

PSC NO. 3 GAS

St. Lawrence Gas Company, Inc.

Initial Effective Date: 08/01/2016

Issued in Compliance with Commission Order in Cases 15-G-0382 and 13-G-0076, dated July 15, 2016.

Leaf: 182.1

Revision: 2

Superseding Revision: 1

GENERAL INFORMATION

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

XII. Adjustment of Rates in Accordance With Changes in the Cost of Purchased Gas: (Cont'd)

G. System Benefits Charge (SBC) (Cont'd)

Per the Order in Cases 07-M-0548 and 15-M-0252, dated June 19, 2015, the Company is no longer required to implement the EEP beyond December 31, 2015 and customers are no longer eligible for rebates under that initiative. The Company's current accumulated unspent SBC balance will be refunded to customers, excluding Expansion Area customers, with carrying charges at the Other Customer Capital Rate issued by the Commission annually. The Company will reconcile the amount refunded to the annual target refund amount and any over- or under-collections will be included in the subsequent refund calculation. The Company will file the required reconciliation as ordered in Cases 15-G-0382 and 13-G-0076.

Not less than fifteen days prior to any proposed change in the SBC rate, a statement showing the SBC rate and the effective date will be filed with the Public Service Commission.

H. Temporary State Assessment (TSA)

On April 7, 2009, New York State enacted the New York State Budget for 2009- 2010, which requires the Department of Public Service to collect a Temporary State Assessment (TSA). The TSA is authorized under Public Service Law 18-a (6), and is effective from April 1, 2009 to March 31, 2014. The Order in this Proceeding (Case 09-M-0311) authorizes recovery of the revenues required for payment of the TSA, including carrying charges, subject to reconciliation over five years, July 1, 2009 through June 30, 2014. A separate Temporary State Assessment surcharge is established to recover this revenue.

The Temporary State Assessment will be applied to bills of all sales and transportation customers taking service under Service Classification Nos. 1, 2, 3, 4 and 4A. The TSA will be determined annually and will be reflected in the TSA Statement to become effective July 1 each year.

Pursuant to the Commission's Order in Case 09-M-0311 dated June 19, 2009, the TSA surcharge will initially become effective on bills rendered after July 1, 2009.

The company will calculate over or under collections for the twelve months ending June 30 each year (eleven months actual and one month forecast), on or before June 15 each year. The first reconciliation will be performed for July 1, 2009 through June 30, 2010. Any over or under collections will be included in the development of the following year's SBC rate.

Beginning July 1, 2010, not less than fifteen days prior to the proposed change in the TSA rate, a statement showing the TSA rate and the effective date will be filed with the Public Service

Issued by: Peter E. Jurgeneit, General Manager, St. Lawrence Gas, 33 Stearns Street, Massena, NY