

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

Leaf: 138
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)

d. Security Instruments (Cont'd)

If the rating of a bank or insurance company or other financial institution from whom a Marketer/Direct Customer has obtained a letter of credit or surety bond falls below an "A" rating, the Marketer/Direct Customer shall have five (5) calendar days to obtain a substitute letter of credit or surety bond from an "A" rated bank or insurance company or other financial institution.

If the Marketer's/Direct Customer's credit standing ceases to meet the company's credit requirements or if its financial exposure changes due to increased usage during the period of service, then the company has the right to require security or prepayment as specified herein. The company, however, may not request additional security unless the credit exposure increases by at least 10%, or a reasonable company specified threshold. If the security is not tendered within five (5) calendar days after such request, then the company may initiate a process to discontinue retail access service to the Marketer/Direct Customer. Deposits received in cash will accumulate interest at the applicable rate per annum approved by the New York State Public Service Commission for Other Customer Capital.

If the Marketer/Direct Customer subsequently satisfies the credit appraisal without the need for some or all of the security requirement, the company will return the appropriate portion of the Marketer's/Direct Customer's advance deposit with accumulated interest. Similarly, if the company's credit risk is determined to decrease by at least 10%, or a reasonable company specified threshold, relative to the amount of security on deposit, the excess will be refunded with accumulated interest within five (5) calendar days of such determination.