

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

Leaf: 85  
Revision 0  
Superseding Revision:

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

2) Monthly Balancing

SC6 and SC4 customers who have not elected to daily balance, and SC14, SC5 and SC7 Customers/Marketers, will be balanced on a monthly basis. The Minimum Daily Contract Quantity (MDCQ), defined as the minimum volume of gas the customer is required to deliver to The Company each day shall be calculated as follows:

a) The MDCQ shall be calculated for each month by dividing the lowest monthly usage for that month, in the four prior years by the number of days in the meter reading cycle.

b) The customer/marketer shall be informed by the fifteenth of the month of the calculated MDCQ prior to the month in which gas will be delivered. During the month, the MDCQ may be revised upon notification to the customer/marketer by 12:00 PM on the business day prior to the gas day the change is to take effect. Reasons for changing a MDCQ may include but are not limited to: increased or decreased customer usage due to unexpected weather and production or usage patterns. Marketers or Direct Customers may request a change in the specified MDCQ if the Marketer or Direct Customer has specific knowledge that a customer's or customer group's consumption will be different than anticipated. Such requests should be emailed or faxed to The Company by 12:00 PM, on the business day prior to the gas day the change is requested to take effect. The request should specify the amount by which the MDCQ should be changed as well as provide justification for the change. The change will not take effect until acknowledged and approved by The Company. Corning can change the nomination upon notification to the customer/marketer by 12:00 PM (noon) on the business day prior to the gas day the change is to take effect.

c) A calculation of the Average Daily Quantity (ADQ) indicating what the average daily use is in a historic usage matrix showing consumption by customer class by Marketer shall be provided with monthly degree days for informational purposes only but will not forecast consumption needs for the groups. Customers/marketers remain directly responsible for matching actual nominations with customer usage.

Daily delivery requirements for S.C. No.14 Customers/Marketers shall be set at weather normalized average daily quantities for the customer pool.

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