PSC No: 5 Gas Leaf: 86.4 Corning Natural Gas Corporation Revision 0 Initial Effective Date: 05/01/2012 Superseding Revision: "Issued in Compliance with Commission Order "11-G-0280" Issued and Effective April 20, 2012" Case 11-G-0280 **Corning Natural Gas Corporation Balancing and Cash-Out Tiers** Period 4 (Starting 10-1-13) City Gate Balancing (Daily Nominations) Deficiency Imbalance Index Price Adj. Surplus Imbalance Index Price Adj. < -2% 125% of Market Price > +2%Nomination may be refused End of Month Cash-Out Table for Monthly Balanced Customer Deficiency Imbalance Index Price Adj. Surplus Imbalance Index Price Adj. < 0% Market Price > 0% Market Price Daily Cash-Out Table for Daily Balanced Customer Deficiency Imbalance Surplus Imbalance Index Price Adj. Index Price Adj. 0 to -5% No Cash-Out 0 to +5% No Cash-Out -5% to -10% 105% of Market Price +5% to +10% 95% of Market Price -10% to -15% 110% of Market Price +10% to +15% 90% of Market Price -15% to -20% 120% of Market Price +15% to +20% 80% of Market Price < -20% 150% of Market Price > +20%50% of Market Price End of Month Cash-Out Table for Daily Balanced Customer Deficiency Imbalance Index Price Adj. Surplus Imbalance Index Price Adj. 0 to -5% Market Price 0 to +5%Market Price 105% of Market Price +5% to +10% -5% to -10% 95% of Market Price -10% to -15% 110% of Market Price +10% to +15% 90% of Market Price -15% to -20% 120% of Market Price +15% to +20% 80% of Market Price < -20% 150% of Market Price > +20% 50% of Market Price End-of-Month Cash Out - No Rollover No Harm - No Foul Rule for Daily or Monthly Imbalances

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