

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

Leaf: 120
Revision: 0
Superseding Revision:

GENERAL INFORMATION

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

XI. Additional Terms and Conditions Applicable to Transportation Service:

The following general terms and conditions as set forth herein are incorporated by reference in any and all contracts entered into by company relative to Transportation Service.

- A. The terms quantity and energy (therms) are equivalent. The terms volume and units of cubic measurement (feet or meters) are equivalent.
- B. Point of Receipt:

For customers with assigned transmission rights or transmission service entitlements in their own name or in the name of their Agent, the Point of Receipt shall be the point of interconnection between company's distribution system and one or more natural gas transmission pipelines or as mutually agreed. For customer's use of services for which company has contractual entitlements which have not been assigned to customer or to customers' Agent, the point of Receipt at which the natural gas, owned by customer, or the Agent on behalf of a group of customers, is received by company for transportation to the Point of Delivery shall be the point of interconnection of the pipelines of TransCanada PipeLines Limited and Nova Gas Transmission Limited near Empress, Alberta, Canada.

Up to the maximum of company's receipt capacity at a city gate, all natural gas nominated to be received at a designated Point of Receipt by a customer served under Service Classification Nos. 1, 2, 3 and 10 and nominated by company for service to customers served under Service Classification Nos. 1, 2, 3 and 10 (i.e., for firm service) shall be received prior to the receipt of any natural gas nominated to be received at the same designated Point of Receipt by a customer utilizing interruptible transmission services on the upstream pipeline or nominated by company for service to customers served under Service Classification Nos. 4, 4A, 5 and 9 (i.e., for interruptible service) unless company requires the gas nominated by customers served under Service Classification Nos. 4, 4A, 5 and 9 to meet the service requirements of customers served under Service Classification Nos. 1, 2, 3, and 10. In the event that the sum of the quantities nominated to be received at a Point of Receipt shall exceed the quantity that may reasonably be received by company at that Point of Receipt, such quantity shall first be prorated among the nominations entitled to priority pursuant to this provision and, only if all of the nominations entitled to such priority have been fully satisfied, then among the remainder of the nominations for that Point of Receipt.

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