

PSC No:4 Gas
Corning Natural Gas Corporation
Initial Effective Date: 06/01/2006

Leaf: 72
Revision: 1
Superseding Revision: 0

22. Gas Adjustment Clause

Factor of Adjustment:

The rates for gas service under all service classifications shall be subject each month to an addition or deduction per 100 cubic feet for each \$.01 per 100 cubic feet increase or decrease in the average cost of gas. The Current factor of adjustment is .0101626 per ccf which remains in effect through August 31st, 2006. The new factor shall be .010220 per ccf effective September 1st 2006.

Gas Supply Charge

The GSC will be the sum of the Total Average Cost of Gas, the Supplier Refund Adjustment, the Annual Reconciliation Adjustment and other PSC approved adjustments. The Total Average Cost of Gas is the sum of the Demand Cost Component and the Commodity Cost Component multiplied by the Factor of Adjustment. The Demand Cost Component shall be determined by dividing the Company's Pipeline Capacity Costs by the forecasted normalized annual gas purchases. The Commodity Cost Component shall be determined by dividing the Company's gas supply costs for the month in which the GSC will be in effect by the forecasted normalized quantities of gas purchased for the month that the GSC will be in effect. Should the Company once again be responsible for its own gas storage fill, the GSC will also include a component to recover the carrying cost of the gas storage inventory. This component will remain as an available option until new delivery rates are approved by the commission.

"Issued under Authority of Order of PSC Dated May 22, 2006 in Case No. 05-G-1359"

Issued by Thomas K. Barry, Chairman, President & C.E.O., Corning, NY 14830