PSC No: 5 Gas

Corning Natural Gas Corporation

Initial Effective Date: 04/01/2008

Leaf: 73

Revision 0

Superseding Revision:

R. Restrictions and Limitations of Gas Service: 3. Gas Service Curtailments (Cont'd.)

- (j) Compensation for the diverted gas will be the Gas Daily Dominion South Point Index plus DTI \FT variable and fixed charges plus losses to the Company's citygate. If it an be demonstrated by the ESCO or Direct Customers, with adequate support, that a contract calls for a higher price, the Company will reimburse the ESCO or Direct Customer at the contract price.
- (k) The Company will provide periodic updates to ESCOs and curtailed customers so they can plan accordingly. The Company will notify the Director of the Office of Electric, Gas, and Water of the New York State Department of Public Service when a curtailment is declared and when the situation returns to normal.
- (1) When necessary to meet high-priority customer demand, LDCs will acquire gas intended for lower priority customers at the citygate.

  ESCOs/Direct Customers whose gas is diverted by the LDC will be required to continue making nominations of gas throughout the curtailment period up to their maximum delivery obligation as directed by the LDC, unless qualified upstream force majure interruptions or curtailments prevent ESCOs/Direct customers from securing or delivering such supplies.
- (m) LDCs will recover compensation costs from customers via GAC or equivalent mechanism, subject to Commission review.
- 7. For the purposes of the above requirements, the following definitions shall apply:
  - (a) Residential customers shall include any buildings heated solely by gas where persons reside, including apartment houses, prisons, dormitories, nursing homes, hospitals and hotels.
  - (b) Industrial customers shall include all customers who utilize gas, including utilization for space heating, for the manufacture or processing of goods and materials.

Issued by Michael German, President and C.E.O., Corning, N.Y. 14830 "Issued under Authority of PSC Order dated August 23, 2007 in Case No.06-G-0059"