



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

December 30, 2022

Docket No. M-2022-3037158
Utility Code: 1214100

Whitney Snyder
Counsel for Leatherstocking Gas Company LLC
Leatherstocking Gas Company LLC
100 North Tenth Street,
Harrisburg, PA 17101
wesnyder@hmslegal.com

Re: Leatherstocking Gas Company LLC State Tax Adjustment Surcharge Filing

Dear Ms. Snyder:

On November 9, 2022, the Pennsylvania Public Utility Commission (Commission) issued a Secretarial Letter to all jurisdictional fixed utilities containing information on the reduction to the Pennsylvania Corporate Net Income Tax (CNIT) and the Commission's State Tax Adjustment Surcharge (STAS) procedures. Additional guidance, information, and clarification on the Commission's STAS procedures and the reduction in CNIT was subsequently provided by Secretarial Letter issued December 15, 2022.


On December 16, 2022, Leatherstocking Gas Company LLC ("Leatherstocking" or the "Company") filed a letter indicating that it will not presently be submitting a STAS revision to account for the reduction in the CNIT. The Company states that it does not currently have a Pennsylvania state income tax liability at present rates and does not project a Pennsylvania state income tax liability for 2023 at present rates. Leatherstocking also notes that the Unanimous Joint Petition for Full Settlement of Rate Proceeding ("Settlement") filed at Docket No. R-2022-3032764 is currently under consideration by the Commission, which contemplates a two-year phased-in increase of approximately \$645,000 and that while Leatherstocking may realize a state income tax liability in 2023 if Settlement rates are approved by the Commission, such rates are appropriately based upon a Pennsylvania state income tax rate of 8.99%.

Commission Staff has reviewed the Company's letter and further investigation does not appear warranted at this time. However, this does not preclude this Commission from investigating the financial affairs of the Company and, in appropriate cases, ordering refunds or other remedies, which it deems proper.

If you are dissatisfied with the resolution of this matter, you may, as set forth in 52 Pa. Code § 5.44, file a petition with the Commission within 20 days of the date of this letter. If you

have any questions in this matter, please contact Joel Greene, Finance Section, Bureau of Technical Utility Services at (717) 783-4454 or joelgreene@pa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive style with a large initial "R".

Rosemary Chiavetta
Secretary