

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

Leaf: 77
Revision: 5
Superseding Revision: 4

Issued Under Authority of PSC Order Dated October 19, 2015 in Case No. 11-G-0280.

Per Commission order in Case# 13-G-0465 dated December 19, 2013, allows for the recovery of property tax expense and the special contract non-firm revenue deferrals through the Delivery Rate Adjustment (DRA) clause to be effective January 1, 2014.

Per Commission order in Case# 13-G-0465 dated December 12, 2014, allows for the recovery of the special contract non-firm revenue deferral of \$809,299 which is the outstanding unrecovered amount in rate year one (\$314,048) and 100% of rate year two amount (\$495,251) through the Delivery Rate Adjustment (DRA) clause to be effective January 1, 2015.

Per Commission order in Case# 13-G-0465 dated December 21, 2015, allows for the recovery of \$1,136,382, to offset contract customer revenue deferral of \$413,835 for rate year three and property tax deferrals of \$722,547 for both rate year two (\$299,820) and rate year three (\$422,727), through the Delivery Rate Adjustment(DRA) clause to be effective January 1, 2016.

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.

Safety and Reliability Charge

On October 19, 2015 the New York State Public Service Commission (NYSPSC) issued an order in Case# 11-G-0280. In that order the Company is permitted to implement this charge, in form of a surcharge and/or deferral, to collect the carrying costs on the replacement of Leak-Prone Pipe ("LPP") and ancillary costs incurred to maintain a safe and reliable system. The Company will be collecting a total of \$1,041,116 beginning November 1, 2015 through April 30, 2017. Effective May 1, 2017 the Company will be collecting a total of \$747,373 annually which equates to a rate of .0241 per ccf. The Company will start surcharging all customers with the exception of contract customers the rate of .01859 per CCF beginning November 1, 2015.

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