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16-G-0369 - Corning, New York - 4:00 p.m.

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

16-G-0369 - CORNING NATURAL GAS CORPORATION PROPOSED RATE
INCREASE

PUBLIC STATEMENT HEARING

Wednesday September 14, 2016
4:00 p.m.
Southeast Steuben County Library
300 Nasser Civic Center Plaza
Corning, New York 14830

SEAN MULLANY
Administrative Law Judge
Three Empire State Plaza
Albany, New York 12223-1350

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2 (The hearing commenced at 4:00 p.m.)

3 A.L.J. MULLANY: Good evening. My name is
4 Sean Mullany, I'm an Administrative Law Judge with the New
5 York State Department of Public Service. I'm convening a
6 public statement hearing pursuant to a notice in case 16-
7 G-0369.

8 This is a Proceeding on Motion of the
9 Commission as to the Rates, Charges, Rules, and
10 Regulations of Corning Natural Gas Corporation for Gas
11 Service.

12 The New York State Public Service
13 Commission is seeking public comment on a request by
14 Corning Natural Gas Corporation to increase its annual
15 revenues for gas delivery service. The company proposes
16 to restructure delivery rates so that some current
17 surcharges will be eliminated and the same costs will be
18 included in base rates on a revenue neutral basis.

19 It's anticipated that the proposed new
20 rates for gas service will be suspended through May of
21 2017 to afford time for the Commission to consider
22 Corning's proposal. The Commission may adopt Corning's
23 proposal in whole or in part, reject the proposal, or
24 adopt alternatives.

25 A full copy of the company's filing and

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2 other filings in this proceeding may be viewed, printed,
3 or downloaded from the Commission's website at W W W dot D
4 P S dot N Y dot gov. And for anyone who's interested, we
5 have instructions on how to get information in this case.

6 The purpose of this public statement
7 hearing is to allow interested members of the public to
8 provide their views personally before an administrative
9 law judge assigned by the Commission to this case. We
10 have verbatim transcript of this public statement hearing
11 being prepared by Mr. Hubbell (sic) and that transcript
12 will be included as part of the record for the proceeding.

13 You don't need to make a reservation in
14 advance to offer statements. We do ask that you fill out
15 a card. And it looks to me as though we have 2 folks that
16 are going to offer statements.

17 Before we begin, does anyone have any
18 question about the public statement hearing process?

19 Okay then. Is Mr. Dowd here? Tom Dowd
20 (phonetic spelling)?

21 UNIDENTIFIED SPEAKER: Mr. Dowd? Do you
22 want to make your statement?

23 A.L.J. MULLANY: Okay. Okay. So let the
24 record reflect that Mr. Dowd has elected not to make any
25 statement on the record.

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2 I should point out that comments are going
3 to be accepted in this case through January 31st of 2017.

4 Mr. Buckley? Neil Buckley?

5 MR. BUCKLEY: Yes.

6 A.L.J. MULLANY: Hi, Mr. Buckley. Come on
7 down if you would.

8 MR. BUCKLEY: Pardon?

9 A.L.J. MULLANY: Could you come on down
10 here? Howard Hubbell's got a microphone so that we make
11 sure his machine picks you up.

12 MR. BUCKLEY: Oh, right.

13 A.L.J. MULLANY: Thanks for coming in
14 today.

15 MR. BUCKLEY: You bet. Thank you for
16 holding this session. I'm -- this is good to go? I'm all
17 set?

18 THE REPORTER: You're all set.

19 MR. BUCKLEY: Okay. Thank you.

20 Several questions. From what I -- from
21 what I -- I'm Neil Buckley, 23 Brown Road, Corning. I've
22 been there 16 years.

23 There presently are a number of holes
24 drilled on Brown Road with natural gas leaking out of
25 them. My understanding is the worst one is 90/10 -- 90

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2 percent gas, 10 percent air -- being emitted into the air.
3 As part of my statement about as a crow flies on a
4 diagonal, my back screened-in porch is roughly 150 yards
5 from this -- from one of the holes in the road.

6 I cannot sit on my back porch for any
7 length of time and drink a cup of coffee. So I go in the
8 house and close the door. And in weather like this, I
9 don't want to be inside. So there's an issue here about
10 leakage, meeting protocols and standards to influence and
11 cause a repair at the expense of -- at the expense of how
12 people live in a neighborhood.

13 Gas, it's my understanding, affects the
14 foliage. It affects grass. It affects the environment.
15 It's not the best thing to be having turned loose. It's
16 hard for me to equate that with whether or not Corning
17 Natural Gas needs this increase.

18 But I would say something in between would
19 make more sense to me. Downsizing the eleven miles to
20 some other thing, downsizing the increase by whatever,
21 causing Natural Gas to dip into their reserves --
22 financial reserves. They have shareholders; right?
23 Corning Natural Gas shareholders? I believe they do.

24 MR. MILLER: Yes, we do. We're a publicly
25 traded company.

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2 MR. BUCKLEY: You're -- right. And the
3 shareholders expect some kind of return on their
4 investment. That's fine. They will most likely get
5 whatever is agreed to the dividend on those investments.

6 What about the general public? What
7 incentive is there for Corning Natural Gas to repair leaks
8 when -- when they have to reach a certain 3 standard, and
9 -- and whatever loss, including leaks, is charged back to
10 the customer? What incentive is there to repair this? I
11 don't see much except where it threatens by the case 3, a
12 building, a house, otherwise -- and we've had explosions
13 in this city, one not too long ago in the Holden (phonetic
14 spelling) plot.

15 But I would think that the Public Service
16 Commission, while considering some kind of increase -- and
17 I can't stand here and say there should be no increase --
18 some kind of increase should also cause Corning Natural
19 Gas to drive down the number of leaks to a more acceptable
20 number.

21 And when I asked the gentleman, Mr. German
22 (phonetic spelling), how many leaks, he told me two
23 hundred and something. I'm privy to information that more
24 than strongly suggests, documented, written notebook full,
25 300 leaks. So there's some disconnect between those who

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2 actually do the work out in the field and respond to gas
3 leaks, and the management of the company, relative to how
4 many leaks, where are they, and what's going to be done
5 about them, and what's the schedule of repair, and on and
6 on and on.

7 I'm tired of smelling it. I'm tired of
8 making calls. I think it's my public responsibility if I
9 smell natural gas in the air, I believe I'm supposed to
10 call Corning Natural Gas. That's what I believe.

11 MR. MILLER: That's correct.

12 MR. BUCKLEY: So I can do this on a daily
13 basis. I don't want to do it on a daily basis. But my
14 public responsibility is to respond to what it is I'm
15 smelling. And so I guess I would plead how long? Really,
16 how long? I mean, let's be reasonable. How long do
17 residents have to keep calling in? And I will tell you
18 there have been several calls over the last few weeks. I
19 can't imagine it to stop. Nobody is egging it on. Nobody
20 is walking up and down the street. It's a very good
21 neighborhood, very community-minded neighborhood, nice
22 people live on the street, older people, younger people,
23 families.

24 I can't speak for all of them. Haven't
25 knocked on all the doors, surveyed everybody. I can speak

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2 for myself and extrapolate it to the entire community. We
3 want something done. Pure as that. We want that upper
4 Brown Road -- it's in the Town of Corning on Brown Road,
5 holes have been punched for a long time. There are yellow
6 marks on the road detailing where the pipes are
7 underneath, et cetera, et cetera. The work simply hasn't
8 been done.

9 A.L.J. MULLANY: Mr. Buckley, can I ask you
10 --

11 MR. BUCKLEY: Yes, sure.

12 A.L.J. MULLANY: -- a couple of questions?
13 Have you contacted the Department of Public Service Gas
14 Safety staff at all?

15 MR. BUCKLEY: No.

16 A.L.J. MULLANY: Okay.

17 MR. BUCKLEY: I went to --.

18 A.L.J. MULLANY: Can you --?

19 MR. BUCKLEY: Go ahead.

20 A.L.J. MULLANY: Can you see me after the
21 public statement hearing so we can get you in touch with
22 the Gas Safety folks? And I know during the public
23 information session, Mr. German from Corning Gas gave you
24 his email?

25 MR. BUCKLEY: Yes.

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2 A.L.J. MULLANY: And I believe he made a
3 pledge he was going to get back to you very quickly on
4 this.

5 MR. BUCKLEY: Right. Right.

6 A.L.J. MULLANY: So I want to -- I'll give
7 you a business card, and if you could follow up with me
8 and -- and let me know how that turns out?

9 MR. BUCKLEY: Sure.

10 A.L.J. MULLANY: There are folks in the
11 Department that can look into your concern, if need be.
12 And so I hear what you're saying and we'll --

13 MR. BUCKLEY: Sure.

14 A.L.J. MULLANY: -- place a follow-up on
15 it.

16 MR. BUCKLEY: Let me just ask one
17 clarifying thing on that address? So it's Corning Gas dot
18 com, not Corning Natural Gas dot com?

19 MR. MILLER: Corning Gas dot com.

20 MR. BUCKLEY: Okay.

21 MR. MILLER: 1 word, 2 G's.

22 MR. BUCKLEY: Yup.

23 A.L.J. MULLANY: And you said holes. My
24 other question was you said holes have been punched in the
25 road?

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2 MR. BUCKLEY: Yes.

3 A.L.J. MULLANY: Can you -- do you have any
4 idea who did that or --?

5 MR. MILLER: They're bar holes. Our own
6 people have done that --

7 A.L.J. MULLANY: Okay.

8 MR. MILLER: -- to --.

9 MR. BUCKLEY: When you say bar holes,
10 you're talking about --?

11 MR. MILLER: You actually put a hole in the
12 road -- in the ground --

13 MR. BUCKLEY: You mean with that thing?

14 MR. MILLER: -- with a driver.

15 MR. BUCKLEY: No; it's larger than that.

16 MR. MILLER: So they've drilled it. The
17 principle is the same. They drill it to assess --

18 MR. BUCKLEY: They've got --

19 MR. MILLER: -- how much gas is coming out
20 of the ground.

21 MR. BUCKLEY: -- holes --

22 A.L.J. MULLANY: Okay.

23 MR. BUCKLEY: -- several holes this big.

24 A.L.J. MULLANY: Okay.

25 MR. BUCKLEY: And --.

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2 A.L.J. MULLANY: I can't pledge any
3 particular outcome to you, but --

4 MR. BUCKLEY: Okay.

5 A.L.J. MULLANY: -- I can pledge that, you
6 know, we'll follow up as -- as appropriate.

7 MR. BUCKLEY: Our winters have been mild.
8 Every time it rains, you know where the water goes. It
9 goes down holes. Pretty soon -- the water goes down a
10 hole, pretty soon it's going to freeze. Pretty soon the
11 gas has got to find someplace else to go if it's cut off.
12 God forbid the holes are plugged without repair.

13 It's already gravitated into the yard of
14 the home -- had been between a couple of homes, but the
15 home nearest because what I presume to be -- because the
16 grass is dying. So whatever can be done. I've -- I would
17 like to have a simple solution, which is repair it.
18 That's the simple solution.

19 A.L.J. MULLANY: And I've got your phone
20 number here, 607-962-4497.

21 MR. BUCKLEY: Correct. Okay. That's --
22 that's -- that's fair. There's a bunch of other related
23 and tangential questions, but you know what, I think
24 you've got the -- I think you've got the point.

25 A.L.J. MULLANY: Well, I'm -- I'm -- I'm

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2 not the guy who can follow up on this.

3 MR. BUCKLEY: Yeah.

4 A.L.J. MULLANY: The best I can do is --
5 you know, the company --.

6 MR. BUCKLEY: But you're taking testimony.

7 A.L.J. MULLANY: Yeah. But -- but there
8 are people in the Department that can work with the
9 company and can work with you --

10 MR. BUCKLEY: Yes.

11 A.L.J. MULLANY: -- to find out what the
12 situation is. Okay?

13 MR. BUCKLEY: Yes.

14 A.L.J. MULLANY: Okay. Thanks for coming
15 in.

16 MR. BUCKLEY: Sure. After I get the card
17 from you or whatever.

18 A.L.J. MULLANY: Yup. In fact, let me give
19 that to you.

20 (Off-the-record discussion)

21 A.L.J. MULLANY: Do we have anyone else who
22 would like to offer comments?

23 MR. BALL: Can I offer a comment?

24 A.L.J. MULLANY: Absolutely.

25 MR. BALL: I filled out the card.

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2 A.L.J. MULLANY: What's that? Oh good.

3 Thank you, sir.

4 MR. BALL: My name is James Ball. I'm from
5 211 Erie Street.

6 My only concern is that the -- the proposed
7 30 percent increase to the rate is to pay for what Mr.
8 German said was 2/3 of it was for the pipes and the
9 mandated cyber security, I think. And the concern I have
10 is that after that -- the 30 percent increase stays, so
11 after the pipes are paid for, the increase in the rates
12 stays.

13 I personally would like to see a proposal
14 for a temporary increase. Obviously, you have to pay for
15 your pipes and you have to pay for the cost of doing
16 business. But for that rate to stay at that point
17 indefinitely from then on is -- is kind of like a gouge.

18 That's basically all I have to say.

19 A.L.J. MULLANY: Thank you.

20 MR. BALL: Thank you.

21 A.L.J. MULLANY: Okay. So if we have no
22 one else who wants to offer comment on the record, the
23 notice stipulated that we keep the record open for an
24 hour. So I'm just going to recess until 5 p.m. If
25 anybody changes their mind or somebody else comes in,

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2 we'll go back on the record.

3 (Off the record)

4 (The hearing resumed.)

5 A.L.J. MULLANY: So we're back on the
6 record. Let the record reflect that it's 5 p.m. now.
7 We're going to adjourn this -- this first public statement
8 hearing. We're going to hold a second public statement
9 hearing commencing at 7 p.m.

10 Thanks.

11 (The hearing adjourned at 5:00 p.m.)

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STATE OF NEW YORK

I, HOWARD HUBBARD, do hereby certify that the foregoing was reported by me, in the cause, at the time and place, as stated in the caption hereto, at Page 1 hereof; that the foregoing typewritten transcription consisting of pages 1 through 14, is a true record of all proceedings had at the hearing.

IN WITNESS WHEREOF, I have hereunto subscribed my name, this the 21st day of September, 2016.

Howard Hubbard, Reporter