

Suspension of Major Rate Change

(Signed)

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KATHLEEN H. BURGESS

Secretary

Issued & Effective July 7, 2016

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

Notice of Suspension of  
Effective Date of Major Rate Change and  
Initiation of Proceeding

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: Initial Suspension of the Effective Date of the  
Major Rate Change and Initiation of Proceeding.

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.

The proposal has an effective date of July 17, 2016. Corning's amendments require a hearing. The Public Service Commission delegated to the Secretary to the Commission its authority to suspend the effective date of amendments to a tariff schedule and institute a proceeding.

Without answer or other formal pleading, a proceeding is instituted concerning the propriety of the rates, charges, rules, and regulations contained in the amendments to Schedule P.S.C. No. 7 - Gas, listed in the Appendix to this Notice.

Pending the proceeding and decision on the proposed changes, the operation of these amendments is suspended and the use of the rates, charges, rules, and regulations is deferred through November 13, 2016, 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 initial 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 July 13, 2016, a consecutively numbered supplement announcing suspension of the amendments.

SUBJECT: Filing by CORNING NATURAL GAS CORPORATION

Amendments to Schedule P.S.C. No. 7 - Gas

Third Revised Leaves Nos. 153, 155, 157, 160, 162,  
165, 197