

Corning Natural Gas Corporation Gas Rate Case Summary

Public Service Law Section 66(12)(l) requires the Public Service Commission (PSC) to publish information after an electric or gas utility rate change order is issued.

On July 31, 2024, Corning submitted a rate filing to the PSC ([24-G-0447](#)). The active parties to the proceeding entered negotiations on January 6, 2025, which resulted in a Joint Proposal (JP), filed on March 17. On May 6, a revised JP was filed. On June 12, the PSC issued an order adopting the terms of the JP granting Corning an increase in annual gas revenues of \$2.279 million in RY1, \$2.441 million in RY2, \$2.615 in RY3, and \$2.802 in RY4. The increase in revenues equates to a 10.6%, 10.2%, 9.9%, and 9.7% increase in delivery revenues, and a 7.1%, 7.1%, 7.1%, and 7.1% increase in total revenues for RY 1-4, respectively.

Typical delivery and total bill increase by customer type:

| | Company Request (RY1) | | Commission Approved | | | | | | | |
|--|-----------------------|-------|---------------------|------|---------|-------|---------|-------|---------|-------|
| | | | RY1 | | RY2 | | RY3 | | RY4 | |
| Delivery Bill Increase | (\$) | (%) | (\$) | (%) | (\$) | (%) | (\$) | (%) | (\$) | (%) |
| SC1 Residential customer (80 Therms/month) | \$58.18 | 62.6% | \$6.18 | 6.8% | \$9.49 | 9.8% | \$10.23 | 9.6% | \$11.15 | 9.6% |
| SC3 Commercial customer (200 Therms/month) | \$93.34 | 58.1% | \$9.75 | 6.3% | \$12.85 | 7.8% | \$13.84 | 7.8% | \$15.05 | 7.9% |
| SC7 Industrial customer (120,000 Therms/month) | \$9,626 | 59.5% | \$1,517 | 8.2% | \$2,581 | 12.8% | \$2,799 | 12.4% | \$3,028 | 11.9% |
| | Company Request (RY1) | | Commission Approved | | | | | | | |
| | | | RY1 | | RY2 | | RY3 | | RY4 | |
| Total Bill Increase | (\$) | (%) | (\$) | (%) | (\$) | (%) | (\$) | (%) | (\$) | (%) |
| SC1 Residential customer (80 Therms/month) | \$58.18 | 42.0% | \$6.91 | 5.0% | \$9.49 | 6.5% | \$10.23 | 6.6% | \$11.15 | 6.8% |
| SC3 Commercial customer (200 Therms/month) | \$93.34 | 34.0% | \$11.58 | 4.2% | \$12.85 | 4.5% | \$13.84 | 4.6% | \$15.05 | 4.8% |
| SC7 Industrial customer (122,000 Therms/month) | \$9,626 | 13.2% | \$1,517 | 1.7% | \$2,581 | 2.8% | \$2,799 | 3.0% | \$3,028 | 3.2% |

How the Revenue Will Be Spent: Major drivers of the revenue requirement increase in RY1 is due to the increase in the cost of long term debt costs (\$1.344 million, or 25%); an increase in rate base driven by capital expenditures related to the Company's leak prone pipe replacement program (\$1.136 million, or 21%); associated depreciation expense related to the Company's increased plant balances (\$0.508 million, or 9%); and direct labor due to new hires, incentive compensation, and wage increases (\$0.951 million, or 18%).

Other proposals relevant to ratepayers: The rate plan targeted performance mechanisms to ensure the safety and reliability of the gas system along with satisfactory customer service; has a low-income affordability program that provides monthly discounts to low-income residential customers ranging from \$13.25 to \$22.50 based on need; and includes actions for the utility to undertake to help educate customers on energy efficiency and alternate energy source options.

Return on Equity: In its original filing, the company proposed a Return on Equity (ROE) of 10.60%, which equates to approximately \$970,000 of its requested increase in RY1. The Commission approved a ROE of 9.50%, which equates to approximately \$166,000 of the approved increase in RY1. Return on equity is the percentage of return that shareholders' investment in a company earns. It is a measurement of the profits made relative to the amount of investment (equity) shareholders have made.