

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

Proceeding on Motion of the Commission in) Case 20-G-0131
Regard to Gas Planning Procedures)

**JOINT PETITION OF CORNING NATURAL GAS CORPORATION AND LIBERTY
UTILITIES (ST. LAWRENCE GAS) CORP. TO MODIFY AND STREAMLINE THE
PROCESS FOR UPCOMING LONG-TERM GAS PLANS**

I. Summary

The Public Service Commission (Commission) initiated the Gas Planning Proceeding on March 19, 2020, and reached a variety of determinations related to the development of long-term gas plans in the Gas Planning Order issued on May 12, 2022.¹ One of the Gas Planning Order’s principal determinations was the requirement that New York State’s largest gas distribution utilities file long-term plans on defined dates between December 2022 and January 2025.² The Gas Planning Order specified the key elements of the plans³ and established a multi-step procedural process for stakeholders to review and comment on each utility’s long-term plan filing.⁴ This Joint Petition (Petition) explains why the procedural process and some key elements of the plan envisioned by the Gas Planning Order are unsuitable for Corning Natural

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

² The gas utilities required to file long-term plans, listed in order of filing dates, are: (1) National Fuel Gas Distribution Corporation (NFG), (2) Consolidated Edison Company of New York, Inc. (Con Edison) / Orange and Rockland Utilities, Inc. (O&R), (3) New York State Electric & Gas Corporation (NYSEG)/ Rochester Gas and Electric (RG&E), (4) Central Hudson Gas & Electric Corporation (Central Hudson), (5) The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), KeySpan Gas East Corporation (KEDLI), Niagara Mohawk Power Corporation d/b/a National Grid, (together National Grid), (6) Corning Natural Gas Corporation, and (7) Liberty Utilities (St. Lawrence Gas) Corp.

³ Gas Planning Order at 28-39.

⁴ *Id.* at 20-28.

Gas Corporation (CNG) and Liberty Utilities (St. Lawrence Gas) Corp. (SLG) (collectively, Petitioners) because their operations, customer base, and service territories are significantly smaller than the other gas utilities that are required to file long-term plans. Therefore, the Petitioners request that the Commission modify the Gas Planning Order by adopting streamlined long-term plan requirements for CNG and SLG, that will fulfill the objectives of the Gas Planning Order while significantly reducing the costs of this process to the Petitioners and their customers.⁵

II. Gas Planning Order Requirements

As noted above, the Gas Planning Order established both procedural and technical requirements for each utility's long-term plan. Regarding procedural requirements, the Gas Planning Order identified the importance of robust stakeholder participation and summarized the procedural steps with the following table.

⁵ The Commission has repeatedly exercised its inherent authority to modify its prior orders in appropriate circumstance (*see e.g.* Case 04-M-0159, *Proceeding on Motion of the Commission to Examine the Safety of Electric Transmission and Distribution Systems*, Order Granting in Part Petition to Modify Electric Safety Standards [issued Jan. 13, 2015]); Case 04-E-0572, *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Co. of New York, Inc. for Electric Service*, Order on Petitions for Modification and Modifying Electric Rate Order [issued Dec. 22, 2006]).

Event/Deadline	Approximate Number of Days from Prior Event	Approximate Number of Days from LDC's Initial Filing
Pre-filing Educational Technical Conference		-30
LDC filing of Initial Long-Term Plan	30	0
Technical Conference	28	28
Initial Comments Due	47	75
Reply Comments Due	15	90
Stakeholder meeting(s) to reconcile different proposed solutions as necessary		
LDC filing of Revised Long-Term Plan	55	145
Stakeholder filing of Comments/Disagreement with Revised Plan	30	175
Stakeholder meeting(s) to resolve differences	25	180
LDC filing of Final Revised Plan	15	205

In addition to the steps outlined in the table above, the long-term plan processes to date have included a third round of stakeholder comments and reply comments after the utility files its Final Long-Term Plan. Generally, the time between the pre-filing educational technical conference and the filing of the final reply comments has been approximately 10 months.

The Gas Planning Order also directs Staff to hire an independent third-party consultant (Independent Consultant) to provide analyses of the local distribution company's (LDC) long-term plan filings, including evaluating the economic and environmental tradeoffs associated with different pathways and working with the LDC to run a reasonable number of versions of the LDC's hydraulic modeling based on the consultant's independent analyses and its assessment of stakeholder input. In practice, the Independent Consultant role has included filing three reports that evaluate each of the utility's long-term plan filings and stakeholder comments.

Moreover, Staff is directed to convene technical conferences and meetings between the utility, stakeholders, the Independent Consultant and Staff on specific subject matter areas, as well as facilitate an ongoing informal information request process to ensure a robust stakeholder process. Lastly, the utilities are expected to file annual updates on May 31 of each of the intervening years between their three-year long-term plan filings.

Regarding technical requirements, the Gas Planning Order indicated that the plans must address a variety of matters, including: (1) demand forecasts; (2) supply forecasts; (3) demand response; (4) renewable natural gas; (5) reliability; (6) a no incremental infrastructure scenario; (7) non-pipes alternatives; (8) leak prone pipe; and (9) impacts on low- and moderate-income customers as well as disadvantaged communities. Other requirements include that the analysis contains: a 20-year forecast horizon and provides annual and peak day load forecasts, net present value of costs, bill impacts, benefit-cost analysis, and calculations of greenhouse gas emissions impacts. There is also an expectation that multiple scenarios be provided.

III. Relief from the Procedural Requirements of the Gas Planning Order is Needed

Both Petitioners are significantly smaller than the other gas utilities subject to the Gas Planning Order. For example, the Petitioners each have approximately 15,000 customers, whereas the other gas utilities in New York have between approximately 90,000 and 2.5 million gas customers. Given their smaller size, there is no need for a long-term plan process for the Petitioners that is as complex as the process used for the larger gas utilities. The procedural and technical requirements identified in the Gas Planning Order will stress the resources of the Petitioners, detract from their ability to focus on their core public service responsibilities, and impose significant costs on their customers.

Notably, based on filings posted in this proceeding on May 8, 2024, the cost of the Independent Consultant for each of the Petitioners will range between roughly \$400,000 and \$500,000 to review and evaluate the plans filed by the utility.⁶ This reflects only part of the costs associated with complying with the requirements of the Gas Planning Order. CNG has approximately 64 employees while SLG has 51 employees. Thus, neither of the Petitioners has the staff to devote to compliance with the procedural and technical requirements of the Gas Planning Order while simultaneously attending to their normal responsibilities. The analysis alone requires significant resources, expertise, and tools that the Petitioners do not have in-house. In addition, the stakeholder process requires significant resources. For example, National Fuel Gas responded to 121 information requests and participated in 27 stakeholder meetings, while NYSEG/RG&E responded to 216 information requests and participated in 16 meetings to date with almost two months left in the procedural schedule. The Petitioners anticipate that the cost of hiring an outside consultant to: (1) perform all the required analysis supporting the three versions of the long-term plans including multiple scenarios; (2) draft the three versions of the plans and associated appendices; (3) respond to discovery; (4) draft presentations and participate in many stakeholder conferences; (5) analyze the comments of the Independent Consult and stakeholders; and (6) prepare responsive comments, would be several times higher than the cost of the Independent Consultant.

All these costs will be borne directly by CNG's and SLG's customers, and these costs represent a meaningful increase to each company's current distribution delivery revenues. These costs will likely be at least \$70 per customer and could be as much as twice that amount. While Petitioners acknowledge that the rate impact could be mitigated through recovery of these costs

⁶ *Id.*, PA Consulting's Proposal (posted May 8, 2024); FTI Consulting's Proposal (posted May 8, 2024); and Charles River Associates Proposal (posted May 8, 2024).

over an extended time period, the fundamental questions for Commission consideration are: (1) whether it is reasonable to expose the customers of gas delivery companies of this size to such cost; (2) whether such costs are justifiable given the benefits they will deliver to the customers of these smaller companies; (3) whether lessons learned from the proceedings related to other upstate utility long-term gas plans can be used to inform the development of the Petitioners' plans; and (4) ultimately what modifications can be made to the procedural requirements of the Gas Planning Order that will result in the development of responsive long-term plans that will distract less from the day-to-day operations of the Petitioners and impose less costs on their limited customer bases. Based on these considerations, the Petitioners believe an alternative approach is needed to support the development and analysis of their long-term gas plans.

IV. Petitioners Request a Streamlined Approach to the Long-Term Plan Process

Petitioners urge the Commission to consider a streamlined approach that learns from the long-term plan processes that have occurred to date, is more reflective of the Petitioners' size, considers the less complex nature of the matters affecting both utilities, and would not expose the Petitioners' customers to the level of costs noted above. This streamlined approach would have three key elements: (1) eliminating the role of the Independent Consultant; (2) reducing the number of filings; and (3) modifying the technical requirements of the long-term plan.

First, as indicated above, eliminating the Independent Consultant role represents a direct cost savings of \$400,000-\$500,000. In addition, this would reduce the time and costs required to review and respond to the three reports filed by the Independent Consultant, as well as substantially reducing the number of information requests, which would produce further benefits.

Therefore, the Petitioners request that the role of the Independent Consultant be eliminated from their long-term plan processes.

Second, reducing the number of filings would streamline the process and require less time for all involved. However, the Petitioners also recognize the importance of having robust stakeholder engagement. Therefore, the Petitioners seek a balance that allows stakeholders sufficient opportunity to review the filings and ask questions, while also suggesting an abbreviated process. At a high level, the Petitioners request that the process from the Gas Planning Order that includes filing three versions of the long-term plan (Initial, Revised, and Final) with stakeholder comments and reply comments after each, be reduced to only include two versions (Initial and Final). In addition, the Petitioners believe they can address stakeholder comments on their Initial Long-Term Plan filing in their Final Long-Term Plan filing, and therefore are requesting to eliminate the reply comments after the Initial Long-Term Plan filing. Finally, the Petitioners are requesting to file one update report between the three-year long-term plan filing cycle, rather than the two that could be required in the Gas Planning Order. The table below summarizes Petitioners’ proposed streamlined long-term plan process and timeline. Procedural steps that would be adjusted under the Petitioners’ request are highlighted.

	NY Utility Filings to Date	Petitioners’ Proposal	
		Include?	Approximate # of Days from LDC’s Initial Filing
Pre-Filing Educational Technical Conference	Yes	Yes	-30
LDC filing of Initial Long-Term Plan	Yes	Yes	0
Technical Conference Explaining Initial Plan	Yes	Yes	28
Independent Consultant Report on Initial Long-Term Plan	Yes	No	-
Stakeholder Comments	Yes	Yes	75
Reply Comments	Yes	No	-
LDC filing of Revised Long-Term Plan	Yes	No	-
Independent Consultant Report on Revised Long-Term Plan	Yes	No	-

	NY Utility Filings to Date	Petitioners' Proposal	
		Include?	Approximate # of Days from LDC's Initial Filing
Stakeholder Comments	Yes	No	-
Reply Comments	Yes	No	-
LDC filing of Final Long-term Plan	Yes	Yes	150
Independent Consultant Report on Final Long-Term Plan	Yes	No	-
Stakeholder Comments	Yes	Yes	180
Reply Comments	Yes	Yes	210
Annual Update Reports	2	1	TBD

Third, the Petitioners propose to modify the technical requirements of the long-term plan filings to reflect their smaller size and limited resources. Petitioners request that they not be required to conduct and report multiple scenarios and sensitivities in their long-term plan filings. Eliminating this requirement would materially reduce the time necessary to conduct the additional modeling, describe the additional modeling in the report, and document inputs and outputs in the appendices. The Petitioners propose to include a 20-year business-as-usual “Reference Case” as a baseline, plus the results associated with their proposed long-term plan. The Petitioners will rely on other information (*e.g.*, data from other LDC long-term plan filings) to justify certain components of their proposed long-term plan rather than modeling several different scenarios. In addition, the Petitioners request acknowledgement that due to their small size, they have different databases, filing requirements, and information compared to the larger gas utilities. Therefore, the Petitioners request approval to rely on source assumptions from other similarly situated gas utilities if company-specific data is not available, and also request recognition that they may not be able to provide some of the same data that other gas utilities have provided (*e.g.*, related to disadvantaged communities, energy efficiency programs, non-pipe alternatives). Allowing the Petitioners to modify some of the technical requirements of the

long-term plan will significantly reduce the up-front time and costs associated with developing the long-term plan filing.

V. Petitioners Request Independent Consultant Contracts Not be Executed

As noted above, the Commission has proposals from several firms seeking to be the Independent Consultant on the CNG and SLG long-term plans. Considering that the proposal presented herein eliminates the role of the Independent Consultant in the long-term plan process, Petitioners requests that the Commission direct Staff to not enter into contractual arrangements with any firms to be the Independent Consultant on the CNG and SLG long-term plans until the requests in this Petition have been addressed.

VI. Petitioners Will Request Cost Recovery in Rate Case

The Gas Planning Order indicates that recovery of costs associated with the long-term plans can be requested in rate proceedings,⁷ which is consistent with the Commission's allowance of recovery of costs incurred due to other regulatory mandates. The Petitioners note that while they will be requesting cost recovery for all costs related to the long-term plans in their next rate cases, they will file petitions seeking deferral of the costs associated with their development of the long-term plans and the processes thereafter to preserve their ability to make the rate case requests.

VII. Petitioners Request Expedited Treatment of this Petition

Because it is necessary for the Petitioners to understand the status of their requests set forth in this Petition well before they commence work on their long-term gas plans, the

⁷ *Id.*, Gas Planning Order at 27.

Petitioners respectfully request expedited review and that the Commission act on the Petition no later than its August 15, 2024 session.

VIII. Conclusion

CNG and SLG are often treated differently by the Commission compared to the larger gas utilities. Furthermore, the Commission scheduled CNG and SLG to file last among the gas utilities because “it allows Corning and SLG to learn and benefit from the filings made by the larger LDCs and will hopefully improve their filings.”⁸ The Petitioners urge the Commission to allow them to learn and benefit from the filings made by the larger LDCs and adopt the provisions described above, which maintain key elements of the process envisioned by the Commission in the Gas Planning Order while also streamlining the process in a manner that meaningfully reduces resource requirements and costs to customers.

Dated: May 17, 2024

Respectfully submitted,

Michael German

Michael German
President and Chief Executive Officer
Corning Energy

Mark Saltsman

Mark Saltsman
President
Liberty Utilities (St. Lawrence Gas) Corp.

⁸ *Id.* at 21.

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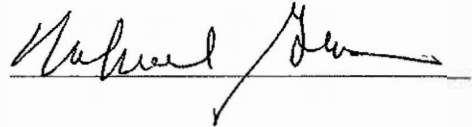
Case 20-G-0131

VERIFICATION

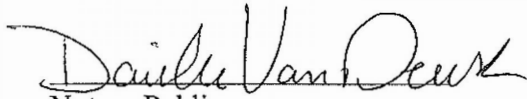
STATE OF NEW YORK)
) ss:
COUNTY OF STEUBEN)

Michael German, being duly sworn, deposes and states as follows:

1. I am the President of Coming Natural Gas Corp. (CNG), which is one of the Joint Petitioners in this proceeding.
2. I am authorized to sign this verification on behalf of CNG.
3. I have reviewed the foregoing Joint Petition to Modify and Streamline the Process for Upcoming Long-Term Gas Plans and the statements of fact contained therein pertaining to CNG, all of which are true and correct to the best of my knowledge, information, and belief.



Sworn to and subscribed before me
this 17th day of May 2024.


Notary Public

DANIELLE VANDENMARK
NOTARY PUBLIC - STATE OF NEW YORK
No. 01VA0022550
Qualified in Steuben County
Commission Expires 03/21/2028

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VERIFICATION

STATE OF NEW YORK)
) ss:
COUNTY OF St Lawrence)

Mark Saltsman, being duly sworn, deposes and states as follows:

4. I am the President of Liberty Utilities (St. Lawrence Gas) Corp. (SLG), which is one of the Joint Petitioners in this proceeding.
5. I am authorized to sign this verification on behalf of SLG.
6. I have reviewed the foregoing Joint Petition to Modify and Streamline the Process for Upcoming Long-Term Gas Plans and the statements of fact contained therein pertaining to SLG, all of which are true and correct to the best of my knowledge, information, and belief.



Sworn to and subscribed before me
this 17th day of May 2024.



Notary Public

AMY L. FAYETTE
Notary Public, State of New York
No. 01FA6158402
Qualified in St. Lawrence County
Commission Expires Jan. 2, 2027