St. Lawrence Gas

An ENBRIDGE Company

May 20, 2011

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

REVISED REVENUE DECOUPLING MECHANISM SURCHARGE CALCULATION

After consultation with Staff, the enclosed Revised Revenue Decoupling Surcharge Calculation for January 1, 2010 to December 31, 2010 is transmitted for filing in compliance with the requirements of P.S.C No. 3 – Gas, Leaf Nos. 191 – 191.1 as implemented in Case 08-G-1392.

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St. Lawrence Gas Company, Inc.

Revenue Decoupling Mechanism Reconciliation
Reconciliation Period:
January 1, 2010 - December 31, 2010

Forecast	Residential Sales and Transportation			
	Forecast Average number of Customers		13,840	*A*
	Forecast Therms		15,520,065	*B*
	Forecast Revenue Rate Year Revenue		5,894,563	*C*
	Target Revenue per Customer		**425.9077**	*D*
Actuals	Residential Sales and Transportation			
	Average number of Customers		13,833	*E*
	Sales and Transportation Therms		14,204,563	*F*
	Sales and Transportation Margin Revenue		5,681,046	*G*
	Low Income Adjustment		-	*H*
	Adjusted Margin Revenue		5,681,046	*I*
	Revenue per Customer		**410.6879**	*J*
Variance	RPC Variance	*(J - D)*	(15.22)	*K*
	Revenue Variance	*(E x K)*	**(210,535.49)**	*L*
	OR			
	Allowed Rate Year Revenue	*(D x E)*	5,891,581.21	*M*
	Revenue Variance	*(I - M)*	**(210,535.21)**	*N*
			0.28	*(rounding)*
Surcharge	To be surcharged to Residential Customers		$ (210,535)	
	Interest		$ (6,549)	
	Total to be Surcharged 04/01/11 - 03/31/2012		$ (217,084)	
	$ (217,084)			
	15,532,450 SC1 Sales and Trans Therms		$ 0.013976	/ therm Surcharge
	Total to be Surcharged 04/01/11 - 03/31/2012		$ (217,084)	
	Collected in April		27,585.37	
	Balance		(189,499.12)	
	SC1 Sales and Trans Therms		13,639,800	
	May 2011 - March 2012 (Budget)			
	May - Mar Rate		0.013893	/ therm Surcharge

St. Lawrence Gas
Rate Case Rates
Option B with AG Energy Adjustment

December 31, 2010

Residential Rates - Year 1	
Customer Charge	15.00
LI Customer Charge	10.00
4	0
36	0.3975
Over	0.1751

Target RPC			
Total Residential Margin	5,894,563		
Average # Customer	13,840	RPC	425.91

Actual RPC **Using Actuals / Rate Case** **2010 Actuals**

Total Residential Margin	5,681,046		
With LI Adjustment included			
	5,681,046		
Average # Customer	13,833	RPC	410.68790
		Variance from Target	(15.2198000)
RDM Deferral		Variance x Actual # Customers	(210,535.49)
		YTD - Credit Revenue	

St. Lawrence Gas Company, Inc.

Revenue Decoupling Mechanism Reconciliation
Reconciliation Period:
January 1, 2010 - December 31, 2010

Amount to be Surcharged	April 1, 2011 to March 31, 2012		$ (210,535)
	Prior Year's Balance		
			$ (210,535)
3.35% Simple Interest	January 1, 2011 - March 31, 2011		$ (1,763)
3.35% Simple Interest	April 1, 2011 - March 31, 2012		$ (4,786)
			$ (6,549)

		Estimated Volume %	Payment on Base		Interest	
Apr-11	3.35%	11.4%	$ (24,001)		$ (588)	
May-11		5.8%	$ (12,211)	$ (24,001)	$ (521)	
Jun-11		3.0%	$ (6,316)	$ (36,212)	$ (487)	
Jul-11		1.3%	$ (2,737)	$ (42,528)	$ (469)	
Aug-11		1.7%	$ (3,579)	$ (45,265)	$ (461)	
Sep-11		2.1%	$ (4,421)	$ (48,844)	$ (451)	
Oct-11		4.5%	$ (9,474)	$ (53,265)	$ (439)	
Nov-11		7.4%	$ (15,580)	$ (62,739)	$ (413)	
Dec-11		12.3%	$ (25,896)	$ (78,319)	$ (369)	
Jan-11		16.8%	$ (35,370)	$ (104,215)	$ (297)	
Feb-11		17.8%	$ (37,475)	$ (139,585)	$ (198)	
Mar-11		15.9%	$ (33,475)	$ (177,060)	$ (93)	
		100.0%	$ (210,535)		$ (4,786)	

	$ (217,084)

Volume 2011 Budget

Therms	SC1 Sales	SC1 Trans	**Total**	
Apr-11	1,765,360	12,150	1,777,510	11.4%
May-11	895,980	12,390	908,370	5.8%
Jun-11	461,350	5,540	466,890	3.0%
Jul-11	192,850	3,410	196,260	1.3%
Aug-11	257,930	3,990	261,920	1.7%
Sep-11	323,760	3,690	327,450	2.1%
Oct-11	686,870	7,530	694,400	4.5%
Nov-11	1,138,610	12,030	1,150,640	7.4%
Dec-11	1,894,550	13,670	1,908,220	12.3%
Jan-11	2,602,080	14,220	2,616,300	16.8%
Feb-11	2,741,530	20,280	2,761,810	17.8%
Mar-11	2,444,290	18,390	2,462,680	15.9%
	15,405,160	127,290	15,532,450	100%
May - Mar Therms	13,639,800			

RDM MODEL

VARIABLES			Forecast
Customer Target			13,840
Use/Customer	Th/Customer		
Class Revenue	$		$5,894,563
Revenue Per Customer	$/Customer		$ 425.91
Change in Customers (FOR SCENARIOS BELOW)		+/-	-0.05%
Change in RPC (FOR SCENARIOS BELOW)		+/-	-3.57%

GAS RATES RDM MODEL

	Customer Change Only	RPC Change Only	Customer and RPC Change	
Customers			0.999 13,833 ↑	
Revenue Per Customer			0.964 $ 410.69 ↑	
Class Revenue			$5,681,046	
Customer Impact Company Gains/(Losses)			($2,981)	
RDM Surcharge/(Refund)			$210,536	

St. Lawrence Gas
RDM **Actuals**

# Customer		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Residential General		540	527	512	517	510	509	496	495	504	498	492	491	6091	
Residential Heat															
Total		13,443	13,432	13,446	13,444	13,350	13,252	13,165	13,109	13,136	13,221	13,338	13,467		
Non-low income		11,635	11477	11376	11282	11176	11122	11072	11009	11181	11289	11420	11416	135455	
Low Income		1808	1955	2070	2162	2174	2130	2093	2100	1955	1932	1918	2051	24348	
Residential T		8	8	8	8	8	8	8	9	9	9	9	9	101	
		13,991	13,967	13,966	13,969	13,868	13,769	13,669	13,613	13,649	13,728	13,839	13,967	165,995	13,833
													Average	13,833	

Actual Volumes		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential Sales														
	4	55,091	54,925	54,907	54,899	54,111	49,707	45,666	45,164	46,823	52,247	53,556	54,801	621,897
	36	476,952	474,439	472,835	463,376	415,112	252,787	154,632	140,982	182,668	339,681	418,596	465,851	4,257,911
	Over	2,103,429	1,920,914	1,534,071	894,889	385,854	67,766	33,680	32,395	46,912	213,638	580,609	1,349,693	9,163,850
		2,635,472	2,450,278	2,061,813	1,413,164	855,077	370,260	233,978	218,541	276,403	605,566	1,052,761	1,870,345	14,043,658
Residential T														
	4	32	32	32	32	9,617	24	28	28	33	36	36	36	9,966
	36	288	288	288	288	195	192	218	218	242	313	307	324	3,161
	Over	22,656	18,142	15,576	10,098	1,040	5,048	3,303	5,543	6,588	13,502	19,652	26,630	147,778
		22,976	18,462	15,896	10,418	10,852	5,264	3,549	5,789	6,863	13,851	19,995	26,990	160,905
TOTAL														
	4	55,123	54,957	54,939	54,931	63,728	49,731	45,694	45,192	46,856	52,283	53,592	54,837	631,863
	36	477,240	474,727	473,123	463,664	415,307	252,979	154,850	141,200	182,910	339,994	418,903	466,175	4,261,072
	Over	2,126,085	1,939,056	1,549,647	904,987	386,894	72,814	36,983	37,938	53,500	227,140	600,261	1,376,323	9,311,628
		2,658,448	2,468,740	2,077,709	1,423,582	865,929	375,524	237,527	224,330	283,266	619,417	1,072,756	1,897,335	14,204,563

Margin Revenue		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential Sales														
LI		*17997.7*	*19,387*	*20,518*	*21,310*	*21,332*	*22,587*	*22,016*	*20,147*	*19,693*	*19,145*	*18,729*	*20,417*	
Cuts Charge		199,905	198,399	197,949	197,263	196,598	195,297	194,096	192,817	193,492	194,013	195,873	197,599	2,353,301
Dist Margin	4	-	-	-	-	-	-	-	-	-	-	-	-	-
	36	189,759	188,598	187,954	184,194	165,013	100,495	61,479	56,054	72,623	135,032	166,396	185,178	1,692,776
	Over	368,321	336,355	268,617	156,697	67,567	11,869	5,898	5,673	8,216	37,413	101,668	236,333	1,604,629
Total		757,985	723,352	654,520	538,155	429,178	307,662	261,474	254,544	274,331	366,457	463,938	619,110	5,650,706
Residential T														
Cuts Charge		120	120	120	120	120	120	120	135	135	135	135	135	1,515
Dist Margin	4	-												-
	36	114	114	114	114	106	76	87	87	96	124	122	129	1,284
	Over	3,967	3,177	2,727	1,768	1,848	884	578	971	1,154	2,364	3,441	4,663	27,542
Total		4,201	3,411	2,962	2,003	2,074	1,080	785	1,192	1,385	2,623	3,698	4,927	30,341
Total Residential	**Actual** Margin	762,186	726,764	657,482	540,158	431,252	308,742	262,259	255,736	275,716	369,081	467,636	624,036	5,681,046

St. Lawrence Gas
RDM **Rate Case Targets**
2010 Year 1

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
# Customers															
	Residential General	646	655	645	636	642	632	631	634	635	638	645	650	7689	
	Residential Heat Total	13,267	13,272	13,280	13,288	13,259	13,127	13,073	13,050	13,033	13,128	13,222	13,308		
	Non-Low Income	11,067	11,072	11,080	11,088	11,059	10,927	10,873	10,850	10,833	10,928	11,022	11,108	131907	
	Low Income	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	26400	
	Residential T	7	7	7	7	7	7	7	7	7	7	7	7	84	
															Average
	Total	**13,920**	**13,934**	**13,932**	**13,931**	**13,908**	**13,766**	**13,711**	**13,691**	**13,675**	**13,773**	**13,874**	**13,965**	**166,080**	**13,840**

Rate Case Volumes		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Residential General													
	4	2,327	2,283	2,226	2,267	2,257	2,240	2,350	2,289	2,251	2,371	2,381	2,362	27,604
	36	5,641	4,942	3,979	5,576	5,680	6,037	6,310	6,509	5,485	7,123	7,263	6,518	71,063
	Over	14,441	7,880	15,092	5,870	7,252	2,781	-	-	-	-	2,561	5,936	61,813
		22,409	15,105	21,297	13,713	15,189	11,058	8,660	8,798	7,736	9,494	12,205	14,816	160,480
	Residential Heat													
	4	51,033	52,304	52,714	53,477	52,243	46,367	45,789	43,327	46,949	47,881	50,646	51,784	594,514
	36	471,805	471,083	474,283	433,530	390,200	262,344	126,188	136,354	201,747	279,624	397,244	449,436	4,093,838
	Over	2,157,096	2,197,373	1,770,443	1,213,857	445,910	85,099	76,410	42,169	77,129	302,639	768,534	1,494,980	10,631,639
		2,679,934	2,720,760	2,297,440	1,700,864	888,353	393,810	248,387	221,850	325,825	630,144	1,216,424	1,996,200	15,319,991
	Residential T													
	4	28	24	28	24	28	22	24	9	20	28	28	24	287
	36	252	216	252	216	221	125	154	36	134	214	252	216	2,288
	Over	6,034	5,795	6,191	5,897	1,912	457	136	179	264	1,526	3,200	5,428	37,019
		6,314	6,035	6,471	6,137	2,161	604	314	224	418	1,768	3,480	5,668	39,594
	4	53,388	54,611	54,968	55,768	54,528	48,629	48,163	45,625	49,220	50,280	53,055	54,170	622,405
	36	477,698	476,241	478,514	439,322	396,101	268,506	132,652	142,899	207,366	286,961	404,759	456,170	4,167,189
	Over	2,177,571	2,211,048	1,791,726	1,225,624	455,074	88,337	76,546	42,348	77,393	304,165	774,295	1,506,344	10,730,471
	TOTAL	**2,708,657**	**2,741,900**	**2,325,208**	**1,720,714**	**905,703**	**405,472**	**257,361**	**230,872**	**333,979**	**641,406**	**1,232,109**	**2,016,684**	**15,520,065**

Margin Revenue		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Residential General													
	Cust Charge	9,690	9,825	9,675	9,540	9,630	9,480	9,465	9,510	9,525	9,570	9,675	9,750	115,335
	4	-	-	-	-	-	-	-	-	-	-	-	-	-
	36	2,242	1,964	1,582	2,216	2,258	2,400	2,508	2,587	2,180	2,831	2,887	2,591	28,248
	Over	2,529	1,380	2,643	1,028	1,270	487	-	-	-	-	448	1,039	10,823
Total		14,461	13,169	13,899	12,784	13,158	12,367	11,973	12,097	11,705	12,401	13,010	13,380	154,406
	Residential Heat													
	Cuts Charge	166,005	166,080	166,200	166,320	165,885	163,905	163,095	162,750	162,495	163,920	165,330	166,620	1,978,605
	Cust Charge LI	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	264,000
	4	-	-	-	-	-	-	-	-	-	-	-	-	-
	36	187,542	187,255	188,527	172,328	155,105	104,282	50,160	54,200.7	80,194	111,151	157,904	178,651	1,627,301
	Over	377,708	384,760	310,005	212,546	78,079	14,901	13,379	7,384	13,505	52,992	134,570	261,771	1,861,600
Total		753,255	760,096	686,732	573,195	421,068	305,088	248,634	246,335	278,195	350,063	479,805	629,042	5,731,506
	Total Sales	767,716	773,265	700,631	585,979	434,226	317,454	260,607	258,432	289,900	362,464	492,815	642,422	5,885,912
	Residential T													
	Cuts Charge	105	105	105	105	105	105	105	105	105	105	105	105	1,260
	4	-	-	-	-	-	-	-	-	-	-	-	-	-
	36	100	86	100	86	88	50	61	14	53	85	100	86	909
	Over	1,057	1,015	1,084	1,033	335	80	24	31	46	267	560	950	6,482
Total		1,262	1,206	1,289	1,223	528	235	190	151	204	457	765	1,141	8,652
	TARGET													
	Total Residential Distribution Margin	**768,978**	**774,470**	**701,921**	**587,202**	**434,754**	**317,689**	**260,797**	**258,582**	**290,104**	**362,921**	**493,581**	**643,563**	**5,894,563**

St. Lawrence Gas
RDM

Rate Case	Year 2	
Residential		
	Customer Charge	15.00
	LI Customer Charge	10.00
2011 Rates	4	0
	36	0.46
	Over	0.2075

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
# Customer															
Residential General		646	655	645	636	642	632	631	634	635	638	645	650	7689	
Total		13,267	13,272	13,280	13,288	13,259	13,127	13,073	13,050	13,033	13,128	13,222	13,308		
Residential Heat	Regular	11,067	11,072	11,080	11,088	11,059	10,927	10,873	10,850	10,833	10,928	11,022	11,108	131907	
	LI	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	26400	158307
Residential T		7	7	7	7	7	7	7	7	7	7	7	7	84	
		13,920	13,934	13,932	13,931	13,908	13,766	13,711	13,691	13,675	13,773	13,874	13,965	166,080	13,840

Rate Case Volumes		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential General														
	4	2,327	2,283	2,226	2,267	2,257	2,240	2,350	2,289	2,251	2,371	2,381	2,362	27,604
	36	5,641	4,942	3,979	5,576	5,680	6,037	6,310	6,509	5,485	7,123	7,263	6,518	71,063
	Over	14,441	7,880	15,092	5,870	7,252	2,781	-	-	-	-	2,561	5,936	61,813
		22,409	15,105	21,297	13,713	15,189	11,058	8,660	8,798	7,736	9,494	12,205	14,816	160,480
Residential Heat														
	4	51,033	52,304	52,714	53,477	52,243	46,367	45,789	43,327	46,949	47,881	50,646	51,784	594,514
	36	471,805	471,083	474,283	433,530	390,200	262,344	126,188	136,354	201,747	279,624	397,244	449,436	4,093,838
	Over	2,157,096	2,197,373	1,770,443	1,213,857	445,910	85,099	76,410	42,169	77,129	302,639	768,534	1,494,980	10,631,639
		2,679,934	2,720,760	2,297,440	1,700,864	888,353	393,810	248,387	221,850	325,825	630,144	1,216,424	1,996,200	15,319,991
Residential T														
	4	28	24	28	24	28	22	24	9	20	28	28	24	287
	36	252	216	252	216	221	125	154	36	134	214	252	216	2,288
	Over	6,034	5,795	6,191	5,897	1,912	457	136	179	264	1,526	3,200	5,428	37,019
		6,314	6,035	6,471	6,137	2,161	604	314	224	418	1,768	3,480	5,668	39,594
TOTAL														
	4	53,388	54,611	54,968	55,768	54,528	48,629	48,163	45,625	49,220	50,280	53,055	54,170	622,405
	36	477,698	476,241	478,514	439,322	396,101	268,506	132,652	142,899	207,366	286,961	404,759	456,170	4,167,189
	Over	2,177,571	2,211,048	1,791,726	1,225,624	455,074	88,337	76,546	42,348	77,393	304,165	774,295	1,506,344	10,730,471
		2,708,657	2,741,900	2,325,208	1,720,714	905,703	405,472	257,361	230,872	333,979	641,406	1,232,109	2,016,684	15,520,065

Margin Revenue		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential General														
Cust Charge		9,690	9,825	9,675	9,540	9,630	9,480	9,465	9,510	9,525	9,570	9,675	9,750	115,335
Dist Margin	4													-
	36	2,595	2,273	1,830	2,565	2,613	2,777	2,903	2,994	2,523	3,277	3,341	2,998	32,689
	Over	2,997	1,635	3,132	1,218	1,505	577	-	-	-	-	531	1,232	12,826
Total		15,281	13,733	14,637	13,323	13,748	12,834	12,368	12,504	12,048	12,847	13,547	13,980	160,850
Residential Heat														
Cuts Charge		166,005	166,080	166,200	166,320	165,885	163,905	163,095	162,750	162,495	163,920	165,330	166,620	1,978,605
Cust Charge LI		22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	264,000
Dist Margin	4	-	-	-	-	-	-	-	-	-	-	-	-	-
	36	217,030	216,698	218,170	199,424	179,492	120,678	58,046	62,723	92,804	128,627	182,732	206,741	1,883,165
	Over	447,597	455,955	367,367	251,875	92,526	17,658	15,855	8,750	16,004	62,798	159,471	310,208	2,206,065
Total		852,633	860,733	773,737	639,619	459,903	324,241	258,997	256,223	293,303	377,345	529,533	705,569	6,331,836
Total Sales		867,914	874,466	788,374	652,942	473,651	337,075	271,364	268,727	305,351	390,191	543,080	719,549	6,492,686
Residential T														
Cuts Charge		105	105	105	105	105	105	105	105	105	105	105	105	1,260
Dist Margin	4	-	-	-	-	-	-	-	-	-	-	-	-	-
	36	116	99	116	99	102	58	71	17	62	98	116	99	1,052
	Over	1,252	1,202	1,285	1,224	397	95	28	37	55	317	664	1,126	7,681
Total		1,473	1,407	1,506	1,428	603	257	204	159	221	520	885	1,331	9,994
Total Residential	**TARGET**	869,387	875,873	789,880	654,370	474,254	337,333	271,568	268,886	305,572	390,711	543,965	720,880	6,502,680
Revenue per Customer														469.85

2011 Target RPC