

STATE OF NEW YORK

Public Service Commission

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<http://www.dps.state.ny.us>

09077/08-G-1137

PSC EXTENDS PUBLIC COMMENT IN CORNING GAS CASE

— Proposal Being Considered Calls for \$1.5M Rate Increase —

Albany, NY—08/11/09—The New York State Public Service Commission (Commission) today announced it has extended the public comment period in the Corning Natural Gas Corp. (Corning) proceeding.

The Commission is currently considering a Joint Proposal with modifications for Corning to increase annual revenues by \$1.5 million. This action would establish a rate plan and other provisions governing Corning's gas delivery services, intended to take effect September 1, 2009 and to continue for at least two years.

Under the proposed rate plan, the \$1.5 million revenue increase would be allocated among service classifications so as to promote economic efficiency by moving the classes' various rates of return closer to system-wide costs of service. Bill increases for residential customers in the company's Corning and Hammondsport districts would depend on the district and the customer's consumption level.

In the second year, starting September 1, 2010, Corning could impose a surcharge to recover incremental plant additions and associated property taxes. If the company applies for a general rate increase to take effect before the end of the second rate year, it would forfeit a portion of the 10.7 percent return on equity allowed under the rate plan. The Joint Proposal also provides for a revenue decoupling mechanism intended to remove the utility's disincentive to promoting important energy efficiency programs.

The Joint Proposal under consideration was submitted on March 27, 2009 by the company, Staff of the Department of Public Service, Multiple Intervenors, and the Village of Bath. By order issued July 17, 2009, the Commission directed Corning to show why the Joint Proposal's terms should not be modified to include a provision allowing customers a share of any excess earnings. Members of the public (other than the active parties) are encouraged to submit comments regarding this case as soon as possible and no later than close of business Tuesday, August 18, 2009, as follows:

Mail: You can comment in English or Spanish to Hon. Jaclyn A. Brillling, Secretary, Public Service Commission, Three Empire State Plaza, Albany, NY 12223-1350. Your comments should refer to "Case 08-G-1137 – Corning Gas Rates," and be received no later than August 18, 2009.

Toll-free Opinion Line: You can call the Commission's Opinion Line at 1-800-335-2120. This number is designed to take comments about pending cases from in-state callers, 24 hours daily. Callers should press "1" to leave comments about the Corning Gas Rates case.

Internet: You can comment via the Commission's consumer Web site at www.AskPSC.com. On the home page, click on "Contact Us." Then click on "PSC Comment Form" at the right on the "Contact Us" page, and type your comment. Many libraries offer free Internet access.

All comments received by Tuesday, August 18, 2009 will become part of the record reported to the Commission for its consideration.

All documents filed in this case are posted on the Internet as promptly as possible. These include, among other things, the active parties' testimony and exhibits supporting or opposing the rate request, the Joint Proposal, parties' statements supporting it, the July 17 show cause order, and communications received from the public by August 18, 2009. To view these materials, go to the Commission's Web site at www.dps.state.ny.us and (1) click on "Natural Gas" at the top, (2) click on "Corning Gas Rate Case" in the drop-down menu, and (3) click on "[View all Case Related Commission Documents for Case 08-G-1137.](#)"