

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 1
Revision: 0
Superseding Revision:

P.S.C. No. 7 GAS
Superseding P.S.C. No. 4, 5 and 6

Corning Natural Gas Corporation
Name of Corporation or (Municipality)

SCHEDULE FOR GAS SERVICE

Applicable

in

City of Corning
Village of Addison
Village of Painted Post
Village of Riverside
Village of South Corning
Town of Caton
Town of Corning
Town of Erwin
Town of Lindley
Town of Tuscarora
Hamlet of Caton Centre
Town of Bath
Village of Bath
Village of Hammondsport
Town of Urbana
(All in Steuben County, N.Y.)

Town of Southport
(In Chemung County, N.Y.)

Town of Virgil
(In Cortland County, N.Y.)

For detail description of Territory, see General Information leaf, Paragraph 1

Subsequent changes will be effective as shown on individual leaves

By Michael German C.E.O and President
(Name of Officer) (Title)

330 West William Street, Corning, N.Y.
(Address of Officer)

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

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Corning Natural Gas Corporation
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PSC No: 7 Gas
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1. Territory to which Schedule Applies:

Steuben County, New York

City of Corning	Hamlet of Caton Centre
Village of Addison	Town of Campbell
Village of Painted Post	Town of Caton
Village of Riverside	Town of Corning
Village of Savona	Town of Erwin
Village of South Corning	Town of Tuscarora
Town of Bath	Village of Bath
Village of Hammondsport	Town of Urbana

Chemung County, New York

Town of Southport

Cortland County, New York

Town of Virgil

2. Definitions applicable to this Schedule:

1. A "main" is a pipeline located on a public or private right-of-way which is generally available or used to transport gas to more than one service line.
2. A "service line" is the piping, including associated metering and pressure reducing appurtenances, that transports gas below grade from a main to the first accessible fitting inside the wall of a customer's building when a meter is located within the building; if a meter is located outside the building, the service line will be deemed to terminate at the outside of the building foundation wall.
3. "Public right-of-way" means the territorial limits of any street, avenue, road or way (other than a limited access thoroughfare) that is for any highway purpose under the jurisdiction of the State of New York or the legislative body of any county, city, town or village and is open to public use.
4. "Adjusted gas revenue" means the revenue realized from the applicable service classification rates and charges, minus revenue taxes, the minimum charge and the cost of gas.
5. "Cost" or "expense" shall include all labor, material and other definite charges applicable thereto, plus a reasonable percentage for engineering, purchasing and use of construction equipment.
6. An "applicant" is an individual, firm or partnership requesting the Company's service. Each individual residence, apartment or business location for which service is requested shall be counted as a separate application under these regulations. A residential applicant is any person who requests gas service at a dwelling for his or her residential use or the residential use by another

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2. Definitions applicable to this Schedule: (Cont'd)

person, for which the Company's effective tariff specifies a residential rate. For the purposes of the Home Energy Fair Practices Act, a residential applicant includes any person who requests gas service at a premises to be used as his or her residence or the residence of a third party on whose behalf the person is requesting service, as defined in 16 NYCRR 11.2(a)(3).

7. "Customer", for the purposes of the Home Energy Fair Practices Act, a residential customer or current residential customer includes any person who pursuant to an application for service made by such person or a third party on his or her behalf is supplied directly by the Company with gas service at a premises used in whole or in part as his or her residence, as defined in 16 NYCRR 11.2(a)(2). A Low Income Customer is a Residential Customer who qualifies for the Home Energy Assistance Program (HEAP).

8. Non-residential Applicants and Customers:

- (a) Applicant: A person, corporation or other entity who has requested gas service as a non-residential customer.
- (b) Customer: A person, corporation or other entity, supplied by the Company with gas service under the Company's tariff and pursuant to an accepted application for service, who is not a residential customer as defined in 16 NYCRR Part 11.
- (c) New customer: A customer who was not the last previous customer at the premises to be served, regardless of whether such customer previously was or is still a customer of the Company at a different location.
- (d) Seasonal customer: A customer who applies for and receives Company service periodically each year, intermittently during the year, or at other irregular intervals.
- (e) Short-term or temporary non-residential customer: A customer who requested service for a period of time up to two years.
- (f) Actual reading: One obtained by a Company employee from either the meter or a remote registration device attached thereto.
- (g) Access controller: A party known to the Company to be in control of access to the metering equipment of a non-residential customer, and to have an active account of its own with the Company.
- (h) Payment: Considered to be made on the date when it is received by the Company or one of its authorized agents.

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2. Definitions applicable to this Schedule: (Cont'd)

8. Non-residential Applicants and Customers: (Cont'd)

(i) Late payment: Any payment made more than 20 calendar days after the date payment was due (except 10 days for S.C. No. 2 customers). Payment is due whenever specified by the Company on its bill, provided such date does not occur before personal service of the bill or three calendar days after the mailing of the bill.

(j) Arrears: Charges for which payment has not been made more than 20 calendar days after payment was due (except 10 calendar days for S.C. No. 2 customers).

(k) Delinquent customer: A customer who has made a late payment on two or more occasions within the previous 12 month period.

(l) Business day: Any Monday through Friday when the Company's business offices are open.

(m) Deferred payment agreement: A written agreement for the payment of outstanding charges over a specified period of time. It must be signed in duplicate by the Company representative and the customer, and each must receive a copy, before it becomes enforceable by either party.

(n) Levelized payment plan: A billing plan designed to reduce fluctuations in a customer's bill payments due to varying, but predictable, patterns of consumption.

(o) Backbill: That portion of any bill, other than a levelized bill, which represents charges not previously billed for service that was actually delivered to the customer during a period before the current billing cycle. A bill based on an actual reading rendered after one or more bills based on estimated or customer readings (commonly called a catch-up bill) which exceeds by 50 percent or more the bill that would have been rendered under the Company's standard estimation program is presumed to be a backbill.

(p) Tampered equipment: Any service related equipment that has been subjected either to unauthorized interference so as to reduce the accuracy or eliminate the measurement of the Company's service, or to unauthorized connection occurring after the Company has physically disconnected service.

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2. Definitions applicable to this Schedule: (Cont'd.)

8. Non-residential Applicants and Customers: (Cont'd.)

(q) Company deficiency: means any action or inaction by the Company or one of its authorized agents that does not substantially conform to the rules and regulations of 16 NYCRR Part 13, the Company's tariff, or the Company's written business procedures.

3. Application for Service:

(a) Application for service may be made by mail, telephone call or personal application at the Company's office. The Company reserves the privilege of requiring signed applications and will require them for commercial and industrial service and where extensions are to be made pursuant to Section 5. The form of the application is given in Section 18.

(b) A residential service application may be oral or written. An oral application for service shall be deemed completed when the applicant provides his or her name, address, telephone number and address of prior account (if any) or prior account number (if any). The Company may require an applicant to complete a written application if:

- (1) there are arrears at the premises to be served and service was terminated for non-payment or is subject to a final notice of termination; or
- (2) there is evidence of meter tampering or theft of service; or
- (3) the meter has advanced and there is no customer of record; or
- (4) the application is made by a third party on behalf of the person who would receive service.

(c) In accordance with 16 NYCRR Sections 11.30 through 11.39, and Section 52 of the Public Service Law, when a tenant's service meter also registers utility service use outside the tenant's dwelling, the tenant is not required to pay the charges for that service. The company will establish an account in the owner's name for all service registered on the shared meter after that date and will rebill for past service in accordance with 16 NYCRR Part 11.34. A customer may request a copy of the entire rules governing shared meters from the company's office.

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Whenever a written application for residential service is required, the Company shall notify the applicant within two business days after such request, stating the basis for requiring a written application. A written application may require the submission of information required in an oral application and reasonable proof of the applicant's identity and responsibility for service at the premises to be served. A written application containing the required information shall be deemed completed when received by the Company.

3. Application for Service (Cont'd.)

B. Former Indebtedness Paid - Residential:

The Company will not be obligated to provide service to an applicant who owes the Company money for residential service provided to a prior account in his or her name unless:

- (a) The applicant makes full payment for residential service provided to any such prior account in his or her name; or
- (b) The applicant agrees to make payments under a deferred payment plan of any amounts due for service to a prior account in his or her name; or
- (c) The applicant has pending a billing dispute with respect to any amounts due for service to a prior account in his or her name and has paid amounts required to be paid; or
- (d) The applicant is a recipient of, or an applicant for, public assistance, supplemental security income benefits or additional state payments pursuant to the Social Service Law, and the Company receives from an official of the social services district in which the applicant resides, or is notified by such an official that it is entitled to receive, payment for services due to a prior account in the applicant's name together with a guarantee of future payments to the extent authorized by the social services law; or
- (e) The Commission or its authorized designee directs the provision of service.
- (f) The Company shall not be obligated to provide seasonal or short-term service to an applicant who fails to post a lawfully required deposit.

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3. Application for Service: (Cont'd.)

C. Application for Non-residential Service:

(a) Extension of Service:

- (1) The Company shall either provide or deny service to any applicant as soon as reasonable possible, but no later than 10 calendar days after receipt of a completed application for service or such later time as may be specified by the applicant, except:
 - (i) where prevented by labor strikes, or other work stoppages;
 - (ii) where precluded by consideration of public safety;
 - (iii) where precluded by physical impediments including:
 - (a) adverse weather conditions;
 - (b) inability to gain access to premises in the possession of the applicant or others;
 - (c) incomplete construction of necessary facilities by the applicant or inspection and certification thereof by the appropriate authorities; or
 - (d) incomplete construction of necessary facilities by the Company.
- (2) The Company will make reasonable efforts to eliminate conditions preventing extensions of service and will pursue completion of any facilities it must construct with due diligence.
- (3) As a prerequisite to accepting an applicant as a customer, and providing service, the Company may require the applicant to:
 - (i) file a written service application containing information sufficient to establish the applicant's identity and responsibility for the premises as either the owner or occupant, the correct service classification, and who controls access to the meter(s) if not the customer;
 - (ii) comply with the Company's tariff, or any applicable state, city or local laws or ordinances;
 - (iii) fulfill any applicable requirements of 16 NYCRR Part 230.

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3. Application for Service: (Cont'd.)

C. Application for Non-residential Service: (Cont'd.)

(b) Denial of Application:

- (1) The Company will not deny an application for service except in a written notice either delivered personally to the applicant or sent to the applicant's current business address or any alternative mailing address provided in the application.
- (2) The written notice of denial shall:
 - (i) state the reason(s) for the denial:
 - (ii) specify what the applicant must do to qualify for service; and
 - (iii) advise the applicant of the right to an investigation and review of the denial by the Commission or its authorized designee if the applicant considers the denial to be without justification, and identify the appropriate address and telephone number of the Commission.
- (3) The Company shall advise any applicant who submits an incomplete application, in writing and within three business days after receipt of the application, or the information and/or documents that must be submitted in order for the application to be considered complete. Such notice shall not itself be considered a denial of the application.

D. Former Indebtedness - Non-Residential:

The Company will not be obligated to provide service to an applicant until full payment is made for all amounts due and payable which are not either the subject of a pending billing dispute pursuant to 16 NYCRR 13.15 or of an existing deferred payment agreement that is in good standing, including:

- (a) service provided and billed in accordance with 16 NYCRR 13.11 to prior account(s) in the applicant's name or for which the applicant is legally responsible:
- (b) other tariff fees, charge, or penalties;

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3. Application for Service: (Cont'd.)

D. Former Indebtedness - Non-Residential: (Cont'd.)

- (c) reasonably chargeable material and installation costs relating to temporary or permanent line or main extensions or service laterals as required by rule 5. and authorized under 16 NYCRR Part 230, provided these costs are itemized and given to the applicant in writing.
- (d) special services billable under this tariff, provided these costs are itemized and given to the applicant in writing; and
- (e) a security deposit, if requested by the Company in accordance with Rule 4.b
- (f) the company will provide service to any accepted applicant whose application for service was previously denied solely for failure to make full payment as provided in this rule as soon as reasonably possible, but no later than three business days, or such later time as may be specified by the applicant, after payment is made, or 10 calendar days after receipt of the original application, whichever is later, except as provided in Rule 3.C.(a)(1).

4. Consumer Deposits:

A. Deposits and Refunds - Residential:

(a) Deposits

The Company may require a consumer deposit from new seasonal or short-term residential customers and from residential customers who are delinquent in payment of their utility bill as a condition of receiving utility service. A current residential customer is delinquent for the purpose of a deposit assessment if such customer:

- (1) accumulates two consecutive months of arrears without making reasonable payment, defined as one-half of their total arrears, of such charges before the time that a late payment charge would become applicable, or fails to make a reasonable payment on a bimonthly bill within 50 days after the bill is due; provided that the Company requests such a deposit within two months of such failure to pay; or
- (2) had utility service terminated for nonpayment during the preceding six months.

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4. Consumer Deposits: (Cont'd.)

A. Deposits and Refunds - Residential: (Cont'd.)

(a) Deposits: (Cont'd.)

Customers from which a deposit may be required shall be provided a written notice, at least 20 days before the deposit is assessed, that the failure to make timely payment will permit the Company to require a deposit from such customer. If a deposit from a current residential customer who is delinquent by virtue of his or her failure to make a reasonable payment of arrears, is required, the Company shall permit such customer to pay the deposit in installments over a period not to exceed 12 months.

Deposits from new or current residential customers may not exceed two times the estimated average monthly bill for a calendar year except in the case of gas space heating customers where deposits may not exceed two times the estimated average monthly bill for the heating season.

The Company shall not require any person it knows to be a recipient of public assistance or supplemental security income to post a security deposit, nor shall it require or hold a deposit from any new or current residential customer it knows is 62 years of age or older unless such customer has had service terminated by the Company for non-payment of bills within the preceding six months.

The Company shall extend service to any new residential applicant for service who has initiated a complaint on a deposit requested by such Company and shall continue to supply service during the pendency of such complaint, provided that such applicant keep current on bills for service rendered and pay a reasonable amount as a deposit if the complaint challenges only the amount requested.

(b) Refunds:

Each depositor, upon ceasing to be a customer, shall promptly receive a refund of such deposit and all interest thereon, upon surrendering the deposit certificate (or submitting satisfactory proof of the right to receive the deposit) and upon payment of all bills for which such deposit is security. A residential customer shall receive such refund of the deposit as stated herein by reason on non-delinquency for a one-year period from the payment of the deposit. Thereafter, the Company may again require a deposit as stated in Subsection (a).

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4. Consumer Deposits: (Cont'd.)

A. Deposits and Refunds - Residential: (Cont'd.)

The Company shall allow to each depositor simple interest at a rate per annum prescribed by the Public Service Commission on the amount deposited. Interest shall be paid upon the return of the deposit, or where the deposit has been held for a period of one year, the interest shall be credited to the customer on the first billing for utility service rendered after the end of such period. If the customer is not delinquent in the payment of bills during the one year period from the payment of the deposit, the deposit shall be refunded promptly without prejudice to the Company's right to require a future deposit in the event that the customer thereafter becomes delinquent.

B. Security Deposits - Non-residential:

(a) Deposit Requirements:

(1) The Company may only require the payment of a security deposit from:

- (i) a new customer; or;
- (ii) an existing customer:

- (a) who is delinquent;
- (b) whose financial condition is such that it is likely that the customer may default in the future; provided, however, that the Company must have reliable evidence of such condition, such as reports from accepted financial reporting services or credit reporting agencies;
- (c) who has filed for reorganization or bankruptcy; or
- (d) who has been rendered a backbill within the last twelve months for previously unbilled charges for service that came through tempered equipment.

(2) The Company shall offer an existing customer, from whom a deposit is required under clauses (1) (ii) (a) or (b) of this subdivision the opportunity to pay the deposit in three installments, 50 percent down and two monthly payments of the balance.

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4. Consumer Deposits: (Cont'd.)

B. Security Deposits - Non-residential: (Cont'd.)

(a) Deposit Requirements: (Cont'd.)

- (3) A request for a deposit or deposit increase shall be in writing and shall advise the customer:

- (i) why the deposit is being requested;
- (ii) how the amount of the deposit was calculated;
- (iii) that the deposit is subject to later upward or downward revision based on the customer's subsequent billing history;
- (iv) that the customer may request that the Company review the account in order to assure that the deposit is not excessive;
- (v) the circumstances under which the deposit will be refunded;
- (vi) that the customer will receive annual notice of the interest credited to the account;
- (vii) about the available deposit alternatives; and
- (viii) that for an existing customer from whom the deposit is being requested because of delinquency or financial condition, the deposit may be paid in three installments.

- (4) The Company shall issue to every customer from whom a deposit is obtained, a receipt showing the date, the account number, the amount received, the form of the payment, and shall contain a notice explaining the manner in which interest will accrue and be paid and that the receipt is neither negotiable nor transferable.

(b) Deposit Calculation:

- (1) The amount of a deposit shall not exceed the cost of twice the customer's average monthly usage, except in the case of customers whose usage varies widely such as space heating or cooling customers, or certain manufacturing and industrial processors, where the deposit shall not exceed the cost of twice the average monthly usage for the peak season.

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4. Consumer Deposits: (Cont'd.)

B. Security Deposits - Non-Residential: (Cont'd.)

(b) Deposit Calculation: (Cont'd.)

- (2) In the case of an existing customer who has 12 months or more billing history, the amount of deposit shall be based on service used during the previous 12 month period as evidenced by the billing history.
- (3) In the case of a new customer or a customer with less than 12 months of billing history, the amount of the deposit shall be based on one or more of the following, as available:
 - (i) the billing history of the customer;
 - (ii) information provided in the application by the customer about the expected load and use of service;
 - (iii) information contained in a load study of the premises prepared by the Company; and
 - (iv) the billing history of the previous customer, provided there have been no significant changes in the load.

(c) Deposit Review:

- (1) The Company shall, at the first anniversary of the receipt of the deposit and at least biennially thereafter, review the billing history of every customer who has a deposit with the Company, to assure that the amount of the deposit conforms to the limitations contained in subdivision (b) of this section. This requirement does not limit the right of the Company to review a deposit at any time.
 - (i) If a deposit review shows that the deposit held falls short of the amount that the Company may lawfully require by 25 percent or more, the Company may require the payment of a corresponding additional deposit amount from the customer.
 - (ii) If a deposit review shows that the deposit held exceeds the amount that the Company may lawfully require by 25 percent or more, the Company shall refund the excess deposit to the customer in accordance with subdivision (f) of this section.

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4. Consumer Deposits: (Cont'd.)

B. Security Deposits - Non-Residential: (Cont'd.)

(c) Deposit Review: (Cont'd.)

- (2) Upon request of a customer for a downward revision of the deposit, which request is substantiated both by the customer's billing history and by a permanent documented change in load and consumption, the Company shall refund any portion of the deposit in excess of the amount the Company may lawfully require in accordance with subdivision (f) of this section.

(d) Deposit Alternatives:

- (1) The Company shall accept deposit alternatives which provide a level of security equivalent to cash, such as irrevocable bank letters or credit and surety bonds.
- (2) The Company may, at its discretion, accept from the customer in lieu of a deposit, a written promise to pay bills on receipt and a written waiver of the customer's right not to be sent a final termination notice until 20 calendar days after payment is due.

(e) Interest:

- (1) Every cash deposit shall accrue interest at a rate prescribed at least annually by the Commission in light of the current economic conditions and current charges paid for money borrowed by the Company, taking into account the expenses incurred by the Company in obtaining, handling, returning or crediting the sum deposited.
- (2) Interest shall be paid to the customer upon the return of the deposit, or where the deposit has been held for a period of one year or more, the interest shall be credited to the customer no later than the first bill rendered after the next succeeding first day of October and at the expiration of each succeeding one year period.
- (3) Interest shall be calculated on the deposit until the day it is applied as a credit to an account or the day on which a refund check is issued. If the deposit is credited in part and refunded in part, interest shall be calculated for each portion up to the day of credit or refund.

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4. Consumer Deposits: (Cont'd.)

B. Security Deposits - Non-Residential: (Cont'd.)

(f) Deposit Return:

- (1) The Company shall return a deposit or a portion thereof plus the applicable interest in accordance with paragraphs (2) and (3) of this subdivision, as soon as reasonably possible, but no more than 30 calendar days after:
 - (i) the day an account is closed;
 - (ii) the issuance date of the first cycle bill rendered after a three year period during which all bills were timely paid, provided there is no other basis for the Company to request a deposit under subparagraph (a)(1)(ii) of this section;
or
 - (iii) a review pursuant to subdivision (c) of this section shows that deposit reduction is warranted.
- (2) A deposit or portion thereof plus the applicable interest that is subject to return under paragraph (1) of this subdivision:
 - (i) shall be credited to the account it secured in the amount of any outstanding charges;
 - (ii) may be credited to the account it secured in the amount of the next projected cycle bill, if applicable; and
 - (iii) may be credited to any other account of the customer not secured by a deposit, in the amount of the arrears on that account.
- (3) If a balance remains after the Company has credited the customer's account(s) in accordance with paragraph (2) of this subdivision, a refund check shall be issued to the customer.

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5. Mains and Service Lines

- A. When an application for gas service is made to the company by the owner or occupant of a building situated on property abutting on or having access to any public right-of-way in which the governmental authority having jurisdiction will permit the company to install and maintain facilities, the company will render the service requested in accordance with the following rules.

If due to unusual circumstances, the actual cost per foot of a particular installation is greater than two times the company's average cost per foot of new installations for service for the twelve months ended September 30 of the previous year, the company may apply to the Public Service Commission for relief from such part of these rules as it deems necessary in order to provide the service.

- B. An applicant shall first have:

- a. Assured the company that he/she will be a reasonably permanent customer;
- b. Agreed in writing to pay to the company:
 - (i) the material and installation costs relating to any portion of the service line, service connections and appurtenant facilities located on his/her property that exceeds the portion which the company is required to install without charge
 - (ii) any surcharge relating to the portion of the main and appurtenant facilities that exceeds the portion which the company is required to install without charge; and
 - (iii) the rates charged like customers; and
- c. Furnished reasonable security as to the performance of his/her agreement, if required to do so by the company.

- C. The company will furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested. The cost and expense which will be paid by the company include the following:

The amounts paid to governmental authorities for permits to do the work required and all paving charges that are legally imposed by any governmental authority for the repair or replacement of any street or sidewalk disturbed in the course of such installation.

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Residential Applicant - Non-Heating

The material and installation costs relating to up to 100 feet of total main and service line (service line measured from the centerline of the public right-of-way, or from the main, if it is closer to the customer and if development will be limited to one side of the right-of-way for at least 10 years), service connections and appurtenant facilities, but not less than 100 feet of main (if necessary) plus the length of service line necessary to reach the edge of the public right-of-way.

Residential Applicant - Heating

The material and installation costs relating to:

- a: Up to 100 feet of main and appurtenant facilities; and
- b: Up to 100 feet of service line (service line measured from the centerline of the public right-of-way, or from the main, if it is closer to the customer and if development will be limited to one side of the right-of-way for at least 10 years), service connections and appurtenant facilities, but not less than the length of service line necessary to reach the edge of the public right-of-way.

Non-Residential Applicant

The material and installation costs relating to up to (a) 100 feet of main and appurtenant facilities; and (b) any service line, service connections and appurtenant facilities located in the public right-of-way.

D. Main Extension Surcharge

If the company, in order to provide service to an applicant, must install mains and appurtenant facilities in addition to those required to be provided without charge under C above, the company will impose a surcharge subject to the following provisions.

- (i) The surcharge relating to mains and appurtenant facilities (including return, depreciation, taxes and maintenance) shall not exceed 20 percent per year of the actual reasonable cost of such facilities that exceeds the portion which the company is required to install without charge to an applicant, if the company lays a main of 4 inches or less in nominal diameter (in the case of low pressure distribution) or of 2 inches or less in nominal diameter (in the case of high pressure distribution). If the corporation lays a main greater than 4 inches in nominal diameter (in the case of low pressure distribution) or greater than 2 inches in nominal diameter (in the case of high pressure distribution), the surcharge shall not exceed 20 percent per year of the estimated reasonable cost of a 4-inch main (in the case of low pressure distribution), or a 2-inch main (in the case of high pressure distribution) unless the estimated consumption of the proposed

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Mains (Continued)

customer(s) requires the installation of a larger-sized main, in which event the surcharge shall not exceed 20 percent per year of the actual reasonable cost of such main. The surcharge shall commence when gas service is first available to the applicant and shall be paid ratably for each billing period.

(ii) The surcharge shall be reduced by 50 percent of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above.

(iii) Whenever more than one customer is connected to a main extension, the surcharge shall be so adjusted that the company shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge will be reasonably allocated among the customers being served from the main extension, taking into account the portion of mains and appurtenant facilities which the company is required to provide without charge to each customer served from such facilities.

(iv) Each surcharge shall cease:

1. Whenever the length of a main extension required to be provided without charge to all customers served from such extension shall equal or exceed the total length of such extension.
2. Whenever the total adjusted gas revenue from all customers served from a main extension equals or exceeds 40 percent of the cost of such extension in excess of that required to be provided without charge, in each of any two consecutive calendar years; or
3. After a period of ten years following its commencement.

(v) If the adjusted gas revenue from all customers served from a main extension exceeds the carrying cost of the entire extension, any surcharges (or contributions) paid by such customers during the preceding five years shall be refunded to such customers.

(vi) No surcharge will be imposed if the total adjusted gas revenue from all customers served from a main extension is estimated to exceed 40 percent of the actual reasonable cost of such extension in each and any two consecutive calendar years.

Service Lines

- a. If, in order to provide service to an applicant, the company must install service lines, service connections and appurtenant facilities in addition to those required to be provided without charge under Rule 5.C, the company may impose a charge for material and installation costs.

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Service Lines (Continued)

- b. The customer shall have the option of digging and backfilling the service ditch in accordance with specifications provided by the company. If the customer elects to dig and backfill the service ditch, a credit of 20 percent shall be deducted from the amount which would normally have been charged had the company completed all of the work.
- E. Furnishing of Rights-of-Way or Agreement to Pay Costs
 - a. Each applicant or customer shall execute and deliver to the company, free from cost, satisfactory permanent easements or rights-of-way to permit the company to provide service.
 - b. The company shall not be obliged to provide service to any applicant or customer who has neither:
 - (i) Delivered to the company satisfactory permanent easements or rights-of-way; nor
 - (ii) Requested that the company obtain such easements or rights-of-way, agreed to pay any costs which the company incurs in obtaining them and (if required to do so by the company) furnished reasonable security as to the performance of his/her agreement.
- F. Installation Before Service Required

Whenever the company installs service lines, service connections or appurtenant facilities at the request of an applicant who does not immediately desire service, the applicant shall bear the entire reasonable expense of providing, placing and constructing such facilities but shall be entitled to a refund whenever gas service is begun for such part of the expense of the company as herein before required to assume. The refund shall be the cost of the service lines and appurtenances, less depreciation at the rate of 3 percent per year.

- 6. Inspection, Maintenance and Replacement of Facilities
 - a. The company shall be solely responsible for the inspection, testing, operation, maintenance, replacement and reconstruction of all mains, service lines, service connections and appurtenant facilities which it uses to supply gas to customers.
 - b. The company shall bear the cost of inspecting, testing and operating all facilities. It shall bear the cost of maintaining, replacing or reconstructing all main and appurtenant facilities. It shall also bear the cost of maintaining, replacing or reconstructing the service line and appurtenant facilities necessary to serve each as if such customer were an applicant for service, unless an act or omission of the customer necessitates the replacement or reconstruction.
 - c. If an act or omission of any customer who had installed facilities necessitates the replacement or reconstruction of such facilities, the customer shall pay to the company the cost of replacement or reconstruction.

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7. Building Piping:

The company undertakes to deliver gas at such a pressure as to insure satisfactory service with reasonable pressure drops in the service lateral and house piping, but takes no responsibility for adequacy of building piping.

8. Meters:

The applicant must provide, free of charge to the company, a suitable location for the company's meter and equipment which shall be readily accessible and reasonable protected.

The meter will not be installed by the company where the piping connection is less than three-quarters of an inch.

Meter locations must be readily convenient and accessible and must be as close as possible to where the "service line" enters through the outer wall. They shall be approved by the company in every case and shall be such as to offer adequate protection to company equipment.

The consumer shall be responsible for the protection of the meters and other company property located on the premises and shall exercise reasonable care to prevent theft of, damage to, or interference with such equipment.

Only one meter will be installed by the company for each service line, except where individual metering is needed for billing purposes to the several applicants or where accuracy of measurement requires, in the company's opinion, more than one meter.

9. Installing Meter and Supplying Service:

Gas will not be connected until the applicant has satisfactorily complied with all other requirements, and the following conditions:

- (a) Settlement of prior indebtedness due the company may be required.
- (b) Gas piping within the building must be safe and adequate for the service desired, and must comply with the company's general requirements and/or requirements of public authorities having jurisdiction.

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10. Access to Premises:

In accepting service, the consumer grants the company's employees and agents the right of access to the premises at all reasonable times for such purposes as the reading of meters, inspection of meters, pipes and appliances, or disconnecting or removing any or all of the property belonging to the company.

A \$100 charge on customer bills due when a customer fails to provide access for the purpose of performing required leakage surveys and atmospheric corrosion inspections in accordance with Public Service Law §65(9).

Termination of gas service due to an end- use customers' failure to provide access to allow for leakage surveys and corrosion inspections may occur after the local distribution company has charged the customer for failing to provide or allow such access to a premises and the customer has failed to pay such charge after the local distribution company follows the service termination procedures in Article 2 of the Public Service Law. Any local distribution company's tariff may provide for termination of gas service to a customer after, having charged the customer \$100 for failing to provide or allow access to a premises and the customer has paid the charge, the customer nonetheless refuses access to perform the inspections after (a) 15 days' notice to the customer and (b) with notice to the Department of Public Service. Such notice shall be submitted first to the Department of Public Service for review and shall be included in tariffs.

All employees authorized to make such inspections, alterations or removals carry badges or other suitable identification which they are instructed to show upon request.

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11. Consumer's Equipment:

The consumer's equipment and appliances must be safe, adequate, in accordance with generally accepted practice and not likely to cause detriment to the service furnished by the Company generally.

A charge may be made for all repair work to consumer's piping, fixtures and appliances, unless covered by sales guarantee of appliances.

No charge will be made for calls or for temporary repair to prevent damage to persons or property or for such minor adjustments as may be made by employees without serious interference with their regular duties.

Employees of the Company are forbidden to demand or receive any gratuity whatever from consumers for services rendered.

12. Meter Reading, Billing, Collection and Estimated Bills:

A. Meter Reading and Billing

- (1) Prices, charges and quantities in this schedule are on a monthly basis, unless expressly stated otherwise.

The rates contained in this schedule are based upon gas delivered under conditions generally applicable to low pressure service. Bills for gas normally served at a pressure in excess of 1/4 lb. per square inch will be computed upon the volume as indicated by the meter registration increased to the equivalent volume at standard pressure (30 inches of mercury).

- (2) At the option of the Company, meters shall be read either monthly or bi-monthly, but ordinarily meters of domestic and commercial customers will be read once each two months.

If, for any reason, the interval between meter readings is more than five days longer or shorter than normal, the stated monthly rate will apply pro-rata on the basis of a 30-day month.

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

A. Meter Reading and Billing: (Cont'd.)

- (3) Bills will be rendered once each month. For the months in which the meters are not read of a bi-monthly reading period, or when the actual use is not known because of inability to read the meter or because of failure of a meter to register accurately, consumption shall be determined by estimation on the basis of the customer's previous usage, adjusted for weather conditions. The consumption for the second month of each bi-monthly meter reading period shall be determined by subtracting the first month's estimated consumption from the total actual consumption for the bi-monthly period as shown by the meter. The bill for each month shall be the result of applying to the consumption, determined as aforesaid, the applicable rates and charges contained in the tariff. Pursuant to Public Service Commission regulations, no tenant may be billed for gas service or disconnected for failure to pay for gas service which is not used to provide service within the tenant's apartment if the tenant has not consented to pay for such usage.

Upon request, the Company will supply any customer with a card form upon which he may record his meter reading at the end of the first month of each bi-monthly meter reading period; and if such card is received by the Company within two days after the close of the monthly period, the bill for such month will be computed from the meter reading shown on the card instead of by estimate. The Company will adjust estimates of bills for changes in conditions of which it has been notified in advance by a customer.

B. Meter Reading - Non-residential Customers:

- (1) The Company shall make a reading attempt, to obtain an actual reading for every customer's account, on the regularly scheduled basis stated in Rule 12.A.
- (2) A reading attempt requires that a meter reader visit the premises between 8:00 a.m. and 5:00 p.m. on a business day, and follow any routine access instructions.

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd)

B. Meter Reading - Non-residential Customers: (Cont'd)

- (3) Where circumstances beyond the Company's control prevent the Company from making a regularly scheduled reading attempt and where the two previous consecutive cycle bills were not based on an actual reading, the Company shall make a second similar follow-up reading attempt as soon as possible and within seven calendar days after the scheduled reading date.
- (4) Where the Company has billed a customer's account based on the readings of a remote registration device for six consecutive months, the Company shall, at the time of every subsequent reading attempt and, until successful, try to gain access to and read the meter.
- (5) Where the Company has billed a customer's account based on customer readings for six consecutive months, and did not obtain an actual reading at the time of the next regularly scheduled or follow-up reading attempt thereafter, the Company shall, within seven calendar days after the last attempt, either make another reading attempt or an appointment with the customer to read the meter.
- (6) Unless a customer does not have access to the meter or the customer will be unable to obtain a reliable meter reading, the Company shall, at the time of any unsuccessful reading attempt, leave at the premises or mail to the customer a meter reading card.

C. Estimated Bills - Residential Customers:

- (1) The period for which estimated bills can be routinely sent to customers shall be limited to a maximum of four months billing (or two bi-monthly bills) before other action must be taken.
- (2) After such period of four-month maximum limit of consecutively estimated bills, the Company must attempt to obtain an actual meter reading for the next billing period. The specific action to obtain an actual meter reading should include (but is not limited to):
 - (a) Use of dial card or window card on next scheduled reading date;
 - (b) Making an appointment for a reading;
 - (c) Having customer phone in a meter reading.

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

C. Estimated Bills - Residential Customers: (Cont'd.)

- (3) In the event that no actual meter reading is obtained by the time the bill representing a maximum of six months consecutively estimated gas usage is rendered, the Company shall send a letter to the customer, except where the customer resides in a multiple dwelling (as defined in the Multiple Dwelling Law) and the meter is not in the apartment, such letter shall be sent to the customer's landlord, the landlord's managing agent or building superintendent, offering a special appointment for meter reading. (If the Company's records do not contain the address of the landlord, his building agent or building superintendent, the Company should request that the customer furnish such information, if available to him). The Company's offer for special appointment shall include evening and Saturday appointments.
- (4) Where the Company has submitted an estimated bill or bills to a residential customer that understate the actual amount of money owed by such customer for the period when estimated bills were rendered by more than 50 percent or one hundred dollars (\$100), whichever is greater, the Company shall notify the customer in writing that he or she has the right to pay the difference between the estimated charges and the actual charges in regular monthly installments over a reasonable period that shall not be less than three months.

D. No Access Procedure - Residential Customers:

- (1) If at the end of eight months of consecutively estimated bills for gas service, the customer does not respond to the request for a special appointment, a second letter shall be sent offering a special appointment and advising the recipient that if said recipient fails to make an appointment, a special charge of twenty-five dollars (plus applicable tax) will be added to the next bill for refusal to provide access to the meter. A landlord, building superintendent or managing agent who fails to permit access to an area containing one or more meters will be charged twenty-five dollars on his account at the premises.

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

D. No Access Procedure - Residential Customers: (Cont'd.)

- (2) Further, if no response is received to this second appointment letter within two months of its mailing, the Company shall inform the recipient by registered letter that, in accordance with the Commission's directive, it shall apply for a court order to gain access to the meter. The letter shall inform the recipient that the purpose of obtaining such a court order shall be to permit the Company to replace a meter or, if physically feasible, install a remove reading device or relocate the meter to preclude future estimated billing. The letter shall also state that all applicable costs, including (but not limited to) court costs and the cost of the remote meter device including installation, shall be paid by the customer in accordance with this tariff provision.
- (3) The Company has the authority, pursuant to the Transportation Corporation Law, to enter at all reasonable times, any dwelling, store, building, room or place supplied with gas for the purpose of inspecting and examining the meters, pipe, fittings and appliances for supplying and/or regulating the supply of gas (See also Rule 10).
- (4) The Company may invoke the provisions prescribed herein wherever a customer with a remote reading device refuses access to the indoor meter for a period of time set forth in the Company's tariff schedule, that period to be limited to at least once in any 12 month period.
- (5) Rules 12.C and D. (above) shall not apply to seasonal customers.
- (6) The procedures mandated in Rules 12.C and D. (above) may be accelerated if rate schedules providing for shorter time span between the steps outlined in above Rules are filed.
- (7) The Company shall not charge customers for special appointments directed in above Rules 12.C. and D.
- (8) The Company shall explain billing corrections to its customers and furnish customers with the reasons for any cancellations and subsequent re-billings caused by estimated readings.
- (9) The Company shall install outdoor or remote registers for all new one, two and three family house, wherever feasible.

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

E. Estimated Bills - Non-residential Customers:

- (1) The Company may render an estimated bill for a regular cycle billing period only when:
 - (i) the Company has failed to obtain access to the meter(s);
 - (ii) circumstances beyond the control of the Company made obtaining an actual reading of the meter(s) extremely difficult, despite having access to the meter area; provided, however, that estimated bills for this reason may be rendered no more than twice consecutively without the Company advising the customer in writing of the specific circumstances and the customer's obligation to have the circumstances corrected.
 - (iii) the Company has good cause for believing that an actual or customer reading obtained is likely to be erroneous; provided however, that estimated bills for this reason may be rendered no more than twice consecutively without the Company initiating corrective action before the rendering of the next cycle bill;
 - (iv) circumstances beyond the control of the Company prevented the meter reader from making a premises visit;
 - (v) an actual reading was lost or destroyed; provided, however, that an estimated bill for this reason shall be rendered no more than once without the Company initiating corrective action before rendering the next cycle bill;
 - (vi) an estimated reading has been prescribed or authorized by the Commission for a particular billing cycle;
 - (vii) an estimated reading is the approved billing method in accordance with the Company's tariff for the billing; or
 - (viii) an unmetered condition was in existence during the period.
- (2) Every estimated bill shall be calculated in accordance with an established formula or methodology which shall take into account the best available relevant factors for determining the customer's usage.

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

F. No Access Procedure - Non-residential Customers:

- (1) The Company shall begin providing no access notices commencing with:
 - (i) the fourth consecutive bill estimated pursuant to subparagraph (e)(1)(i) or (ii); or
 - (ii) the tenth consecutive bill estimated pursuant to subparagraph (e)(1)(i) or (ii) based on a remote registration device or a customer reading.
- (2) The no access notices and charges described in this subdivision shall be directed only to the access controller. In any case where the access controller is not the customer of the subject account, a copy of these no access notices shall also be sent to the customer at the same time.
- (3) The series of no access notices shall be as follows:
 - (i) The first notice shall advise the access controller that unless access to the customer's meter is provided on the next meter reading date or a special appointment to read the meter is made and kept by the access controller prior to that date, a no access charge will be added to the access controller's next bill and to every bill thereafter until access to the customer's meter is provided, but that no charge will be imposed if an appointment is arranged and kept. The notice shall advise the access controller that the Company will arrange a special appointment for a reading of the customer's meter if the access controller calls a specified telephone number. Where the access controller is not the customer of the subject account, the notice shall begin by stating that the Company records indicate that the recipient is the party who controls access to the meter of the customer, specifically identified as to address, part supplied, and account number, and that the Company has not been provided access to the customer's meter as required.

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

F. No Access Procedure - Non Residential Customers: (Cont'd.)

- (ii) The second notice shall advise the access controller of the no access charge that has been added to the access controller's bill and that unless access to the customer's meter is provided on the next meter reading date or a special appointment to read the meter is made and kept by the access controller prior to that date, another charge will be added to the access controller's next bill. The notice shall further explain that if the access controller's service can be physically terminated without obtaining access, steps to terminate service will follow, and that in the event that the access controller's service cannot be physically terminated, steps to obtain a court order to gain access to the customer's meter will follow. The notice shall advise the access controller that the Company will arrange a special appointment for a reading of the customer's meter if the access controller calls a specified number.
- (iii) The third and each successive notice shall advise the access controller of the no access charge that has been added to the access controller's bill and, if the access controller's service can be terminated without obtaining access, shall be accompanied by a final notice of termination for non-access. In any case where the access controller's service cannot be physically terminated without obtaining access, the notice shall advise the access controller that the Company is seeking to obtain a court order to gain access to the customer's meter.
- (4) The no access charge shall not exceed \$100.
- (5) No more than \$100 per building or premises shall be added to any single bill of the access controller even though more than one meter is located there.
- (6) The Company may, at its discretion, suspend temporarily the issuance of no access notices and/or penalties under this subdivision if the access controller contacts the Company and provides a legitimate reason for postponing the provision of access; provided, however, that such suspension may not exceed 90 calendar days.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

G. Backbilling - Non-Residential Customers:

(a) Notice:

- (1) Every backbill shall contain a written explanation of the reason for the backbill that shall be sufficiently detailed to apprise the customer of the circumstances, error or condition that caused the underbilling, and, if the backbill covers more than a 24 month period, a statement setting forth the reason(s) the Company did not limit the backbill under subdivision (c) of this section.
- (2) Every backbill shall contain or be accompanied by all required information applicable under 16 NYCRR 13.11 - Contents of Bill.
- (3) Every backbill covering more than a one month period, other than a catch-up backbill, shall contain a notice that the customer may obtain upon request a detailed billing statement showing how the charges were calculated, including any late payment charges. All catch-up backbills shall clearly indicate how the backbill was calculated, whether as if the service were used during the current cycle, or as if redistributed back to the last actual reading.
- (4) A backbill shall be accompanied by an offer of a deferred payment agreement in accordance with Rule 14.3, if applicable.

(b) Limitations on Backbill Rendering:

- (1) The Company shall not render a backbill more than six months after the Company actually became aware of the circumstance, error or condition that caused the underbilling, unless a court extends the time to render a backbill.
- (2) The Company shall not upwardly revise a backbill unless the first backbill explicitly stated that the Company reserved the right to do so, the revised backbill is rendered within 12 months after the Company actually became aware of the circumstance, error, or condition that caused the underbilling, and

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

G. Backbilling - Non-residential Customers: (Cont'd.)

- (i) the customer knew or reasonably should have known that the original billing or the first backbill was incorrect; or
- (ii) new information shows that the first backbill was incorrect.
- (3) The Company shall render a downwardly revised backbill as soon as reasonably possible and within two months after the Company becomes aware that the first backbill was excessive.
- (4) The Company shall not render a backbill for any underbilling when the reason for the underbillings is apparent from the customer's service application, or could have been revealed in a service application and the Company failed to obtain and retain one.

(c) Limitations on Backbilling Period:

- (1) When the failure to bill at an earlier time was due to utility deficiency, the Company shall not bill a customer for service rendered more than 12 months before the Company actually became aware of the circumstance, error, or condition that caused the underbilling, unless the Company can demonstrate that the customer knew or reasonably should have known that the original billing was incorrect.
- (2) The Company shall not bill a customer for service rendered more than 24 months before the Company actually became aware of the circumstance, error, or condition that caused the underbilling, unless the Company can demonstrate that the customer knew or reasonably should have known that the original billing was incorrect.

H. Levelized Payment Plan - Non-residential Customers:

(a) Obligation to Offer.

The Company shall provide a written notice offering a voluntary levelized payment plan designed to reduce fluctuations in payments caused by seasonal patterns of consumption to its eligible customers at least once in each 12 month period.

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12. Meter Reading, Billing, Collection, and Estimated Bills: (Cont'd)

H. Levelized Payment Plan - Non-Residential Customers: (Cont'd)

(b) Eligibility:

The Company shall offer a levelized payment plan to all non-residential customers except:

- (1) customers who have less than 12 months of billing history at the premises;
- (2) seasonal, short-term or temporary customers;
- (3) customers who have arrears;
- (4) interruptible, temperature-controlled or dual fuel customers;
- (5) customers who, for any reason, ceased being billed on a previous levelized payment plan before the end of the plan year in the past 24 months; or
- (6) customers whose pattern of consumption is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of certainty.

(c) Removal From Levelized Payment Plan

- (1) A customer may request that the Company remove the customer from the levelized payment plan and reinstate regular billing at any time in which case the Company may immediately render a final levelized settlement bill, and shall do so no later than by the time of the next cycle bill that is rendered more than 10 business days after the request
- (2) The Company may only remove a customer from the levelized payment plan if the customer becomes ineligible under subdivision (b) of this section and the Company has given the customer an opportunity to become current in payment if delinquency is the cause of the customer's ineligibility, provided further that such opportunity need only be given once in any 12 month period.

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

I. Payment and Late Payment

All SC1 and SC5 bills are due when personally served or three (3) days after the mailing of the bill. If paid more than twenty (20) days after the bill is due, which date is shown on the bill, customers, except state agencies, shall be required to pay a late payment charge. Late payment charges at the rate of one and one-half percent (1 1/2%) per month shall be applied unless payment in full is made on the current bill and all bills in arrears, if any.

All SC2 bills are due when personally served or three (3) days after the mailing of the bill. If paid more than ten (10) days after the date of the bill, which date is shown on the bill, customers, except state agencies, shall be required to pay a late payment charge. Late payment charges at the rate of one and one-half percent (1 1/2%) per month shall be applied unless payment in full is made on the current bill and all bills in arrears, if any.

Service provided to a state agency shall be rendered in accordance with the provisions of Article XI-A of the State Finance Law (Chapter 153 of the Laws of 1984, effective July 1, 1984).

In case partial payment is made, it shall apply on the oldest bill in arrears. Remittance mailed on the last date a bill is payable without imposition of the late payment charges will not be subject to the late payment charge; postmark to be conclusive evidence of the time of mailing. The failure of a customer to receive the bill shall not exempt him from imposition of the late payment charge.

Non-Residential Customers: The Company may impose a continuing late payment charge on the amount charge on the amount billed for service used that was previously unbilled because the service was being provided through tampered equipment and the Company can demonstrate either that the condition began since the customer initiated service or that the customer actually knew or reasonably should have known the original billing was incorrect. The Company may also impose a continuing late payment charge on the balance due under a deferred payment agreement offered pursuant to Rule 14.3.

Except as provided in this rule, the Company may not charge any non-residential customer a late payment charge, penalty, fee, interest or other charge of any kind for any late payment or deferred payment agreement occasioned by the customer's failure to make timely payment for services.

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12. Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

J. Dishonored Payment:

Should the Company receive a negotiable instrument from an applicant or customer in payment of any bill, charge or deposit due, and such instrument be subsequently dishonored or uncollectible for any reason, the Company shall charge the applicant or customer a handling charge of \$5.00 plus any amounts the Company was required to pay its bank for handling such instrument.

K. Increase in Rates Applicable in Municipality Where Service is Supplied:

The rates and charges for service under all Service Classifications, including gas cost adjustment and minimum charge, shall be increased to reflect the aggregate percentage rate of taxes imposed on the Company's gas revenues pursuant to Sections 186 and 186-a of the Tax Law, Section 20-b of the General City Law and Section 5-530 of the Village Law.

The rates and charges under all service classifications shall also be subject to an additional percent increase to recover the tax expense imposed by the temporary revenue tax surcharge, pursuant to Section 188 of the New York State Tax Law. Recovery of this surcharge is in accordance with the New York Public Service Commission's Order issued July 5, 1990 in Case 27611, and Order issued May 15, 1992 in Case 92-M-366.

The total of all rates and charges will be divided by a factor determined as the quantity one minus the quantity of (the applicable tax rate divided by 100).

The applicable surcharge factor shall be set forth on statements filed with the Public Service Commission. Whenever a city or village levies a new tax on the Company's gross revenue, repeals such a tax or changes the rate of such a tax, the Company will file a new statement. Every such statement shall be filed not less than fifteen business days before the date on which it is proposed to be effective, and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to the tax enactments that are rendered on or after the effective date of the

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Meter Reading, Billing, Collection and Estimated Bills: (Cont'd.)

K. Increase in Rates Applicable in Municipality Where Service is Supplied (Cont'd.)

statement; and shall be canceled not more than five business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate. Such statements will be duly filed with the Public Service Commission, apart from this rate schedule, and will be available to the public at Company offices at which applications for service may be made.

L. Interest on Customer Overpayments:

The Company shall provide interest on customer overpayments in accordance with 16 NYCRR 277.

The rate of interest on customer overpayments shall be the greater of the unadjusted interest rate specified by the Commission on consumer deposits or the applicable late payment rate, if any, for the service classification under which the customer was billed. Interest shall be paid from the date when the customer overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment was refunded.

The Company shall be required to pay interest on any customer refunds that occurred on or after March 20, 1984, except where customer overpayments are refunded within 30 days after such overpayment is received by the Company.

M. Quarterly Payment Plan:

Effective November 29, 1985, as required by Public Service Law Section 38, the Company shall offer any residential customer, 62 years of age or older, a plan for payment on a quarterly basis of charges for service rendered, provided that such customer's average annual billing is not more than \$150.

The average annual billing will be determined by the last 12 months of charges for service, or, if the billing information is not available, the charges will be estimated.

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N. Contents of Bills - Non-Residential Customers

Customer bills shall state the charges for service(s) performed, materials furnished or other charges made by the Company and will be itemized on the applicable bill form unless by reason of size limitation itemization is not possible. In those cases, totals will be utilized and a separate listing of charges making up such totals will be sent with this bill. Bills shall contain information required under 16 NYCRR 13.11.

13. Discontinuance of Service and Complaints - Residential Customers:

A. Discontinuance of Service:

- (1) The Company may discontinue the supply of gas for non-payment of bills rendered for service or for failure to post a lawfully required deposit at least 15 days after written notice has been served personally upon the customer or mailed to the customer. This notice may not be issued until at least 20 days have elapsed from the date payment was due.

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- (2) Every notice indicating discontinuance of service will clearly indicate in nontechnical language: (1) the reason for service discontinuance; (1) the total amount required to be paid indicating the amount for which the customer's account is either in arrears or the required deposit, if any, which may be posted by the customer, or both; (3) a method whereby the customer may tender payment of the full sum due and owing, including any required deposit, to avoid the discontinuance of service; and (4) the availability of Company procedures for handling complaints prior to discontinuance, including the address and telephone number of the office of the Company the customer may contact in reference to his or her account; and (5) the earliest date on which discontinuance may be attempted; and have printed on the fact thereof:

"THIS IS A FINAL TERMINATION NOTICE. PLEASE
BRING THIS NOTICE TO THE ATTENTION OF THE
COMPANY WHEN PAYING THIS BILL."

and include a summary to residential customers as prepared or approved by the Public Service Commission stating the protections available to them together with a notice that any customer eligible for such protections should contact the Company.

- (3) The Company will not discontinue service for non-payment of bills rendered for failure to post a required deposit unless it has verified that payment has not been received at any office of the Company or at any office of an authorized collection agent through the end of the required notice period and it has verified on the day discontinuance occurs that payment has not been posted to the customer's account as of the opening of business on that day, or has complied with procedures established for rapid posting of payments. The Company shall take reasonable steps to establish procedures to insure that any payments made in response to notices of discontinuance, when the customer brings the fact that such a notice has been issued to the attention of the Company or its authorized collection agents, are either posted to the customer's account on the day payment is received, or processed in some manner so that discontinuance

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13. Discontinuance of Service and Complaints - Residential Customers:
(Cont'd.)

A. Discontinuance of Service: (Cont'd.)

(4) Deferred Payment Agreement

Generally, the Company will offer any eligible residential customer or applicant a deferred payment agreement with specific terms as required by 16 NYCRR 11.10 which sets forth in detail the procedures summarized here. The agreement will be made in duplicate on the form set forth in Rule 25.5 of this tariff.

(a) Eligibility:

All residential customers and applicants are eligible for an agreement unless the customer has broken an existing payment agreement which required payment over a period at least as long as the standard agreement described below, or the Public Service Commission determines that the customer or applicant has the resources to pay the bill.

(b) Written Offers:

A specific written offer will be made to eligible customers before the date of any threatened termination of service, where payment of outstanding charges is a requirement for reconnection or acceptance of an application for service, and when a customer has broken an agreement that was for a shorter period than the standard agreement.

(c) Negotiating Agreements:

Before making a written offer, the Company will make a reasonable effort to contact eligible customers or applicants in order to negotiate agreement terms that are fair and equitable considering the customer's financial circumstances. The Company may, at its discretion, require the customer to complete a form showing his or her assets, income and expenses and provide reasonable substantiation of such information, and if it does so, shall treat all such information confidentially. The Company also may postpone a scheduled termination for up to 10 days for the purpose of negotiating an agreement.

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13. Discontinuance of Service and Complaints - Residential Customers:
(Cont'd.)

A. Discontinuance of Service: (Cont'd.)

(4) Deferred Payment Agreement: (Cont'd.)

(d) The Standard Agreement:

If the Company and the customer or applicant are unable to agree upon specific terms, the Company will offer an agreement with the following terms:

- (i) A down payment up to 15 percent of the amount covered by the payment agreement or the cost of one-half of one month's average use, whichever is greater, or if the amount covered by the agreement is less than one-half of one month's average usage, 50 percent of such amount; and
- (ii) monthly installments up to the cost of one-half of one month's average use or one-tenth of the balance, whichever is greater.

(e) Entering the Agreement:

The copy of the written agreement must be signed by the customer and returned to the Company in order to be valid and enforceable. In the case of customers who are subject to a final notice of termination, the signed agreement must be returned to the Company by the day before the earliest day on which termination may occur in order to avoid termination. If the agreement is not signed and returned as required, the Company will terminate service.

(f) Renegotiating Agreements:

If a customer or applicant demonstrates that his or her financial circumstances have changed significantly because of financial circumstances beyond his or her control, the Company will amend the terms of the agreement to reflect such changes.

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13. Discontinuance of Service and Complaints - Residential Customers:
(Cont'd.)

A. Discontinuance of Service: (Cont'd.)

(4) Deferred Payment Agreement: (Cont'd.)

(g) Broken Agreements:

If a customer fails to make timely payment of installments in accordance with a payment agreement, the Company will send a reminder notice before sending a final notice of termination. If a customer fails to pay an installment by the 20th day after payment was due and has not negotiated a new agreement, the Company will demand full payment and send a final notice of termination in accordance with 16 NYCRR 11.4 and 11.10 and Rule 13.A of this tariff.

- (5) The Company shall not discontinue service to any person for non-payment of bills or for failure to post a required deposit on a Saturday, Sunday, public holiday, or day on which the main business office of the Company is not open for business. For purposes of this section, the term "public holiday" refers to those holidays enumerated in the General Construction Law. The Company shall not discontinue service to any residential customer for non-payment of bills or for failure to post a required deposit on a Friday, or the day immediately preceding a day on which the main business office of the Company is not scheduled to be open for business, or the day immediately preceding a public holiday, or during a two-week period encompassing Christmas and New Year's Day. Residential disconnection shall be made only between the hours of 8:00 a.m. and 4:00 p.m.

- (6) The Company shall permit a residential consumer to designate a third party to receive a copy of every notice of discontinuance of service sent to such residential consumer, provided that such third party indicates in writing his or her willingness to receive such notices.

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13. Discontinuance of Service and Complaints - Residential Customers:
(Cont'd.)

A. Discontinuance of Service: (Cont'd.)

- (7) The Company shall not discontinue service to an entire multiple dwelling (as defined in the Multiple Dwelling Law or the Multiple Residence Law) unless the notices specified in the Public Service Law have been given, provided that where any of the notices required thereunder are mailed in a post-paid wrapper there shall be no discontinuance of service until at least 18 days after the mailing of such notices.
- (8) The Company shall not discontinue service to a two-family dwelling that is known by the Company to contain residential units where service is provided by a single meter, unless the notices specified in the Public Service Law have been given.
- (9) During the cold weather period beginning November 1 of each year and ending April 15 of the following year, the written notices required in Subsections 3, 5 and 6 shall be provided not less than 30 days before the intended termination.
- (10) The Company may disconnect service when an emergency may threaten the health or safety of a person, a surrounding area or the Company's distribution system. The Company shall act promptly to assure restoration of service as soon as feasible. Service will be restored before it may be terminated for any other reason.
- (11) Special emergency procedures, required by 16 NYCRR Part 11 provide special protections for specified residential customers regarding the termination and restoration of service in cases involving medical emergencies, the elderly, blind or disabled, and terminations during cold weather.

Copies of the Company's special procedures are on file with the Commission and are available to the public upon request at Company offices where application for service may be made.

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13. Discontinuance of Service and Complaints - Residential Customers:
(Cont'd.)

A. Complaint Procedures

Any complaint filed with the Company regarding disputed bills for gas service, surcharge or any deposit required will be promptly investigated in accordance with the procedures and form of notice required by the Public Service Commission rules contained in 16 NYCRR 11.20 and 275.

The Company may not discontinue service regarding a disputed bill or deposit until it has complied with said Commission rules. Copies of the Company's complaint handling procedures and form of notice are on file with the Commission and are available to the public on request at the Company's office.

B. Reconnection of Service - Residential Customers:

(A) Where a customer's service is discontinued for non-payment of bills, the Company reserves the right to refuse to furnish service to residential customers at the same or any other location until:

- (1) The Company receives the full amount of arrears for which service was terminated; or
- (2) The Company and the customer reach agreement on a deferred payment plan and the payment of a downpayment, if required, under that plan; or
- (3) Upon the direction of the Commission or its designee; or
- (4) Upon the receipt by the Company of a commitment of a direct payment or written guarantee of payment from the social services official of the social services district in which the customer resides; or
- (5) Where the Company has notice that a serious impairment to health or safety is likely to result if service is not reconnected. Doubts as to whether reconnection of service is required for health or safety reasons shall be resolved in favor of reconnection.

(B) The Company shall reconnect service, unless prevented by circumstances beyond its control or where a customer requests otherwise, to any disconnected residential customer not more than 24 hours after the above conditions have been satisfied. Whenever circumstances beyond the Company's control prevent reconnecting of service within 24 hours, service shall be reconnected within 24 hours after those circumstances cease to exist.

(C) Reconnection Charge:

The charge for reconnecting service for nonpayment will be \$20 plus tax. For customers in the Low Income Program, the Company will waive its reconnection fee once per customer per year. A Low Income Customer is a Residential Customer who qualifies for the Home Energy Assistance Program (HEAP).

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14. Discontinuance of Service and Complaints - Non-residential Customers:

A. Termination of Service:

(a) Conditions for Termination:

- (1) Except as provided by paragraph (2) of this rule and Rule 14.C, the Company will only terminate service to a customer if it provides advance final notice of the termination and fulfills all other requirements of this rule when the customer:

(i) fails to pay any tariff charge due on the customer's account for which a written bill itemizing the charge, in conformance with 16 NYCRR 13.11 regarding contents of bill, has been sent, except for charges that reflect service used more than six years prior to the time the bill first containing these charges was rendered, which charges must be pursued by other methods of collection;

(ii) fails to pay amounts due under a deferred payment agreement;

(iii) fails to pay a security deposit in accordance with Rule 4.B;

(iv) fails to provide reasonable access to the premises for necessary or proper purposes in connection with rendering of service, including meter installation, reading or testing, or the maintenance, or removal, or securing, of the Company's property, so long as the requirements of Rule 12.F have been met, and the customer has not advised the Company that the customer does not and who does have control over access; or

(v) fails to comply with a provision of the Company's tariff which permits the Company to refuse to supply or to terminate service.

- (2) The Company may terminate service to a customer without providing advance notice of the termination and without fulfilling the other requirements of this rule when it finds service being supplied through tampered equipment provided that the Company:

(i) has evidence that the customer opened the account and used the service prior to the creation of the condition or that the customer knew, or reasonably should have known, that service was not being fully billed;

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14. Discontinuance of Service and Complaints - Non-residential Service
(Cont'd)

(a) Conditions for Termination (Cont'd)

- (2) (ii) has rendered a written unmetered service bill in accordance with 16 NYCRR 13.11e)
- (iii) has made reasonable efforts to provide to a person on charge of the premises;
 - (a) the written unmetered service bill; and
 - (b) oral notice of the conditions, if any, under which the utility will continue service, which may include the payment by cash, certified check, or money order within two hours, of some portion of the bill up to, but not exceeding, 50 percent; and
- (iv) has not received the required payment.

(b) Final Notice of Termination:

- (1) A final notice of termination shall state:
 - (i) the reason(s) for termination, including the total amount required to be paid, if any, and the manner in which termination may be avoided;
 - (ii) the earliest date on which termination may occur;
 - (iii) the address and phone number of the office of the Company that the customer may contact in reference to customer's account;
 - (iv) that the Company procedures are available for considering customer complaints prior to discontinuance;
 - (v) that commission procedures are available for considering customer complaints when a customer is not satisfied with the Company's handling of the complaint, including the address and phone number of the appropriate Commission office;
 - (vi) that it is a termination notice which should be brought to the attention of the Company when the bill is paid;
 - (vii) that payment of the charges with a check that is subsequently dishonored may result in immediate termination of service without further notice, if applicable; and
 - (viii) that at the time the Company goes to the premises to terminate service, it may require any payment to be made with cash, certified check, or money order if the customer has, within the last 24 months, paid with a check that has been dishonored.

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14. Discontinuance of Service and Complaints - Non-residential Service
(Cont'd.)

A. Termination of Service: (Cont'd.)

(b) Final Notice of Termination: (Cont'd.)

- (2) A final notice of termination may contain any additional information not inconsistent with this rule.
- (3) A final notice of termination may not be issued or sent unless at least 20 calendar days have elapsed from the date payment was due, or the date given in a written notice to cure a tariff violation, or, as provided in Rule 12.F.(3)(kkk), where the reason for the notice is the failure to provide access, except that a final notice of termination for non-payment may be issued or sent on or after the date payment was due in the following circumstances;

- (i) when any portion of the charge that the customer has failed to pay is for unmetered service that was being supplied through tampered equipment and for which an unmetered service bill in accordance with 16 NYCRR 13.1(e) has been rendered.
- (ii) when the charge that the customer has failed to pay is the installment amount due in accordance with a deferred payment agreement; or
- (iii) when the Company has accepted a written waiver of the customer's right not to be sent a termination notice in accordance with the provisions of Rule 4.B(d)(2).

- (4) A final notice of termination shall not be sent while a complaint is pending before the Company or the Commission for non-payment of the disputed charges or for any other reason that is the subject of the complaint as provided in 16 NYCRR 12.3. Nothing in this rule bars the Company from sending such notice for non-payment of undisputed charges or for reasons not at issue in the complaints.

(c) Physical Termination of Service:

- (1) The Company shall not terminate service for the reasons set forth in paragraph (a)(1) of this rule:
- (ii) for five calendar days after a final notice of termination has been personally served upon the customer; or
- (ii) for eight calendar days after a final notice of termination has been mailed to the customer at the location where service is rendered or to any alternative address for mailing purposes previously provided to the Company.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
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14. Discontinuance of Service and Complaints - Non-residential Customers
(Cont'd.)

A. Termination of Service: (Cont'd.)

(c) Physical Termination of Service: (Cont'd.)

(2) The Company shall not terminate service under this rule on:

- (i) a Saturday or Sunday;
- (ii) a Public Holiday as defined in the General Construction Law;
- (iii) a day on which the business offices of the Company are closed for business; or
- (iv) a day on which the Public Service Commission is closed.

(3) On days when termination may occur, the Company may terminate service between the hours of 8:00 a.m. to 6:00 p.m., except that on days preceding the days listed in paragraph (2) of this rule, termination may only occur after 3:00 p.m. if the customer or any person in charge of the premises is informed prior to termination in a personal contact that termination is about to occur and the Company is prepared to accept a check for any payment required to avoid termination.

(4) The Company shall not terminate service unless it shall have verified on the day termination is scheduled that payment has not been posted to the customer's account as of the opening of business on that day, or shall have complied with procedures established pursuant to (d)(2) of this rule.

(5) Consistent with this rule, the Company shall strive to physically terminate service whenever a final notice of termination is sent.

(6) The Company shall not terminate service more than 60 calendar days after issuance of the final termination notice, unless it has during that time, issued a termination reminder notice that states the current arrears due, if applicable. The Company shall not terminate service more than 90 calendar days after issuance of the final termination notice unless it has, during that time, issued a termination reminder notice that contains all the information required in (b) of this rule.

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Issued by Michael German, President & C.E.O., Corning, NY 1483

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14. Discontinuance of Service and Complaints - Non-residential Customers
(Cont'd.)

A. Termination of Service: (Cont'd.)

(c) Physical Termination of Service: (Cont'd.)

- (7) The Company shall not terminate service while a complaint is pending before the Company or the Commission and for eight calendar days after resolution by the Company or by the Commission or its authorized designee, for non-payment of the disputed charges or for any reason that is the subject of the complaint as provided in 16 NYCRR 12.3. Nothing in this rule bars the Company from Termination for non-payment of undisputed charges or for reasons not at issue in the complaint.

(d) Rapid Posting of Payments:

The Company shall establish written procedures to ensure that any payments made in response to final notices of termination when the customer brings the fact that such a notice has been issued to the attention of the Company or its collection agents:

- (1) are posted to the customer's account on the day payment is received; or
- (2) are processed in some manner so that termination will not occur.

(e) Payment at the Time of Termination:

- (1) If a customer claims, at the time that termination for non-payment is to take place, that payment has already been made and produces a written business record of payment, or claims that there is a complaint pending before the Company of the Commission with regard to the charges demanded, the Company's field representative shall make a reasonable effort to verify this information with the Company office representative and shall not terminate service for non-payment of any verified disputed amount.
- (2) If a customer offers payment of the full amount that forms the basis for a scheduled termination at the time of termination, the Company representative shall accept such payment and not terminate service.

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14. Discontinuance of Service and Complaints - Non-residential Customers
(Cont'd.)

A. Termination of Service: (Cont'd.)

(e) Payment at the Time of Termination: (Cont'd.)

- (3) If an eligible customer signs a deferred payment agreement in accordance with Rule 14.3 for the full amount that forms the basis for a scheduled termination and offers payment of the required downpayment at the time of termination, the Company representative shall accept such down payment and not terminate service. If the Company allows the customer an extension of time to go to a business office to sign the deferred payment agreement, and the customer agrees to do so and offers payment of the required downpayment, the Company representative shall accept such downpayment and not terminate service; provided, however, that the Company may terminate service without further notice if the customer fails to sign the agreement within the specified time.
- (4) If a customer has, within the last 24 months, paid for service with a check that was dishonored, the Company has the right to accept only cash, certified check, or money order as payment under paragraphs (2) or (3) of this rule.
- (5) Whenever payment is made at the time of termination, the Company's field representative shall provide a customer with a receipt showing the date, the account number, the amount received, the form of the payment and either the name or identification number of the Company representative.

(f) Dishonored Checks

Receipt of a subsequently dishonored negotiable instrument in response to a notice of termination or tendered to the Company representative, shall not constitute payment of a customer's account and the Company shall not be required to issue additional notice prior to termination.

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14. Discontinuation of Service and Complaints - Non-residential Customers
(Cont'd.)

A. Termination of Service: (Cont'd.)

(g) Applicability:

(1) Nothing in this rule shall affect the Company's right to suspend, curtail or disconnect service:

- (i) when there is no customer and service is being provided through tampered equipment.
- (ii) when there is no customer and the Company can show that the user will require service for a period of less than one week, provided that it makes a reasonable effort to advise the user before disconnection and to provide the user an opportunity to apply for service;
- (iii) when there is no customer and the Company has provided advance written notice to the occupant stating its intent to disconnect service unless the responsible party applies for service and is accepted as a customer, and advising the occupant of the location of the nearest Company business office where application can be made, either by posting 48 hours or by mailing at least five and no more than 30 calendar days before disconnection; or

(iv) as permitted under Rule 14.C.

(2) Nothing in this rule shall affect the Company's obligation to comply with the additional requirements set forth in 16 NYCRR 11.7 and 11.8 relating to termination of service to entire multiple dwellings and two-family homes.

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14. Discontinuance of Service and Complaints - Non-residential Customers
(Cont'd.)

B. Reconnection of Service

(a) Obligation to Reconnect:

- (1) The Company shall reconnect service that has been terminated solely for non-payment of bills for any tariff charge or a security deposit within 24 hours of the customer's request for reconnection, receipt by the Company of the lawful reconnection charge, any other charges, fees or penalties due, legal fees, court costs, and disbursements, if applicable, and either:
 - (i) the full amount of arrears and/or a security deposit for which service was terminated, and any other tariff charges billed after the issuance of the termination notice which are in arrears at the time reconnection is requested; or
 - (ii) the signing of a deferred payment agreement in accordance with Rule 14.3 for the amounts set forth in subparagraph (i) of this paragraph, and the receipt of a downpayment, if required under the agreement.
- (2) The Company shall reconnect service that has been terminated solely for failure to provide access within 24 hours of the customer's request for reconnection, provided the customer has allowed access and has made a reasonable arrangement for future access.
- (3) The Company shall reconnect service that has been terminated solely for a violation of the tariff within 24 hours of a customer's request for reconnection and, at the option of the Company, either receipt by the Company of adequate notice and documentation, or a field verification by the Company, that the violation has been corrected; provided, however, that the field verification, if required, shall be arranged within two business days of the customer's request or such later time as may be specified by the customer.
- (4) The Company shall reconnect service that has been terminated for two or more independent reasons when the customer has requested reconnection and has satisfied all conditions for reconnection. The reconnection shall be accomplished within the time period applicable to the last condition satisfied under paragraph (1), (2) or (3) or this rule.

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14. Discontinuance of Service and Complaints - Non-residential customers
(Cont'd.)

B. Reconnection of Service: (Cont'd.)

(a) Obligation to Reconnect: (Cont'd.)

- (5) The Company shall reconnect service that has been terminated within 24 hours after the direction of the Commission or its designee, which direction may occur only where the termination was in error, or the customer has filed a complaint with the Commission and has either paid in full the undisputed amount established pursuant to 16 NYCRR 12.3, or has entered into a deferred payment agreement in accordance with Rule 14.3 for such amount and has paid the required down payment.

(b) Inability to Reconnect:

Whenever circumstances beyond the Company's control, as set forth in Rule 3.C(a)(1)(i) - (iii), prevent reconnection of service within 24 hours of any of the events specified in paragraphs (a) (1) - (5) of this rule, service shall be reconnected within 24 hours after those circumstances cease to exist.

C. Disconnection without Notice:

(a) Emergency Disconnections:

The Company may only suspend, curtail or disconnect service to a building, unit or piece of equipment, without the notice required under Rule 14.A when:

- (1) an emergency may threaten the health or safety of a person, a surrounding area, or the Company's transportation or distribution system;
- (2) there is a need to make permanent or temporary repairs, changes or improvements in any part of the system;
- (3) there is a governmental order or directive requiring the Company to do so.

(b) Notice:

The Company shall, to the extent reasonably feasible under the circumstances, provide advance notice to those whose service will be interrupted for any of the above reasons.

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14. Discontinuance of Service and Complaints - Non-residential Customers
(Cont'd.)

- C. Disconnection Without Notice: (Cont'd.)
(c) Restoration of Service:

The Company shall act promptly to restore service as soon as possible after disconnection under this rule; provided, however, that service need not be restored to any building, unit, or piece of equipment if, at the time restoration is to occur, the Company has the lawful right to terminate service for another reason pursuant to this rule or Rule 14.A.

D. Complaint Handling Procedures:

(a) Complaints to the Company

- (1) Complaints to the Company shall be promptly acknowledged, fairly investigated in a reasonable period of time, and the results of such investigation be promptly reported to the complainant in plain language.
- (2) The Company shall refrain from sending a final notice of termination or from terminating service after the filing of a complaint with the Company as set forth in (b)(4) and (c)(7) of Rule 14.A.
- (3) If the report of the investigation is made orally, the Company shall provide the customer with the report in writing upon request.
- (4) At the time the Company communicates its final response to a customer's complaint, it shall, if the complaint resolution is wholly or partially in the Company's favor, inform the customer of the Commission's complaint handling procedures, including the Commission address and telephone number.

(b) Complaints to the Commission

- (1) If a customer is unable to reach a satisfactory resolution of a dispute with the Company, the customer may complain, either orally or in writing, to the Commission, pursuant to 16 NYCRR Part 12.
- (2) The complaint of a customer to the Commission shall be handled in accordance with the procedures set forth in 16 NYCRR Part 12.

(c) Copies of the Company's complaint handling procedures and form of notice are on file with the Commission and are available to the public upon request at the Company's business office.

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14.1 Notice Requirements - Non-Residential Customers:

(a) Annual Notice of Rights

- (1) The Company shall, at the time of application for service, and at least annually after service is initiated, provide applicants and customers with a brochure containing a detailed summary of their rights and obligations under 16 NYCRR Part 13, a notice describing the commonly used non-residential service classifications and their rates, an offer of written guidelines regarding eligibility requirements for the Company's service classifications, notice that the Company's tariff is available for review in the Company's business office, and notice that some non-residential customers may be eligible for protections under 16 NYCRR Part 11.
- (2) The notice required at the time of application for service shall be provided with the service application to an applicant from whom a written application is required and by mail within 30 calendar days of the request for service to an applicant from whom a written application is not required.

(b) Periodic Notices:

- (1) An accounting for the deposit held on an account showing the interest earned during the current year and either the date the deposit was obtained or the length of time that the deposit has been held shall be provided annually to every customer having a deposit with the Company.
- (2) A notice advising the customer of any change made in the customer's service classification and the reason for the change shall be provided to the customer at the time of the change.
- (3) A notice advising a customer whether the Company records show that the customer, or some other party, has control over access to the meter, that the customer has an obligation to tell the Company who controls access, and that, if the Company records that show the customer has access are not corrected, the customer may be subject to future notices and penalties due to the Company's failure to obtain access, shall be provided to every customer at the time a second consecutive estimated bill is rendered.

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14.2 Inspection and Examination of Company Apparatus - Non-residential Customers:

(a) Right to Inspect:

A duly authorized officer or agent of the Company may enter, at all reasonable times, any building or other location supplied with service by the Company for the inspection and examination of meters, pipes, fittings, and works for supplying or regulating the supply of gas and of ascertaining the quantity of gas supplied, provided such agent exhibits a photo-identification badge and written authority as provided in Section 65(9) of the Public Service Law.

(b) Duty to Inspect:

Except to the extent prevented by circumstances beyond its control, the Company shall conduct a field inspection as soon as reasonably possible and within 60 calendar days of the following:

- (1) a request contained in a service application pursuant to 16 NYCRR 13.2(b)(6);
- (2) a reasonable customer request;
- (3) the issuance of a field inspection order in accordance with an automatic Company bill review program;
- (4) notification from any reasonable source that service may not be correctly metered;
- (5) a directive by the Commission or its authorized designee.

(c) Penalty:

A customer who, at any time, directly or indirectly prevents or hinders a duly authorized officer or agent of the Company from entering the building or location, or from making an inspection or examination, at any reasonable time, may be billed a \$100 penalty charge for each such offense as provided in Section 65(9)(b) of the Public Service Law.

(d) Other Rights:

Nothing contained in this rule shall be construed to impair the Company's rights as to any other person who prevents access to Company meters and/or equipment.

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14.3 Deferred Payment Agreement - Non-residential Customers:

(a) Company's Obligations:

- (1) The Company shall provide a written notice offering a deferred payment agreement to an eligible non-residential customer at the following times:
 - (i) not less than five calendar days before the date of a scheduled termination of service for non-payment of arrears, as indicated on a final termination notice, or eight calendar days, if mailed, provided the customer has been a customer for at least six months and the arrears on which the outstanding termination notice is based exceeds two months average billing; and
 - (ii) when it renders a backbill, which exceeds the cost of twice the customer's average monthly usage or \$100, whichever is greater; provided, however, that the Company shall not be required to offer an agreement when the customer knew, or reasonably should have known, that the original billing was incorrect.
- (2) If the Company and a customer agree to terms of a deferred payment agreement in a telephone conversation, the Company shall send the customer two fully completed copies of the agreement, signed by the Company, for the customer to sign and return.

(b) Eligibility:

- (1) Any non-residential customer is eligible for a deferred payment agreement except the following:
 - (i) a customer who owes any amounts under a prior deferred payment agreement;
 - (ii) a customer who failed to make timely payments under a prior deferred payment agreement in effect during the previous 12 months;
 - (iii) a customer that is a publicly held company, or a subsidiary thereof;
 - (iv) a seasonal, short-term or temporary customer;
 - (v) a customer who during the previous 12 months had a combined total consumption for all its accounts with the Company in excess of 4,000 therms;
 - (vi) a customer who the Company can demonstrate has the resources to pay the bill, provided that the Company notifies the customer of its reasons and of the customer's right to contest this determination through the Commission's complaint procedures.

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14.3 Deferred Payment Agreement - Non-residential Customers: (Cont'd.)

(b) Eligibility: (Cont'd.)

- (2) The Commission or its authorized designee may order the Company to offer a deferred payment agreement in accordance with this rule to a customer whom it finds this rule intended to protect, when an agreement is necessary for a fair and equitable resolution of an individual complaint.

(c) Contents of Offer:

- (1) Every offer of a deferred payment agreement shall inform the customer of the availability of a deferred payment agreement for eligible customers, set forth generally the minimum terms to which such customer is entitled, explain that more generous terms may be possible, and specify the telephone number and the times to call in order to discuss an agreement.
- (2) An offer pursuant to (a)(1)(i) of this rule shall also state the date by which the customer must contact the Company in order to avoid termination, and explain that the Company has the right to a larger downpayment if the deferred payment agreement is not entered into until after a field visit to physically terminate service has been made.

(d) Terms of Agreement:

- (1) A deferred payment agreement shall obligate the customer to make timely payments of all current charges.
- (2) A deferred payment agreement offered pursuant to (a)(1)(i) of this rule may require the customer:
 - (i) to make a downpayment of up to 30 percent of the arrears on which an outstanding termination notice is based, or the cost of twice the customer's average monthly usage, whichever is greater, plus the full amount of any charges billed after the issuance of the termination notice which are in arrears at the time the agreement is entered into; or

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14.3 Deferred Payment Agreement - Non-residential Customers: (Cont'd.)

(d) Terms of Agreement (Cont'd.)

- (ii) in the event a field visit to physically terminate service has been made, to make a downpayment of up to 50 percent of the arrears on which an outstanding termination notice is based or the cost of four times the customer's average monthly usage, whichever is greater, plus the full amount of any charges billed after the issuance of the termination notice which are in arrears at the time the agreement is entered into; and
 - (iii) to pay the balance in monthly installments of up to the cost of the customer's average monthly usage or one-sixth of the balance whichever is greater; and
 - (iv) to pay late payment charges during the period of the agreement; and
 - (v) to pay a security deposit in three installments, 50 percent down and two monthly payments of the balance, if previously requested in accordance with Rule 4.B.
- (3) A deferred payment agreement offered pursuant to (a)(1)(i) of this rule, may require the customer to pay the outstanding charges in monthly installments of up to the cost of one-half of the customer's average monthly usage or one twenty-fourth of such charges, whichever is greater.
- (4) A deferred payment agreement may provide for a greater or lesser downpayment, a longer or shorter period of time, and payment on any schedule, if mutually agreed upon by the parties.

(e) Broken Agreements:

- (1) The first time a customer fails to make timely payment in accordance with a deferred payment agreement, the Company shall give the customer a reasonable opportunity to keep the agreement in force by paying any amounts due under the agreement.
- (2) Except as provided in (1) above, if a customer fails to comply with the terms of a deferred payment agreement, the Company may demand full payment of the total outstanding charges and send a final termination notice in accordance with Rule 14.A.(b)(3)(ii).

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14.4 Charge for Reconnection of Service:

When service has been cut-off by the Company for nonpayment of bills rendered for service, the Company will further charge the customer an additional Twenty (\$20) fee for reconnecting the service during normal working hours and a Twenty-five (\$25) fee for reconnecting service during evenings and weekend hours, in advance of service reconnection to cover the cost of reconnection.

15. Liability:

- (a) The Company will endeavor at all times to provide a regular and uninterrupted supply of service, but in case the supply of service shall be interrupted or irregular or defective or fail from causes beyond its control or through ordinary negligence of employees, servants or agents, the Company will not be liable thereof.
- (b) The Company should be notified immediately of any gas leak, defective piping or other unsafe conditions.

16. Rate Revisions:

In the event of any change or revisions of this schedule made in regular and legal manner, all consumers previously taking service under this schedule will be billed thereafter in accordance with the revised, superseding or substituting schedules so established. In case said change effects an increase in the charge for service, any such consumer will have the option of discontinuing his service without further liability for the unexpired term.

17. Change in Installation:

The consumer should notify the Company when increasing the connected load, preferably in writing, so that the Company's equipment may be checked for adequacy.

18. Reserved for future use.

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19. Restrictions and Limitations of Gas Service:

- A. On and after April 8, 1983 and continuing thereafter until otherwise ordered by the Public Service Commission, the following provisions shall apply to the attachment of new gas customers and the supply of additional gas volumes to existing gas customers.

1. Residential Sales:

Service will be provided to all new or existing one, two and multi-unit residential structures without any limitation as to number of customers or total annual deliveries.

2. New and existing commercial or industrial customers using less than 25,000 Mcf annually.

Service will be provided to new or existing customers that take less than 25,000 mcf annually upon application and approval by the Gas Company

3. New customers using more than 25,000 Mcf annually:

Service will be provided to new customers whose annual consumption will be 25,000 mcf or greater upon approval by the Gas Company. These new customers must have dual fuel capability. Dual fuel facilities will not be required if the company determines that the gas will be used in a process for which there is no feasible substitute. New customers whose annual consumption will be 25,000 Mcf or more must also receive Public Service Commission approval for its use.

4. Existing customers using more than 25,000 Mcf annually:

Existing customers taking 25,000 Mcf or more annually are limited to their highest annual consumption in the calendar years of 1969 through 1974 in the absence of newly installed dual fuel capacity at least equal to the increment above such consumption level. Approval must be obtained from the Gas Company for any increases and where the increase is 25,000 mcf per year or greater additional approval must be obtained from the Public Service Commission.

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5. Where an existing customer is required to relocate its premises due to Urban Renewal Projects or because of other extenuating circumstances, gas will be furnished in an amount not to exceed the amount consumed on an annual basis at the previous location.
6. Approvals given for new customer use or expanded use by an existing customer will be valid for 180 days. If service is not obtained within that time, the applicant will be required to reapply for gas service. All applicants will be required to conform to the Company's insulation requirements.

B. Gas Service Curtailments

1. If the Company in its judgment finds that it is unable to satisfy the full requirements of its customers and finds it necessary to curtail sales and/or transportation service, the Company may, at its option, immediately curtail service to a customer or give oral or written notice of curtailment. If notice of curtailment is given, a customer must curtail its use of service pursuant to the notice. If a customer has been directed to curtail consumption, orally or otherwise, and refuses to comply with the directed reductions, the customer shall be subject to an additional charge of \$25.00 per MCF.
2. In the event of interruption or force majeure curtailment situations, the needs of core customers will be met first, regardless of whether they are sales or transportation customers. Compensation for gas supplies that are interrupted in order to meet core customer needs will be provided at the current market price of gas in effect at the time of curtailment. Such replacement costs and any other costs incurred shall be recoverable through the gas adjustment clause (GAC) based upon normal review.
2. The Company shall implement a curtailment only as a last resort. Mutual aid, contractual and other non-curtailment supply management tools, Operational Flow Orders, interruption of contractual-interruptible load and supply acquisition shall be utilized before a curtailment is declared.

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4. As circumstances permit, the Company will initially seek voluntary curtailments to alleviate an emergency situation. Economic considerations shall not be the basis for a curtailment. Curtailments shall be limited in scope and duration as necessary to alleviate an emergency and shall be localized to the extent possible
5. Curtailments and notices of curtailment of sales services resulting from a gas supply deficiency will normally be made in the following order of priority to the extent permitted by operating feasibility.
 - (a) Firm requirements to customers whose facilities are capable of using an alternate fuel or energy source to supply the energy requirements of the premises otherwise supplied by gas.
 - (b) Industrial and commercial space heating boiler fuel requirements, air conditioning, electric generation and other non-process purposes.
 - (c) Industrial and commercial requirements for space heating (other than boiler fuel use).
 - (d) Process and feedback requirements.
 - (e) Plant protection requirements for customers curtailed in Categories a through d above.
 - (f) Industrial and commercial requirements in firm service classifications.
 - (g) Residential requirements in firm service classifications.

If the reason for the curtailment is in the Company's sole judgment due to a force majeure condition, the Company reserves its right to curtail service outside the order listed above in order to protect the efficient operation of its system.

Except for Category G, curtailment of all other Categories will be on the basis of size, with the largest customers being curtailed first.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

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Revision: 0
Superseding Revision:

7. The following provisions shall govern curtailments and notices of curtailment of transportation services resulting from a shortage of Corning system capacity or a loss of deliverability by an interstate pipeline or Corning upstream supplier which provides transportation service to Corning.
- (a) In the event of a transportation-capacity deficiency, curtailments and notices will normally be made according to the following priorities to the extent permitted by operating feasibility, with Priority 2 being curtailed before Priority 1:
 - (i) Priority 1: All firm transportation to Customers with dual-fuel or alternate energy facilities.
 - (ii) Priority 2: Interruptible transportation services and customers who have elected to not utilize the Company's upstream capacity.
 - (b) The Company will have sufficient capacity at all times to serve requirements in Priority 1, absent the occurrence of an emergency or a cause beyond its control. In the event that the Company does not have capacity sufficient to serve all of its Priority 1 requirements, the Company will allocate the available capacity among the affected customers in the manner which, in the Company's judgment, best protects the health, safety and property of its customers.
 - (c) At the time the Company receives an application for Priority 1 transportation service, the Company will determine whether it will have sufficient capacity to render all Priority 1 services, including the requested service, over the term of the requested service. If it lacks such capacity, the Company will reject the application unless the Company and the customer agree to construct the required capacity. The customer may be required to provide funding for any required construction.
 - (d) If there is not sufficient capacity to serve all requirements of customers within Priority 2 that are paying the same local transportation margin, the capacity available for such customers will be prorated among them in proportion to their nominated service level for the month at the receipt point in question.

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Corning Natural Gas Corporation
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6. The following provisions shall govern curtailments and notices of curtailment of transportation services resulting from a shortage of Corning system capacity or a loss of deliverability by an interstate pipeline or Corning upstream supplier which provides transportation service to Corning.
- (a) In the event of a transportation-capacity deficiency, curtailments and notices will normally be made according to the following priorities to the extent permitted by operating feasibility, with Priority 2 being curtailed before Priority 1:
 - (i) Priority 1: All firm transportation to Customers with dual-fuel or alternate energy facilities.
 - (ii) Priority 2: Interruptible transportation services and customers who have elected to not utilize the Company's upstream capacity.
 - (b) The Company will have sufficient capacity at all times to serve requirements in Priority 1, absent the occurrence of an emergency or a cause beyond its control. In the event that the Company does not have capacity sufficient to serve all of its Priority 1 requirements, the Company will allocate the available capacity among the affected customers in the manner which, in the Company's judgment, best protects the health, safety and property of its customers.
 - (c) At the time the Company receives an application for Priority 1 transportation service, the Company will determine whether it will have sufficient capacity to render all Priority 1 services, including the requested service, over the term of the requested service. If it lacks such capacity, the Company will reject the application unless the Company and the customer agree to construct the required capacity. The customer may be required to provide funding for any required construction.
 - (d) If there is not sufficient capacity to serve all requirements of customers within Priority 2 that are paying the same local transportation margin, the capacity available for such customers will be prorated among them in proportion to their nominated service level for the month at the receipt point in question.

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Corning Natural Gas Corporation
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- (e) In those instances where a transportation customer's supplier has inadequate long-term gas supplies to serve its customers, the supplier of the gas must advise the Company what actions to take with respect to curtailment. The Company maintains the right to terminate service to a customer whose supplier is not nominating and delivering sufficient supplies on the customer's behalf. Each non-utility supplier is required to provide the Company with a plan for curtailment of its customers.
- (f) If an interruptible transportation customer requires, for physical rather than economic reasons, transportation capacity that would be used for service to higher ranking sales customers, and if the Company can render the affected sales service through alternate arrangements, such capacity may be allocated to the interruptible transportation customer, provided that the allocation does not adversely affect sales services, and provided that the customer shall reimburse the Company for any incremental operating and gas purchase costs.
- (g) If during the curtailment period, the Company is aware of ESCOs or Direct Customers that are not responding to required actions, it shall make all reasonable efforts to inform the non-responding ESCOs or Direct Customers that required actions are not being taken. Lack of such notice shall not relieve any ESCO or Direct Customer of its obligations.
- (h) Failure of the Company to adhere to one or more of the curtailment criteria is not a basis for ESCOs or Direct Customers not to comply with requirements of the curtailment. Any Direct Customer or ESCO may file a complaint with the Commission regarding the Company's adherence to the curtailment criteria but the filing of such complaint shall not relieve the Direct Customer or ESCO of its obligation to comply while such complaint is pending.
- (i) The ESCO or Direct Customer will be the party compensated for the diverted gas. To the extent individual ESCO customers are affected by directing the payment to the ESCO, they must enter contractual arrangements with the ESCO that clearly spell out the resolution of compensation issues between the customer and the ESCO related to occasions when gas supplies are diverted.

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

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Initial Effective Date: 09/01/2012

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Superseding Revision:

- (j) Compensation for the diverted gas will be the Gas Daily Dominion South Point Index plus DTI FT variable and fixed charges plus losses to the Company's citygate. If it can be demonstrated by the ESCO or Direct Customers, with adequate support, that a contract calls for a higher price, the Company will reimburse the ESCO or Direct Customer at the contract price.
- (k) The Company will provide periodic updates to ESCOs and curtailed customers so they can plan accordingly. The Company will notify the Director of the Office of Electric, Gas and Water of the New York State Department of Public Service when a curtailment is declared and when the situation returns to normal.
- (l) When necessary to meet high-priority customer demand, LDCs will acquire gas intended for lower priority customers at the citygate. ESCOs/Direct Customers whose gas is diverted by the LDC will be required to continue making nominations of gas throughout the curtailment period up to their maximum delivery obligation as directed by the LDC, unless qualified upstream force majeure interruptions or curtailments prevent ESCOs/Direct customers from securing or delivering such supplies.
- (m) LDCs will recover compensation costs from customers via GAC or equivalent mechanism, subject to Commission review.

7. For the purposes of the above requirements, the following definitions shall apply:

- (a) Residential customers shall include any buildings heated solely by gas where persons reside, including apartment houses, prisons, dormitories, nursing homes, hospitals and hotels.
- (b) Industrial customers shall include all customers who utilize gas, including utilization for space heating, for the manufacture or processing of goods and materials.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

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Superseding Revision:

F. Minimum Insulation Standards (Continued)

An applicant for gas service to a new residential dwelling in an area in which a building permit is not required must provide to the company a certificate of compliance in the following form:

Certificate of Compliance
New Residential Construction

The undersigned certifies that the

_____ 1 or 2 family residence _____ multi-family residence
at _____

is or will be, not later than 30 days after time of occupancy, in compliance with one of the following statute provisions (check one):

_____ Part 1:E101.6
_____ Part 3 New York State Energy Conservation
_____ Part 4 Construction Code
_____ Part 5
_____ Appendix A, Option 77-10, Minimum Insulation Standards, New York State Public Service Commission (applies only to buildings on which construction began between April 1, 1977 and January 1, 1979).

It is understood that gas service will, depending on the applicable circumstances, not be connected, be subject to a 25 percent surcharge on the utility bill until all violations are eliminated, or be disconnected, if, upon inspection, the structure is found not to be in compliance with the conditions set forth above.

The undersigned certifies that a properly executed copy of this certificate will be delivered to the owner prior to closing and further attests that all statements and representations contained in this certificate are true and accurate.

Date

Signature of Builder or Contractor

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.
Issued by Michael German, C.E.O. and President, Corning, NY 14830

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

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Superseding Revision:

F. Minimum Insulation Standards (continued)

An applicant for expanded gas service to an existing dwelling for the purpose of conversion to gas space heating must provide to the company a certificate of compliance and one of the following forms:

Certificate of Compliance
Dwelling Converting to Gas Space Heat

One of the following certificates shall be completed and signed.

1. I _____ am aware that the Minimum
(Owner)
Insulation Standards for Dwellings Converting to Gas Space Heat require my
house to have storm doors, storm windows and at least R-19 (usually six
inches) roof insulation. I certify that my building at _____
_____ meets those requirements, or that
I
(Location)
have obtained a waiver; and I understand that should my building be found not
in compliance, a 25 percent surcharge on my utility bill may be imposed or
gas
service may be discontinued.

The undersigned attests that all statements and representations contained in
this certificate are true and accurate.

Signature of Owner

Address

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

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F. Minimum Insulation Standards (continued)

2. I have inspected the building at _____
(Location)
owned by _____ and certify that it meets the
(Owner)
requirements of the Minimum Insulation Standards for Dwellings Converting to
Gas Space Heat.

The undersigned certifies that a properly executed copy of this
certificate will be delivered to the owner and further attests that all
statements and representations contained in this certificate are true and
accurate.

(Date) Signature of Contractor or
Utility Representative

G. The Powerplant and Industrial Fuel Act of 1978 prohibits the use of
natural gas for outdoor lighting. Unless specifically exempted from
that prohibition by Corning Natural Gas Corporation, commercial and
industrial customers receiving gas for outdoor lighting purposes
commencing before November 9, 1978 are prohibited from using gas for
outdoor lighting after November 5, 1979, and municipal customers
commencing service for outdoor lighting purposes before November 9,
1978, are prohibited from using gas for outdoor lighting after January
1, 1982. Failure to comply with the above prohibitions could result in
termination of gas service.

20. Work on Customers' Premises:

Adjustment of Customers' Appliances or equipment, involving one-half
man-hour or less of labor, and no material, will be made without
charge.

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Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 72
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Superseding Revision:

21. A. Resale Provision

- a. Service will not be supplied under Service Classification #1 and #2 for resale, remetering (or sub-metering), or other disposition to tenants or occupants, except that any customer may furnish gas for the use of his tenants or occupants that the customer shall not resell, make a specific charge for, or remeter (or sub-meter except as provided in Section 21.A-b below) or measure any of the gas so redistributed or furnished.
- b. Landlords of industrial and commercial properties, which do not have residential tenants, may file a petition and application to the New York State Public Service Commission requesting permission to submeter gas usage to their tenants. Such petition and application must address the following four areas of major concern regarding the request to submeter: (1)safety; (2) rate impact for the ultimate consumer; (3) non-rate consumer protection issues; and (4) service provider and utility matters. The petition and application must also provide that the conditions proffered will be reiterated in leases with the sub-metered tenants. Copies of such petition and application must be served on the Company and the petitioner's tenants.
- B. Temporary Service
Temporary service shall be considered to be service to a non-permanent structure and/or personal property, or service to a building and/or structure which is non-permanent in that it may be readily removed or relocated. Where service is to be used for temporary purposes only, the applicant will be required to pay to the Company all costs of the equipment used and of the connection and removal thereof. At the expiration of the service period, the customer will be credited with the salvage value of the material and equipment removed by the Company. In such cases, an advance payment sufficient to cover all costs may be required.
- C. Gas fired emergency electric generators may be installed during periods of temporary gas usage restriction subject to the following conditions:
 - a. Only sufficient emergency electric generating capacity shall be installed to provide the minimum needs for safety and health.
 - b. The customer shall pay all costs associated with the installation including, if necessary, all costs for system reinforcement, mains and service laterals.
 - c. Where the company has sales restrictions the EEG customer will be penalized for excessive usage. Excessive usage will occur when the customer exceeds his existing annual limitation for other uses plus an annual EEG allotment allowing one-half hour testing each week and estimated use during verifiable power outages. Usage over this new annual limitation will be billed, where appropriate, at the maximum tariff penalty for unauthorized use.

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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 fixed factor of adjustment is 1.010132 per ccf. Effective 9/01/2012 per Case#11-G-0280 "Issued and Effective April 20, 2012", the factor of adjustment will be 1.0081 per ccf. A dead band ranging from 1.0000 to 1.0194 will also be established for the LAUF incentive mechanism as discussed on page 35 of the Joint Proposal. All firm customers will be charged or credited, as the case may be, for differences between the fixed FOA and the actual FOA within the dead band. The Company will not recover the portion of the actual losses beyond the upper limit of the dead band. In the event the Company's actual FOA goes below 1.0000, all resulting benefits beyond the dead band will be awarded to all firm customers. The dead band will become effective for the annual GAC reconciliation 12 months ended August 31, 2013. The FOA and the dead band limits are fixed throughout the Rate Plan or until changed by the Commission. The LAUF incentive surcharge or refund will be collected through the DRA. A sample calculation of the FOA and the surcharge/refund amount for firm full service and transportation customers is shown in detail in Appendix P.

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.

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Superseding Revision:

- (a) For new or substantially amended gas supply contracts under which gas has not been purchased during all of the twelve calendar months immediately preceding the computation date by applying the rates and charges of the supplier or suppliers which are or will be in effect as of the date the gas adjustment becomes effective to volumes of the gas estimated to be taken under each such contract.
- (b) Whenever any of the supply contracts with a term of twelve months or more terminates and such supply has been used in the above computation in (a) above, the supply will be excluded from the computation the first month after deliveries under such contracts cease. If the term of the contract was for less than twelve months, the supply will be excluded from the computation beginning with the month following the twelfth month of its inclusion.
- (c) Whenever estimated quantities have been included in the Average Cost of Gas and the Average Costs of Gas is related to gas sold, an estimate of the gas sales related to the new supplies to be purchased shall be added to the quantity of gas sold by the Company to consumers during the preceding twelve months.

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Statement of Gas Supply Charge:

The Monthly GSC statement will be filed no less than three (3) days prior to the date it is proposed to be effective. The GSC will be effective on the date stated on the statement and will remain in effect until changed by the filing of a subsequent statement. The Company will file supporting data and work papers underlying the GSC statement, consistent with 16 NYCRR, Part 720.

Refund Provision:

- I. In the event the Company receives one or more refunds from one or more of its gas suppliers, the total amount of refund, including interest, related to sales subject to the Gas Cost Adjustment, shall be credited to customers as follows:
 - A. The Company shall determine that portion of gas sales during the period which was related to sales under S.C. Nos. 1, 2, 3 and 5 and shall calculate the corresponding portion of the refund which applies to each service classification.
 - B. Refunds will be returned to S.C. Nos. 1, 2 and 5 customers through a credit to the Gas Cost Adjustment over a succeeding 12 month period. The rate of refund credit will be computed by dividing the total refund amount, including interest, by the corresponding estimated sales for the next successive 12 calendar months. The Company will determine the total amount refunded to its customers on the basis of the actual ten month's sales figures. Any balance of the refund remaining after the 10 month actual refund and the 11th month estimated refund will be divided by an estimate of the 12th month's sales and will be reflected in the Gas Cost Adjustment for the 12th month. All refunds concluded during the twelve months ending August 31 of each year will be reconciled with amounts

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Superseding Revision:

Refund Provision: (Continued)

- intended to be refunded during that period with any difference applied to the Annual Surcharge or Refund Computation.
- C. That portion of the refund which applied to the S.C. No. 3 customer will be determined by actual consumption for the period of refund and made in a lump sum payment.
- II. Interest shall be computed on the unrefunded balance from the date of receipt of the refund until the refund is returned to the customers, at least, at the rate prescribed by the Commission.

Upstream Capacity Assignment Revenues

The Company will not share in the revenues generated by a third party (e.g., an asset manager) through off-system sales and capacity release transactions. The Company, however, shall be permitted to retain 15% of any off-system and/or capacity release revenues generated via assets it does not release to a third party and the third party is not compensated or allowed to profit at the expense of the firm ratepayer from the transaction using such assets, 85% of such revenues shall be returned to customers via the Gas adjustment clause (GAC). All revenues generated by the asset manager shall be returned to customers via the GAC.

Delivery Rate Adjustment (DRA)

The DRA will be derived from the net combination of the per unit credit or surcharge related to the reconciliation of the revenue imputation for, local production above and beyond the first \$545,284 which were imputed in base rates. Any amounts above or below the \$545,284 will be shared between the customer and company on an 80/20 basis (Rate Order Case 11-G-0280). Once the annual shareholders' 20% local production share from access, transportation and reimbursement revenues provides a combined total of \$200,000 the sharing mechanism between customers and shareholders for all local production revenues shall be reset to 90% for customers and 10% for shareholders for all revenues above \$200,000, annually. The customer portion if any will be refunded via this mechanism (See Page 44 and 46 of the JP in Case# 11-G-0280). The DRA will also include 20% carrying costs related to gas storage balances as explained in the Merchant Function Charge section on leaf 75-2. In addition pipeline refunds, customer share of any transportation revenue mechanisms approved by the Commission and Second Stage Rate Adjustment approved in Case 08-G-1137 shall be included. In addition, Beginning with Rate Year 1, all existing and future contract revenues (i.e., revenues from dual-fuel and interruptible customers, as well as from customers served under negotiated contracts, but excluding revenues from access for and transportation of local production, shall be shared 90%/10% between customers and shareholders, respectively, above and below a target of \$1,867,042 for Rate Year 1 (May 1, 2012 - April 30, 2013), \$1,924,096 for Rate Year 2 (May 1, 2013 - April 30, 2014) and \$1,972,436 Rate Year 3 (May 1, 2014 - April 30, 2015), imputed in base delivery Rates. Corning will defer the customers' share of any difference between the imputed contracts revenue and the actual contracts revenue for each Rate Year, or any 12-month period subsequent to Rate Year 3. Also, any surcharge/ refund approved by the Commission.

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Issued Under Authority of PSC Order Dated October 19, 2015 in Case No. 11-G-0280.

Per Commission order in Case# 13-G-0465 dated December 19, 2013, allows for the recovery of property tax expense and the special contract non-firm revenue deferrals through the Delivery Rate Adjustment (DRA) clause to be effective January 1, 2014.

Per Commission order in Case# 13-G-0465 dated December 12, 2014, allows for the recovery of the special contract non-firm revenue deferral of \$809,299 which is the outstanding unrecovered amount in rate year one (\$314,048) and 100% of rate year two amount (\$495,251) through the Delivery Rate Adjustment (DRA) clause to be effective January 1, 2015.

Per Commission order in Case# 13-G-0465 dated December 21, 2015, allows for the recovery of \$1,136,382, to offset contract customer revenue deferral of \$413,835 for rate year three and property tax deferrals of \$722,547 for both rate year two (\$299,820) and rate year three (\$422,727), through the Delivery Rate Adjustment(DRA) clause to be effective January 1, 2016.

A statement to implement the DRA will be filed by November 15th of each year with the effective date of January 1st. The DRA will remain in effect for 12 months and be derived including interest on the unrecovered balance or the unrefunded balance owed to customers, whichever may be the case. Interest on the unrefunded or unrecovered balance will be computed using the Commission approved unadjusted customer deposit rate. The initial DRA should reflect the reconciliation for the period October 1st, 2006 through September 30th, 2007. Based on results of the above reconciliation or flow-back mechanisms for the previous twelve months ended September 30th, to the extent the net DRA credit or surcharge is not fully passed back or recovered during the twelve month period the credit or surcharge is in effect, the remaining refund or surcharge balance will be included in the derivation of the next effective DRA.

Safety and Reliability Charge

On October 19, 2015 the New York State Public Service Commission (NYSPSC) issued an order in Case# 11-G-0280. In that order the Company is permitted to implement this charge, in form of a surcharge and/or deferral, to collect the carrying costs on the replacement of Leak-Prone Pipe ("LPP") and ancillary costs incurred to maintain a safe and reliable system. The Company will be collecting a total of \$1,041,116 beginning November 1, 2015 through April 30, 2017. Effective May 1, 2017 the Company will be collecting a total of \$747,373 annually which equates to a rate of .0241 per ccf. The Company will start surcharging all customers with the exception of contract customers the rate of .01859 per CCF beginning November 1, 2015.

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Corning Natural Gas Corporation
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Issued Under Authority of PSC Order Dated October 19, 2015 in Case No. 11-G-0280.

Temporary State Energy and Utility Service Conservation Assessment

The rates and charges under Service Classifications SC1, SC2, SC5, SC6, SC7 and SC14 and contract customers shall be increased by a surcharge to recover the Temporary State Energy And Utility Service Conservation Assessment imposed pursuant to Chapter 59 of the Laws of 2009, Public Service Law Section 18-a(6). The surcharge will be determined according to Commission "Order Implementing Revised Temporary State Assessment" issued June 18, 2014 in Case 09-M-0311. The surcharge will be set forth on the company's State Assessment Surcharge Statement.

Gas System Benefits Charge (GSBC) - (Residential Customers and Small Commercial Customers (Usage < 5,000 MCF Annually Only))

On October 19, 2015 the New York State Public Service Commission (NYSPSC) issued an order in Case 11-G-0280. In that order it was determined that since the Company will not be included in the next phase of the Energy Efficiency Portfolio Standard ("EEPS") initiative in Case 07-M-0548 after December 31, 2015 and the Company's customers will not be eligible for rebates under that initiative after that date, the Company current accumulated unexpended and over-collections of Gas System Benefit Charge ("GSBC") funds will be addressed as follows: (a) The collection of the GSBC will cease as of November 1, 2015. (b) The entire unexpended and over-collection amount will be refunded to customers over the three-year period consisting of Rate Year 4 (effective November 1, 2015), Rate year 5 and the subsequent 12-month period, subject to adjustments to reflect activity under the EEPS program through December 31, 2015 (c) subject to the possible adjustment, customers will receive a refund of approximately \$300,000 annually for the aforementioned three-year period, with the monthly amount of the refund in Rate Year 4 prorated so as to permit pass-back of the entire Rate Year 4 amount over the months remaining in that Rate year. The Company will start refunding customers the rate of .01842 per ccf November 2015. The Company will reconcile the amount refunded to customers to the annual target amount, with any unexpended and over- or under-collections included in the subsequent refund calculation.³² (e) Corning will file the required reconciliation within 120 days of the end of Rate Year 5 and the following 12-month period. The Signatory Parties acknowledge that the termination of the GSBC surcharge, combined with the effect of the amortized refund of collected amounts, will offset some of the impact of the Safety and Reliability Charge.

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Virgil Customer Surcharge

The New York State Public Service Commission in Case 09-G-0252 issued on July 24, 2009 approved Corning Natural Gas Corporation's exercise of a gas franchise in the town of Virgil, county of Cortland NY. The Commission in its approval mandated a surcharge of \$1.50 per MCF for the Resort Customer and \$3.25 per MCF for all other customers within the Virgil franchise area. The surcharge is to accelerate recovery of \$1,000,000 of investment needed to serve new customers in the Virgil Franchise. This surcharge will be in effect throughout the first seven years of operating the Virgil franchise or when the \$1,000,000 accelerated recovery is completed, as prescribed in ordering clause 4(b-e) of the Commission's Order.

Merchant Function Charge

Case# 11-G-0280 agrees that the Merchant Function Charge ("MFC") established in the 2009 Rate Order will be continued and will be applicable to Service Classifications ("SCs") under the new consolidated tariffs and specifically to the customers within the successor SCs: Corning SC 1, Corning SC 2, Corning SC 5, Bath SC 1, Hammondsport SC 1, and Hammondsport SC 2. Appendix E in the JP Case# 11-G-0280 details the four components of the MFC: commodity uncollectibles, supply procurement, records and collections and return on gas in storage. Further detail regarding the calculation of the MFC, including proration and synchronization to the Rate Years, is contained in Appendix E in the JP in Case# 11-G-0280.

The commodity uncollectible expense rate associated with gas costs will be determined by multiplying the fixed uncollectible rate of 1.10% by the estimated annual cost of gas. The commodity uncollectible expense component of the MFC will be reconciled on a Rate Year basis, but the uncollectible rate itself will not change. The MFC rate reflects the recovery of \$80,309 for gas supply procurement. On a Rate Year basis, the Company will reconcile this cost for differences between actual and forecast throughput, but there will be no adjustment to the target of \$80,309.

The MFC rate also reflects the recovery of \$184,231 for gas records and collections. Also on a Rate Year basis, the Company will reconcile this cost for differences between actual and forecast throughput, but there will be no adjustment to the target of \$184,231.

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Case# 11-G-0280 agrees to include in the MFC the projected monthly quantities and prices of the Company's balances of gas in storage on a Rate Year basis. On a Rate Year basis, the Company will true-up its carrying costs on the cost of gas in storage for the changes in the cost of gas and the differences between actual and forecast throughput. The difference between the actual average inventory balance and the projected balance will be multiplied by the effective other customer capital rate to determine the variance in carrying costs associated with changes in the cost of gas. This variance will be combined with any over/under collection of carrying costs associated with differences between actual and forecast sales to arrive at the total true-up amount for the Rate Year.

The return on the cost of gas in storage inventory component of the MFC will be reset each Rate Year and each 12-month period thereafter by first calculating the projected average balance of storage inventory. The resulting projected average inventory cost will be multiplied by the effective other customer capital rate and finally divided by projected throughput for MFC applicable SCs purchasing commodity from the Company for the next 12-month period following the Rate Year to arrive at a per unit rate.

Case# 11-G-0280 acknowledges that most of the storage asset is used to serve firm sales customers, but a portion of the asset is used to balance the system, benefiting all customers. Case# 11-G-0280 agrees that 80% of the storage inventory component should be charged to firm sales customers and 20% to all customers. Case# 11-G-0280 agrees that the 80% storage inventory component will be charged via the MFC and reconciled annually in conjunction with the other MFC components discussed above. The 20% storage inventory component will be charged via the Delivery Rate Adjustment ("DRA") and reconciled via the annual DRA reconciliation.

The MFC components will be reconciled on a Rate Year basis. The Company will file its annual MFC reconciliation on June 15th following the close of each Rate Year and each 12-month period thereafter, and the new rate will go into effect on September 1st.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 01/13/2016

Leaf: 81
Revision: 3
Superseding Revision:2

Issued Under Authority of PSC Order Dated October 19, 2015 in Case No. 11-G-0280.

Low Income Credit

Upon implementation of the new customer accounting system as prescribed by Commission order in Case 11-G-0280 Corning shall provide a \$5 per month credit on the bills of all residential customers who, at the time of implementation, receive HEAP benefits or who, within the 12 months preceding the commencement of the Rate Year during which the customer accounting system is implemented, received a HEAP grant. In the billing month in which the new customer accounting system is implemented, the first credit to eligible customers in the low income program shall be the total of accumulated monthly credits, if any, for the Rate Year (e.g., if the new customer accounting system is implemented in October, which is the sixth month of the Rate Year, the initial credit shall be \$30). In any Rate Year prior to the Rate Year in which the new customer accounting system is implemented, Corning shall, in February of the relevant Rate Year, apply the annualized amount of the Low Income Credit Program benefit (i.e., \$60) as a lump sum credit to residential customers who are, at that time, receiving a HEAP grant or who, within the 12 months preceding February 1 of the relevant Rate Year, received a HEAP grant. For those customers who receive HEAP benefits after February 1, but before April 30 of the relevant Rate Year, the Company shall credit the annualized amount within 30 days, and such customers shall not be eligible for a lump sum credit in the following Rate Year, unless any such customer receives a subsequent HEAP grant. Enrollment in the Low Income Credit Program will be updated annually each Rate Year until the program is modified or discontinued by the Commission, with participants in each Rate Year limited to those customers who, within the 12 months preceding the commencement of the Rate Year, received a HEAP grant.

The Company will issue an \$8.00 per month credit on the bills of all residential customers who, on October 19, 2015, received HEAP benefits or who, within the 12 preceding months received a HEAP grant.

The Company will waive its \$20 reconnection fee once per customer per year for any customer enrolled in its Low-Income Credit Program.

Revenue Decoupling Mechanism

Case# 11-G-0280 agrees that, subject to the following modifications, the RDM adopted in the 2009 Rate Order will continue to apply to Residential Customers taking service under current Corning SC 1, Corning SC 14, Hammondsport SC 1, and Hammondsport SC 7, or SC 1 and SC 14 under tariff consolidation.

Actual billed delivery service revenues are defined as the billed revenue from delivery rates adjusted for the WNC, excluding Gross Receipts Taxes, MFC revenue, DRA, RDM, economic development discounts, discounts associated with any low income program, and all other applicable credits and surcharges. The allowed delivery service revenue will be based on a delivery revenue target for each Rate Year ending April 30th as set forth in Appendix Q of the JP in Case# 11-G-0280. The annual RDM Period is defined as the 12 months ending April 30 and each succeeding 12-month period thereafter.

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Corning Natural Gas Corporation
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Under the RDM, actual billed delivery service revenues for each annual period commencing with the Rate Year will be reconciled by comparing actual annual billed delivery service revenues with the allowed delivery service revenues (the RDM target per customer multiplied by the actual average number of customers). The Company will surcharge or refund customers if the actual billed delivery service revenues differ from allowed delivery service revenues. Any over- or under- collection at the end of the reconciliation period will include simple interest at the prevailing other customer capital rate issued by the Commission. The shortfall or excess will be surcharged or refunded to residential customers on a volumetric basis over the 12-month period commencing September 1. The rate per ccf will be developed using a forecast level of throughput for residential customers. All refunds or surcharges will be subject to reconciliation and included in the subsequent RDM reconciliation.

Case# 11-G-0280 agrees that the Company will develop a customer count proxy for each rate code applicable to the RDM. The customer count proxy for each rate code will be developed by taking that rate code's monthly volume billed in the first block divided by 3 ccf. On June 15, the Company will make an annual filing that will set forth the results of the operation of the RDM mechanism. The Company's annual filing will include an analysis that will compare (i) the Company's applicable customer count, (ii) the customer count proxy for each applicable rate code, and (iii) the proposed surcharge or refund.

Case# 11-G-0280 agrees on how to deal with the partial year linking period between the current rate year and proposed Rate Year 1. The Joint Proposal in Case 11-G-0280 uses an 8 month Revenue Per Rate Code target which is developed by prorating the current target, as shown in Appendix Q in Case# 11-G-0280. Once the RDM year is aligned with Rate Year 1, this partial year linking period will be concluded, as will the need for the Revenue Per Rate Code methodology.

Case# 11-G-0280 acknowledges that as a change in Gas Delivery Service Rates takes effect, the Company prorates the bills to customers. The proration of bills, however, will lower the actual billed delivery service revenue. To compensate for the proration in the first month of each Rate Year, the Company will calculate the actual billed delivery revenue using its billing determinants. The RDM Target for Rate Year 3 shall remain in effect until otherwise changed by the Commission.

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Corning Natural Gas Corporation
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Collection of Take-or-Pay Charges

In accordance with the provisions of the settlement agreement approved in Case No. 88-G-062, a surcharge shall be calculated which will allow for recovery of approximately 96% (the Company will absorb approximately 4%) of take-or-pay charges together with interest calculated at the unadjusted customer deposit rate.

The Company shall determine and allocate the total anticipated annual net charges, including interest. Commodity billed charges from suppliers shall be allocated entirely to firm sales customers. The amounts so determined shall be divided by the applicable volumes to obtain the resulting surcharge. The surcharge developed for the firm sales customers served by S.C. Nos. 1, 2 and 5 shall be included in the monthly billing rates by use of the Gas Adjustment. For transportation customers served by S.C. Nos. 6, 7 and 10 the surcharge shall be added to the appropriate transportation rate.

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Corning Natural Gas Corporation
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Superseding Revision:

Collection of Take-or-Pay Charges: (continued)

The customer served by S.C. No. 9 (NYSEG) shall be direct billed an amount equal to 60% of the applicable portion after company absorption, excepting any amount specifically pertaining to the former Southern Tier Pipeline, together with interest at the unadjusted customer deposit rate.

The Company shall perform an annual reconciliation by taking the cost of take-or-pay charges subject to recovery during the determination period (July 1 to June 30) and subtracting therefrom the collection of take-or-pay charges during the determination period and dividing said amount by volumes subject to take-or-pay recovery during the surcharge/refund period (September 1 to August 31). Any remaining balance at the end of the surcharge/refund period shall be included with interest in the next TOP annual computation.

Annual Surcharge or Refund

Applicable to Service Classifications 1, 2, 3 & 5

A surcharge or refund, in addition to that in "Refund Provision" on Leaf No. 20-D, to recover Gas Adjustment undercollections or to refund Gas Adjustment overcollections shall be computed by taking the cost of gas purchased adjusted for supplier refunds, excluding TOP charges, applied as recorded on the Company's books and deducting therefrom the collections of transportation reservation charges during the determination period and subtracting therefrom an amount equal to the base cost of gas, as stated on Leaf No. 71, multiplied by the quantities of gas sold, the Gas Adjustment revenues adjusted to eliminate the revenue tax effect, and adding or subtracting the gas cost overcollection with interest to the extent not recovered and dividing said amount by the quantities of gas sold during the determination period for the Company's own customers. Any refund or recovery under this paragraph shall include simple interest at a rate to be determined from time to time by the Commission. The computation of the surcharge or refund shall be filed with the Public Service Commission on or before October 15 of each year to become effective on December 1 and shall be based on data for the twelve months ended August 31.

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Corning Natural Gas Corporation
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Superseding Revision:

23. Weather Normalization Adjustment

The rates for gas service to all customers under Service Classification Nos. 1, 5, & 14 shall be subject to a Weather Normalization Adjustment to reflect the impact of degree day variations from normal levels for each billing cycle, for the months of October through May, inclusive.

The monthly volume deviation shall be computed for each billing period for which adjustment is made using the formula described below. The weather adjustment is made by adding to or subtracting from the customer's bill the amount determined by multiplying the customer's consumption during the billing period by the weather adjustment factor.

$$\text{WNF} = \text{Rate} \times \frac{\text{HSF} \times (\text{NDD} - \text{ADD})}{\text{BLF} + (\text{HSF} \times \text{ADD})}$$

Where: WNF = Weather Normalization Factor
RATE = Tailblock margin by service class
HSF = Heat Sensitivity Factor*
NDD = Normal heating degree days for the billing period
ADD = Actual heating degree days for the billing period
BLF = Base Load Factor*

* The Heat Sensitivity Factor and the Base Load Factor calculations are based on actual normalized gas sales from the previous fiscal year.

24. Truth in Heating Act

In accordance with the Truth in Heating Act effective January 1, 1981, the Company shall maintain records of bills for gas service to residences for at least two years, and within ten days after request by seller or lessor of a residence, shall provide copies of heating bills, or a summary, for the preceding two year period or the life of the residential structure, whichever is shorter. The charge for each such request shall be \$5.00 plus applicable sales tax.

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Corning Natural Gas Corporation
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25. Following Information Applicable to Transportation of Gas Service Only:

A. Increases in Rates and Charges:

The rates and charges under this Service Classification will be increased pursuant to General Information Rule 12 (K).

In the event that the provision for transportation services to the Customer requires the Company to engage the transportation or storage services of others, an amount reflecting the costs incurred by the Company will be added to this rate.

To the extent that the Customer consumes more gas than it has contracted for in the individual service agreement, the excess gas will be considered to be normal sales and will be billed in a manner consistent with such sales.

B. Quantities, Measurement, Balancing and Penalties

The annual quantity of natural gas to be transported under this service classification shall be specified in individual service agreements with each customer hereunder designated as the "Annual Contract Quantity".

The quantity of gas received by the Company during any one month period for the account of the Customer from each of the Customer's Supplier's shall be the quantity metered at the points of receipt specified in the effective Service Agreement hereunder, if such receipts are separately measured.

In the event any such point of receipt is also a point at which the Company buys or exchanges gas through the same meter, then the quantity of gas received for the account of the Customer shall be the quantity scheduled by the Company's dispatchers, the Customer and Customer's Supplier, to be received for the account of the Customer at such point during such one month period, subject to reconciliation to reflect actual deliveries.

The quantity to be billed under this Service is the quantity delivered to the Company less an allowance for losses incurred in the process of delivery as described on Leaf 72.

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PSC No: 7 Gas
Corning Natural Gas Corporation
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Superseding Revision:

Transportation Balancing

1) Daily Balancing

The pooling of like assets is allowed among the Service Classes SC6, SC7, SC8 and SC11 (if agreed to pursuant to contract) whereby the trading of gas occurs on a daily basis for the entire pool. If the customers wish to trade imbalances with other SC7 or SC8 or SC11 Direct Customers or Small Customer Aggregation Pools at month end, they may do so. The following rules for pooling and trading shall apply:

A) A SC6 Customer who has the ability to daily balance, may elect to do so. For Customers making such an election, they shall pay the SC6 transportation rate and the balancing charge for daily balanced (not monthly balanced) customers.

B) The Company operates with a "no harm no foul" rule whereby if a pool is within the daily balancing tolerance there would be no cash out for any individual customer imbalances within that specific pool.

C) The Direct Customer/Marketer/Agent will be allowed to do intra-day nominations, in accordance with the "Nomination Timeline" below, to stay within the daily balancing tolerance. SC7 and 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.

D) All Marketers' and Direct Customers' or their Agents' nominations must conform to the North America Standards Board (NASB) nominations rules, as applicable. The Company confirms all nominations and changes at the Company's city gate with the upstream pipeline prior to gas flowing. Nominations and changes may be refused if the end user account nomination information does not match the pipeline nomination information. It is the direct customer's, marketer's or agent's responsibility to ensure a proper nomination.

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Nomination Timeline

	Timely Nomination	Evening Cycle	Morning Cycle 1	Intra-Day 1	Intra-Day 2	Intra-Day 3
Leaves Control of Nominating Party	12:30 p.m. ECT	7:00 p.m. ECT	8:45 a.m. ECT	11:00a.m. ECT	6:00 p.m. ECT	9:45 p.m. ECT
Pipeline must receive nomination	12:45 p.m. ECT	7:15 p.m. ECT	9:00 a.m. ECT	11:15 a.m. ECT	6:15 p.m. ECT	10:00 p.m. ECT
Quick Response Due	1:00 p.m. ECT	7:30 p.m. ECT	9:15 a.m. ECT	11:30 a.m. ECT	6:30 p.m. ECT	10:15 p.m. ECT
Confirmation Completed	4:30 p.m. ECT	10:00 p.m. ECT	11:00a.m. ECT	2:00 a.m. ECT	9:00 p.m. ECT	11:00 p.m. ECT
Quantities for Scheduled Noms	5:30 p.m. ECT	11:00 p.m. ECT	12:00 Noon ECT	3:00 p.m. ECT	10:00 p.m. ECT	12:00 Midnight ECT
Effective Time	10:00 a.m. ECT Next Day	10:00 a.m. ECT Next Day	1:00 p.m. ECT (1300) Current Day	6:00 p.m. ECT (1800) Current Day	10:00 p.m. ECT (2200) Current Day	2:00a.m. ECT (0200) Current Day

E) Pursuant to the no harm no foul rule- if the pool of daily balanced customers is within the daily balancing tolerance, then there are no cash outs. In the case where the pool is outside of the daily tolerance, only those accounts whose imbalances are in the same direction as the total pool imbalance will be cashed out to the tolerance band using the penalty structure set forth in Leaf 80.4 R4 , while all other imbalances are rolled forward to the end of the month. The daily cash-out activity will be netted for the month and be billed to the customer along with the supporting detail including, but not limited to, the daily and monthly pool balances. Additionally, at the end of the month a "no harm no foul" rule will also be applied to the end of month imbalances, after imbalance trading, in a similar fashion as it is done on a daily basis, except that all imbalances will be cashed out to the zero level in this event.

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Corning Natural Gas Corporation
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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. That remaining portion above/ below zero shall be cashed out.

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) 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 the 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:

i) The Daily Deficiency Price Index will equal the applicable daily index midpoint price as published in Gas Daily + cost of transportation + variable capacity costs + fuel losses from the index point (DTI South Point to Corning's City Gate). The sum of the items above is then multiplied by the appropriate Index Price Adjustment as shown in the table below.

ii) The Daily Surplus Price Index will equal Applicable daily index midpoint price as published in Gas Daily plus the cost of transportation. The sum of these items would be multiplied by the appropriate Index Price Adjustment as shown in the table below.

iii) Multipliers would be progressively stiffer as the imbalance worsens.

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Case11-G-0280
Corning Natural Gas Corporation
Balancing and Cash-Out Tiers
Period 1 (Starting 5-1-12)

Daily Cash-Out Table for Daily Balanced Customer

Deficiency		Surplus Imbalance	
Imbalance	Index Price Adj.	Imbalance	Index Price Adj.
0 to -10%	No Cash-Out	0 to +10%	No Cash-Out
-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		Surplus Imbalance	
Imbalance	Index Price Adj.	Imbalance	Index Price Adj.
0 to -10%	Market Price	0 to +10%	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

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
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Case 11-G-0280
Corning Natural Gas Corporation
Balancing and Cash-Out Tiers
Period 2 (Starting 11-1-12)

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

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

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Corning Natural Gas Corporation
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Case11-G-0280
Corning Natural Gas Corporation
Balancing and Cash-Out Tiers
Period 3 (Starting 5-1-13)

Daily Cash-Out Table for Daily Balanced

Customer
Deficiency

Imbalance	Index Price Adj.	Surplus Imbalance	Index Price Adj.
0 to -7.5%	No Cash-Out	0 to +7.5%	No Cash-Out
-7.5% to -15%	110% of Market Price	+7.5% 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

Daily Cash-Out Table for Daily Balanced

Customer
Deficiency

Imbalance	Index Price Adj.	Surplus Imbalance	Index Price Adj.
0 to -7.5%	Market Price	0 to +7.5%	Market Price
-7.5% to -15%	110% of Market Price	+7.5% 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

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

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Corning Natural Gas Corporation
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Case11-G-0280

Corning Natural
Gas Corporation
Balancing and
Cash-Out Tiers
Period 3 (Starting 5-1-13)
City Gate Balancing (Daily Nominations)

Deficiency	Index Price Adj.	Surplus Imbalance	Index Price Adj.
Imbalance	125% of Market Price	> +2%	Nomination may be refused
< -2%			

End of Month Monthly Balanced Customer Cash-Out Table

Deficiency	Index Price Adj.	Surplus Imbalance	Index Price Adj.
Imbalance	Market Price	> 0%	Market Price
< 0%			

Daily Cash-Out Table for Daily Balanced Customer

Deficiency	Index Price Adj.	Surplus Imbalance	Index Price Adj.
Imbalance	No Cash-Out	0 to +7.5%	No Cash-Out
0 to -7.5%			
-7.5% to -15%	110% of Market Price	+7.5% 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

Daily Cash-Out Table for Daily Balanced Customer

Deficiency	Index Price Adj.	Surplus Imbalance	Index Price Adj.
Imbalance	Market Price	0 to +7.5%	Market Price
0 to -7.5%			
-7.5% to -15%	110% of Market Price	+7.5% 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

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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Case11-G-0280
Corning Natural
Gas Corporation
Balancing and
Cash-Out Tiers
Period 4 (Starting 10-1-13)
City Gate Balancing (Daily Nominations)

Deficiency	Index Price Adj.	Surplus Imbalance	Index Price Adj.
Imbalance	125% of Market Price	> +2%	Nomination may be refused
< -2%			

End of Month Cash-Out Table for Monthly Balanced Customer

Deficiency	Index Price Adj.	Surplus Imbalance	Index Price Adj.
Imbalance	Market Price	> 0%	Market Price
< 0%			

Daily Cash-Out Table for Daily Balanced Customer

Deficiency	Index Price Adj.	Surplus Imbalance	Index Price Adj.
Imbalance	No Cash-Out	0 to +5%	No Cash-Out
0 to -5%	105% of Market Price	+5% to +10%	95% of Market Price
-5% to -10%	110% of Market Price	+10% to +15%	90% of Market Price
-10% to -15%	120% of Market Price	+15% to +20%	80% of Market Price
-15% to -20%	150% of Market Price	> +20%	50% of Market Price
< -20%			

End of Month Cash-Out Table for Daily Balanced Customer

Deficiency	Index Price Adj.	Surplus Imbalance	Index Price Adj.
Imbalance	Market Price	0 to +5%	Market Price
0 to -5%	105% of Market Price	+5% to +10%	95% of Market Price
-5% to -10%	110% of Market Price	+10% to +15%	90% of Market Price
-10% to -15%	120% of Market Price	+15% to +20%	80% of Market Price
-15% to -20%	150% of Market Price	> +20%	50% of Market Price
< -20%			

End-of-Month Cash Out - No Rollover

No Harm - No Foul Rule for Daily or Monthly Imbalances

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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Leaf: 95
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Superseding Revision:

K) On a daily basis, only the difference above or below the daily balancing tolerance is cashed out. All month end imbalances shall be cashed out, even volumes within the balancing tolerance. The difference above or below the balancing tolerance will be cashed out by applying the appropriate 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 +30% the company would deduct the first 5% (the Balancing Tolerance), then apply the factor of 95% of index to the amount between 5% and 10%, then apply the factor of 90% of index to the amount between 10% and 15% at the next tier and then apply the factor of 80% of index to the amount between 15% and 20% any volume above 20% would have a factor of 50% applied to it.. if a Customer's account is out of balance by -30% the company would deduct the first -5% (the Balancing Tolerance), then apply the factor of 105% of index to the amount between -5% and -10%, then apply the factor of 110% of index to the amount between -10% and -15% at the next tier and then apply the factor of 120% of index to the amount between -15% and -20% any volume above -20% would have a factor of 150% applied to it. The above calculations are based on the 4th period balancing tiers (effective 10/1/13). The balancing tiers change from period to period effective 5/1/12.

2) Monthly Balancing

A) SC6 and SC4 (Hammondsport) customers who have not elected to daily balance and SC14, SC5 SC3/SC4 (Bath) and SC7 (Hammondsport) Customers/Marketers will still be balanced on a monthly basis. The Daily Contract Quantity (DCQ), defined as the average volume of gas the customer is required to deliver to Corning Gas each day, but can and should be changed mid-month if temperatures or other events cause usage to vary significantly from the average in order to minimize end of month imbalances/ cashouts, shall be calculated as follows:

1) The DCQ 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.

2) The customer/marketer shall be informed by the fifteenth of the month of the calculated DCQ prior to the month in which gas will be delivered. During the month, the DCQ 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 DCQ 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 DCQ 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 DCQ 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.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

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Superseding Revision:

3) 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 quantities for the customer pool. This will be accomplished by the Company providing a calculation of the Average Daily Quantity indicating what the average daily use is in a historic usage matrix showing consumption by customer class by Marketer with monthly degree-days. The S.C. No. 14 marketers and Corning may change the nomination of such quantities upon mutual agreement.

B) In order to keep monthly imbalances at a minimum, SC6, SC14, SC5, SC3/SC4 (Bath) and SC7 (Hammondsport) Aggregation Groups will be allowed to trade imbalances at month end with other SC14 and SC6 Small Customer Aggregation Pools or SC7, SC11 and SC4 (Hammondsport) Direct Customers. The trading will occur prior to any cash out procedures being applied.

C) Cash-outs will be market based regardless of a deficiency or a surplus and calculated as follows:

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Corning Natural Gas Corporation
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i) The Monthly Deficiency Price Index would equal the monthly average of the Applicable daily index midpoint prices as published in Gas Daily plus the monthly average cost of transportation plus the average variable capacity costs plus fuel losses from the index point (DTI South Point to Corning's City Gate).

ii) The Monthly Surplus Price Index would equal the monthly average of the Applicable daily index midpoint prices as published in Gas Daily plus monthly average cost of transportation.

The Company and Marketers will work together, through mid-month changes in DCQ, in order to minimize end on month imbalances/cashouts.

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Case11-G-0280
Corning Natural Gas Corporation
Balancing and Cash-Out Tiers
Period 1 (Starting 5-1-12)
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

End-of-Month Cash Out - No Rollover
No Harm - No Foul Rule for Daily or Monthly Imbalances

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Case11-G-0280
Corning Natural
Gas Corporation
Balancing and
Cash-Out Tiers
Period 2 (Starting 11-1-12)
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 Monthly Balanced Customer Cash-Out Table

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	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

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Case11-G-0280
Corning Natural Gas Corporation
Balancing and Cash-Out Tiers
Period 3 (Starting 5-1-13)
City Gate Balancing (Daily Nominations)
Deficiency
Imbalance Index Price Adj.
< -2% 125% of Market Price

End of Month Monthly Balanced Customer Cash-Out Table
Deficiency
Imbalance Index Price Adj.
< 0% Market Price

End-of-Month Cash Out - No Rollover
No Harm - No Foul Rule for Daily or Monthly Imbalances

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Case11-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
< -2%	125% of Market Price	> +2%

End of Month Cash-Out Table for Monthly Balanced Customer

Deficiency Imbalance	Index Price Adj.	Surplus Imbalance
< 0%	Market Price	> 0%

End-of-Month Cash Out - No Rollover
No Harm - No Foul Rule for Daily or Monthly Imbalances
End of Month Cash-Out Table for Monthly Balanced Customer

Deficiency Imbalance	Index Price Adj.	Surplus Imbalance
< 0%	Market Price	> 0%

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Issued by Michael German, President & C.E.O., Corning, NY 1483

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Superseding Revision:

**End-of-Month Cash Out - No Rollover
No Harm - No Foul Rule for Daily or Monthly Imbalances**

D) All imbalances for monthly balancing customers will be cashed out at the end of each month

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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approach the contract limits of the Company, the Marketer will be notified (see Communication Protocol in GTOP) that the daily delivery will be limited to the actual gas flowing under the Transport Service Agreement. The notice of these critical period conditions when the daily volume will be limited will be posted on the Web site and made by e-mail, telephone or fax, absent exigent circumstances, at least 24 hours prior to the affected gas day. This notice will be based on the forecasted weather conditions and the anticipated requirements of customers. Earlier notice will be provided, if possible. Notice to a Marketer will be made in less than 24 hours if a shorter notice is received by Corning of an interruption in Customer's supply.

F) The notices will be made in the form of an "Alert" or a "Restriction" advisory. When possible, Corning will issue an "Alert" to ward off possible restriction conditions. The next step, as conditions require, is a "Restriction or OFO" notice. The decision to impose restrictions is based on Corning's forecast of the weather and the gas requirements that are necessary to meet that forecast. During the time that restrictions are in effect, the customer must limit usage to the volume actually transported by the company for the customer. If this reduction cannot be made, tariff rate gas will be supplied by Corning, if it is available from system supply. If the total use during the critical period exceeds Corning's authorized volume and pipeline penalties are imposed, Marketers will be billed for the portion of that penalty for which they are responsible.

3) Balancing Tolerances

A) The Daily Balancing Tolerance are set forth in Leaf 80.5.

B) The Monthly Balancing Tolerance are set forth in Leaf 80.5.

C) These Balancing Tolerances are in effect for all Service Classifications applicable to Transportation Service and will remain in effect until otherwise modified by a tariff change.

D) The Company shall periodically review with Staff of the Department of Public Service and Interested Parties whether the Monthly Balancing Tolerance should be revised.

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E) If the Company recommends that the Monthly Balancing Tolerance should be changed, the parties will have the right to oppose the change in the Monthly Balancing Tolerance, applicable to monthly or daily balanced customers, prior to the change taking effect.

4) Pipeline Penalty Allocation

When a pipeline penalty occurs, a prorated portion of any such penalty shall be allocated to the service classifications deemed responsible for the penalty. The amount to be allocated to SC7, SC11, and SC6 and SC4 (Hammondsport) Daily Balanced Marketers/ Direct Customers may be readily identified due to the real time nature of meter readings for these service classes.

An allocation methodology used to prorate pipeline penalties between classes, pools and individual monthly balanced customers, should follow but not be limited to these guidelines:

A) The total penalty allocation levied against the monthly balanced entities will only be that amount which has not already been allocated to SC7, SC11, and SC6 and SC4 (Hammondsport) Daily Balanced Marketers/ Direct Customers that had an impact on CNGC systems' daily operation during the penalty period.

B) Any information or data available should be utilized in determining this allocation including but not limited to the daily nominations made by or on behalf of the monthly balanced customers.

C) If a pipeline penalty occurs, the Company will make every reasonable attempt to have the penalty waived or reduced.

D) If the Company's efforts are successful, the reductions will be refunded to anyone having paid the charge.

E) If a dispute arises pertaining to the assigning of a pipeline penalty to any party, then the Company and the disputing party shall follow the Dispute Resolution Process, as set forth in the Company's GTOP manual.

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A tariffed charge for balancing shall apply to all transportation customers, except those served under SC11 individually negotiated contracts. SC11 customers will negotiate balancing charges in their contracts. If the Company makes changes to the contracted volume of storage, the balancing and swing charges will need to be reviewed and/or modified. The rate shall be provided in a monthly statement to be filed with the Public Service Commission. Collections from the balancing and swing charge shall be credited to the Gas Adjustment Clause.

Balancing and Swing Charges

Balancing Charges for Daily Balanced Customers		
Period	Dates	Charges
Period 1	5/1/12 to 10/31/12	\$0.02204
Period 2	11/1/12 to 4/30/13	\$0.00672
Period 3	5/1/13 to 9/30/13	\$0.00956
Period 4	10/1/13 and beyond	\$0.00672
Swing Charges for Monthly Balanced Customers		
Service Class	Dates	Charges
SC-6	10/1/12 and beyond	\$0.06193
SC-14	10/1/12 and beyond	\$0.08763

The daily balancing charge will be updated as of October 1, 2014, and each year thereafter, to reflect any and all changes to capacity costs incurred by the Company.

Termination of Service for Failure to Deliver Daily Transportation Quantities:

The Company shall have the right to terminate service under this Service Classification to any Seller that participates in the Monthly Balancing Program that fails to deliver at least ninety (90) percent of the applicable DDQ for any three (3) days of a calendar month or any five (5) days within a twelve (12) month period.

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C. Quality of Gas Tendered for Transportation:

Gas delivered to the Company for the account of the Customer by Customer's Supplier shall conform to the quality specifications in the tariff provision for the applicable firm service category. If the gas tendered for delivery to the Company by any such Supplier shall fail at any time to conform to any of the specifications in such rule, then the Company shall notify the Customer of such deficiency and may, at its option, refuse to accept delivery pending correction by the supplier. Upon the supplier's failure to promptly remedy such deficiency in quality, the Company may accept delivery of such gas and may make changes necessary to bring such gas into conformity with such specifications, and the Customer shall reimburse the Company for any and all expenses incurred by the Company in effecting such changes.

D. Special Provisions:

All service provided under these transportation services will be subject to interruption, (for reasons other than gas supply shortage), prior to Service Classification No. 1, 2 and 3 interruptions, on not less than one (1) hour notice from the Company, and the Company shall not be in any way liable for any failure in whole or in part, temporary or permanent, to deliver gas under this service classification.

Firm transportation service will be provided on a "first call" basis for the available capacity in the Company's or Supplier's gas system. If other applicants desire firm transportation service and there is only available capacity for the "first" applicant, the "first" applicant can reserve the required available capacity for a period of 3 months. If deliveries are not commenced within the 3 month period, the available capacity will be released for the use of the other applicants.

Any additional facilities, including but not limited to any load management equipment, which the Company deems are necessary to provide this transportation service shall be totally provided at the customer's expense.

E. Force Majeure; Limitation of Liability:

Whenever the integrity of the Company's system or the supply of gas is believed to be threatened by conditions on its system, or upon the systems with which it is directly or indirectly interconnected, the Company may, in its sole judgment, curtail or interrupt gas service or reduce pressure, and such action shall not be construed a default nor shall the Company

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Initial Effective Date: 09/01/2012

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Superseding Revision:

E. Force Majeure: Limitation of Liability (Continued):

be liable therefore in any respect. The Company will use efforts reasonable under the circumstances to overcome the cause of such curtailment, interruption or reduction, and to resume full performance.

The Company shall be excused from performing under this Service Classification and shall not be liable in damages or otherwise, if and to the extent that it shall be unable to do so, or prevented from doing so by statute or regulation or by action of any court or public authority having or purporting to have jurisdiction in the premises; or by loss, diminution or impairment of gas supply from its suppliers, or the systems of others with which it is interconnected, or by a break or fault in its distribution system, failure, or improper operation of equipment necessary for gas distribution or by reason of storm, flood, fire, earthquake, explosion, civil disturbance, labor dispute, act of God or public enemy, failure of any supplier to perform, restraint by any court or regulatory agency, or any other intervening cause, whether or not similar thereto; the Company shall use efforts reasonable under the circumstances to overcome such cause and to resume full performance. The foregoing shall not alter the Company's liability under applicable legal standards for damages in case of its negligent or intentionally wrongful conduct, with respect to any act or failure to act by the Company in any matter within its direct and exclusive control.

The Company shall not in any event, except that of its own negligent acts or omissions, be liable to any party for any direct, consequential, indirect or special damages, whether arising in tort, contract or otherwise, by reason of any services performed, or undertaken to be performed, or actions taken by the Company or its agents or employees, under this Service Classification or in accordance with or required by law, including, without limitation, termination of the customer's service.

The Customer warrants that it will have good title to all natural gas delivered to the Company for transportation hereunder, and that such gas will be free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify the Company and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas.

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Revision: 0
Superseding Revision:

F. Retail Access Program

Corning Natural Gas Corporation and all marketers providing service to customers in its franchise area will adhere to the Uniform Business Practices as shown on the New York State Department of Public Service's Website at <http://www.dps.ny.gov/>. The practices will be modified from time to time as required. While there are no material differences between the Uniform Business Practices as shown on the Commissions website and the Operations Manual displayed on the Company's website at <http://www.corninggas.com/> there are some minor modifications as follows:

New Delivery Customer Requirements - Section A.2 . The number of days for submission of applications shall be 10 business days instead of 5 for service not requiring construction and other applications shall be submitted at least 15 calendar days instead of 5.

Switching Requirements - Section A.1. - notices to the Company must be submitted at least 15 days instead of 10.

Deposits and Prepayments - Retail Suppliers are required to provide the Company evidence of creditworthiness before the Retail Supplier may request customer deposits or prepayments from its customers. Satisfactory evidence is a sufficient bond rating from an independent agency for either the Retail Supplier or its parent, if the parent agrees to act as a guarantor for the retail Supplier.

Retail Suppliers may accept prepayments from its customers if the Retail Supplier provides the Company with evidence that it has a minimum rating of BBB1 from S & P, Baa2" from Moody's or BBB from Fitch. Retail Suppliers are allowed to accept deposits from its customers if the Retail Supplier provides the Company with evidence that it has a minimum rating of BBB1 from S & P, Baa2" from Moody's or BBB from Fitch or the Retail Supplier has a letter of credit or an escrow account with a financial institution with at least an A1 credit rating.

The required evidence of creditworthiness must be provided to the Company on August 1 of each year.

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Switching Requirements - Section A.1. - notices to the Company must be submitted at least 15 days instead of 10.

Deposits and Prepayments - Retail Suppliers are required to provide the Company evidence of creditworthiness before the Retail Supplier may request customer deposits or prepayments from its customers. Satisfactory evidence is a sufficient bond rating from an independent agency for either the Retail Supplier or its parent, if the parent agrees to act as a guarantor for the retail Supplier.

Retail Suppliers may accept prepayments from its customers if the Retail Supplier provides the Company with evidence that it has a minimum rating of BBB1 from S & P, Baa2" from Moody's or BBB from Fitch. Retail Suppliers are allowed to accept deposits from its customers if the Retail Supplier provides the Company with evidence that it has a minimum rating of BBB1 from S & P, Baa2" from Moody's or BBB from Fitch or the Retail Supplier has a letter of credit or an escrow account with a financial institution with at least an A1 credit rating.

The required evidence of creditworthiness must be provided to the Company on August 1 of each year.

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Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

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Superseding Revision:

26. Forms

(1) Firm Transportation Service Agreement

FIRM TRANSPORTATION SERVICE AGREEMENT

THIS AGREEMENT, made this ____ day of _____, 20__ by and between Corning Natural Gas Corporation (Corning), a New York Corporation, having offices at 330 West William Street, Corning, New York, and _____ a corporation, having offices at _____ (Customer).

W I T N E S S E T H :

WHEREAS, Customer has access to available quantities of natural gas, which quantities have been purchased by Customer for use in its facilities located in _____ and _____.

WHEREAS, Customer desires to have such quantities of natural gas transported to such facilities by Corning and _____.

WHEREAS, Corning is willing to receive, transport and deliver equivalent quantities (less quantities retained for unaccounted for gas as provided in The Applicable Tariff Provision) to an existing point of delivery between Corning and Customer all on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and pursuant to the terms and provisions of Service Classification No. _____, P.S.C. No. 4-Gas for superseding issues thereof the parties hereto agree as follows:

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Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

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a. Term of Agreement

The term of this Agreement shall be one year and shall commence on and shall continue through _____.

b. Available and Maximum Daily Quantity

The maximum daily quantity of gas to be transported is ____ Mcf. The total quantity of gas to be transported under the terms of this agreement is estimated to be _____. Customer expressly acknowledges that it has been apprised of the aforesaid limitations.

Should Customer wish to reserve sales customer status, the customer will furnish the Company with its estimated Peak Day Requirements and its estimated Annual Requirements, in accordance with Service Classification No. 2, P.S.C. No. 4 - Gas, the provisions of which are incorporated herein and made a part hereof by reference.

Peak Day Requirement _____
Annual Requirement _____

c. Rate

Customer agrees to pay Corning for transportation services provided hereunder in accordance with Service Classification No. _____, P.S.C. No. 4 - Gas, the provisions of which are incorporated herein and made a part hereof by reference.

d. Delivery

The gas to be transported hereunder will be delivered by Corning to Customer, at an existing interconnection of Corning and Customer facilities located at _____. Corning will retain an amount as provided in the applicable tariff provision as an allowance for losses incurred in the process of delivery.

e. Dispatching

On each "day" during the term of this Agreement, Customer shall advise Corning of the quantity of gas, if any, it desires to transport. Each party will so advise the other (prior to 8:00 a.m., if possible) in time to allow Corning dispatchers to make the necessary arrangements with the gas dispatchers of the pipelines to effectuate deliveries. Insofar as possible, Corning agrees to work with Customer to permit a weekly or longer duration schedule of deliveries by Corning to Customer to be implemented.

The term "day" will mean the period of 24 consecutive hours beginning and ending at 8:00 a.m.

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- f. Customer shall be responsible for the acquisition of any property rights necessary to accommodate the construction and installation of facilities which may be required for the receipt, delivery or metering of natural gas delivered hereunder into Corning's pipeline and measurement system. Corning shall be reimbursed by Customer for any costs incurred in the construction and installation of the required receipt or delivery facilities, including, but not limited to, the costs of labor, materials and customary overheads. Corning will be reimbursed by the customer for required load management equipment at the customer location.
- g. Corning will render to Customer a statement of the total quantity of natural gas received for the account of Customer hereunder and the charges due thereon. All bills are rendered at the "unit price" as specified in the Company's tariff plus applicable revenue taxes, and that amount is due on bills paid on or before the date shown on the bill. After that date the "late amount" billed at the "late unit price", which includes a late payment charge, becomes due.
- h. Title to the volumes of gas delivered to Corning under this Service Agreement shall pass to Corning at the Point or Points of Receipt subject to Corning returning equal volumes less the allowance for unaccounted-for gas to the customer at the Point(s) of Delivery at which latter Point(s) title to the gas shall become vested in the customer. The Customer and Corning, for themselves, their successors and assigns, warrant, each to the other, that at the time of receipt and delivery of gas hereunder good title to such gas shall be in the party making delivery, and shall be free and clear of all liens, encumbrances and claims whatsoever.
- i. Neither of the parties hereto shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the party claiming suspension.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 113
Revision: 0
Superseding Revision:

Such cases or contingencies affecting the performance hereunder by either party hereto, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Customer from its obligations to make payments of amounts then due hereunder.

j. This Agreement shall be expressly contingent upon the receipts of such regulatory approvals or authorizations as may be required. Both parties agree to cooperate to obtain all required approvals or authorizations.

k. Notices

All notices, invoices and other correspondence sent pursuant to this Agreement shall be addressed to the following parties:

Corning Natural Gas Corporation
PO Box 58
Corning, NY 14830
Attention: Senior Vice President - Operations

l. This Agreement shall be binding upon the successors and assigns of Corning and Customer. No assignment of this Agreement shall be valid without the prior written consent of the parties hereto.

IN WITNESS WHEREOF, all parties have hereunto executed this Agreement on the day and year first above written.

ATTEST: _____ CORNING NATURAL GAS CORPORATION

ATTEST: _____ Customer

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 114
Revision: 0
Superseding Revision:

26. Forms:

2. Form of Application for Residential Service:

Form C-17 2M 6-53

**CORNING NATURAL GAS CORPORATION
APPLICATION FOR SERVICE**

Application is hereby made to the Corning Natural Gas Corporation for
gas service at _____ 20____
City of _____
Town of _____
Village of _____

service to be furnished by the Company under its rules, regulations and
general schedules on file with the Public Service Commission and available
for inspection in the office of the Company and to be used and paid for by
the applicant in accordance with the Public Service Classification.

Dep. No. _____ Signature of Applicant

Amount: _____

Remarks: _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 115
Revision: 0
Superseding Revision:

26. Forms:

3. Form of Application for Non-residential Service:

CORNING NATURAL GAS CORPORATION

Application for Gas Service - Non-residentialGeneral Information:

Along with this application is a brochure which describes your rights and responsibilities as a non-residential customer.

Customer Information: (To be completed by customer)

Date Filed: _____

() Owner

Name of Customer _____ () Occupant

Service Location _____

Telephone No. () _____ Alternate Telephone No. () _____

Mailing Address _____

Type of Business _____

Official in Charge _____
(Name) (Title)

Person Controlling Access to Meter(s): _____

Telephone No. () _____

The Company requires the submission of the following documents to substantiate the information provided in the service application.

() deed () lease () business certificate* () other

* _____

The questions in this section are designed to assist the utility in placing you on the proper and the most beneficial service classification. The utility may rely on this information in classifying your service.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 116
Revision: 0
Superseding Revision:

26. Forms: (Cont'd.)

3. Form of Application for Non-residential Service. (Cont'd.)

The cost of service may be different under different service classifications. There are eligibility requirements for each service classification. A customer may be eligible for service under more than one classification and one may be more beneficial than another. The accompanying brochure describes the common non-residential service classifications in brief. The rate schedule which describes each service classification in detail may be examined in any utility business office.

If you have any questions about your classification, you may discuss this with your customer service representative. If your use of service or your equipment changes in the future, you must notify the utility of these changes to assure that you are being properly billed.

WARNING: If the information provided by you in this section is inaccurate or incomplete, you may be subject to backbilling on the correct service classification, or you may be precluded from receiving a refund for overcharges based on the correct service classification.

Specific nature of business:_____

GAS: List all equipment and its rating:_____

DOES THE APPLICANT REQUEST AN INSPECTION OF THE METER(S)?

_____ () Yes _____ () No

DOES THIS ACCOUNT PROVIDE SERVICE FOR ANY TYPE OF RESIDENTIAL UNIT?

_____ () Yes _____ () No

If yes, please explain. _____

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 117
Revision: 0
Superseding Revision:

26. Forms: (Cont'd.)

3. Form of Application for Non-residential Service: (Cont'd.)

Rate and Applicable Charges for Service: (To be completed by
Company)

Service Classification _____ Account No. _____
Amount of Deposit \$ _____ Deposit No. _____
Extension Minimum \$ _____ Percent Tax Exempt _____

Estimated Usage _____

Corning Natural Gas Corporation is hereby requested to
furnish the undersigned with gas service at the above address; such
service is to be supplied by the Company under its tariff rates,
rules, and regulations on file with the New York State Public
Service Commission, as may be revised from time to time and to be
paid for by the undersigned in accordance with the applicable rate.

Response date: _____ Date of Responsibility: _____

Company Name: _____

Customer Signature: _____ Title: _____
Date: _____

Approved by: _____ Accepted by: _____
Date: _____ Title: _____
Date: _____

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 118
Revision: 0
Superseding Revision:

26. Forms: (Cont'd.)

4. Deferred payment Agreement Form:

NON-RESIDENTIAL CUSTOMER PAYMENT AGREEMENT

Account Name: _____

Account Number: _____

Service Address: _____

Date: _____

PRINCIPLES OF THIS AGREEMENT

This confirms an agreement by _____ (customer) to make installment payments to Corning Natural Gas Corporation for amounts in arrears. It also confirms that Corning natural Gas Corporation will not discontinue service to the account at the address listed above as long as payments are received on time.

HOW MUCH IS TO BE PAID

The amounts covered by this agreement are as follows:

Charges billed for Gas service	
as of _____ (month, day, year)	\$ _____
Late payment charges billed	\$ _____
Miscellaneous fees: (Specify -	
Collection, Reconnection, Meter	
Recovery) _____	\$ _____
TOTAL.....\$ _____	

HOW PAYMENT IS TO BE MADE

The customer agrees to pay:

A downpayment of \$ _____ by _____ (month, day, year) _____

Installments of \$ _____ by the _____ day of each month from _____ (month, year) to _____ (month, year) _____

The balance of \$ _____ is to be received by _____ (month, day, year) _____

Current bills issued after _____ (month, day, year) are to be paid on receipt.

Note: Each payment must be in the office of the utility by the above mentioned dates.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 119
Revision: 0
Superseding Revision:

26. Forms: (Cont'd.)

4. Deferred Payment Agreement Form: (Cont'd.)

LATE PAYMENT CHARGES

_____ Late payment charges not applicable/waived

_____ This agreement is subject to late payment charges at a
monthly rate of _____% and/or an annual rate of _____%.

The total late payment charges for the duration of this agreement are calculated to be \$ _____. The total late payment charges may be greater or less than the disclosed cost if payments are received earlier or later than the agreed dates. Failure to pay current bills on time will result in additional late payment charges on the account balance. (NOTE: Fill out attached itemization form if late payment charges are not billed with the cycle bill.)

DEPOSIT TERMS

_____ deposit not applicable or is waived.

The amount of the security deposit requested is \$ _____. The customer agrees to pay 50% of the requested deposit as downpayment and the balance in two installments.

Downpayment \$ _____ to be paid on _____ (month, day, year) _____.
First installment \$ _____ to be paid on _____ (month, day, year) _____.
Final Installment \$ _____ to be paid on _____ (month, day, year) _____.

WHAT HAPPENS IF PAYMENTS ARE LATE

If installment and regular bill payments are not paid on time, this agreement will be voided and all amounts become due immediately. The Company will send you notice of this fact and a final termination notice; service will be disconnected within the allotted amount of time.

PUBLIC SERVICE COMMISSION ASSISTANCE

The customer may obtain the assistance of the New York Public Service Commission to assure that this agreement complies with rules of 16 NYCRR 13.5.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 120
Revision: 0
Superseding Revision:

26. Forms: (Cont'd.)

4. Deferred Payment Agreement Form: (Cont'd.)

ACCEPTANCE OF AGREEMENT

The terms of this agreement are accepted by:

Customer's Name _____
(Print or Type)

Customer's Signature _____

Date _____

As representative of _____
(Name of Company or Firm)

Utility Representative _____

Title _____

Representative's Signature _____

Date _____

NOTE: If the customer has any questions during the duration of the agreement, the utility representative may be contacted at

_____. This agreement is not valid until signed by all parties and returned to Corning Natural Gas Corporation.

LATE PAYMENT ITEMIZATION FORM

Late payment charges not billed with the cycle bill are to be paid as follows:

\$ _____	by _____
\$ _____	by _____
\$ _____	by _____
\$ _____	by _____
\$ _____	by _____
\$ _____	by _____
\$ _____	by _____
\$ _____	by _____
\$ _____	by _____
\$ _____	by _____
\$ _____	by _____
\$ _____	by _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 121
Revision: 0
Superseding Revision:

26. Forms: (Cont'd)

5. Deposit Alternative Notice Form:

CORNING NATURAL GAS CORPORATION

Request for Waiver of Security Deposit - Deposit Alternative

Date:

Customer's Name: _____

Service Address: _____

Mailing Address: _____

Account Number: _____

In consideration of Corning Natural Gas Corporation's agreement to provide gas service to _____ (Customer's Name) at the above service address and in lieu of a security deposit, I/we do hereby guarantee payment of all future bills for said service paid upon receipt.

I, the Customer, waive my right to be sent a Final Termination Notice normally provided after 20 days have elapsed since payment was due. I understand that my service can be terminated by Corning Natural Gas Corporation if I/we fail to pay any bill upon receipt. The company will send me a disconnect notice 5 days (8 days if mailed) before actual termination of my service.

Once terminated, service will not be reinstated until payment in full of the following: (1) all amounts in arrears for service rendered, (2) the entire requested deposit, (3) service reconnection fees, and (4) any other billed tariff changes.

Corning Natural Gas Corporation _____
Business Name/Applicant

Signed: _____ Date _____ Signed _____ Date _____

Approved by: _____ Title _____ Title of person signing

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 122
Revision: 0
Superseding Revision:

26: Forms: (Cont'd.)

6. Residential Deferred Payment Agreement Form:

CORNING NATURAL GAS CORPORATION

RESIDENTIAL CUSTOMER PAYMENT AGREEMENT

CUSTOMER'S NAME
PHONE _____

SERVICE ADDRESS

ACCOUNT NO. _____
DATE _____

ABOUT THIS AGREEMENT

This is an agreement by _____ to make payments to Corning Natural Gas Corporation for amounts owed. it is also an agreement by Corning Natural Gas Corporation that it will provide service to the address listed above as long as you make payments on time.

PAYMENT AGREEMENT RULES

This agreement must be fair and must be based on your ability to pay.

If you are unable to pay on these terms, you should not sign this agreement. Instead, call us or come to our office.

If you can show financial need, alternative terms will be arranged. Depending on your circumstances, a downpayment may not be required and installments may be as low as \$10.00 per month.

This agreement can be changed if your ability to pay changes significantly for reasons you cannot control. If a change is needed, please call or come to our office.

If you are a recipient of public assistance or supplemental security income, you may be eligible for help in paying your utility bills. If so, you may wish to call or visit your local Social Services office.

HOW MUCH IS TO BE PAID

Total amount you owe Corning Natural Gas Corporation as of
is \$ _____.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 123
Revision: 0
Superseding Revision:

26: Forms: (Cont'd.)

6. Residential Deferred Payment Agreement Form: (Cont'd.)

HOW PAYMENT IS TO BE MADE

You are to pay the amount owed in the following way:

A down payment of \$ _____ is to be received by _____.

Installments of \$ _____ are to be received by the
each _____ from _____ to _____.

The balance of \$ _____ is to be received by _____.

Any bill we send you after _____ is due when you receive it.

LATE PAYMENT CHARGES

This agreement is subject to late payment charges at a monthly rate of 2.5% which is the equivalent of an annual rate of 18%. Late payment charges will be calculated on the amount of the balance after the late payment date shown on each monthly bill. The total late payment charges for the duration of this agreement are calculated to be \$ _____. This amount is based upon timely payments. The actual late payment charge you pay will be either lower or higher than the amount indicated if you make payments either early or late.

WHAT HAPPENS IF PAYMENTS ARE NOT MADE

If we do not receive these payments or your regular bill payments on time, we can require you to pay the total amount owed on your account. The Company will send you a notice allowing you 15 days to pay before service is turned off.

ASSISTANCE

IF YOU ARE UNABLE TO PAY THE TERMS OF THIS AGREEMENT, OR NEED HELP UNDERSTANDING OR MAKING THIS AGREEMENT, CALL US AT 936-3755.

IF FURTHER HELP IS NEEDED, YOU MAY CALL THE NEW YORK STATE PUBLIC SERVICE COMMISSION AT 1-800-342-3377 8:30 A.M. - 4:30 P.M., MONDAY THROUGH FRIDAY.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 124
Revision: 0
Superseding Revision:

26: Forms: (Cont'd.)

6. Residential Deferred payment Agreement Form: (Cont'd.)

BUDGET BILLING OPTION

If you are not already enrolled in our budget billing plan which allows you to pay for your service in equal monthly installments, and wish to enroll, check this box and we will start you on a plan immediately. A brochure describing the plan in more detail has been provided to you. Call 936-3755 if you have any questions about the Budget Billing Plan.

YES! I WOULD LIKE BUDGET BILLING. _____

ACCEPTANCE OF AGREEMENT

I have read, understand, and accept this agreement.

Customer's Signature _____ Date _____

NAME (TYPED OR PRINTED)

Company's Signature _____ Date _____

One copy of this agreement, signed by the customer, with the downpayment, must be received by Corning Natural Gas Corporation by _____ in order to avoid having your service turned off.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 125
Revision: 0
Superseding Revision:

7. S.C. No. 12 Upstream Capacity Assignment Application Form:

The undersigned, (hereinafter called "First Assignee") hereby applies to Corning Natural Gas Corporation (hereinafter called "Assignor") for assignment of services.

This assignment of services shall be offered at the sole discretion of Assignor, when sufficient capacity is available, within the requirements of specific upstream pipeline(s)' policies and procedures and the valid requirements of governmental and regulatory authorities having jurisdiction over such transactions and, further, subject to special provisions of the Capacity Assignment program.

Assignor's ability to assign capacity rights is subject to and contingent upon Assignor's possession of all necessary contractual and regulatory authorization to permit such assignments. If for any reason Assignor does not, or ceases to possess such authorizations, either permanently or temporarily, Assignor's ability to assign said rights hereunder shall terminate. Nothing herein shall preclude Assignor's right to terminate assignment of services.

For any assignment of services tendered by Assignor to First Assignee:

- a. First Assignee shall be responsible for compliance with all terms and conditions for specific assigned services that are contracted for, as set forth in Service Classification No. 12, including all terms and conditions as set forth by any and all pipeline(s) for which assignment of services are rendered.
- b. First Assignee, or its agent, shall submit all nominations for assignment of services contracted for or for any subsequent assignees, to Assignor. First Assignee will supply receipt and delivery point information to Assignor at least two days prior to the pipeline(s)' published nomination date for the upcoming match.
- c. At the conclusion of the assignment month, Assignor shall invoice First Assignee for the total charges, demand and commodity, associated with the assignment including any imbalance, cash out, scheduling penalty, ACA, take-or-pay charges, or any other charges associated with First Assignee's use of the capacity. First Assignee will pay Assignor on or before the due date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2) per month.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 126
Revision: 0
Superseding Revision:

7. S.C. No. 12 Upstream Capacity Assignment Application Form:(Cont'd)

- d. First Assignee shall be responsible for paying all rates, charges, penalties, and fees which may accrue in connection with the assignment of services contracted for by, or on behalf of, First Assignee, or any subsequent assignees.
- e. First Assignee, and/or any subsequent assignees or their principals, shall be responsible for correction of all imbalances incurred as a result of any assignment of service.
- f. First Assignee, or its agent, warrants that it, and/or any subsequent assignees or their principals, will have good title to all gas delivered to Assignor hereunder, free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify Assignor and hold Assignor harmless against any loss or cost incurred by Assignor on account of such liens, encumbrances, and claims.
- g. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this contract shall operate or be construed as a waiver of any other default or defaults, whether alike or of a different character.
- h. Except as herein otherwise provided, any notice, request demand, statement or bill provided for in this Contract, or any notice which either party may desire to give the other, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the Post Office address of the parties as the case may be, as follows:

Assignor: Corning Natural Gas Corporation
PO Box 58
Corning, NY 14830

Assignee: Name _____
Contact _____
Title _____
Telephone _____
Fax _____

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 127
Revision: 0
Superseding Revision:

7. S.C. No. 12 Upstream Capacity Assignment Application Form: (Cont'd).

or at such other address as either party shall designate by formal written notice. Routine communications, including monthly statements and bills, shall be considered as duly delivered when mailed by either registered, certified, or ordinary mail.

- i. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Contract.
- j. The interpretation and performance of this Contract shall be in accordance with the laws of the State of New York, without recourse to the law regarding the conflict of laws.
- k. Unless First Assignee at the time of execution of the Capacity Assignment has a satisfactory credit history with Corning Natural Gas Corporation, the following items must be submitted prior to the execution of the Capacity Assignment Application Form.
 - 1. A copy of First Assignee's most recent audited Financial Statement. These statements should include a Balance Sheet, Profit and Loss Statement, Supporting Schedules, Comments and Footnotes.
 - 2. A list of all corporate affiliates, parent companies and subsidiaries.
 - 3. A list of bank and trade creditor references.
 - 4. Authorization for the release of credit information.
 - 5. Confirmation in writing that the First Assignee is not Subject to any pending lawsuits, judgments or regulatory proceedings in state or federal courts which could cause a deterioration of its financial condition or ability to discharge its financial obligations.
 - 6. Publicly traded companies will provide filings with Regulatory agencies including 10-K and 10-Q reports covering the last fiscal year.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

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Corning Natural Gas Corporation
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Leaf: 128
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7. S.C. No. 12 Upstream Capacity Assignment Application Form: (Cont'd)

Corning Natural Gas shall be entitled to request First Assignee to provide a deposit or a letter of credit, at Assignor's option, in an amount equal to three months of estimated bills, whenever First Assignee is in bankruptcy or reorganization, has poor credit history as established by a reliable credit reporting agency; or has so few assets as to make enforcement of any judgment against such person doubtful;

1. As to the parties hereto, each party shall be deemed to be in control and possession of the gas deliverable hereunder until it shall have been delivered to the other party at the Point of Receipt or Delivery, after which the other party shall be deemed to be in control and possession thereof. Neither party shall have any responsibility on account of anything which may be done, happen, or arise with respect to gas deliverable hereunder to it by the other party until such delivery to it shall have been made. Neither party shall have any responsibility on account of anything which may be done, happen, or arise with respect to any gas deliverable by it hereunder to the other party after such delivery shall have been made.

This contract will become effective as of _____ and will continue in effect for a primary term of _____ and month-to-month thereafter until terminated by either party upon thirty (30) days' written notice to the other.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Contract to be signed by their duly authorized officials and attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 129
Revision: 0
Superseding Revision:

7. S.C. No. 12 Upstream Capacity Assignment Application Form: (Cont'd).

ATTEST: CORNING NATURAL GAS CORPORATION
(ASSIGNOR)

Secretary
(Corporate Seal) By: _____
Title: _____
Date: _____

ATTEST: _____
(FIRST ASSIGNEE)

(Corporate Seal) By: _____
Title: _____
Date: _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.
Issued by Michael German, C.E.O. and President, Corning, NY 14830

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 130
Revision: 0
Superseding Revision:

7. S.C. No. 12 Upstream Capacity Assignment Application Form: (Cont'd).

ATTACHMENT NO. 1

UPSTREAM CAPACITY ASSIGNMENT APPLICATION FORM

PIPELINE _____

BIDDER NAME: _____ AGENT: _____ CUSTOMER: _____

PERIOD: _____ TO: _____

OFFER

RECEIPT DELIVER		RECEIPT METER NO.	PRODUCER	DELIVERY	
<u>QUANTITY</u>	<u>POINT</u>	<u>METER NO.</u>		<u>QUANTITY</u>	<u>POINT</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

TOTALS:

FIRM: _____

RECALLABLE: _____

TWO PART RATE

ONE PART BLENDED RATE

\$ _____ /DT DEMAND RATE

\$ _____ /DT BLENDED
DEMAND AND COMMODITY

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 131
Revision: 0
Superseding Revision:

8. S.C. No. 12 Agency Agreement for Upstream Capacity Assignment:

SERVICE CLASSIFICATION NO. 12
AGENCY AGREEMENT FOR
ASSIGNMENT OF SERVICES

Agreement made this ____ day of _____, 20__, by and between
(hereafter called "First Assignee") and _____ of
(hereafter called "Agent").

WHEREAS, First Assignee desires to participate in Corning Natural Gas Corporation's (hereafter called "Assignor") Capacity Assignment program but authorizes third part to act as its Agent to administer its contract for assignment of capacity to its facilities at:

Address: _____

Contact: _____
Title: _____
Tel. No. _____
Fax No.: _____

WHEREAS, First Assignee wishes to designate and appoint Agent as its representative to do all things necessary to effectuate such assignment of services except those defined in Special Provision H of Service Classification No. 12.

WHEREAS, Assignor has entered into a Contract with First Assignee, which First Assignee warrants has been executed and is and will remain in place at all times that this agreement shall be in effect, and the parties agree as follows:

1. First Assignee must provide Assignor notice of whom its Agent is for these purposes at least three (3) days prior to the date the Agent will assume responsibility for administering First Assignee's assignment of service contract, or earlier if required by the pipeline.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 132
Revision: 0
Superseding Revision:

8. S.C. No. 12 Agency Agreement for Upstream Capacity Assignment:
(Cont'd.)
2. First Assignee agrees that it shall remain the Customer of Record and, accordingly, it shall be billed by Assignor in accordance with applicable law and filed regulations for all monies due for such assignment of services and it hereby agrees that, notwithstanding the existence of this Agency Agreement, it remains responsible to Assignor for all such service and for any and all acts performed by Agent, including any costs, fees, penalties or imbalances incurred for assignment of services on other pipeline systems.
3. This Agency Agreement may only be canceled effective on the first day of any given month and only upon ten (10) days' written notice by either First Assignee or Agent, by sending notice thereof to the other party to this agreement at the address listed above and to Corning Natural Gas Corporation, PO Box 58, Corning, NY 14830. Such notice shall be deemed made upon receipt of any such notice by Assignor. Further, this agreement shall automatically terminate upon termination of First Assignee's agreement for assignment of services from Assignor. First Assignee will be responsible for any and all service contracted for, including any additional costs or expenses, i.e., rates, charges, penalties, fees, billed to Assignor in connection with such services, prior to the ten days' written notice of cancellation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized representatives on the day and year first above written.

First Assignee

By: _____
Title: _____
Date: _____

Agent

By: _____
Title: _____
Date: _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 133
Revision: 0
Superseding Revision:

8. S.C. No. 12 Agency Agreement for Upstream Capacity Assignment:
(Contd.)

Accepted
CORNING NATURAL GAS CORPORATION
(Assignor)

By: _____
Date: _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.
Issued by Michael German, C.E.O. and President, Corning, NY 14830

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 134
Revision: 0
Superseding Revision:

9. FIRM TRANSPORTATION SERVICE AGREEMENT FOR SERVICE TO AGGREGATED CUSTOMERS

THIS AGREEMENT, made this ____ day of _____, 20__ by and between Corning Natural Gas Corporation (Corning), a New York Corporation, having offices at 330 West William Street, Corning, New York, and _____ having a legal address at _____ (Customer).

W I T N E S S E T H :

WHEREAS, Customer has access to available quantities of natural gas, which quantities have been purchased by Customer for use in its facilities located at _____.

WHEREAS, Customer desires to have such quantities of natural gas transported to such facilities by Corning and _____.

WHEREAS, Corning is willing to receive, transport and deliver equivalent quantities (less quantities retained for unaccounted for gas as provided in the applicable tariff provision) to an existing point of delivery between Corning and Customer all on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, and pursuant to the terms and provisions of Service Classification No. 14, P.S.C. No. 4-Gas or superseding issues thereof the parties hereto agree as follows:

A. Term of Agreement

The term of this Agreement shall be one year and shall commence on _____ and shall continue through _____ and continue month to month thereafter unless terminated by either party with a 90 day written notice.

B. Available and Maximum Daily Quantity

The maximum daily quantity of gas to be transported is _____ Mcf. The total quantity of gas to be transported under the terms of this agreement is estimated to be _____ Mcf. Customer expressly acknowledges that it has been apprised of the aforesaid limitations.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 135
Revision: 0
Superseding Revision:

C. Rate

Customer agrees to pay Corning for transportation services provided hereunder in accordance with Service Classification No. 14, P.S.C. No. 4 - Gas, the provisions of which are incorporated herein and made a part hereof by reference.

D. Delivery

The gas to be transported hereunder will be delivered by Corning to Customer, at an existing interconnection of Corning and Customer facilities located at

Corning will retain an amount as provided in the applicable tariff provision as an allowance for losses incurred in the process of delivery.

E. Dispatching

Customer agrees to provide Corning with written confirmation of its nomination by the 20th day of the month preceding the month for which the nomination is made. Customer may delegate all reporting responsibilities to an agent by executing an agreement in the form set forth in the General Information Section of the Company's tariff. If such a designation is made, customer assumes full responsibility for the actions of the agent and relieves Corning of any responsibility for additional costs or penalties incurred as a result of actions of the agent so designated.

Whenever a nomination is changed on a pipeline directly upstream of Corning's city gate, a copy of the revised nomination sheets or other notification in a form acceptable to Corning shall be submitted via fax by 2:00 p.m. on the preceding day. The term "day" will mean the period of 24 consecutive hours beginning and ending at 8:00 a.m.

F. Customer shall be responsible for the acquisition of any property rights necessary to accommodate the construction and installation of facilities which may be required for the receipt, delivery or metering of natural gas delivered hereunder into Corning's pipeline and measurement system. Customer may also be required to install an electronic recording device. A customer may request in writing that less expensive meters be used, however, Customer must indicate in writing a definite

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 136
Revision: 0
Superseding Revision:

willingness to accept the accuracy of Corning's balancing. If electronic metering is necessary, customer will be required to make a deposit of \$100 per meter location at the time of application for service to partially cover costs incurred in the construction and installation of the required receipt or delivery facilities, including, but not limited to, the cost of overheads. Corning shall retain ownership of equipment and be responsible for required maintenance. The remaining cost may be paid in a lump sum by customer or over 24 months, which cost would include interest calculated at the unadjusted customer deposit rate. Corning shall endeavor to utilize the least expensive equipment necessary to provide the required readings. Customer shall be required to provide telephone service and 100 volt electric service at each meter location.

Customer shall be required to provide daily meter readings as requested by Corning during peak periods.

- G. Corning will provide to the marketer by the fifteenth of each month the required daily contract quantity (DCQ) as the minimum daily delivery required for each aggregate customer. The DCQ shall be calculated for each month by dividing the lowest monthly usage in the two prior years by the number of days in the meter reading cycle. The Company at its sole discretion may reduce the monthly DCQ below the computed value for special conditions such as weather and changes in gas usage. A Customer that takes service under this Service Classification accepts the Company's calculation of the DCQ. The Company shall not be liable for errors in the calculation of the Customers DCQ. In the event Customer requests Company to provide historical information other than the DCQ, Customer shall compensate Company for costs incurred which, unless otherwise stated, shall be \$25.
- H. The Customer shall monitor actual gas usage and the daily nomination is to be adjusted to follow changes in the actual volumes used. The total delivered volumes for the month will be billed at the S.C. 14 rates with any imbalance billed to the Marketer. Peak day operations, however, will require daily balancing.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 137
Revision: 0
Superseding Revision:

On peak days, when the total gas requirements on the Gas Company's system are estimated to approach the contract limits of the Gas Company, the Marketer will be notified that the daily delivery will be limited to the actual gas flowing under the Transport Service Agreement. The notice of these peak day conditions when the daily volume will be limited will be made by phone or fax at least 12 hours prior to the gas day affected. This notice will be based on the forecasted weather conditions and the anticipated requirements of customers and an earlier notice will be provided, if possible. Notice to Marketer will be shorter if a shorter notice is received by Corning of an interruption in Customer's supply.

The notices will be made in the form of an "Alert" or a "Restriction" advisory. When possible to do so, Corning will issue an "Alert" to warn off possible restriction conditions. The next step, as conditions require, is a "Restriction" notice. The decision to impose restrictions is based on Corning's forecast of the weather and the gas requirements that are necessary to meet that forecast. During the time that restrictions are in effect, the customer must limit usage to the volume actually transported. If this reduction cannot be made, tariff rate gas will be supplied by Corning, if it is available from system supply. If the total use on the peak days were to exceed Corning's authorized volume and an overrun penalty is imposed, Marketer will be billed for the portion of that penalty for which it is responsible.

- I. Corning will render to Customer a statement of the total quantity of natural gas received for the account of Customer hereunder and the charges due thereon. All bills are rendered at the "unit price" as specified in the Company's tariff plus applicable revenue taxes, and that amount is due on bills paid on or before the date shown on the bill. A late payment charge will be due if payment is not made on or before the date specified on the bill in accordance with the provisions of General Information Rule 12.6 to P.S.C. No. 4- Gas.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 138
Revision: 0
Superseding Revision:

- J. Title to the volumes of gas delivered to Corning under this Service Agreement shall pass to Corning at the Point or Points of Receipt subject to Corning returning equal volumes less the allowance for unaccounted-for gas to the Customer at the Point(s) of Delivery at which latter Point(s) title to the gas shall become vested in the Customer. The Customer and Corning, for themselves, their successors and assigns, warrant, each to the other, that at the time of receipt and delivery of gas hereunder good title to such gas shall be in the party making delivery, and shall be free and clear of all liens, encumbrances and claims whatsoever.
- K. Neither of the parties hereto shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rules and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the party claiming suspension.

Such causes or contingencies affecting the performance hereunder by either party hereto, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Customer from its obligations to make payments of amounts then due hereunder.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 139
Revision: 0
Superseding Revision:

- L. This Agreement shall be expressly contingent upon the receipts of such regulatory approvals or authorizations as may be required. Both parties agree to cooperate to obtain all required approvals or authorizations.
- M. Notices
All notices, invoices and other correspondence sent pursuant to this Agreement shall be addressed to the following parties.

Corning Natural Gas Corporation
P.O. Box 58
Corning, New York 14830
Attention: Senior Vice President-Operations

(Customer)

- N. This Agreement shall be binding upon the successors and assigns of Corning and Customer. No assignment of this Agreement shall be valid without the prior written consent of the parties hereto.
- O. Agent has provided customers the required information with regards to waived protections, dispute resolution procedures and termination procedures.

IN WITNESS WHEREOF, all parties have hereunto executed this Agreement on the day and year first above written.

ATTEST: _____ CORNING NATURAL GAS
CORPORATION

ATTEST: _____ Customer

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 140
Revision: 0
Superseding Revision:

10. S.C. No.14 Agency Agreement for Services to Aggregated Customer

SERVICE CLASSIFICATION NO. 14
AGENCY AGREEMENT FOR
AGGREGATION OF SERVICES

Agreement made this ____ day of _____, 20__, by and between

called "Customer") and _____ of _____

(hereafter called "Agent").

WHEREAS, Customer desires to participate in Corning Natural Gas Corporation's (hereafter called "Corning") Customer Aggregation program but authorizes third party to at as its agent to administer its contract for aggregated service to its facilities at:

Address: _____

Contact: _____
Title: _____
Tel No.: _____
Fax No.: _____

WHEREAS, Customer wishes to designate and appoint Agent as its representative to do all things necessary to effectuate such services as an aggregated transport customer.

WHEREAS, Corning has entered into a Contract with customer, which Customer warrants has been executed and is and will remain in place at all times that this agreement shall be in effect, and the parties agree as follows:

1. Customer must provide Corning notice of whom its Agent is for these purposes at least three (3) days prior to the date the Agent will assume responsibility for administering Customers service contract, or earlier if required by the pipeline.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.
Issued by Michael German, C.E.O. and President, Corning, NY 14830

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 141
Revision: 0
Superseding Revision:

S.C. No.14 Agency Agreement for Services to Aggregated Customer (Cont'd.)

2. Customer agrees that it shall remain the Customer of Record and, accordingly, it shall be billed by Corning in accordance with applicable law and filed regulations for all monies due for such assignment of services and it hereby agrees that, notwithstanding the existence of this Agency Agreement, it remains responsible to Corning for all such service and for any and all acts performed by Agent, including any cost, fees, penalties or imbalances incurred for assignment of services on other pipeline systems.
3. This Agency Agreement may only be canceled effective on the first day of any given month and only upon ten (10) days written notice by either Customer or Agent, by sending notice thereof to the other party to this agreement at the address listed above and to Corning Natural Gas Corporation, PO Box 58, Corning, NY 14830. Such notice shall be deemed made upon receipt of any such notice by Customer. Further, this agreement shall automatically terminate upon termination of Customer's agreement for assignment of services from Corning. Customer will be responsible for any and all service contracted for, including any additional costs or expenses, i.e., rates, charges, penalties, fees, billed to Corning in connection with such services, prior to the ten days' written notice of cancellation.
4. Agent states and Customer affirms that Customer has been notified in writing of the following:

For Residential Customers

- A. The protections which have been waived in this transaction.
- B. A system to handle customer complaints is operational and that the PSC help and hotline numbers have been provided.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 142
Revision: 0
Superseding Revision:

- C. The bills rendered will be clear and in plain language.
- D. Procedures are in place to ensure customers receive adequate prior notice of termination of gas supply services. The procedures must provide that notifications be sent at least 15 days before discontinuation of supply service to allow customers the opportunity to pay the overdue bill or request service from another party.

For Non-Residential Customers

- A. The protections which have been waived in this transaction.
 - B. A dispute resolution process is operational and that the PSC Consumer Service Division is available for resolution of disputes.
- 5. Agent affirms that copies of sample contracts and bills have been filed with the Consumer Services Division.
 - 6. Agent agrees to abide by the terms of the Firm Transportation Agreement entered into by customer and Company.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized representatives on the day and year first above written.

Customer

By: _____
Title: _____
Date: _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.
Issued by Michael German, C.E.O. and President, Corning, NY 14830

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 143
Revision: 0
Superseding Revision:

Agent

By: _____
Title: _____
Date: _____

Accepted
CORNING NATURAL GAS CORPORATION

By: _____
Date: _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.
Issued by Michael German, C.E.O. and President, Corning, NY 14830

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 144
Revision: 0
Superseding Revision:

CUSTOMER WAIVER OF RECORDING METER AND/OR DEVICE

_____ hereby requests a waiver of
the cost for equipment and installation of a recording meter(s) and/or a
telemetering device(s) by Corning Natural Gas Corporation.

The undersigned hereby agrees to provide meter readings as requested by
Corning during peak periods and will accept billing for monthly and daily
balancing as determined by Corning Natural Gas Corporation.

Location: _____

For Account(s) No. _____
Signed by _____

Accepted

CORNING NATURAL GAS CORPORATION

by: _____

Title

Date _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.
Issued by Michael German, C.E.O. and President, Corning, NY 14830

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 145
Revision: 0
Superseding Revision:

11. S.C. No.16 Third Party Supplier Service Agreements

SERVICE CLASSIFICATION NO. 16
SERVICE AGREEMENT FOR
THIRD PARTY SUPPLIERS

Agreement made this ____ day of _____, 20__, by and between

"Supplier") and Corning Natural Gas Corporation (hereinafter called
"Company").

WHEREAS, Supplier desires to deliver natural gas supplies to the
Company for redelivery to Company's Transportation customers and/or act as
agents for transportation customers.

NOW THEREFORE, in consideration of the mutual covenants and promises
contained herein, and pursuant to the terms and provisions of Service
Classification No. 16, P.S.C. No. 4 - Gas or superseding issues thereof, the
parties hereto agree as follows:

A. Terms of Agreement

The terms of this Agreement shall be one year and shall commence on
_____ and shall continue through _____ and
continue month to month thereafter unless terminated by either party on
thirty day written notice.

B. Conditions

By executing this Agreement, Supplier agrees to be bound by all
applicable provisions of the Company's Tariff for gas service on file
with the New York Public Service Commission, as modified and amended
from time to time. In the event Supplier commits any material breach
of the term and condition of the Tariff or this Service Agreement,
Company reserves the right to refuse to accept further deliveries
of gas from Supplier. Company will provide supplier with
proposed tariff provisions when filed with the Public Service
Commission and the final approval obtained.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-
0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 146
Revision: 0
Superseding Revision:

C. Notices

Communications concerning the Agreement shall be in writing and delivered either by hand, by first class mail or by telecopy to the appropriate address or fax number as follows:

Company	Corning Natural Gas Corporation
	330 W. William Street
	P.O. Box 58
	Corning, NY 14830
	607-936-3755
	607-962-2844 (Fax)

Supplier

D. Miscellaneous

This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed in accordance with, the laws of the State of New York and the rules and regulations issued by the New York Public Service Commission.

This Agreement is subject to all valid, present and future laws with respect to the subject matter and to all valid present and future orders, rules and regulations of duly constituted authorities having jurisdiction.

Corning Natural Gas Corporation

By: _____

By: _____

Title: _____

Title: _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 147
Revision: 0
Superseding Revision:

12. SERVICE CLASSIFICATION NO. 15 SERVICE AGREEMENT FOR GENERAL STORAGE
SERVICE

Agreement made this ____ day of _____, 20__, by and between
_____ (hereinafter called "Customer")
and Corning Natural Gas Corporation (hereinafter called "Company").

WHEREAS, Customer desires to utilize a portion of the off system
storage capacity currently reserved for Company.

WHEREAS, Company can make said storage capacity available to Customer
and desires to do so.

NOW THEREFORE, in consideration of the mutual covenants and promises
contained herein, and pursuant to the terms and provisions of Service
Classification No. , P.S.C. No. 4 - Gas or superseding issues thereof the
parties agree as follows:

A. Terms of Agreement:

The term of this Agreement shall commence on _____
and shall continue through _____. If term is for
one year, the Agreement shall continue from year to year unless
terminated by either party on ninety (90) days written notice.

B. Conditions:

By executing this agreement, Customer agrees to be bound by all
applicable provisions of the Company's Tariff for gas service on file
with the New York Public Service Commission, as modified and amended
from time to time. In the event Customer commits any material breach
of the terms and conditions of the Tariff or this Service Agreement,
Company reserves the right to cancel this Agreement, cease accepting
any injections into storage and to purchase any gas already in storage
at Company's lowest cost of gas injected into storage.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-
0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 148
Revision: 0
Superseding Revision:

C. Injection:

Customer shall inject no more than _____ Mcf per day into storage during the period _____ through _____.

D. Withdrawals:

Customer will withdraw no more than _____ Mcf per day during the period _____ through _____. All gas in storage must be withdrawn by the last day of the contract period. Any gas remaining in storage after the last day of the contract period may be purchased by the Company at its sole discretion, at a rate equal to 50% of the cost of the Company's lowest gas supply during the month. Customer shall have no right to withdraw from storage any amounts greater than the remaining balance of gas that customer has caused to be injected into the Company's storage.

E. Notices:

Communications concerning this Agreement shall be in writing and delivered either by hand, by first class mail or by telecopy to the appropriate address or fax number as follows:

Company	Corning Natural Gas Corporation
	330 W. William Street
	PO Box 58
	Corning, NY 14830
	607-936-3755
	607-962-2844 (Fax)

Customer

F. Miscellaneous:

This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed in accordance with, the laws of the State of New York and the rules and regulations issued by the New York Public Service Commission.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 149
Revision: 0
Superseding Revision:

This Agreement is subject to all valid, present and future laws with respect to the subject matter, and to all valid present and future orders, rules and regulations of duly constituted authorities having jurisdiction.

Corning Natural Gas Corporation

(Customer)

By: _____

By: _____

Title: _____

Title: _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 150
Revision: 0
Superseding Revision:

Fixed Price Option

(a) Obligation to offer:

The Company shall provide a written notice offering a voluntary fixed price option designed to reduce gas cost fluctuations caused by price volatility in the market. The fixed price option shall apply to bills rendered beginning in December and ending in May.

(b) Eligibility:

The company shall offer a fixed price option plan to all customers. However, participation shall be limited to subscribers who represent no more than 33% of the estimated normalized consumption in each particular customer classification. At its discretion, the Company may shift volume eligibility from one customer classification to another within the same service classification to compensate for over subscription.

(c) The approved GAC calculation as filed monthly with the Public Service Commission will be utilized as a model for calculating the fixed price to be offered customers. The calculation will utilize volumetric data for the twelve months ended August 31. Pricing will be accomplished with a combination of known point in time and estimated costs. The resulting adjustment to the base cost of gas will be added to the applicable tariff block rates.

The weather normalization clause adjustment will not be applicable to customers choosing the fixed price option.

(d) Reconciliation of refund to recover under-collections or to refund over-collections shall be computed in the

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 151
Revision: 0
Superseding Revision:

manner prescribed for monthly GAC sales. The calculated over or under-collection shall be charged/credited to the accumulated gas adjustment clause over or under-collection for the current August 31 reconciliation period.

(e) Customer requirements:

Customers will be requested to provide the Company with a meter reading either in card form or by telephone for the first and last month of the period. Customers whose meters must be estimated shall be required to abide by the Company's estimate.

(f) Non-performance:

The election to participate in the fixed price option program shall be a one-time election and shall bind the customer to participate for the full period.

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 152
Revision: 0
Superseding Revision:

Fixed Price Option Agreement

TO ENROLL, COMPLETE THIS SECTION INCLUDING YOUR METER READING
RETURN NO LATER THAN NOVEMBER 15,

Name _____ Phone _____
Address _____ Account No. _____
City/State/Zip _____
Signed _____

I understand the terms and conditions of the Fixed Price Option and would like to enroll. I understand that this option guarantees a fixed unit cost for the period which may or may not provide savings. I also understand that if I elect to be billed under the Fixed Price Option, I must participate for the entire period through May.

METER READING: _____

Issued Under Authority of PSC order Dated April 20, 2012 in Case No. 11-G-0280.
Issued by Michael German, C.E.O. and President, Corning, NY 14830

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 154
Revision: 0
Superseding Revision:

Term:

Service will be disconnected upon ten days written notice by customer.

SPECIAL PROVISIONS:

Budget Plan:

At the request of a space-heating customer, either residential, condominium association, or cooperative housing corporation, using a minimum of 100 Mcf of gas per year, by signing an application, billing will be made monthly in accordance with the following budget plan:'

Monthly budget payments shall be based on an amount equivalent to 1/11th of the customers estimated annual bill and such payments shall commence with bills payable in August and end with June payments. Payments due for July will be for the difference between the amount applicable to actual gas consumed during the 12 month period and the amount actually paid during the 11 months of August through June each budget period.

If during the billing months of May and June, the customers account balance is less than the monthly budget payment, then such customer shall pay the account balance instead of the monthly budget payments.

The monthly budget payment, which shall be based on the estimated annual bill of the customer, shall not be construed by the customer as a guaranty or assurance that the total actual charges will not exceed such estimate. The Company may, at any time, submit a revised estimate to the customer whenever, in the Company's judgment, such revision is deemed advisable.

The billing, under this budget plan of payment, is for the convenience of the customer. Bills will be rendered at the regular billing dates and will show the amount budget customers are to pay. The bill will also show the actual gas used and the amount calculated at the applicable rate contained in the Company's tariff. In addition, such bills will show the balance of the customer's account.

If the customer's budget account is in arrears, this budget plan may be cancelled by the Company and the customer billed in accordance with the applicable Rate Schedule. In the event of such cancellation, or if the customer should ask to have service discontinued, the account balance shall then become due. In the event a customer discontinues service and has a credit balance, such balanced shall be refunded.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

Issued by Michael German, President & C.E.O., Corning, NY 1483

Leaf: 155
Revision: 4
Superseding Revision: 2

Applicable to Use of Service for:

Character of Service:

Rate (Per Month) :

First	250 Mcf or less	\$ 1,220.00
All over	250 Mcf	\$ 1.0488

The charges set forth herein shall be subject to a gas supply charge per 100 cubic feet of gas supplied as explained on Leaf No. 73.

Per month - \$ 1,220.00 plus applicable G.A.C.

The rates and charges under this Service Classification, including gas supply and minimum charge, will be increased pursuant to General Information Rule 12-K for service supplied within the municipality where the customer is taking service.

The charges set forth herein shall be subject to a Delivery Rate Adjustment per 100 cubic feet of gas supplied as explained on leaf No. 76.

The charges set forth herein shall be subject to a Virgil Customer surcharge per MCF of gas supplied as explained on Leaf 79. This charge is \$3.25 per MCF and is only applicable to customers within the Virgil Franchise area.

Bills are payable within ten days from date of bill. Bills are rendered at the above Rate. The Late Payment charge will be due if payment is not made on or before the date specified on the bill in accordance with the provisions of General Information Rule 12-I.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 156
Revision: 0
Superseding Revision:

Service Classification No. 2 (Cont'd)

Terms:

Service under this classification will be for one year from date of installation of service hereunder, terminable thereafter by the customer upon 60 days prior notice in writing, and by the company in accordance with law or the provisions of this Rate Schedule

Special Provisions:

1. Estimate by Customer

In October of each year the customer will furnish the company its estimated monthly requirements from the company for the following calendar year including an estimate of the maximum day requirement. When such estimate is accepted by the company it shall be the basis for service during said calendar year.

2. Curtailment

The company shall have the right to limit service at any time with or without notice to the customer, to an amount of gas which the company estimates it will have available for service to the customer in excess of the amount of gas necessary to maintain service to its residential and commercial customers taking service under Service Classification No. 1.

3. Subject to the Company's Ability to Purchase Gas

Applicant agrees to accept service under this classification subject to company's ability to purchase natural gas in sufficient quantity to meet applicant's requirements in addition to maintaining its supply for its residential and commercial customers taking service under Service Classification No. 1.

4. Customers taking service under Service Classification No. 7 and reserving sales customer status and paying a reservation charge, shall have the demand charges adjusted for volumes purchased at Serviced Classification No. 2 rates.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 158
Revision: 0
Superseding Revision:

Service Classification No. 5

Applicable to Use of Service For:

Outdoor gas lighting service to post standards owned and installed by the customer prior to November 9, 1978. Service to such units may be terminated in accordance with General Information Rule 19.G, unless exempted by the Company. (Rate Code GL01, GL02 Fixed Charge code)

Character of Service:

Continuous, unmetered, 24 hour burning service, with straight natural gas - approximately 1000 BTU per cubic foot at approximately 9 inches pressure.

Rates:

Customer will be billed monthly in accordance with the following schedule, on the basis of the appliance name-plate hourly input rating, for lights with rating of 2.5 cu. ft. or less per hour.

	<u>Rate</u>
For each 100 cu. ft. or month	.26118

Note: Lights rated in excess of 2.5 cu. ft. pr hour must be metered.

Gas Adjustment Clause:

The charges set forth herein shall be subject to a gas supply charge per 100 cubic feet of gas supplied as explained on Leaf No. 73.

Increase in Rates and Charges:

The rates and charges under this Service Classification, including gas supply, will be increased pursuant to General Information Rule 12-K for service supplied within the municipality where the customer is taking service.

Delivery Rate Adjustment

The charges set forth herein shall be subject to a Delivery Rate Adjustment per 100 cubic feet of gas supplied as explained on leaf No. 76.

Term:

Service will be disconnected upon ten days written notice by customer.

Special Provisions:

1. The customer shall own, install and maintain the post, lamp fixture and mantles.
2. The company will provide and set a regulator and stopcock for each post lighting installation.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 05/01/2014

Leaf: 159
Revision: 1
Superseding Revision:0

Service Classification No. 6

Applicable to the Use of Service for:

Firm Transportation Service applicable to retail customers served by Service Classification No. 3 to P.S.C. No. 7- Gas (hereinafter called the "Customer") when Corning Natural Gas Corporation (hereinafter called the "Company") has facilities available and adequate for the load. Service under this Service Classification must be requested by a retail customer who has contracted to purchase gas from an alternate source. Such customers shall be limited to those requiring transportation for a minimum volume of 5,000 Mcf annually (Rate Codes CT,CTO,MI,MTO,PT,PTO).

Character of Service:

Firm transportation of end use customer owned pipeline quality natural gas delivered to the customer's existing service point. The Company will control the dispatch of such gas and dispatch will be provided as requested by the Customer, except the quantity of gas delivered will be conditioned upon the availability of the Company's capacity to serve such customers.

Marketers serving firm human needs customers must comply with one of the following:

a) Must take a capacity assignment from the Company for the 12-month period November 1st thru October 31st at maximum rates.

b) Demonstrate that they have adequate winter season (Nov.- Mar.) firm, non-recallable, primary delivery point capacity to the city gate. CNG maintains that any customer who is currently required to have firm, primary point capacity as of August 30, 2007 is included. The level of capacity that is to be "grandfathered" for each marketer is the highest level they possessed on August 30th, October 1st or November 1, 2007. Any change in capacity will be made a part of the Affidavit process that takes place each fall. The level of grandfathered capacity that is accepted at that time will remain in effect for the next 12 months. Customers must take a mandatory assignment of capacity unless they hold grandfathered rights to their own capacity as stated here.

(1) On April 1 of each year the Company will review the quantity of design day requirements to be served by each Suppliers grandfathered capacity over the past thirteen (13) months. Unless the Supplier elects to reduce its grandfathered capacity, there shall be no reduction to the Supplier's quantity so long as the grandfathered capacity exceeds the quantity provided by the Supplier, or if the decrease in design day requirement quantity is less than 500 Dth. If the design day requirement quantity decreases by more than 500 Dth, the Supplier's grandfathered capacity will be reduced to the highest design day requirement quantity during the previous thirteen (13) months.

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

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 161
Revision: 0
Superseding Revision:

Terms of Payment:

Bills are rendered at the above Rate. The Late Payment charge will be due if payment is not made on or before the date specified on the bill in accordance with the provisions of General Information Rule 12.C.

Terms:

The term shall be defined within the written service agreement and mutually agreed upon by the Customer and the Corporation.

General Terms and Conditions:

The General Information Rules of the Company's rates and tariffs are applicable to all information not specifically covered within this Service Classification, and are hereby made a part thereof.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

Leaf: 162
Revision: 4
Superseding Revision: 2

Applicable to the Use of Service for:

Character of Service:

Rate (Per Month) :

Minimum Charge:

Increase in Rates and Charges:

Delivery Rate Adjustment

Virgil Customer Surcharge

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 163
Revision: 0
Superseding Revision:

- (A) A per unit balancing charge as described in General Information Section 24B shall be added and the rate will be provided in a monthly statement to be filed with the Public Service Commission.

Application of Deliveries:

Monthly deliveries to the customer will be applied first to any minimum requirement under the applicable tariff provisions for firm service. Customers are required to balance the volumes delivered to the Company with actual usage daily and monthly within tolerances specified in General Information location 24B.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 164
Revision: 0
Superseding Revision:

Terms of Payment:

Bills are payable within ten days from the date of bill. Bills are rendered at the above Rate. The Late Payment charge will be due if payment is not made on or before the date specified on the bill in accordance with the provisions of General Information Rule 12.I.

Term:

The term shall be one year as defined within the written service agreement and mutually agreed upon by the Customer and the Corporation.

General Terms and Conditions:

The General Information Rules of the Company's tariffs are applicable to all information not specifically covered within this Service Classification, and are hereby made a part thereof.

Special Provisions:

1. A written agreement shall be signed by both parties in the form set forth in the General Information section of the Company's tariffs.
2. The Company will not be responsible for the substitute supply of gas under this service classification. If a customer who elects not to reserve supply and capacity on the Company's system cannot obtain an independent supply of gas, the Company may, at its sole discretion, and on a best-efforts basis, provide service under S.C. 2.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

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Leaf: 165
Revision: 4
Superseding Revision:2
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This Service Classification is only available to HammondSport SC4 Customers as of April 30, 2012 (Rate Codes HT, HTO). Transportation Service, at one location, to any large volume customer, when the Company has received and accepted an Application for Transportation.

a) Must take a capacity assignment from the Company for the 12 - month period November 1st thru October 31st at maximum rates.

b) Demonstrate that they have adequate winter season (Nov.-Mar.) firm, non-recallable, primary delivery point capacity to the city gate. CNG maintains that any customer who is currently required to have firm, primary point capacity as of August 30, 2007 is included. The level of capacity that is to be "grandfathered" for each marketer is the level they possessed on August 30, 2007. Any change in capacity will be made a part of the Affidavit process that takes place each fall. The level of grandfathered capacity that is accepted at that time will remain in effect for the next 12 months. Any customer must take a mandatory assignment of capacity unless they hold grandfathered rights to their own capacity on August 30, 2007

c) Due to the continual changes in the local production levels in CNG service territory, CNG will examine each Marketer's commitment to local production transportation volumes on an individual basis. Many variables exist due to the changing (both increasing and decreasing) volumes that are available from any given well. Consideration must be given on an individual producer basis, for how many wells exist, how long have they been in production, how many are interconnected to a gathering system, etc. CNG will maintain the right to determine if local production is suitable as firm primary capacity.

Minimum Charge:

Per Month - first .3 mcf 100.00 plus applicable gas adjustment.
For Firm Transportation Service: \$0.18040 per ccf.

The Interruptible Transportation Service Rate applicable to all contracts signed during the calendar month shall be determined monthly at the discretion of the Company and will be based on the Customer's alternate fuel.

The Interruptible Transportation Service Rate in effect on the day the Customer's contract is signed shall be a fixed rate for the term of the contract up to 12 months (beginning the month following the month in which the contract is signed).

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 166
Revision: 0
Superseding Revision:

The rate categories are as follows:

<u>Rate Categories</u>	<u>Customer's Alternate Fuel</u>
Category A	Propane
Category B	No. 2 Oil
Category C	No. 2 Oil
Category D	No. 6 Oil

Notification of Rate:

The Company will notify Customers served under this service classification of the change in the calendar month Rate by a Statement of Transportation Rate which will be filed with the Public Service Commission, apart from this Schedule, not less than three days before the rate is to become effective, and will be available to the public at Company offices at which application for service may be made.

Heating Value Adjustment:

The volume of gas registered by the Customer's meter, in 100 Cu. Ft. will be converted to therms.

Increase in Rates and Charges:

The rates and charges under this service classification including the Minimum Charge will be increased by the applicable percentage for service supplied within the municipality where the customer is taking service.

Delivery Rate Adjustment

The charges set forth herein shall be subject to a Delivery Rate Adjustment per 100 cubic feet of gas supplied as explained on leaf No. 76.

Imbalance Between Receipts and Deliveries of Customer-Owned Gas:

Customers shall follow the balancing rules described in General Information Section W5 of the Company's tariff.

A per unit balancing charge shall apply to all transportation volumes. The rate shall be one-tenth of the Company's annualized per unit cost of storage from the monthly GAC computation. The rate shall be provided in a monthly statement to be filed with the Public Service Commission. Collections from the balancing charge shall be credited to the Gas Adjustment Clause.

Terms of Payment:

Net cash, unless otherwise agreed to by the Company and the customer.

Term:

Up to twelve months from the date of commencement of service. The term may be extended by agreement between customer and Company upon the customer's 90 day prior notice in writing to the Company. Terminable by the Company in the manner provided by law and the rules and regulations set forth in this schedule. Nothing herein shall be deemed to preclude the Customer from applying for gas service under any Service Classification for which may be eligible at the time of such application.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 167
Revision: 0
Superseding Revision:

Special Provisions:

- (a) Facilities: The estimated cost of any new facilities required for this service shall be paid for in advance by the customer unless other wise agreed to in writing by the Company and the customer.
- (b) Loss Allowance: Charges for gas are applicable to quantities metered at the existing facilities at the customer's usual service point. As an allowance for losses incurred in the process of delivery, the customer shall provide the Company with a volume of gas equal to the lost and unaccounted for gas as calculated by the Company.
- (c) Supplemental Service Charges:
 - (1) Firm transportation customers will be required to take supplemental service under the firm rates (S.C. No. 2) and as such deficiencies in monthly Transportation Quantities delivered to the Company in comparison with quantities delivered to the Customer will be billed at the applicable retail rate for sale.
 - (2) Interruptible transportation customers can elect to take supplemental service under S.C. No. 3. Charges set forth under that service classification would apply to this service.
 - (3) Interruptible transportation customers who continue to take gas after they have been directed to discontinue will be billed at 300% of the effective rate for S.C. No. 3.
- (d) Rights to Firm Service: Existing firm service customers who elect to take firm transportation service may retain any firm gas entitlement rights that exist at the time transportation service commences. Customers who contract for firm transportation service after December 24, 1987, will be required to pay the firm entitlement surcharge on all transportation volumes and will be required to take supplemental service under another firm service classification. A monthly firm Entitlement Surcharge per therm will be added to the rate for Firm Transportation Service.
- (e) Service rendered hereunder shall be for a single Customer at a single location. Individual agreements are required for each location.
- (f) The transportation gas must be for the Customer's own use and will not be remetered (or submetered), resold, assigned, or otherwise disposed of to another or others. Time to pay all transportation service per Service to be
- (g) Remote reading devices may be required for all contracts for this service signed after December 24, 1987. The additional cost, which is that in excess of a regular meter will be paid by the Customer prior to the initiation of service.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 168
Revision: 0
Superseding Revision:

CORNING NATURAL GAS CORPORATION
APPLICATION FOR TRANSPORTATION SERVICE
SERVICE CLASSIFICATION NO. 8

The undersigned (herein called "the Customer") hereby requests that Corning Natural Gas Corporation (herein called "the Company") supply the Customer with transportation service under the Company's Service Classification No. 4 of its schedule for gas service, PSC No. 1 - Gas, as the same may be amended from time to time, for the delivery of gas to the following address:

Account No. _____
Alternate Fuel _____
Service Start Date _____
It is understood that:

- (1) The term of this agreement is 12 months from the date of commencement of service. The customer may not renew service before the term of this contract expires, if termination took place prior to that date. The customer may, upon notification in writing, terminate this agreement at any time.
- (2) Service pursuant to Service Classification No. 4 is subject to the special provisions of that classification, as set forth in the Company's schedule for gas service, and to the particular conditions of delivery set forth in this application and accepted by the Company.
- (3) The Company will determine if the customer qualifies for transportation service under the conditions applicable to Service Classification No. 8 and has the capability to consume at least 1,000 dth per year.
- (4) The Company shall have 15 days to review the application for service, if the Company does not notify the Customer of nonacceptance within 15 days of receiving the application, it will be deemed to be accepted by the Company.
- (5) The Customer has purchased natural gas from _____ which it has arranged to have transported to (an) existing receipt point(s) of the Company's gas facilities by _____. The Customer agrees that the supply of the Customer and its transportation to (an) existing receipt point(s), shall be the responsibility of the Customer.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 169
Revision: 0
Superseding Revision:

- (a) Annual Transportation Quantity _____ dt
- (b) Daily Transportation Quantity _____ dt
(Average Daily Transportation Quantity is equal to
1/365 of the Annual Transportation
Quantity)
- (c) Maximum Daily Transportation _____ dt
Maximum Daily Transportation is equal to 150% of the
Average Daily Transportation Quantity)

(6) Check One:

- _____ (a) The Customer Qualifies for firm transportation service which requires the customer to also take supplemental service under Service Classification No. 2.
- _____ (b) The Customer qualifies for interruptible service and agrees to also take supplemental service under Service Classification No. 3.
- _____ (c) The Customer qualifies for interruptible transportation service and DOES NOT agree to take supplemental service from the Company, Inc. under Service Classification No. 3. However, the customer agrees to the provisions for interruption contained in Service Classification No. 3 and has dual fuel capability.

(7) Copies of all contracts with producers must be provided to the Company with each application for service.

(8) Throughout the term hereof, the Customer shall provide to the Company by the 15th of every month, a nomination schedule for the next succeeding month which will indicate the pipeline receipt point as well as the quantities of gas nominated at both the pipeline receipt point and the Company's receipt point. The Customer has the right to modify these nominations in writing 24 hours prior to delivery.

(9) The Customer agrees on each day during the term of service hereunder, to deliver, or cause to be delivered at the receipt point, the transportation quantity, based on the nomination schedule submitted to the Company by the 15th day of the prior month. In the event the customer tenders quantities in excess of the Maximum Daily Transportation Quantity, the Company may, at its sole discretion, provide transportation for such volumes if sufficient capacity is available in its system.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 170
Revision: 0
Superseding Revision:

- (10) Charges for gas are applicable to quantities metered at the customer's usual service point.

As an allowance for losses incurred in the process of deliver, the Customer shall provide the Company with a volume of gas equal to the lost and unaccounted for gas as calculated by the Company.

- (11) The Rates (per meter per month): (check one)

_____ (a) For Firm Transportation Service: the rate as stated in the tariff for S.C. 4 per therm plus a firm entitlement surcharge as defined in Special Provision (d) of Service Classification No. 4.

_____ (b) For Interruptible Transportation Service: the term begins no earlier than 15 days following receipt of this application for service. The rate in effect on the "Statement of rates and charges for Service Classification 4" on the date the agreement is signed by the Company Inc., shall be applicable for the entire term of this agreement. The rate is _____ per therm for the term of this agreement specified in paragraph 1.

_____ (c) For Interruptible Transportation customers that continue to take gas after they have been directed to discontinue: a rate of 300% of the effective rate for S.C. No. 3 as provided for S.C. 4, Special Provision (c).

_____ (d) The rates and charges under this Service Classification, including the minimum charge, are to be increased by the applicable percentage for service supplied within the municipality where the Customer is taking service.

- (12) The Customer represents that the total quantities of gas nominated above does not exceed the requirements of the Customer.

(13) (a) For customers electing service under Paragraphs 6(a) or 6(b) above, deficiencies in monthly transportation quantities delivered to the company, in comparison with quantities delivered to the Customer will be billed in accordance with S.C. 4, Special Provision (c).

(b) For Customers electing service under Paragraph 6(c) above, deficiencies in monthly transportation quantities delivered to the Company in comparison with quantities delivered to the Customer will be billed at the S.C. No. 3 tail block rate, plus the applicable gas cost adjustment.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 171
Revision: 0
Superseding Revision:

(14) Excesses in monthly transportation quantities delivered to the Company, in comparison with quantities delivered to the customer, will be carried over to the next billing period (approximately 30 days). At the Company's sole discretion, it will have the option to purchase Customer gas carried over and not consumed within the next billing period at the lowest price paid by the Company for spot market gas.

(15) All transportation customers will be responsible for the additional costs of installing remote meter reading devices and any new facilities required for this service. The estimated cost of any new facilities required for this service shall be agreed to in writing by both parties and paid for in advance by the Customer.

(16) The cost of any additional charges such as FERC filing fees, pipeline imbalance penalty charges, etc. will be the responsibility of the Customer.

(17) The Customer represents that has the authority to act as its agent in all dealings with the Company including the submittal of monthly Customer nomination schedules and the Customer accepts full responsibility for all acts committed by such agent on the Customer's behalf.

(CUSTOMER'S NAME)
By: _____ (Signature)
Title: _____ (Name Printed)
Date: _____
ACCEPTED BY CORNING NATURAL GAS CORPORATION
By: _____ (Signature)
Title: _____ (Name Printed)
Date: _____

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.
Issued by Michael German, C.E.O. and President, Corning, NY 14830

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 172
Revision: 0
Superseding Revision:

Service Classification No. 9

Applicable to the Use of Service for:

Firm Transportation Service applicable to a wholesale as public utility Corporation (hereinafter called the "Customer") when Corning Natural Gas Corporation (hereinafter called the "Company") has facilities available and adequate for the load.

Character of Service:

Firm transportation of customer owned pipeline quality natural gas requested by customer will be provided from a delivery point on the Company's service territory to the existing facilities at the customer's existing purchase point. The Company will control the dispatch of such gas, and dispatch will be provided as requested by the Customer, except the quantity of gas delivered will be conditioned upon the availability of the Company's capacity to serve the Customer.

Rate:

For all gas delivered under this rate classification during each month, the rate shall be \$0.21288 per Dekatherm, plus the applicable revenue taxes. In addition to the above rate a per unit surcharge based on the pro-rata share of the Cove Point LNG amortization charge billed by the Company's suppliers, which may be adjusted to reflect any significant changes in supplier billings. Prior to any change in the surcharge rate, a detailed statement will be filed with the Public Service Commission.

Terms of Payment:

Bills are payable within ten days from date of bill. Bills are rendered at the above rate. The Late Payment Charge will be due if payment is not made on or before the date specified on the bill in accordance with the provision of General Information Rule 12-I.

Terms:

The term shall be defined within the written service agreement and mutually agreed upon by the Customer and the Corporation.

General Terms and Conditions:

The General Information Rule of the Company's rates and tariffs are applicable to all information not specifically covered within this Service Classification, and are hereby made a part thereof.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 173
Revision: 0
Superseding Revision:

Service Classification No. 10

Applicable to the Use of Service for:

Large volume firm dual fuel transportation service to customers who meet the eligibility requirements for service under S.C. 3 to P.S.C. No. 7 - Gas when Corning Natural Gas Corporation (hereinafter called "Company") has facilities available and adequate for the load. Service under this Service Classification must be requested by a retail customer who has contracted to purchase gas from an alternate source. Such customers shall be limited to those requiring transportation for a minimum volume of 25,000 Mcf annually and have demonstrated to the Company's satisfaction the ability to utilize fuel oil as an alternate source of fuel(Rate Code HTF,OTF,SC5.

Character of Service:

Firm transportation of end-use customer owned pipeline quality natural gas delivered to the dual fuel customer's existing service point. The Company will control the dispatch of such gas, and dispatch will be provided as requested by the Customer, except the quantity of gas delivered will be conditioned upon the availability of the Company's capacity to serve such customers.

Rate:

A rate of 1,000 cubic feet (Mcf) shall be established for each category of dual fuel customers, at the sole discretion of the Company, each month and shall be applicable to all gas transported under each category of this Service Classification. The dual fuel categories are based on the customer's alternate fuel type as follows:

Category A - No. 5 Fuel Oil
Category B - All other Fuel Oil

The rates shall be filed with the Commission and available for public inspection at the Company office at least three (3) working days prior to the first day of the billing period for which the rate shall apply.

The rate per Mcf shall not be less than \$0.1000 nor greater than the S.C. No. 7 Transportation Rate.

The customer's meter shall be read each time a rate adjustment is made so as to bill the consumption at the appropriate rate.
Billing shall be in accordance with General Information Section 24C.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 174
Revision: 0
Superseding Revision:

Rate (continued):

In addition to the above rate, a per unit surcharge based on the pro-rata share of the Cove Point LNG amortization charge billed by the Company's suppliers, which may be adjusted to reflect any significant changes in supplier billings. Prior to any change in the surcharge rate, a detailed statement will be filed with the Public Service Commission. However, this surcharge shall be deferred when the flex provisions of this service classifications are invoked. This would occur when fuel oil competition would force the rate below the ceiling described above.

Application of Deliveries:

Monthly deliveries to the customer will be applied first to any minimum requirement under the applicable tariff provisions for S.C. No. 2 firm service. Volumes above the firm service minimum requirement, up to the volumes received for transportation (net loss allowance) to the Customer, shall be considered gas delivered under this Service Classification. Any additional volumes shall be billed at the rates specified in applicable tariff provisions for firm service.

Terms of Payment:

Bills are payable within ten days from date of bill. Bills are rendered at the above Rate. The Late Payment charge will be due if payment is not made on or before the date specified on the bill in accordance with the provision of General Information Rule 12.I.

Term:

The term shall be defined within the written service agreement and mutually agreed upon by the Customer and the Corporation for a period not to exceed one year. It will not be necessary to revise such contract with each rate adjustment.

General Terms and Conditions:

The General Information Rules of the Company's rates and tariffs are applicable to all information not specifically covered within this Service Classification and are hereby made a part thereof.

When it is necessary to invoke the flexible rate, eighty-five percent (85%) of the difference between the billed revenues and revenues that would have been billed under the full tariff rate shall be deferred, with interest, in Account 186. Any balance in Account 186 at August 31 shall be transferred to the GAC imbalance for the applicable reconciliation year.

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Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 175
Revision: 0
Superseding Revision:

Service Classification No. 11

APPLICABLE TO USE OF SERVICE FOR:

Firm or Limited Negotiated Transportation Service to any new or existing customer who has negotiated and executed a Service Agreement with the Corporation for a term of not less than three (3) years. Service under this Service Classification is available throughout the Corporation's service territory to which this schedule applies. Negotiation for service under this classification is permitted where a viable alternative to supply of the customer's requirements by Corning Natural Gas Corporation exists and the customer has demonstrated an intent to utilize the alternative source (Contract 1-7).

CHARACTER OF SERVICE:

Transportation of customer-owned, pipeline quality, natural gas will be on a firm or limited firm basis from a delivery point within the Corporation's service territory to which this schedule applies to the facilities at the customer's service point. The Corporation will control the dispatch of such gas, and dispatch will be provided as requested by the customer, provided, however, that acceptance of the customer's Service Agreement will be conditioned on the availability of the Corporation's system capacity.

This service is subject to the Corporation's right to purchase from the customer pipeline capacity and/or gas supply, hereinafter referred to as Buyback, if so specified in the Service Agreement, for purposes of providing sales service to the Corporation's existing customers.

Gas service provided hereunder shall be metered and billed separately from gas service provided under any other service classification of the Corporation.

Virgil Customer Surcharge

The charges set forth herein shall be subject to a Virgil Customer surcharge per MCF of gas supplied as explained on Leaf 79. This charge is only applicable to customers within the Virgil Franchise area.

Issued Under Authority of PSC Order Dated April 20, 2012 in Case No. 11-G-0280.

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

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2012

Leaf: 176
Revision: 0
Superseding Revision:

SERVICE AGREEMENT:

The Corporation and the customer shall execute a Service Agreement in advance of the initiation of transportation service under this service classification.

The Service Agreement shall contain and specify all terms and conditions necessary for the Corporation to provide service to the customer including, but not limited to:

- A. The term of service, including provisions for extension and termination of service.
- B. The exact character of service, including gas volumes, delivery pressures, date service is to commence and period for which service is to be rendered.
- C. The specific receipt point(s) and delivery point.
- D. All incremental facilities required to provide service and any necessary financial guarantees regarding recovery of such investment costs.
- E. A listing of base rate charges to be paid for services rendered.
- F. Provisions under which Buyback of capacity and gas supply can occur.
- G. Gas nomination procedures required by the Corporation.
- H. Treatment of daily and monthly gas imbalances.

Terms and conditions of service included in each Service Agreement required for service hereunder will be established in a manner which does not unduly discriminate between similarly situated customers.

Negotiated Service Agreements between the Corporation and customer will be filed with the Public Service Commission at least thirty (30) days before becoming effective. Contracts filed under this tariff will become effective thirty (30) days after the filing, absent intervention by the Public Service Commission. A summary of each transportation agreement in effect shall be included on a listing appended to this tariff rate schedule, Service Classification No. 11.

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RATE:

The specific charges for service under this service classification shall be stated in the negotiated Service Agreement executed for each customer served hereunder. The stated rate contained in any Service Agreement will, at a minimum, recover all incremental costs the Corporation incurs in serving the customer, appropriate pipeline adjustments and charges, plus a reasonable contribution toward system costs.

MINIMUM ANNUAL CHARGE:

Customer will be required to transport and pay for under this service classification a minimum annual quantity of gas as specified in the Service Agreement.

INCREASE IN RATES AND CHARGES:

The rates and charges under this service classification will be increased in accordance with Paragraph 24A of the General Information section of this schedule to reflect the tax rates applicable within the municipality where the customer takes service.

TERMS OF PAYMENT:

All bills are rendered at the above rates and that amount is due on bills paid on or before the past due date indicated on the bill. A late payment charge at the rate per month specified in the Service Agreement will be billed on all amounts not paid by that date.

TERM:

The initial and renewal term provisions shall be as provided for within the Service Agreement.

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GENERAL GUIDELINES FOR SERVICE:

For service to be rendered under this service classification, the Corporation will generally be guided by, on a case-by-case basis, the following considerations for purposes of negotiating the specific rate level and establishing the related terms and conditions of service applicable to each customer served hereunder, as stated in each Service Agreement.

- A. The character of service, including the daily, seasonal and annual gas volumes and pressures to be utilized by the customer, term of service and commencement date of service.
- B. The specific location of the customer relative to the Corporation's existing service territory and to the availability of alternate service.
- C. The nature and level of incremental facilities required to provide service and the recovery of cost for such facilities required over the term of the Service Agreement.
- D. The potential impact of the service on the Corporation's ability to move gas volumes on its gas pipeline system, including its affect on the Corporation's gas supply management, system gas supply costs and gas dispatch activities.
- E. The proximity to the transmission facilities of an upstream gas pipeline and the degree to which the customer can operationally and with reasonable certain cost savings implement a bypass of the Corporation's gas system through a direct and/or indirect interconnection with an interstate gas pipeline.
- F. The degree to which a customer has the required equipment in place and can operationally and economically utilize an energy service other than natural gas that can displace or substantially reduce the Corporation's provision of service to the customer.
- G. The specific nature, level, benefits and costs of Buyback available to the Corporation from the customer.
- H. Other circumstances such as non-cost considerations, value of service or other public interest considerations.

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SPECIAL PROVISIONS:

- A. The quantity to be billed under this service classification is the quantity delivered to the Corporation less an allowance for losses at a level specified in the Service Agreement.
- B. Each month the Customer's aggregate gas consumption and deliveries of customer-owned gas supplies to the Corporation's gas system will be reconciled. The terms and conditions contained within each negotiated Service Agreement under this Service Classification with respect to gas imbalances will provide adequate assurances that other customers are not disadvantaged by the gas delivery patterns for gas taken. Deliveries of gas under a Service Agreement negotiated pursuant to this Service Classification are subject to the terms and conditions of this tariff as they may change from time to time.
- C. Customer taking non-firm service under this service classification shall be obligated to pay for all connections and upgrades to facilities in order to take service. The customer contract shall include a provision for payment any facility improvements over a period of time not to exceed five years. The payments from customers shall be used to write off the cost of the assets to provide service. Company will take the cost of connection divided by the contract period. This annual amount shall be deducted from the amount of Net Revenue billing (delivery rates) received from the customer and such amount will be used to write off the cost of the asset needed to provide service.

1. Overruns:

The customer must pay for overruns (where aggregate consumption is greater than deliveries of customer-owned gas to the Corporation) at the rate specified in the applicable sales tariff provision for the service classification designated for the customer's meter. The customer will also be required to reimburse the Company for any additional charges, including penalties, that may be incurred by Corning as a result of the customer taking sales service.

2. Underruns:

(Where consumption in a given month is less than deliveries of customer-owned gas to the Corporation for the month plus any allowed underrun from the previous month.)

The Service Agreement shall detail the method by which monthly underruns shall be handled.

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Service Classification No. 12

APPLICABLE TO SERVICE FOR:

The assignment of firm or recallable capacity on upstream pipeline(s) available to Corning Natural Gas Corporation (hereinafter called "Assignor"). The assignment of capacity will be available to all transportation customers and to other parties subject to the availability of capacity to be assigned.

CHARACTER OF SERVICE:

The assignment of firm capacity rights on upstream pipelines shall be at the sole discretion of Assignor within the requirements of the specific upstream pipeline(s)' policies and procedures and the valid requirement of governmental and regulatory authorities having jurisdiction over such transactions.

DEFINITIONS:

- A. Assignor means Corning Natural Gas Corporation ("Corning" or "The Company").
- B. Customer means a Gas Transportation customer taking service under Service Classification Nos. 6, 7, 10 or 11 of this tariff.
- C. First Assignee means any person who has completed a valid S.C. No. 12 Upstream Capacity Assignment Application Form.
- D. Subsequent Assignee means a replacement shipper who enters into a contract with First Assignee (or second or third assignee) in order to take possession of capacity. The replacement shipper remains subject to the pipeline's operational provisions as stated in the pipeline tariff.
- E. Transportation Quantity means the quantity of gas delivered to the Delivery Point(s).
- F. Maximum Daily Quantity means the maximum quantity that the assignee can transport to the Delivery Point on any day as specified in their Capacity Assignment Application Form.
- G. Deliver Point means the point where the interstate pipeline delivers the gas.
- H. Upstream Pipeline means the pipeline on which capacity is assigned under this service classification.

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BILLING QUANTITY:

The capacity to be billed each month under this service classification by the Company to the Customer will be based on a two-part rate. At the sole discretion of Assignor, the quantity to be billed each month under this service classification may be based on a one-part blended rate. Capacity assigned under a one-part blended rate will be deemed to be recallable by Assignor.

- A. The two-part rate will have a demand billing determinant consisting of a Maximum Daily Quantity and a commodity billing determinant consisting of the Transportation Quantity for each capacity assignment awarded.
- B. Customers billed using the one-part blended rate will have a commodity billing determinant consisting of the Transportation Quantity.
- C. If the upstream pipeline has a capacity release program, whereby all assignments of its capacity and subsequent billings must be made by the upstream pipeline, then the billing quantity under this service classification shall be zero.

POSTING:

- A. Assignor shall post its maximum rate and minimum rate for assignment of services available no later than thirteen (13) business days prior to the end of the month preceding the month of capacity availability. These postings will include rates stated on a two-part basis and at Assignor's sole discretion, a one-part blended rate. In addition, the posting will include the pipeline path, the Delivery Point, the term of the capacity assignment, the amount of capacity available for assignment and the conditions of recallability. In the event that Assignor elects to offer capacity for assignment on less than a thirty day term, Assignor will modify the above referenced posting schedule as appropriate.
- B. Bids received within three business days from the posting date set forth above, will be accepted in accordance with the criteria set forth in Special Provision A.
- C. For assignments commencing on the first of any month, Assignor shall provide a capacity assignment schedule indicating the date the maximum and minimum rates will be posted, the date bids are due from all Customers and other parties, the date bids will be awarded and the date nominations are due to interstate pipelines.

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RATE:

- A. First Assignees billed the two-part rate will be billed the Maximum Daily Quantity times the agreed upon demand charge rate as set forth on Attachment No. 1 to the Capacity Assignment Application Form. In addition, the First Assignees will be billed the Transportation Quantity times the as-billed firm transportation commodity rate charged by the pipeline.
- B. First Assignees billed the one-part blended rate will be billed the Transportation Quantity times the rate set forth on Attachment No. 1 of the assignment of services form which shall reflect the as-billed firm transportation commodity rate plus an allocation of the pipeline's firm transportation demand charge calculated on a per unit basis at the pipeline's average system load factor.
- C. First Assignee shall be liable for applicable Gross Earnings and Gross Revenue Taxes and any additional costs or charges such as imbalance penalties, fees, annual charge adjustment, take-or-pay, or any other charges billed by the pipeline to Assignor in connection with such services.
- D. In the event that the pipeline's FERC gas tariff includes both a daily demand component and an annual demand component, the demand rate charged by Assignor shall be the pipeline's daily demand rate plus the annual demand rate multiplied by 365 and divided by 12. The sum shall be applied to the Maximum Daily Quantity to arrive at the Monthly Demand Charge maximum.

TERMS OF PAYMENT:

Bills are due and payable. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2%).

INCREASE IN RATES AND CHARGES:

The rates and charges under this service classification will be increased in accordance with Paragraph 24A, Page 79 of the general information section of this schedule to reflect the tax rates applicable within the municipality where the customer takes service.

TERM:

The term of the assignment of services shall be as stated in the effective application for service form.

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Initial Effective Date: 09/01/2012

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SPECIAL PROVISIONS: (Cont'd)

- A. Corning will assign capacity to parties submitting bids which produce the greatest revenue stream. Such revenues shall include only pipeline capacity charges and shall not include revenues related to the use of the Company's distribution system. Such bids shall be subject to the maximum and minimum rates as set forth in the posting paragraph above, and to the capacity release requirements of the upstream pipeline, as set out more fully in Paragraph B below. Tie-breaking method: If more than one bidder wins under the applicable evaluation criteria, the capacity will be released as follows: first to the winning bidder who submits a non-contingent bid. If more than one winning bid is non-contingent, then to the bidder that is currently utilizing the system capacity, or if no winning bidder is currently utilizing the subject capacity, then to the bidder who submitted its winning bid first in time. For bid evaluation purposes, all bids received on a one-part basis will be restated as a two-part rate based on the assignors evaluation of load factor.
- B. If the upstream pipeline has a capacity release or reassignment program which requires all releases of its capacity to be made through the upstream pipeline's program, then all capacity assignments under this service classification will ultimately be subject to the posting, bidding and other applicable provisions of the upstream pipeline's capacity release program.
- C. Corning shall have no obligation to allocate capacity to customers or other parties who are not willing to pay the maximum rate, unless all requests for assignment at the maximum rate have been satisfied. In the event that insufficient capacity is available to meet all the maximum bids as evaluated in A above, the available capacity shall be prorated among all bidders with the applicable maximum bid except that system customers will be allowed to receive 100% of their nomination before allocation to off system customers. In the event that capacity is available after all nominations at the maximum bid have been satisfied, capacity shall be allocated to customers and other parties providing the next highest bid.
- D. Assignor may allocate capacity on either a firm or recallable basis as stated in the application for services form. In the event a Customer elects to pay a one-part rate, the assignment may be limited at Assignor's discretion, to the customers' anticipated monthly use, adjusted for losses, divided by the number of days in the month. Nothing herein shall prohibit First Assignee from reassigning the assigned services to a subsequent Assignee, or any subsequent assignments thereafter.

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SPECIAL PROVISIONS: (Cont'd.)

- E. First Assignees, who have executed valid Agency Agreements as set forth in Rule 26, will have the right to permit other parties, as their agent, to administer their contracts for assignment of services. An agent may administer assignment of service contracts for more than one customer and thus aggregate assignment of services for such customers under all of those contracts, provided however, that the agent's use of that aggregated assignment of service contract is limited to assignment of services for customers that have delegated their assignment of service contracts to that agent. The customer must provide Assignor notice of whom its agent is for these purposes at least three (3) days prior to the date the agent will assume responsibility for administering the customer's assignment of service contract. The customer may only appoint one agent for each assignment of service contract but that customer may enter into multiple assignment of service contracts to permit the customer to delegate assignment of service contracts to more than one agent.
- F. All First Assignees or their agents designated in executed Agency Agreements set forth in Rule 26 must be connected to the information and communication system specified by the Corning Gas Supply Department. Corning shall have no obligation to allocate capacity to customers or other parties who are not connected to the information and communication system.
- G. For any assignment of services tendered by Assignor to First Assignee:
1. First Assignee shall be responsible for compliance with all terms and conditions for specific assigned services that are contracted for, as set forth herein, including all terms and conditions and any revisions thereof that may be proposed and made effective, as set forth by any and all pipeline(s) for which assignment of services are rendered.
 2. First Assignee, or his designated Agent, shall submit all transportation nominations for assignment of services contracted for, or for any subsequent assignees, to Assignor in accordance with the Capacity Assignment Schedule to be provided by Corning on a monthly basis.
 3. First Assignee shall be responsible for paying all rates, charges, penalties, and fees which may accrue in connection with the assignment of services contracted by First Assignee, or any subsequent assignees.

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SPECIAL PROVISIONS: (Cont'd.)

4. First Assignee, and/or any subsequent assignees or their principals, shall be responsible to balance and correct all imbalances incurred as a result of any assignment of services.
 5. First Assignee warrants that it, and/or any subsequent assignees or their principals, will have good title to all gas delivered to Assignor hereunder, free and clear of all liens, encumbrances, and adverse claims whatsoever, and free of any claim rightful or otherwise, of any third person by way of infringement, including but not limited to, liens to server payment of landowners. First Assignee will indemnify Assignor and hold Assignor harmless against and loss or cost incurred by Assignor on account of such liens, encumbrances, and claims.
- H. The Assignor and First Assignee shall comply with all applicable terms and conditions of the order(s) of any governmental and/or regulatory authorities having jurisdiction over such transactions for authorizing this assignment of services, including all necessary reporting requirements.
- I. The Assignor has the unilateral authority to terminate any assignment of services with First Assignee, or any subsequent assignees, that it deems inappropriate and/or could subject Assignor's to imbalance or scheduling penalties without any liability to Assignor.
- J. In no event shall any contractual provisions of any assignment of services with First Assignee, or any subsequent assignees, be changed without written consent of Assignor. Contractual provisions, must include, but are not limited to primary receipt points, volumes, delivery points, and term of contract.
- K. Customers, other parties or their agents will be responsible for arranging supplies in the amount necessary to cover their respective nominations, as well as such upstream and/or downstream transportation as may be required. In the event that supply and/or transport arrangements for such Customers cannot be confirmed by the pipeline, then the assignment may be terminated. Provided, however, in the event the capacity assignment is billed utilizing a two-part rate the demand portion will remain payable.

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SPECIAL PROVISIONS: (Cont'd.)

- L. If Assignor reserves capacity for assignment to customers who are billed a volumetric one-part blended rate, and capacity is not used within three (3) days of the initial effective date of the assignment, the assignment will be terminated.
- M. If in any month First Assignee fails to pay Assignor for undisputed billed amounts under this or any other rate schedule, or seeks protection from creditors in bankruptcy or reorganization, or is reported by reliable sources to have defaulted on an obligation to any creditor, Assignor shall require Assignee to prepay three month's estimated bills. Prior to receipt of three months' prepayment or upon First Assignee's failure to make such payment, Assignor may refuse to continue assignment.

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Service Classification No. 13
GENERAL SERVICE - ECONOMIC DEVELOPMENT

APPLICABLE TO USE OF SERVICE FOR:

This Service Classification is designed to attract business relocation or expansion to the Company's service territory by offering a discount to a customer's service bill, over a specified period, for a new or additional load.

CHARACTER OF SERVICE:

Natural Gas - continuous but subject to special provisions provided for in Service Classification Nos. 1, 2, 3, 6 or 7 as appropriate. Normal delivery pressure not to exceed 40 pounds.

RATE:

Service shall be provided utilizing pricing Option A unless a viable alternative to supply of the customer's requirements by Corning Natural Gas Corporation exists and the customer has demonstrated an intent to utilize the alternative source. Billing shall be in accordance with General Information Section 24C.

Option A

The customer will receive a discount of ten percent from the stated tariff rates for all gas consumed in excess of the minimum charge under the SC No. 1 or 2 rate schedules, or a discount equal to the equivalent discount to be applied to the tail block margin for SC 1 or 2 for the appropriate firm transportation rendered. The discount shall apply for a period of five years from the date service commences.

The discount will be reduced by two percent per year thru year five.

or,

Option B

The specific pricing for service under this Service Classification will be determined solely at the Company's option.

The specific pricing will be stated in an individually negotiated Service Agreement executed for each customer. The charges contained in any negotiated Service Agreement shall be set at a level no lower than the incremental costs the Company incurs plus \$.10 per Mcf. The pricing under this option shall apply for a period no longer than seven years.

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COST ADJUSTMENT:

Under Pricing Option A, the charges shall be subject to a gas cost adjustment as described under Service Classification No. 1 or 2. Under Pricing Option B, the charges may also be adjusted as appropriate.

MINIMUM CHARGE:

The minimum charge shall be the charge so specified in Service Classification No. 1, 2, 3, 6 or 7 as appropriate.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification will be subject to increase in accordance with Rule 24A, Page 79.

TERMS OF PAYMENT:

All bills are rendered at the rates stated above. A late payment charge of one and one-half (1 1/2) percent per month shall become due and payable if payment is not made on or before the "last day to pay" date specified on the bill in accordance with the provisions of Rule 12.I. If a negotiated Service Agreement is in effect, the late payment charge will be stated in the Agreement, but shall not exceed the rate stated in Rule 12.I.

TERM:

The term of service shall be contained in the Service Agreement.

SPECIAL PROVISIONS

ELIGIBILITY CRITERIA:

Any new or existing customer who meets all eligibility requirements stated below shall be eligible to take service in accordance with the rates, charges and provisions set forth under this Service Classification.

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Requirements

- (1) Customer is eligible to take service under Service Classification No. 1 - General Service, Service Classification No. 2 - General Service, Service Classification No. 6 - Firm Transportation of Customer-Owned Gas or Service Classification No. 7 - Firm Transportation of Customer-Owned Gas, whose use is non-residential in nature, and
- (2) Customer adds at least 5,000 Mcf of annual requirement to the Company's system by (a) constructing a new facility; or (b) expanding an existing facility; or (c) adding facilities or equipment to an existing site; or (d) adding facilities through the redevelopment of a vacant or inactive site, including land or buildings which have been previously developed or (e) developing facilities or projects which are located in areas eligible to receive Urban Development Action Grants, and
- (3) Customer has a viable option to locate its facility or equipment outside the Corning Natural Gas service territory, and provides evidence to the Company's satisfaction of such an option, subject to an agreed-upon confidentiality agreement, and
- (4) Customer shall apply for service under this Service Classification prior to the addition of load as described in Requirement (1) above.

SERVICE AGREEMENT:

Upon 30 days notice to the Company, and upon acceptance of the application by the Company, a customer may qualify for an individual Service Agreement pursuant to this Service Classification.

The Service Agreement shall contain all terms and conditions necessary for the Company to provide service to the customer, including, but not limited to:

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Superseding Revision:

- A. The Term of Service. The negotiated term of the Service Agreement shall be at least 12 months. Contracts offering fixed prices are generally limited to a term of no longer than seven years, unless a longer term is approved by the New York State Public Service Commission.
- B. The Character of Service terms.
- C. The Rates and Charges to be paid for service rendered.

Service under this Service Classification may be terminated immediately at the Company's option for material breach of the provisions of their Service Agreement. Such customer's load will be eligible for service under the otherwise appropriate Service Classification.

CONTRACT ADDENDA:

A summary of each individually negotiated Service Agreement with customers taking service under this Service Classification will be addended to the tariff.

OTHER TERMS AND CONDITIONS:

Transportation service will be provided under this Service Classification in accordance with all other terms and conditions as described in Service Classification No. 6 or 7 - Firm Transportation of Customer-Owned Gas, except as specifically noted above.

The Company shall require the Customer to pay for any new facilities necessary for service, including meter and meter installation.

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SERVICE AGREEMENT

THIS AGREEMENT, made this ____ day of _____, 20__ by and between Corning Natural Gas Corporation (Corning), a New York Corporation, having offices at 330 West William Street, Corning, New York, and a corporation, having offices at (Customer).

W I T N E S S E T H :

WHEREAS, Customer has requested service under the filed Economic Development Rate (S.C. 13) to P.S.C. No. 4 - Gas and customer has demonstrated that the requirements of the tariff have been met and

WHEREAS, Corning is willing to provide such service on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and pursuant to the terms and provisions of Service Classification No. 13, P.S.C. No. 4 - Gas or superseding issues thereof the parties hereto agree as follows:

a. Term of Agreement

The term of this Agreement shall commence on _____ and shall continue through _____.

b. Available and Maximum Daily Quantity

The maximum daily quantity of gas to be delivered is _____ Mcf. The total quantity of gas to be delivered under the terms of this agreement is estimated to be _____. Customer expressly acknowledges that it has been apprised of the aforesaid limitations. Any increased requirements above said volumes must be negotiated with Corning.

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c. Rate

Customer agrees to pay Corning for services provided hereunder in accordance with Service Classification No. 13, P.S.C. No. 4 - Gas, the provisions of which are incorporated herein and made a part hereof by reference. The specific pricing for deliveries under this Service Classification is as follows:

Specific pricing to be included here for each individual Service Agreement.

- d. If customer desires to procure the required gas supply from a source other than Corning, a separate transportation agreement shall be executed in accordance with the appropriate provision of P.S.C. No. 4 - Gas.
- e. Corning will render to Customer a statement of the total quantity of natural gas delivered to Customer hereunder and the charges due thereon. All bills are rendered at the "unit price" as specified in c. above plus applicable revenue taxes, and that amount is due on bills paid on or before the date shown on the bill. After that date the "late amount" billed at the "late unit price", which includes a late payment charge, becomes due.
- f. Neither of the parties hereto shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the

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

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binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a suspension.

Such cases or contingencies affecting the performance hereunder by either party hereto, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Customer from its obligations to make payments of amounts then due hereunder.

- g. This Agreement shall be expressly contingent upon the receipts of such regulatory approvals or authorizations as may be required. Both parties agree to cooperate to obtain all required approvals or authorizations.

h. Notices

All notices, invoices and other correspondence sent pursuant to this Agreement shall be addressed to the following parties:

Corning Natural Gas Corporation
PO Box 58
Corning, NY 14830
Attention: Vice President - Operations

- i. This Agreement shall be binding upon the successors and assigns of Corning and Customer. No assignment of this Agreement shall be valid without the prior written consent of the parties hereto.

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IN WITNESS WHEREOF, all parties have hereunto executed this Agreement on the day and year first above written.

ATTEST: _____ CORNING NATURAL GAS
CORPORATION

ATTEST: _____ Customer

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Service Classification No. 14

Applicable to the Use of Service for:

Aggregate Group Firm Transportation Service applicable to retail customers served by Service Classification No. 1,3 to P.S.C. No. 7 - Gas (hereinafter called the "Customer") when Corning Natural Gas Corporation (hereinafter called the "Company") has facilities available and adequate for the load. Service under this Service Classification shall apply to a group of customers that would be treated as a single customer for which a pool of gas has been acquired and provisions for delivery to Corning have been made. Service must be requested by each individual customer in the group or the designated agent for which gas has been acquired from an alternate source. There are no minimum volumetric requirements to qualify for this service (Rate Codes ARO,HA,HAC,ACO,AMO).

Character of Service

Firm transportation of end-use customer owned pipeline quality natural gas delivered to the customer's existing service point. The Company will control the dispatch of such gas, and dispatch will be provided as requested by the Customer or designated agent, except the quantity of gas delivered will be conditioned upon the availability of the Company's capacity to service such customers and the Company's ability to receive and move such volumes to customer.

Gas System Benefits Charge (GSBC)

The charges set forth herein shall be subject to a Gas System Benefits Charge per 100 cubic feet of gas supplied for residential aggregation customers only, as explained on leaf No. 77.

Marketers serving firm customers must comply with one of the following:

- a) Must take a capacity assignment from the Company for the 12-month period November 1st thru October 31st at maximum rates.
- b) Demonstrate that they have adequate winter season (Nov.- Mar.) firm, non-recallable, primary delivery point capacity to the city gate. CNG maintains that any customer who is currently required to have firm, primary point capacity as of August 30, 2007 is included. The level of capacity that is to be "grandfathered" for each marketer is the highest level they possessed on August 30th, October 1st or November 1, 2007. Any change in capacity will be made a part of the Affidavit process that takes place each fall. The level of grandfathered capacity that is accepted at that time will remain in effect for the next 12 months. Customers must take a mandatory assignment of capacity unless they hold grandfathered rights to their own capacity as stated here.

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(1) On April 1 of each year the Company will review the quantity of design day requirements to be served by each Suppliers grandfathered capacity over the past thirteen (13) months. Unless the Supplier elects to reduce its grandfathered capacity, there shall be no reduction to the Supplier's quantity so long as the grandfathered capacity exceeds the quantity provided by the Supplier, or if the decrease in design day requirement quantity is less than 500 Dth. If the design day requirement quantity decreases by more than 500 Dth, the Supplier's grandfathered capacity will be reduced to the highest design day requirement quantity during the previous thirteen (13) months.

A Supplier may not transfer its grandfathered capacity to another Supplier unless it accompanies the sale of its entire book of customers.

(c) Due to the continual changes in the local production levels in CNG service territory, CNG will examine each Marketer's commitment to local production transportation volumes on an individual basis. Many variables exist due to the changing (both increasing and decreasing) volumes that are available from any given well. Consideration must be given on an individual producer basis, for how many wells exist, how long have they been in production, how many are interconnected to a gathering system, etc. CNG will maintain the right to determine if local production is suitable as firm primary capacity.

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Virgil Customer Surcharge

The charges set forth herein shall be subject to a Virgil Customer surcharge per MCF of gas supplied as explained on Leaf 79. This charge is \$3.25 per MCF and is only applicable to customers within the Virgil Franchise area.

Terms of Payment:

Bills are rendered at the above Rate. The Late Payment charge will be due if payment is not made on or before the date specified on the bill in accordance with the provisions of General Information Rule 12.C. In the event of non-payment, the Company shall have the right to terminate the service agreement upon 7 days written notice.

Term:

The term shall be defined within the written service agreement and mutually agreed upon by the Customer and the Corporation. The initial term shall be for a period of not less than 12 months and continue from month to month thereafter unless terminated by either party with 90 days written notice.

General Terms and Conditions:

The General Information Rules of the Company's rates and tariffs are applicable to all information not specifically covered within this Service Classification, and are hereby made a part thereof.

Specific Provisions:

1. A written agreement shall be signed by both parties in the form set forth in the General Information section of the Company's tariff.
2. Aggregation of usages at several different locations by a single customer into a single bill in order to receive higher volume block rates is not allowed.

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3. Customers may be required to install electronic recording meters to facilitate daily or monthly balancing. A customer may request in writing that standard meters be used for their accounts. However, such customer must also indicate in writing a definite willingness to accept the accuracy of Corning's balancing.
4. Customer will be responsible for the total cost of installing any required electronic recording devices. Customer will be required to make a deposit of \$100 per meter location at the time of application for service to partially cover the cost of purchasing and installing the required electronic recording meters. Corning shall retain ownership of equipment and be responsible for required maintenance. The remaining cost may be paid in a lump sum by Customer or over 24 months which cost would include interest calculated at the unadjusted customer deposit rate. Corning shall endeavor to utilize the least expensive equipment necessary to provide the required readings. Customer shall be required to provide telephone service and 100 volt electric service at each meter location. In certain circumstances, larger customers may be required to provide dedicated telephone service.
5. Customer may designate an agent who would assume the responsibilities of the Customer providing such designation is made in writing in the form prescribed in the Agency Agreement set forth in the General Information section of the Company's tariff. If such a designation is made, Customer assumes full responsibility for the actions of the agent and relieves Corning of any responsibility for additional costs or penalties incurred as a result of actions of the agent so designated.

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6. Balancing - Customers shall follow the balancing rules described in General Information Section 24B of the Company's Tariff.

Reserved For Future Use

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11. Prior to entering into a Service Agreement with the Company, a Third Party Supplier must demonstrate to the Company's satisfaction that it has met and continues to meet the creditworthiness criteria of at least one interstate pipeline that delivers natural gas directly to the Company, except that an affiliate of an interstate pipeline must demonstrate that it has met the creditworthiness criteria of at least one non-affiliated interstate pipeline. Upon notification by the Company that it has determined that a Third Party Supplier has failed to satisfy the credit criteria, or subsequently during the term of the Service Agreement, no longer satisfies the credit criteria, the Company may refuse to permit the Third Party Supplier to continue to operate on the Company's system unless the Third Party Supplier shall supply security which the Company, in its sole judgment, determines to be sufficient to guarantee the obligations of the Third Party Supplier.

The results of the creditworthiness check shall be communicated to the applicant within two weeks of receipt of the completed application.

Any required security deposit shall be refunded to the Third Party Supplier when it is determined that it meets the level of credit criteria that no longer requires a security deposit.

All security deposits held shall accrue interest at the Commission's other customer capital rate as established from time to time.

12. Third Party Suppliers seeking to obtain transportation services from the Company to sell gas to end use customers must meet the following requirements:

For Residential Service

1. Contracts between the marketers and customers contain specific language advising customers of protections that have been waived in the transaction. Each marketer must file with the staff of the PSC's Consumer Services Division a copy of its standard contract.

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2. Marketers shall have implemented a system to handle customer complaints and that the PSC held and hotline numbers are provided to customers.
3. Marketers bills rendered will be clear and in plain language, and the staff of the PSC's Consumer Services Division shall receive a sample copy.
4. Marketers shall have implemented procedures in place to ensure customers receive adequate prior notice of termination of gas supply services. The procedures must provide that notifications be sent at least 15 days before discontinuation of supply service to allow customers the opportunity to pay the overdue bill or request service from another provider.

For Non-Residential Service

1. Contracts between the marketers and customers contain a statement advising the customers of protections that have been waived in the transaction. Each marketer will file with the staff of the PSC's Consumer Services Division a copy of its standard contract.
2. Marketers shall have implemented a reasonable dispute resolution process. Until such time as a process is developed and put into effect, and for a period of no longer than six months, consumers will be allowed to approach the PSC's Consumer Services Division for resolution of disputes.
13. The Company will continue to provide full HEFPA protection to residential customers who subscribe to transportation service. The Company will remain the provider of last resort in the event of service termination by the Third Party Supplier. However, any unanticipated usage by transportation customers returning to sales service, except as authorized in writing by the Company, shall not in any way be the responsibility of the Company and such changes shall be prorated among those customers.
14. For third party suppliers that subscribe to standby service from the Company:
 - (a) In the event of a pipeline OFO resulting in a marketer being unable to deliver due to secondary delivery point capacity, the Company shall provide gas supply at a rate equal to 110% of the highest price at CNG North point as published in Gas Daily, plus variable pipeline costs and fuel.

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- (b) The Marketer shall notify the Company by fax within 24 hours of the issuance of the pipeline OFO of his inability to deliver scheduled volumes due to operational constraints.
- (c) Marketer shall pay a standby fee for the five months November-March at the rate of \$4.87 per Mcf times the aggregate peak month average day volume for his aggregate group.
- d) The Marketer must notify the company of its termination of commodity service in accordance with Public Service Law 32 (5) (a) (i), including sufficient documentation to establish that the Marketer termination complied with Home Energy Fair practices Act conditions. Such notice shall contain a statement that suspension of delivery services may occur coincidentally with termination of commodity service, along with a statement of the amount that must be paid to avoid termination and, if different, the amount that must be paid to avoid suspension of delivery service.
- e) Marketer shall be charged a disconnect fee of \$30.00 when the company disconnects gas service to a customer for non-payment of commodity charges initiated by a marketer. Such fee shall be \$15.00 if the customer is in arrears to both m\Marketer and the Company.
- f) A Marketer initiated suspension of delivery service shall end upon payment of the lesser of the amount the customer would have paid to the company for delivery and commodity service or the amount due the Marketer plus the amount due the company.

At the request of the Marketer, the company will calculate the amount the customer would have been billed by the company for commodity and delivery service if the company had been providing both services. The fee for each calculation request, per account, will be \$4.50.

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Service Classification No. 15

Applicable to the Use of Service for:

Storage service to customers having a Service Agreement in effect for firm transportation service or third party suppliers acting as agents for customers where the Company has excess storage capacity over and above that required to meet its system needs. Service under this Service Classification must be requested by a transportation customer or the designated third party who has a valid Service Agreement with the Company for the transportation of gas.

Character of Service

Firm access to the pipeline storage facilities which the Company has made available. The quantity of storage to be made available shall be determined by the Company after ensuring that adequate storage is available for it to meet its system requirements. The signing of a Service Agreement specifying the maximum daily delivery quantity and the total storage capacity quantity is a prerequisite to receiving service under this Service Classification.

Rate:

The Customer shall be required to pay a demand, injection, withdrawal and capacity charge as filed with the Public Service Commission monthly. Service will also be subject to a fuel retention factor.

Terms of Payment:

Bills are payable within ten days from date of bill. Bills are rendered at the above rates. The Late Payment charge will be due if payment is not made on or before the date specified on the bill in accordance with the provisions of General Information Rule 12.I.

Term:

The term shall be defined within the written service agreement and mutually agreed upon by the Customer and the Company and shall continue year to year thereafter unless terminated by either party on ninety (90) day written notice. A term of less than one year may be specifically authorized by the Company at its sole discretion.

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General Terms and Conditions:

The General Information Rules of the Company's tariffs are applicable to all information not specifically covered within this Service Classification, and are hereby made a part hereof.

Special Provisions:

1. A Third Party Supplier may not obtain a maximum daily withdrawal quantity in excess of the maximum daily withdrawal quantity of all Customers for which the Third Party Supplier is acting as agent unless agreed to by the Company.
2. Storage service withdrawals and injections may be interrupted on twenty four (24) hours notice when the Company in its sole judgment, determines that it requires Customer's storage deliverability to serve system needs.
3. A Customer may not obtain a maximum daily withdrawal quantity in excess of the Customer's maximum daily withdrawal quantity as set forth in its Transportation Service Agreement unless agreed to by the Company.
4. Injections into storage may be made during the period April 1st through October 31st at a daily rate as specified in the Service Agreement or as otherwise specified in the Service Agreement. The Customer must provide to the Company, at least 10 days prior to the start of an eligible injection month, a schedule of planned injections for the month. Modifications to planned daily injections will require 48 hours' notice to the Company.

The Company may amend these requirements as conditions warrant at its sole discretion.

5. Withdrawals from storage may be made during the period November 1st through March 31st or as otherwise specified in the Service Agreement at daily rates not to exceed the maximum daily withdrawal rate as specified in the Service Agreement. A Customer's maximum daily withdrawal quantity shall be equal to the lesser of the

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Customer's maximum daily delivery quantity as set forth in its transportation service agreement or the amount of gas remaining in Customer's storage account. A Third Party Supplier's maximum daily withdrawal quantity shall be equal to the lesser of the maximum daily delivery quantity set forth in the transportation agreements of all Customers for which Third Party Supplier is acting as Agent or the amount of gas remaining in Third Party Supplier's storage account. 48 hours notice must be provided to the Company when requesting withdrawal from storage. Withdrawals will be delivered to the Company's City Gate and must be transported from the Company's City Gate to a Customer's facilities under a firm transportation service classification. All gas in storage must be withdrawn by the last day of the current period. Any gas remaining in storage on March 31st may be purchased by the Company at its sole discretion, at a rate equal to 50% of the cost of the Company's lowest gas supply during the month of March.

6. Customer shall pay for any and all expenditures incurred by the Company to provide any incremental facilities required under this Service Classification.

7. Revenues, exclusive of applicable taxes and assessments, shall be apportioned as follows:

To on-system customers:

- a. All storage capacity and commodity charges shall be credited to customers through the monthly GAC calculation.
- b. Revenues remaining after "a" shall be shared with 85% credited to customers through the monthly GAC calculation and 15% retained by the Company.

To off-system customers:

- a. All commodity charges shall be credited to customers through the monthly GAC calculation.
- b. Revenues remaining after "a" shall be shared with 85% credited to customers through the monthly GAC calculation and 15% retained by the Company.

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8. As between Company and Customer or Third Party Supplier and Company, Customer/Third Party Supplier warrants that it has clear title to any gas supplies delivered to the Company under this Service Classification and Customer/Third Party Supplier shall be deemed to be in exclusive control and possession of gas delivered into the Company's system. Customer/Third Party Supplier agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries of gas under this Service Classification.
9. The Customer shall pay 100% of any taxes, assessments or similar charges that are lawfully imposed upon the Company in providing service under this Service Classification.
10. A Customer or its agent may notify the Company in writing prior to November 1 of any contract year that it wishes to utilize its Storage Service to cure daily imbalances during the November to April period. The Company will permit a Customer to inject up to 1/180th of its contracted for storage capacity in order to eliminate daily transportation imbalances resulting from deliveries of gas to the Company in excess of Customer's daily usage. Similarly, the Company will permit a Customer to withdraw its maximum withdrawal quantity in order to eliminate daily transportation imbalances resulting from deliveries of gas to the Company that are less than the Customer's usage. Nothing in this provision shall permit a Customer to exceed its maximum withdrawal quantity. The Company will automatically adjust Customer's storage account to effect adjustments for daily imbalances during the month. The Company shall not be required to continue to provide daily balancing services out of storage to customers that have depleted their storage capacity. Moreover, nothing in this provision shall alter Customer's responsibility to withdraw all gas from storage by the last day of the contract period.
11. The Customer shall be responsible for any additional charges, including penalties, that may be incurred by the Company as a result of service provided under this service classification.

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Service Classification No. 16

Applicable to the Use of Service for:

The provisions of this Service Classification shall apply to brokers, marketers and other Third Party Suppliers (Collectively "Third Party Suppliers") of natural gas that wish to either act as agents for Transportation Customers or deliver natural gas supplies to Company's City Gate for transportation Customers. Third Party Suppliers wishing to sell and/or deliver gas on the Company's system will be required to sign a Service Agreement in which they will agree to be bound by the terms and conditions of this Service Classification as well as other applicable terms and conditions of the Company's Tariff.

Character of Service:

Firm access to the Company's distribution facilities for Third Party Suppliers of natural gas who have met the requirements contained herein.

Rate:

There is no specific rate for utilization of this service classification other than the specific charges contained in the Special Provision contained herein or as contained in other service classifications under which service is provided.

Terms:

Where billings to Third Party Suppliers are appropriate, bills are payable within ten days from the date of bill. The Late Payment Charge will be due if payment is not made on or before the date specified on the bill in accordance with the provisions of General Information Rate 12.I.

General Terms and Conditions:

The General Information Rules of the Company's tariffs are applicable to all information not specifically covered within this Service Classification, and are hereby made a part thereof.

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Special Provisions:

1. Prior to entering into a Service Agreement with the Company, a Third Party Supplier must demonstrate to the Company's satisfaction that it has met and continues to meet the creditworthiness criteria of at least one interstate pipeline that delivers natural gas directly to the Company, except that an affiliate of an interstate pipeline must demonstrate that it has met the creditworthiness criteria of at least one non-affiliated interstate pipeline. Upon notification by the Company that the Company has determined that a Third Party Supplier has failed to satisfy the credit criteria, or subsequently during the term of the Service Agreement, no longer satisfies the credit criteria, the Company may refuse to permit the Third Party Supplier to continue to operate on the Company's system unless the Third Party Supplier shall supply security which the Company, in its sole judgement, determines to be sufficient to guarantee the obligations of the Third Party Supplier.

The results of the creditworthiness check shall be communicated to the applicant within two weeks of receipt of the completed application.

Any required security deposit shall be refunded to the Third Party Supplier when it is determined that it meets the level of credit criteria that no longer requires a security deposit.

All security deposits held shall accrue interest at the Commission's other customer capital rate.

2. The term of the contract shall be one year and from month to month thereafter unless terminated on thirty days written notice.
3. A Third Party Supplier shall provide in writing to the Company at least 10 working days prior to the beginning of the calendar month an estimate of its deliveries into the Company's system for the month. These nominations must, in the aggregate, match the nominations of all Customers to whom the Third Party Supplier will be delivering during the month. Failure to provide nominations may result in suspension of service to Customers of offending Third Party Suppliers.

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4. Company and Third Party Supplier recognize that Company may be subjected to imbalance charges from its interstate pipeline suppliers as a result of Third Party Supplier's failure to deliver confirmed quantities of gas. Company and Third Party Supplier shall use their best efforts to avoid such imbalance penalties. However, in the event that Company is assessed penalties as a result of Third Party Supplier's actions or omissions, Third Party Supplier shall reimburse Company for such penalties as may be attributable to Third Party Suppliers' actions or omissions.
5. As between the Company and Third Party Supplier, Third Party Supplier warrants that it has clear title to any gas delivered into the Company's system, and Third Party Supplier shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer unless the Customer has elected to take delivery under reserved service upstream of the city gate. Third Party Supplier agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries on behalf of a transporting customer.
6. The Third Party Supplier shall execute a service agreement with the Company which shall, among other terms and conditions a) provide the identity of Customer(s) on whose behalf they are acting and b) specify the maximum hourly and daily quantities of gas to be transported.
7. The Third party Supplier shall use its best efforts to achieve a balance between its deliveries and its aggregate customer requirements on a monthly basis. The Company reserves the right (1) to require a Third Party Supplier to balance such deliveries and takes of transported gas, or (2) to require a reasonably uniform daily delivery rate of gas which at month's end will equal the aggregate Customers' nomination.

The Company may issue a minimum delivery Operational Flow Order (OFO) requiring delivery of specified volumes of such gas. An OFO may be issued as a blanket for the entire system or for a single shipper (marketer or customer).

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Shippers who fail to deliver specified OFO volumes of gas shall not be permitted to continue to operate on the system. In addition, the shipper will be billed any applicable penalties incurred by the Company during the OFO period for the volume difference between the OFO required delivery and the actual delivered volumes.

There will be no daily or monthly penalties for delivering gas in excess of a minimum delivery OFO specified volume.

8. Balancing - Third party suppliers shall follow the balancing rules described in General Information Section 24B of the Company's Tariff.

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9. An adjustment for unaccounted for gas will be made to the quantity of gas received for the Customers' accounts. The quantity of gas ultimately delivered to the customers shall be reduced by the adjustment from the level received by the Company for the Customers' account. The level of the adjustment shall be that as prescribed by the Public Service Commission from time to time and the Third Party Supplier shall be notified of specific level as authorized by the Public Service Commission.
10. The Third Party Supplier shall pay all taxes or surcharges that are lawfully imposed upon the Company in providing service under this service classification.
11. The Third Party Supplier shall reimburse the Company for any out-of-pocket expenses (including, but not limited to legal and travel expenses) incurred in connection with the initiation and rendering of service under this service classification. To the extent practicable, the Company shall provide an estimate of such expenses prior to their incurrence.
12. In the event the Company notifies a Customer to discontinue the use of transportation service at any time, and the Customer fails to do so, the Company shall have the right to terminate service and/or to bill the Customer, Third Party Supplier for usage occurring during the curtailment period at there of ten (10) times the highest cost gas used by the Company during the curtailment period.

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13. Customers taking service from Third Party Suppliers may elect to designate one or more Third Party Supplier to have responsibility for nominations, daily balancing and/or monthly balancing on behalf of the Customer. The Company will provide both individual and summary bills to each such Third Party Supplier, with a summary of usage and associated charges provided to each Customer. If a Customer's designated Third Party Supplier should default on any obligation for payment under this Service Classification, the Customer will be responsible for its proportional share of charges, including payment for unauthorized usage or for monthly imbalances.

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Service Classification No. 17

Applicable to Use of Service for:

- (a) Sale of gas by the Company to: (i) a Customer that also has a service agreement with the Company for local transportation; or (ii) a Customer that consumes gas at facilities located in New York State outside of the Company's gas service territory; or (iii) a third party supplier; and/or
- (b) an agency arrangement where the Company acts as agent for a Customer in arranging a gas supply purchase between the Customer and an independent marketer on the Customer's behalf.

Character of Service:

negotiated gas sales contracts for firm, or interruptible, as specified in the Customer's Service Agreement with the Company.

Quantity of Service:

Maximum and minimum daily, monthly, seasonal, and/or annual quantities, as specified in the Customer's Service Agreement with the Company.

Point of Sale:

The point of sale will be:

- (a) at a point of interconnection between the Company's system and the facilities of an interstate natural gas pipeline company; or
- (b) a point(s) specified in the Customer's Service Agreement with the Company.

Rate:

The rates for gas sold by the Company and the fees for gas arranged by the Company as agent for the Customer under this Service Classification shall be as negotiated between the Company and the Customer and set forth in a written agreement signed by both parties.

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

PSC No: 7 Gas
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Above rates shall be subject to increase in accordance with paragraph 24-A, page 79, where applicable.

Terms of Payment:

Bills are payable within ten days from date of bill. The late payment charge will be due if payment is not made on or before the date specified on the bill in accordance with the provisions of the General Information Rule 12-I.

Term:

The term shall be defined within the written service agreement and mutually agreed upon by the customer and the Company.

General Terms and Conditions:

The General Information Rules of the Company's tariffs are applicable to all information not specifically covered within this Service Classification, and are hereby made a part thereof.

Special Provisions:

1. Each Service Agreement under this Service Classification shall be filed with the Public Service Commission. Protected status shall be requested for each filing pursuant to the Commission's trade secret regulations. Each Service Agreement shall be filed within 60 days after the service commencement date.
2. Revenues in excess of purchase costs shall be shared with 85% credited to customers through the monthly GAC and 15% retained by the Company.
3. All transactions under this Service Classification shall be subject to the standards imposed by the Public Service Commission with regards to streaming transactions, or as otherwise may be allowed by the Public Service Commission.
4. Gas sold under this agreement shall be priced at no less than the actual cost to the Company plus \$.10/Mcf.
5. The Company shall file with the Public Service Commission tariff addenda indicating the terms of each negotiated agreement.

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Service Classification No. 18

APPLICABLE TO USE OF SERVICE FOR:

Interruptible transportation of gas which is used to fuel an electric generation facility having dual fuel capability and a capacity of 50 MegaWatts or greater (hereinafter referred to as the "customer") which is located adjacent to the Company's existing gas distribution mains having adequate capacity to supply the customer's prospective customers taking firm, withdrawable or interruptible service from such distribution mains or who agree to pay the Company the cost of all service lines, main extensions, measuring and regulating equipment and system reinforcements necessary for the Company to provide service hereunder and which agrees to:

- (a) discontinue use of gas, in whole or in part, at customer's facility being served hereunder at the Company's request on not less than two hours notice, such interruption may be consecutively or non-consecutively for a maximum term of up to 720 hours (30 equivalent days) in any year.
- (b) install and maintain facilities, acceptable to the Company, for using alternate fuels during periods in which the Company requires the customer to discontinue service;
- (c) install the necessary electronic equipment, acceptable to the Company, which allows the Company to monitor the customer's daily usage of gas, including separate metering for gas used for ignition and/or space heating purposes which shall be billed under the applicable firm transportation or firm sales service classification; and
- (d) not use service supplied hereunder in any equipment which is supplied with gas service under any other Service Classification of this schedule.

The Company reserves the right to inspect equipment installed under (b) and (c) above prior to the commencement of service hereunder.

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CHARACTER OF SERVICE:

Interruptible transportation of natural gas owned by a customer which the customer has arranged to have transported to a delivery point at the boundary of the Company's service area. Such gas will be transported from such point to the customer's facility. The Company shall control the dispatch of such gas, and dispatch will be provided as requested by the customer, except that the volume of gas delivered shall be conditioned upon the availability of pipeline capacity as provided for above under APPLICABLE TO USE OF SERVICE FOR.

SERVICE AGREEMENT:

The Company and customer shall execute a service agreement prior to the commencement of service hereunder. A standard service agreement shall include all terms and conditions contained in this Service Classification. The Company may, at its sole discretion, enter into a negotiated service agreement with the customer which includes different terms and conditions. Rates and terms offered to one customer in a negotiated service agreement will be made available to other similarly situated customers on a non-discriminatory basis. The Company will make available, on request, the criteria it will use to determine which customers are similarly situated. Negotiated service agreements between the Company and its customers will be filed with the Commission at least 30 days before becoming effective.

The service agreement shall contain all information necessary for the Company to supply service to the customer, including but not limited to:

- (a) the exact character of service including volumes, pressures and customer's equipment to be served;
- (b) receipt and/or delivery points, upstream pipelines and suppliers;
- (c) additional facilities to be constructed or installed;
- (d) the maximum annual volume as calculated under MINIMUM ANNUAL BILL below; and
- (e) all terms and conditions which deviate from those contained in this Service Classification.

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RATE - SIX PART - MONTHLY:

(1) Transportation Charge

A Transportation Charge of \$0.10 per Dth shall be assessed on all gas actually delivered to the Electric Generating facility each day during the month to or for the account of customer.

(2) Marginal Cost Charge

A Marginal Cost Charge of \$0.05 per Dth shall be assessed on the gas actually delivered each month.

(3) Real-time Value Component

This rate component reflects increases, or decreases in the wholesale market price of electricity relative to the cost of gas. This component shall be initially set at zero upon commencement of a customer's service agreement hereunder.

The Real-time Value Component (\$/Dth) for each day shall be equal to:

$$0.05 * \frac{\text{Daily Spark Spread (\$/MWh)} - \text{Base Spark Spread (\$/MWh)} * 1,000,000 \text{ Btu/Dth}}{\text{Heat Rate (Btu/kWh)} * 1,000 \text{ kWh/MWh}}$$

where

$$\text{Daily Spark Spread (\$/MWh)} = \frac{\text{Wholesale Price of Electricity} - \text{Cost of Gas (\$/Dth)} * \frac{\text{Heat Rate (Btu/KWh)} * \text{MWh}}{1,000,000 \text{ Btu Dth}}}{1,000 \text{ kWh}}$$

The Base Spark Spread and Heat Rate shall be established upon commencement of a customer's service agreement hereunder.

The Wholesale Price of Electricity shall be defined as the New York Independent System Operator's daily weighted average location based marginal price of energy for the zone in which the customer is located. The Cost of Gas shall be the Company's average commodity cost of gas plus the Transportation Charge and Marginal Cost Charge above.

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(4) Over and Under-delivery Charges

If the amount of gas delivered to the boundary of the Company's service area on behalf of a customer varies from the amount of gas used by the customer on a daily basis, the customer will have an over-delivery or an under-delivery.

Over and under-deliveries shall be determined as specified below. However, if the pipeline transporting gas to the Company's system boundary imposes more stringent over or under-delivery limits or purchase or sales rates on the Company, such limits and rates shall apply to the customer and will supersede those contained herein. Additionally, a customer transporting gas on more than one pipeline serving the Company shall have over or under-deliveries calculated on each transporting pipeline. The over or under-delivery shall be allocated proportionally to each pipeline based on the nominated volumes.

If on any day the over-delivery or under-delivery is less than 2% of a customer's actual daily usage, the customer may adjust subsequent daily deliveries to the Company by an amount not to exceed 2% of any day's usage to eliminate any over or under-deliveries by the end of the month. Any over or under-delivery remaining at the end of each month will be cashed out. To cash out over and under-deliveries, the customer must sell the over-delivered volumes to the Company or purchase the under-delivered volumes from the Company as specified below.

(a) Over-deliveries - Daily

If on any day a customer's over-delivery is greater than 2% of a customer's actual usage, the over-delivered volumes in excess of 2% will be purchased by the Company at a rate equal to 80% of the Company's average commodity cost of gas.

(b) Over-deliveries - Monthly

If there is an over-delivery at the end of the month, the over-delivered volumes will be purchased by the Company at a rate equal to 95% of the Company's average commodity cost of gas.

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(c) Under-deliveries - Daily

If on any day a customer's under-delivery is greater than 2% of a customer's actual usage, the under-delivered volumes in excess of 2% will be sold to the customer by the Company at a rate equal to 120% of the Company's average commodity cost of gas.

(d) Under-deliveries - Monthly

If there is an under-delivery at the end of the month, the under-delivered volumes will be sold to the customer by the Company at a rate equal to 105% of the Company's average commodity cost of gas.

(5) Penalty Charge

All gas used by a customer during periods in which the Company has requested customer to discontinue usage of gas service shall be subject to a minimum penalty of \$25.00 per Dth, or any penalty the Company may incur from the pipeline due to customer's unauthorized takes that is greater than the maximum penalty. The Company may, at its option, waive this penalty during emergencies.

(6) Increase in Rates and Charges

All rates and charges under this Service Classification will be increased pursuant to General Information Section 15 of this Schedule.

MINIMUM ANNUAL BILL:

The minimum annual bill shall be equal to the lessor of:

- (a) total annual charge for Rate Parts 1, 2 and 3 above based on usage equal to 50% of the maximum annual volume specified in customer's service agreement with the Company; or
- (b) the total annual charges for customer's actual annual usage calculated at the rates and charges contained in Service Classification No. 18.

The maximum annual volume in Dth shall be equal to the maximum hourly volume in Dth required by the customer, multiplied by 8,760 hours per year.

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TERM:

All terms will be renewed annually. The rates available under this Service Classification will be the ceiling price and will not expire before January 1, 2008.

TERMS OF PAYMENT:

Bills are due when rendered, subject to a late payment charge in accordance with the provisions of the General Information Section of this Schedule.

SPECIAL PROVISIONS:

(A) Heat Content

The conversion of metered volumes in Mcfs to Dths shall be at the Company's weighted daily average heat content or actual heat content recorded at the customer's facility.

(B) Transportation Volumes

Prior to the commencement of service hereunder, the customer shall provide to the Company information necessary to ensure the Company will be able to provide the service requested. Such information shall include.

- (1) the name of the pipeline company that will deliver the customer's gas to the Company;
- (2) the maximum annual volume the customer requests the Company to transport;
- (3) the maximum daily and hourly volumes to be transported;

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- (4) a schedule of anticipated monthly volumes to be transported; and
- (5) any additional information, as requested by the Company, including information that the Company is required to furnish to pipeline companies that are transporting or will transport gas to the Company for the customer's account.

The Company shall not be required to accept delivery of or to transport any volumes in excess of the maximum daily volumes or the maximum annual volumes the customer has requested be transported. Customer may request to increase the maximum daily volumes and/or annual volumes during the term of service. The Company will, if facilities permit, accept and transport the higher volume.

The Company shall not accept gas delivered for a customer's account if the customer has not taken substantially all gas previously delivered to the Company for the customer's account.

(C) Reimbursement for Other Charges

Customer shall reimburse Company for any fees, taxes or other charges that may be assessed or billed to the Company by any governmental agency or pipeline company for services rendered on behalf of customer regarding facilities constructed or the transportation of gas from supplier to the boundary of the Company's service territory, except for those charges to be paid by the Company as specified in the service agreement. Reimbursement will be made within ten days of receipt of a statement.

(D) Loss Allowance

The customer shall provide to the Company, free of charge, 1.0% of all gas delivered to the Company's boundary for delivery to customer as compensation for losses incurred by the Company in transporting customer's gas.

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SERVICE CLASSIFICATION NO. 19
DISTRIBUTED GENERATION SERVICE - NON-RESIDENTIAL

APPLICABLE TO USE OF SERVICE FOR:

Any Non-Residential customer using distributed generation technologies including, but not limited to, microturbines, internal combustion engines and fuel cells. Service is available to customers who demonstrate the ability to operate at a minimum load factor of 50%, within the first year of service, and have Distributed Generation units with capacity of less than 50 MW. Load factor is defined as annual usage divided by (winter peak day use multiplied by 365 days). The distributed generation technologies must be installed and fully operable before taking service under this Service Classification.

CHARACTER OF SERVICE:

Customers Purchasing Gas Supply from an Alternate Supplier:

Delivery of customer-owned gas, pipeline quality, on an firm basis from a receipt point within the Company's service territory to which this schedule applies to the facilities at the customer's existing delivery point, as specified in the customer's Application for Firm Transportation Service. Customer-owned gas to be transported by the Company must have a minimum BTU value of 1,000 British Thermal Units per cubic foot on a dry basis. The gas quality must meet the Public Service Commission's rules and regulations regarding concentrations of hydrogen sulfide, total sulfur and ammonia. Filtration of dust and liquid hydrocarbons, and water removal will be required. Delivery pressure will be determined at the sole discretion of the Company but will not be less than four (4) inches, water column.

Customers Purchasing Gas Supply from Corning Natural Gas:

Continuous, natural gas or a mixture of natural gas and other gas of not less than 1,000 British Thermal Units per cubic foot on a dry basis. Delivery pressure will be determined at the sole discretion of the Company but will not be less than four (4) inches, water column. The Company reserves the right to reject any application for service under the Service Classification where, in the sole discretion of the Company, the provision of service would require the purchase of incremental capacity on the transmission system of its pipeline suppliers.

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PRICE PER MONTH:

A. Gas Delivery Charges

Administration Charge First 3 Ccf or Less Per Month \$40.00

Volumetric Unit Rate per 100 cubic feet (Ccf) All Usage above the First 3 Ccf per Month

Customers with DG Units 5 Megawatts or Less

Summer: May through September	\$0.045
Winter: October through April	\$0.050

Demand Charge per Ccf of MDQ per Month

Customers with DG Units 5 Megawatts or less	\$0.000
Customers with DG Units More than 5 Megawatts	

Summer: May through September	\$1.30
Winter: October through April	\$1.50

B. Gas Supply Charge Applicable to Customers purchasing their gas supplies from the Company. The charges set forth herein shall be subject to a Gas Supply Charge as explained in the General Information Section of the Company's tariff.

C. Upstream Capacity Charge Customers purchasing upstream capacity from the Company will be charged for that service through the Capacity Release Surcharge. The monthly charge will be the product of the capacity release surcharge rate per 100 cu. ft. applied to the customer's MDQ.

INCREASE IN RATES AND CHARGES:

The rates and charges under this service classification are increased pursuant to the General Information Section to reflect the tax rates applicable within the municipality where the customer takes service.

MINIMUM CHARGE:

The monthly minimum charge shall be the sum of the Administrative and Demand Charge, plus taxes, as applicable.

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TERMS OF PAYMENT:

Bills are due when personally served or three days after mailing. Bills shall be subject to a late payment charge in accordance with the General Information Section, if payment is not made by the due date specified on the bill which date shall be not less than 20 days from the due date.

TERM:

If the Customer's annual load factor, based on their winter peak demand, is not at least 50 percent, the Customer will be transferred to the appropriate firm sales or transportation service for one year, unless there are mitigating circumstances which would argue for allowing the Customer to continue operating under this service classification or returning to this service classification in less than one year, at the discretion of the Company.

DETERMINATION OF DEMAND:

The Customer's Maximum Daily Quantity (MDQ) will be set initially on the fuel requirements of the Customer's installed distributed generation equipment for a twenty-four (24) hour period. Should the Customer's actual usage exceed their MDQ, the MDQ will be deemed to be changed and MDQ for service and billing purposes will be increased to this new service level.

APPROVED REMOTE METERING:

All service rendered hereunder shall be metered separately from any other gas service provided to customers at the customer's location.

All customers served under this Service Classification shall have an Approved Remote Meter installed and operable.

BALANCING AND CURTAILMENT:

Customers electing commodity service who subsequently elect to migrate to an alternate supplier must participate in Monthly Balancing Service and are subject to the curtailment provisions of monthly balanced customers.

SPECIAL PROVISIONS:

- A. Separate service lines for DG usage and non-DG usage shall not be required. However, if existing services and upstream distribution

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TERMS OF PAYMENT:

Bills are due when personally served or three days after mailing. Bills shall be subject to a late payment charge in accordance with the General Information Section, if payment is not made by the due date specified on the bill which date shall be not less than 20 days from the due date.

TERM:

If a customer's load factor falls below fifty (50) percent, the Customer will be transferred to the appropriate firm sales or transportation service for one year or until the Customer can demonstrate that their load factor has increased above fifty (50) percent. The calculation of the Customer's load factor will begin on the date the Customer commences commercial operations.

DETERMINATION OF DEMAND:

The Customer's Maximum Daily Quantity (MDQ) will be set initially on the fuel requirements of the Customer's installed distributed generation equipment for a twenty-four (24) hour period. Should the Customer's actual usage exceed their MDQ, the MDQ will be deemed to be changed and MDQ for service and billing purposes will be increased to this new service level.

APPROVED REMOTE METERING:

All service rendered hereunder shall be metered separately from any other gas service provided to customers at the customer's location.

All customers served under this Service Classification shall have and Approved Remote Meter installed and operable.

BALANCING:

Customers electing delivery only service under this Service Classification must participate in Daily Balancing Service. Daily Balancing is subject to daily and monthly cashout and/or imbalance trading in accordance with this tariff.

Customers electing commodity service who subsequently elect to migrate to an alternate supplier must participate in Monthly Balancing Service.

SPECIAL PROVISIONS:

B. Separate service lines for DG usage and non-DG usage shall not be required. However, if existing services and upstream distribution

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facilities are inadequate, the customer shall be responsible for all incremental costs incurred by the Company. DG customers shall be charged

- C. for additional facilities pursuant to the Company's existing rules set forth in the Company's tariff.
- D. DG customers are required to pay for daily metering equipment, including telephone service. Information regarding metering options is set forth in the Gas Transportation Operating Procedures Manual.
- E. DG rates pursuant to this service classification shall apply only to DG usage. Non-DG gas use shall be measured and billed separately and not under this service classification.
- F. The Company reserves the right to reject any application for service under this Service Classification where, in the sole discretion of the Company, the provision of service would or might result in a reduction in the Company's rights or ability to receive service, purchase gas or utilize capacity on the transmission system of its pipeline supplier(s), impair or interfere with the Company's operations, or impose costs in excess of those subject under these rates.
- G. Each Customer under this Service Classification warrants that it will, at the time the Company receives the gas for transportation, have good and merchantable title to all such gas free and clear of liens, encumbrances and claims whatsoever. The customer shall indemnify the Company and save it harmless from all suites, actions, debts, accounts, damages, costs, losses and expenses arising out of the adverse claims of any or all persons to said gas including claims for any royalties, taxes, license fees, or charges applicable to such gas or to the delivery of such gas to the Company for transportation.

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SERVICE CLASSIFICATION NO. 20
DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

APPLICABLE TO USE OF SERVICE FOR:

Any Residential customer using distributed generation technologies including, but not limited to, microturbines, internal combustion engines and fuel cells. The distributed generation technologies must be installed and fully operable before taking service under this Service Classification. A separate meter does not need to be installed for this Service Classification.

CHARACTER OF SERVICE:

Customers Purchasing Gas Supply from an Alternate Supplier:

Delivery of customer-owned gas, pipeline quality, on a firm basis from a receipt point within the Company's service territory to which this schedule applies to the facilities at the customer's existing delivery point, as specified in the customer's Application for Firm Transportation Service. Customer-owned gas to be transported by the Company must have a minimum BTU value of 1,000 British Thermal Units per cubic foot on a dry basis. The gas quality must meet the Public Service Commission's rules and regulations regarding concentrations of hydrogen sulfide, total sulfur and ammonia. Filtration of dust and liquid hydrocarbons, and water removal will be required. Delivery pressure will be determined at the sole discretion of the Company but will not be less than four (4) inches, water column.

Customers Purchasing Gas Supply from Corning Natural Gas:

Continuous, natural gas or a mixture of natural gas and other gas of not less than 1,000 British Thermal Units per cubic foot on a dry basis. Delivery pressure will be determined at the sole discretion of the Company but will not be less than four (4) inches, water column. The Company reserves the right to reject any application for service under the Service Classification where, in the sole discretion of the Company, the provision of service would require the purchase of incremental capacity on the transmission system of its pipeline suppliers.

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PRICE PER MONTH:

A. Gas Delivery Charges

Customer Charge - First 3 Ccf or Less Per Month \$17.80

Volumetric Unit Rate - per 100 cubic feet (Ccf) All Usage above
the First 3 Ccf per Month \$.0563

B. Gas Supply Charge - Applicable to Customers purchasing their gas supplies from the Company. The charges set forth herein shall be subject to a Gas Supply Charge as explained in the General Information Section of the Company's tariff.

C. Upstream Capacity Charge - Customers purchasing upstream capacity from the Company will be charged for that service through the Capacity Release Surcharge. The monthly charge will be the product of the capacity release surcharge rate per 100 cu. ft. applied to the customer's MDQ.

D. The above rates are ceilings which are fixed for at least three years.

INCREASE IN RATES AND CHARGES:

The rates and charges under this service classification are increased pursuant to the General Information Section to reflect the tax rates applicable within the municipality where the customer takes service.

MINIMUM CHARGE:

The monthly minimum charge shall be the sum of the Customer Charge, plus taxes, as applicable.

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TERMS OF PAYMENT:

Bills are due when personally served or three days after mailing. Bills shall be subject to a late payment charge in accordance with the General Information Section, if payment is not made by the due date specified on the bill which date shall be not less than 20 days from the due date.

DETERMINATION OF DEMAND:

The Customer's Maximum Daily Quantity (MDQ) will be set initially on the fuel requirements of the Customer's installed distributed generation equipment for a twenty-four (24) hour period. Should the Customer's actual usage exceed their MDQ, the MDQ will be deemed to be changed and MDQ for service and billing purposes will be increased to this new service level.

BALANCING AND CURTAILMENT

Customers electing commodity service who subsequently elect to migrate to an alternate supplier must participate in Monthly Balancing Service and are subject to the curtailment provisions of monthly balanced customers.

SPECIAL PROVISIONS:

H. Separate service lines for DG usage and non-DG usage shall not be required. However, if existing services and upstream distribution

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facilities are inadequate, the customer shall be responsible for all incremental costs incurred by the Company. DG customers shall be charged for additional facilities pursuant to the Company's existing rules set forth in the Company's tariff.

- I. The Company reserves the right to reject any application for service under this Service Classification where, in the sole discretion of the Company, the provision of service would or might result in a reduction in the Company's rights or ability to receive service, purchase gas or utilize capacity on the transmission system of its pipeline supplier(s), impair or interfere with the Company's operations, or impose costs in excess of those subject under these rates.
- J. Each Customer under this Service Classification warrants that it will, at the time the Company receives the gas for transportation, have good and merchantable title to all such gas free and clear of liens, encumbrances and claims whatsoever. The customer shall indemnify the Company and save it harmless from all suites, actions, debts, accounts, damages, costs, losses and expenses arising out of the adverse claims of any or all persons to said gas including claims for any royalties, taxes, license fees, or charges applicable to such gas or to the delivery of such gas to the Company for transportation.

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