

St. Lawrence Gas

An  ENBRIDGE Company

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

July 22, 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.

First Revised Leaf No. 303
First Revised Leaf No. 304
PSC No. 3 – GAS

Effective September 1, 2004

The revisions relate to changes to the Company's Distributed Generation Service Classification to fully comply with the Orders dated April 24, 2003, December 3, 2003 and January 26, 2004 in Case 02-M-0515.

On February 25, 2004 the Company sent a letter to the Secretary outlining a conflict. The Order dated April 24, 2003 stated that a separate demand rate for customers using over 5 MW could be imposed, but for small customers, only a volumetric charge would apply. The Order also states that pricing will continue to rely on the existing embedded costs, i.e. on existing rates. The existing rates for SC-3 Large General Firm Service customers include a demand charge, consequently the originally filed DG rates continued to include a demand charge.

After discussions with Staff, the Company has agreed to use the SC-2 DG rates for SC-3 customers using less than 5 MW. The above revised tariff leaves reflect this change.

Sharon A. Gaines
Treasurer

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