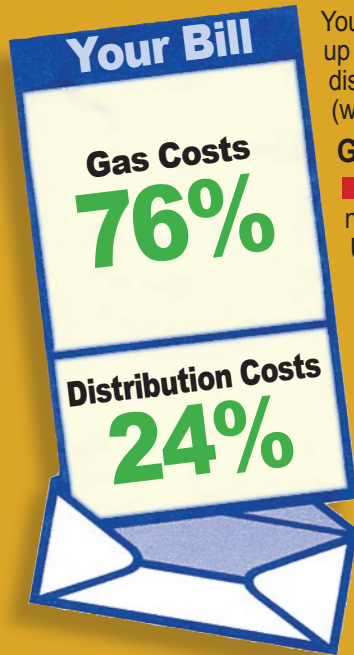


Your Natural Gas Bill



Your natural gas bill is made up of St. Lawrence Gas distribution costs, gas costs (without mark-up), and taxes.

Gas costs:

- Gas costs include the natural gas, Canadian and US pipeline charges and storage charges.
- On your bill, gas costs are made up of Gas Transportation, Gas Supply, Load Balancing, and Gas Interconnection charges.

Distribution costs:

- Makes up 24% of an average residential bill.
- Distribution costs are regulated and set by the New York Department of Public Service.

- Distribution costs include a regulated rate of return (profit) for the capital costs St. Lawrence Gas invests in its distribution system.
- On your bill, distribution costs are made up of the Customer Charge and the Distribution Delivery Charges.

St. Lawrence Gas recovers all other expenses and makes its profit on the "Distribution" of natural gas.

St. Lawrence Gas makes **no profit** on the gas costs.

St. Lawrence Gas offers two ways to help you manage your monthly natural gas bill:

1. Budget Billing

Budget your natural gas expense by taking your projected annual costs and averaging it over twelve months. With our Budget Billing Plan you pay the same amount each month with periodic adjustments if necessary.

2. Automatic Debit Plan

You can have your natural gas bill deducted from your checking account automatically. You will still receive your regular monthly bill and you will have 10 days to review your bill before your account is debited. The ADP is open to both budget and non-budget customers.

Visit www.stlawrencegas.com to sign up for one or both of these plans.

Conserve energy to save costs

- Seal the cracks and drafts around windows, doors and electrical outlets.
- Clean or replace your natural gas furnace filter
- During the heating season, turn down your thermostat 5° F.

HEAP (Home Energy Assistance Program)

Low income families may be eligible for assistance through this county program. Call after Nov. 3, 2004.

St. Lawrence County (315) 379-2373
(315) 379-2303 or 379-2116 or 379-2342

Lewis County (315) 376-5400

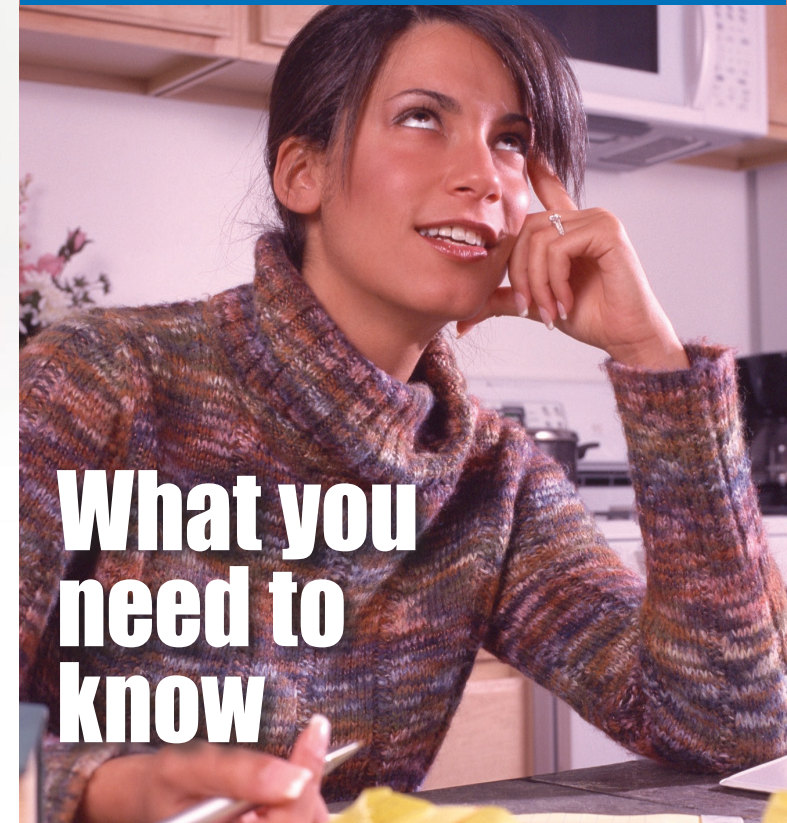
St. Lawrence Gas

An  ENBRIDGE Company

33 Stearns St., Massena, NY • 1-800-454-2201

www.stlawrencegas.com

Your Natural Gas Bill



What you need to know

St. Lawrence Gas

An  ENBRIDGE Company

Energy prices are expected to remain high this winter.

Natural Gas, Electricity, Fuel Oil and Propane prices have all increased over the last few years.

St. Lawrence Gas purchases natural gas on behalf of its customers. The price of the natural gas and associated Canadian and U.S. pipeline charges are passed through to the customer **without markup**.

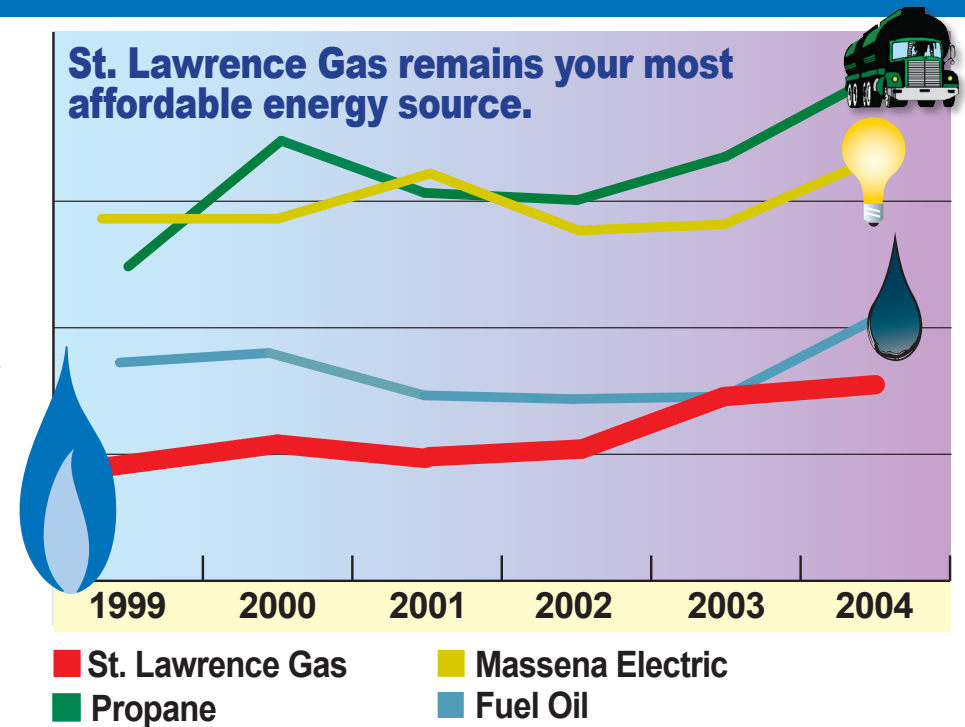
The price St. Lawrence Gas pays for the commodity—natural gas—is based on North American market prices which have increased dramatically. As a result:

St. Lawrence Gas is predicting higher bills this year by 10-15%, assuming an average winter.

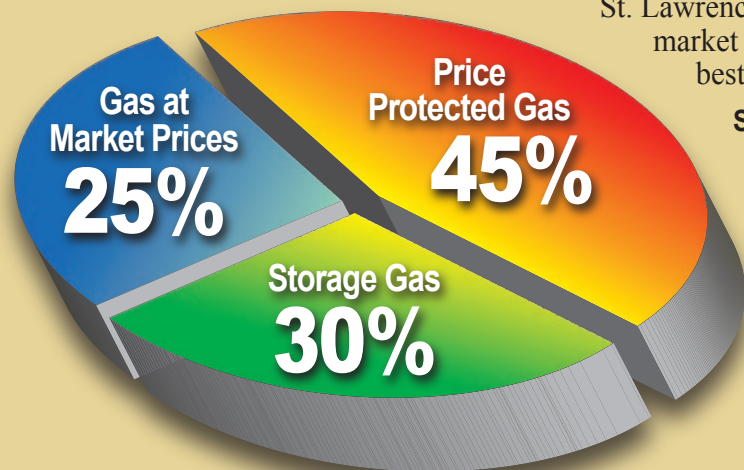
See our web site for energy saving tips to help reduce your gas bill.

www.stlawrencegas.com

St. Lawrence Gas remains your most affordable energy source.



How St. Lawrence Gas keeps your gas costs under control

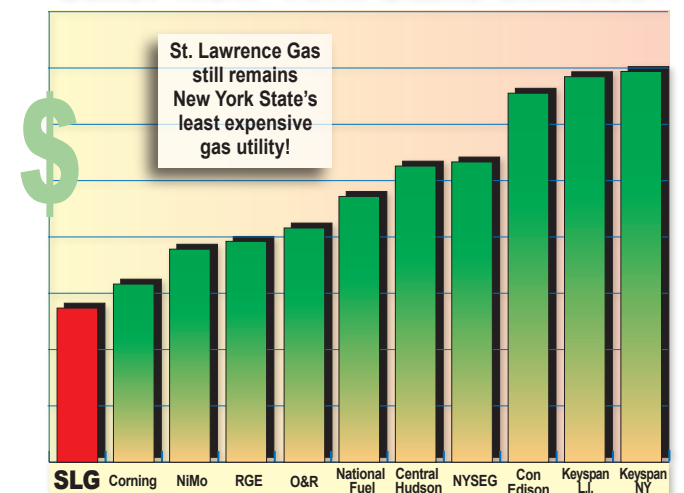


St. Lawrence Gas **does not profit** from the increased market prices of natural gas. However, it is in our best interest to keep prices as low as possible.

St. Lawrence Gas uses a **diversified approach to manage gas costs** which is designed to reduce the volatility of market prices and to acquire gas at the lowest possible cost for our customers. Our winter supply portfolio consists of: (1) gas purchased with price protections to limit market fluctuations; (2) storage gas at fixed prices, and; (3) gas purchased at market prices.

Based on projected winter supply and hedging arrangements.

How do we stack up against other New York State utilities?



Comparison of average residential heating customer distribution rates.