  |            |                |          |
| <b>Total Effective Purchased Gas Adjustment</b>  |                 |                        |                  |                  |            |                |          |
| dollars per therm  | Sales           | 0.672288               | 0.007749         | 0.187834         | 0.017914   | 0.380742       | 0.078049 |
|  | Trans           | 0.273632               | 0.007749         | 0.187834         | 0.000000   | 0.000000       | 0.078049 |

| Summary of Gas Supply Costs per Dt |         |
|------------------------------------|---------|
| Sales                              | 3.71610 |
| Weighted Average Commodity Cost    | 2.93680 |
| Weighted Average Demand Cost       | 6.65290 |
| Weighted Average Cost of Gas       |         |
| Adjustments                        | 0.06998 |
| Total Cost                         | 6.72288 |
|                                    | per Dt  |

Issued by: Sharon A. Gaines, Treasurer, St. Lawrence Gas, 33 Stearns St., Massena, NY 13662

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OCTOBER 2010 GAS ADJUSTMENT CLAUSE STATEMENT  
SERVICE CLASSIFICATION NO. 3

|  | Total    | Interconnection Charge        | Gas Transp. TCPL | Gas Transp. Nova | Gas Supply | Load Balancing |
|--|----------|-------------------------------|------------------|------------------|------------|----------------|
| <b>Monthly Cost of Gas</b>   |          |                               |                  |                  |            |                |
| Monthly cost of gas per therm as defined on Leaf No 30 of PSC no 3-Gas determined 09/28/10 by applying the Monthly Cost of Gas which is or will be in effect on the effective date of the gas adjustment |          |                               |                  |                  |            |                |
| Sales  | 0.588440 | 0.015290                      | 0.185320         | 0.015690         | 0.371610   | 0.000530       |
| Trans  | 0.201140 | 0.015290                      | 0.185320         |                  |            | 0.000530       |
| <b>Factor of Adjustment</b>  |          |                               |                  |                  |            |                |
| Sales .5884 x .005 Factor of Adjustment  |          |                               |                  |                  |            |                |
| Sales  | 0.002942 |                               |                  |                  | 0.002942   |                |
| <b>Resulting Purchased Gas Adjustment per therm:</b>   |          |                               |                  |                  |            |                |
| Sales  | 0.591382 | 0.015290                      | 0.185320         | 0.015690         | 0.374552   | 0.000530       |
| Trans  | 0.201140 | 0.015290                      | 0.185320         |                  |            | 0.000530       |
| <b>Annual GAC Surcharge / Refund</b>   |          |                               |                  |                  |            |                |
| Annual surcharge adjustment for the period 09/01/08 to 08/31/09 to be refunded/surcharged 01/01/10 - 12/31/10  |          |                               |                  |                  |            |                |
| Sales  | 0.011473 | 0.000260                      | 0.002514         | 0.002224         | 0.005806   | 0.000669       |
| Trans  | 0.003443 | 0.000260                      | 0.002514         |                  |            | 0.000669       |
| Sales  | 0.602855 | 0.015550                      | 0.187834         | 0.017914         | 0.380358   | 0.001199       |
| Trans  | 0.204583 | 0.015550                      | 0.187834         |                  |            | 0.001199       |
| <b>Total Effective Purchased Gas Adjustment</b>  |          |                               |                  |                  |            |                |
| Dollars per therm  |          |                               |                  |                  |            |                |
| Sales  | 0.602855 | 0.015550                      | 0.187834         | 0.017914         | 0.380358   | 0.001199       |
| Trans  | 0.204583 | 0.015550                      | 0.187834         | 0.000000         | 0.000000   | 0.001199       |
| <b>Load Balancing Demand Charge</b>  |          |                               |                  |                  |            |                |
| Sales  | 0.3621   | per Mcf Load Balancing Demand |                  |                  |            |                |
| Trans  | 0.3621   | per Mcf Load Balancing Demand |                  |                  |            |                |

| Summary of Gas Supply Costs per Dt |          |
|------------------------------------|----------|
| Weighted Average Commodity Cost    | 3.716100 |
| Weighted Average Demand Cost       | 2.168300 |
| Weighted Average Cost of Gas       | 5.884400 |
| Adjustments                        | 0.144150 |
| Total Cost                         | 6.028550 |
|                                    | per Dt   |