Received: 06/28/2011

Status: CANCELLED Effective Date: 07/01/2011

PSC NO: 3-GAS

St. Lawrence Gas Company, Inc.

Initial Effective Date: July 1, 2011

Statement Type: Statement No:

GAC 86

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JULY 2011 GAS ADJUSTMENT CLAUSE STATEMENT SERVICE CLASSIFICATION NOS 1 AND 2

| | | | | | Gas | Gas | | |
|---|---|-----------------|-----------|-----------------|----------|----------|----------|-----------|
| | | | | Interconnection | Transp. | Transp. | Gas | Load |
| | | | Total | Charge | TCPL | Nova | Supply | Balancing |
| Monthly Cost of | | | | | | | | |
| | f gas per therm as defined | | | | | | | |
| on Leaf No 30 | of PSC no 3-Gas determined 06/28/11 | | | | | | | |
| by applying the Monthly Cost of Gas which is | | Sales | 0.856940 | 0.016800 | 0.281840 | 0.016330 | 0.452380 | 0.089590 |
| or will be in effect on the effective date | | Trans | 0.388230 | 0.016800 | 0.281840 | | | 0.089590 |
| of the gas adjustment | | | | | | | | |
| Factor of Adjus | tment | | | | | | | |
| Sales | .85694 x .005 Factor of Adjustment | Sales | 0.004285 | | | | 0.004285 | |
| | | | | | | | | |
| | | | | | | | | |
| Resulting Purchased Gas Adjustment per therm: | | Sales | 0.861225 | 0.016800 | 0.281840 | 0.016330 | 0.456665 | 0.089590 |
| | | Trans | 0.388230 | 0.016800 | 0.281840 | | | 0.089590 |
| Annual GAC S | urcharge / Refund | | | | | | | |
| Annual refund | d/surcharge adjustment for the period | Sales | 0.034142 | 0.000725 | 0.021887 | 0.002179 | 0.004708 | 0.004643 |
| 09/01/09 to 0 | 8/31/10 to be refunded/surcharged | Trans | 0.027255 | 0.000725 | 0.021887 | | | 0.004643 |
| 01/01/11 - 12 | · · | | | | | | | |
| | | | | | | | | |
| | | Sales | 0.895367 | 0.017525 | 0.303727 | 0.018509 | 0.461373 | 0.094233 |
| | | Trans | 0.415485 | 0.017525 | 0.303727 | | | 0.094233 |
| Interruptible I | acentive Credit | | | | | | | |
| Annual adjus | stment of the period 01/01/2010 - 12/31/2010 d 03/01/2011 - 02/28/2012 | Sales and Trans | -0.006948 | -0.006948 | | | | |
| Total Effective | e Purchased Gas Adjustment | Sales | 0.888419 | 0.010577 | 0.303727 | 0.018509 | 0.461373 | 0.094233 |
| dollars per therm | | Trans | 0.408537 | 0.010577 | 0.303727 | 0.000000 | 0.000000 | 0.094233 |
| 1 | | | | | | | | |

| Summary of Gas Supply Costs per Dt | Sales |
|------------------------------------|---------|
| Weighted Average Commodity Cost | 4.52380 |
| Weighted Average Demand Cost | 4.04560 |
| Weighted Average Cost of Gas | 8.56940 |
| Adjustments | 0.31479 |
| Total Cost | 8.88419 |
| | per Dt |

Issued by: Sharon A. Gaines, Treasurer, St. Lawrence Gas, 33 Stearns St., Massena, NY 13662

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St. Lawrence Gas Company, Inc.

- 11-11 Telephonories Date: July 1, 2011

Statement Type: GAC Statement No: 86 Page 2 of 2

JULY 2011 GAS ADJUSTMENT CLAUSE STATEMENT SERVICE CLASSIFICATION NO. 3

| | | Total | Interconnection Charge | Gas Transp. TCPL | Gas Transp. Nova | Gas Supply | Load Balancing |
|---|---|--------------------|---------------------------|------------------------|------------------------|---------------|-------------------|
| Monthly Cost of Gas Monthly cost of gas per therm as defined on Leaf No 30 of PSC no 3-Gas determined 06/28/11 | | | | | | | |
| by applying the Monthly Cost of Gas which is | Sales | 0.767900 | 0.016800 | 0.281840 | 0.016330 | 0.452380 | 0.000550 |
| or will be in effect on the effective date of the gas adjustment | Trans | 0.299190 | 0.016800 | 0.281840 | | | 0.000550 |
| Factor of Adjustment | | | | | | | |
| Sales .7679 x .005 Factor of Adjustment | Sales | 0.003840 | | | | 0.003840 | |
| | | | | | | | |
| Resulting Purchased Gas Adjustment per therm: | Sales | 0.771740 | 0.016800 | 0.281840 | 0.016330 | 0.456220 | 0.000550 |
| | Trans | 0.299190 | 0.016800 | 0.281840 | | | 0.000550 |
| Annual GAC Surcharge / Refund | | | | | | | |
| Annual surcharge adjustment for the period | Sales | 0.034142 | 0.000725 | 0.021887 | 0.002179 | 0.004708 | 0.004643 |
| 09/01/09 to 08/31/10 to be refunded/surcharged | Trans | 0.027255 | 0.000725 | 0.021887 | | | 0.004643 |
| 01/01/11 - 12/31/11 | | | | | | | |
| | Sales | 0.805882 | 0.017525 | 0.303727 | 0.018509 | 0.460928 | 0.005193 |
| | Trans | 0.326445 | 0.017525 | 0.303727 | | | 0.005193 |
| | | | | | | | |
| Total Effective Purchased Gas Adjustment | Sales | 0.805882 | 0.017525 | 0.303727 | 0.018509 | 0.460928 | 0.005193 |
| Dollars per therm | Trans | 0.326445 | 0.017525 | 0.303727 | 0.000000 | 0.000000 | 0.005193 |
| | | | | | | | |
| Load Balancing Demand Charge | Sales | | per Mcf Load Bala | | | | |
| | Trans | 9.2731 | per Mcf Load Bala | ncing Demand | i | | |
| Summary of Gas Supply Costs per Dt | | Sales | 1 | | | | |
| Weighted Average Commodity Cost | | 4.523800 | | | | | |
| · · · | Weighted Average Demand Cost Weighted Average Cost of Gas | | | | | | |
| | | | | | | | |
| Adjustments | | 0.379820 | | | | | |
| Total Cost | | 8.058820 per Dt | | | | | |