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Gregg C. Sayre, Interim Chairman

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PSC Grants Much Smaller Corning Natural Gas Rate Increase

— Southern Tier Gas Utility Gets One-Third Less than the \$7.51M Initially Requested —

ALBANY — The New York State Public Service Commission (Commission) today announced it set rates for the next three years for Corning Natural Gas Corporation. While Corning initially sought a three-year total rate increase of \$7.51 million, the Commission limited the three-year increase to \$4.69 million — a sharp reduction from what the Southern Tier gas company had initially requested.

“The Commission has a statutory obligation to ensure the company’s rates are just and reasonable,” said Commission Interim Chairman Gregg C. Sayre. “Our decision gives the company one-third less than what it initially sought, while still providing the revenues necessary for improvements to system reliability and public safety.”

Under the joint proposal adopted today, Corning will receive a delivery rate increase of \$1.56 million in the first year, \$1.57 million in the second year, and \$1.56 million in the third year. For a typical residential customer, the average monthly bill will increase by \$8.27 in year one, \$7.81 in year two, and \$6.98 in year three. The last time the Commission voted to approve a three-year rate plan for Corning was in 2012.

The need for the higher rates was driven by increased costs across a number of categories, including inflation, labor and pension expense, property taxes, health insurance costs; capital expenditures for gas distribution system upgrades; and costs for improving Corning's customer assistance performance. Corning has nearly 450 miles of mains and sells natural gas to approximately 15,000 customers. The company’s service territory includes 23 towns and villages throughout the Southern Tier and central regions of New York State. The new rates will take effect July 1, 2017.

The Commission’s decision continues incentive programs for replacement of leak-prone distribution mains and includes a program to replace leak prone service lines. It also includes gas safety performance metrics related to preventing damage to underground facilities, responding to emergency calls, adhering to gas safety regulations and eliminating leaks.

The decision includes a plan to eliminate the highest methane-emitting non-hazardous leaks on the company’s system. In fact, with this decision, the company will be on pace to remove all leak prone pipe within 10 years, which would make Corning one of the first utilities in New York to eliminate leak-prone pipe from its distribution system; a gas-safety and environmental priority.

The plan adopted today also includes customer-service performance targets and incentives for complaints, uncollectibles and terminations, and will require a customer credit of \$25 if the company fails to keep a scheduled appointment. Customers will also now be able to pay bills electronically using credit or debit cards.

The plan was submitted for consideration on March 7, 2017. No parties opposed the joint proposal. On April 4, 2017, Corning, Department staff, and a group of large commercial customers filed statements in support of the joint proposal. The plan will also require Corning to evaluate the potential for growth of natural gas vehicles, especially fleet vehicles, within the company's service area. Corning would be required to file a report within 11 months. The Commission held a series of public statement hearings and received less than a dozen public comments in this proceeding.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 16-G-0369 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.