

PSC NO. 3 GAS

Leaf: 182

St. Lawrence Gas Company, Inc.

Revision: 9

Initial Effective Date: 08/01/2016

Superseding Revision: 8

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

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)

D. Gas Adjustments Based on Load Characteristics:

The company is permitted to calculate gas adjustments for various service classifications, sub-classes, customer groups, or customers based on load characteristics. Implementation of such gas adjustments must be approved by the Commission.

E. Alternative Gas Cost Pricing:

The company is permitted to offer customers alternative pricing mechanisms. Risk management costs and other costs associated with alternative pricing mechanisms shall be excluded from the gas adjustment. Implementation of such alternative pricing mechanisms must be approved by the Commission.

F. Merchant Function Charge (MFC)/Delivery Rate Adjustment (DRA):

The costs of natural gas procurement (uncollectible costs associated with gas commodity costs, the return on storage charges, gas procurement salaries and gas control costs) are allocated through the Merchant Function Charge to those customers who purchase their natural gas supply from the company and through the Delivery Rate Adjustment to transportation customers. The MFC and DRA rates will be set once per year in December to become effective January 1. The company will calculate under or over collections and reflect the new rate in the MFC/DRA Statements each year.

G. System Benefits Charge (SBC)

A System Benefits Charge ("SBC") to fund a Residential and Commercial Energy Efficiency Program (EEP) has been applied to bills of all sales and transportation customers taking service under Service Classification No. 1 and all sales and transportation customers using less than 50,000 therms per year taking service under Service Classification No. 2. Pursuant to the Commission's Order in Case 07-M-0548 and 08-G-1021 dated June 21, 2010, the SBC became effective October 1, 2010.

The company calculated over or under collections, including lost revenue recovery, for the twelve months ending December 31 each year (eleven months actual and one month forecast), on or before December 15 each year. The first reconciliation was performed for calendar year 2009 and included a reconciliation for the three months ended December 2008. Any over or under collections were included in the development of the following year's SBC rate.

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

Cancelled by supplement No. 18 effective 5/1/2021