PSC No: 5 Gas Leaf: 137
Corning Natural Gas Corporation Revision 0

Initial Effective Date: 04/01/2008 Superseding Revision:

SERVICE CLASSIFICATION NO. 8 (Cont'd)

(c) Under-deliveries - Daily

If on any day a customer's under-delivery is greater than 2% of a customer's actual usage, the under-delivered volumes in excess of 2% will be sold to the customer by the Company at a rate equal to 120% of the Company's average commodity cost of gas.

(d) <u>Under-deliveries - Monthly</u>

If there is an under-delivery at the end of the month, the under-delivered volumes will be sold to the customer by the Company at a rate equal to 105% of the Company's average commodity cost of gas.

(5) Penalty Charge

All gas used by a customer during periods in which the Company has requested customer to discontinue usage of gas service shall be subject to a minimum penalty of \$25.00 per Dth, or any penalty the Company may incur from the pipeline due to customer's unauthorized takes that is greater than the maximum penalty. The Company may, at its option, waive this penalty during emergencies.

(6) Increase in Rates and Charges

All rates and charges under this Service Classification will be increased pursuant to General Information Section 15 of this Schedule.

MINIMUM ANNUAL BILL:

The minimum annual bill shall be equal to the lessor or:

- (a) total annual charge for Rate Parts 1, 2 and 3 above based on usage equal to 50% of the maximum annual volume specified in customer's service agreement with the Company; or
- (b) the total annual charges for customer's actual annual usage calculated at the rates and charges contained in Service Classification No. 18.

The maximum annual volume in Dth shall be equal to the maximum hourly volume in Dth required by the customer, multiplied by 8,760 hours per year.