

PSC NO. 3 GAS

St. Lawrence Gas Company, Inc.

Initial Effective Date: 12/01/2006

Issued in Compliance with Commission Order in Case 05-G-1635, et. al., dated November 9, 2006.

Leaf: 282

Revision: 2

Superseding Revision: 0

SERVICE CLASSIFICATION NO. 4

INTERRUPTIBLE SERVICE (Cont'd)

Note: For Customers and Agents for whom the Point of Receipt is Empress, Alberta, Canada, the charges billed to company for transmission of such gas from Empress, Alberta, Canada to Cornwall or Iroquois, Ontario, Canada on the transmission system of TransCanada PipeLines Limited shall be rebilled to such Customers and Agents.

Customers or customers' Agent must have transmission arrangements to a Point of Receipt that are for firm service on the upstream transmission pipeline system.

During days of curtailment or complete interruption of service hereunder (other than for events of force majeure), company shall purchase from customer the volume of gas received from customer at the Point of Receipt and not delivered to customer at the Point of Delivery on such Days. Company shall purchase such gas at a price equal to (1) for a customer who accepts assignment of company's transmission arrangements for the volume of sales gas being displaced by customer's direct purchase arrangements, the company's weighted average cost of transmitting gas from Empress, Alberta, Canada to Cornwall, Ontario, Canada on the pipeline system of TransCanada PipeLines Limited, expressed in cents per therm and calculated at one hundred percent (100%) load factor, and (2) a price equal to the greater of the highest monthly delivered cost of gas to the company (less the TCPL effective rate at 100% load factor) or the customer's actual commodity cost of gas (less upstream capacity costs, if included) plus \$0.05 per Mcf. (Customer must support to company's satisfaction "customer's actual commodity cost of gas".)

Contract Administration Charge:

For interruptible transportation customers a charge of \$125.00 per contract, per month, plus applicable revenue taxes shall be billed to all individual customers transporting 50,000 therms or more per year.

Monthly Gas Bank Balance Carrying Charge Debit or Credit:

Customers or Agents utilizing Annual Average Day Transportation Service shall be charged or credited a monthly carrying cost at an interest rate equal to 1/12 of 10.93% on the value of the monthly bank balance: i.e., the difference between the amount of gas delivered and the amount of gas consumed valued at the Avoided Cost of Gas including upstream transmission costs calculated at 100% load factor.

Increases in Rates and Charges:

The rates and charges are subject to the tax factor as explained in 2.XIV.

Issued by: Catherine E. Hanlon, President and General Manager, 33 Stearns Street, Massena, NY