

Thomas A. Hannan
Finance and Regulatory Manager
Enbridge St. Lawrence Gas



June 29, 2015

Honorable Kathleen H. Burgess, Secretary
New York State Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

Dear Secretary Burgess:

The enclosed tariff leaves, issued by James P. Ward, General Manager, are transmitted for filing in compliance with the requirements of the State of New York Public Service Commission.

First Revised Leaf No. 224
Third Revised Leaf No. 264
Fifth Revised Leaf Nos. 262, 268, 277, 282, 306, 307, and 313
Seventh Revised Leaf Nos. 267 and 276
Eighth Revised Leaf Nos. 275 and 261
Twelfth Revised Leaf No. 260
Fourteenth Revised Leaf No. 266

PSC No. 3 – GAS
Effective July 29, 2015

The tariff leaves are being submitted so that the tariff will comply with the changes being proposed in the rate case which is being submitted on the same date.

Notice of the tariff changes is being published on July 4, 11, 18 and 25, 2015.

Ten copies of Exhibits with Workpapers are enclosed in support of the request for changes in the rates of St. Lawrence Gas Company, Inc. ("St. Lawrence Gas" or the "Company").

The Company is filing to increase its gas revenues by \$1,228,000 or 2.96%.

St. Lawrence Gas serves approximately 16,100 customers in St. Lawrence and Lewis counties in the following service classifications:

<u>Service Classification</u>	<u>Type of Service</u>
SC-1	Residential Sales and Transportation
SC-2	Small General Firm Service Sales and Transportation
SC-3	Large General Firm Service Sales and Transportation
SC-4	Interruptible Sales and Transportation
SC-5	Interruptible Transportation – Individually Negotiated Agreements

In accordance with the requirements of 16NYCRR 61.3, the Company provides the following information:

- A. The changes are described more fully on the proposed revised leaves to PSC No. 3-Gas and in the following comments.

The basic purposes of the filing are to:

1. recover increased costs that will be incurred in the rate year; and
2. maintain a reasonable rate of return on the Company's assets devoted to the provision of utility service.

- B. All bills in Service Classification Nos. 1, 2 and 3 will increase. The number of bills issued in May 2015 in these classifications totaled 16,039.

Bills in Service Classification No. 4 may or may not increase as they are based on Service Classification No. 3 rates, but are market based. The number of bills issued in Service Classification No. 4 totaled 12.

Bills in Service Classification No. 5 will increase due to an increase in the Iroquois Surcharge Rate. There are 2 bills in Service Classification No. 5.

As outlined in the table below, St. Lawrence Gas currently has the fourth lowest residential gas distribution rates in New York State:

Comparison of Current Distribution Rates (1156 therms) for Residential Service*

Company	Rates	Proposed Rates
National Fuel	\$450.52	
Niagara Mohawk	\$490.39	
Rochester Gas & Electric	\$491.66	
St. Lawrence Gas	\$539.49	\$588.04
New York State Electric & Gas – Champlain Area	\$563.43	
Brooklyn Union	\$629.48	
Corning Gas	\$683.53	
Keyspan dba Brooklyn Union of L.I.	\$797.51	
Orange & Rockland	\$855.81	
Central Hudson	\$900.26	
Consolidated Edison	\$1,050.53	

* excludes gas costs, includes MFC, TSA, RDM and SBC –May 2015

The estimated annual impact for a typical bill is as follows:

SC-1 and SC-2 Annual Bill Impacts

	<u>Non-heating</u>	<u>Heating</u>
SC-1 Residential Sales	\$48.00 or 11.27%	\$48.55 or 3.32%
SC-2 Small General Firm Service	\$164.89 or 4.51%	\$200.69 or 3.20%
SC-1 Residential Transportation		\$51.25 or 2.97%
SC-2 Small General Firm Service Transportation		\$310.38 or 3.64%

The Company's last rate case (Case 08-G-1392) was effective January 1, 2010. The order in that case was dated December 18, 2009. At that time the Commission approved an increase in revenue requirement of \$1,746,300 or 4.32% and froze delivery rates for a thirty-six month period, through December 31, 2012. Thus, new rates could have become effective on January 1, 2013.

Please note that simultaneously with this filing of revised tariffs designed to increase the Company's base rates, the Company is today also making a filing to amend its Certificate of Public Convenience and Necessity issued by the Commission on February 17, 2011, and amended by the Commission on July 13, 2012, under Section 68 of the

Public Service Law ("PSL"). The Company is familiar with New York State Code of Rules and Regulations, Title 16 Chapter I, Subchapter D, Part 61 section 61.10 Restriction on rate filings, which restricts certain utility filings that affect revenue requirements. The Company contends that provisions of section 61.10 do not apply in the instant case because the section 68 filing is a "change designed to offer a new or expanded service...". Further, the Company contends that the two referenced filings are being made essentially simultaneously and on that basis as well section 61.10 would not apply. Finally, to the extent that it is determined that section 61.10 does apply to either or both of the Company's filings made today, the Company respectfully requests the Commission to waive the restriction because each of the Company's filings is important to the Company maintaining a sound financial footing and neither could be filed earlier because the Company in one case awaited completion of drilling through an extraordinarily difficult section of rock for its proposed pipeline and in the other case awaited completion by third party experts of cost of service and depreciation studies.

The Company filed, on May 27, 2015, for a waiver of the 150 day rule as required in the Statement of Policy on Test Periods in Major Rate Proceedings, pg. 4. A copy of that letter is also enclosed with this filing.

Our legal counsel in this proceeding will be:

Eric J. Krathwohl, Esq.
Rich May, P.C.
176 Federal Street
Boston, MA 02110-2223

Please direct inquiries through his office.

Sincerely,

ST. LAWRENCE GAS COMPANY, INC.

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