

PSC No:4 Gas
Corning Natural Gas Corporation
Initial Effective Date: 04/10/2004

Leaf: 80.6
Revision: 1
Superseding Revision: 0

approach the contract limits of the Company, the Marketer will be notified (see Communication Protocol in GTOP) that the daily delivery will be limited to the actual gas flowing under the Transport Service Agreement. The notice of these critical period conditions when the daily volume will be limited will be posted on the Web site and made by e-mail, telephone or fax, absent exigent circumstances, at least 24 hours prior to the affected gas day. This notice will be based on the forecasted weather conditions and the anticipated requirements of customers. Earlier notice will be provided, if possible. Notice to a Marketer will be made in less than 24 hours if a shorter notice is received by Corning of an interruption in Customer's supply.

F) The notices will be made in the form of an "Alert" or a "Restriction" advisory. When possible, Corning will issue an "Alert" to ward off possible restriction conditions. The next step, as conditions require, is a "Restriction or OFO" notice. The decision to impose restrictions is based on Corning's forecast of the weather and the gas requirements that are necessary to meet that forecast. During the time that restrictions are in effect, the customer must limit usage to the volume actually transported by the company for the customer. If this reduction cannot be made, tariff rate gas will be supplied by Corning, if it is available from system supply. If the total use during the critical period exceeds Corning's authorized volume and pipeline penalties are imposed, Marketers will be billed for the portion of that penalty for which they are responsible.

3) Balancing Tolerances

A) The Daily Balancing Tolerance for both the Hammondsport and Corning Systems will be $\pm 10\%$ of the Customers' daily-metered usage.

B) The Monthly Balancing Tolerance for both the Hammondsport and Corning Systems will be $\pm 10\%$ of the Customers' monthly-metered usage.

C) These Balancing Tolerances are in effect for all Service Classifications applicable to Transportation Service and will remain in effect until at least November 1, 2004 and until otherwise modified by a tariff change.

D) The Company shall periodically review with Staff of the Department of Public Service and Interested Parties whether the Monthly Balancing Tolerance should be revised. Following that review, the Company may recommend that the Monthly Balancing Tolerance be revised effective no sooner than November 1, 2004.

"Issued Under the Authority of PSC Order Dated Nov 25, 2003 in Case No. 02-G-0003"

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