

PSC No:4 Gas
Corning Natural Gas Corporation
Initial Effective Date: 10/01/2003

Leaf: 75
Revision: 0
Superseding Revision:

Refund Provision: (Continued)

intended to be refunded during that period with any difference applied to the Annual Surcharge or Refund Computation.

- C. That portion of the refund which applied to the S.C. No. 3 customer will be determined by actual consumption for the period of refund and made in a lump sum payment.
- II. Interest shall be computed on the unrefunded balance from the date of receipt of the refund until the refund is returned to the customers, at least, at the rate prescribed by the Commission.

Collection of Large Customer Sales Deficiency

In the event the Company receives less than 95% of the net revenues imputed in its last rate case for S.C. 2 and S.C. 7 customers, 90% of such deficiency shall be collected by means of a surcharge. However, if the Company is receiving revenues from a rate proceeding, such revenues shall be used to reduce the deficiency provided for herein. The Company would collect any remaining deficiency by deferring in A/C 186 90% of the deficiency for inclusion in the monthly gas adjustment over the 12 month period commencing 60 days from the end of the rate year. In the event such surcharge, fully applied, would result in the Company earning in excess of its allowed return on equity, only such part shall be applied as would yield the allowed return on equity.

Upstream Capacity Assignment Revenues

Eighty-five percent (85%) of all revenues from upstream capacity assignment, net of applicable taxes, shall be credited to firm customers through the gas adjustment clause.

Issued by Thomas K. Barry, Chairman, President & C.E.O., Corning, NY 14830