

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

Leaf: 122
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)

- G. Unaccounted For Gas: An allowance for losses incurred in the process of transporting gas on company's distribution system. A customer's or Agent's metered consumption shall be adjusted by the general distribution system lost and unaccounted for factor ("LUF") as approved and amended by the New York State Public Service Commission from time to time, or by another factor which is determined to be appropriate in the circumstances and is so declared and approved by the Commission.

For those customers transporting under Maximum Day Transportation Volume, the specific adjustment (to be applied on a daily basis) is represented by the following formula

$$NV = RDV / (1 - LUF)$$

where: NV means Nominated Volume to be received from customer or Agent at the Point of Receipt in order to receive RDV

RDV means the Required Delivery Volume at the location where the gas will be consumed

LUF means the Lost and Unaccounted Factor

- H. Annual Transportation Volume means the volume of gas per year for which transportation service is requested in a written Service Agreement. Such volume shall include an amount to be retained by company as Unaccounted For Gas.

- I. Daily Transportation Volume:

Annual Average Day Transportation Volume shall be the Annual Transportation Volume divided by the number of calendar days in a year. Such volume shall be the Nominated Volume to be received by company, at the Receipt Point, from customer, or from the Agent on behalf of a group of customers, each day during the term of the Service Agreement. The Annual Average Day Transportation Volume shall be nominated at the start of each contract year and shall remain the same for each day of the year unless a change is directed by company or is mutually agreed to by the parties.