

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

Leaf: 80.1
Revision: 1
Superseding Revision: 0

Transportation Balancing

1) Daily Balancing

The pooling of like assets is allowed among the Service Classes SC6, SC7, SC11 (if agreed to pursuant to contract), and SC4 (Hammondsport) whereby the trading of gas occurs on a daily basis for the entire pool. If the customers wish to trade imbalances with other SC7 or SC11 Direct Customers or Small Customer Aggregation Pools at month end, they may do so. The following rules for pooling and trading shall apply:

A) A SC6 Customer who has the ability to daily balance, may elect to do so. For Customers making such an election, they shall pay the SC6 transportation rate and the balancing charge for daily balanced (not monthly balanced) customers.

B) The Company operates with a "no harm no foul" rule whereby if a pool is within the daily balancing tolerance there would be no cash out for any individual customer imbalances within that specific pool.

C) The Direct Customer/Marketer/Agent will be allowed to do intra-day nominations, in accordance with the "Nomination Timeline" below, to stay within the daily balancing tolerance. SC7 and SC11 Direct Customers with multiple accounts and SC6 Customers electing daily balancing may submit one nomination for the accounts in the pool to the Company.

D) All Marketers' and Direct Customers' or their Agents' nominations must conform to the North America Standards Board (NASB) nominations rules, as applicable. The Company confirms all nominations and changes at the Company's city gate with the upstream pipeline prior to gas flowing. Nominations and changes may be refused if the end user account nomination information does not match the pipeline nomination information. It is the direct customer's, marketer's or agent's responsibility to ensure a proper nomination.

"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