PSC NO. 3 GAS St. Lawrence Gas Company, Inc. Initial Effective Date: 06/04/2004 Leaf: 37 Revision: 0 Superseding Revision:

GENERAL INFORMATION

- 2. General Rules, Regulations, Terms and Conditions: (Cont'd)
 - II. How Service May Be Obtained: (Cont'd)
 - K. Main Extensions: (Cont'd)

The company's cost of this main extension shall include material and installation costs, the amounts paid to governmental authorities for permits to do the work required and all paving charges that are legally imposed by any governmental authority for the repair or replacement of any street or sidewalk disturbed in the course of such installation.

Additional footage of gas main will be installed at the expense of the company if, in the opinion of the company, the prospective revenue is sufficient to justify such excess piping.

If the company, in order to provide service to an applicant, must install gas mains and appurtenant facilities in addition to those described above, the company will impose a surcharge subject to the following provisions:

1. The surcharge relating to mains and appurtenant facilities including return, depreciation, taxes and maintenance shall not exceed 20 percent per year of the actual reasonable cost of such facilities that exceeds the portion which the company is required to install without charge to an applicant, if the company lays a main of 4 inches or less in nominal diameter (in the case of low pressure distribution) or of 2 inches or less in nominal diameter (in the case of high pressure distribution). If the corporation lays a main greater than 4 inches in nominal diameter (in the case of low pressure distribution) or greater than 2 inches in nominal diameter (in the case of high pressure distribution), the surcharge shall not exceed 20 percent per year of the estimated reasonable cost of a 4-inch main (in the case of low pressure distribution) unless the estimated consumption of the proposed customer(s) requires the installation of a larger-sized main, in which event the surcharge shall not exceed 20 percent per year of the actual reasonable cost of such main. The surcharge shall commence when gas service is first available to the applicant and shall be paid ratably for each billing period.