

BEFORE THE  
STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

---

In the Matter of

Case 16-G-0369

Corning Natural Gas Corporation

October 2016

---

Prepared Exhibits of  
Consumer Services Panel:

Sonny Moze  
Utility Consumer Program  
Specialist 4

Chelsea Kruger  
Utility Analyst 1

Office of Consumer Services  
State of New York  
Department of Public Service  
Three Empire State Plaza  
Albany, New York 12223-1350

## List of Exhibits

<u>Exhibit</u>	<u>Description</u>	<u>PDF Page</u>
Exhibit __ (CSP-1)	IR Responses	3
Exhibit __ (CSP-2)	Current Customer Service Performance Incentive Program	17
Exhibit __ (CSP-3)	Proposed Customer Service Performance Incentive Program	18
Exhibit __ (CSP-4)	Proposed Low Income Assistance Program Reporting Requirements	19
Exhibit __ (CSP-5)	Proposed Incentive for Uncollectibles and Terminations	20

Exhibit CSP-1

Relied Upon Corning Responses to Information Requests

Table of Contents

DPS-183 Low Income Program.....	2
DPS-186 Customer Service Quality.....	4
DPS-282 Keeping Scheduled Appointments.....	14

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-183 CSP-1 [UPDATED]  
**Requested By:** Chelsea Kruger and Sonny Moze  
**Requested of:** Stanley Sleve  
**Date of Request:** July 13, 2016  
**Response Due Date:** July 23, 2016  
**Subject:** Low Income Program.

---

1. For the last three rate years, provide the following information by year:

- a. number of Home Energy Assistance Program (HEAP) recipients in the Company's low income program;

Response: Number of HEAP participants by Rate Year (twelve Months ended April 30):

RY1 (2013)	1,088
RY2 (2014)	1,588
RY3 (2015)	1,326
RY4 (2016)	1,388

- b. the number of Regular HEAP customers who received a single \$25 add-on;

Response: None.

- c. the number of Regular HEAP customers who were recipients of two add-ons;

Response: None.

- d. the number of HEAP recipients with arrears and the average amount of arrears;

Response: At July 2016, 266 HEAP recipients were in arrears and the average amount of arrears was \$130.12.

- e. the average monthly bill amount(s) for Regular HEAP and Emergency HEAP recipients; separately state the average monthly bill for heating and non-heating customers.

Response: *The average monthly bill amount(s) for Regular HEAP and Emergency HEAP recipients (CY 2015) is \$55.75. As indicated in the response to*

*DPS-184, the Company does not classify customers as heating or non-heating.*

- 2. For the last three rate years, provide the number of unique low income program participants for each year, and the number of participants who were terminated for non-payment. State separately the number of heating and non-heating customers.

Response:

RY2 (2014)	133
RY3 (2015)	176
RY4 (2016)	124

Low income participants by year are provided in response to part 1a above.

- 3. For the last three rate years, provide the number of heating and non-heating customers who participated in the Company’s low income rate discount program and the average discount (in dollars and percentage) provided. Include the following:
  - a. Provide a detailed analysis of the total expenditures incurred to provide the discount, including a breakout of administrative costs, outreach expense, and contractor fees.

Response: Not Applicable.

- 4. For the last three rate years, provide the number of reconnection fee waivers provided to low-income program participants, broken down by heating and non-heating customers.
  - a. Provide the dollar amount and number of reconnection fees as charged to low income program participants due to termination for nonpayment, broken down by heating and non-heating customers, as conducted during business hours and during after-hours or on holidays. *All reconnections were completed during normal business hours. As indicated in the response to DPS-184, the Company does not classify customers as heating or non-heating. The amount associated with the 22 waivers is \$476.26.*

Response: In the first year of the program (RY 4) there were 22 waivers.

Name of Respondent: Stanley Sleve  
Position of Respondent: Vice President, Administration  
Date of Response: July 28, 2016 [UPDATED AUGUST 15, 2016]

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation  
Case 16-G-0369  
Gas Rates**

**Request No.:** DPS-186 CSP-4 [UPDATED]  
**Requested By:** Sonny Moze and Chelsea Kruger  
**Requested of:** John Stewart  
**Date of Request:** July 13, 2016  
**Response Due Date:** July 23, 2016  
**Subject:** Customer Service Quality

Provide the 2013, 2014 and 2015 Annual Service Quality Performance Mechanism results that are required to be filed with Secretary of the Commission.

Response: Please see attached PDF file designated "Response IR-186 CSP-4" listing the QRS and SRS customer complaints to the PSC.

Rate year 2013 - Eleven total complaints, only 2 were at SRS level in April 2014 (one a gas leak and one a high bill).

Rate year 2014 - Five total complaints, only 1 at SRS level in May 2014 (claim of damage to septic system).

Rate year 2015 - Ten total complaints, all were resolved at QRS level.

*The question asked for the results of the Annual Service Quality Performance Mechanism, not the reports that were filed with the Commission. The reports are readily available in the Commission DMM system as follows:*

	<b><i>DMM</i></b>		
<b><i>DMM</i></b>	<b><i>Posting</i></b>		<b><i>Report</i></b>
<b><u>Line No</u></b>	<b><u>Date</u></b>	<b><u>RY</u></b>	<b><u>Title</u></b>
135	5/28/2013	2013	Customer Complaint Report
72	5/15/2015	2015	Annual Escalated Compliant Summary
73	5/15/2015	2014	Annual Escalated Compliant Summary

*Nevertheless, as an accommodation, the filings made with the Commission are attached:*

*"Response DPS 186 CSP-4 Customer Satisfaction RY1 Cover letter"*  
*"Response DPS 186 CSP-4 Customer Compliant Report RY1"*

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation  
Case 16-G-0369  
Gas Rates**

**DPS-XXX continued.**

---

*“Response DPS 186 CSP-4 Escalated Complaints RY2 and RY3 Annual Report  
Cover letter”*

*“Response DPS 186 CSP-4 Annual Escalated Complaints Summary Rate Year 2”*

*“Response DPS 186 CSP-4 Annual Escalated Complaints Summary Rate Year 3”*

Name of Respondent: Stanley Sleve

Position of Respondent: Vice President, Administration

Date of Response: July 28, 2016 [UPDATED AUGUST 15, 2016]

PSC Complaints S-01-13 to S-01-14.Date Rec'd

6-26-13	1. QRS Complaint	Estimated Bill	Resolved as QRS
6-26-13	2. QRS Complaint	High Bill	Resolved as QRS
8-01-13	3. QRS Complaint	New Service Line	Resolved as QRS
9-5-13	4. QRS Complaint	Type 3 Gas Leak	Resolved as QRS
9-24-13	5. QRS Complaint	High Bill	Resolved as QRS
10-22-13	6. QRS Complaint	Disc./non Pymt	Resolved as QRS
12-23-13	7. QRS Complaint	Line Crew Service Interruption	Resolved as QRS
4-17-14	8. QRS Complaint	High Bill	Resolved as QRS
4-21-14	9. <u>Regulatory SRS Complaint</u>	Type 3 Gas leak	
4-24-14	10. <u>Regulatory SRS Complaint</u>	High Bill	
4-29-14	11. QRS Complaint	Damage to Septic System	Remains QRS at this time.

QRS - Not Marked against CN&

SRS - escalated complaint + against CN&

In Summary, only 2 complaints were rec'd that ended up as a SRS complaint for the rate year.

cc: J. Steue  
T. Raye

PSC Complaints 5-01-14 to 5-01-15

<u>date Rec'd</u>	<u>Complaint Type</u>	<u>Complaint</u>	<u>Additional Info</u>
5-09-14	1. Regulatory SRS Complaint		
		Cust. Claimed damage on septic system	
-16-14	2. QRS Complaint	Type 3 gas leak	Resolved as QRS
-26-15	3. QRS Complaint	Watered off Service	Resolved as QRS
-20-15	4. QRS Complaint	Gas leak	Resolved as QRS
-01-15	5. Regulatory Inquiry	Delinquent Bill	Not an SRS Complaint

QRS - Not marked against CNB

SRS - escalated complaint + against CNB

In summary, only 1 complaint was rec'd that end up as a SRS complaint for the rate year.

cc: J. Slue  
T. Royce

CC: T. Payne  
J. SluiceP.S.C. Complaints 5-01-15 to 5-01-16

<u>Date Rec'd</u>	<u>Classification</u>	<u>Complaint</u>	<u>Result</u>
5-15-15	QRS	Property Restoration	Resolved as QRS
5-22-15	QRS	Gas leak (Type 3)	Resolved as QRS
8-04-15	QRS	Service Terminated For Non Pymt	Resolved as QRS
8-13-15	QRS	Gas leak (Type 3)	Resolved as QRS
9-29-15	QRS	New Service Wanted (New Service line)	Resolved as QRS
10-22-15	QRS	New Service Application (New Service line)	Resolved as QRS
) 11-02-15	QRS	Outside Meter Requested	Resolved as QRS
) 10-30-15	QRS	Gas leak	Resolved as QRS
) 12-24-15	QRS	s.o. notice / Del. Bill Customer paying on wrong A/C	Resolved as QRS
) 1-29-16	QRS	Delinquent Notice	Resolved as QRS

10 complaints - all remained + resolved as a QRS (Quick Resolution Contact) which means they are not marked against CMG. Only SRS complaints are marked against the company.



Jeffery A. Cohen  
Secretary  
State of New York Public Service Commission  
New York State Department of Public Service  
Three Empire State Plaza  
Albany, New York 12223

May 28, 2013

Re: Case 11-G-0280 Proceeding on Motion of the Commission as to the Rate,  
Charges, Rules and Regulations of Corning Natural Gas Corporation for Gas  
Service

Dear Secretary Cohen:

The Joint Proposal ("JP") approved in Case 11-G-0280 and effective April 20, 2012 requires the Company to:

" The Signatory Parties agree that a CSPI mechanism shall apply to Corning during each Rate Year, and thereafter until modified or discontinued by the Commission. The CSPI shall be based on Annual PSC Escalated Complaints, defined as those complaints that are escalated for further handling and investigation because the customer informed Staff's Office of Consumer Services ("OCS") that Corning failed to satisfy his/her initial complaint after OCS forwarded the initial complaint to the Company, and the results of an annual CSS. For each Rate Year, Corning shall incur a Regulatory Liability of \$6,000 if the Company incurs a total of seven Escalated Complaints, \$12,000 if the Company incurs a total of eight Escalated Complaints, and \$18,000 if the Company incurs a total of nine or more Escalated Complaints. "(Section V (K) at page 26).

During Rate Year 1 (the twelve months ended April 30, 2013) Corning had a total of 9 complaints: 7 were satisfied without any Commission involvement; 2 complaints were escalated to the Commission's Office of Consumer Services (see Attachment A for details). Those complaints pre-dated the first rate year and the Company believes should not be considered in the complaint performance for the twelve months ended April 30, 2013. Even if those two complaints are deemed to be escalated complaints there would be no regulatory liability due to customers since the Company did not reach a total of seven Escalated Complaints that would have triggered a regulatory liability by the terms of the Joint Proposal.

Yours truly,

Stanley G. Sleve  
Vice President Administration and Corporate Secretary

Attachment A

Annual Escalated Complaints  
Report for the First Rate Year  
Twelve Months Ended April 30, 2013

**Legend:**  
*QRS= Not marked against Corning as an escalated compliant*  
*SRS= Marked against Corning as an escalated compliant*

<u>Count</u>	<u>Date</u>	<u>Compliant</u>	<u>Received</u>	<u>Description</u>	<u>Resolution</u>	<u>QRS</u>	<u>SRS</u>
1	4/30/2012			Gas Leak Type 3	Remained open until 3/01/2013 once all work was done		Prior to Commencement of the Rate Year
2	6/29/2012			Gas Leak Type 3	Remained open until 1/17/2013 once all work was done		Prior to Commencement of the Rate Year
3	9/6/2012			Payment Arrears	Resolved to customer satisfaction	X	
4	9/12/2012			Gas leak	Resolved to customer satisfaction	X	
5	9/28/2012			Water in the line	Resolved to customer satisfaction	X	
6	10/15/2012			Type 3 Gas leak	Resolved to customer satisfaction	X	
7	10/24/2012			Non payment issue	Resolved to customer satisfaction	X	
8	10/24/2012			Pot holes from gas leak	Resolved to customer satisfaction	X	
9	4/15/2012			Gas leak	Resolved to customer satisfaction	X	



Kathleen H. Burgess, Secretary  
State of New York Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

May 14, 2015

Re: Case 11-G-0280 Proceeding on Motion of the Commission as to the Rate, Charges, Rules and Regulations of Corning Natural Gas Corporation for Gas Service

Dear Secretary Burgess:

The Joint Proposal ("JP") approved in Case 11-G-0280 and effective April 20, 2012 requires the Company to:

"The Signatory Parties agree that a CSPI mechanism shall apply to Corning during each Rate Year, and thereafter until modified or discontinued by the Commission. The CSPI shall be based on Annual PSC Escalated Complaints, defined as those complaints that are escalated for further handling and investigation because the customer informed Staff's Office of Consumer Services ("OCS") that Corning failed to satisfy his/her initial complaint after OCS forwarded the initial complaint to the Company, and the results of an annual CSS. For each Rate Year, Corning shall incur a Regulatory Liability of \$6,000 if the Company incurs a total of seven Escalated Complaints, \$12,000 if the Company incurs a total of eight Escalated Complaints, and \$18,000 if the Company incurs a total of nine or more Escalated Complaints. "(Section V (K) at page 26).

During Rate Year 2 (twelve months ended April 30, 2014) – Corning had a total of eleven complaints: Eight were satisfied as QRS complaints without any Commission involvement; Two complaints were escalated to the Commission's Office of Consumer Services (see Attachment A for details). Those two escalated complaints were resolved as SRS complaints. One additional QRS complaints remained open as of April 30, 2014 and was escalated to an SRS status in Rate Year 3 and resolved as an SRS complaint on May 9, 2014.

During Rate Year 3 (twelve months ended April 30, 2015) – Corning had a total of five complaints: One was a QRS complaint from the previous Rate Year that was escalated to SRS status in Rate Year 3. It was resolved in Rate Year 3. Four of the five complaints in Rate Year 3 were resolved as QRS complaints.

In each of the two Rate Years, 2 and 3, there is no regulatory liability due to customers since the Company did not reach a total of seven escalated complaints in either Rate Year that would have triggered a regulatory liability by the terms of the Joint Proposal.

Sincerely,

Stanley G. Sieve  
Vice President Administration

Annual Escalated Complaints  
Report for Rate Year 2, Twelve Months Ended April 30, 2014

Attachment A

**Legend:**  
*QRS=Not marked against Corning as an escalated complaint*  
*SRS = Marked against Corning as an escalated complaint*

Count	Date Complaint Received	Description	Resolution	QRS	SRS
1	6/26/2013	Estimated Bill	Resolved to customer satisfaction	X	
2	6/26/2013	High Bill	Resolved to customer satisfaction	X	
3	8/1/2013	New Service Line	Resolved to customer satisfaction	X	
4	9/5/2013	Gas Leak Type 3	Resolved to customer satisfaction	X	
5	9/24/2013	High Bill	Resolved to customer satisfaction	X	
6	10/22/2013	Non-Payment	Resolved to customer satisfaction	X	
7	12/23/2013	Service Interruption	Resolved to customer satisfaction	X	
8	4/17/2014	High Bill	Resolved to customer satisfaction	X	
9	4/21/2014	Gas Leak Type 3	Resolved to customer satisfaction		X
10	4/24/2014	High Bill	Resolved as SRS to customer satisfaction		X
11	4/29/2014	Septic Damage	Remained open as QRS complaint at Rate Year End	X	

Annual Escalated Complaints  
Report for Rate Year 3, Twelve Months Ended April 30, 2015

Attachment B

**Legend:**  
**QRS=Not marked against Corning as an escalated complaint**  
**SRS = Marked against Corning as an escalated complaint**

Count	Date Complaint Received	Description	Resolution	QRS	SRS
1	5/9/2014	Septic Damage	Resolved as SRS from Rate Year 2 QRS Complaint		X
2	7/16/2014	Gas Leak Type 3	Resolved to customer satisfaction	X	
3	1/26/2015	Watered-off Service	Resolved to customer satisfaction	X	
4	3/20/2015	Gas Leak	Resolved to customer satisfaction	X	
5	4/1/2015	Delinquent Bill	Resolved to customer satisfaction	X	

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE****INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation  
Case 16-G-0369  
Gas Rates**

**Request No.:** DPS-282 CSP-  
**Requested By:** Sonny Moze and Chelsea Kruger  
**Information Requested of:** Stanley Sleve  
**Date of Request:** August 22, 2016  
**Response Due Date:** September 2, 2016  
**Subject:** Keeping Scheduled Appointments

---

For the calendar years 2011 through 2015, provide the monthly number of scheduled appointments as well as how many of these appointments were kept or missed by the Company.

Response:

All scheduled appointments were kept by the Company for the calendar years 2011 through 2015.

The requested monthly data are shown in the table below.

	Scheduled Appointments				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
January	451	466	415	438	331
February	456	456	425	458	308
March	524	473	431	475	326
April	353	420	543	460	377
May	486	407	470	400	410
June	437	444	412	399	429
July	410	377	478	489	448
August	440	406	430	463	423
September	398	366	411	425	377
October	431	444	504	558	459
November	372	475	428	466	372
December	335	309	387	320	392
Annual Total	5093	5043	5334	5351	4652

Name of Respondent: Stanley Sleve

Position of Respondent: Vice President, Administration

Date of Response: August 31, 2016

## Current Customer Service Performance Incentive Program

<b>Corning Natural Gas Corporation</b>		
<b>Metric</b>	<b>Target Level</b>	<b>NRA Amount</b>
<b>PSC Complaints</b>	≤ 6 complaints	\$0
	7 complaints	\$6,000
	8 complaints	\$12,000
	9 complaints	\$18,000
<b>Customer Satisfaction Survey</b>	> 83%	\$0
	≤ 83%	\$6,000
	≤ 81%	\$12,000
	≤ 79%	\$18,000
<b>Total</b>		<b>\$36,000</b>

## Proposed Customer Service Performance Incentive Program

<b>Corning Natural Gas Corporation</b>		
<b>Metric</b>	<b>Target Level</b>	<b>NRA Amount</b>
<b>PSC Complaints</b>	≤ 3 complaints	\$0
	4 complaints	\$10,000
	5 complaints	\$20,000
	6 complaints	\$30,000
<b>Customer Satisfaction Survey</b>	> 83%	\$0
	≤ 83%	\$10,000
	≤ 81%	\$20,000
	≤ 79%	\$30,000
<b>Total</b>		<b>\$60,000</b>

QUARTERLY LOW INCOME REPORT		
<b>Corning Natural Gas Corporation</b>		
<b>Low Income Program</b>	Quarter Ending:	
Item Description	Customers	YTD
<b>1a. Rate discount participants (Total)</b>		
1b. Regular HEAP recipients		
1c. Emergency HEAP recipients		
1d. New enrollments		
1e. Exited customers		
<b>2. Participant reconnection fee waivers</b>		
	<b>Dollars</b>	<b>YTD</b>
<b>3a. Rate discounts - Amount expended</b>		
3b. Over/undercollection		
<b>4a. Reconnection fee waivers - Total</b>		
4b. Remaining balance		
<b>5. Average bill - Heating</b>		
<b>6. Average bill - Non-heating</b>		
<b>7a. Total Over/Under Collection</b>		
7b. Regulatory Asset/ (Liability) Balance (End of quarter)		
	<b>Collection Data</b>	
	<b>Customers</b>	<b>Dollars</b>
<b>8. Participant Arrears (Total)</b>		
<b>9. Termination notices sent to participants</b>		
<b>10. Participants terminated</b>		
<b>11a. Participants reconnected</b>		
11b. Due to HEAP/DSS		
11c. Due to DPA		
<b>12a. Active Participant DPAs (Beginning)</b>		
12b. DPAs made		
12c. DPAs reinstated		
12d. DPAs defaulted		
12e. DPAs satisfied		
<b>12f. Active Participant DPAs (End of Period)</b>		
12g. Participant DPAs in Arrears >60 days		
<b>13. Participant Uncollectibles</b>		
<b>14a. Budget Billing Participants</b>		
14b. Credit Reconciliations (overcollection)		
14c. Debit Reconciliations (undercollection)		

### Staff Incentive Proposal for Termination/Uncollectibles

<b>Corning Natural Gas Corporation</b>		
	<b>Customer Terminations</b>	<b>Bad debt (\$000s)</b>
<b>Three-Year Average</b>	370	\$199,000
<b>Lower Target</b>	270	\$161,000
<b>Upper Target</b>	470	\$237,000

<b>Positive Incentive</b>	<b>Negative Incentive</b>
\$32,000 if both measures are at or below lower targets	\$32,000 if both measures are at or exceed upper targets
\$16,000 if one measure is at or below lower target and other is at or below three-year average	\$16,000 if one measure is equal to or exceeds upper target and other is at or below three-year average