STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 24-G-0629 - In the Matter of a Review of the Long-Term Gas System Plan of Corning Natural Gas Corporation.

ORDER REGARDING LONG-TERM NATURAL GAS SYSTEM PLAN AND DIRECTING FURTHER ACTIONS

Issued and Effective: December 19, 2025

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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on December 18, 2025

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
Uchenna S. Bright
Denise M. Sheehan
Radina R. Valova

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BY THE COMMISSION:

INTRODUCTION

In our Order Adopting the Gas System Planning Process, we required each gas local distribution company (LDC or utility) to file a long-term plan for its gas system with the Commission for consideration through a collaborative stakeholder engagement process.[1] Corning Natural Gas Corporation (Corning or the Company) has engaged with Department of Public Service staff (Staff), an independent consultant, and stakeholders regarding its proposed long-term plan through technical conferences and comments on the Company's Initial long-term plan (Initial LTP) and final long-term plan (Final LTP or LTP). The consultant,

[1] Case 20-G-0131, Proceeding on Motion of the Commission in Regard to Gas Planning Procedures, Order Adopting Gas System Planning Process (issued May 12, 2022) (Planning Order).

Rod Walker & Associates Consultancy (RWA), working at the direction of Staff, reviewed the Company's iterations of its long-term plan and provided two reports regarding the Company's plans.

Ultimately, the Company's Final LTP has both positive aspects and areas where it can be improved. By this Order, the Commission directs the Company to take a number of actions, including reporting on its renewable natural gas procurements, differentiated gas, and hydrogen blending. Directing these further actions will augment the Company's Final LTP. These actions reflect the analysis performed by RWA and Staff toward decarbonizing the Company's systems and achieving statewide greenhouse gas (GHG) emission reduction targets established in the Climate Leadership and Community Protection Act (CLCPA).[2]

BACKGROUND

Gas Planning Process

In the Planning Order, the Commission adopted a modernized long-term natural gas planning process to educate stakeholders and ensure that the State, customers, stakeholders, and all other interested entities could be engaged in the discussion regarding the future of natural gas service and infrastructure in the State. The gas system planning process is intended to "ensure that the Commission has the necessary information to consider the LDCs' long-term plans and alternative solutions to ensure that New York's residents can continue to have safe, adequate, and reliable gas service as we transition to alternative energy sources to reduce GHG emissions" and that the process would be transparent with

[2] Chapter 106 of the Laws of 2019.

significant stakeholder participation.[3] The Commission has already considered long-term plans filed by National Fuel Gas Distribution Corporation (NFG), Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. (Con Edison/O&R), New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation (NYSEG/RGE), Central Hudson Gas & Electric Corporation (Central Hudson), and The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, and Niagara Mohawk Power Corporation d/b/a National Grid (collectively, National Grid).[4]

On May 17, 2024, Corning and Liberty Utilities (St. Lawrence Gas) Corporation (SLG) filed a Joint Petition to Modify and Streamline the Process for Upcoming Long-Term Gas Plans

[3] Planning Order, pp. 17-18.

[4] Case 22-G-0610, National Fuel Gas Distribution Corporation – Long-Term Gas System Plan, Order Implementing Long-Term Natural Gas Plan with Modifications (issued December 14, 2023); Case 23-G-0147, Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. - Long-Term Gas System Plan, Order Regarding Long-Term Natural Gas Plan and Requiring Further Actions (issued September 20, 2024) (Con Edison/O&R LTP Order); Case 23-G-0437, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation – Long-Term Gas System Plan, Order Regarding Long-Term Natural Gas Plan and Directing Further Actions, (issued January 23, 2025) (NYSEG/RGE LTP Order); Case 23-G-0676, Central Hudson Gas & Electric Corporation – Long-Term Gas System Plan, Order Regarding Long-Term Natural Gas System Plan and Directing Further Actions, (issued July 17, 2025) (Central Hudson Order); and Case 24-G-0248, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, and Niagara Mohawk Power Corporation d/b/a National Grid – Long-Term Gas System Plan, Order Regarding Long-Term Natural Gas Plan and Requiring Further Actions, (issued September 18, 2025) (National Grid Order).

(Joint Petition).[5] Corning and SLG requested relief from the requirements of the Planning Order, including eliminating the role of the independent consultant, reducing the number of plan filings, and modifying the technical requirements of the long-term plan. The Commission granted the relief sought in the petition in part but maintained the role of the independent consultant in reviewing the long-term plans of Corning and SLG. Specifically, the Commission directed that Corning and SLG file only an initial version and a final version of their long-term plan. The Commission also exempted Corning and SLG from including a no-infrastructure scenario and accepted the proposal of Corning and SLG to provide their respective "Reference Cases" and preferred long-term plans.[6] The Commission noted that the location of disadvantaged communities within each service territory is publicly available. The Commission then directed Corning and SLG to include this information in their respective long-term plans. With regard to other technical information provided with the long-term plans, the Commission explained that Corning and SLG could rely on some information developed by other, larger utilities if data specific to Corning and SLG's respective service territories are not available. The Commission directed Corning and SLG to indicate clearly where they have relied on data developed by sources external to them. Finally, in the Joint Petition, Corning and SLG asked to be required to make only one update in the period between the conclusion of the review of their long-term plans and when they

[5] Case 20-G-0131, Proceeding on Motion of the Commission in Regard to Gas Planning Procedures, Order on Joint Petition Regarding the Process for Upcoming Longterm Gas Plans, (issued October 17, 2024) (Modified LTP Process Order).

[6] Modified LTP Process Order, p. 10.

must file their next full long-term plans, and we will address that request later in this Order.

The Planning Order requires major LDCs to file long-term gas system plans that include a 20-year horizon, including annual and peak day load and any peak hour considerations.[7] The Commission also directed LDCs to include adjustments to demand forecast scenarios that incorporate energy efficiency, electrification, demand response, NPAs, and other external impacts.[8]

The LTP process also includes Staff engaging an independent third-party consultant to, among other things, review the LDC's filings.[9] The consultant works at the direction of Staff, participates in stakeholder meetings, makes requests of the LDCs and stakeholders participating in the long-term planning process, helps evaluate the economic and environmental tradeoffs associated with different pathways, and works with the LDC to run a reasonable number of versions of the hydraulic modeling.[10] For this proceeding, Staff engaged RWA as the independent third-party consultant to assist Staff in its review of Corning's LTP.

This proceeding began with the Company conducting an informational session on January 8, 2025. Corning filed its Initial LTP on February 7, 2024. RWA filed its Initial Report on April 7, 2025. The Company filed its Final LTP on June 30, 2025, followed by RWA's Final Report on August 20, 2025. Staff convened two technical conferences, as required by the Planning Order, at which attendees discussed issues related to the

[7] Planning Order, p. 11.

[8] Planning Order, p. 29.

[9] Planning Order, p. 26.

[10] Planning Order, pp. 26-27.

Company's LTP. A round of initial and reply comments was solicited with the Company filing comments on RWA's Final Report. The reply comment period ended November 12, 2025. See Appendix A for a summary and timing of the key events in this proceeding.

Climate Leadership and Community Protection Act

The CLCPA established nation-leading climate and energy goals by setting statewide GHG emission reduction targets and codifying clean energy standards. The CLCPA requires the State to reduce GHG emissions by at least 40 percent from 1990 levels by 2030, and by at least 85 percent from 1990 levels by 2050, codified in the Environmental Conservation Law (ECL).[11] Additionally, it requires that disadvantaged communities receive a minimum of 35 percent, with a goal of 40 percent, of the overall benefits of spending on clean energy and energy efficiency programs, projects or investments.[12]

Among the CLCPA's provisions, CLCPA §7(2) requires the Commission to consider whether its decisions are inconsistent with or will interfere with the attainment of the statewide GHG emission limits established in ECL §75-0117.[13] Further, if deemed inconsistent, the Commission must provide a detailed justification and identify alternatives or GHG mitigation measures to be imposed.[14] Meanwhile, CLCPA §7(3), requires that the Commission ensure that its decisions do not disproportionately burden disadvantaged communities and prioritize reductions of GHG emissions and co-pollutants in disadvantaged communities.[15]

[11] ECL §75-0107(1).

[12] ECL §75-0117.

[13] CLCPA §7(2).

[14] CLCPA §7(2).

[15] CLCPA §7(3).

Importantly, the CLCPA established specific electric sector targets for reductions in the use of fossil fuels for electricity generation, codified in Public Service Law (PSL) §66-p(2). Although the CLCPA did not include specific GHG emission reduction targets for gas utilities, attainment of the CLCPA's statewide targets will require reductions in the use of fossil fuels, including natural gas. To that end, the Commission directed the gas utilities to work with Staff to develop a proposal regarding the content of a GHG Emissions Inventory Report that includes an inventory of total gas system-wide emissions, following the methodology required in the CLCPA and by the New York State Department of Environmental Conservation (DEC) to calculate their system emissions.[16] The gas utilities jointly filed a Proposal for an Annual Greenhouse Gas Emissions Inventory Report on December 1, 2022.[17] After further consultation with Staff, the Joint Utilities supplemented that proposal on May 31, 2023.[18] Public comments were filed on the Joint Utilities' proposal on September 5, 2023, and the gas utilities filed a joint response to those comments on September 28, 2023.[19]

The Commission determined that the Planning Order complied with CLCPA §7(2) and (3).[20] The Commission further

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[16] Case 22-M-0149, In the Matter of Assessing Implementation of and Compliance with the Requirements and Targets of the Climate Leadership and Community Protection Act, Order on Implementation of the Climate Leadership and Community Protection Act (issued May 12, 2022), p. 15.

[17] Case 22-M-0149, supra, Joint Utilities Annual Greenhouse Gas Emissions Inventory Report Proposal (filed December 1, 2022).

[18] Case 22-M-0149, supra, Joint Utilities Proposal for Greenhouse Gas Emissions Reductions Pathway Study (filed May 31, 2023).

[19] Case 22-M-0149, supra, Joint Utilities' Response to Comments (filed September 28, 2023).

[20] Planning Order, p. 57.

stated that the Planning Order established a foundational process through which it can ensure that the LDCs reduce GHG emissions and that the new planning process would ensure that the Commission, Staff, and stakeholders have the necessary information to evaluate the potential emissions of alternatives. The Commission also stated that the new planning process would allow it to assess the potential impacts of LDCs' long-term plans on disadvantaged communities.

Long-Term Plan Description

Corning filed its Final LTP, along with several appendices, on June 30, 2025. In it, Corning states that its foremost objective was "to ensure the delivery of safe, reliable, and affordable gas service for all customers, while setting forth [an LTP] that aligns with the CLCPA's objectives."[21] Corning also states that an optimal approach may be based on preserving choice and raising standards, such as equipment efficiency standards.

Corning lists its "Core Objectives" for the LTP, which include: safety, reliability, and resiliency for its customers; support for New York policy objectives related to GHG emissions; affordability; replacement of leak prone pipe (LPP); pursuit of low-carbon fuels such as renewable natural gas (RNG) and differentiated gas; initiation of energy efficiency programs; focus on residential and small commercial customers; and preservation of its infrastructure and role as an "important employer of Steuben County.[22]

1. Service Territory

Corning states that it serves approximately 15,000 customers in portions of three New York counties – Steuben,

[21] Final LTP, p. 1.

[22] Final LTP, pp. 2-3. Corning refers to "responsibly sourced gas" which we refer to as differentiated gas.

Cortland, and Chemung – and owns 431 miles of gas system pipeline. Corning states that it has 12 industrial customers which account for the largest portion of Corning's load, at 62.8 percent and maintains it is the only utility in New York where industrial gas accounts for over 50 percent of the utility's total throughput.[23] Corning adds that the residential customer class comprises 23.9 percent of Corning's total yearly demand, and commercial customers make up another 13.3 percent. Corning also explains that "more than half of the Company's load is transport-related and therefore, the Company does not have direct control of the gas supply in the jurisdiction."[24] Corning states that jobs in its service area decreased by 5.2 percent from 2019 to 2023 and the population declined 7.2 percent from 2013 to 2023.[25] Corning states it has approximately 400 customers living in disadvantaged communities in its service territory representing 2.7 percent of the Company's total customer base.[26] Corning adds that it has low- to moderate-income customers in its service territory who live outside of disadvantaged communities and that it has two affordability programs aimed at helping these customers pay their utility bills.

Corning states that its design day weather is based on the coldest weather experienced historically in the City of Corning and that its design day demand forecast is based on 74 heating degree days, equating to an average daily temperature of -9 degrees Fahrenheit. Corning adds that it has no peaking supplies and no interruptible customers. Despite this, Corning

[23] Final LTP, p. 24.

[24] Final LTP, p. 3.

[25] Final LTP, p. 26.

[26] Final LTP, p. 27.

adds that it relies on spot gas purchases from energy service companies (ESCOs) and/or local producers for supplemental supply, as needed.[27] Corning states that it buys locally produced natural gas "and buying locally produced gas drastically reduces the greenhouse gas emissions associated with delivering gas to our customers."[28] Corning states it has no gas supply acquisition constraints and does not expect any in the foreseeable future.

Corning adds that it operates in a part of the State where the electric system is expected to experience peak demand in the winter in the near future, and a "largescale conversion to electricity would be financially burdensome to customers in Corning Gas' service territory, especially during the late fall, winter, and early spring, when temperatures are very cold."[29] Corning continues that it is exploring options to procure more RNG and locally produced natural gas, and the Commission should view Corning differently than other gas utilities and place more focus on supply based decarbonization measures.

Corning's preferred LTP includes residential and small commercial weatherization and electrification featuring hybrid heating systems, industrial customer energy efficiency and hybrid heating, RNG, hydrogen, and differentiated gas. Corning states the preferred LTP aims for 55 percent reduction in GHG emissions from 1990 levels at a net present value cost of $177 million ($331/MT CO2e), compared to a 15 percent reduction for the reference case. Corning states that over 66 percent of the Company's LTP projected additional decrease in CO2e emissions from the Reference Case by 2044 could be achieved through

[27] Final LTP, p. 30.

[28] Final LTP, p. 3.

[29] Final LTP, p. 4.

locally sourced RNG (with environmental attributes) and differentiated gas supply-based decarbonization measures.[30] Corning states that "it will be most cost-effective and supportive of the local economy for Corning Gas to prioritize supply-based decarbonization measures for core residential and commercial retail load. This includes increasing reliance on locally sourced RNG and replacing imported long-haul gas supplies with local gas supplies."[31]

In the Final LTP, Corning discusses issues that are part of the joint proposal in its most recent rate case.[32] The Commission issued its Rate Order on June 12, 2025, 18 days before Corning filed its Final LTP. The Rate Order adopts a provision in the joint proposal in the rate case by which Corning will "implement processes and procedures to screen NPAs and incorporate same into its capital planning, including simplifying the process and verifying all reporting documents."[33]

Corning points out that it is not required to participate in the Commission's energy efficiency proceeding,[34] nor does it have an accompanying budget or energy savings targets due to its small size. Corning states that it is also not required to participate in the Commission's Utility Thermal Energy Networks (UTEN) proceeding due to its small size, and as

[30] Final LTP, p. 8.

[31] Final LTP, p. 9.

[32] Case 24-G-0447, Corning Natural Gas Corporation - Rates, Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plan, (issued June 12, 2025) (Rate Order).

[33] Rate Order, p. 55.

[34] Case 25-M-0248, In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios.

a result has not explored opportunities to develop such projects at this time.[35]

2. Leak Prone Pipe Replacement and/or removal

Corning states it has invested a significant amount of capital into its LPP replacement program over the last 20 years, and the program is expected to be complete in 2029, with seven miles of LPP expected to be replaced in 2025 and five miles replaced in the final four years of the program.[36] The Company lists upcoming distribution projects that include the replacement of major pipe interconnections that are outdated and development of RNG projects for pipeline integration.

Regarding gas supply, Corning states that 37 percent of its supply is "certified low-methane emissions" with almost half of the low-emissions gas being produced locally and Corning is also flowing RNG into its system from the Steuben County landfill.[37] Corning adds that the imported gas emissions are reduced by purchasing certified low-emissions gas. Corning has firm transportation capacity on Eastern Gas Transmission and Storage and Columbia Gas Transmission and also has contracted for storage capacity on those two pipelines as well as the Arlington storage facility. Corning adds that it is directly connected to the Marcellus Basin.

Corning states that it provides energy efficiency measures and bill saving tips on the Company's website and provides information about how to access home energy audits and weatherization through county-level organizations and the New York State Energy Research and Development Authority (NYSERDA).

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[35] Case 22-M-0429, Proceeding on Motion of the Commission to Implement the Requirements of the Utility Thermal Energy Network and Jobs Act.

[36] Final LTP, p. 28.

[37] Final LTP, p. 29.

Corning states that it has no known vulnerable locations, defined by Corning as a portion of the system where the safe and reliable delivery of gas may be at risk within the next five years. Corning states that addressing constraints causing vulnerable locations can be opportunities to evaluate NPAs and it has begun laying out the groundwork to implement processes and procedures pertaining to the screening of NPAs in the Company's capital budget planning process. Corning states that radial segments of LPP main and farm taps are ideal areas to implement NPAs and proposed main extensions exceeding 500 feet can be analyzed and considered as candidates for NPA opportunities, including referring customers to clean heat programs conducted by appropriate electric utilities.[38] Corning adds that its NPA processes and procedures are still in preliminary stages and are subject to change based on discussions between the Commission, Staff, and the Company.

3. Reference Case

Corning states that the reference case represents "the Company's baseline, business-as-usual expectations over the next 20 years (2025-2044) and does not include the impact of CLCPA actions that have not yet been planned or implemented."[39] Corning states that the reference case includes the impacts of the All-Electric Buildings Act.[40] Corning adds that its reference case provides demand forecasts and calculations of emissions reductions for its retail sales and transportation customers but not for gas supply associated with two Corning Gas customers, NYSEG and Bath Electric, Gas and Water Systems

[38] Final LTP, p. 33.

[39] Final LTP, p. 35.

[40] See generally Laws of 2023, Chapter 56, Part RR; see also NY State Energy Law, Article 11, State Energy Conservation Construction Code Act, Section 11-104.

(Bath). Corning provides gas transportation to NYSEG and gas supply and transportation to Bath but assumes that NYSEG and Bath will independently account for their GHG emissions in any respective company-specific reporting.[41]

Corning states that the Final LTP has been updated to reflect increases in customer counts from the Rate Case and reductions in use per customer, which represents sustained minimal customer growth in the residential and commercial segments, which are expected to continue increasing at rates of 0.26 percent and 0.12 percent per year, respectively and remain flat for the industrial sector. Corning states that its reference case demand is expected to decrease at a rate of -0.05 percent per year, driven by reductions in residential and commercial use per customer. Corning adds that residential and commercial demand is expected to decrease at rates of -0.18 percent and -0.16 percent per year and industrial customers are expected to experience slight increases in annual demand at a rate of 0.02 percent. Corning projects customer counts to increase from 15,145 in 2025 to 15,888 in 2044, and projects annual demand to decrease from roughly 5.2 million Dt in 2025 to just under that amount by 2044. Corning projects design day demand to remain constant over the twenty-year period at 41,532 Dt, and projects GHG emissions to decrease in the reference case from 399,308 metric tons of CO2e in 2025 to 390,595 metric tons of CO2e in 2044.

4. Long-Term Plan Scenario

Corning states that the LTP "cannot be merely aspirational; it must be technically feasible and provide valid projections of costs, bill impacts, and GHG emissions reductions to inform subsequent utility proposals and Commission

[41] Final LTP, p. 35.

decisions."[42] Corning adds that the LTP must reflect realistic expectations of customer acceptance and adoption, infrastructure development and implementation challenges, market and technology availability, and costs. Corning continues that the LTP must achieve an appropriate balance among objectives such as emissions reductions and affordability.

Corning states that it filed its Strategic Plan for Decarbonization in accordance with terms of the joint proposal, adopted by the Commission in 2022 setting rates and approving its acquisition by ACP Crotona Corp.[43] The Strategic Plan included several elements, including the cessation of gas marketing activities, use of low-carbon fuels like RNG and hydrogen, providing customers with contact information for electric utility energy efficiency and heating electrification programs, and exploring demand-side management programs. Corning will also consult with Staff prior to construction of line extensions exceeding 500 feet and will file a report with the Secretary to the Commission after consulting with Staff to indicate the cost of any proposed extension and what alternatives were considered.

The Company states that its LTP includes these decarbonization actions: weatherization, hybrid electrification, industrial customer programs, RNG, hydrogen blending, and differentiated gas. Corning refers to information in the NYSEG/RGE LTP filing that provides the cost per GHG emissions reductions for various decarbonization actions, and

[42] Final LTP, p. 46.

[43] Cases 21-G-0394 and 21-G-0260, Corning Natural Gas Corporation – Rates and Acquisition, Order Adopting Terms of Joint Proposal, Establishing Rate Plan and Approving Merger (issued June 16, 2022), Attachment A (Second Revised Joint Proposal).

states it leveraged review of these insights in developing its LTP.[44]

Corning states that it incorporated many of RWA's recommendations into the Final LTP. These include: incorporation of naturally occurring energy efficiency improvements into the demand forecast; evaluation of on-system RNG; confirmation of engineering and safety studies related to hydrogen blending in the distribution system; and reference to collaboration with industrial customers. The Company adds that the LTP excludes UTEN and carbon capture programs.

Corning's LTP includes a weatherization program for residential and commercial customers. Corning's weatherization programs would offer installation of insulation and air sealing measures beginning in 2028, with residential customers' forecasted participation ramp rates assumed to increase linearly by one percent each year and commercial customer participation ramp rates assumed to increase linearly by 0.5 percent each year. The Company states it anticipates proposing new weatherization programs in its next rate proceeding.

The hybrid electrification program would focus building electrification efforts on converting existing customers with furnaces to hybrid heating systems, pairing a standard air-source heat pump (ASHP) with a gas furnace. Corning maintains that "the use of hybrid heating systems will maintain gas heat for use on cold days for reliability and safety reasons, minimize electric system impacts and mitigate electrification costs as heat pump efficiencies deteriorate at very cold temperature."[45] Corning adds that boiler-based heating systems are not an initial focus, but boiler-based customers or

[44] Final LTP, p. 49.

[45] Final LTP, p. 56.

gas heat pumps will not be excluded from the Company's programs. This program would be available to both residential and commercial customers starting in 2027, with residential customer participation ramping up 5.4 percent per year until it reaches a peak of 75 percent of customers with equipment failures converting each year in 2040 through 2044, and commercial customer participation ramping up 2.1 percent per year until it reaches a peak of 30 percent of customers with equipment failures converting each year in 2040 through 2044. Corning adds that full electrification with ground-source heat pumps would result in less electrical load requirements than using ASHPs, but the high up-front installation costs and land requirements of ground-source heat pumps are "notable barriers."[46] Corning states that it has assumed that current heat pump costs will remain flat in constant dollars and that heat pump technology remains at current efficiency levels, which is consistent with information released by the U.S. Energy Information Administration in 2023, which shows little improvement in heat pump technology between 2023 and 2050 and flat to increasing installed costs in constant dollars.[47]

For industrial customers, Corning proposes two programs, one focused on efficiency measures for industrial process load starting in 2028 and the other features converting furnaces to hybrid heating systems beginning in 2027. The Company projects 0.5 percent incremental industrial process load reduction per year achieving 8.5 percent process load reduction

[46] Final LTP, p. 57.

[47] EIA Updated Buildings Sector Appliance and Equipment Costs and Efficiencies, Appendix A and B, Residential Air-Source Heat Pumps, "EIA – Technology Forecast Updates – Residential and Commercial Building Technologies – Reference Case (and Advanced Case)," prepared by Guidehouse and Leidos (March 3, 2023).

by 2044. Corning projects that industrial heating equipment at or near end-of-life will convert at a pace that ramps up at 2.1 percent per year until it reaches a peak of 30 percent of customers with equipment failures converting per year in 2040 through 2044.

Regarding RNG, Corning states that using RNG as a substitute for natural gas eliminates the GHG emissions from the biogas feed source that would have otherwise been emitted to the atmosphere. Corning also states that its assumptions about supply availability, timing, and per unit production cost of RNG are based on the Optimistic Growth Scenario from a recent NYSERDA study as well as the Company's experience to date.[48] Corning assumes it will procure all RNG produced in its service territory and a proportional share of RNG produced in Pennsylvania. Corning has only included RNG expected to be produced from animal manure, landfills, and food waste and has excluded wastewater and thermal gasification as sources of RNG. Corning adds that its current purchases of RNG do not include environmental attributes but the procurement of environmental attributes from existing RNG projects on Corning's system is assumed to start in 2027 and increase over time to reach 100 percent by 2044. Corning assumes that future RNG purchases will include environmental attributes starting in 2027. Corning forecasts green hydrogen blending in the LTP starting at a level of 0.5 percent by volume in 2034, increasing by 0.5 percent per year in 2035 and then by one percent by year starting in 2036, achieving a blend of 10 percent by volume in 2044. Corning states that it currently sources approximately 17 percent of its gas supply from imported differentiated gas and starting in 2030

[48] "Potential of Renewable Natural Gas in New York State," Final Report, Report Number 21-34, ICF Resources, L.L.C., April 2022.

assumes that an incremental ten percent of projected remaining annual supply will be replaced by differentiated gas each year, resulting in 100 percent of replacement of imported conventional natural gas with differentiated gas by year 2044.

Corning states that the decarbonization actions included in the LTP are projected to reduce Corning's emissions by 55 percent by the end of the 20-year horizon, 2044, compared to 1990 levels, and emissions reductions are expected to continue after 2044 through 2050 and beyond. Residential customers that do not participate in energy efficiency programs are expected to see bill increases from roughly $115 per month in 2025 to about $230 per month in 2044. Other customer classes are expected to see similar increases. Corning's benefit-cost analysis (BCA) calculations for the LTP produce a ratio of 0.7 for the societal cost test, 0.2 for the utility cost test, and 0.18 for the ratepayer impact measure. The Company states that the Commission's BCA Framework Order does not give clear guidance on the accounting of GHG emissions impacts associated with RNG. The Company states that it believes the combination of decarbonization actions included in the LTP "represent a responsible plan to reduce GHG emissions, enhance the resilience of the energy supply system, and deliver safe, reliable, and affordable energy service while preserving customer choice."[49]

In conclusion, the Company list a number of implementation actions associated with the LTP. These include: a hybrid heating pilot program for residential, commercial and industrial customers; a hydrogen blending pilot program; weatherization programs for residential, commercial, and industrial customers; refinement of gas supply procurement and cost recovery to include RNG environmental attributes and

[49] Final LTP, p. 76.

differentiated gas; and communication and engagement with stakeholders including customers and electric utilities.

Consultant Report

RWA filed an initial report and a final report in this proceeding. RWA states there has been minimal stakeholder activity and as of the date of filing of the RWA final report, only RWA and NYSERDA have submitted data requests. RWA made several recommendations regarding Corning's LTP.

RWA points out that the Commission's Modified LTP Process Order allows Corning to rely on information developed by other larger LDCs, and that Corning relies specifically on NYSEG/RGE's LTP filing. RWA believes this is appropriate given the geographic proximity of the Corning and NYSEG franchise territories and because NYSEG's electric service area overlaps Corning's gas service area. RWA adds that the Commission Order in the NYSEG/RGE LTP proceeding, issued on January 23, 2025, provides recent support materials for the Corning LTP.

RWA points out that the Final LTP includes provisions from Corning's most recent rate proceeding, including updated customers counts and demand and an expanded role of NPAs. RWA also notes that Corning updated its gas price forecast, lowered the social cost of carbon discount rate, and modified weatherization costs and incentives. RWA states that the Final LTP is calculated to achieve a 55 percent reduction in GHG emissions in 2044 compared to 1990 levels with a net-present value program cost of $177 million, compared to the Initial LTP which forecasted a 53 percent reduction in GHG emissions at a net-present value cost of $195 million, meaning greater reductions in emissions at lower cost in the Final LTP.

RWA states that RNG is the decarbonization measure that accounts for the largest share of Corning's forecasted emissions reductions. RWA notes that Corning forecasts an

increase in emissions reductions attributable to RNG with the purchase of attributes and differentiated gas in the Final LTP but the annual volumes of RNG remain the same as in the Initial LTP and differentiated gas annual volumes decline by one percent.[50] RWA notes that the cost per metric ton of CO2e increased from $310 to $331 or 6.8 percent compared to the Initial LTP and the Final LTP resulted in the reduction of an additional 6,000 MT CO2e by 2044 and at a lower program cost of $18.2 million on a net-present value basis. RWA adds that to have the combination of a higher unit cost for decarbonization and a higher level of decarbonization with an overall lower program cost indicates that there are other factors influencing the results outside of the decarbonization program itself. RWA states that the Final LTP cost premium over the Reference Case reaches $67 million by 2044.

RWA provides a summary of the bill impacts by customer class for customers not participating in decarbonization programs:

RWA notes that the BCA ratio of the LTP increased from

[50] RWA Final Report, p. 30.

0.5 in the Initial LTP to 0.7 in the Final LTP. RWA states this increase is driven by a total benefit increase of approximately $24 million (18 percent) and a total cost reduction of approximately $40 million (15 percent).

RWA states that the LTP results in a modest reduction in design day demand from the Reference Case, of approximately four percent, which is due to the heavy reliance on alternative fuels rather than efficiency or electrification approaches. RWA notes that Corning does not use a model to build up to a design day load but rather uses historical design day usage for its sales (residential and commercial) customers and peak capabilities for each of its transportation (industrial) customers, and states that Corning considers this to be a conservative representation of their peak demand as it is very unlikely that all their industrial customers would have coincident peak days. RWA adds that Corning confirms its design day forecast using recent experienced cold days extrapolated to 74 heating degree days on at least an annual basis. RWA states that Corning does not use hydraulic modeling to confirm the distribution system's design day capabilities but monitors the low points of the distribution system during cold weather periods to validate against expected values and employs automatic shut-off valves for connected RNG supplies (e.g., landfills) to ensure that gas that does not meet gas quality specifications does not enter the system.

RWA states that Corning anticipated reductions in annual gas use per customer due to naturally occurring efficiency gains but that reduction is offset by slight increases in customer count, producing a relatively flat demand forecast for residential and commercial customers. RWA found that Corning has historically had a poor correlation between forecasted and actual sendout but that Corning had recently

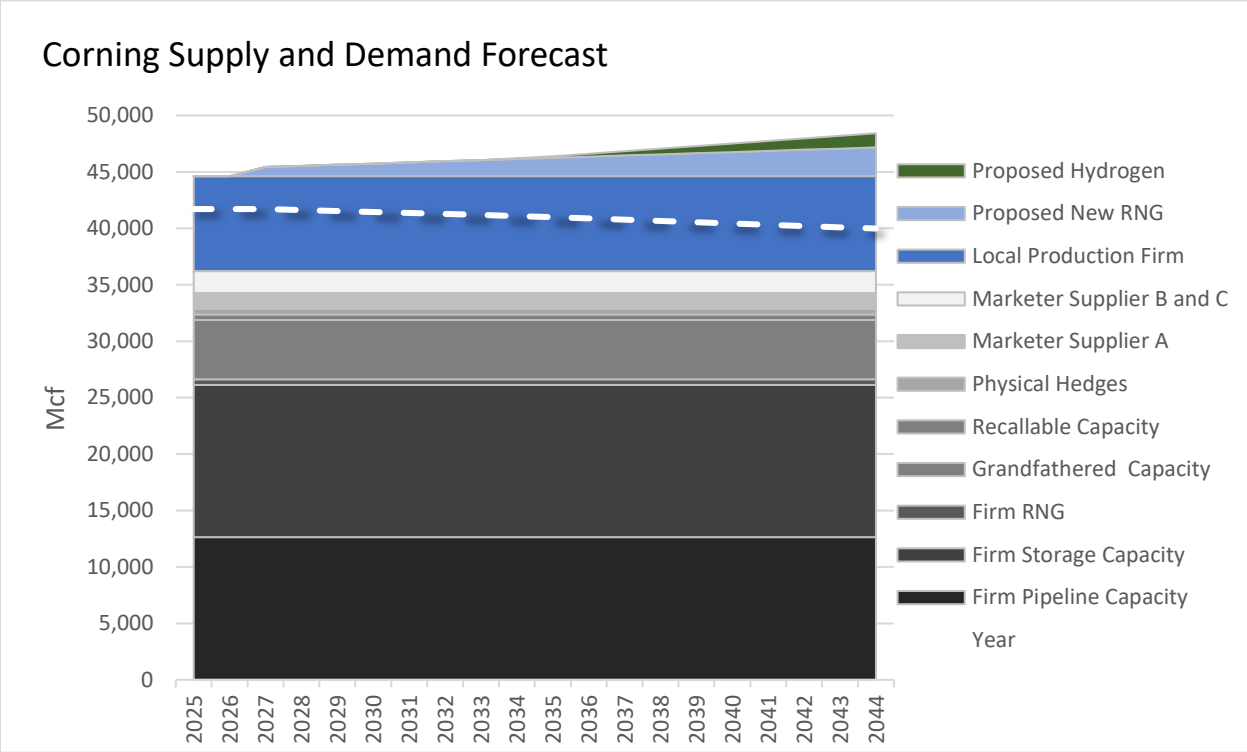
incorporated backcasting into its annual review, which involves comparing the forecasted gas load given certain weather assumptions to the actual gas load under those same conditions. While RWA states that Corning's use of 74 heating degree days for design day is appropriate, RWA adds that the introduction of higher percentages of RNG and hydrogen will require additional diligence and monitoring capability by the Company.

RWA states that the LTP proposes a four percent decrease in design day demand over the planning period, but the supply mix will evolve over time as a means to achieve GHG reductions. RWA recognizes that "different supply types (flowing gas, trucked deliveries, third-party delivered services and local production) have differing degrees of reliability" and believes flowing gas associated with firm pipeline primary point capacity represents the highest level of reliability of all the available supply sources given both historic performance and access to multiple basins and suppliers.[51] RWA adds that Corning's proximity to the Marcellus supply basin in Pennsylvania puts Corning in a unique geographic position to manage tradeoffs associated with decarbonization options as it proceeds through its decarbonization process.

RWA describes Corning's supply system as having interconnections with the Columbia Pipeline, Millennium Pipeline, and Eastern Gas Transmission and Storage (Eastern) and together these provide 30 percent of Corning's design day demand. Firm RNG currently supports one percent of design day demand, projected to increase to eight percent of the forecasted 2044 design day requirements. Approximately twelve percent of Corning's design day requirements are provided through "grandfathered capacity" which is pipeline capacity that is held

[51] RWA Final Report, p. 44.

by third-party marketers and used to serve customers in the Corning service territory, with third-party supply from marketers representing an additional eight percent approximately of Corning's current design day requirements. RWA states that local production levels represent approximately 20 percent of the design day requirements, and this gas is produced in New York and just across the border in Pennsylvania and represents lower cost supply given much of this natural gas production does not have a path to higher priced gas markets.[52] RWA adds that Corning forecasts that hydrogen blended into their distribution network will provide approximately three percent of the design day supply requirements. RWA produced this graphical representation of Corning's proposed gas supply portfolio through 2044 versus its design day demand forecast. The dashed white line represents the design day demand forecast.



[52] RWA Final Report, p. 48.

RWA points out that Corning currently maintains peak day supply in excess of its design day forecast primarily due to the recent addition of local production to their supply portfolio. RWA continues that the addition of hydrogen blending and incremental RNG deliveries will add to the current excess supply. RWA states that over the forecast period Corning proposes to displace traditional natural gas supply with local production, RNG, hydrogen blending, and differentiated gas to reduce GHG emissions, with traditional natural gas deliveries providing approximately 54 percent of design day requirements in 2044 compared to the current level of 78 percent.

RWA calculates that currently Corning's supply portfolio provides a reserve margin above design day requirements of eleven percent. RWA believes that reliability implications of non-traditional supplies such as RNG may warrant the current portfolio levels and consideration should be given to the derating of certain supply options whose reliability is less than that of primary point firm pipeline capacity. RWA recommends that Corning perform BCA and tradeoff analyses to support any new portfolio additions including possible de-contracting of existing supplies to maintain a reasonable design day supply demand balance.

Regarding reliability of the distribution system, RWA states that the proposed introduction of hydrogen and additional RNG leads it to recommend that Corning confirm through hydraulic modeling that Corning can maintain gas quality specifications and proper interchangeability throughout the distribution network at all times. RWA states that RNG, hydrogen blending and local production would have marginally lower reliability than firm pipeline capacity but given that the LTP has these new or expanded supply options as additions to the existing portfolio rather than replacements, RWA does not anticipate any

degradation of reliability from an upstream supply perspective under normal operating conditions. However, RWA states that as Corning expects to become more dependent on these new, less reliable supplies, it will need to implement procedures to rectify any intra-day supply disruptions. RWA adds that these supplies may also introduce gas quality or interchangeability issues to the operations of Corning's gas distribution system and mechanisms should be in place to quickly replace supply that is interrupted due to gas quality or other operating issues.

RWA states that the LTP does not contain any NPAs. Corning states this is because none of its franchise territories are in pipeline constrained areas and it "supports hybrid electrification as a way to reduce emissions without sacrificing safety and reliability of our customers during winter periods."[53] Corning adds that its LPP replacement program will be completed by 2029.[54] RWA states that Corning recognizes that changes to their approach to NPAs will be required as a result of their recent rate order and it has "begun laying out the groundwork to implement processes and procedures pertaining to the screening of NPAs in the Company's capital budget planning process."[55] RWA points out that Corning states it analyzes proposed main extensions exceeding 500 feet and considers them as candidates for NPA opportunities. RWA states that the facts presented coupled with the requirement to consult with the Commission on any proposed extensions more than 500 feet in length, and the recent inclusion of an NPA process in Corning's capital budgeting process, appears to provide reasonable coverage regarding the applications of NPAs. RWA adds that this does not

[53] RWA Final Report, p. 60.

[54] Final LTP, p. 28.

[55] Final LTP, p. 33.

relieve Corning of the responsibility to consider and apply NPAs anywhere they may be appropriate and Corning's interim updates to the LTP should address any changes related to forecasted growth and or system requirements to adequately inform the Commission regarding the application of NPAs on its system.

Regarding RNG, RWA states that Corning currently does not purchase any environmental attributes associated with its RNG purchases but plans to acquire environmental attributes from the existing projects over time, reaching 100 percent by 2044 and future RNG supplies are assumed to come with environmental attributes beginning in 2028. RWA states that Corning will have annual usage of about 1.2 million Dt of RNG by 2044. Regarding RNG pricing, RWA states that the current RNG supply is priced at $2.27 per Dt but with the purchase of environmental attributes RNG prices will range from $11.29 to $34.56 per Dt based on the source of the RNG, with landfill gas being least costly. RWA points out that in the Final LTP Corning used a lower value for the commodity cost of RNG compared to the Initial LTP, with $3.30 used in the Initial LTP. RWA states that "[t]o assume that actual RNG production costs have been reduced by 31 percent over the past 5 months clearly does not approach the threshold of reasonableness."[56] RWA continues that these forecasts have meaningful implications to the LTP and the BCA and affordability calculations and "may even alter what would otherwise be the most economical decarbonization solution set."[57] RWA states that both NYSEG and Corning plan to use 100 percent of the available RNG in the region near or including Corning's service territory from the NYSERDA study's Optimistic scenario.[58] RWA continues

[56] RWA Final Report, pp. 67-68.

[57] RWA Final Report, p. 68.

[58] ICF International, "Potential of Renewable Natural Gas in New York State," April 2022.

that there is a high probability that the cost of RNG would increase as a result of the high demand for limited supply. RWA also recommends that Corning have discussions with its existing and prospective RNG suppliers regarding the cost to obtain and retain their environmental attributes. RWA recommends that Corning report to the Commission the results of discussions with its existing and prospective RNG suppliers regarding the cost to obtain and retain their environmental attributes and use the results to inform future long-term plans.

Regarding hydrogen, RWA states that it has a number of potential risks and implementation barriers that are critical to any deployment of blended hydrogen fuel which become more critical as the blending percentages rise. RWA categorizes the risks as: risks associated with blended hydrogen fuel leaks; risks associated with hydrogen's effects on distribution, regulating, and transmission infrastructure; and risks associated with end user equipment. RWA adds that since hydrogen's molecular weight is almost 1/16th that of methane and therefore, a much smaller sized molecule, hydrogen is more susceptible to leaking at mechanical joints and via permeation through the walls of even plastic pipe. RWA states that high-volume industrial equipment can be very sensitive to changes in the fuel and blended fuel applications must consider the impact to these customers or include a way for such customers to opt out, adding this is of particular concern in Corning's case because industrial customers represent 62.8 percent of total customer demand.[59] RWA points to research in Europe with blended hydrogen-methane fuel in a glass manufacturing facility that suggests that variations in the fuel and the resulting heat generated, as well as the water vapor and exhaust temperatures

[59] RWA Final Report, p. 75.

after combustion, has unpredictable effects on the heat transferred into glass slag, which could potentially lead to manufacturing defects. RWA has no immediate recommendation regarding hydrogen and adds that Corning has committed to undertake engineering studies prior to beginning hydrogen blending.

Regarding energy efficiency, RWA states that residential and commercial weatherization accounts for 6,000 metric tons of CO2e reductions by 2044 or approximately three percent of the total GHG emission reductions and industrial process energy efficiency contributes another 16,000 metric tons of CO2e in GHG reductions or roughly nine percent of the total reductions. RWA adds that, in response to an RWA recommendation in the Initial Report, Corning has incorporated naturally occurring efficiency gains in its Final LTP. RWA recommends that Corning consider a collaboration with NYSEG to establish a process to refer Corning gas customers that are also NYSEG electric customers to energy efficiency programs that NYSEG is implementing.

RWA points out that the LTP does not consider full electrification, though the Company states that it will not prevent any customers from doing so. RWA adds that Corning has modeled hybrid electrification through hybrid heat pumps and assumed no efficiency improvements or cost changes for the equipment for the 20-year forecast period. RWA points out that Corning relied heavily on the NYSEG/RGE Final LTP to support its electrification program which RWA believes is appropriate as NYSEG operates the electric franchise within the CNGC gas franchise area. RWA adds that residential and commercial electrification accounts for a reduction of 25,000 metric tons of CO2e by 2044 which is 13.7 percent of the total LTP reductions. RWA recommends that Corning work with NYSEG in the

development of specific demand side management programs which impact Corning's customers and arrive at more informed adoption rates for electrification, with updates provided in Corning's next LTP filing or interim updates as deemed appropriate by the Commission.

RWA states that Corning's LTP indicates a 55 percent reduction in GHG emissions by 2044. RWA adds that Corning has not developed any specific programs to benefit disadvantaged communities. RWA mentions concerns raised by Corning that viewing its own programs in isolation from the rest of the state would result in allocating 35-40 percent of program spending to just 2.7 percent of the Company's customers. RWA adds that Corning's residential customers account for approximately 24 percent of the Corning system consumption, so spending 35 percent or more of program funds would address less than one percent of throughput. RWA also states that it has found nothing in the LTP that would disproportionately impact disadvantaged communities.

RWA states that given the "meaningful increases in customer bills over the forecast period" Corning's modeling should reflect the changing economic environment with respect to adoption rates for all DSM programs.[60] RWA adds that the model used by Corning to calculate emissions reductions appears to apply adoption of weatherization participation equally across all of the income levels and there are material differences in program adoption rates across the demographic spectrum. RWA recommends that Corning use past performance, perhaps in conjunction with NYSEG, to determine actual adoption rates by income level and apply those rates to future LTPs.

[60] RWA Final Report, p. 83.

Regarding emissions accounting, RWA states that Corning appears to be consistent with other long-term plan filings made by other gas utilities.

For the BCA calculations made in the Initial LTP and the Final LTP, RWA states that the two BCAs present significantly different results especially when considering that they were developed only five months apart. The BCA ratio for the Societal Cost Test increased 40 percent, from 0.5 to 0.7. The cost forecast for differentiated gas decreased 54 percent from the Initial LTP to the Final LTP and RNG production costs decreased 16.5 percent. RWA identified three assumption changes that had considerable impact on the BCA calculations, including the discount rate applied to the societal cost of emissions, commercial weatherization costs, and forecasted natural gas costs. The updated discount rate was prompted by an updated NY DEC Report which now endorses a 2.5 percent discount rate and given the source material used and the consistency of the application of the discount rate, RWA believes this change is appropriate.[61] Regarding commercial weatherization costs, RWA states that it appears that Corning is attempting to determine commercial weatherization costs by backing into the value by using the parameters of National Grid's commercial weatherization program. RWA recommends that actual experienced weatherization costs be utilized in future long-term plan filings but using the commercial weatherization values represented results in a 35 percent reduction in commercial weatherization costs from the Initial LTP, adopted from an updated source document. RWA continues that given the referenced material was from the same source but simply represented updated program costs from 2023 to 2024, RWA

[61] NY DEC, "Establishing a Value of Carbon. Guidelines for use by State Agencies", Appendix A, Table A1, A2, A3.

believes the use of the lower commercial weatherization cost is appropriate to use in the current LTP.

RWA states that the Initial LTP sourced natural gas prices from the direct testimony of the Company's Gas Supply Panel in the most recent rate proceeding for Corning and resulted in a gas commodity cost of $3.30/MMBtu.[62] RWA explains that the Initial LTP then escalated this cost by the yearly growth rate projected by S&P Global in its SNL Dominion South Natural Gas Price Forecast as of June 30, 2024.[63] RWA states that for the Final Gas System Long Term Plan, the BCA analysis uses a different price forecasting approach. RWA points out that in Appendix B of the Final Gas System Long Term Plan, Corning uses its Gas Adjustment Calculation (GAC) which provides a 2025 gas commodity cost of $2.27 per Dt that is escalated by the yearly growth rate projected by S&P Global in its SNL Dominion South Natural Gas Price Forecast as of December 31, 2024. RWA continues that this new price forecasting methodology results in a $1.03 per Dt or 31 percent difference over the 5-month period between filings, and that these differences are further exacerbated through Corning's escalation of these different values over the 20-year planning horizon. RWA believes that it is inappropriate to use a short-term price signal, such as a GAC, to support a 20-year price forecast. RWA states this concern is supported by simply reviewing Corning's GAC Statement

[62] Case 24-G-0447, supra, Direct Testimony of the Gas Supply Panel – Julie A. Lewis and Marie G. Husted (filed July 31, 2024). The $3.30 appears to be derived from this passage on page 11: "Specific to Corning, the weighted forward strip is about $3.90/MMBtu less a $0.60 basin differential plus a $1.50/MMBtu demand charge which means Corning projects a $4.80/MMBtu cost of gas." Removal of the demand charge produces a commodity cost of $3.30 per Dt, noting that 1 MMBtu equals 1 Dt.

[63] RWA Final Report, p. 66.

152, in which the Company filed gas commodity costs of $2.8444 per Dt and represents a $0.57 per Dt or 25 percent increase in commodity costs going into effect one day after the Final Gas System Long Term Plan was filed. RWA states that the BCA analysis as filed in Corning's Final LTP cannot properly inform the Commission with respect to the appropriateness of Corning's Preferred Plan or the impact that plan will have on Corning's customers. RWA recommends that Corning use an appropriate and authoritative long-term gas price forecast and not rely on the short-term GAC to establish a 20-year gas price forecast in its next long-term plan filing and Corning should incorporate other changes as recommended in the RWA report in its next BCA calculation.

Regarding bill impacts, the RWA Final Report includes this table:

	2024	2044	% Increase	CAGR
Residential (SC1/SC14)	$115	$231	101 percent	3.75 percent
Small Commercial (SC3/SC14)	$319	$661	107 percent	3.90 percent
Hammondsport Transport (Commercial) (SC4)	$5,748	$14,715	156 percent	5.10 percent
Large Commercial (Transportation) (SC6)	$6,477	$15,582	141 percent	4.75 percent
Industrial Transportation (SC7)	$63,210	$172,552	173 percent	5.45 percent

While pointing out that all customer classes would experience significant bill increases under the LTP, RWA states that given the Company's large percentage of industrial demand, 63 percent, it is important to consider the implication of bill increases for this customer group and that maintaining affordability for the industrial customers is critical to residential rates. RWA recommends that given the potential impacts to affordability from the loss of industrial load due to increases in energy costs, Corning should continue to consult with its industrial customers regarding ways to mitigate potential loss of load, and potentially employment, from reduced throughput and Corning should provide updates to Staff in future interim updates.

RWA states that Corning has not provided any specific proposals directed to disadvantaged communities and RWA has not found anything in the Final LTP that would disproportionally impact disadvantaged communities. RWA states that the Company needs to provide specific proposals and funding requirements to support its view on disadvantaged communities' spending and associated benefits, which the Company should include in its next long-term plan filing or in an interim update. RWA adds that Corning should work with the appropriate New York State

agencies to ensure that any future RNG or hydrogen projects do not disproportionally burden disadvantaged communities.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking was published in the State Register on February 26, 2025 [SAPA No. 24-G-0629SP1]. The time for submission of comments pursuant to the Notice expired on April 28, 2025. Moreover, the Commission issued Notices Establishing Comment Deadlines on February 11, 2025, and September 29, 2025. Comments on the Initial LTP were requested by April 28, 2025, and reply comments were requested by May 16, 2025. Stakeholder initial comments on the Final LTP were requested by October 29, 2025, with reply comments requested by November 12, 2025.

The comments from Corning in reply to RWA's final report are summarized in Appendix B, and discussed as applicable in the Discussion section of this Order. There were no other comments filed in this proceeding.

LEGAL AUTHORITY

PSL §5(1)(b) provides the Commission with broad authority over "the manufacture, conveying, transportation, sale or distribution of gas ... for light, heat or power, to gas plants ... and to the persons or corporations owning, leasing or operating the same." Of particular importance to the Commission's action in this Order, PSL §5(2) also provides that "[t]he commission shall encourage all persons and corporations subject to its jurisdiction to formulate and carry out long-range programs, individually or cooperatively, for the performance of their public service responsibilities with economy, efficiency, and care for the public safety, the

preservation of environmental values and the conservation of natural resources." PSL §65 requires that LDCs provide "service, instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable." Furthermore, PSL §66(1) states that the Commission has general supervision of all gas corporations. Additionally, PSL §66(1-a) provides that the Commission may order "such improvement in the manufacture, conveying, transportation, distribution or supply of gas ... or in the methods employed by such corporation as in the commission's judgment is adequate, just and reasonable."

DISCUSSION

As mentioned previously, the Commission has considered long-term gas plan filings made by NFG, Con Edison/O&R, NYSEG/RGE, Central Hudson and National Grid in previous orders. We noted in the Con Edison/O&R LTP Order that the Commission's core responsibility at this time is to ensure the utilities are providing safe and adequate gas service at just and reasonable rates, and noted that there are no state laws requiring existing buildings discontinue using natural gas.[64] We also recognized that gas planning will be an iterative process, with the utilities generally filing annual updates and a new long-term plan in three years' time.[65]

While the Planning Order indicated that the Commission "could adopt, reject, or modify the revised plan, in whole or in part," experience with other gas utilities demonstrates that it is not necessary or appropriate to approve a plan with a 20-year

[64] Con Edison/O&R LTP Order, p. 31.

[65] Id., p. 32.

horizon this far in advance.[66] Instead, we focus on actions the Company must take in the near future to advance the decarbonization of its system while ensuring it can continue to provide safe, adequate, and reliable service to customers. We will address recovery of costs for specific proposals and actions associated with this LTP in the Company's rate filings, or when addressing specific subsequent filings as required as part of this proceeding. We note that if a rate case proposal relates to an element of the Company's LTP, such proposal will be subject to thorough review through the traditional rate case process, without any presumption as to the outcome.

In the Modified LTP Process Order, we agreed with Corning, SLG, and stakeholders that the Companies must file only one "annual" report in between the conclusion of the review of their impending long-term plans and the filing of their subsequent plans approximately three years later and deferred the specific date of the required filing to an order addressing the long-term plans after the plans have been filed and reviewed.[67] The Commission notes the relative lack of stakeholder interest in this proceeding, as evidenced by the lack of filed comments, and the fact that Corning is not required or allowed to conduct energy efficiency programs or weatherization through the EE/BE proceeding. Given these facts,

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[66] See Case-24-G-0248, In the Matter of a Review of the Long-Term Gas System Plans of The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, and Niagara Mohawk Power Corporation d/b/a National Grid, Order Regarding Long-Term Natural Gas Plan and Requiring Further Actions, (issued September 18, 2025), p. 48; see also Case 23-G-0676, In the Matter of a Review of the Long-Term Gas System Plans of Central Hudson Gas & Electric Corporation, Order Regarding Long-Term Natural Gas System Plan and Directing Further Actions, (issued July 17, 2025), pp. 37-38.

[67] Modified LTP Process Order, p. 12.

the Commission directs Corning to file its next long-term plan in five years, and not three years as required of the larger gas utilities, in order to balance the cost impact of developing a long-term gas plan and the stability of Corning's gas system and access to local production of natural gas and RNG. In addition, RWA has pointed out that Corning has a reserve margin of capacity over and above its design day requirements. The decision to require only one interim update was premised on a three-year filing cycle. In this Order we require Corning to file its next long-term plan by December 13, 2030, i.e., in five years, and therefore require Corning to provide two interim updates, one by May 31, 2027, and the second by May 31, 2029. This will balance the need to provide information to stakeholders with the cost impacts of plan preparation on a small gas utility.

In issuing this Order, the Commission has considered all comments received. We discuss specific issues below, including the further actions we direct the Company to take regarding their Final LTP.

Demand Forecast

The Planning Order requires LDCs to include adjustments to demand forecast scenarios that reflect energy efficiency, electrification, demand response, NPAs, and other external impacts. Furthermore, the Planning Order directed LDCs to provide estimates of the expected sources of growth and/or reduction in peak demand from demand-side investments. According to Corning its Reference Case customer count and natural gas demand forecasts are based on the recently approved Rate Order. Corning expects slight demand reduction from residential and commercial customers but increased demand from industrial customers, for a generally flat demand curve. Corning does not forecast any demand reductions from its LTP.

RWA states that Corning should continue to validate the accuracy of its design day forecast annually by extrapolating cold weather data to design conditions and points to a poor correlation historically between forecasted and actual sendout. RWA expresses that Corning's use of 74 heating degree days to calculate design day demand is appropriate. RWA states the current approach to modeling and surveillance of the system's operations appears to have worked in the past, but the introduction of higher percentages of RNG, and eventually hydrogen, will require additional diligence and monitoring capability by the Company.

The Commission finds that Corning's demand forecasting methods are adequate. Issues related to RNG and hydrogen are addressed below.

Supply Forecast/Components

Supply forecasts include the various assets used to meet design day load, including pipeline and storage capacity and peaking assets. In the Planning Order, the Commission emphasized that the LDCs' supply forecasts must align with the demand forecast, and that they must contain demand response programs and be explicit regarding the level of demand-side programs included. Furthermore, the Commission encouraged LDCs to explore novel approaches to meeting demand, such as using innovative rate design to reduce or shift demand through seasonal or peak day rates rather than simply acquiring more gas to meet the initial forecast of demand. Despite the absence of significant demand growth as noted above, Corning's LTP plans for additional purchases of RNG and the addition of hydrogen to its supply mix.

RWA states that the Company is in a unique position with its service territory adjacent to the prolific and economic supply from the Marcellus Basin. RWA also states that Corning

maintains a supply portfolio of assets that exceeds its anticipated design day demand, and this will be exacerbated by adding hydrogen and more RNG to the mix. RWA adds that Corning is using assets like RNG, hydrogen, and differentiated gas to reduce the GHG emissions of its gas system. While stating that Corning currently maintains a reserve margin of approximately eleven percent above projected design day demand, RWA notes that some of Corning's supply assets should be derated because they are not as reliable as firm primary-point pipeline capacity. RWA recommends that Corning be required to perform BCA and tradeoff analyses to support any new portfolio additions including possible de-contracting of existing supplies to maintain a reasonable design day supply demand balance.

In its reply comments, the Company notes that the Commission should place more focus on supply-based decarbonization measures that target GHG emission reductions for which Corning procures gas supply and is able to modify its gas supply portfolio.[68]

The Commission finds that the Company has sufficient supply assets to meet its forecasted demand. The Commission agrees with RWA that adding new supply assets to Corning's portfolio may create unreasonable impacts on ratepayers. The Commission directs Corning to include in its two interim updates quantification of any design day supply added and information on the reliability of RNG supplies including the daily amount of RNG acquired by Corning for each day of the three-year period prior to the specific interim update. We also direct Corning to include a proposal for derating design day assets in its next long-term plan filing. Discussion of some specific supply assets is described below.

[68] Corning Comments on RWA Final Report, p. 3.

1. Renewable Natural Gas and Hydrogen

The Commission noted in the Planning Order that RNG remains a developing issue, and it should remain in consideration for planning purposes. The Commission also stated that each LDC should identify the potential for use of RNG in its long-term plan and the larger questions of studies or trading programs for RNG would be deferred to a future phase of the planning proceeding.[69] Corning currently incorporates RNG in its distribution system without purchasing associated environmental attributes, but it includes the purchase of attributes in the LTP for future RNG acquisitions. Corning plans to purchase available RNG in its service territory as well as RNG from Pennsylvania, acknowledging that RNG from out-of-state has "higher emissions than RNG sourced from within the Company's service area to reflect the added use of upstream transportation to deliver the out-of-state RNG."[70]

Corning states that hydrogen blending in its distribution system is a viable option to make sustainable reductions in GHG emissions and that its LTP should prioritize lower cost per GHG emission reduction decarbonization actions like RNG and hydrogen, which offer the most cost-effective GHG reductions.[71] Corning proposes a ten percent blend of hydrogen by 2044 and states that it plans to conduct all necessary engineering and safety studies prior to confirming that hydrogen can be safely blended into the Company's distribution system without creating operational issues, with any future studies to be provided to the Commission and all other appropriate parties. Corning states that hydrogen has one of the lowest costs per

[69] Planning Order, p. 57.

[70] Final LTP, p. 62.

[71] Final LTP, p. 6.

emissions reduction of the decarbonization actions, and a significantly lower cost per GHG emissions reduction than electrification.[72] The blending of hydrogen is not expected by Corning until 2034 and Corning states it will "continue to collaborate with its industrial customers to better understand the benefits of direct hydrogen blending and provide updates regarding future opportunities to target the industrial sector as applicable."

RWA states that given that future additions of RNG to the Corning portfolio would represent additional supply above design day requirements, an analysis of the environmental, reliability and affordability tradeoffs should be conducted prior to the addition of any such volumes. RWA adds that Corning should develop procedures for intra-day supply replacement in the event of loss of scheduled supply, as RNG is not as reliable as gas delivered on firm primary point pipeline capacity. RWA also recommends that Corning have discussions with its existing and prospective RNG suppliers regarding the cost to obtain and retain their environmental attributes, and the results of these discussions and any resulting contracts should be shared with the Commission on a confidential basis and inform future long-term plan filings.

RWA states that Corning will need to improve modeling and monitoring of distribution pressures and gas quality as new RNG and hydrogen supplies are introduced to the system.[73] RWA continues that Corning will need to employ enhanced hydraulic modelling and monitoring equipment/procedures to ensure that blending percentages remain within required tolerances at all times for all parts of the system — including and especially at

[72] Final LTP, p. 63.

[73] RWA Final Report, p. 60.

injection and highly sensitive customer sites — and Corning can develop these capabilities over the next several years as long as the Company has them in place prior to the commencement of hydrogen blending.[74] RWA adds that Corning should work with appropriate New York State agencies to ensure that future hydrogen projects do not disproportionately burden disadvantaged communities.[75] RWA points out concerns with hydrogen blending such as the risk of embrittlement of steel pipe and increased risk of leakage due to the smaller size of hydrogen (H_2) molecules compared to methane molecules (CH_4). RWA also refers to studies from Europe that found problems in glass manufacturing related to hydrogen blending.[76]

Corning states in its reply comments that its Final LTP priced all future RNG volumes, which include environmental attributes, at the weighted average cost of RNG produced by each feedstock reported by NYSERDA and Corning will continue to monitor RNG cost assumptions in future long-term plan filings and updates.[77] Corning adds that its LTP assumes that New York State's proposed Cap-and-Invest program is anticipated to address the cost of RNG attributes, though not necessarily "cover these costs in full" and given the current uncertainty around the structure and valuation of RNG attribute costs Corning assumes the cost for the attributes will be the premium of the cost of RNG production over the cost of conventional natural gas.[78] Corning states it will evaluate and consider purchasing RNG allowances and attributes only if it is

[74] RWA Final Report, p. 76.

[75] RWA Final Report, p. 98.

[76] RWA Final Report, p. 75.

[77] Corning Comments on RWA Final Report, p. 7.

[78] Corning Comments on RWA Final Report, p. 8.

determined to be cost-effective and beneficial to its customers and will continue to monitor the development of the Cap-and-Invest program.

The Commission agrees with RWA's recommendations regarding RNG and directs Corning to report on any findings regarding the cost to obtain and retain the environmental attributes associated with RNG purchases after Corning investigates the subject more fully. Specifically, Corning shall investigate the cost of RNG supply for volumes and emissions reductions that another entity cannot claim. If Corning procures RNG but another entity can claim the associated emissions reductions from that RNG, Corning cannot claim such reductions because doing so would result in double counting those emission reductions. Corning must report on its findings in its interim updates to this long-term plan filing.

We also direct Corning to report on efforts to improve modeling and monitoring of distribution pressures and gas quality in its interim reports and include information on this topic in its next long-term plan filing. The Commission directs Corning to include any enhanced hydraulic modelling and monitoring equipment/procedures necessary to ensure that blending percentages remain within required tolerances at all times for all parts of the system as recommended by RWA. Additionally, Corning shall report on conversations it holds with industrial customers regarding hydrogen blending, either isolated to customer facilities or impacts on customer operations from hydrogen blending in Corning distribution system, in each interim update to this LTP and in its next long-term plan filing.

2. Differentiated Natural Gas

Corning views differentiated natural gas as a viable option to make sustainable reductions in GHG emissions. Corning

states a goal of replacing 100 percent of imported gas by 2044 with differentiated natural gas. Corning notes that it currently sources approximately 17 percent of its gas supply from imported differentiated natural gas which it assumes to provide up to 13 percent reductions in methane emissions over conventional gas compared to similar sources with a cost premium over conventional natural gas of $0.06 per Dt.[79] Corning adds that maximizing differentiated gas purchases is "the most cost-effective method for reducing GHG emissions."

RWA points out that the cost of differentiated gas included in the BCA analysis decreases from $33,433,000 in the Initial LTP to $15,343,000 in the Final LTP, which represents a reduction of approximately 54 percent. RWA adds that this reduction has occurred while a review indicates that there has not been any change to the differentiated gas volumes in the model.

The Commission directs Corning to report in each interim update and the next long-term plan filing the results of its differentiated gas pilot program, including volumes purchased, cost premiums compared to non-differentiated gas purchases, and quantified emissions reductions including the entity making the certification of emissions reductions.

3. Peaking Services

Although Corning claims it has no peaking supplies currently, it states that it relies on spot gas purchases from ESCOs and/or local producers for supplemental supply, as needed. RWA states that ESCOs can provide an economic alternative to the utility needing to develop peaking assets. RWA adds that while marketers have had a very good history of meeting their contractual requirements, the service needs to be viewed as

[79] Final LTP, p. 64.

slightly less reliable than firm primary point pipeline deliveries. We require that Corning continue to include information on any peaking services it accesses in the future in its long-term plan filings.

Demand Response Programs

In the Planning Order, the Commission stated that LDCs should continue to consider the use of interruptible gas service to minimize the need to build new infrastructure, while also prioritizing developing innovative clean demand response programs. Corning states that it has no interruptible customers. Corning adds that it provides inquiring customers with contact information for energy efficiency programs of the customer's electric utility which Corning styles as a gas demand response program. Corning states that with hybrid heating, the natural gas heating equipment operates as an electric demand response solution that reduces the electric peak in the winter and therefore reduces the investment in capacity required on the electric system.

RWA recommends that Corning consider a collaboration with NYSEG setting up a process to refer Corning gas customers who are also NYSEG electric customers to energy efficiency programs that NYSEG is implementing.

Corning states in its comments that as a small, gas-only utility it should not be responsible for leading or coordinating electrification efforts within its service territory. Corning adds that it remains open to coordination with NYSEG where appropriate but emphasizes that any electrification opportunities must be evaluated in the context of system readiness and customer impact. Additionally, Corning says it should not be expected or required to pursue initiatives that could compromise service quality or impose undue financial burdens on its ratepayers. Corning states it has limited

opportunities to engage in broader planning processes and program budget development and therefore should not be responsible for leading or implementing electrification strategies.[80]

The Commission finds that Corning has no demand response programs that effectively serve to reduce natural gas demand. If, at some time in the future, Corning finds that parts of its system are constrained and at risk of reduced reliability on peak days, the Commission expects it will consider creating one or more demand response programs.

Energy Efficiency

In the Planning Order, the Commission stated that LDCs must include adjustments to demand forecast scenarios that include energy efficiency. The Company states it will administer and otherwise support energy efficiency and will continue to do so, subject to ongoing regulatory processes. Corning states that, as requested by RWA, the Company's Reference Case incorporates the naturally occurring energy efficiency resulting from the gradual replacement of older furnaces and boilers with new ones for customers who opt for like-in-kind replacement at the time of gas appliance failure, instead of electrification.[81] However, despite the fact that the reference case includes the potential impacts of future decarbonization efforts or naturally occurring energy efficiency resulting from gradual replacement of older furnaces and boilers with new furnaces or boilers, Corning's preferred LTP does not include such impacts. Corning mentions the Energy Efficiency and Building Electrification proceeding and that it is not required to participate in these dockets, nor does it have an

[80] Corning Comments on RWA Final Report, pp. 9-10.

[81] Final LTP, p. 36.

energy efficiency budget or energy savings targets as established for other utilities in the EE/BE Order due to its small size. Corning states that energy efficiency measures and bill saving tips such as "Energy Saving Tips" are posted on the Company's website for easy customer access and it provides information about how to access home energy audits and weatherization through two different county-level organizations and NYSERDA. Despite the fact that Corning does not participate in EE/BE programs, Corning's LTP assumes efficiency improvements in process load of industrial customers equating to 0.5 percent process load reduction per year and Corning states that consistent with recent policy guidance it has placed a focus on energy efficiency in the form of weatherization in the LTP.

RWA states that Corning should consider a collaboration with NYSEG setting up a process to refer shared customers to energy efficiency programs that NYSEG is implementing.

The Commission notes that general ratepayer-funded, customer-facing gas energy efficiency programs are funded within the budget bounded portfolios approved in the Commission's May 2025 EE/BE Orders.[82] Details of such programs are subject to the implementation plan approval process set forth in those orders, which do not require or allow Corning to administer or fund any EE/BE measures such as weatherization. However, efficiency

[82] Case 25-M-0248, In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios, Order Authorizing Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030 (issued May 15, 2025); and Case 25-M-0249, In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio, Order Authorizing Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio for 2026–2030 (issued May 15, 2025) (collectively the EE/BE Orders).

measures or targeted initiatives may be administered or pursued as a component of specific NPAs or NPA proposals, especially those implemented within or planned to address highly loaded areas. Corning may include weatherization, industrial process improvements, or any other efficiency programs as part of any NPA projects it pursues.

Reliability Standards and Hydraulic Modeling

In the Planning Order, the Commission required that long-term plans identify the methodology by which LDCs will forecast and measure reliability, and that design day standards be considered in each long-term plan and revalidated at a frequency proposed by the LDC.[83] Corning states that it currently plans its gas system for 74 heating degree days, which equates to a daily average temperature of -9 degrees and is based on the coldest weather experienced historically in the City of Corning, which corresponds to Corning's compact service area.

RWA states that Corning should continue to validate the accuracy of its design day forecast annually by extrapolating cold weather data to design conditions. RWA adds that Corning does not use a model to build up to a design day load but rather uses historical design day usage for its sales (residential and commercial) customers and peak capabilities for each of its transportation (industrial) customers. RWA maintains that the Company considers this to be a conservative representation of its peak demand as it is very unlikely that all of its industrial customers would have coincident peak days.[84] RWA states that Corning has hydraulic modeling capabilities but only uses this to confirm system capabilities

[83] Planning Order, p. 34.

[84] RWA Final Report, p. 40.

when pipeline replacements are required or new loads are added to the system. RWA continues that Corning does not use hydraulic modeling to confirm the distribution system's design day capabilities but monitors the low points of the distribution system during cold weather periods to validate against expected values. RWA states that the Company has historically had a poor correlation between forecasted and actual sendout and this appears to have been historically driven by a corresponding poor correlation between forecasted and actual heating degree days. RWA states that the Company has just recently incorporated backcasting into its annual reviews and this has resulted in significant improvement in Corning's ability to forecast sendout.

The Company's reliance on the coldest actual weather experienced in its service territory is reasonable for design day planning. The Commission appreciates that Corning has recently incorporated backcasting in its annual review of its design day demand forecast. To build on that development, we direct Corning to include information in its next long-term plan showing the results of its backcasting for the five winters prior to filing that long-term plan to allow for a review of its reliability and accuracy in forecasting load on the ten coldest days of each of those winters.

No Infrastructure Option and Non-Pipe Alternatives

In the Planning Order, the Commission required that LDCs include a no infrastructure scenario but allowed an LDC to assert that a no infrastructure scenario may not be feasible for a particular project or portion of its long-term plan. In the Modified LTP Process Order, the Commission noted that Corning and SLG stated that they are not supply constrained, have little leak prone pipe left to be replaced, and "are in regions that are currently winter electric peaking or will shortly be winter

peaking" and because of this as well as the small geographic size of each service territory and recent legislation prohibiting most new construction from installing fossil fuel fired appliances combining to limit growth potential, the Commission found that Corning and SLG should be exempt from including a no-infrastructure scenario in their long-term plan filings.[85]

Regarding NPAs, Corning states its service territory does not currently have any vulnerable locations, defined as a portion of the system where, due to upstream or local constraints, the safe and reliable delivery of gas may be at risk within the next five years, and therefore, no suitable opportunities exist at present for the implementation of NPA solutions in this LTP.[86] Corning points out that it was directed in its recent rate order to implement processes and procedures pertaining to the screening of NPAs in the Company's capital budget planning process.[87] Corning states that it will evaluate capital projects for the replacement of existing gas distribution infrastructure to identify areas that may be suitable for the implementation of NPAs, such as radial segments of LPP main and farm taps, as their elimination will have minimal impact on the overall safety and reliability of the gas system, while contributing to decarbonization efforts. In addition, Corning states it analyzes proposed main extensions exceeding 500 feet and considers them for NPAs. The Company states that it will provide updates on NPAs in future long-term plan filings.

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[85] Modified LTP Process Order, p. 10.

[86] Final LTP, p. 33.

[87] Case 24-G-0447, supra, Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plan, (issued June 12, 2025), p. 55.

RWA states that interim updates to the LTP should address any changes related to forecasted growth and or system requirements to adequately inform the Commission regarding the application of NPAs on the Corning system. RWA adds that NPAs do not account for any emission reductions in the LTP nor does Corning apply NPAs to any specific projects. RWA states that past performance and forecasted zero growth coupled with the requirement to consult with the Commission on any proposed extensions more than 500 feet in length and the recent inclusion of an NPA process in Corning's capital budgeting process appear to provide reasonable coverage regarding the applications of NPAs.[88]

The Commission finds that the requirements regarding considering NPAs in the recent rate order for Corning are sufficient to ensure that NPAs are considered by Corning in the future in lieu of infrastructure projects. The Commission agrees with RWA that Corning must provide updates on NPAs in its interim updates to this LTP and in its next long-term plan filing. We, therefore, direct Corning to include a list of all projects for which Corning considered NPA treatment including the location of each and the reliability issue that needed to be addressed (LPP, farm tap, main extension) and the status of any resulting actions, including but not limited to the results or interim status of any RFPs that Corning issued for each potential NPA. If Corning is aware of any energy efficiency programs offered by NYSEG in the area where Corning is pursuing an NPA project, and which may benefit customers affected by the NPA project, we expect Corning to coordinate its efforts with NYSEG to maximize the benefits to customers and minimize costs.

[88] RWA Final Report, p. 63.

Leak Prone Pipe

The Planning Order directs LDCs to identify the locations of specific segments of LPP that could be abandoned in favor of NPAs.[89] Corning states that it expects to complete its LPP replacement program by 2029 and nearly 78 percent of all capital spending in its current rate case is for distribution infrastructure including the LPP replacement program.[90] The Company adds that in developing its 2030 capital budget for the LTP, the Company removed the LPP replacement program and expansion projects. The Company also states that replacement of LPP has reduced GHG emissions and radial segments of LPP main and farm taps are ideal areas to implement NPAs.

The Commission finds that Corning has made progress on replacing LPP and will soon complete that project. We expect Corning's next long-term plan filing and future rate case filings should show the accompanying reductions in the capital budget as well as progress on deploying NPAs as discussed above.

Impacts on Low- and Moderate-Income Customers and Disadvantaged Communities

The Commission directed in the Planning Order that LDCs must identify the disadvantaged communities in their service territories, explain the impacts to disadvantaged communities of any proposed projects, and explain how the LDC will ensure that an appropriate portion of the benefits of any proposed NPAs accrue to disadvantaged communities. Corning states it must remain affordable for the customers and communities it serves, including an emphasis on low- and moderate-income customers and disadvantaged communities. Corning states it has 400 customers living in disadvantaged communities, representing 2.7 percent of its total customer

[89] Planning Order, p. 39.

[90] Final LTP, p. 28.

base. Corning states that it has two affordability programs: the Home Energy Affordability Program administered by the New York State Office of Temporary and Disability Assistance,[91] with approximately 1,500 customers enrolled, and a monthly bill credit provided to eligible customers.[92] Regarding the requirements in CLCPA related to disadvantaged communities, Corning states that it participated as part of the Joint Utilities in a proceeding to measure and track compliance with and development of the provisions of the CLCPA.[93]

RWA states Corning should develop a method for determining benefits to and impacts on disadvantaged communities and use it in their next long-term plan filing to quantify these items as required by the CLCPA. RWA states that Corning should develop proposals and required funding to address the spirit of the CLCPA while recognizing the realities of its unique customer base and Corning should work with the appropriate New York State agencies to ensure that any future RNG or hydrogen projects do not disproportionally burden disadvantaged communities.

In its comments on the RWA Final Report, Corning states that it is not appropriate to apply the 35 percent CLCPA statewide requirement to such a limited portion of Corning's customer base given Corning's relatively unique customer composition. Corning states it has 400 customers living in disadvantaged communities in its service territory, which

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[91] New York State Office of Temporary and Disability Assistance, Home Enerrgy Assistance Program (HEAP) (last accessed on December 1, 2025), https://otda.ny.gov/programs/heap/.

[92] Final LTP, p. 27.

[93] Case 22-M-0149, In the Matter of Assessing Implementation of and Compliance with the Requirements and Targets of the Climate Leadership and Community Protection Act, Joint Utilities' Supplement to Proposal for an Annual Greenhouse Gas Emissions Inventory Report (filed May 31, 2023).

represents 2.7 percent of Corning's total customer base and less than one percent of its throughput.[94]

The Commission notes the unique nature of Corning's service territory and agrees with RWA that Corning should address the spirit of the CLCPA in its next long-term plan filing, along with information on the impacts of RNG or hydrogen projects on disadvantaged communities. In addition, Staff has provided guidance on the reporting of investments benefitting disadvantaged communities through Clean Energy Guidance Document 12, filed on the Department's website.[95] We direct the Company to provide updates on that effort in its interim updates to this LTP.

Comparison of Alternatives

4. Benefit Cost Analysis

In the Planning Order, the Commission stated that the planning proceeding does not seek to modify previous Commission orders related to BCAs. The Commission also stated that the consultant is expected to help evaluate the economic and environmental tradeoffs associated with different pathways. Corning states in performing the BCA analysis, three tests were used (societal cost, utility cost, and ratepayer impact measure) to compare the LTP's net present value to the incremental benefits and costs over the 20-year planning period. Corning notes that the LTP had a BCA ratio of 0.7 using the societal cost test and Corning says the ratio must be 1.0 or higher to pass.[96] Corning states that it applied the guidance given by the

[94] Corning Comments on RWA Final Report, p. 12.

[95] CE-12 CLCPA-Disadvantaged Communities Investment and Benefits Reporting Guidance (September 27, 2023) available at: https://dps.ny.gov/ce-12-clcpa-disadvantaged-communities-investment-and-benefits-reporting-guidance.

[96] Final LTP, p. 73.

Commission in the BCA Framework Order but that some items do not have clear guidance including the accounting of emissions impacts associated with RNG.[97] The Company includes all incentives, including federal incentives, as offsets to participant customer costs in the societal cost test.

RWA notes that Corning should use an appropriate and authoritative long term gas price forecast in its BCA calculations and not rely on the short-term Gas Adjustment Calculation used to establish a 20-year gas price forecast in its next gas system long-term plan, or at any other interim period deemed appropriate by the Commission. RWA states that in its next long-term plan filing Corning should either be consistent with assumptions made between its Initial and Final LTPs or provide sufficient documentation regarding the impact to the BCA for each specific assumption change. RWA found three major changes in the BCA analysis between the Initial and Final LTPs, namely the discount rate applied to the societal cost of emissions, commercial weatherization costs, and forecasted natural gas costs. RWA believes that the updated discount rate was an appropriate change because it was based on an updated DEC report. RWA adds that the commercial weatherization costs were changed because the information in the source document was updated and this is appropriate. Regarding the changed gas price forecast, RWA states that the BCA analysis cannot properly inform the Commission given the significant impact of gas prices on the BCA results. RWA recommends that Corning use an authoritative and appropriate long-term gas price forecast and not its GAC value.

[97] Case 14-M-0101, Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision, Order Establishing the Benefit Cost Analysis Framework (issued January 21, 2016).

In its Final Reply Comments, the Company maintains that the assumption changes reflected in its Final LTP represent the most accurate and transparent data available to Corning and relying on outdated assumptions would be inaccurate, especially given the opportunity to incorporate updated information in its Final LTP.[98] Corning adds that its use of its GAC as the starting point to estimate its system's cost of gas is most appropriate when considering Corning's unique location in a low-cost region compared to the rest of New York State.

The Commission finds that Corning's use of its GAC value as a gas price for the BCA analysis is not appropriate. NFG and NYSEG are located near Corning, and are served by some of the same pipelines and are similarly close to natural gas production areas. Both NFG and NYSEG relied on more appropriate gas price forecasts. In our Modified LTP Process Order we stated that Corning could rely on data used by larger utilities and that includes gas price forecasts.[99] Accordingly, we direct Corning to select an appropriate gas price forecast and then to include that in an updated BCA analysis to be filed in its first interim update to this LTP.

The Commission notes that Corning uses the DEC's social cost of carbon estimate at the 2.5 percent discount rate when presenting avoided damage costs. We note that, in this circumstance, in which Corning is essentially presenting a sensitivity analysis, this is not unreasonable. As the Commission is not adopting or approving Corning's LTP, this does not represent a reversal of our historical application of a 3.0 percent discount rate when ratepayer dollars are at issue, nor does it endorse or foreclose using alternative discount rates

[98] Corning Comments on RWA Final Report, p. 6.

[99] Modified LTP Process Order, p. 11.

when presenting the impacts of various scenarios in gas long-term plans.

5. Estimated Bill Impacts and Net Present Value of Costs of Each Alternative

The Planning Order directed the LDCs to present an annual bill impact and net present value for both a traditional solution and any alternatives, and that the analysis address various customer groups. Additionally, the Commission directed the LDCs to include an alternative bill impact analysis that assumes the full value of any new gas assets is depreciated by 2050.

Corning states that its LTP shows varying levels of bill impacts by service class for non-participating customers. The Company presents a bill impact analysis in its Final LTP that includes the depreciation rates that were approved by the Commission in Corning's recent rate case, but Corning states that alternative depreciation approaches need to be considered and addressed expeditiously as gas customers that remain on the Company's distribution system could face intergenerational equity issues and be forced to cover the escalating costs of decarbonization. Corning forecasts bills for residential customers to roughly double over the twenty-year planning period, with commercial and industrial customers facing even steeper increases.

RWA notes that Corning predicts a compound annual growth rate in residential customer bills of 3.75 percent, with compound annual growth rates of 3.9 percent for small commercial customers and 5.45 percent for industrial transportation customers. RWA adds that maintaining affordability for Corning's industrial markets is critical to residential rates, since a loss of any one of these very large customers would have serious consequences for the affordability of the other customer

classes.[100] RWA recommends that Corning maintain contact with its large industrial customers to find ways to mitigate potential loss of load and accompanying loss of employment. RWA recommends that Corning report on these discussions regularly and in its interim updates.

In its Reply Comments on the RWA Final Report, the Company states it is concerned with the potential for large industrial companies and manufacturing facilities to leave its service area due to New York's business climate, including implications of the CLCPA, which could have severe consequences for both the Company's service territory and the State's economic conditions.[101]

The Commission agrees with RWA and directs Corning to report in its interim updates and next long-term plan filing on the status of its discussions with its large industrial customers. The information reported in the interim update must include any notice of a sustained quantified decrease in gas demand received from large industrial customers and potential impacts to residential customers from the loss of revenue.

6. Emissions Impacts

The Planning Order requires that LDCs report the GHG emissions from all solutions, both supply-side and demand-side, and a calculation of the GHG emissions from each scenario they submit in addition to including carbon emissions in the BCA analysis as prescribed in the BCA Framework Order. Corning states that it supports the State's policy objectives to reduce GHG emissions and the development of programs to address CLCPA's statewide targets. Corning adds that its combination of replacing LPP, keeping leak numbers low, and purchasing locally

[100] RWA Final Report, p. 94.

[101] Corning Comments on RWA Final Report, p. 11.

produced gas "drastically reduces the greenhouse gas emissions associated with delivering gas" to its customers.[102] Corning states that alternate fuels like hydrogen are viable options to make sustainable reductions in GHG emissions and are relatively lower cost decarbonization actions.[103] Corning adds that, by 2044, the LTP reduces emissions by 55 percent compared to 1990 levels.

RWA states that in its future long-term plan filings, Corning should incorporate any Commission determination on emissions accounting in Case 22-M-0149. RWA adds that RNG is the decarbonization measure that accounts for the largest share of Corning's projected emissions reductions. RWA states that locally produced natural gas may result in marginally lower emissions than natural gas transported longer distances. RWA adds that green hydrogen needed to claim zero emissions from hydrogen blending is the most expensive category of hydrogen and that the use of differentiated gas is also one of Corning's decarbonization strategies. RWA also discusses Corning's plan to purchase the environmental attributes associated with RNG which will increase the cost of that RNG.

The Commission recognizes that the decarbonization strategies available to Corning are limited due to its small size and resources. Corning should continue to monitor developments in emissions accounting and include updates to emissions accounting in future long-term plan filings.

Climate Leadership and Community Protection Act

As previously discussed, the CLCPA is ambitious climate legislation with a commitment to reduce GHG emissions and achieve net-zero emissions, increase renewable energy usage,

[102] Final LTP, p. 3.

[103] Final LTP, p. 6.

and ensure climate justice. To those ends, CLCPA §7(2) requires all State agencies, including the Commission, to take into consideration whether certain specified final agency actions are inconsistent with or will interfere with the attainment of the statewide GHG emission limits established by the DEC under ECL Article 75. Thus, final Commission decisions in proceedings such as the instant matter are subject to the evaluation required under CLCPA §7(2). Section 7(2) further states that, if a decision is deemed to be inconsistent with, or interfere with, the attainment of the statewide GHG emissions limits, the deciding agency, office, authority, or division must provide a detailed statement of justification as to why such limits may not be met and identify alternatives or GHG mitigation measures to be required.

The Commission finds our action here, requiring further actions with regard to the Company's Final LTP, is not inconsistent with nor will it interfere with attaining the GHG emission limits of the CLCPA. The intention of the gas planning process we initiated in Case 20-G-0131 is to continue providing safe and reliable service while charting a path forward to attaining the State's climate goals. The actions directed in the body of this Order provide a framework to take steps toward these goals while balancing the need for ratepayers to receive safe and reliable service. Accordingly, pursuant to CLCPA §7(2), we determine that our action in this Order is not inconsistent with the GHG emission limits of the CLCPA.

CLCPA §7(3) also provides that, in considering and issuing permits, licenses, and other administrative approvals and decisions, the Commission shall not disproportionately burden disadvantaged communities. CLCPA §7(3) also requires that all state agencies prioritize reductions in GHG and co-pollutant emissions in disadvantaged communities. The Climate

Justice Working Group adopted final criteria to identify disadvantaged communities, along with an interactive map.[104] While the Company's service territory contains disadvantaged communities, the types of projects and research to be initiated pursuant to the LTP and our direction herein do not disproportionately burden any specific areas. LPP replacement programs, for example, will benefit surrounding communities by improving safety and reduce GHG emissions in those areas. In consultation with Staff, the Company shall identify the programs and investments that are intended to benefit disadvantaged communities in its first interim update, due May 15, 2027, including an explanation of how these investments benefit disadvantaged communities and a quantification of the benefits. Accordingly, the Commission finds that the action taken in this Order will not disproportionately burden a disadvantaged community.

CONCLUSION

In this Order, the Commission directs the Company to, among other things, provide additional information and reports on RNG purchases, modeling of distribution pressures and gas quality, differentiated natural gas purchases, and demand forecasting accuracy. Additionally, we direct the Company to include certain information in its interim updates to this LTP due May 31, 2027, and May 31, 2029, and in its next LTP filing, due by December 31, 2030.

The Commission orders:

1. Corning Natural Gas Corporation is directed to file its next long-term plan by December 31, 2030, and two interim

[104] See https://climate.ny.gov/Resources/Disadvantaged-Communities-Criteria.

updates to the instant long-term plan, one each by May 31, 2027, and May 31, 2029.

2. Corning Natural Gas Corporation is directed to include in its two interim updates quantification of any design day supply added and information on the reliability of renewable natural gas supplies including the daily amount of renewable natural gas acquired by Corning for each day of the three-year period prior to the specific update.

3. Corning Natural Gas Corporation is directed to include a proposal for derating design day assets in its next long-term plan filing.

4. Corning Natural Gas Corporation is directed to include a report on the potential for it to retain emissions reductions under CLCPA emissions accounting and ensure that only Corning Natural Gas can claim those emissions reductions associated with renewable natural gas purchases, consistent with the discussion in the body of this Order, in its interim updates filed by May 31, 2027, and May 31, 2029.

5. Corning Natural Gas Corporation is directed to report in its interim updates filed by May 31, 2027, and May 31, 2029, and in its next long-term plan filing on efforts to improve modeling and monitoring of distribution pressures and gas quality.

6. Corning Natural Gas Corporation is directed to report on the status of industrial customer adoption of hydrogen blending, either isolated to customer facilities or impacts on customer operations from hydrogen blending in Corning distribution system, in each interim update to this LTP and in its next long-term plan filing.

7. Corning Natural Gas Corporation is directed to report in each interim update and the next long-term plan filing the results of its differentiated gas pilot program, including

volumes purchased, cost premiums compared to non-differentiated gas purchases, and quantified emissions reductions including the entity making the certification of emissions reductions.

8. Corning Natural Gas Corporation is directed to file information in its next long-term plan showing the results of its backcasting for the five winters prior to filing that long-term plan.

9. Corning Natural Gas Corporation is directed to include in each interim update to this long-term plan and in its next long-term plan filing a list of all projects for which it considered non-pipe alternative treatment including the information described in the body of this Order.

10. Corning Natural Gas Corporation is directed to provide updates on the reporting of investments benefitting disadvantaged communities through Clean Energy Guidance Document 12 in its next long-term plan.

11. Corning Natural Gas Corporation is directed to select an appropriate gas price forecast and then to include that in an updated BCA analysis to be filed in its first interim update to this long-term plan.

12. Corning Natural Gas Corporation is directed to report in its interim updates and next long-term plan filing on the status of its discussions with its large industrial customers and potential impacts on residential customers from lost revenue.

13. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

14. This proceeding is continued.

By the Commission,

(SIGNED) MICHELLE L. PHILLIPS
Secretary

SCHEDULE OF PROCEEDING

Event	Date
Pre-Filing Educational Technical Conference	January 8, 2025
Company's Filing of Initial Long-Term Plan	January 31, 2025
Technical Conference – Corning's presentation of its Initial Long-Term Plan	March 5, 2025
Technical Conference - Design Day Demand and Supply and Distribution System Modeling	March 18, 2025
RWA's Initial Report	April 7, 2025
Initial Stakeholder Comments on Initial LTP	April 28, 2025
Initial Reply Comments from Corning	May 16, 2025
Company's Filing of the Final LTP	June 30, 2025
RWA's Final Report	August 20, 2025
Initial Comments on Final LTP	October 29, 2025
Reply Comments on Final LTP	November 12, 2025

SUMMARY OF COMMENTS

Public Comments

Corning Natural Gas Corporation – Reply Comments on RWA Final Report

Corning states the Commission should place more focus on supply-based decarbonization measures that target greenhouse gas emission reductions, for which Corning procures gas supply and is able to modify its gas supply portfolio. The most notable RWA recommendations that cannot be implemented at this time, according to the Company, involve full electrification, coordination and development of demand side management programs with local electric utilities, and modeling the cost of renewable natural gas attributes based on yet-to-be established Cap-and-Invest program.

The Company maintains that the assumption changes reflected in its Final LTP, driven by its recent rate order, represent the most accurate and transparent data available to Corning Gas. Relying on outdated assumptions would be inaccurate, especially given the opportunity to incorporate updated information in its Final LTP. The Company's use of its Gas Adjustment Calculation (GAC) as the starting point to estimate its system's cost of gas is most appropriate when considering Corning Gas' unique location in a low-cost region compared to the rest of New York State. Corning states that any starting point other than the Company's GAC would not be specific to the Company's unique circumstances.

Corning states that existing renewable natural gas purchases, which do not include environmental attributes, are priced at the Company's average cost of gas, consistent with existing renewable natural gas supply pricing. Corning adds that, in its preferred LTP, all future renewable natural gas

volumes, which include environmental attributes, are priced at the weighted average cost of renewable natural gas produced by each feedstock reported by the New York State Energy Research and Development Authority, and Corning will continue to monitor its renewable natural gas cost assumptions in future long-term plans and annual reports.

Corning states that the Final LTP assumes that New York State's proposed Cap-and-Invest program is anticipated to address the cost of renewable natural gas attributes, though not necessarily cover these costs in full. Corning adds that given the current uncertainty surrounding the structure and valuation of renewable natural Gas attribute costs, and until the State finalizes its Cap-and-Invest framework, Corning assumes the cost for renewable natural gas attributes in its Final LTP will be the premium of the cost of renewable natural gas production over cost of conventional natural gas. Corning states it will evaluate and consider purchasing renewable natural gas allowances and attributes, proceeding only if it is determined to be cost-effective and beneficial to its customers, and will continue to monitor the development of New York's Cap-and-Invest program and update future long-term plan filings with the most current information.

Corning states that as a small, gas-only utility, it should not be responsible for leading or coordinating electrification efforts within its service territory. Corning remains open to coordination with New York State Electric and Gas Corporation (NYSEG) where appropriate but emphasizes that any electrification opportunities must be evaluated in the context of system readiness and customer impact. Corning adds that it should not be expected or required to pursue initiatives that could compromise service quality or impose undue financial

burdens on its ratepayers, and any demand-side management efforts that impact Corning's customers must be led by NYSEG, with Corning providing support where feasible and consistent with its obligations.

Corning states that given its limited opportunities to engage in broader planning processes and program budget development, it should not be the role or responsibility of a small, gas-only utility like Corning to lead or implement electrification strategies. Corning adds that should the Commission provide Corning with further direction as it relates to energy efficiency and beneficial electrification proposals, Corning will update future long-term plan filings accordingly.

Corning expresses concern with the potential for large industrial companies and manufacturing facilities to leave its service area due to New York's business climate, including implications of the Climate Leadership and Community Protection Act (CLCPA), which could have severe consequences for both the Company's service territory and the State's economic conditions. Regarding CLCPA's requirements for program benefits to disadvantaged communities, Corning states it is not appropriate to apply the 35 percent statewide requirement to such a limited portion of the customer base, given Corning's relatively unique customer composition.