

News Release

January 5, 2006

St. Lawrence Gas Files With Public Service Commission for Rate Increase

If approved, rates will continue to be among the lowest for a natural gas utility in the state.

Massena, NY -- St. Lawrence Gas Company, Inc. ("St. Lawrence Gas") has submitted an application to the New York State Public Service Commission for a change to the (distribution) rates it charges all customers, effective December 1, 2006. If approved, the typical residential customer, who uses approximately 1286 Therms of gas per year for home heating, would see an increase of approximately \$140 on their total annual bill.

The request for a rate increase is due primarily to increased operating costs, primarily costs related to health care, mandated safety programs, inflation and taxes.

St. Lawrence Gas' distribution rates are currently the lowest natural gas utility distribution rates in New York State. Other utility rates approved by the Public Service Commission are, on average, double those paid by customers of St. Lawrence Gas. If the proposed rate change is approved, St. Lawrence Gas will continue to be among the natural gas utilities with the lowest distribution rates in the State and, in fact, would remain 20% below the State average.

Natural gas continues as the most economical fuel for home heating when compared to oil, propane or electricity. St. Lawrence Gas is committed to safe, reliable and efficient distribution of natural gas. St. Lawrence Gas distributes gas to approximately 15,500 residential, industrial and commercial customers in its franchise area.

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