

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 11/01/2015

Leaf: 78
Revision: 2
Superseding Revision:1

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 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.

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.

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

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