CORNING
NATURAL GAS CORPORATION

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2007 OCT 18 AM 9:40

October 15, 2007

Hon. Jaclyn A. Brilling, Secretary
Public Service Commission
State of New York
Three Empire State Plaza
Albany, New York 12223

Dear Secretary Brilling:

Corning Natural Gas Corporation herewith submits for filing three copies of the annual G.A.C. reconciliation for our Corning, Bath and Hammondsport operations

Very truly yours,

Firouzeh Sarhangi

enclosures

G.A.C. COMPUTATION
SHEET NO. 1
ANNUAL SURCHARGE OR (REFUND)

CORNING NATURAL GAS CORPORATION
COMPUTATION OF ANNUAL GAC SURCHARGE (REFUND)
CORNING OPERATIONS
8/31/2007

ANNUAL SURCHARGE (REFUND) AS PER WORK PAPERS - COPIES ENCLOSED	(371,606.00)
08/31/06 GAC BALANCE (PROJECTED)	131,309.00

	(240,297.00)
INTEREST - SCHEDULE ATTACHED	(12,821.01)

	(253,118.01)
	===========
PROJECTED SALES (MCF)	1,308,126
AVERAGE MONTHLY SURCHARGE / (REFUND) PER MCF	(0.19350)
AVERAGE MONTHLY SURCHARGE (REFUND) PER 100 CUBIC FEET (CENTS)	(1.9350)

DATED: OCTOBER 15, 2007

EFFECTIVE: JANUARY 1, 2008

CORNING - CORNING NATURAL GAS CORPORATION
COMPUTATION OF ANNUAL RECONCILIATION OF GAS COSTS
SEPTEMBER 1 2006 - AUGUST 31, 2007
(STEP 1)

MONTH	ACTUAL COST OF GAS PURCHASED (1)	ACTUAL MCF PURCHASED (2)	TRANSPORT LAUF VARIANCE (3) - STEP 2	ADJUSTED MCF PURCHASED (4) = (2) + (3)	ACTUAL COMMODITY COST OF GAS (5) = (1)/(4)	ACTUAL DEMAND COST OF GAS (6)	ACTUAL BASE COST RECOVERIES (7) = (1)+(6)	ACTUAL MCF SALES (8)	APPROVED FIXED FACTOR (9)	CALCULATED PURCHASED VOLUMES (10) = (8) X (9)	CALCULATED COST OF GAS PURCHASED (11) = (10) X (5)	GSC RATE (12)	ACTUAL GAC REVENUES (13) = (8) X (12)	GAC COST (14) = (6) + (11)	UNDER/(OVER) COLLECTION (15) = (14) - (13)
SEPTEMBER 06	$ 599,258	45,411				$ 159,905	759,162	27,128	1.02200	27,725		$ 11.195	$ 303,709	389,122.90	85,414.09
OCTOBER	739,337	95,208				174,979	914,316	45,434	1.02200	46,434		$ 9.193	$ 417,666	558,874.18	141,208.51
NOVEMBER	1,127,344	123,922				154,562	1,281,906	84,417	1.02200	86,274		$ 11.039	$ 931,913	867,844.27	(64,068.76)
DECEMBER	927,890	148,954				134,157	1,062,047	117,236	1.02200	119,815		$ 10.776	$ 1,263,288	1,124,743.42	(138,544.63)
JANUARY 07	1,541,581	195,796				156,517	1,698,098	148,040	1.02200	151,297		$ 11.007	$ 1,629,521	1,407,381.84	(222,138.86)
FEBRUARY	1,838,429	234,619				221,243	2,059,673	220,934	1.02200	225,795		$ 9.868	$ 2,180,265	2,088,026.77	(92,238.32)
MARCH	1,491,609	183,879				182,922	1,674,531	223,618	1.02200	228,538		$ 9.870	$ 2,207,089	2,072,385.39	(134,703.89)
APRIL	911,522	108,808				126,916	1,038,438	143,193	1.02200	146,343		$ 10.431	$ 1,493,603	1,336,826.48	(156,776.75)
MAY	349,655	44,234				56,474	416,129	87,463	1.02200	89,387		$ 10.299	$ 900,797	805,491.04	(95,305.83)
JUNE	210,687	26,229				116,434	327,121	39,348	1.02200	40,213		$ 10.079	$ 396,576	448,901.26	52,325.68
JULY	194,583	26,445				112,964	307,547	24,038	1.02200	24,567		$ 9.818	$ 236,007	316,073.63	80,066.14
AUGUST	189,470	23,285				107,314	296,784	27,219	1.02200	27,818		$ 9.422	$ 256,447	337,300.81	80,854.28
														92,303.00	92,303.00
ANNUAL TOTAL	$ 10,121,364	$ 1,256,791	$ (32,574)	$ 1,224,218	$ 8.2676	$ 1,714,388	$ 11,835,752	$ 1,188,068	1.01626	$ 1,214,205	$ 10,038,584		$ 12,216,881	$ 11,345,275	$ (371,606)

$ (441,713)

TOTAL PROJECTED UNDER/(OVER) COLLECTION [redacted] $ (354,335)

MCF SALES (JANUARY 1 2008 - DECEMBER 31 2008) [redacted]

PRINCIPAL SURCHARGE (INC. SUPPLIER & PREV. RECON)/ MCF $ (0.18884)

INTEREST COMPUTATION ON
ANNUAL SURCHARGE (REFUND)
STEP 3)

MONTH	FORECAST MCF SALES (1)	PRINCIPAL (INC SUP/REC) SURCHARGE PER MCF (2)	PRINCIPAL INC SUP/REC) SURCHARGE (3) = (1) X (2)	UNDER/(OVER) COLLECTION (4) = PREV MTH (4) - (3)	COMMISSION APPROVED ANNUAL INTEREST RATE (5)	EQUIVALENT MONTHLY INTEREST RATE (6) = (5) / 12	INTEREST (7) = (6) X AVG MTH BAL. (4)	PRINCIPAL & INTEREST (8)
			08/31/07 BAL=	$ (219,945)				
SEPTEMBER 07	50,189	$ 0.75250)	$ (37,767)	$ (182,178)	5.40%	0.45%	$ (905)	
OCTOBER	90,390	$ (0.75250)	$ (68,018)	$ (115,064)	5.40%	0.45%	$ (669)	
NOVEMBER	138,389	$ 0.75250)	$ (104,138)	$ (11,595)	5.40%	0.45%	$ (285)	
DECEMBER	189,327	$ 0.75250)	$ 142,920)	$ 131,340	5.40%	0.45%	$ 269	
				(247,931) = Year End				
JANUARY 08	214,364	$ (0.18884)	$ (40,425)	$ (206,507)	5.51%	0.46%	$ (1,041)	
FEBRUARY	182,534	$ (0.18884)	$ (34,470)	$ (172,136)	5.51%	0.46%	$ (870)	
MARCH	181,458	$ (0.18884)	$ (34,267)	$ (137,869)	5.51%	0.46%	$ (712)	
APRIL	102,009	$ (0.18884)	$ (19,264)	$ (118,605)	5.51%	0.46%	$ (589)	
MAY	64,661	$ (0.18884)	$ (12,211)	$ (106,394)	5.51%	0.46%	$ (517)	
JUNE	30,831	$ (0.18884)	$ (5,822)	$ 100,572)	5.51%	0.46%	$ (475)	
JULY	31,837	$ (0.18884)	$ (6,012)	$ 94,560)	5.51%	0.46%	$ (448)	
AUGUST	31,837	$ (0.18884)	$ (6,012)	$ (88,548)	5.51%	0.46%	$ (420)	
SEPTEMBER	50,189	$ (0.18884)	$ (9,478)	$ (79,070)	5.51%	0.46%	$ (385)	
OCTOBER	90,390	$ (0.18884)	$ (17,070)	$ (62,000)	5.51%	0.46%	$ (324)	
NOVEMBER	138,389	$ (0.18884)	$ (26,134)	$ 35,866)	5.51%	0.46%	$ (225)	
DECEMBER	189,927	$ (0.18884)	$ (35,866)	$ -	5.51%	0.46%	$ (82)	
TOTAL	1,308,126	$ (0.18884)					$ (6,087)	

CORNING - CORNING NATURAL GAS CORPORATION
SUMMARY COMPUTATION OF ANNUAL SURCHARGE (REFUND)
(STEP 4)

CURRENT PERIOD UNDER/(OVER) COLLECTION	$	(371,606)
SIMPLE INTEREST (1/08-12/08 EST.)	$	(6,087)
MONTHLY COMPOUND INTEREST (9/07-12/07)	$	(6,734)
ANY SUPPLIER REFUNDS COMPLETED DURING THE PERIOD - AMOUNTS STILL OWED OR OVER REFUNDED	$	
AMOUNTS STILL OWED OR OVER REFUNDED FROM PRIOR RECONCILIATION - COMPLETED DURING THE PERIOD	$	131,309
TOTAL UNDER/(OVER) COLLECTED		[redacted]
MCF SALES (1/1/08 - 12/31/08)		1,308,126
SURCHARGE (REFUND) PER MCF	$	(0.19350)

DETERMINATION OF THE RESULTS
FROM THE LAUF INCENTIVE
(STEP 5)

ACTUAL PURCHASES		1,256,791	MCF
CALCULATED PURCHASES		1,188,068	
DIFFERENCE		5,059	MCF
TRANSPORT LAUF VARIANCE		(32,574)	
LOSSES (BELOW)/ABOVE ALLOWED		(27,515)	MCF
AVERAGE COMMODITY COST OF GA	$	9.417	MCF
GAS COST (GAIN)/LOSS	$	(259,121) *	

(* AMOUNT REFLECTED IN ABOVE RECONCILIATION)

DETERMINATION OF TRANSPORTATION LAUF VARIANCE
(STEP 2)

CALCULATION OF SYSTEM LOSS PERCENTAGE.

SYSTEM RECEIPTS (SUM OF)			
ACTUAL CORNING PURCHASES		1,256,791	MCF
CORNING TRANSPORTATION RECEIPTS		7,121,691	MCF
TOTAL CORNING METERED		8,378,482	MCF
SYSTEM DELIVERIES. (SUM OF)			
ACTUAL SALES		1,188,068	
ACTUAL TRANSPORTATION USAGE		6,968,386	
TOTAL DELIVERIES		8,156,454	MCF
COMPANY USAGE		5,143	MCF
SYSTEM LOSSES (RECEIPTS LESS DELIVERIES)		216,885	MCF
%SYSTEM LOSSES (LOSSES/RECEIPTS)		2.59%	

CALCULATION OF TRANSPORTATION RECEIPTS.

ACTUAL TRANSPORTATION USAGE		7,121,691	MCF
TARIFF LAUF FACTOR	X	1.02200	
TRANSPORTATION RECEIPTS		7,278,368	MCF

CALCULATION OF ACTUAL TRANSPORTATION REQUIREMENTS.

ACTUAL TRANSPORTATION USAGE		7,121,691	MCF
SYSTEM LOSS FACTOR	X	1.0266	
ACTUAL TRANSPORTATION REQUIREMENTS		7,310,942	MCF

CALCULATION OF TRANSPORTATION LAUF VARIANCE

TRANSPORTATION RECEIPTS	7,278,368	
ACTUAL TRANSPORTATION REQUIREMENTS	7,310,942	
LAUF VARIANCE GAIN/(LOSS)	(32,574)	MCF

CORNING NATURAL GAS CORPORATION
INTEREST ON ANNUAL SURCHARGE/REFUND
8/31/07
AMT IN RATES: (0 19350)

RATE	MONTH	SALES-MCF	PRINCIPLE REFUND @ (0.18370)	OVER COLLECTION	INTEREST	PRINCIPAL & INTEREST
5.40%	Sept 07	0	0.00	(240,297.00)	(1,066.52)	
5.40%	October	0	0.00	(240,297.00)	(1,102.07)	
5.40%	November	0	0.00	(240,297.00)	(1,066.52)	
5.40%	December	0	0.00	(240,297.00)	(1,102.07)	
5.51%	Jan 08	216,969	(39,856.17)	(200,440.83)	(1,758.77)	
5.51%	February	202,971	(37,284.96)	(163,155.87)	(1,495.93)	
5.51%	March	173,285	(31,831.76)	(131,324.11)	(1,416.54)	
5.51%	April	132,606	(24,359.17)	(106,964.94)	(1,267.08)	
5.51%	May	67,868	(12,467.06)	(94,497.88)	(471.40)	
5.51%	June	43,529	(7,996.09)	(86,501.79)	(409.85)	
5.51%	July	33,913	(6,229.59)	(80,272.20)	(390.23)	
5.51%	August	29,683	(5,452.71)	(74,819.49)	(362.89)	
5.51%	September	34,546	(6,345.94)	(68,473.55)	(324.47)	
5.51%	October	58,671	(10,777.63)	(57,695.92)	(295.22)	
5.51%	November	123,958	(22,770 47)	(34,925.45)	(209.73)	
5.51%	December	190,126	(34,925.58)	0.13	(81.72)	
		1,308,126	(240,297.13)		(12,821 01)	(253,118.14)

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G.A.C. COMPUTATION
SHEET NO. 1
ANNUAL SURCHARGE OR (REFUND)

CORNING NATURAL GAS CORPORATION
COMPUTATION OF ANNUAL GAC SURCHARGE (REFUND)
BATH OPERATIONS
8/31/07

ANNUAL SURCHARGE (REFUND) AS PER WORK PAPERS - COPIES ENCLOSED	48,896.00
08/31/06 GAC BALANCE (PROJECTED)	19,237.00
INTEREST - SCHEDULE ATTACHED	2,572.67

	70,705.67
	===========
PROJECTED SALES (MCF)	308,239
AVERAGE MONTHLY SURCHARGE / (REFUND) PER MCF	0.22939
AVERAGE MONTHLY SURCHARGE (REFUND) PER 100 CUBIC FEET (CENTS)	2.2939

DATED: October 15, 2007

EFFECTIVE: January 1, 2008

BATH - CORNING NATURAL GAS CORPORATION
COMPUTATION OF ANNUAL RECONCILIATION OF GAS COSTS
SEPTEMBER 1 2006 - AUGUST 31, 2007
(STEP 1)

MONTH	ACTUAL COST OF GAS PURCHASED (1)	ACTUAL MCF PURCHASED (2)	TRANSPORT LAUF VARIANCE (3) - STEP 2	ADJUSTED MCF PURCHASED (4) = (2) + (3)	ACTUAL COMMODITY COST OF GAS (5) = (1)/(4)	ACTUAL DEMAND COST OF GAS (6)	ACTUAL BASE COST RECOVERIES (7) = (1)+ (6)	ACTUAL MCF SALES (8)	APPROVED FIXED FACTOR (9)	CALCULATED PURCHASED VOLUMES (10) = (8) X (9)	CALCULATED COST OF GAS PURCHASED (11) = (10) X (5)	GSC RATE (12)	ACTUAL GAC REVENUES (13)	GAC COST (14) = (6) + (11)	UNDER/ (OVER) COLLECTION (15) = (14) - (13)
SEPTEMBER 06	$ 198,236	15,022				$ 26,279	224,515	8,974	1.00000	8.974		$ 10.512	$ 94,333	102,623.91	8,291.01
OCTOBER	342,053	44,048				47,573	389,626	21,020	1.00000	21,020		$ 7 558	$ 158,869	226,397 48	67,528.32
NOVEMBER	365,271	40,152				31,348	396,620	27,352	1.00000	27 352		$ 10.132	$ 277,125	264,041 49	(13,083.51)
DECEMBER	307 645	49,386				10,603	318,248	38,870	1.00000	38,870		$ 9.839	$ 382,422	341,283 71	(41,138.79)
JANUARY 07	494,703	62,832				45,098	539,801	47,507	1 00000	47,507		$ 10.120	$ 480,766	449,256.25	(31,509.84)
FEBRUARY	441,438	56,336				(6,303)	435,135	53,050	1.00000	53,050		$ 8.822	$ 467,996	445,011 35	(22,985 14)
MARCH	260,350	32,095				26,832	287,182	39,031	1.00000	39.031		$ 8.794	$ 343,235	358,881.95	15,647 24
APRIL	172,096	20,543				17 602	189,698	27 035	1.00000	27,035		$ 9.090	$ 245,745	247,598.07	1,852.62
MAY	44,299	5,604				20,366	64,665	11 081	1 00000	11,081		$ 9.365	$ 103,772	114,635.86	10,363 40
JUNE	35,608	4,433				18,542	54,150	6,650	1.00000	6,650		$ 9.246	$ 61,487	75,116.23	13,629 66
JULY	51,248	6,965				17,990	69,238	6,331	1.00000	6,331		$ 8 991	$ 56,923	71,849 79	14,926.51
AUGUST	40,102	5,985				17,090	57,192	5,761	1 00000	5,761		$ 8.603	$ 49,562	66,100.72	16,538.27
													-	8,336.00	8,336.00
ANNUAL TOTAL	$ 2,753,050	$ 343,401	$ (19,793)	$ 323,608	$ 8.5073	$ 273,019	$ 3,026,069	$ 292,662		$ 292,662	$ 2,489,778		$ 2,722,237	$ 2,771,133	$ 48,896

TOTAL PROJECTED UNDER/(OVER) COLLECTION [redacted]

MCF SALES (JANUARY 1, 2008 - DECEMBER 31 2008 [redacted]

PRINCIPAL SURCHARGE (INC SUPPLIER & PREV RECON)/ MCF $ 0.22391

INTEREST COMPUTATION ON
ANNUAL SURCHARGE (REFUND)
(STEP 3)

MONTH	FORCAST MCF SALES (1)	PRINCIPAL (INC SUP/REC) REFUND PER MCF (2)	PRINCIPAL (INC SUP/REC) REFUND (3) = (1) X (2)	UNDER/(OVER) COLLECTION (4) = PREV MTH (4) - (3)	COMMISSION APPROVED ANNUAL INTEREST RATE (5)	EQUIVALENT MONTHLY INTEREST RATE (6) = (5) / 12	INTEREST (7) = (6) X AVG. MTH. BAL. (4)	PRINCIPAL & INTEREST (8)
			08/31/07 BAL=	$ 20,423				
SEPTEMBER 07	10,729	$ 0 01410	$ 151	$ 20,272	5.40%	0.45%	$ 92	
OCTOBER	17,856	$ 0 01410	$ 252	$ 20 112	5.40%	0.45%	$ 91	
NOVEMBER	34,124	$ 0.01410	$ 481	$ 19 722	5.40%	0.45%	$ 90	
DECEMBER	46,952	$ 0 01410	$ 662	$ 19 149	5.40%	0.45%	$ 87	
				69,019	= Year End			
JANUARY 08	52,964	$ 0.22391	$ 11,859	$ 57 159	5.51%	0.46%	$ 290	
FEBRUARY	45,144	$ 0.22391	$ 10 108	$ 47,051	5.51%	0 46%	$ 239	
MARCH	44,841	$ 0 22391	$ 10,040	$ 37,010	5.51%	0.46%	$ 193	
APRIL	19,836	$ 0.22391	$ 4,442	$ 32,569	5.51%	0.46%	$ 160	
MAY	13,334	$ 0.22391	$ 2,986	$ 29,583	5.51%	0.46%	$ 143	
JUNE	7 327	$ 0.22391	$ 1 641	$ 27 943	5.51%	0.46%	$ 132	
JULY	7,566	$ 0 22391	$ 1 694	$ 26,249	5.51%	0.46%	$ 124	
AUGUST	7,566	$ 0.22391	$ 1,694	$ 24,554	5.51%	0.46%	$ 117	
SEPTEMBER	10,729	$ 0.22391	$ 2,402	$ 22,152	5.51%	0.46%	$ 107	
OCTOBER	17,856	$ 0.22391	$ 3,998	$ 18,154	5.51%	0 46%	$ 93	
NOVEMBER	34,124	$ 0.22391	$ 7,641	$ 10,513	5.51%	0 46%	$ 66	
DECEMBER	46,952	$ 0.22391	$ 10,513	$ -	5.51%	0.46%	$ 24	
TOTAL	308,239	$ 0.22391					$ 1,687	

BATH - CORNING NATURAL GAS CORPORATION
SUMMARY COMPUTATION OF ANNUAL SURCHARGE (REFUND)
(STEP 4)

CURRENT PERIOD UNDER/(OVER) COLLECTION:	$	48,896
SIMPLE INTEREST (1/08-12/08 EST):	$	1,687
MONTHLY COMPOUND INTEREST (9/07-12/07).	$	886
ANY SUPPLIER REFUNDS COMPLETED DURING THE PERIOD - AMOUNTS STILL OWED OR OVER REFUNDED	$	-
AMOUNTS STILL OWED OR OVER REFUNDED FROM PRIOR RECONCILIATION - COMPLETED DURING THE PERIOD	$	19,237
TOTAL UNDER/(OVER) COLLECTED:		[redacted]
MCF SALES (1/1/08 - 12/31/08)		308,239
SURCHARGE(REFUND) PER MCF	$	0.22939

DETERMINATION OF THE RESULTS
FROM THE LAUF INCENTIVE
(STEP 5)

ACTUAL PURCHASES		343,401	MCF
CALCULATED PURCHASES		292,662	
DIFFERENCE		5,059	MCF
TRANSPORT LAUF VARIANCE		(19 793)	
LOSSES (BELOW)/ABOVE ALLOWED		(14,734)	MCF
AVERAGE COST OF GAS	X $	8.812	MCF
GAS COST (GAIN)/LOSS	$	(129,836) *	

(* AMOUNT REFLECTED IN ABOVE RECONCILIATION)

DETERMINATION OF TRANSPORTATION LAUF VARIANCE
(STEP 2)

CALCULATION OF SYSTEM LOSS PERCENTAGE

SYSTEM RECEIPTS. (SUM OF)			
ACTUAL PURCHASES		343,401	
TRANSPORTATION RECEIPTS		187 180	
TOTAL METERED		530,581	MCF
SYSTEM DELIVERIES. (SUM OF)			
ACTUAL SALES		292,662	
ACTUAL TRANSPORTATION USAGE		187,180	
TOTAL DELIVERIES		479,842	MCF
SYSTEM LOSSES (RECIEPTS LESS DELIVERIES)		50,739	MCF
%SYSTEM LOSSES (LOSSES/RECEIPTS)		9.56%	

CALCULATION OF TRANSPORTATION RECEIPTS.

ACTUAL TRANSPORTATION USAGE		187,180	MCF
TARIFF LAUF FACTOR	X	1.0000	
TRANSPORTATION RECEIPTS		187,180	MCF

CALCULATION OF ACTUAL TRANSPORTATION REQUIREMENTS

ACTUAL TRANSPORTATION USAGE		187,180	MCF
SYSTEM LOSS FACTOR	X	1.1057	
ACTUAL TRANSPORTATION REQUIREMENTS		206,973	MCF

CALCULATION OF TRANSPORTATION LAUF VARIANCE.

TRANSPORTATION RECEIPTS	187,180	
ACTUAL TRANSPORTATION REQUIREMENTS	206,973	
LAUF VARIANCE GAIN/(LOSS)	(19,793)	MCF

CORNING NATURAL GAS CORPORATION-BATH OPERATIONS
INTEREST ON ANNUAL SURCHARGE/REFUND
8/31/07
AMT IN RATES. 0.22939

RATE	MONTH	SALES-MCF	PRINCIPLE REFUND @ 0.22104	OVER COLLECTION	INTEREST	PRINCIPAL & INTEREST
5.40%	Sept 07	0	0.00	68,133.00	302.40	
5.40%	October	0	0.00	68,133.00	312 48	
5.40%	November	0	0.00	68,133.00	302 40	
5.40%	December	47,334	10,462.78	57,670.22	288.49	
5.51%	Jan 08	47,842	10,575 06	47,095.16	289.64	
5.51%	February	41,548	9,183.78	37,911.38	224.15	
5 51%	March	40,445	8,939.87	28,971.51	201.00	
5.51%	April	24,624	5,442.80	23,528.71	163.38	
5.51%	May	11,691	2,584.22	20,944.49	104.06	
5.51%	June	10,345	2,286.61	18,657.88	89.67	
5.51%	July	6,054	1,338.20	17,319.68	84.18	
5.51%	August	6,406	1,415.94	15,903.74	77.74	
5.51%	September	11,880	2,625.98	13,277.76	66.08	
5.51%	October	24,760	5,472.92	7,804.84	49.33	
5.51%	November	35,310	7,804.91	(0.07)	17.67	
		308,239	68,133.07		2,572.67	70,705.74

G.A.C. COMPUTATION
SHEET NO. 1
ANNUAL SURCHARGE OR (REFUND)

CORNING NATURAL GAS CORPORATION
COMPUTATION OF ANNUAL GAC SURCHARGE (REFUND)
HAMMONDSPORT OPERATIONS
8/31/2007

ANNUAL SURCHARGE (REFUND) AS PER WORK PAPERS - COPIES ENCLOSED	(9,464.00)
08/31/06 GAC BALANCE (PROJECTED)	3,499.00
INTEREST - SCHEDULE ATTACHED	(320.90)

	(6,285.90)
	=========
PROJECTED SALES (MCF)	43,781
AVERAGE MONTHLY SURCHARGE / (REFUND) PER MCF	(0.14358)
AVERAGE MONTHLY SURCHARGE (REFUND) PER 100 CUBIC FEET (CENTS)	(1.4358)

DATED: OCTOBER 15, 2007

EFFECTIVE: JANUARY 1, 2008

HAMMONDSPORT - CORNING NATURAL GAS CORPORATION
COMPUTATION OF ANNUAL RECONCILIATION OF GAS COSTS
SEPTEMBER 1, 2006 - AUGUST 31, 2007
0

MONTH	ACTUAL COST OF GAS PURCHASED (1)	ACTUAL MCF PURCHASED (2)	TRANSPORT LAUF VARIANCE (3) - STEP 2	ADJUSTED MCF PURCHASED (4) = (2) + (3)	ACTUAL COMMODITY COST OF GAS (5) = (1)/(4)	ACTUAL DEMAND COST OF GAS (6)	ACTUAL BASE COST RECOVERIES (7) = (1) + (6)	ACTUAL MCF SALES (8)	APPROVED LOSS FACTOR (9)	CALCULATED PURCHASED VOLUMES (10) = (8) X (9)	CALCULATED COST OF GAS PURCHASED (11) = (10) X (5)	GSC RATE (12)	ACTUAL GAC REVENUES (13)	GAC COST (14) = (6) + (11)	UNDER/ (OVER) COLLECTION (15) = (14) - (13)
SEPTEMBER 06	$ 11,641	382				$ 1,712	13,354	527	1.01100	533	-	11.5914	$ 6,109	6,177.92	69.25
OCTOBER	40,487	5,214				6,014	46,501	2,488	1.01100	2,515		8.7123	$ 21,676	27,096.22	5,420.02
NOVEMBER	28,311	3,112				5,505	33,817	2,120	1.01100	2,143		11.4622	$ 24,300	23,469.48	(830 38)
DECEMBER	47,045	7,552				1,734	48 779	5,944	1 01100	6,009		11 1743	$ 66,420	52,100.62	(14,319.42)
JANUARY 07	45,027	5,719				4,098	49,125	4,324	1 01100	4,372		11.4486	$ 49,504	40,737.91	(8,765.83)
FEBRUARY	91,383	11,662				11,843	103,226	10,982	1.01100	11,103		10.1754	$ 111,746	104,899.87	(6,846.37)
MARCH	36,099	4,450				6,402	42,500	5,412	1.01100	5,471		10.1482	$ 54,920	52,259.36	(2,660.67)
APRIL	27,595	3,294				4,414	32,009	4,335	1.01100	4,383		10.4393	$ 45,254	41,146.79	(4,107 57)
MAY	5,148	651				13,293	18,441	1,288	1 01100	1,302		10 7102	$ 13,793	24,205 10	10,412.51
JUNE	5,414	799				4,650	11,064	1,198	1 01100	1,211		10.5896	$ 12,685	14,800.08	2,114.80
JULY	3,829	520				4,511	8,340	473	1.01100	478		10.3384	$ 4,890	8,519.00	3,628.94
AUGUST	7,657	447				4,285	11,942	1,100	1 01100	1,112		9.9556	$ 10,951	13,606.30	2,655 14
													-	3,766.00	3,766.00
ANNUAL TOTAL	$ 350,637	$ 44,303	$ (2,468)	$ 41,835	$ 8.3814	$ 68,460	$ 419,097	$ 40,191		$ 40,633	$ 340,558		$ 422,248	$ 412,785	$ (9,464)

TOTAL PROJECTED UNDER/(OVER) COLLECTION [redacted]

MCF SALES (JANUARY 1, 2008 - DECEMBER 31, 2008): [redacted]

PRINCIPAL SURCHARGE (INC. SUPPLIER & PREV RECON)/ MCF $ (0.14016)

INTEREST COMPUTATION ON
ANNUAL SURCHARGE (REFUND)
(STEP 3)

MONTH	FORCAST MCF SALES (1)	PRINCIPAL (INC SUP/REC) REFUND PER MCF (2)	PRINCIPAL (INC SUP/REC) REFUND (3) = (1) X (2)	UNDER/(OVER) COLLECTION (4) = PREV. MTH (4) - (3)	COMMISSION APPROVED ANNUAL INTEREST RATE (5)	EQUIVALENT MONTHLY INTEREST RATE (6) = (5) / 12	INTEREST (7) = (6) X AVG MTH. BAL (4)	PRINCIPAL & INTEREST (8)
			08/31/07 BAL=	$ 3,656				
SEPTEMBER 07	1,548	$ 0 01397	$ 22	$ 3,635	5.40%	0.45%	$ 16	
OCTOBER	3,264	$ 0.01397	$ 46	$ 3,606	5 40%	0.45%	$ 16	
NOVEMBER	4,618	$ 0.01397	$ 65	$ 3,557	5 40%	0.45%	$ 16	
DECEMBER	6 472	$ 0.01397	$ 90	$ 3 483	5 40%	0.45%	$ 16	
				(6,136)	= Year End			
JANUARY 08	7,349	$ (0.14016)	$ (1 030)	$ (5,106)	5.51%	0.46%	$ (26)	
FEBRUARY	6,258	$ (0.14016)	$ (877)	$ (4,229)	5.51%	0.46%	$ (21)	
MARCH	6,163	$ (0.14016)	$ (864)	$ (3,365)	5.51%	0 46%	$ (17)	
APRIL	3,792	$ (0 14016)	$ (531)	$ (2,834)	5.51%	0 46%	$ (14)	
MAY	2,150	$ (0.14016)	$ (301)	$ (2,533)	5.51%	0.46%	$ (12)	
JUNE	709	$ (0.14016)	$ (99)	$ (2,433)	5.51%	0.46%	$ (11)	
JULY	729	$ (0.14016)	$ (102)	$ (2,331)	5.51%	0.46%	$ (11)	
AUGUST	729	$ (0.14016)	$ (102)	$ (2,229)	5.51%	0.46%	$ (10)	
SEPTEMBER	1,548	$ (0.14016)	$ (217)	$ (2.012)	5.51%	0 46%	$ (10)	
OCTOBER	3,264	$ (0 14016)	$ (457)	$ (1,554)	5.51%	0.46%	$ (8)	
NOVEMBER	4,618	$ (0.14016)	$ (647)	$ (907)	5.51%	0.46%	$ (6)	
DECEMBER	6,472	$ (0.14016)	$ (907)	$ -	5.51%	0.46%	$ (2)	
TOTAL	43,781	$ (0.14016)					$ (150)	

HAMMONDSPORT - CORNING NATURAL GAS CORPORATION
SUMMARY COMPUTATION OF ANNUAL SURCHARGE (REFUND)
(STEP 4)

CURRENT PERIOD UNDER/(OVER) COLLECTION:	$	(9,464)
SIMPLE INTEREST (1/07-12/07 EST.):	$	(150)
MONTHLY COMPOUND INTEREST (9/07-12/07):	$	(171)
ANY SUPPLIER REFUNDS COMPLETED DURING THE PERIOD - AMOUNTS STILL OWED OR OVER REFUNDED	$	-
AMOUNTS STILL OWED OR OVER REFUNDED FROM PRIOR RECONCILIATION - COMPLETED DURING THE PERIOD	$	3,499
TOTAL UNDER/(OVER) COLLECTED:		[redacted]
MCF SALES (1/1/08 - 12/31/08)		43,781
SURCHARGE(REFUND) PER MCF	$	(0.14358)

DETERMINATION OF THE RESULTS
FROM THE LAUF INCENTIVE
(STEP 5)

ACTUAL PURCHASES		44,303	MCF
CALCULATED PURCHASES		40,633	
DIFFERENCE		5,059	MCF
TRANSPORT LAUF VARIANCE		(2,468)	
LOSSES (BELOW)/ABOVE ALLOWED		2,591	MCF
AVERAGE COST OF GAS X	$	9.460	/MCF
GAS COST (GAIN)/LOSS	$	24,513	*

(* AMOUNT REFLECTED IN ABOVE RECONCILIATION)

DETERMINATION OF TRANSPORTATION LAUF VARIANCE
(STEP 2)

CALCULATION OF SYSTEM LOSS PERCENTAGE:

SYSTEM RECEIPTS. (SUM OF)			
ACTUAL PURCHASES		44,303	
TRANSPORTATION RECEIPTS		83,379	
TOTAL METERED		127,682	MCF
SYSTEM DELIVERIES. (SUM OF)			
ACTUAL SALES		40,191	
ACTUAL TRANSPORTATION USAGE		82,472	
TOTAL DELIVERIES		122,662	MCF
SYSTEM LOSSES (RECIEPTS LESS DELIVERIES)		5,019	MCF
%SYSTEM LOSSES (LOSSES/RECEIPTS)		3.93%	

CALCULATION OF TRANSPORTATION RECEIPTS.

ACTUAL TRANSPORTATION USAGE		82,472	MCF
TARIFF LAUF FACTOR	X	1.0110	
TRANSPORTATION RECEIPTS		83,379	MCF

CALCULATION OF ACTUAL TRANSPORTATION REQUIREMENTS

ACTUAL TRANSPORTATION USAGE		82,472	MCF
SYSTEM LOSS FACTOR	X	1 0409	
ACTUAL TRANSPORTATION REQUIREMENTS		85,847	MCF

CALCULATION OF TRANSPORTATION LAUF VARIANCE.

TRANSPORTATION RECEIPTS	83,379	
ACTUAL TRANSPORTATION REQUIREMENTS	85,847	
LAUF VARIANCE GAIN/(LOSS)	(2,468)	MCF

CORNING NATURAL GAS CORPORATION-HAMMONDSPORT OPERATIONS
INTEREST ON ANNUAL SURCHARGE/REFUND
8/31/07
AMT IN RATES: (0.14358)

RATE	MONTH	SALES-MCF	PRINCIPLE REFUND @ (0.13625)	OVER COLLECTION	INTEREST	PRINCIPAL & INTEREST
5.40%	Sept 2007	0	0.00	(5,965.00)	(26.47)	
5.40%	October	0	0.00	(5,965.00)	(27.36)	
5.40%	November	0	0.00	(5,965.00)	(26.47)	
5.40%	December	0	0.00	(5,965.00)	(27.36)	
5.51%	Jan 08	6,307	(859.26)	(5,105 74)	(43.65)	
5.51%	February	5,212	(710.09)	(4,395.65)	(37.83)	
5.51%	March	6,961	(948.44)	(3,447.21)	(36.10)	
5.51%	April	4,390	(598 13)	(2,849 08)	(32.01)	
5.51%	May	2,643	(360.14)	(2,488.94)	(12.49)	
5.51%	June	2,115	(288.10)	(2,200.84)	(10.62)	
5.51%	July	1,829	(249.21)	(1,951.63)	(9.72)	
5.51%	August	1,887	(257.06)	(1,694.57)	(8.53)	
5.51%	September	357	(48.58)	(1,645.99)	(7.56)	
5.51%	October	973	(132.55)	(1,513.44)	(7.39)	
5.51%	November	4,873	(663.95)	(849 49)	(5.35)	
5.51%	December	6,235	(849 47)	(0.02)	(1.99)	
		43,781	(5,964.98)		(320.90)	(6,285.88)