

PSC No:4 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/05/2009

Leaf: 75.1
Revision: 7
Superseding Revision: 6

Temporary State Energy and Utility Service Conservation Assessment
(Continued)

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>	\$0.07237	<u>\$105,943.89</u>
	4,815,600		\$365,263.37

Gas System Benefits Charge (GSBC) - (Residential Customers 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 is required to establish a GSBC effective October 1, 2008 and to collect such from its customers annually until December 31, 2011. The Company proposes to collect \$148,647 annually, with one quarter of the annual amount to be collected in the last quarter of 2008. 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.

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.

Issued Under Authority of Order of PSC Dated July 24, 2009 in Case No. 09-G-0252. "

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