

PSC NO. 3 GAS

St. Lawrence Gas Company, Inc.

Initial Effective Date: 10/1/2008

Issued in Compliance with Commission Order in Case 07-M-0548, dated June 23, 2008

Leaf: 187

Revision: 1

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)

L. Capacity Assignment after April 1, 1999: (Cont'd)

The portion of capacity costs (\$cap) associated with customers that have switched from sales to transportation service after April 1, 1999 or who have had capacity assigned but are no longer taking such assignment, should be calculated as follows:

$$\frac{\$cap}{ucap} = \frac{tcap * ucap\$}{ucap}$$

where

tcap = amount of capacity associated with customers using their own capacity to bring gas to the city gate (dt)

ucap = total utility upstream pipeline capacity (dt)

ucap\$ = utility upstream capacity costs (\$)

Stranded Costs will be recovered from all firm sales and post aggregation firm transportation customers.

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