

**St. Lawrence Gas**

An  **ENBRIDGE** Company

33 Stearns Street  
P. O. Box 270  
Massena, NY 13662

November 26, 2008

Jaclyn A. Brillling, Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223-1350

Dear Secretary Brillling:

The enclosed tariff leaves, issued by Richard J. Campbell, President and General Manager, are transmitted for filing in compliance with the requirements of the State of New York Public Service Commission.

First Revised Leaf Nos. 4, 32, 33, 77, 146, 191, 290, and 296  
Second Revised Leaf No. 287  
Third Revised Leaf Nos. 261, 262, 267, 268, 276, 277, 282, 303, 305, 306,  
307, 312, 313, and 314  
Fifth Revised Leaf Nos. 260, 266, and 275

PSC No. 3 – GAS  
Effective March 3, 2009

The tariff leaves are being submitted so that the tariff will comply with the changes being proposed in the rate case which is being submitted on the same date.

Notice of the tariff changes is being published on November 29 and December 6, 13 and 20, 2008.

Twenty copies of the Exhibits with Workpapers are enclosed in support of the request for changes in the rates of St. Lawrence Gas Company, Inc. (“St. Lawrence Gas” or the “Company”).

The Company is filing to increase its gas revenues by \$2,167,800, or 4.31%.

St. Lawrence Gas serves approximately 15,200 customers in St. Lawrence and Lewis counties in the following service classifications:

Jaclyn A. Brillling

November 26, 2008

<u>Service Classification</u>	<u>Type of Service</u>
SC-1	Residential Sales and Transportation
SC-2	Small General Firm Service Sales and Transportation
SC-3	Large General Firm Service Sales and Transportation
SC-4	Interruptible Sales and Transportation
SC-5	Interruptible Transportation – Individually Negotiated Agreements

In accordance with the requirements of 16NYCRR 61.3, the Company provides the following information:

- A. The changes are described more fully on the proposed revised leaves to PSC No. 3-Gas and in the following comments.

The basic purposes of the filing are to:

1. recover increased costs that will be incurred in the rate year; and
2. maintain a reasonable rate of return on the Company's assets devoted to the provision of utility service.

- B. All bills in Service Classification Nos. 1, 2 and 3 will increase. The number of bills issued in October 2008 in these classifications totaled 15,176.

Bills in Service Classification No. 4 – Sales Service may or may not increase as they are based on Service Classification No. 3 rates, but are market based. The number of bills issued in Service Classification No. 4 – Sales Service in October 2008 totaled 6.

Bills in Service Classification No. 4 – Transportation Service will increase due to a \$10 per month increase in the Administrative Fee. There are 6 bills in this service classification.

Bills in Service Classification No. 5 will increase due to an increase in the Iroquois Surcharge Rate. There are 3 bills in Service Classification No. 5.

As outlined in the table below, St. Lawrence Gas currently has the lowest residential gas distribution rates in New York State:

Jaclyn A. Brillong

November 26, 2008

**Comparison of Current Distribution Rates (1156 therms) for Residential Service\***

<b>Company</b>	<b>Rates</b>	<b>Proposed Rates</b>
St. Lawrence Gas	\$394.72	\$539.10
Niagara Mohawk	\$403.63	
Rochester Gas & Electric	\$420.16	
Corning Gas	\$486.63	
National Fuel	\$487.60	
New York State Electric & Gas – Champlain Area	\$489.52	
Orange & Rockland	\$598.82	
Central Hudson	\$676.54	
Brooklyn Union	\$686.18	
Keyspan dba Brooklyn Union of Long Island	\$795.41	
Consolidated Edison	\$849.15	

\* excludes gas costs , includes MFC and SBC – November 2008

The estimated annual impact for a typical bill is as follows:

**SC-1 and SC-2 Annual Bill Impacts**

	<u>Non-heating</u>	<u>Heating</u>
SC-1 Residential Sales	\$95.57 or 18.36%	\$128.06 or 6.92%
SC-2 Small General Firm Service	\$180.24 or 4.18%	\$257.20 or 3.02%
SC-1 Residential Transportation	\$100.83 or 41.42%	\$217.70 or 13.12%
SC-2 Small General Firm Service Transportation	\$300.24 or 11.95%	\$598.35 or 11.04%

The Company's last rate case (Case 05-G-1635) was effective December 1, 2006. The order in that case was dated November 9, 2006. At that time the Commission approved an increase in revenue requirement of \$2,797,400 or 6.79% and froze delivery rates for a thirty-seven month period, through December 31, 2009. Thus, new rates can become effective on January 1, 2010, which is what the Company ultimately requests.

Jaclyn A. Brillling

November 26, 2008

Our legal counsel in this proceeding will be:

Eric J. Krathwohl, Esq.  
Rich May, a Professional Corporation  
176 Federal Street  
Boston, MA 02110-2223

Please direct inquiries through his office.

Sharon A. Gaines  
Treasurer

Phone: (315) 842-3610  
Fax: (315) 764-9226  
E-Mail: [sgaines@stlawrencegas.com](mailto:sgaines@stlawrencegas.com)