

PSC NO. 3 GAS

Leaf: 42

St. Lawrence Gas Company, Inc.

Revision: 1

Initial Effective Date: 10/01/2012

Superseding Revision: 0

Issued in Compliance with Commission Order in Case 10-G-0295, dated July 13, 2012

GENERAL INFORMATION

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

II. How Service May Be Obtained: (Cont'd)

N. Choice of Service Classification:

The company will endeavor to assist a customer in the selection of the available service classification which may be most favorable to his requirements, but does not make any warranty, expressed or implied, as to the rates, classifications or provisions favorable to the present or future service requirement of the customer.

O. Expansion Area (Case 10-G-0295)

Customers obtaining service through system expansion to the communities of Winthrop, Brasher, and North Lawrence in St. Lawrence County and Moira, North Bangor, Brushton, Malone, Burke, and Chateaugay in Franklin County (Expansion Area) may have two surcharges applied to their bills during the five-year development period commencing on or around October 2012.

The Revenue Surcharge set at a maximum amount of \$0.122 per therm will be applied to all sales and transportation bills in the Expansion Area taking service under Service Classification 1, 2, or 3. The Revenue Surcharge Rate will be reflected in the FC Statement. The surcharge is in effect for the first 60 months of the project starting at the date service is initiated to the first customer in the Expansion Area.

The Contribution in Aid of Construction (CIAC) surcharge will apply to all sales and transportation bills in the Expansion Area taking service under Service Classification 1, 2, or 3. The CIAC surcharge is set at \$0.361 per therm for Service Classification 1, \$0.515 per therm for Service Classification 2, and \$0.386 per therm for Service Classification 3. All revenue collected from the CIAC surcharge will be used to write down plant balances. Should net plant costs remain above \$14,724,699 after the five-year development period, the company shall continue to collect the CIAC surcharge until plant costs have reached said amount or the company demonstrates that the revenues in the expansion area are sufficient to provide a reasonable return.

Issued by: Richard J. Campbell, President and General Manager, 33 Stearns Street, Massena, NY