

33 Stearns Street P. O. Box 270 Massena, NY 13662

September 30, 2004

Jaclyn A. Brilling, Secretary New York State Public Service Commission Three Empire State Plaza Albany, NY 12223-1350

Dear Secretary Brilling:

The enclosed leaves issued by G. Robert Simpson, President and General Manager are transmitted for filing in compliance with the requirements of the State of New York Public Service Commission order issued August 4, 2004 in Case No. 02-M-0515.

First Revised Leaf No. 5 First Revised Leaf No. 115 First Revised Leaf No. 118 First Revised Leaf No. 120 First Revised Leaf No. 181 First Revised Leaf No. 182 First Revised Leaf No. 183 First Revised Leaf No. 284 Original Leaf No. 310 Original Leaf No. 311 Original Leaf No. 312 Original Leaf No. 313 Original Leaf No. 314

PSC No. 3 – GAS

Original Leaf No. 315

Effective October 1, 2004

By this filing the company proposes to establish a new firm service applicable to residential distributed generation customers. Service Classification No. 11 will contain the rates, terms and

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conditions applicable to the sale of natural gas and the transportation of supplies to customers who qualify for service under this Service Classification.

Service under this Classification will be available to customers with a minimum load factor of fifty (50) percent.

Sales or Transportation Service

S.C. No. 11 customers will have the option of purchasing their natural gas supplies from either St. Lawrence Gas or a retail supplier. Natural gas supplies will be sold to residential distributed generation customers by St. Lawrence Gas at the Monthly Cost of Gas filed with the Public Service Commission.

Customers purchasing their supplies from a Retail Supplier must use firm, non-recallable, primary delivery point capacity to the Company's citygate(s) during the months from November to March.

Rate Design

The rates proposed by the company in this filing are based on the company's Embedded Cost of Service Study filed September 30, 2002 in Case 02-G-1275 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of St. Lawrence Gas Company, Inc. for Gas Service. The rates are established as a ceiling for not less than three years. Rates are designed using an average class load factor of 50%. The rate design includes a Customer Charge and a volumetric rate.

Metering

Customers are not required to have separate metering under this Service Classification.

The requirement of Section 66(12) (b) of the Public Service Law as to newspaper publication of the amendments directed in this order are waived.

Sharon A. Gaines

Treasurer

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