

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

Leaf: 183
Revision: 0
Superseding Revision:

4. Company and Third Party Supplier recognize that Company may be subjected to imbalance charges from its interstate pipeline suppliers as a result of Third Party Supplier's failure to deliver confirmed quantities of gas. Company and Third Party Supplier shall use their best efforts to avoid such imbalance penalties. However, in the event that Company is assessed penalties as a result of Third Party Supplier's actions or omissions, Third Party Supplier shall reimburse Company for such penalties as may be attributable to Third Party Suppliers' actions or omissions.
5. As between the Company and Third Party Supplier, Third Party Supplier warrants that it has clear title to any gas delivered into the Company's system, and Third Party Supplier shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer unless the Customer has elected to take delivery under reserved service upstream of the city gate. Third Party Supplier agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries on behalf of a transporting customer.
6. The Third Party Supplier shall execute a service agreement with the Company which shall, among other terms and conditions a) provide the identity of Customer(s) on whose behalf they are acting and b) specify the maximum hourly and daily quantities of gas to be transported.
7. The Third party Supplier shall use its best efforts to achieve a balance between its deliveries and its aggregate customer requirements on a monthly basis. The Company reserves the right (1) to require a Third Party Supplier to balance such deliveries and takes of transported gas, or (2) to require a reasonably uniform daily delivery rate of gas which at month's end will equal the aggregate Customers' nomination.

The Company may issue a minimum delivery Operational Flow Order (OFO) requiring delivery of specified volumes of such gas. An OFO may be issued as a blanket for the entire system or for a single shipper (marketer or customer).