

PSC No: 5 Gas
Corning Natural Gas Corporation
Initial Effective Date: 07/16/2011

Leaf: 78
Revision 2
Superseding Revision: 1

V. Adjustment of Rates in Accordance with Changes in the Cost of Purchased Gas: (Cont'd.)

7. Annual Surcharge or Refund:

A surcharge to collect gas cost adjustment under-collections or refund gas cost adjustment over-collections shall be computed and applied as follows:

- (a) By taking the cost of purchased gas adjusted for supplier refunds for the 12 months ended August 31 of each year and subtracting therefrom an amount equal to the sum of (1) the base cost of gas as defined in Rule V.2 multiplied by the quantities of gas purchased for firm customers, (2) the gas cost adjustment revenues exclusive of gross revenue taxes and supplier refunds (3) the costs assignable to gas purchased for resale to SC3 customers, and (4) either (i) the previous year's over-collection with interest to the extent not refunded, or (ii) adding the previous year's under-collection with interest to the extent not recovered. The previous year referred to above in (1)(i) and (ii) is the 12 months ended August 31 of the second preceding year prior to the year for which the calculation is being made.
- (b) A surcharge or refund rate to be shown on the statement of gas cost adjustment shall be determined by dividing the amount derived in (a) above by the quantities of gas purchased for the Company's firm customers during the determination period, and by applying the factor of adjustment as stated in Rule V.1 in effect on the date the surcharge or refund becomes effective to the amount so determined.