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John B. Howard, Interim Chair

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PSC Reduces Corning Rate Hike Request by More Than 90 Percent

Commission Approves Program to Reduce Rates for Low-Income Customers by 6 Percent

Customer Service Improvements Will Be Made

ALBANY — The New York State Public Service Commission (Commission) approved a one-year rate plan with Corning Natural Gas Corporation (Corning) that results in a change in revenues that is 92 percent lower than the \$6.26 million Corning originally requested. In addition to the change in rates, a mechanism which was returning deferred taxes to customers will be discontinued and a change to a surcharge will be made. The cumulative impacts of these changes will result in an increase to revenues of \$505,000 over the rate year.

“Because of the COVID-19 pandemic, all citizens in this State have been forced to make hard sacrifices and to bear up under extraordinary and unforeseen circumstances, so the initial rates proposed by the company were simply too high to accept,” **said Commission Chair John B. Howard.** “The Commission cannot ignore the pandemic-related economic hardships caused by the COVID-19 pandemic. When setting rates, we must make adjustments that account, in some degree, for the economic fallout from the pandemic. Failing to do so would, in effect, impose additional hardships on customers at a time of unusual and unexpected need.”

With the Commission’s decision, the average total bill impact on residential heating customers will be \$2.39 a month, an increase of approximately 2.43 percent, as compared to the \$28.76 a month or 24 percent initially proposed by Corning. To reduce the impact on low-income residential heating customers, the Commission increased the low-income bill discount whereby low-income residential heating customers will see an average monthly bill decrease of approximately 6.14 percent.

While its focus was primarily on reducing the financial impact on customers, the Commission also ensured that Corning would continue its leak-prone pipe replacement program at its current level, increase its efforts to reduce its leak backlog, minimize excavation damage to its facilities, maintain its current targets for fast response times in emergencies, fully comply with pipeline safety regulations, increase its work to repair minor leaks in a flood-prone area, improve its coordination with and training of other emergency responders, and establish a pilot program for residential methane detectors.

The Commission also approved Corning’s customer service metrics and programs to minimize complaints, achieve good results on customer satisfaction surveys, and minimize missed appointments. The Commission adopted Staff’s general recommendations, to which Corning agrees, as to the names and applicability of the various metrics, the requirement that Corning’s annual

performance review be done on a calendar year basis, and to apply negative revenue adjustments for each metric that are measured in terms of pre-tax basis points rather than specific dollar amounts. It also directed an improvement to Corning's outreach and education plan, approved a proposal by Staff to eliminate fees for credit and debit card payments, and approved a proposal by Staff to file a plan for electronic Deferred Payment Agreements.

On February 27, 2020, Corning proposed a three-year rate plan encompassing rate increases of \$845,142 and \$680,913 in the second and third years, respectively. Corning asserted that the three years of stand-alone rate increases would impact customers' total bills by 23.4 percent, 2.6 percent and 2 percent, respectively. Corning proposed that these increases be levelized over three years, which would result in an increase of \$3.5 million in each year, with a total bill impact of nearly 11 percent in each year. The Commission's decision, however, substantially reduces the customer bill impacts of Corning's proposal.

Corning is a local gas distribution company with 425 miles of mains that sell or transport natural gas to approximately 15,000 customers. Gas deliveries are made across 23 towns and villages, over 400 square miles, throughout the Southern Tier and central regions of New York State.

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 20-G-0101 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.