

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

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Revision: 0
Superseding Revision:

GENERAL INFORMATION

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

XI. Additional Terms and Conditions Applicable to Transportation Service: (Cont'd)

K. Disposition of Banked Gas Account (Cont'd):

2. For Customers or Agents receiving Monthly Average Day Transportation Service:

The aggregate of customer's daily underdeliveries for a month shall be added to the aggregate of customer's daily overdeliveries for a month. The total so determined shall be used to determine customer's bill for load balancing for the month at issue by multiplying such total volume by the applicable Seasonalized Imbalance Charge.

Any net imbalance as at a month end shall be purchased from or sold to customer, as applicable. Overdeliveries shall be deemed to be Tolerable Overdeliveries; underdeliveries shall be deemed to be Tolerable Underdeliveries. Such Tolerable Overdeliveries and Tolerable Underdeliveries shall be cashed out monthly in the same manner as described below for net Tolerable Overdeliveries and net Tolerable Underdeliveries.

3. For customers or Agents receiving Maximum Day Transportation Service:

Imbalances per Day greater than two (2) times the Daily Tolerance shall be aggregated each month, overdeliveries ("Super Excess Overdeliveries") separately from underdeliveries ("Super Excess Underdeliveries"). Imbalances per Day greater than the Daily Tolerance but not greater than two times the Daily Tolerance shall be aggregated each month, overdeliveries ("Excess Overdeliveries") separately from underdeliveries ("Excess Underdeliveries"). Imbalances per Day within the Daily Tolerance shall be aggregated each month, overdeliveries ("Tolerable Overdeliveries") separately from underdeliveries ("Tolerable Underdeliveries").

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