

PSC NO. 3 GAS

St. Lawrence Gas Company, Inc.

Initial Effective Date: 7/1/2009

Issued in Compliance with Commission Order in Case 09-M-0311, dated June 19, 2009.

Leaf: 182.1

Revision: 0

Superseding Revision: 0

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)

H. Temporary State Assessment (TSA)

On April 7, 2009, New York State enacted the New York State Budget for 2009- 2010, which requires the Department of Public Service to collect a Temporary State Assessment (TSA). The TSA is authorized under Public Service Law 18-a (6), and is effective from April 1, 2009 to March 31, 2014. The Order in this Proceeding (Case 09-M-0311) authorizes recovery of the revenues required for payment of the TSA, including carrying charges, subject to reconciliation over five years, July 1, 2009 through June 30, 2014. A separate Temporary State Assessment surcharge is established to recover this revenue.

The Temporary State Assessment will be applied to bills of all sales and transportation customers taking service under Service Classification Nos. 1, 2, 3, 4 and 4A. The TSA will be determined annually and will be reflected in the TSA Statement to become effective July 1 each year.

Pursuant to the Commission's Order in Case 09-M-0311 dated June 19, 2009, the TSA surcharge will initially become effective on bills rendered after July 1, 2009.

The company will calculate over or under collections for the twelve months ending June 30 each year (eleven months actual and one month forecast), on or before June 15 each year. The first reconciliation will be performed for July 1, 2009 through June 30, 2010. Any over or under collections will be included in the development of the following year's SBC rate.

Beginning July 1, 2010, not less than fifteen days prior to the proposed change in the TSA rate, a statement showing the TSA rate and the effective date will be filed with the Public Service Commission.

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