

PSC NO. 3 GAS
St. Lawrence Gas Company, Inc.
Initial Effective Date: 06/04/2004

Leaf: 182
Revision: 0
Superseding Revision:

GENERAL INFORMATION

2. General Rules, Regulations, Terms and Conditions: (Cont'd)

XII. Adjustment of Rates in Accordance With Changes in the Cost of Purchased Gas: (Cont'd)

D. Gas Adjustments Based on Load Characteristics:

The company is permitted to calculate gas adjustments for various service classifications, sub-classes, customer groups, or customers based on load characteristics. Implementation of such gas adjustments must be approved by the Commission.

E. Alternative Gas Cost Pricing:

The company is permitted to offer customers alternative pricing mechanisms. Risk management costs and other costs associated with alternative pricing mechanisms shall be excluded from the gas adjustment. Implementation of such alternative pricing mechanisms must be approved by the Commission.

F. Base Cost of Gas:

The base cost of gas applicable to Service Classification Nos. 1, 2, 3, and 10 is:

	Sales	Reserved
	<u>Service</u>	<u>Transportation</u>
Base Cost for Gas Interconnection	\$0.002688	\$0.001304
Base Cost for Gas Transportation	\$0.094200	(Note 1)
Base Cost for Gas Supply	\$0.143740	N/A
Base Cost for Load Balancing Commodity Charge	<u>\$0.037456</u>	<u>\$0.037456</u>
	\$0.278084	\$0.038760

Note 1: For customers and Agents for whom the Point of Receipt is Empress, Alberta, Canada, the charges billed to company for transmission of such gas from Empress to Cornwall or Iroquois, Ontario, Canada on the transmission system of TransCanada PipeLines Limited shall be rebilled to such customers and Agents.

Issued by: G. Robert Simpson, President and General Manager, 33 Stearns Street, Massena, NY