

PSC No:4 Gas  
Corning Natural Gas Corporation  
Initial Effective Date: 10/01/2003

Leaf: 72  
Revision: 0  
Superseding Revision:

22. Gas Adjustment Clause

Factor of Adjustment:

The rates for gas service under all service classifications shall be subject each month to an addition or deduction per 100 cubic feet for each \$.01 per 100 cubic feet increase or decrease in the average cost of gas. Such addition or deduction shall be \$.0102041 per ccf effective 9/1/02, \$.0101833 effective 9/1/03 and \$.0101626 effective 9/1/04 until a new factor is established in the next rate proceeding.

Gas Supply Charge

The GSC will be the sum of the Total Average Cost of Gas, the Supplier Refund Adjustment, the Annual Reconciliation Adjustment and other PSC approved adjustments. The Total Average Cost of Gas is the sum of the Demand Cost Component and the Commodity Cost Component multiplied by the Factor of Adjustment. The Demand Cost Component shall be determined by dividing the Company's Pipeline Capacity Costs by the forecasted normalized annual gas purchases. The Commodity Cost Component shall be determined by dividing the Company's gas supply costs for the month in which the GSC will be in effect by the forecasted normalized quantities of gas purchased for the month that the GSC will be in effect.

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