

PSC No: 7 Gas
Corning Natural Gas Corporation
Initial Effective Date: 1/05/2016

Leaf: 78
Revision: 3
Superseding Revision:2

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.

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