

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

Leaf: 173  
Revision: 0  
Superseding Revision:

If at any time the Third Party Supplier's account is out of balance by more than 30%, the Third Party Supplier will be required, upon 48 hours prior notice from the Company, to initiate corrective action to balance its portion in excess of 30%. If the corrective action is not completed in the required 10 days, any imbalance over 30% remaining shall be purchased by the Company at 50% of the average commodity cost of gas.

Negative Imbalance - When less gas is delivered to the city gate than the customers use. The Company will provide continuous gas service to make up for any negative imbalance. Such gas will be billed to the marketer at the average cost delivered to the Company's city gate as calculated in the monthly GAC. It will be the marketers responsibility to allocate such gas to individual customers and bill those customers accordingly. In addition, Marketer shall be billed \$10 per MCF for all deliveries required to be provided which fall short of the DCQ by an amount greater than 2%.

10. Corning will provide to the marketer by the fifteenth of each month the required daily contract quantity (DCQ) as the minimum daily delivery required for each aggregate customer. The DCQ shall be calculated for each month by dividing the lowest monthly usage in the two prior years by the number of days in the meter reading cycle. The company at its sole discretion may change the monthly DCQ from the computed value for specific conditions such as weather changes in gas usage. However, before any nomination can be changed, an Operational Flow Order (OFO) shall be issued by the Company. The OFO will initially be issued verbally, followed by a mailing in lieu of an electronic bulletin board or fax. Subject to Company approval, Customer shall be given the opportunity to change its nomination for operational reasons which must be received by the company by telephone or by fax no later than 1:00 p.m. the day prior to the nomination change. A customer that takes service under this service classification accepts the Company's calculation of the DCQ. The Company shall not be liable for errors in the calculation of the Customers DCQ. Upon request, the Company shall provide Customer with up to 24 months of billing data at no charge.

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