

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

Leaf: 132
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)

O. Business Rules Generic To Aggregation And Large Volume Transportation Customers: (Cont'd)

1. Creditworthiness (Cont'd)

b. Creditworthiness Determinants for Marketers (See 2.XI.O.1.e. below for credit requirements for Direct Customers)

i. A Marketer can satisfy the Company's credit requirement by:

- a. it or its guarantor having a minimum rating of "BBB" from S&P's, "Baa2" from Moody's, or "BBB" from Fitch ("Minimum Rating"); or
- b. posting security in an acceptable form as listed in 2.XI.O.1.d. below;

but the company will have the option to require the Marketer having the Minimum Rating to post security:

- a. for the amount by which the company's Credit Exposure (see 2.XI.O.1.c.) for any Marketer exceeds 5% of the company's total monthly revenues for the type of service provided (e.g., 5% of total monthly gas revenues for bundled gas sales, gas transportation and gas retail access); or
- b. for the full amount of the Credit Exposure if (1) the Marketer or its guarantor is at the Minimum Rating and is placed on credit watch with negative implications by any of the three designated rating agencies or the company receives information that indicates that the Marketer's or its guarantor's credit rating could be downgraded below the Minimum Rating (which security requirement will be lifted if the Marketer or its guarantor's credit rating is not downgraded during the ensuing 60 days), or (2) the Marketer's status as a Billing Agent is terminated by another New York utility for failing to render timely bills to customers or to make timely payments to the utility.