

PSC No: 5 Gas  
Corning Natural Gas Corporation  
Initial Effective Date: 05/01/2012

Leaf: 88  
Revision 2  
Superseding Revision:0

"Issued in Compliance with Commission Order "11-G-0280" Issued and Effective April 20, 2012"

W. Information Applicable to Transportation of Gas Service: (Cont'd.)  
Monthly Balancing, (Cont'd)

If the total use during the critical period exceeds Corning's authorized volume and pipeline penalties are imposed, Marketers will be billed for the portion of that penalty for which they are responsible.

### 3) Balancing Tolerances

- A) The Daily Balancing Tolerance are set forth in Leaf 84.
- B) The Monthly Balancing Tolerance are set forth in Leaf 84.
- C) These Balancing Tolerances are in effect for all Service Classifications applicable to Transportation Service and will remain in effect until otherwise modified by a tariff change.
- D) The Company shall periodically review with Staff of the Department of Public Service and Interested Parties whether the Monthly Balancing Tolerance should be revised.
- E) If the Company recommends that the Monthly Balancing Tolerance should be changed, the parties will have the right to oppose the change in the Monthly Balancing Tolerance, applicable to monthly or daily balanced customers, prior to the change taking effect.

### 4) Pipeline Penalty Allocation

When a pipeline penalty occurs, a prorated portion of any such penalty shall be allocated to the service classifications deemed responsible for the penalty. The amount to be allocated to SC7, SC11, and SC6 and SC4 (Hammondsport) Daily Balanced Marketers/ Direct Customers may be readily identified due to the real time nature of meter readings for these service classes.

An allocation methodology used to prorate pipeline penalties between classes, pools and individual monthly balanced customers, should follow but not be limited to these guidelines: