

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

Leaf: 129
Revision: 0
Superseding Revision:

GENERAL INFORMATION

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

XI. Additional Terms and Conditions Applicable to Transportation Service: (Cont'd)

K. Disposition of Banked Gas Account (Cont'd):

4. At the date an (Agency) Gas Transportation Service Agreement terminates or is terminated, the disposition of any net debit or credit balance in the Banked Gas Account shall be made as follows:

Company will notify customer or Agent within 30 days of the end of the contract year as to the debit or credit status of the Banked Gas Account.

Credit volumes shall be purchased from customer or Agent by company at a rate equal to the average of the lowest commodity cost of gas for each month of the contract year.

Debit volumes shall be billed to customer or Agent by company at a rate equal to the average of the highest commodity cost of gas for each month of the contract year.

5. Nothing contained in the foregoing provisions shall preclude customer, except for Annual Average Day Transportation Service customers, from trading amongst themselves their daily and month-end imbalance positions. Annual Average Day Transportation Service customers may trade their end of contract year imbalance positions. The overdelivered customer shall pay company a minimum transfer fee of \$100, or \$0.05 per Mcf, whichever is greater. Daily imbalance trading will be allowed among any group of firm transportation customers or among any group of interruptible transportation customers.

Trading between Firm and Interruptible customers will not be allowed. Such groups must appoint a manager with whom company can deal in respect to all matters pertaining to customers' transportation requirements and who will be ultimately responsible to company for the group's imbalance cash out obligations. Any manager so appointed must be acceptable to company, including without limitation, meeting company's creditworthiness criteria. Daily imbalance trading groups must establish their own trading arrangements, reporting processes, accounting procedures and reconciliation methodologies for customer owned gas. Company will require that all daily trades be reported to the company by noon of the second day following the trade. The group manager shall provide the following data to SLG by the designated time:

- a. the names of the customers who traded imbalances,
- b. the volume expressed in therms and ccf,
- c. the day and date of the trade which must comport to the gas day, currently 10 am to 10 am Eastern Standard Time.