PSC No:4 Gas Corning Natural Gas Corporation Initial Effective Date: 10/01/2003 Leaf: 79 Revision: 0 Superseding Revision:

24-A. - Transition Surcharge

The portion of capacity costs associated with customers that have switched from sales to transportation service, or who have had capacity assigned but are no longer taking such assignment, shall be collected through a surcharge.

The costs associated with the above capacity shall be recovered through a per unit charge to firm sales and post-aggregation (5/1/96) firm transportation customers. The per unit charge for sales customers served under service classifications 1, 2 & 5 will be included in the Company's GAC mechanism. The per unit charge for transportation customers served under service classifications 6, 7 & 14 will be in the form of a surcharge on customer bills.

The calculation of capacity costs related to customers migrating to transportation shall be as follows:

\$cap = <u>tcap</u> *ucap\$ ucap

where

- \$cap = stranded capacity costs
- tcap = amount of capacity associated with customers using their own capacity
 to bring gas to the city gate (dt)
- ucap = total utility upstream pipeline capacity (dt)
- ucap\$ = utility upstream capacity costs (\$)

Issued by Thomas K. Barry, Chairman, President & C.E.O., Corning, NY 14830