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2007 OCT 15 PM 2:42

St. Lawrence Gas

An **ENBRIDGE** Company

October 12, 2007

Ms. Jaelyn A. Brillling, Secretary
State of New York Department on Public Service
Three Empire State Plaza
Albany NY 12223-1350

MERCHANT FUNCTION CHARGE SURCHARGE OR REFUND CALCULATION

The enclosed Merchant Function Charge Surcharge or Refund Calculation for December 1, 2006 to August 31, 2007 is transmitted for filing in compliance with the requirements of P.S.C No. 3 – Gas, Leaf No. 182 as implemented in Case 05-G-1635.

We propose to adjust the MFC rate for 2008 to incorporate a refund for the reconciliation period, and will file tariff leaves as required.

Sharon A. Gaines

Sharon A. Gaines
Treasurer

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St. Lawrence Gas Company, Inc.

Annual Merchant Function Charge Reconciliation
December 1, 2006 - August 31, 2007

1.	Merchant Function Revenue Billed to Firm Sales Customers		\$ 456,472
	Natural Gas Procurement Costs Incurred by Company		\$ 447,206
	Under / Over collection		\$ 9,267
	(iv) Previous Year's Under collection		\$ -
	Total to be Surcharged / Refunded		\$ 9,267
2.	5.40% Simple Interest	September 1, 2007 - December 31, 2007	\$ 167
	5.51% Simple Interest	January 1, 2008 - December 31, 2008	\$ 217
			\$ 384
	Total to be Refunded:		\$ 9,651
	2008 Budget Firm Sales Therms	26,467,260	
	2007 Refund \$	9,650.63	/ 26,467,260 therms
	2008 MFC Charge		\$ 0.02110 per Therm
	Net 2008 MFC Charge		\$ 0.02070 per Therm

St. Lawrence Gas Company, Inc.

Annual Merchant Function Charge Reconciliation
December 1, 2006 - August 31, 2007

Over Collection	\$ 9,267
Previous Year's under-collection	\$ -
	<u>\$ 9,267</u>

5.40% Simple Interest	September 1, 2007 - December 31, 2007	\$ 167
		<u>\$ 9,434</u>

		Estimated Volume %	Payment on Base	Interest Charge	
Jan-08	5.51%	16.6%	\$ 1,539	\$ 43	
Feb-08		17.2%	\$ 1,590	\$ 35	
Mar-08		15.9%	\$ 1,469	\$ 28	
Apr-08		10.9%	\$ 1,012	\$ 21	
May-08		6.5%	\$ 601	\$ 17	
Jun-08		3.3%	\$ 301	\$ 14	
Jul-08		2.0%	\$ 186	\$ 13	
Aug-08		2.1%	\$ 196	\$ 12	
Sep-08		2.2%	\$ 200	\$ 11	
Oct-08		4.0%	\$ 366	\$ 10	
Nov-08		7.1%	\$ 657	\$ 8	
Dec-08		12.4%	\$ 1,147	\$ 5	
		<u>100.0%</u>	<u>\$ 9,266</u>	<u>\$ 217</u>	<u>\$ 217</u>

Total Surcharge	<u>\$ 9,651</u>
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St. Lawrence Gas Company, Inc.
 Annual Merchant Function Charge Reconciliation
 Estimated Distribution
 2008 Budget

Dt	Firm Sales	
Jan-08	439,721	17%
Feb-08	454,092	17%
Mar-08	419,472	16%
Apr-08	288,930	11%
May-08	171,783	6%
Jun-08	86,144	3%
Jul-08	53,321	2%
Aug-08	56,132	2%
Sep-08	57,182	2%
Oct-08	104,631	4%
Nov-08	187,699	7%
Dec-08	327,619	12%
		100%
	2,646,726	

St. Lawrence Gas
MFC

December 2006 - August 2007

Revenue	MFC Rate	0.0211 Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	
Residential Sales	Therms \$	1,817,645 38,352.31	2,224,625 46,939.59	3,091,737 65,224.92	2,801,609 59,080.66	1,856,705 39,161.29	1,146,522 24,192.33	462,895 9,769.43	256,227 5,407.92	222,727 4,698.09	292,826.54
Commercial Sales	Therms \$	945,361 19,947.12	1,248,495 26,343.24 26,301.36	1,597,246 33,072.19	1,466,910 30,951.84	961,744 20,291.59	701,146 14,794.28	324,521 6,847.50	290,237 6,123.93	217,504 4,589.00	162,960.69
Ind Firm Sales	Therms \$	3,435 72.48	4,027 84.97	3,323 70.12	3,438 72.54	3,438 72.54	3,909 82.48	3,445 72.69	3,553 74.97	3,905 82.40	685.18
	Therms Total MFC \$	2,766,441 58,371.91	3,477,147 73,367.80	4,692,306 98,367.23	4,271,957 90,105.04	2,821,887 59,525.42	1,851,577 39,069.09	790,861 16,689.62	550,017 11,606.82	444,136 9,369.49	456,472.41
Expenses											
		Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	
Gas Procurement Salary	871	3,858.61	3,359.81	3,457.81	3,375.75	3,815.17	3,674.55	5,773.65	3,929.57	3,674.55	
% used in Model	50%	1,929.31	1,679.91	1,728.91	1,687.88	1,907.59	1,837.28	2,886.83	1,964.79	1,837.28	
Plus Overheads	33%	2,565.98	2,234.27	2,299.44	2,244.87	2,537.09	2,443.58	3,839.48	2,613.16	2,443.58	23,221.45
Uncollectibles Expense	904 68.36%	3,708.72 2,535.28	19,220.44 13,139.09	8,933.84 6,107.17	28,379.70 19,400.36	6,509.39 4,449.82	83,571.67 57,129.59	23,896.50 16,335.65	40,702.13 27,823.98	20,463.12 13,988.59	160,909.53
Gas Control	923 33.4%	5,813.73 1,941.79	6,150.95 2,054.42	6,947.03 2,320.31	4,251.67 1,420.06	5,980.41 1,997.46	6,187.41 2,066.59	6,247.55 2,086.68	6,437.03 2,149.97	6,294.83 2,102.47	54,310.61
Storage Balance	164,011,186.01, 186.03	6,849,577.83	5,342,488.10	3,330,618.91	2,263,433.62	1,417,176.83	2,617,044.82	4,443,370.30	6,097,504.74	7,266,119.94	4,403,037.23
Sales Portion	66.53%	4,557,024.13	3,554,357.33	2,215,860.76	1,505,862.39	942,847.74	1,741,119.92	2,956,174.26	4,056,669.90	4,834,149.60	
Pre Tax ROR	10.93%	42,890.46	33,453.41	18,837.28	14,173.09	8,587.77	16,387.32	26,925.82	38,181.15	45,498.75	244,935.06
Total Expense		49,933.50	50,881.19	29,564.20	37,238.38	17,572.14	78,027.08	49,187.63	70,768.26	64,033.39	447,205.78
Total Revenue		58,371.91	73,367.80	98,367.23	90,105.04	59,525.42	39,069.09	16,689.62	11,606.82	9,369.49	456,472.41
(Under) / Over Collection		8,438.40	22,486.61 30,925.01	68,803.03 99,728.04	52,866.66 152,594.69	41,953.29 194,547.98	(38,957.99) 155,589.98	(32,498.01) 123,091.97	(59,161.45) 63,930.53	(54,663.90) 9,266.63	9,266.63

St. Lawrence Gas
Budget
MFC

2007-2008

MFC Rate

0.0211

Sep-07

Oct-07

Nov-07

Dec-07

Jan-08

Feb-08

Mar-08

Apr-08

May-08

Jun-08

Jul-08

Aug-08

Revenue

Residential Sales

Commercial Sales

Ind Firm Sales

Therms

\$

Therms

\$

Total MFC \$

378,880

7,994

276,220

5,828

4,000

84

659,100

13,907

792,580

16,723

641,450

13,535

4,000

84

1,438,030

30,342

2,275,570

48,015

1,337,040

28,212

4,000

84

3,616,610

76,310

2,771,490

58,478

1,622,220

34,228

3,500

74

4,397,210

92,781

1,938,340

40,899

947,560

19,994

3,400

72

2,889,300

60,964

1,057,690

22,317

656,640

13,855

3,500

74

1,717,830

36,246

529,900

11,181

328,040

6,922

3,500

74

861,440

18,176

248,090

5,235

281,620

5,942

3,500

74

533,210

11,251

242,620

5,119

315,600

6,659

3,100

65

561,320

11,844

372,116.02

210,955.69

884.09

27,675,630

583,955.80

Expenses

Gas Procurement Salary

% used in Model

Pius Overheads

Uncollectibles Expense

Gas Control

Storage Balance

Sales Portion

Pre Tax ROR

164,011,186.01

7,894,202

5,252,013

47,837

871

50%

33%

904

68.36%

923

33.4%

66.53%

10.93%

3,239

1,620

2,155

17,000

11,621

6,000

2,004

8,185,641

5,445,907

49,603

3,315

3,315

1,658

2,205

14,000

9,570

6,000

2,004

15,000

10,254

6,000

2,004

8,185,641

5,445,907

49,603

3,315

3,315

1,658

2,205

14,900

10,186

19,800

13,535

6,100

2,037

16,900

11,553

6,200

2,071

23,300

15,928

6,200

2,071

40,200

27,481

6,100

2,037

1,675,111

1,114,451

10,151

3,248

1,624

2,160

3,177

1,589

2,113

3,177

1,589

2,113

3,177

1,589

2,113

3,248

1,624

2,160

3,239

1,620

2,155

40,300

27,549

6,200

2,071

50,400

34,463

6,200

2,071

28,300

19,346

6,100

2,037

1,455,781

968,531

9,116

3,239

1,620

2,155

19,900

13,604

6,200

2,071

5,174,798

3,442,793

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