

Further Suspension of
Major Rate Change

(Signed)

KATHLEEN H. BURGESS
Secretary

Issued & Effective October 3, 2016

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Notice of Further Suspension of
Effective Date of Major Rate Change

TO: Corning Natural Gas Corporation

FROM: Secretary to the Commission

SUBJECT: Case 16-G-0369 - Proceeding on Motion of the
Commission as to the Rates, Charges, Rules and
Regulations of Corning Natural Gas Corporation for Gas
Service.

RECOMMENDATION: Further Suspension of the Effective Date of the
Major Rate Change.

On June 17, 2016, Corning Natural Gas Corporation (Corning) filed amendments to its tariff schedule, P.S.C. No. 7 - Gas. Corning is requesting a gas delivery revenue increase of approximately \$5.9 million (or 44.7% in delivery revenues or 24.6% increase in total revenues) for the rate year ending May 31, 2018. The proposed revenue requirement includes the transfer to base rates of approximately \$2.6 million of costs (property tax and other deferrals, plus carrying charges on certain plant additions) which are currently being recovered through customer surcharges. In addition to the rate year increase, Corning proposed a three year case with supporting increases of approximately \$1.2 million and \$0.7 million for the rate years ending May 31, 2019 and May 31, 2020, respectively. To mitigate the rate year impact, Corning proposes a levelized approach that would increase revenues by approximately \$3.5 million in the rate year and each of the two subsequent years. Corning projects the requested increase in gas delivery

revenues, using its levelized approach, will result in a total annual bill increase of \$98.60 (8.7% on the total bill) for an average residential heating customer.

By Notice issued July 7, 2016, the Commission suspended the proposed amendments through November 13, 2016. The investigation in this proceeding is continuing.

Pending the proceeding and decision on the proposed changes, the operation of these amendments is further suspended and the use of the rates, charges, rules, and regulations is deferred through May 13, 2017, unless otherwise ordered by the Commission. The rates, charges, rules, and regulations altered by the suspended amendments shall continue in effect until this proceeding is concluded or until the period of further suspension and any extended suspension expires, unless otherwise ordered by the Commission.

Corning Natural Gas Corporation is directed to file with the Commission not later than November 8, 2016, a consecutively numbered supplement announcing suspension of the amendments.