

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

Leaf: 135  
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)

##### O. Business Rules Generic To Aggregation And Large Volume Transportation Customers: (Cont'd)

###### 1. Creditworthiness (Cont'd)

###### c. Credit Exposure/Security Calculation

If the Marketer meets the credit requirements in 2.XI.O.1.b. or a Direct Customer receives a waiver as set forth in 2.XI.O.1.e. below, no security may be required. If the Marketer does not meet the credit requirements in 2.XI.O.1.b., or the requirements of 2.XI.O.1.e. cannot be met for Direct Customers, security in an amount equal to the credit exposure may be sought and provided in a form as set forth in 2.XI.O.1.d. below.

The maximum security amounts identified below are associated with the risk of the failure of a Marketer, (1) delivering a single bill for delivery and commodity service to the retail customer, to pay the company (Paragraph 1 below): (2) the failure of a Marketer to pay the company for underdeliveries when that Marketer has underdelivered by up to 100% of its customers' needs (Paragraph 2 below): and, (3) the failure of a Marketer to pay the company amounts due for Reserved Capacity.

###### i. Delivery

The maximum security associated with the natural gas balancing and settlement risk, where the Marketer bills customers for both delivery and commodity services, may be no more than 60 days of a Marketer's customers' projected peak period energy requirements over the coming twelve (12) months priced at the company's applicable delivery tariff rate, including customer charges.

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