

PSC No:4 Gas
Corning Natural Gas Corporation
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Revision: 0
Superseding Revision:

"Issued in Compliance with Commission Order "11-G-0280" Issued and Effective April 20, 2012"

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 State Assessment" issued July 24, 2009 in Case 09-G-0546. The surcharge will be set forth on the company's State Assessment Surcharge Statement.

The target forecasted sales volumes and net margins for the reconciliation of Bath/Hammondsport sales is the following:

	Forecasted Rate Year Sales	Proposed Rates	DRA Target
<u>Bath</u>			
SC1 Firm Sales for Resale and			
SC3 Transportation for Resale	3,351,680	\$0.07737	\$259,319.48
SC2 Hammondsport for Resale and			
SC4 Hammondsport Transportation	<u>1,463,920</u>	<u>\$0.07237</u>	<u>\$105,943.89</u>
	4,815,600		\$365,263.37

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

On June 23, 2008 the New York State Public Service Commission (NYSPSC) issued an order in Case 07-M-0548 Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard ("EEPS"). In that order as amended on July 3, 2008 determined that a Gas System Benefits Charge ("GSBC") should be established for New York gas utilities that have 14,000 customers or more. As such, the Company was required to establish a GSBC effective October 1, 2008 and collect from its customers \$148,647 annually until December 31, 2011. One quarter of the annual amount was collected in the last quarter of 2008. On June 21, 2010 the New York State Public Service Commission (NYSPSC) issued an order in Case 07-M-0548 and Case 08-G-1010 adding a small volume commercial program to its existing residential program. As such, the Company is now required to establish a GSBC effective October 1, 2010 (see Statement Type: GSBC, Statement No. 2) and collect from its residential and small volume commercial customers \$152,498 annually. These funds will be used for Commission approved energy efficiency initiatives in the Corning franchise area. The funds collected will be reconciled to energy efficiency expenditures annually. Any over or under collection will be included in the GSBC rate determination for the following year. The Company is also required to file a plan with the Commission that establishes energy efficiency programs consisted with its order in Case 07-M-0548 and Case 08-G-1010.

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