

PSC NO. 3 GAS

Leaf: 114

St. Lawrence Gas Company, Inc.

Revision: 2

Initial Effective Date: 01/22/2008

Superseding Revision: 1

Issued in Compliance with Commission Order in Case 06-G-0059, dated August 23, 2007

GENERAL INFORMATION

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

IX. Gas Curtailment Procedures: (Cont'd)

E. Curtailment Procedures: (Cont'd)

Core market customers lack alternatives. They take either (a) firm sales service, and lack installed equipment capable of burning fuels other than gas; or (b) firm transportation service. Back-up and standby services provided to firm transportation customers are core market services.

The market price of gas, as defined in Platts Gas Daily, Daily Price Survey midpoint price for Iroquois Receipts (\$US/MMBtu) plus \$0.25/MMBtu, will be used as compensation to customers resulting from the diversion of gas from non-core customers to core customers, absent a previously arranged agreement specifying otherwise.

The market price of gas, as the level of compensation, will be recoverable through the gas adjustment clause (GAC) based upon normal review. Other related costs can be recovered after a showing of reasonableness by the company.

In the event actual gas deliveries to the customer exceed the amount authorized by the company during periods of curtailment, such excess deliveries shall be termed "unauthorized overrun gas" and customer shall pay the service classification rate and penalties as outlined in 2.X.G.3.b. Overrun Gas.