

PSC NO. 3 GAS
St. Lawrence Gas Company, Inc.
Initial Effective Date: 06/04/2004

Leaf: 228
Revision: 0
Superseding Revision:

GENERAL INFORMATION

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

XV. Forms: (Cont'd)

K. Form of Gas Transportation Service Agreement (Cont'd)

10.2 The volume of gas received from customer at the Point of Receipt on a day (the "Gas Received for the Day") shall be deemed to have been transported to the Customer's Location to the extent of the lesser of:

- a. the Gas Received for the Day and
- b. the volume of gas delivered by company to the Point of Delivery on such day (the "Gas Taken for the Day"),

and title to gas so transported shall at all times remain with customer. In addition, at any particular time customer shall have title to that volume of gas, if any, by which the aggregate of all volumes of gas each of which is the Gas Received for the Day applicable to a Day in the Term up to such time exceeds the aggregate of all volumes of gas each of which is:

- a. the Gas Taken for the Day applicable to a Day in the Term up to such time, or
- b. a quantity of gas which is purchased or otherwise becomes the property of company pursuant to this Service Agreement or company's tariff.

10.3 Company shall have the right to commingle gas received by company from or for customer at the Point of Receipt with gas owned by company or others and company shall have the right and full and absolute authority to deal in any manner with gas so received.

ARTICLE XI – REPRESENTATIONS, WARRANTIES AND CONDITIONS

11.1 Customer represents and warrants that:

- a. it shall own or control a legal or equitable estate in and to the gas to be delivered to company and that it is entitled to deliver and where applicable, sell such gas to company in accordance with the terms hereunder, free and clear of any adverse claim of any nature whatsoever, and
- b. gas delivered to company will not be subject to any royalties, taxes (federal and/or state) or other charges payable by, or that may become a liability of company and the purchases by company from customer contemplated hereby will not result in liability to company for royalties, taxes (federal and/or state but not income taxes) or like charges which are applicable before possession of and title to such gas passes to company.