

PSC No:4 Gas
Corning Natural Gas Corporation
Initial Effective Date: 12/01/2003

Leaf: 80.7
Revision: 0
Superseding Revision:

E) If the Company recommends that the Monthly Balancing Tolerance should be changed, the parties will have the right to oppose the change in the Monthly Balancing Tolerance, applicable to monthly or daily balanced customers, prior to the change taking effect.

4) Pipeline Penalty Allocation

When a pipeline penalty occurs, a prorated portion of any such penalty shall be allocated to the service classifications deemed responsible for the penalty. The amount to be allocated to SC7, SC11, and SC6 and SC4 (Hammondsport) Daily Balanced Marketers/ Direct Customers may be readily identified due to the real time nature of meter readings for these service classes.

An allocation methodology used to prorate pipeline penalties between classes, pools and individual monthly balanced customers, should follow but not be limited to these guidelines:

A) The total penalty allocation levied against the monthly balanced entities will only be that amount which has not already been allocated to SC7, SC11, and SC6 and SC4 (Hammondsport) Daily Balanced Marketers/ Direct Customers that had an impact on CNGC systems' daily operation during the penalty period.

B) Any information or data available should be utilized in determining this allocation including but not limited to the daily nominations made by or on behalf of the monthly balanced customers.

C) If a pipeline penalty occurs, the Company will make every reasonable attempt to have the penalty waived or reduced.

D) If the Company's efforts are successful, the reductions will be refunded to anyone having paid the charge.

E) If a dispute arises pertaining to the assigning of a pipeline penalty to any party, then the Company and the disputing party shall follow the Dispute Resolution Process, as set forth in the Company's GTOP manual.

"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