

PSC No: 5 Gas  
Corning Natural Gas Corporation  
Initial Effective Date: 04/01/2008

Leaf: 83  
Revision 0  
Superseding Revision:

W. Information Applicable to Transportation of Gas Service: (Cont'd.)

E) Pursuant to the no harm no foul rule, if the pool is outside the daily balancing tolerance (short or long) then the amount of gas over or under the daily balancing tolerance will be cashed out. The cash-out will be applied to only those accounts whose imbalances are in the same direction as the total pool imbalance. The daily cash-outs activity will be netted for the month and be billed to the customer along with the supporting detail. The amount of gas not cashed out but within the monthly balancing tolerance will be rolled forward into the next month for each affected customer/account. This rollover would be used throughout the month to balance the daily nominations to actual use when necessary and will be applied starting with the first gas day, then the second etc. until it is zeroed out.

F) When imbalance trading occurs, both trading parties must improve their balancing position and those positions need to move them closer to a zero imbalance position.

G) The SC 7 Customers pool shall include all customers balanced under SC7 provisions, including, where applicable, SC6, SC7, SC 11 (if agreed to pursuant to contract) and SC4 (Hammondsport) that daily balance accounts. The measurement of whether these Customers are within the balancing tolerance would be based on the pool in its entirety.

H) In order to keep monthly imbalances at a minimum, SC7, SC11, and SC4 (Hammondsport) Direct Customers will be allowed to trade imbalances at month end with any other SC7, SC11 and SC4 customer or with any SC6 Direct Customer/Pool or SC14 Small Customer Aggregation Pool.

I) Each month, the Company will notify the customer of its imbalances by close of business on the 3rd business day of the month immediately following the month for which imbalances are to be traded. The Customer or its Marketer/Agent must inform the Company of the trades by the close of business on the 7th business day of the month. The trading will occur prior to any cash out procedures being applied. This will be done by e-mail or faxes in the interim until the Company can provide a Web site for such transactions.

i) SC7 & SC11 Direct Customers with multiple accounts and SC6 Customers electing daily balancing may submit one nomination for the accounts in the pool to the Company for balancing and imbalance trading purposes.

J) Cash-outs will be market based regardless of a deficiency or a surplus and calculated as described in the following provisions:

Issued by Michael German, President and C.E.O., Corning, N.Y. 14830