

January 19th, 2010

Honorable Jaclyn A. Brillling, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Dear Secretary Brillling,

The following leafs are issued and transmitted by Corning Natural Gas Corporation, effective 04/19/2010.

2nd Revised Leaf No. 4 to PSC-4, Superseding Revision 1
Original Leaf No. 204, to PSC-4.

Corning Natural Gas Corporation ("Corning" or "the Company") is filing Tariff PSC 4 leaf 204 SC21 to establish a service for transport of third party gas into the interstate pipeline system and to establish a Lost and Unaccounted For ("LAUF") factor for that service. The support and need for the new service is set forth below.

Corning's system incorporates 413 miles of high, intermediate, and low pressure distribution main with over 14,500 meters. The system contains a variety of pipe materials, coupling devices, and operating pressures from $\frac{1}{4}$ psig to 275 psig. Corning's LAUF is determined by the Commission in Corning's base rate cases. The Commission has recognized the need to establish three LAUF to take into account the operational differences in the Corning (PSC 4), Bath (PSC 6) and Hammondsport (PSC 5) divisions.

The transportation route that would be made available for this service will begin at a receipt point in Pennsylvania and utilize the Root pipeline, a small section of Corning's line 4 and the southern end of line 7. These three sections of pipe total approximately six miles of high pressure steel main to be connected to the soon to be built compressor station at Maxwell. Another 3.95 miles of high pressure steel main extends from Maxwell to a delivery point on the interstate transmission system at the Dominion Interconnect. The attached map below identifies the specific transportation route and piping material for this transportation route. The route described will be for the delivery of natural gas received from Pennsylvania and redelivered into the interstate system. This transportation route is distinct from the Corning system and these characteristics justify a LAUF different than Corning division LAUF (PSC 4) of 1.32%.

As noted above, the Commission has established different LAUF factors for Corning's gas system. The specific facilities to be used for the proposed service classification SC21 has historically experienced no

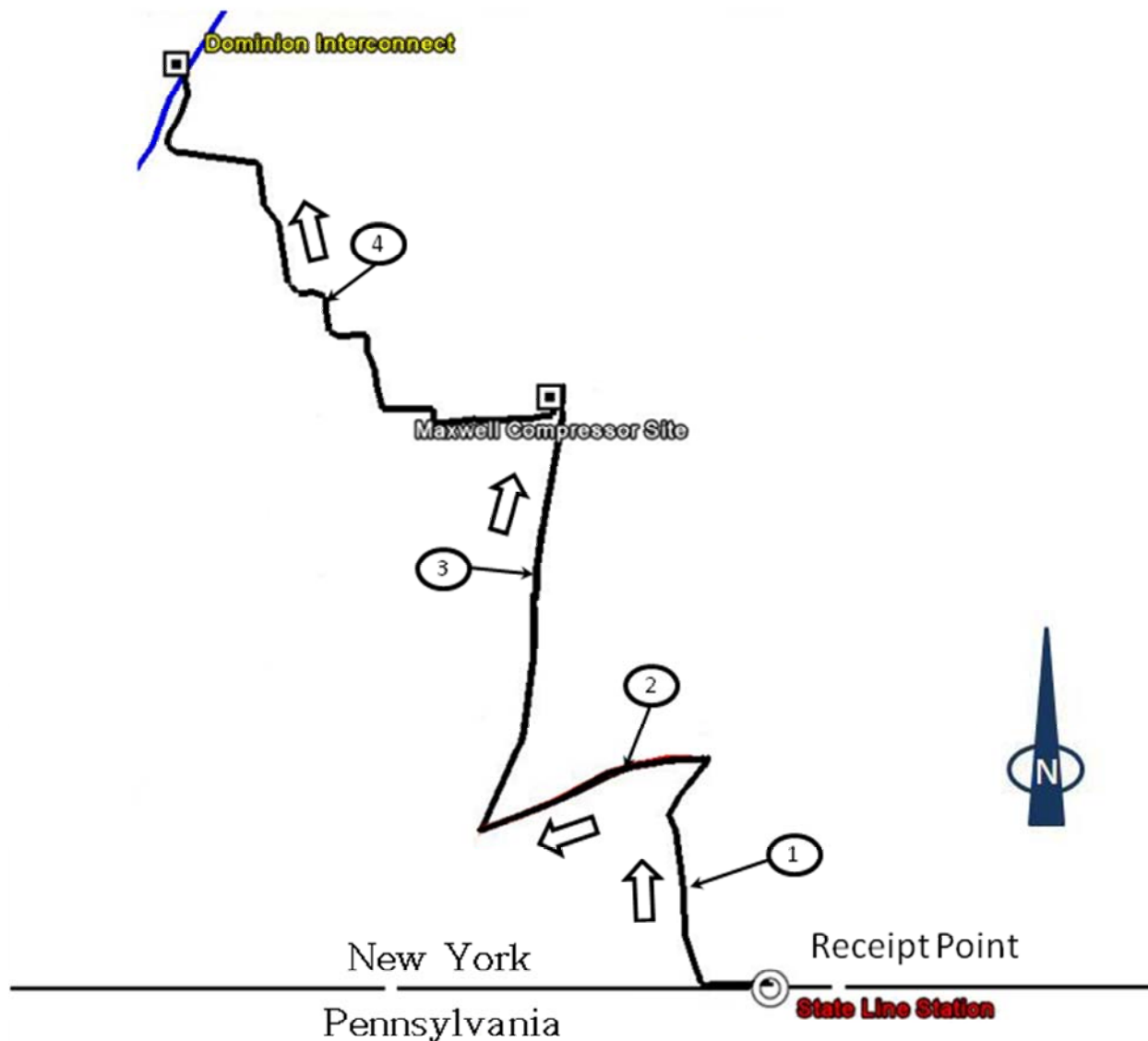
leakage and currently has no active leaks. Additionally, less than ten residential customers receive distribution gas along on the identified route. The gas which is delivered into the Maxwell Compressor station and ultimately redelivered into the interstate transmission system should be assessed a LAUF of 0.5%. The calculation of the LAUF of 0.5% is based upon blending the LAUF for Bath and Corning. Given that the service being provided through Root, Line 4, Line 7 and the soon to be acquired 6" pipeline (all high pressure lines) Corning determined the new LAUF by averaging the Bath and Corning LAUF. The Company's recognizes that the Bath system is similar to the 311 service, both being high pressure pipeline services. However, the 311 service includes three pipelines, these pipelines directly fed residential pipelines and the three pipelines are integrated into Corning's backbone system. In order to recognize the operational difference between the Bath system and the new 311 transportation, it assigned 60% weight to the Bath LAUF (0.0%) and 40% of the Corning LAUF (1.32%). Corning intends to revise the SC21 tariff LAUF when actual numbers are available.

Sincerely,

Firouzeh Sarhangi
Chief Financial Officer





Delivery Point



Legend

Pipe Segments

- 1 – 1.77 miles of 10" Steel MAOP 250psig
- 2 – 1.63 miles of 16" Steel MAOP 250psig
- 3 – 2.63 miles of 10" Steel MAOP 250psig
- 4 – 3.95 miles of 6" Steel MAOP 1440psig

-  - Pipe Segment Indicator
-  - Gas Flow Direction