

PSC No: 5 Gas
Corning Natural Gas Corporation
Initial Effective Date: 04/01/2008

Leaf: 84
Revision 0
Superseding Revision:

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

i) The Daily Deficiency Price Index will equal the applicable daily index midpoint price as published in Gas Daily + cost of transportation + variable capacity costs + fuel losses from the index point (DTI South Point to Corning's City Gate). The sum of the items above is then multiplied by the appropriate Index Price Adjustment as shown in the table below.

ii) The Daily Surplus Price Index will equal Applicable daily index midpoint price as published in Gas Daily plus the cost of transportation. The sum of these items would be multiplied by the appropriate Index Price Adjustment as shown in the table below.

iii) Multipliers would be progressively stiffer as the imbalance worsens.

Daily Balancing Index Price Table

Deficiency Imbalance	Index Price Adj.	Surplus Imbalance	Index Price Adj.
0 to -10%	No Cash out	0 to +10%	No Cash out
<-10% to -15%	110% of Index	>+10% to +15%	90% of Index
<-15% to -20%	115% of Index	>+15% to +20%	85% of Index
<-20% or greater	125% of Index	>+20% or greater	75% of Index

K) Only the difference above or below the daily balancing tolerance is cashed out. The balancing tolerance level for the month will roll to the next month. The difference above or below the balancing tolerance will be cashed out by applying the appropriate Index Price Adjustment to the difference as it is stepped through the tiers (i.e. if a Customer's account is out of balance by +31% the company would deduct the first 10% (the Balancing Tolerance), then apply the factor of 90% of index to the amount between 10% and 15%, then apply the factor of 85% of index to the amount between 15% and 20% at the next tier and then apply the factor of 75% of index to the amount above 20% at the final tier and accumulate the calculations). The first 10% of the imbalance (the Balancing Tolerance) is not cashed out in any case.

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