

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Case 13-G-____ In the Matter of the Verified Petition of St. Lawrence Gas Company,
Inc. for Authority to Issue Long Term Debt securities in an amount of up to \$15 Million

ST. LAWRENCE GAS COMPANY, INC.

VERIFIED PETITION

Kathy Given O'Shaughnessy
Treasurer
St. Lawrence Gas Company, Inc.
33 Stearns Street
P. O. Box 270
Massena, New York 13662-0270
Phone: (315) 842-3611
FAX: (315) 764-9226

Dated: Massena, New York
July 9, 2013

STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

In the Matter of the Application

Of

ST. LAWRENCE GAS COMPANY, INC. for
Authority to issue long term debt securities in an amount of up to \$15 million.

TO THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NEW YORK

St. Lawrence Gas Company, Inc. (the Company) hereby petitions the Public Service Commission for authority under Section 69 of the Public Service Law to issue a combined amount of up to \$15 million of long term indebtedness. The Company will use the proceeds to replace \$7 million of existing long term debt that has matured and replace \$8 million of existing short term debt with long term debt.

I. Replace \$7.0 million revolving Credit Agreement with HSBC Bank USA

In Case 92-G-1047 the Commission authorized the Company to enter into a revolving credit agreement with Marine Midland Bank, N.A. (now HSBC Bank USA) in an amount not to exceed \$7.0 million. The order was amended in 1997 as to use of funds.

After an initial three-year minimum term commencing December 1996, the Revolver remains in place until the Bank issues a notice of Non-Extension. Upon issuance of the Notice of Non-Extension, the Revolver Maturity Date is 24 months subsequent to the next following Effective Date.

In a notice dated September 6, 2012, received by the Company on September 12, 2012, HSBC Bank issued a Notice of Non-Extension. The Revolver Maturity Date accordingly is December 3, 2014.

With this petition the Company is proposing the replacement of this credit agreement at HSBC or another financial institution.

II. Replace Short-term Debt used to fund construction and expansion

The Company began construction on the Franklin County expansion project in August 2012 (Cases 10-T-0154 and 10-G-0295) and expects to install \$41 million of plant over 6 years and recover \$6 million from local government and Industrial Development Agency and \$18.6 million through a Contribution in Aid of Construction surcharge for customers in the expansion area over five years.

To date the expansion has been funded through short term debt. With this petition, the Company proposes replacing short-term debt used during construction with long-term debt in the amount of \$8.0 million dollars.

For these reasons the petitioner respectfully requests authority under Section 69 of the Public Service Law to issue up to \$15 million in long term debt.

In support of the petition the Company makes the following representations:

1. St. Lawrence Gas Company, Inc., a gas corporation with its principal place of business at 33 Stearns Street, Massena, New York, was incorporated on August 2, 1957 under the Transportation Corporation Law of New York State. A copy of the Certificate of Incorporation is attached as Exhibit 1.
2. A "Statement of Financial Condition" is filed as Exhibit 2. Certain other information required pursuant to Part 37 of Title 16 of the Official Compilation of Codes, Rules, and Regulations of the State of New York as well as other information reflected in the Index of Exhibits is attached.
3. The utility property of the Company, set forth in Exhibits, 4, 6, and 9 is stated at original cost.
4. Included in Utility Plant in account 301 Organization is \$2,261 and Account 302 Franchises and Consents is \$412,751
5. No stock issue is being proposed,
6. The amount of indebtedness requested is up to \$15 million. The rate of interest and term of loan is to be determined.
7. The purpose of the funds is to refinance \$7 million of existing long term debt and to replace short term debt incurred to finance expansion into Franklin and parts of St. Lawrence Counties.

8. Reimbursement margin is attached as Exhibit 3, demonstrating that the funds to be derived from the issuance of such debt will not exceed the amounts expended under the Company's capital budget for the purposes listed in the preceding paragraphs of this petition

9. Contracts are not available at this time. The Company will request proposals from area banks upon approval of its petition.

10. An Affidavit of the principal accounting officer is attached as Exhibit 11.

11. Consistent with the foregoing considerations, the Company seeks authorization, specifically for the issuance of \$15,000,000 of long-term debt. Upon execution of the necessary loan and related instruments for the transactions that will implement this borrowing, the Company will promptly furnish copies to the Commission.

12. As indicated in the preceding paragraphs, the funds to be derived from the transaction for which authorization is sought herein are to be used, consistent with the Public Service Law and the Commission's Rules of Procedure thereunder, for: the acquisition of property to be used in the Company's business; for the construction, completion, extension or improvement of facilities; for improvement or maintenance of service; for discharge or refunding of obligations; for reimbursement of moneys expended from income or other sources not obtained from the issuance of stocks, bonds, notes or other evidences of indebtedness; and/or for any other lawful purpose that may be authorized by the Commission. In particular, the proposed issuance of long-term debt will enable the Company to replace short-term debt used to fund construction projects consisting of facilities to be constructed and installed by the Company and used for the furnishing of natural gas as part of the gas distribution system and replace an expiring debt facility.

13. Inasmuch as the proceeds of the issuance of long-term indebtedness will be used for funding facilities having extended service lives, it would be appropriate to amortize the costs associated with such issuance over the life of the loan. The Company will provide cost information when a financing commitment is obtained.

14. By this Petition, therefore, the Company seeks Commission approval of the Company's proposed issuance of equity and long-term indebtedness in the aggregate amount of \$15,000,000 for the aforementioned purposes.

15. Consent of the stockholders of the Company is not required for the issuance of the subject debt. No approval of any public entity other than the Commission is required for the issuance of such debt.

16. No franchise or right to own, operate or enjoy any franchise, or any contract for consolidation or lease is proposed to be capitalized, directly or indirectly, by the proposed transaction.

WHEREFORE, for the reasons set forth herein, the Company respectfully requests that the Commission issue an Order authorizing Petitioner, pursuant to PSL Section 69, to enter into the financing arrangements described herein and issue such further orders as may be necessary to permit the Company to issue and sell the Proposed Securities, including Proposed Debt, from time to time; and grant such other and further relief to which the Company may be entitled.

Dated: July 9, 2013

Respectfully submitted,

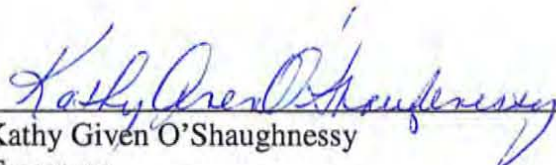
ST. LAWRENCE GAS COMPANY, INC.

A handwritten signature in blue ink, reading "Kathy Given O'Shaughnessy". The signature is written in a cursive style with a large initial 'K' and a prominent 'O'.

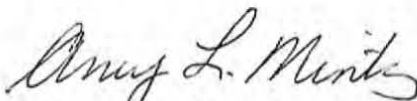
Kathy Given O'Shaughnessy
Treasurer

STATE OF NEW YORK)
)
COUNTY OF ST. LAWRENCE)

KATHY GIVEN O'SHAUGHNESSY, being duly sworn, deposes and says: I am the Treasurer of ST. LAWRENCE GAS COMPANY, INC., the Petitioner herein; I have read the foregoing petition and know the contents thereof; the same is true to the best of my knowledge.


Kathy Given O'Shaughnessy
Treasurer

Sworn to before me this
8 Day of July 2013


(Notary Public)

AMY L. MINTZ
Notary Public, State of New York
No. 01MI6158402
Qualified in St. Lawrence County
Commission Expires Jan. 2, 2015

St. Lawrence Gas Company, Inc.

List of Exhibits

Exhibit 1: Certificate of Incorporation

Exhibit 2: Statement of Financial Condition

Exhibit 3: Reimbursement Margin

Exhibit 4: Balance Sheets at December 31, 2012, 2011, and 2010

Exhibit 5: Income statements for years ended December 31, 2012, 2011, and 2010

Exhibit 6: Balance sheets for December 31, 2012 and 1993

Exhibit 7: Capital Structure at December 31, 2012, 2011, and 2010

Exhibit 8: Franklin County Capital Construction Forecast

Exhibit 9: Gas Plant in Service 1994 to 2012

Exhibit 10: Depreciation Reserve

Exhibit 11: Affidavit of the Controller

CERTIFICATE OF INCORPORATION OF ST. LAWRENCE GAS COMPANY, INC.
PURSUANT TO THE TRANSPORTATION CORPORATIONS LAW.

FIRST: The name of the corporation shall be ST. LAWRENCE GAS COMPANY, INC.

SECOND: The purposes for which it is formed are:

- (a) To carry on any one or more of the businesses of acquiring, buying, producing, collecting, manufacturing, storing, purifying, processing, mixing, treating, transporting, transmitting, piping, regulating, measuring, shipping, distributing, supply, selling and dealing in natural gas or any mixture thereof, as well as other business or undertaking incidental to or related thereto or which may be carried on in connection therewith;
- (b) To purchase, lease, build, construct, own, hold, maintain, renew, repair, replace, enlarge, alter, use and operate buildings, pipe lines, pumping and/or compressor stations, plants, ovens, furnaces, coking plants, mixing plants, gasholders, machinery, derricks, laboratories, townsites, lots, residences, terminals, storage tanks, underground storage and reservoirs and other facilities and works and all equipment, appliances, apparatus, tools and material and substances of every kind and description whatsoever as may be deemed necessary or expedient for the purpose of or in connection with the said businesses or any of them;
- (c) To acquire for the purposes of its undertaking by purchase, lease, license or otherwise and to own and hold land in fee simple or for any lesser estate or for a term of years or any limited or partial interests therein;
- (d) To acquire for the purposes of its undertakings and to own, hold, use and deal in easements, rights-of-way and similar rights in, over, upon or across land and to enter

into, own, hold, use and deal in leases, grants of gas, licenses and agreements or otherwise acquire, own, hold, use and deal in rights relating to gas and to mineral deposits of all kinds;

- (e) To produce, store, acquire, distribute, sell, dispose of and deal in natural gas or any mixture thereof.
- (f) To apply for, enter into, and obtain and to acquire by grant transfer, assignment or otherwise, and to hold, use, operate and enjoy any municipal franchise deemed necessary or expedient for the purposes of or in connection with the said businesses or any of them and from time to time to alter and vary the terms and conditions thereof and to renew and replace the same.
- (g) Subject to first obtaining lawful authority or permission, to enter upon, use and occupy any highway, street, avenue, boulevard, parkway, driveway, lane, alley, public square or public place or any municipal corporation, to dig trenches therein and to lay down, maintain and use therein pipes and necessary works for the transmission of gas on, in, under, along or across the same;
- (h) To own, operate and/or control and/or act as a public utility dealing in gas, and
- (i) To enter into agreement with any municipal corporation, government, person, firm or other corporation for the supply by the Company or any of its products.
- (j) To manufacture, sell, rent and lend gas-heating apparatus, cooking apparatus, and all devices for the utilization of gas, together with all parts, fixtures, instruments, mechanism, attachments and machinery incident to or appertaining to, or to be used in connection with gas.

THIRD: The amount of the capital stock shall be Five Thousand Dollars, to consist of One Hundred (100) shares of the par value of Fifty (\$50.00) Dollars each.

FOURTH: Each share of stock shall be designated as common stock and shall be entitled to full voting powers.

FIFTH: The office of the corporation shall be located in the City of Ogdensburg, County of St. Lawrence, State of New York; and the address to which the Secretary of State shall mail a copy of process in any action or proceeding against the corporation, which may be served upon him is No. 331 Ford Street, Ogdensburg, New York.

SIXTH: The duration of the corporation shall be perpetual.

SEVENTH: The number of directors shall not be less than three nor more than five.

EIGHTH: The names and post office addresses of the directors until the first annual meeting of the stockholders are:

Names	Post Office Addresses
Arthur J. Doyle	120 Franklin St., Ogdensburg, N.Y.
Richard C. Algie	331 Ford St., Ogdensburg, N.Y.
Oakah L. Jones	17 Forest Wood Drive, Toronto, Ontario, Canada

NINTH: The name and post office address of each subscriber of this certificate of incorporation and a statement of the number of shares which each agrees to take in the corporation are:

Name	Post Office Address	No. of Shares
Oakah L. Jones,	17 Forest Wood Drive, Toronto, Ontario, Canada	25
Arthur J. Doyle	120 Franklin St., Ogdensburg, New York	25
Richard C. Algie	331 Ford St., Ogdensburg, New York	25

Herbert S. Myers 823 Pickering St.,
Ogdensburg, New York

25

TENTH: The locality in which the operations of the corporation are to be carried on consists of the counties of St. Lawrence and Franklin.

ELEVENTH: All of the subscribers of this certificate are of full age, at least two-thirds of them are citizens of the United States, at least one of them is a resident of the State of New York, and at least one of the persons named as a director is a citizen of the United States and a resident of the State of New York.

TWELFTH: The Secretary of State of the State of New York is hereby designated as the agent of the corporation upon whom process in any action or proceeding against it may be served.

IN WITNESS WHEREOF, we have made and subscribed this certificate in duplicate this 25th day of July, 1957.

Richard C. Algie
Arthur J. Doyle
Richard C. Algie
Herbert S. Myers

STATE OF NEW YORK

COUNTY OF ST. LAWRENCE ss:

On this 25th day of July, 1957, before me personally came ~~WILLIAM L. JONES~~ ARTHUR J. DOYLE, RICHARD C. ALGIE, and HERBERT S. MYERS, to me known and known to me to be three of the persons described in and who executed the foregoing certificate of incorporation, and thereupon they severally duly acknowledged to me that they executed the same.

James T. Phillips
Notary Public, County of St. Lawrence

JAMES T. PHILLIPS, Notary Public in the
State of New York, St. Lawrence County
My Commission Expires March 30, 1959

RICHARD C. ALGIE
COUNSELLOR AT LAW
331 FORD STREET
OGDENSBURG, N. Y.

H

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION
OF ST. LAWRENCE GAS COMPANY, INC. PURSUANT TO SECTION 36
OF THE STOCK CORPORATION LAW

THE CONSUMERS' GAS COMPANY, being the holder of record of all of the outstanding shares of the capital stock of ST. LAWRENCE GAS COMPANY, INC., a New York corporation (hereinafter called the "Corporation"), entitled to vote with relation to the proceedings provided for in this Certificate, does certify as follows:

1. The name of the Corporation is St. Lawrence Gas Company, Inc.

2. The Certificate of Incorporation of the Corporation was filed in the office of the Secretary of State of the State of New York on the 2nd day of August, 1957.

392825 3. The Certificate of Incorporation is hereby amended to effect one or more of the changes authorized by subdivision 2 of Section 35 of the Stock Corporation Law, to wit:

(a) to change and increase the amount of capital stock of the Corporation from Five Thousand Dollars (\$5,000) to Five Million Dollars (\$5,000,000) in conformity with the changes hereinafter described in the number and par value of the authorized shares of Common Stock of the Corporation;

(b) to increase the number of authorized shares of Common Stock of the Corporation from One Hundred (100) shares to Five Hundred Thousand (500,000) shares;

(c) to reduce the par value of the previously authorized One Hundred (100) shares of Common Stock of the Corporation from the par value of Fifty Dollars (\$50) per share to the par value of Ten Dollars (\$10)

/

per share, without, however, thereby reducing the capital of the Corporation;

(d) to change the location of the principal office of the Corporation which is now located in the City of Ogdensburg, County of St. Lawrence, State of New York so that it will hereafter be located in the Village of Massena, County of St. Lawrence, State of New York; and

(e) to increase the maximum number of Directors of the Corporation which may be elected by the Stockholders.

4. To accomplish the foregoing, the following changes, amendments and additions are made in the Certificate of Incorporation of this Corporation, to wit:

(a) Article "THIRD" of the Certificate of Incorporation of this Corporation is amended so that it will henceforth read as follows:

"THIRD: The amount of the capital stock shall be Five Million Dollars (\$5,000,000) to consist of Five Hundred Thousand (500,000) shares of the par value of Ten Dollars (\$10) each."

(b) Article "FIFTH" of the Certificate of Incorporation of this Corporation is amended so that it will henceforth read as follows:

"FIFTH: The office of the Corporation shall be located in the Village of Massena, County of St. Lawrence, State of New York; and the address to which the Secretary of State shall mail a copy of process in any action or proceeding against the Corporation which may be served upon him is 40 Main Street, Massena, New York."

(c) Article "SEVENTH" of the Certificate of Incorporation of this Corporation is amended so that it will henceforth read as follows:

"SEVENTH: The number of Directors shall be not less than three nor more than eleven."

5. The terms upon which shares of the Common Stock previously authorized of the par value of Fifty Dollars (\$50) per share are to be changed into shares of Common Stock of the par value of Ten Dollars (\$10) per share are as follows: Each of the previously authorized shares of Common Stock of the par value of Fifty Dollars (\$50) per share, of which One Hundred (100) shares have heretofore been authorized and all of which are issued and outstanding, shall be changed into Five (5) shares of Common Stock of the par value of Ten Dollars (\$10) per share.

IN WITNESS WHEREOF, THE CONSUMERS' GAS COMPANY has caused this Certificate of Amendment to be signed in its corporate name and behalf by its President and its corporate seal to be hereunto affixed and attested by its Secretary all on this 29th day of May, 1963.

THE CONSUMERS' GAS COMPANY

By C. L. Yon
President



ATTEST:

F. H. Hurst
Assistant Secretary

CERTIFICATE OF AMENDMENT OF
ST. LAWRENCE GAS COMPANY, INC.
UNDER SECTION 805 OF THE BUSINESS
CORPORATION LAW.

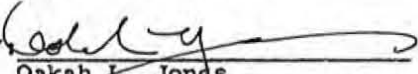
THE CONSUMERS' GAS COMPANY, being the holder of record of all the outstanding shares of the capital stock of ST. LAWRENCE GAS COMPANY, INC., a New York Corporation (hereinafter called the "Corporation",) entitled to vote with relation to the proceedings provided for in this Certificate, does certify as follows:

1. The name of the Corporation is ST. LAWRENCE GAS COMPANY, INC.
2. The certificate of Incorporation of the Corporation was filed in the office of the Secretary of State of the State of New York on the 2nd day of August, 1957.
3. The amendment effected by this Certificate of Amendment is as follows:

Article "TENTH" of the original certificate of incorporation, dealing with areas of the corporation's operations and which provides that "The locality in which the operations of the corporation are to be carried on consists of the counties of St. Lawrence and Franklin" is hereby amended to read as follows: "The locality in which the operations of the corporation are to be carried on consists of the counties of St. Lawrence, Franklin, Clinton, Erie and Chautauqua".

IN WITNESS WHEREOF, THE CONSUMERS' GAS COMPANY has caused this Certificate of Amendment to be signed in its corporate name and behalf by its President and its corporate seal to be hereunto affixed and attested by its Secretary all on the 21st day of October, 1966.

THE CONSUMERS' GAS COMPANY

BY: 
Oakah L. Jones
President & General Manager

CERTIFICATE OF CHANGE

OF

ST. LAWRENCE GAS COMPANY, INC.,

under Sec. 805-A of the Business Corporation Law

We the undersigned, the Vice-President and the Assistant Secretary respectively of ST. LAWRENCE GAS COMPANY, INC., hereby certify:

1. The name of the Corporation is St. Lawrence Gas Company, Inc.

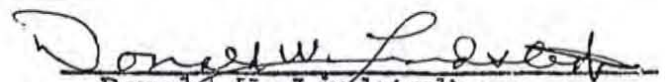
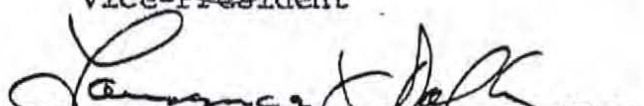
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State of the State of New York on the 2nd day of August, 1957.

3. The certificate of incorporation is hereby changed to effect the following: Article "FIFTH" of the certificate of incorporation of this Corporation is amended so that it will henceforth read as follows:

"FIFTH: The Office of the Corporation shall be located in the Village of Massena, County of St. Lawrence, State of New York; and the address to which the Secretary of State shall mail a copy of process in any action or proceeding against the Corporation which may be served upon him is 56-58 Main Street, Massena, New York."

4. The changes have been approved by the Board of Directors.

In Witness Whereof, we have hereunto signed our names this 29th day of December, 1970.


Donald W. Lindstedt
Vice-President

Lawrence X. Dalton

CERTIFICATE OF AMENDMENT OF CERTIFICATE
OF INCORPORATION OF

ST. LAWRENCE GAS COMPANY, INC.

UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

WE, the undersigned, the President and Secretary, respectively, of St. Lawrence Gas Company, Inc., hereby certify:

1. The name of the corporation is ST. LAWRENCE GAS COMPANY, INC.
2. The certificate of Incorporation of the Corporation was filed in the office of the Secretary of State of the State of New York on the 2nd day of August, 1957.
3. The amendment effected by this Certificate of Amendment is as follows:

Article "TENTH" of the original certificate of incorporation, as amended dealing with areas of the corporation's operations and which provides that "The locality in which the operations of the corporation are to be carried on consists of the counties of St. Lawrence, Franklin, Clinton, Erie and Chautauqua." is hereby amended to read as follows: "The locality in which the operations of the corporation are to be carried on consists of the entire State of New York."

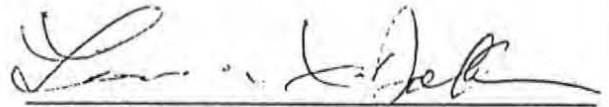
4. The above amendments to the Certificate of Incorporation were authorized by a majority vote of the Board of Directors of the Company held June 5, 1992, at 10:00 A.M.

5. The above amendments to the Certificate of Incorporation are authorized by a vote of the holder of all outstanding shares entitled to vote thereon made at a Special Meeting of Shareholders held on June 5, 1992, at 11:30 A.M.

IN WITNESS WHEREOF, we have signed this certificate this
8th day of June, 1992.



F. Dickson Rewbotham
President



Lawrence X. Dalton
Secretary

STATE OF NEW YORK)
 : SS.
COUNTY OF ST. LAWRENCE)

I, F. DICKSON REWBOTHAM, being duly sworn, depose and state that I am the President of St. Lawrence Gas Company, Inc., the corporation named in and described in the foregoing certificate and that I have read the foregoing certificate and know the contents thereof to be true, except as to the matters therein stated to be alleged upon information and belief, and as to those matters, I believe them to be true.


F. DICKSON REWBOTHAM

Sworn to before me this 8th
day of June, 1992


NOTARY PUBLIC

FRANK M. ROMEO, JR.
Notary Public in the State of New York
No. 8630870
Appointed in St. Lawrence County
My Commission Expires 7/31 1992

OF

ST. LAWRENCE GAS COMPANY, INC.,

under Sec. 805 A. of the Business Corporation Law

We the undersigned, the President and the Secretary respectively of ST. LAWRENCE GAS COMPANY, INC., hereby certify:

1. The name of the Corporation is St. Lawrence Gas Company, Inc.

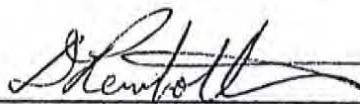
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State of the State of New York on the 2nd day of August, 1957.

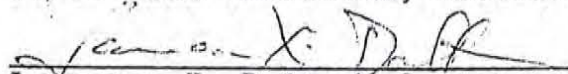
3. The certificate of incorporation is hereby changed to effect the following: Article "FIFTH" of the certificate of incorporation of this Corporation is amended so that it will henceforth read as follows:

"FIFTH: The Office of the Corporation shall be located in the Village of Massena, County of St. Lawrence, State of New York; and the address to which the Secretary of State shall mail a copy of process in any action or proceeding against the Corporation which may be served upon him is 33 Stearns Street, Massena, New York.

4. The change has been approved by the Board of Directors

In Witness Whereof, we have hereunto signed out names this 5th day of November, 1995.


F. Dickson Rewbotham, President


Lawrence X. Dalton, Secretary

CEX. DALTON
RNEY AND
ELORAT LAW
IN STREET
IA, NEW YORK

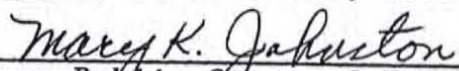
ROCKWELL 9-3806
CODE 315

STATE OF NEW YORK)
COUNTY OF ST. LAWRENCE) :SS.

LAWRENCE X. DALTON, being duly sworn, deposes and says that he is the Secretary of ST. LAWRENCE GAS COMPANY, INC., the corporation named in the foregoing certificate of change; that he has read and signed the same as Secretary of said corporation; and that the statements therein contained are true.


LAWRENCE X. DALTON
Secretary

Sworn to before me this
8th day of November, 1995.


Notary Public-State of New York
My Commission Expires _____

MARY K. JOHNSTON
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN ST. LAWRENCE CO., REG. # 4701091
MY COM. MISSION EXPIRES 4/30/97

LAWRENCE X. DALTON
ATTORNEY AND
COUNSELOR AT LAW
16 MAIN STREET
MASSENA, NEW YORK
—
TELEPHONE ROCKWELL 9-3806
AREA CODE 315

St. Lawrence Gas Company, Inc.

EXHIBIT 2:

Statement of Financial Condition

a) Amount and classes of stock authorized by Certificate of Incorporation:

August 2, 1957: 100 shares \$50.00 par value Common Stock

They were changed at a special meeting on May 28, 1963 when board authorized 500,000 shares of \$10.00 par value common stock.

b) The Public Service Commission authorized on August 7, 1963 250,000 shares at \$10 par value in Case 22738 and authorized on March 29, 1972 185,000 shares at \$10 par value in Case 26116 to the holders of the outstanding shares.

c) Common Stock

Class	No. of Shares Authorized & Outstanding	Par Value	Premium Paid	Company Cost
Common	250,000	\$10.00	-0-	\$2,500,000
Common	<u>185,000</u>	\$10.00	-0-	<u>\$1,850,000</u>
Total	435,000			\$4,350,000

d) The Company has no preferred stock

e) The company has no non-par stock.

f) Notes or other evidences of indebtedness authorized by the Commission

General Electric Credit Corporation \$4.0 Million loan	92-G-1047	May 11, 1993 Debt has been retired
Revolving Credit Agreement Marine Midland Bank NA (now HSBC Bank USA) \$7.0 million	92-G-1047 96-G-1184	May 11, 1995 June 13, 1997

g) Brief description of each mortgage: None

h) Bond issues: None

- i) Affiliated interest in S. L. G. Communications Corp., St. Lawrence Gas Service and Merchandising Corp., and St. Lawrence Exploration Corporation (inactive) amounted to an issue of \$1,000 of common stock to each of these corporations.

- j) Other indebtedness:

Other indebtedness

	000's	12/31/2012	12/31/2011	12/31/2010
Accounts Payable		3,448	4,019	3,463
Notes Payable		2,995	2,983	1,290
Notes Payable - Enbridge (US) Inc.		13,000	8,000	6,000
Accrued Interest		11	8	8
Insurance and maintenance Reserve		289	224	188
Other accrued Liabilities		9,930	7,001	6,863
Other deferred Liabilities		7,715	6,517	7,449
Estimated Income Taxes		129	(302)	538
Accounts Payable to Affiliated Companies		62	159	72
		<u>37,579</u>	<u>28,609</u>	<u>25,871</u>

- k) The Company accrued or paid interest as follows in 2012:

HSBC \$7.0 Million Long-term debt:	\$ 63,019
HSBC \$5 Million Line of Credit	\$ 18,674
Enbridge (US) Inc. Short term Grid Note:	\$ 61,209
Interest Rate True-up (08-G-1392)	\$145,085
Interest rate swap	\$126,257

- l) Dividends Paid:

Calendar Year	Dividend Paid	Rate per Share	No. of Shares
2008	\$978,750	\$2.25	435,000
2009	-0-		
2010	\$2,501,250	\$1.25 or \$2.00	435,000
2011	-0-		
2012	-0-		

- m) There are no contingent assets. St. Lawrence Gas has a contingent liability reserve set up for \$125,000 in case of an incident for its insurance deductible of \$250,000. This reserve amount was set in accordance with a PSC order.

- n) The company has no Unearned Surplus currently. It is anticipated that Enbridge Gas Distribution, the Company's parent, will provide Contributed Surplus as the Franklin County expansion proceeds in order to keep a 50/50 Debt to Equity ratio.

- o) Amortization of deferred debits and credits

Statement of Deferred Debits and Credits

Deferred Debits

		000s		
Acct	Acct name	12/31/2012	12/31/2011	12/31/2010
186000	Other Def. Debits - Pension	\$1,319	\$266	\$197
186001	Other Def. Debits - OPEB	(1,791)	(306)	245
186030	Ltd Balance Agreement	13	(25)	(1)
186040	Other Def. Debits - Slip.	969	2,154	1,373
186080	Other Def. Debits - GAC	3,282	1,791	869
186081	Gas Supply Hedges	21	385	389
186090	Other Def. Debits - IIC	(1,545)	(947)	(321)
186130	Other Def. Debits -T Service	(25)	114	351
186170	Def. Reg. Asset - FAS 158 Pension	4,779	2,675	1,325
186171	Def. Reg. Asset - FAS 158 OPEB	654	180	(134)
186190	Other Def. Debits - Merch Funct Chg	(30)	(2)	(44)
186200	Other Def. Debits - TSA	899	697	809
186250	Def. Reg. Asset - SBC	(391)	(287)	(145)
186320	Other Def. Dr - CC Gas Storage 2006	-	151	303
186330	Other Def. Debits - Prop Tax T-Up	(338)	(187)	(96)
186340	Other Def. Dr - Uncollect exp 2006	-	94	189
186350	Other Def. Dr - PSC Assess 2006	-	24	48
186360	Other Def. Dr - Property Taxes 2006	-	31	62
186370	Other Def. Dr - Low Income Rate	(31)	(20)	(10)
186380	Other Def. Dr - RDM	594	287	221
186390	Other Def. Dr - DRA	19	(3)	9
186400	Other Def. Dr - Int Rate True Up	(428)	(283)	(138)
186410	Other Def. Dr - 2013 Rates	29	29	-
186420	Other Def. Dr - S&S system 2005	46	57	69
186430	Other Def. Dr - 2010 Rates	-	56	103
190000	Accum. Defer Inc. Taxes	4,587	4,302	4,154
		<u>\$12,632</u>	<u>\$11,232</u>	<u>\$9,827</u>

Statement of Deferred Debits and Credits

Deferred Credits

Other Accrued Liabilities		000s		
Acct	Acct name	12/31/2012	12/31/2011	12/31/2010
235000	Customer Deposits	(347)	(388)	(425)
236210	Accr. Tax - FICA			(2)
236230	Accr. Tax - NYS Gross Inc	9	12	8
236270	Accr. Tax - Utility	(35)	(33)	(35)
236340	Accr. Tax - GST	(219)	(143)	(58)
242030	Accrual - Other	(278)	(289)	(161)
242040	Accr. - Gift Certificates	(2)	(1)	(1)
242080	Accr. - Sales Tax/School	(18)	(16)	(19)
242100	Accr. - Sales Tax/Gas	15	35	44
242110	Accr. - Sales Tax/Sundry	-	0	(1)
242130	Accr. - Sales Tax/Use	(5)	(2)	(9)
242140	Retainage	(348)	-	(1)
253020	Other Def. Cr. - Pension	(6,448)	(3,889)	(2,368)
253021	Other Def. Cr. - OPEB	411	294	69
263000	Pension Reserve	(843)	(773)	(698)
263001	OPEB Reserve	(217)	(360)	(1,955)
263010	Interest on Pension Reserve	(243)	(186)	(133)
263011	Interest on OPEB Reserve	(1,362)	(1,262)	(1,117)
Other Accrued Liabilities		(9,930)	(7,001)	(6,862)

Other Deferred Liabilities		000s		
Acct	Acct name	12/31/2012	12/31/2011	12/31/2010
252000	Cust. Adv. for Constr.	(287)	(300)	(332)
253000	Other Deferred Credits	(42)	(35)	(44)
253010	Other Def. Cr. - Admin O/H	(117)	(145)	(172)
283000	Acc. Def. Inc. Tax -Other	(7,195)	(6,859)	(5,790)
283010	Def. Reg. Liab. - TRA	(25)	(34)	(43)
283011	Def. Reg. Liab. - TRA	(49)	(67)	(84)
283020	Def. Reg. Liab. - ARTCL9	(0)	(6)	(44)
283030	Def. Reg. Liab. - Cust Survey	-	(4)	(8)
Other Deferred Liabilities		(7,715)	(7,449)	(6,517)
Total Deferred Credits		(17,645)	(14,450)	(13,379)

- p) Balance Sheet and Income statements for 2012, 2011 and 2010 fiscal years are attached as Exhibits 4 and 5.

St. Lawrence Gas Company, Inc.
Reimbursement Margin

Exhibit 3

Reimbursement Margin at December 31, 1993
Case 92-G-1047 Order dated May 11, 1995 Appendix B

\$ 19,202,701

Funds Applied

Gross Plant Additions	27,826,953
Net Change in Plant Under Construction	9,105,218
Net Change in Deferred Tax Credits	220,491

\$ 37,152,662

Funds Provided

Depreciation Accruals	24,427,093
Net Salvage	500,771
Net Change in Deferred Income Taxes	256,346
Net Change Other Long-Term Debt	6,676,410
Total Funds Provided	\$ 31,860,620

Historic Reimbursement Margin December 31, 2012

\$ 24,494,743

Prospective Changes through December 31, 2019

Construction Expenditures - Franklin County 2013 -2019

Expansion capital	\$ 27,364,927
Contribution (IDA)	\$ (4,000,000)
CIAC Surcharge (net of tax)	\$ (11,425,451)
	\$ 11,939,476

Depreciation	(2,769,307)
Contributed Surplus (@ Dec 2019)	(2,394,322)
Replace Long-term debt	7,000,000

Total Changes through 2019

\$ 13,775,847

Total Reimbursement Margin through December 2019

\$ 38,270,590

St. Lawrence Gas Company, Inc.
Exhibit 4 : Balance Sheet

Exhibit 4
December 31, 2010

ASSETS

Utility Plant

Plant in Service	51,048,100	51,160,500	48,607,400
Plant under Construction	9,310,800	714,700	711,700
Accumulated depreciation	(24,839,800)	(24,267,300)	(23,385,300)
	<u>35,519,100</u>	<u>27,607,900</u>	<u>25,933,800</u>

Current and Accrued Assets

Cash	201,300	99,100	(43,300)
Accounts receivable	3,056,900	2,616,800	3,435,600
Notes receivable from Associated Companies	1,961,900	1,961,900	1,862,000
Materials and Supplies	3,422,300	3,886,400	190,300
Gas Stored Underground	1,975,300	3,223,200	2,031,200
Pre-paid expenses	540,800	522,100	500,700
	<u>11,158,500</u>	<u>12,309,500</u>	<u>7,976,500</u>

Deferred Debits

Deferred Charges	12,632,300	11,232,000	9,824,446
Hedges	-	(114,800)	(227,900)
	<u>12,632,300</u>	<u>11,117,200</u>	<u>9,596,546</u>

Total Assets and Debits

	<u>59,309,900</u>	<u>51,034,600</u>	<u>43,506,846</u>
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LIABILITIES

Current Liabilities

Accounts Payable	3,447,500	4,019,300	3,463,346
Accounts payable to affiliated companies	62,100	72,100	158,600
Notes Payable	2,995,000	2,983,000	1,290,000
Notes Payable - Enbridge (US) Inc	13,000,000	8,000,000	6,000,000
Accrued Interest	11,200	8,100	7,700
Reserve for insurance and maintenance	289,400	223,500	187,500
Estimated Income Taxes	129,100	538,100	(302,000)

Other

Other accrued Liabilities	9,930,100	7,000,600	6,862,600
Other deferred Liabilities	7,715,100	7,449,000	6,517,600
	<u>37,579,500</u>	<u>30,293,700</u>	<u>24,185,346</u>

Long Term Debt

HSBC Bank USA	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>
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Equity

Common Stock	4,350,000	4,350,000	4,350,000
Other Comprehensive Income	(158,900)	(155,300)	(174,100)
Retained Earnings	10,539,300	9,546,200	8,145,600
	<u>14,730,400</u>	<u>13,740,900</u>	<u>12,321,500</u>

Total Liabilities and Equity

	<u>59,309,900</u>	<u>51,034,600</u>	<u>43,506,846</u>
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St. Lawrence Gas Company, Inc.
Exhibit 5 : Income Statement

Exhibit 5

	12 Months Ending December 31, 2012	12 Months Ending December 31, 2011	12 Months Ending December 31, 2010
UTILITY OPERATING INCOME			
Operating Revenues (400)	\$43,624,485	\$40,015,060	\$40,889,508
Operating Expenses			
Operation Expenses (401)	37,943,273	33,666,068	34,267,098
Maintenance Expenses (402)	332,152	375,356	399,157
Depreciation Expense (403)	1,092,209	1,079,095	1,049,330
Amort. & Depl. of Utility Plant (404-405)	14,072	14,071	14,069
Taxes Other Than Income Taxes (408.1)	2,277,783	2,215,624	2,121,065
Income Taxes -- Federal (409.1)	397,681	(85,154)	262,865
-- Other (409.1)	188,323	116,374	164,270
Provision for Deferred Income Taxes (410.1)	93,738	932,554	532,866
(Less) Provision for Deferred Income Taxes -Cr. (411.1)	(77,407)	(51,175)	(9,225)
Investment Tax Credit Adj. -- Net (411.4)			(3,609)
TOTAL Utility Operating Expenses	<u>\$42,261,824</u>	<u>\$38,262,813</u>	<u>\$38,797,886</u>
Net Utility Operating Income	<u>\$1,362,662</u>	<u>\$1,752,247</u>	<u>\$2,091,622</u>
OTHER INCOME AND DEDUCTIONS			
Other Income			
Equity in Earnings of Subsidiary Companies (418.1)	\$2,761	(\$976)	\$3,627
Interest and Dividend Income (419)	170,052	212,826	195,719
Allowance for Other Funds Used During Construction (419.1)	155,870	82,661	9,309
TOTAL Other Income	<u>\$328,683</u>	<u>\$294,511</u>	<u>\$208,655</u>
Miscellaneous Income Deductions (426.1 - 426.5)	<u>\$61,850</u>	<u>\$18,000</u>	<u>\$15,000</u>
Net Other Income and Deductions	<u>\$266,833</u>	<u>\$276,511</u>	<u>\$193,655</u>
Other Interest Expense (431)	\$633,563	\$629,140	\$967,201
NET INCOME	<u>\$995,931</u>	<u>\$1,399,618</u>	<u>\$1,318,076</u>

St. Lawrence Gas Company, Inc.
Exhibit 6 : Comparative Balance Sheet

Exhibit 6

ASSETS	12/31/2012	12/31/1993	Change
Utility Plant			
Plant in Service	51,048,000	28,795,281	22,252,719
Plant under Construction	9,310,900	205,703	9,105,197
Accumulated depreciation	<u>(24,839,800)</u>	<u>(7,122,323)</u>	<u>(17,717,477)</u>
	<u>35,519,100</u>	<u>21,878,661</u>	<u>13,640,439</u>
Current and Accrued Assets			
Non-Utility	-	2,308,480	(2,308,480)
Cash	201,300	106,252	95,048
Accounts receivable	3,056,900	2,995,282	61,618
Notes receivable from Associated Companies	1,961,900	-	1,961,900
Materials and Supplies	3,422,300	271,029	3,151,271
Gas Stored Underground	1,975,300	1,825,168	150,132
Pre-paid expenses	<u>540,800</u>	<u>897,476</u>	<u>(356,676)</u>
	<u>11,158,500</u>	<u>8,403,687</u>	<u>2,754,813</u>
Deferred Debits			
Deferred Income Taxes	4,587,237	305,869	4,281,368
Deferred Charges	<u>8,045,063</u>	<u>855,555</u>	<u>7,189,508</u>
	<u>12,632,300</u>	<u>1,161,424</u>	<u>11,470,876</u>
	<u>59,309,900</u>	<u>31,443,772</u>	<u>27,866,128</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	3,447,500	2,138,400	1,309,100
Accounts payable to affiliated companies	62,100	2,429,498	(2,367,398)
Notes Payable	2,995,000	7,998,590	(5,003,590)
Notes Payable - Enbridge (US) Inc	13,000,000	-	13,000,000
Accrued Interest	11,200	8,580	2,620
Reserve for insurance and maintenance	289,400	-	289,400
Estimated Income Taxes	129,100	(35,608)	164,708
Other			
Deferred Income Taxes	7,194,661	2,656,947	4,537,714
Accum Deferred Income Tax Credits	-	220,491	(220,491)
Other accrued Liabilities	9,930,100	628,651	9,301,449
Other deferred Liabilities	<u>520,439</u>	<u>166,282</u>	<u>354,157</u>
	<u>37,579,500</u>	<u>16,211,831</u>	<u>21,367,669</u>
Long Term Debt			
HSBC Bank USA	<u>7,000,000</u>	<u>-</u>	<u>7,000,000</u>
Equity			
Non-Utility	-	(6,640)	6,640
Common Stock	4,350,000	4,350,000	-
Other Comprehensive Income	(158,900)	-	(158,900)
Retained Earnings	<u>10,539,300</u>	<u>10,888,581</u>	<u>(349,281)</u>
	<u>14,730,400</u>	<u>15,231,941</u>	<u>(501,541)</u>
	<u>59,309,900</u>	<u>31,443,772</u>	<u>27,866,128</u>

Capital Structure (Average)	December 31, 2012		December 31, 2011		December 31, 2010	
Common Equity	4,350,000	13.80%	4,350,000	16.15%	4,350,000	17.65%
Retained Earnings	10,510,879	33.35%	9,228,573	34.25%	8,504,950	34.52%
	<u>14,860,879</u>	<u>47.16%</u>	<u>13,578,573</u>	<u>50.40%</u>	<u>12,854,950</u>	<u>52.17%</u>
Long-term Debt	7,000,000	22.21%	7,000,000	25.98%	4,500,000	18.26%
Short-term Debt	9,290,804	29.48%	5,974,262	22.17%	6,907,637	28.03%
Customer Deposits	361,397	1.15%	388,798	1.44%	377,010	1.53%
	<u>16,652,201</u>	<u>52.84%</u>	<u>13,363,060</u>	<u>49.60%</u>	<u>11,784,647</u>	<u>47.83%</u>
Total	<u>31,513,080</u>	<u>100.00%</u>	<u>26,941,633</u>	<u>100.00%</u>	<u>24,639,597</u>	<u>100.00%</u>

St. Lawrence Gas Company, Inc.
Exhibit 8: Franklin County Construction Budget

Exhibit 8

		Through 2012	2013	2014	2015	2016	2017	2018	2019	Total	2013 - 2019
Franklin County Expansion Project Contribution (State and Local Agency) CIAC Surcharge		13,755,709	21,410,643	2,456,245	1,085,762	1,046,191	766,902	303,880	295,304	41,120,636	27,364,927
		(2,000,000)	(4,000,000)							(6,000,000)	(4,000,000)
			(662,772)	(3,427,590)	(3,966,318)	(4,360,598)	(4,668,549)	(1,548,499)	-	(18,634,326)	(18,634,326)
		11,755,709	16,747,871	(971,345)	(2,880,556)	(3,314,407)	(3,901,647)	(1,244,619)	295,304	16,486,310	4,730,601
											4,730,601
		Through 2012	2013	2014	2015	2016	2017	2018	2019	Average	2013 - 2019
FC Depreciation Expense	Year	-	154,824	556,069	528,902	463,583	390,405	337,964	337,560	395,615	2,769,307
	Accumulated		154,824	710,893	1,239,795	1,703,378	2,093,783	2,431,747	2,769,307		
		Through 2012	2013	2014	2015	2016	2017	2018	2019	Average	2013 - 2019
Contributed Surplus (Equity)	Average	-	9,194,945	12,111,393	10,906,437	8,804,308	6,302,868	3,465,165	2,394,322	7,597,063	
	Increment		9,194,945	2,916,448	(1,204,956)	(2,102,130)	(2,501,440)	(2,837,703)	(1,070,843)		

St. Lawrence Gas Company, Inc.
Exhibit 9 : Gas Plant in Service

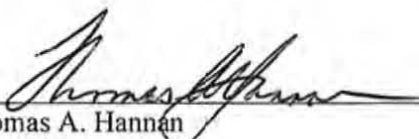
Exhibit 9

Year ending December 31	Beginning Balance	Adds	Retirements	Ending Balance
1994	28,795,281	2,590,962	229,485	31,156,758
1995	31,156,758	2,551,961	326,284	33,382,435
1996	33,382,435	1,955,390	256,496	35,081,329
1997	35,081,329	1,025,520	173,667	35,933,182
1998	35,933,182	2,442,808	139,112	38,236,878
1999	38,236,878	975,580	442,953	38,769,505
2000	38,769,505	1,113,325	229,697	39,653,133
2001	39,653,133	763,905	306,906	40,110,132
2002	40,110,132	626,095	209,627	40,526,600
2003	40,526,600	933,624	200,671	41,259,553
2004	41,259,553	698,422	320,615	41,637,360
2005	41,637,360	830,312	479,781	41,987,891
2006	41,987,891	1,714,966	459,072	43,243,785
2007	43,243,785	1,508,830	262,019	44,490,596
2008	44,490,596	1,080,332	467,989	45,102,939
2009	45,102,939	1,823,066	197,787	46,728,218
2010	46,728,218	1,671,528	267,884	48,131,862
2011	48,131,862	1,280,085	306,568	49,105,379
2012	49,105,379	2,240,242	309,372	51,036,249

Year ending December 31	Beginning Balance	Depreciation	Transp Exp Clearing	Retirements	Cost of Removal	Salvage	Amort of Excess Dep 05-G-1635	Area Revitalization 05-G-1392	Other Non-Util	Ending Balance
1994	7,021,342	1,045,884	100,163	(228,692)	(31,764)	41,765				7,948,698
1995	7,948,698	1,119,519	116,726	(326,285)	(42,172)	63,479			9,023	8,888,988
1996	8,888,988	1,168,509	119,703	(184,262)	(36,679)	34,334			24,960	10,015,553
1997	10,015,553	1,210,552	115,647	(173,667)	(17,545)	25,521			25,543	11,201,604
1998	11,201,604	1,226,414	141,377	(139,112)	(25,186)	15,611			25,457	12,446,165
1999	12,446,165	1,252,550	142,305	(442,952)	(41,201)	68,025			30,014	13,454,906
2000	13,454,906	1,102,439	123,372	(229,696)	(21,208)	40,612			28,276	14,498,701
2001	14,498,701	1,081,265	121,401	(306,906)	(27,442)	43,378			30,458	15,440,855
2002	15,440,855	1,103,332	109,040	(206,018)	(24,518)	40,661			31,905	16,495,257
2003	16,495,257	1,114,565	113,178	(201,888)	(30,381)	38,438			31,282	17,560,451
2004	17,560,451	1,138,377	111,919	(310,538)	(57,726)	40,409			28,419	18,511,311
2005	18,511,311	1,170,685	102,969	(482,901)	(42,352)	61,050				19,320,762
2006	19,320,762	1,172,336	95,618	(459,071)	(51,487)	5,573				20,083,731
2007	20,083,731	1,126,079	99,496	(262,016)	(37,229)	35,725	(180,000)	2,895		20,868,681
2008	20,868,681	1,167,394	116,657	(467,989)	(66,798)	52,763	(180,000)	(9,330)		21,481,378
2009	21,481,378	1,182,707	118,160	(197,787)	(88,225)	2,013	(180,000)			22,318,246
2010	22,318,246	1,229,331	128,115	(259,759)	(52,352)	31,035	(180,000)			23,214,616
2011	23,214,616	1,259,095	143,067	(306,567)	(84,508)	26,437	(180,000)			24,072,140
2012	24,072,140	1,272,209	164,938	(309,863)	(434,860)	46,033	(180,000)			24,630,597


STATE OF NEW YORK)
)
COUNTY OF ST. LAWRENCE)

THOMAS A. HANNAN, being duly sworn, deposes and says that he is the Controller of ST. LAWRENCE GAS COMPANY, INC., petitioner; that he is familiar with and has knowledge of the accounting records of Petitioner, and that to the best of his knowledge and belief the accounts of said Corporation have been kept in accordance with the accounting order or orders of the Public Service Commission of the State of New York applicable hereto, and that since the effective date of such orders there have been no charges to asset accounts not in accordance therewith; that except for normal recording delays, all required credits and debits to such asset accounts have been made for the amount and in the manner prescribed therefore in such accounting orders.



Thomas A. Hannan
Controller

Sworn to before me this
8 Day of July 2013


(Notary Public)

AMY L. MINTZ
Notary Public, State of New York
No. 01MI6158402
Qualified in St. Lawrence County
Commission Expires Jan. 2, 2015