

PSC No:4 Gas
Corning Natural Gas Corporation
Initial Effective Date: 05/01/2012

Leaf: 80.5.5
Revision: 0
Superseding Revision:

"Issued in Compliance with Commission Order "11-G-0280" Issued and Effective April 20, 2012"

Daily Cash-Out Table for Daily Balanced Customer

Deficiency

Imbalance	Index Price Adj.	Surplus Imbalance	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
-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 - No Rollover

No Harm - No Foul Rule for Daily or Monthly Imbalances

D) Only the difference above or below the monthly balancing tolerance is cashed out. The balancing tolerance level for the month will roll to the next month. The difference above or below the monthly balancing tolerance will be cashed out by applying the appropriate Monthly Index Price Adjustment to the difference as it is stepped through the tiers. I.e., if a Customer's account is out of balance by +31% the Company would deduct the first 5% (the Balancing Tolerance), then apply the factor of 90% of index to the amount between 5 and 10%, then apply the factor of 85% of index to the amount between 10 and 15% at the next tier and then apply the factor of 75% of index to the remainder over 20% at the final tier and accumulate the calculations. All volumes between 0 and 5% at month end will be cashed out in accordance with paragraph ii without the index adjustment.

E) The SC14, SC6, SC4 (Hammondsport) SC5, SC3/SC4 (Bath) and SC7 (Hammondsport) Customer/Marketer shall monitor actual gas usage and the daily nomination is to be adjusted to follow changes in the actual volumes used. Operations during critical periods may require closer scrutiny. When the total gas requirements on the Company's system are estimated to

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