

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

Leaf: 189
Revision: 0
Superseding Revision:

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)

M. Refund Provision:

In the Event company receives refunds from one or more of its gas suppliers, the total amount of refund, including interest, related to sales subject to the gas cost adjustment, shall be credited to customers as follows:

1. All refunds received each month will be combines for purposes of determining the refund credit. The rate of refund shall be computed by dividing the total amount to be refunded by the corresponding estimated sales for the next successive 12 calendar months. All refunds concluded during the twelve months ending August 31 of each year will be reconciled with amounts intended to be refunded during that period with any difference applied to the Annual Surcharge or Refund Computation.
2. Interest shall be computed on the unrefunded balance from the date of receipt of the refund until the refund is returned to customers, at least at the rate prescribed by the Commission.
3. Where exceptional circumstances warrant, the utility may petition the Commission for waiver of the above refund plan.

N. Annual Reconciliation:

Actual gas cost recoveries shall be reconciled with actual gas expenses each year, and a surcharge or refund to recover gas adjustment under-recoveries or refund gas adjustment over-collections shall be computed as follows:

1. Taking the cost of gas, adjusted for supplier refunds as recorded on company's books during the determination period, adjusting that cost to reflect a level of purchased gas commensurate with the actual sales and the fixed factor of adjustment as determined in the preceding rate proceeding, and subtracting therefrom an amount equal to:
 - a. the base cost of gas as defined in 2.XII.F. multiplied by the quantities of gas purchased;

Issued by: G. Robert Simpson, President and General Manager, 33 Stearns Street, Massena, NY