

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

July 31, 2024

SUBJECT: Proposed Major Revenue Increase for Rate Year Ending June 30, 2026
Case Nos.: 24-G-0447
Utility: Corning Natural Gas Corporation
Date Filed: July 31, 2024 Final Suspension Date: June 30, 2025

Corning Natural Gas Corporation (Corning or the Company) made a filing requesting an increase in annual gas delivery revenues of approximately \$13.66 million (60.2 percent increase in delivery revenues or 42.3 percent in total revenues) for the rate year ending June 30, 2026. According to Corning, the requested increase in gas delivery revenues will result in a total monthly bill increase of about \$59.18 (41.9 percent on a total bill) for the average residential heating customer using 80 hundred cubic feet per month (approximately 82 therms).

Corning also proposes delivery revenue increases for three subsequent rate years of approximately \$0.91 million for the rate year ending June 30, 2027, of approximately \$0.11 million for the rate year ending June 30, 2028, and of approximately \$0.38 million for the rate year ending June 30, 2029. Corning states the three subsequent rate year increases would result in total revenue increases of about 1.96 percent, 0.24 percent, and 0.80 percent, respectively. (The delivery revenue increases for the three subsequent rate years would be approximately 2.48 percent, 0.30 percent, and 1.00 percent, respectively.)

Alternatively, Corning proposes a four-year levelized increase of approximately \$5.79 million or by 13 percent for each of the four rate years. The Company's gas delivery rate increases are primarily associated with an increase in depreciation expense, replacement of gas mains and service lines, increased operation and maintenance costs, expiring merger pass back benefits, and a change in return.

Rate cases are a primary instrument of government regulation of these industries. Interested persons may intervene and become parties in a utility company's rate case. Typical intervenors include: industrial, commercial and other large-scale users of electricity; public interest groups; representatives of residential, low-income and elderly customers; local municipal officials; and, dedicated advocacy groups. The applicable legal requirements require the Public

Service Commission (PSC) to render a decision within 11 months after a major rate case is filed.
Rate cases proceed in an entirely public and open process.