

PSC No: 6 Gas
Corning Natural Gas Corporation
Initial Effective Date: 09/01/2008

Leaf: 7
Revision 1
Superseding Revision: 0

Where exceptional circumstances warrant, the Company may petition the Commission for waiver of the above refund plan.

Delivery Rate Adjustment (DRA)

The DRA will be derived from the net combination of the per unit credit or surcharge related to the reconciliation of the revenue imputation for Bath sales, Corning transportation charges for Hammondsport delivery and the credit resulting from any revenues generated by receipt of local production above and beyond the first \$250,000 which were imputed in base rates. Any amounts above the \$250,000 will be shared between the customer and company on a 90/10 basis (page 9 of Rate Order Case 07-G-0772). The customer portion if any will be refunded via this mechanism.

A statement to implement the DRA will be filed by November 15th of each year with the effective date of January 1st. The DRA will remain in effect for 12 months and be derived including interest on the unrecovered balance or the unrefunded balance owed to customers, whichever may be the case. Interest on the unrefunded or unrecovered balance will be computed using the Commission approved unadjusted customer deposit rate. The initial DRA should reflect the reconciliation for the period October 1st, 2006 through September 30th, 2007. Based on results of the above reconciliation or flow-back mechanisms for the previous twelve months ended September 30th, to the extent the net DRA credit or surcharge is not fully passed back or recovered during the twelve month period the credit or surcharge is in effect, the remaining refund or surcharge balance will be included in the derivation of the next effective DRA.

9. Metering:

Measuring Station:

Seller will install, maintain and operate at the delivery points a measuring station properly equipped with orifice meters, or other suitable meters by which the gas delivered hereunder shall be measured.

Check Measuring Equipment:

Buyer may install, maintain and operate, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Seller's measuring equipment at the delivery point or points.

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