

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: 184

Revision: 2

Superseding Revision: 1

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)

I. Weighted Average Cost of Gas: (Cont'd)

1. by applying the average unit cost of gas in storage at the date of the computation to the quantities of gas estimated to be withdrawn from storage for the company's own customers during the month in which the gas adjustment will be in effect;
2. the total Weighted Average Cost of Gas equals the amount computed in paragraph (1), plus the amounts computed in paragraphs (2) – (4) divided by the forecasted weather normalized quantities of gas to be taken for delivery to the company's own customers during the month in which the gas adjustment will be in effect. The total Weighted Average Cost of Gas shall be adjusted to reflect credits from released capacity, storage services, and sales and transportation of gas provided to interruptible and off-system customers.
3. risk management costs may be included in paragraphs (1) – (4); and
4. supporting data and workpapers underlying gas cost adjustments and the historical cost of purchased gas, in the format set forth in Appendix 7-H of 16 NYCRR, Volume C, so as to clearly identify sources of gas and related costs as delivered to the company, shall be filed with the commission and accompany the statement. Supporting documents may be computer generated.

J. Proration:

When the Weighted Average Cost of Gas changes by 2-1/2% or more, customers' bills shall be prorated as follows:

1. Large volume customers – for large volume customers with daily readings the GAC shall be prorated on the basis of number of days usage at the applicable GAC rates.
2. Nonheating customers – the GAC shall be prorated on the basis of number of days of usage at the applicable GAC rates to meters read on or after the effective date of the supplier's rate change.
3. Heating customers – if the major gas cost increase occurs during the months of October through May, the GAC shall be prorated on the basis of degree days during the meter reading cycle to meters read on or after the effective date of the supplier's rate change. For increases that become effective during June through September, the GAC shall be prorated on the basis of the number of days usage at the applicable rates to meters read on or after the effective date of the supplier's rate change.

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