

St. Lawrence Gas

An  **ENBRIDGE** Company

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

December 27, 2005

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 G. Robert Simpson, 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. 185, 186, 189, 190, 211, 212, 214, 215, 222, 232,
238, 260, 261, 262, 263, 264, 266, 267, 268, 269, 271, 272, 275, 276, 277,
278, 280, 282, 283, 286, 288, 305, 306, 307, 312, 313, 314, 315
Second Revised Leaf Nos. 181, 182, 183

PSC No. 3 – GAS

Effective January 27, 2006

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 December 31, 2005 and January 7, 14 and 21, 2006.

Fifteen 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 \$2,872,500, or 6.92%.

St. Lawrence Gas serves approximately 15,400 customers in St. Lawrence and Lewis counties in the following service classifications:

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<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 November 2005 in these classifications totaled 15,438. Bills in Service Classification No. 4 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 in November 2005 totaled 14.

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

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Comparison of Current Distribution Rates (1286 therms) for Residential Service*

Company	Rates	Proposed Rates
St. Lawrence Gas	\$273.66	\$413.63
Corning Natural Gas	\$316.29	
National Grid	\$378.29	
Rochester Gas & Electric	\$392.17	
National Fuel	\$478.75	
Orange & Rockland	\$510.39	
New York State Electric & Gas - Champlain Area	\$512.29	
Central Hudson	\$525.86	
Brooklyn Union	\$644.93	
Keyspan dba Brooklyn Union of Long Island	\$684.56	
Consolidated Edison	\$747.79	

* excludes gas costs – November 2005

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	\$73.24 or 16.37 %	\$139.94 or 8.98 %
SC-2 Small General Firm Service	\$239.88 or 4.66 %	\$605.37 or 3.77 %
SC-1 Residential Transportation	\$73.25 or 47.39 %	\$139.95 or 40.30 %
SC-2 Small General Firm Service Transportation	\$239.93 or 24.08 %	\$605.38 or 21.56 %

The Company's last rate case (Case 02-G-1275) change became effective September 1, 2003. The order in that case was dated August 4, 2003. At that time the Commission approved an increase in revenue requirement of \$595,000 or 2.7% and froze delivery rates for a thirty-six month period, through September 30, 2006.

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Our legal counsel in this proceeding will be:

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Treasurer

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