

Morgan Lewis

Kenneth M. Kulak

Partner
+1.215.963.5384
ken.kulak@morganlewis.com

May 19, 2025

VIA eFILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

Re: **Joint Application of Pike County Light and Power Company, Leatherstocking Gas Company, LLC, Corning Energy Corporation, ACP Series 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P. Argo Capital Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., ACP Crotona Corp., Argo Infrastructure Partners LLC and Apollo Global Management, Inc. for a Certificate of Public Convenience Under Sections 1102(A)(3) and 1103 of the Public Utility Code and All Other Necessary Approvals to Effect an Indirect Change of Control of Pike County Light and Power Company's and Leatherstocking Gas Company's Parent Company, Corning Energy Corporation**
Docket No. A-2025-

Dear Secretary Homsher:

Enclosed for filing with the Pennsylvania Public Utility Commission is the **Joint Application** of Pike County Light and Power Company, Leatherstocking Gas Company, LLC, Corning Energy Corporation, ACP Series 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P. Argo Capital Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., ACP Crotona Corp., Argo Infrastructure Partners LLC and Apollo Global Management, Inc. for a Certificate of Public Convenience Under Sections 1102(A)(3) and 1103 of the Public Utility Code and All Other Necessary Approvals to Effect An Indirect Change of Control of Pike County Light and Power Company's and Leatherstocking Gas Company's Parent Company, Corning Energy Corporation ("Joint Application") with accompanying Exhibits and Direct Testimony. The \$350.00 filing fee was submitted electronically.

Confidential Exhibit A accompanying the Joint Application will be filed separately with the Commission.

Morgan, Lewis & Bockius LLP

2222 Market Street
Philadelphia, PA 19103-3007
United States

T +1.215.963.5000
F +1.215.963.5001

As indicated on the enclosed Certificate of Service, copies of the Joint Application have been served upon the Office of Consumer Advocate, Office of Small Business Advocate, and Bureau of Investigation and Enforcement.

If you have any questions, please call me directly at 215.963.5384. Thank you.

Very truly yours,

A handwritten signature in cursive script that reads "Kenneth M. Kulak".

Kenneth M. Kulak

KMK/ap
Enclosure

c: Per Certificate of Service (w/encls.)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF PIKE COUNTY
LIGHT AND POWER COMPANY,
LEATHERSTOCKING GAS COMPANY,
LLC, CORNING ENERGY
CORPORATION, ACP SERIES 3
PARTNERSHIP L.P., ARGO CAPITAL
PLATFORM (P) 2017, L.P., ARGO
CAPITAL PLATFORM (K) SERIES 3, L.P.,
ACP CROTONA HOLDINGS L.P., ACP
CROTONA CORP., ARGO
INFRASTRUCTURE PARTNERS LLC
AND APOLLO GLOBAL MANAGEMENT,
INC. FOR A CERTIFICATE OF PUBLIC
CONVENIENCE UNDER SECTIONS
1102(A)(3) AND 1103 OF THE PUBLIC
UTILITY CODE AND ALL OTHER
NECESSARY APPROVALS TO EFFECT
AN INDIRECT CHANGE OF CONTROL
OF PIKE COUNTY LIGHT AND POWER
COMPANY'S AND LEATHERSTOCKING
GAS COMPANY'S PARENT COMPANY,
CORNING ENERGY CORPORATION**

Docket No. A-2025

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the **Joint Application of Pike County Light and Power Company, Leatherstocking Gas Company, LLC, Corning Energy Corporation, ACP Series 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P. Argo Capital Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., ACP Crotona Corp., Argo Infrastructure Partners LLC and Apollo Global Management, Inc. for a Certificate of Public Convenience Under Sections 1102(A)(3) and 1103 of the Public Utility Code and All Other Necessary Approvals to Effect an Indirect Change of Control of Pike County Light and Power Company's and Leatherstocking Gas Company's Parent Company, Corning Energy Corporation** on the following persons in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

VIA FIRST CLASS MAIL AND ELECTRONIC MAIL

Darryl A. Lawrence
Office of Consumer Advocate
555 Walnut Street
Forum Place – 5th Floor
Harrisburg, PA 17101-1921
ra-oca@paoca.org

Allison C. Kaster
Bureau of Investigation and Enforcement
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120
akaster@pa.gov

NazAarah Sabree
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
ra-sba@pa.gov

Dated: May 19, 2025



Kenneth M. Kulak
Morgan Lewis & Bockius LLP
2222 Market Street
Philadelphia, PA 19103-2921
(215) 963-5384
ken.kulak@morganlewis.com

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

JOINT APPLICATION OF PIKE COUNTY LIGHT AND POWER COMPANY, LEATHERSTOCKING GAS COMPANY, LLC, CORNING ENERGY CORPORATION, ACP SERIES 3 PARTNERSHIP L.P., ARGO CAPITAL PLATFORM (P) 2017, L.P. ARGO CAPITAL PLATFORM (K) SERIES 3, L.P., ACP CROTONA HOLDINGS L.P., ACP CROTONA CORP., ARGO INFRASTRUCTURE PARTNERS LLC AND APOLLO GLOBAL MANAGEMENT, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE UNDER SECTIONS 1102(A)(3) AND 1103 OF THE PUBLIC UTILITY CODE AND ALL OTHER NECESSARY APPROVALS TO EFFECT AN INDIRECT CHANGE OF CONTROL OF PIKE COUNTY LIGHT AND POWER COMPANY'S AND LEATHERSTOCKING GAS COMPANY'S PARENT COMPANY, CORNING ENERGY CORPORATION

Docket No. A-2025-

**Joint Application with Exhibits
&
Testimony**

May 19, 2025

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF PIKE COUNTY :
LIGHT AND POWER COMPANY, :
LEATHERSTOCKING GAS COMPANY, :
LLC, CORNING ENERGY CORPORATION, :
ACP SERIES 3 PARTNERSHIP L.P., ARGO :
CAPITAL PLATFORM (P) 2017, L.P., ARGO :
CAPITAL PLATFORM (K) SERIES 3, L.P., :
ACP CROTONA HOLDINGS L.P., ACP :
CROTONA CORP., ARGO :
INFRASTRUCTURE PARTNERS LLC AND : **DOCKET NO. A-2025-**
APOLLO GLOBAL MANAGEMENT, INC. :
FOR A CERTIFICATE OF PUBLIC :
CONVENIENCE UNDER SECTIONS :
1102(A)(3) AND 1103 OF THE PUBLIC :
UTILITY CODE AND ALL OTHER :
NECESSARY APPROVALS TO EFFECT AN :
INDIRECT CHANGE OF CONTROL OF :
PIKE COUNTY LIGHT AND POWER :
COMPANY’S AND LEATHERSTOCKING :
GAS COMPANY’S PARENT COMPANY, :
CORNING ENERGY CORPORATION :**

Pike County Light & Power Company (“Pike”), Leatherstocking Gas Company, LLC (“Leatherstocking”), Corning Energy Corporation f/k/a Corning Natural Gas Holding Corporation (“Corning”),¹ ACP Series 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P., Argo Capital Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., ACP Crotona Corp. and Argo Infrastructure Partners LLC (collectively, “Argo Entities”), and Apollo Global Management, Inc. (“Apollo”) (collectively, the “Joint Applicants”) are filing this Joint Application to request the approval of the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) under Chapters 11 and 28 of the Public Utility Code (“Code”) for Apollo

¹ The corporate name was changed to Corning Energy Corporation on August 15, 2022.

Global Management, Inc.’s (“Apollo’s”) proposed acquisition of Argo Infrastructure Partners LP (“Argo”) (“Proposed Transaction”), which, as explained below, will result in a new controlling interest in Corning, the direct parent of Pike and Leatherstocking (collectively, the “Utilities”). On July 6, 2022, after approval by the Commission, Corning (a publicly traded company at the time) was purchased by Argo and delisted.² Under the Proposed Transaction, the general partner of the Argo investment funds that currently control Corning and the Utilities will be replaced by an entity indirectly owned by Apollo and the Argo executives will transfer to Apollo and continue to participate in their current roles. In support of the Joint Application, the Joint Applicants state as follows:

I. INTRODUCTION

1. Apollo is an asset management and retirement services firm founded in 1990 and headquartered in New York City with \$785 billion of assets under management as of March 31, 2025, including \$28 billion in infrastructure and infrastructure-related investments. The common stock of Apollo is publicly traded on the New York Stock Exchange under the symbol “APO.” Through certain of its subsidiaries, Apollo raises, invests, and manages funds on behalf of pension, endowment and sovereign wealth funds, as well as other institutional and individual investors.

² The Commission approved Argo’s acquisition of Corning and the indirect change-in-control of the Utilities in February 2022. *Joint Application of Pike County Light and Power Co., Leatherstocking Gas Co., LLC, Corning Natural Gas Holding Corp., ACP Series 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P., Argo Capital Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., and ACP Crotona Corp. for Certificates of Public Convenience Under Sections 1102(a)(3) and 1103 of the Public Utility Code and All Other Approvals Necessary Under the Public Utility Code to Carry Out the Indirect Transfer of Control of Pike County Light and Power Co.’s and Leatherstocking Gas Co., LLC’s Parent Corp. Corning Natural Gas Holding Corp. by Merger*, Docket Nos. A-2021-3025659 and A-2021-3025662 (Order entered Feb. 3, 2022 adopting Initial Decision dated Dec. 20, 2021).

2. Since 2022, Argo-managed entities have owned and controlled Corning, which is the Utilities' direct parent. Following the closing of the Commission-approved transaction in 2022, the Utilities maintained their existing leadership teams and employees. Greater access to capital under Argo ownership and control of Corning has facilitated several new investments in the Utilities' systems, including replacement of aging infrastructure and electric grid resiliency. In addition, under Argo management, Leatherstocking extended natural gas service to 138 new customers in Susquehanna and Bradford Counties, Pennsylvania in furtherance of the PUC goal to supply more gas to underserved rural communities such as those in the vicinity of Pike and Leatherstocking. In his direct testimony (Joint Applicants Statement No. 4), Andrew Zaroulis, a managing director at Argo, explains that Apollo will be able to further advance the benefits initiated by Argo during its tenure.

3. Upon closing of the proposed Transaction, Argo's experienced team that currently oversees management of the Utilities will join Apollo's infrastructure group. The addition of Apollo, a large and respected investment firm, as one of the controlling entities of Corning and the Utilities will increase their access to capital on attractive terms to support infrastructure and operational improvements. The Proposed Transaction will also allow the Utilities to utilize and build upon Apollo's deep expertise in managing hundreds of portfolio companies across multiple industry segments and will offer the Utilities access to the sharing of best practices to improve efficiency, enhance safety and reliability, and deploy innovative technology.

4. The names and addresses of the Joint Applicants are as follows:

Pike County Light & Power Company
105 Schneider Lane
Milford, PA 18337

Leatherstocking Gas Company, LLC
498 South Main Street, Suite C
Montrose, PA 18801

Corning Energy Corporation
330 W. William Street
Corning, NY 14830

ACP Series 3 Partnership L.P.
c/o Argo Infrastructure Partners LP
650 Fifth Avenue, 35th Floor
New York, NY 10019

Argo Capital Platform (K) Series 3 L.P.
c/o Argo Infrastructure Partners LP
650 Fifth Avenue, 35th Floor
New York, NY 10019

Argo Capital Platform (P) 2017, L.P.
c/o Argo Infrastructure Partners LP
650 Fifth Avenue, 35th Floor
New York, NY 10019

ACP Crotona Holdings L.P.
c/o Argo Infrastructure Partners LP
650 Fifth Avenue, 35th Floor
New York, NY 10019

ACP Crotona Corp.
c/o Argo Infrastructure Partners LP
650 Fifth Avenue, 35th Floor
New York, NY 10019

Argo Infrastructure Partners LLC
c/o Argo Infrastructure Partners LP
650 Fifth Avenue, 35th Floor
New York, NY 10019

Apollo Global Management, Inc.
9 West 57th Street, 41st Floor
New York, NY 10019

5. The names and addresses of attorneys for Pike, Leatherstocking, and Corning are as follows:

Whitney E. Snyder
Thomas J. Sniscak
HMS Legal, LLP
501 Corporate Circle
Harrisburg, PA 17110

6. The names and addresses of attorneys for the Argo Entities are as follows:

Alan M. Seltzer
John F. Povilaitis
Buchanan Ingersoll & Rooney PC
409 North Second Street, Suite 500
Harrisburg, PA 17101

7. The names and addresses of attorneys for Apollo are as follows:

Kenneth M. Kulak
Catherine G. Vasudevan
Brooke E. McGlenn
Morgan, Lewis & Bockius LLP
2222 Market Street
Philadelphia, PA 19103

II. DESCRIPTION OF THE JOINT APPLICANTS AND THE OTHER COMPANIES INVOLVED IN THE PROPOSED TRANSACTION

A. The Utilities and Corning

8. Pike is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and is engaged in the business of supplying and distributing electricity to approximately 5,363 retail customers in a certificated service area that includes the Boroughs of Milford and Matamoras and the Townships of Milford, Dingman and Westfall in northeastern Pennsylvania. Pike also provides natural gas service to approximately 1,379 customers in Pike County, Pennsylvania. Pike is a “public utility” and “electric distribution company” as those terms are defined, respectively, in Sections 102 and 2803 of the Code (66 Pa. C.S. §§ 102 and 2803) and, therefore, is subject to regulation by the Commission. Pike is headquartered at 105 Schneider Lane, Greensburg, Pennsylvania 15601. Pike’s certificates of public convenience, which are incorporated herein by reference, are on file with the Commission at Docket Nos. A-110650F0007, A-2011-2221869, A-2015-2517036 and A-2015-2517111.

9. Leatherstocking is a limited liability company organized and existing under the laws of the State of New York and is engaged in the business of supply and distribution of natural gas to approximately 501 customers in Susquehanna and Bradford Counties, Pennsylvania. Leatherstocking is a “public utility” under Section 102 of the Code (66 Pa. C.S. § 102) and, therefore, is subject to regulation by the Commission. Leatherstocking is headquartered at 498 South Main Street, Suite C, Montrose, Pennsylvania 18801. Leatherstocking’s certificates of public convenience, which are incorporated herein by reference, are on file with the Commission at Docket Nos. A-2011-2275595 and A-2013-2356912.

10. Corning is a corporation organized and existing under the laws of the State of New York and is a public utility holding company headquartered at 330 W. William Street,

Corning, New York 14830. Corning has three direct public utility subsidiaries: Pike and Leatherstocking in Pennsylvania and Corning Natural Gas Corporation in New York. Corning also owns 100% of Leatherstocking Pipeline Company, LLC, which is an inactive non-certificated pipeline built in 2012 to serve one customer in Lawton, Pennsylvania.

B. The Argo Entities That Currently Control the Utilities

11. Argo, a Delaware limited partnership, is an independent infrastructure investment management firm headquartered in New York City that manages capital from pension funds, insurance companies and other large institutional investors for investments in long-duration infrastructure projects and companies. Argo currently manages approximately \$6 billion of invested and committed capital on behalf of its institutional investor partners, representing investments in 18 high-quality infrastructure businesses in North America, including Corning. Through its managed funds, Argo controls 100% of the common and preferred stock of Corning.

12. Long-duration investment partnerships managed by Argo (collectively, “ACP S3 Managed Funds”) collectively own 100% of ACP Crotona Holdings, L.P. (“ACP Holdings”), which in turn owns 100% of ACP Crotona Corp. ACP Holdings is a limited partnership managed by Argo Infrastructure Partners LLC, under an Amended and Restated Limited Partnership Agreement dated December 8, 2021. As the general partner of ACP Holdings, Argo Infrastructure Partners LLC has voting and management control over Corning’s operations, including the public utility service provided by Corning’s wholly-owned subsidiaries in New York and Pennsylvania.

13. ACP Crotona Corp. is a special purpose entity incorporated and organized under the laws of the State of Delaware that owns 100% of Corning. ACP Crotona Corp. is managed by a board of directors appointed by its sole shareholder, ACP Holdings.

C. Apollo Global Management, Inc.

14. As described above, Apollo is an asset management and retirement services firm headquartered in New York City with \$785 billion of assets under management as of March 31, 2025, including \$28 billion across infrastructure opportunities. Apollo has consistently grown its assets under management and has a strong financial track record. Trevor Mills, a Partner and Head of Asset Management in Apollo's Sustainability and Infrastructure Group, provides additional details regarding Apollo's business practices and investment philosophy in his direct testimony (Joint Applicants Statement No. 1).

15. While Apollo is involved in a wide variety of asset management activities and provides retirement services, the management of infrastructure funds with energy investments has become a key part of Apollo's overall business. Apollo's infrastructure platform focuses on long-term ownership, development, and monetization of infrastructure assets across the globe, including communications, power and renewables, transportation, and midstream energy. The funds managed by Apollo's infrastructure business are designed to invest capital over a period of several years from inception to produce attractive long-term returns throughout economic cycles.

16. Apricot Merger Sub, LLC, a Delaware limited liability company, is a wholly-owned subsidiary of Apollo formed for the purposes of effecting a merger in connection with the Proposed Transaction. After the closing of the Transaction, Apollo-controlled entities will serve as the managing members of various fund vehicles currently managed by Argo.

III. OVERVIEW OF THE PROPOSED TRANSACTION

17. Pursuant to the terms of a Transaction Agreement dated January 10, 2025 (the "Transaction Agreement"), a copy of which is provided as Confidential Exhibit A hereto, and subject to regulatory approvals, Apollo will acquire certain Argo infrastructure assets in a stock

and cash transaction, including Corning and the Utilities, and Argo's experienced team managing those assets.

18. At closing, a new Apollo-controlled entity will replace Argo Infrastructure Partners LLC as the general partner of ACP Holdings. As such, the existing voting securities currently controlled by Argo in Corning through the ACP S3 Managed Funds will become voting securities controlled by Apollo through these funds. Argo will also assign all of its investment management contracts to a new registered investment advisor entity that will be acquired by Apollo. The Argo executive team who participate in Corning's governance will join Apollo under similar roles as those they now have at Argo.

19. The economic ownership (including the identity of the owners and their respective percentage ownership) of the various Argo Entities leading to Corning and, ultimately, to the Utilities will not change under the Proposed Transaction. With the exception of the aforementioned replacement of the general partner of ACP Holdings, the composition of the board of directors, general partner, or equivalent governing entity (as applicable) of the Argo Entities, Corning, Pike, and Leatherstocking also will not change. There will be no changes to the economic ownership of ACP Holdings, directly or indirectly, as a result of the Proposed Transaction, including with respect to the ACP S3 Managed Funds. Charts illustrating the current organizational structure of the Argo Entities, Corning and the Utilities and the planned post-transaction organizational structure are attached hereto as Exhibit B.

20. In connection with the Proposed Transaction, the Joint Applicants are offering a suite of commitments set forth in Exhibit C hereto. As explained in Sections V and VI below and the direct testimony accompanying this Joint Application, those commitments are substantial affirmative public benefits, including benefits for the customers of the Utilities.

21. Upon consummation of the Proposed Transaction, Pike and Leatherstocking will continue to operate as Pennsylvania public utilities subject, as they have been, to the continuing jurisdiction of the Commission and without any reduction or modification in the Commission's existing oversight or any diminishment in the authority of the Commission over these public utilities. Thus, the Proposed Transaction will not adversely impact any of the day-to-day operations of the Utilities. Indeed, as set forth in more detail below, the Proposed Transaction will enhance the financial capabilities of Pike and Leatherstocking to fulfill their obligations to provide safe, adequate, and reliable service to their retail customers in Pennsylvania.

IV. REQUESTED COMMISSION APPROVALS

A. Change of Control

22. Section 1102(a)(3) of the Code requires the Commission to issue a certificate of public convenience, upon application, to authorize a "public utility or an affiliated interest of a public utility" to "acquire from, or transfer to [any other entity by any means whatsoever] the title to, or the possession or use of, any tangible or intangible property used or useful in the public service." 66 Pa. C.S. § 1102(a)(3).

23. The Commission issued a Statement of Policy on October 22, 1994 "to establish clear standards regarding what transfer of voting interest constitutes a change in *de facto* control of the utility" (52 Pa. Code § 69.901). The Statement of Policy provides, in pertinent part, as follows:

- (a) A transaction or series of transactions resulting in a new controlling interest is jurisdictional when the transaction or transactions result in a different entity becoming the beneficial holder of the largest voting interest in the utility or parent, regardless of the tier. A transaction or series of transactions resulting in the elimination of a controlling interest is jurisdictional when the transaction or transactions result in the dissipation of the largest voting interest in the utility or parent, regardless of the tier.

- (b) For purposes of this section, a controlling interest is an interest, held by a person or a group acting in concert, which enables the beneficial holders to control at least 20% of the voting interest in the utility or its parent, regardless of the remoteness of the transaction. In determining whether a controlling interest is present, voting power arising from a contingent right shall be disregarded.

24. Under the Proposed Transaction, the general partner of ACP Holdings will change from Argo Infrastructure Partners LLC to an Apollo-owned and controlled entity. As a result, indirect control of the Utilities will transfer from Argo to Apollo.

25. Section 1103(a) of the Code articulates the standard an applicant must meet to obtain a certificate of public convenience evidencing the Commission's approval under Section 1102, namely, that granting the requested approval is "necessary or proper for the service, accommodation, convenience, or safety of the public." In *City of York v. Pennsylvania Public Utility Commission*, 295 A.2d 825, 828 (1972) ("*City of York*"), the Pennsylvania Supreme Court held that those seeking approval of a utility merger³ must demonstrate that the merger "will affirmatively promote the 'service, accommodation, convenience, or safety of the public' in some substantial way." The Pennsylvania Supreme Court has also made clear that the *City of York* test does not require applicants to prove, or the PUC to find, that a merger or acquisition will generate quantifiable benefits in all aspects of the utility's operations or to all potentially affected stakeholders.⁴ Rather, that test is satisfied when the record evidence shows that a proposed transaction, viewed as a whole, will produce an affirmative public benefit.⁵

³ *City of York* involved the merger of public utilities themselves, not the merger or change in control of the parent or grandparent of a utility.

⁴ See *Popowsky v. Pa. P.U.C.*, 937 A.2d 1040, 1056-60 (Pa. 2007).

⁵ *Id.* ("[T]he Commission is not required to secure legally binding commitments or to quantify benefits where this may be impractical, burdensome, or impossible; rather, the PUC properly applies a preponderance of the evidence standard to make factually-based determinations (including predictive ones informed by expert judgment) concerning certification matters.").

26. In addition to the *City of York* test, the Commission considers the following ten public interest factors, known as the *Penn Estates* factors,⁶ when investment fund control of a Pennsylvania utility is involved in the transaction: (a) capital to be allocated to ongoing operating and maintenance expenses; (b) corporate governance/Sarbanes-Oxley compliance; (c) the expected term of ownership; (d) experience as an owner and operator of utilities; (e) community presence; (f) the nature and objectives of the various affiliated relationships involved; (g) fees paid to and services performed by affiliates; (h) limits on use of leverage and other capital structure protections; (i) transparency on corporate structure issues; and (j) creditworthiness.⁷

27. Chapter 28 of the Code, the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. §§ 2801 *et seq.*, also requires that the Commission consider the potential anti-competitive effects of a merger or combination “in the exercise of *authority the commission otherwise may have to approve mergers or consolidations*” involving electric utilities. *See* 66 Pa. C.S. § 2811(e)(1) (emphasis added). Section 2811 of the Code does not confer any authority upon the Commission to approve mergers or consolidations of public utilities or a change in control of a public utility beyond the authority the Commission otherwise possesses under Chapter 11 of the Code. As explained in Section VIII below, the Proposed Transaction will have no adverse competitive effects on Pennsylvania’s retail electric market.⁸

⁶ *Application of Penn Estates Utils, Inc.*, Docket Nos. A-210072F0003 et al. (Order entered Oct. 2, 2006) (“*Penn Estates*”).

⁷ *Id.*

⁸ Pike and Leatherstocking have revenues of less than \$6 million per year and are not subject to the Natural Gas Choice and Competition Act, 66 Pa. C.S. §§ 2201 *et seq.* 66 Pa. C.S. § 2202 (excluding from definition of natural gas distribution company for purposes of Chapter 22 a public utility with less than \$6 million per year). As such, no competitive natural gas suppliers serve or are eligible to serve Leatherstocking’s or Pike’s gas customers.

B. Affiliated Interest Transactions

28. No affiliated interest approvals are requested in this Joint Application.

V. IMPACTS OF THE PROPOSED TRANSACTION ON RATES AND SERVICE

29. The Joint Applicants are committed to providing adequate, efficient, safe, and reliable electric and natural gas service, and the Proposed Transaction will not diminish in any way Pike's and Leatherstocking's current plans to maintain system reliability and satisfy the legal requirements for safe, adequate and efficient utility service. As explained in Section VI below, indirect control of the Utilities through investment funds managed by subsidiaries of Apollo will, among other things, enhance the Utilities' access to low-cost capital to facilitate infrastructure improvements and the use of efficient and innovative technology to improve service. Accordingly, the Utilities will be better positioned to ensure that the current level of high-quality service is maintained and to extend natural gas service to underserved areas in northeastern Pennsylvania.

30. Pike's and Leatherstocking's Commission-approved rates, rules and regulations and the terms and conditions of service in effect when the PUC enters its final order in this proceeding will not change as a result of the addition of Apollo as a new controlling entity of Corning and the Utilities. The Proposed Transaction will not have an adverse impact on the Utilities' rates for two additional reasons. First, there will be no change in the outstanding debt of Pike or Leatherstocking as a result of the Proposed Transaction. Pike and Leatherstocking will not seek rate recovery of any acquisition premium or "goodwill" associated with the Proposed Transaction or of transaction costs incurred by the Joint Applicants or their affiliates. The Joint Applicants have also committed to maintain Argo's ring-fencing measures described in the direct testimony of Trevor Mills (Joint Applicants Statement No. 1) following completion of

the Proposed Transaction, which provide further financial protections for Pike and Leatherstocking customers.

31. Apollo seeks out investments with highly competent and established management teams and then supports management with financial, strategic and technical expertise. Therefore, if the Proposed Transaction is approved by the Commission, the Utilities' existing management teams, operating personnel, and boards of directors will be strengthened and enhanced by support from Apollo. Pike currently has ten full-time employees. These ten employees provide overall management of the company's services, customer service to its electric and gas customers, day-to-day maintenance and repair services to both electric and gas customers, and manage independent contractors who provide outsourced construction services for infrastructure expansion and improvement projects, such as gas main and service upgrades, electric utility distribution service expansion and system upgrades, and responses to power outages caused by storms or automobile accidents. Michael German is the Chief Executive Officer of the Utilities. Charles Lenns is the Chief Financial Officer and President of the Utilities.

32. Leatherstocking has three full-time employees who provide customer services and day-to-day maintenance and repair services to its gas customers. Field operations personnel work with operations personnel from its New York affiliate, Corning Natural Gas Corporation, to oversee its independent contractors who provide gas distribution system upgrades, and expand service into areas that are experiencing residential and commercial expansion and growth.

33. The Proposed Transaction will not result in multiple tiers of management that have to be penetrated to access decision-makers in the organization. Pike and Leatherstocking will continue to maintain their headquarters within their respective service areas in Pennsylvania.

The Commission and stakeholders in Pennsylvania will have the same access to Pike and Leatherstocking personnel after the Proposed Transaction is completed.

34. In short, the Proposed Transaction will continue and enhance the current beneficial management, day-to-day operations, and overall technical expertise within and available to the Utilities.

VI. AFFIRMATIVE PUBLIC BENEFITS OF THE PROPOSED TRANSACTION

35. Apollo is a financially strong, diversified owner and manager of infrastructure assets with the management, employee experience, technical expertise, and financial resources to acquire control of the Utilities. As explained by Trevor Mills in Joint Applicants Statement No. 1, Apollo manages a \$785 billion global investment portfolio and has over 5,000 employees globally as of March 31, 2025. Apollo is one of the largest investors in infrastructure assets, managing \$28 billion in infrastructure equity around the world. Apollo focuses on long-term ownership, development, and management of its diversified group of infrastructure businesses, including companies in the communications, energy, and transportation sectors.

36. The Proposed Transaction will allow the Utilities to maintain their local connection to northeastern Pennsylvania while at the same time obtaining broader access to long-term capital on reasonable terms to invest more robustly in essential utility infrastructure and services. The sharing of resources and best practices among Apollo, Corning and the Utilities will produce new, incremental and substantial public benefits in several important ways.

a. Greater Access to Capital. There are many benefits that will be derived from Apollo's scale and expertise in funding markets. The electric and natural gas industry is highly capital intensive and access to capital markets is one of the key attributes of successful management and growth of those businesses over the long term. The addition of Apollo as one

of the controlling entities of Corning and the Utilities will increase the Utilities' access to capital on favorable terms for necessary system upgrades and replacements that will enhance customer service and improve reliability. As discussed in Mr. German's direct testimony (Joint Applicants Statement No. 2), Pike is undertaking substantial investments in electric infrastructure over the next several years, and the Utilities have significant opportunities to expand natural gas service to underserved areas surrounding their certificated territories. In addition, if the Proposed Transaction is approved, Apollo will play an important role in identifying future opportunities to access competitively priced capital.

b. Strategy Development and Management Practices. Pike and Leatherstocking are well-run public utilities that provide safe and reliable service to their customers. Apollo has decades of experience in managing infrastructure investments and will utilize this expertise to support the Utilities in establishing strategic direction, analyzing growth opportunities, and implementing management best practices.

c. Commitment to Employees. Apollo has committed that, upon approval of this Joint Application and for one year after consummation of the Proposed Transaction, there will be no net reductions due to involuntary attrition in the employment levels of the Utilities. Further, the Joint Applicants have committed to honor all existing Pike and Leatherstocking collective bargaining agreements. Finally, Apollo has agreed that, for at least one year after closing of the Proposed Transaction, the Utilities will provide current employees compensation and benefits that are at least as favorable in the aggregate as the compensation and benefits provided to those employees immediately before the Proposed Transaction.

d. Strong Leadership in Local Communities. Under Apollo control, the Utilities will continue their community commitments and remain responsible corporate citizens. The

Joint Applicants commit that the Utilities will maintain charitable contributions, local community support and economic development at 2024 levels for at least three years after closing.

VII. *PENN ESTATES* CONSIDERATIONS FOR INVESTMENT FUND OWNERSHIP

37. In addition to the substantial affirmative public benefits discussed in Section VI above, the Proposed Transaction satisfies the ten public interest considerations set forth by the Commission in *Penn Estates* for investment fund control of Pennsylvania public utilities, as summarized below.

38. ***The Capital to Be Allocated to Ongoing Operating and Maintenance Expenses.*** Apollo will ensure a seamless transition of Corning to Apollo control and will position the Utilities for optimal future operations. As explained above, Apollo has significant experience in accessing funding markets and this access has been one of the key attributes of its successful infrastructure management and growth. In his direct testimony (Joint Applicants Statement No. 3), Mr. Lenns explains why greater access to capital through Apollo will enhance the Utilities' ability to further improve reliability and customer service, while maintaining reasonable rates. Apollo's investment teams are also highly focused on executing operational improvements to drive post-transaction value enhancements at its portfolio companies.

39. ***Corporate Governance/Sarbanes-Oxley Compliance.*** The Argo Entities that Apollo will acquire under the Proposed Transaction do not have Sarbanes-Oxley reporting requirements. Apollo is a publicly-traded company subject to New York Stock Exchange and U.S. Securities Exchange Commission corporate governance rules and regulations. Apollo is fully compliant with all applicable requirements of the Sarbanes-Oxley Act and Apollo will remain subject to these requirements after the transaction is closed.

40. ***The Expected Term of Ownership.*** Apollo and the Argo Entities understand that the various investors intend to be long-term owners of Corning and the Utilities. Apollo is currently a long-term manager of major infrastructure assets, including energy businesses. Apollo operates its asset management business in a highly integrated manner, and employs a value-oriented investment strategy for all products (including infrastructure), with flexibility across the capital structure to offer downside protection, and attractive risk-adjusted returns in all market environments. Specifically, Apollo's investment teams seek out infrastructure investments that do not require a sale or defined exit strategy to achieve the investment goals of the funds the firm manages.

41. ***Experience as an Owner and Operator of Utilities.*** As discussed above, Apollo plans to retain the experienced Argo team and support the Argo Entities that own and oversee governance of the Utilities based on its 30+-year track record as one of the largest alternative asset managers in the world. In addition, the existing management for the Utilities will not change as a result of the Proposed Transaction to ensure continuity of the utility operations experience unique to these Utilities.

42. ***Community Presence.*** The Proposed Transaction will maintain the Utilities' presence in the communities they currently serve in Pennsylvania. As noted above, post-closing of the Proposed Transaction, no material changes in the management team of the Utilities, their headquarters, their charitable contributions, or their employees is contemplated to occur as a result of the Proposed Transaction.

43. ***The Nature and Objectives of the Various Affiliated Relationships Involved.*** No new affiliated agreements between Apollo and Argo and the Utilities are intended to be created by the Proposed Transaction. As described above, the economic ownership of the various Argo

entities leading to Corning and, ultimately, to the Utilities will not change under the Proposed Transaction. The general partner of ACP Holdings that currently controls Corning will become indirectly and wholly-owned by Apollo.

44. ***The Fees Paid to and Service Performed by Affiliates.*** Apollo does not expect to provide services to the Utilities that will require the payment of fees. However, should any services be provided by Apollo or other affiliated interests to the Utilities, the services will be provided only after Commission approval of affiliated interest agreements consistent with Chapter 21 of the Code.

45. ***Limits on the Use of Leverage and Other Capital Structure Protections.*** The Utilities will not request a capital structure for ratemaking purposes that is outside the range of capital structures employed by comparable electric and gas distribution companies operating in the Commonwealth. In addition, Apollo commits to preserve an overall cost of capital consistent with the Utilities' current capital structures, absent any external influences.

46. ***Transparency on Corporate Structure Issues.*** Consistent with the ring-fencing commitments previously approved by the Commission when the Utilities were acquired by Argo, the Utilities will not (a) guarantee the debt of any Apollo entity not regulated by the Commission, except as approved by the Commission upon a determination that such guarantee provides net benefits to customers; (b) grant liens upon their property other than in conjunction with obtaining financing for each such entity; or (c) make loans or extend credit to ACP Crotona Corp., Apollo or their affiliates for a term of more than one year without prior Commission approval, if required by the Code. The Apollo entity that will serve as the new general partner of ACP Holdings will comply with all applicable requirements of the Code.

47. **Creditworthiness.** As explained above, Apollo is a financially strong, diversified manager of infrastructure assets that is fully capable of maintaining and enhancing the level of service provided by the Utilities today and supporting improvements to service where appropriate.

VIII. IMPACT ON COMPETITION

48. The Proposed Transaction will not result in the unlawful exercise of market power or otherwise prevent retail electricity customers in Pennsylvania from obtaining the benefits of a properly functioning competitive retail electricity market. Apollo does not own or operate any companies that directly or indirectly compete with the Utilities or operate in the Utilities' service areas. Therefore, no likely anticompetitive or discriminatory conduct will arise from Apollo obtaining control of Corning or the Utilities. The Joint Applicants request that the Commission provide any approvals required by Section 2811(e) of the Code to the extent deemed necessary.

IX. SUPPORTING TESTIMONY

49. With this Application, the Joint Applicants are submitting the written testimony and supporting exhibits of four witnesses, which, subject to possible supplementation in response to positions, inquiries and issues set forth in the filings by other parties or in interim orders of the Commission, will comprise the Joint Applicants' case-in-chief:

Trevor Mills is a Partner and Head of Asset Management in Apollo's Sustainability and Infrastructure Group. Mr. Mills describes Apollo's business practices, investment philosophy and expertise in managing portfolio investments around the world to acquire control of the Utilities. Mr. Mills also provides an overview of the Proposed Transaction and discusses the substantial benefits the Proposed Transaction will produce, including enhanced access to capital (Joint Applicants Statement No. 1).

Michael I. German is the Chief Executive Officer of the Utilities. He provides an overview of Pike’s and Leatherstocking’s operations and discusses infrastructure projects the Utilities are evaluating that will be supported by Apollo’s greater access to capital and expertise if the Proposed Transaction is approved (Joint Applicants Statement No. 2).

Charles Lenns is President and the Chief Financial Officer of Corning and the Utilities. He describes the impact of the Proposed Transaction on the Utilities’ rates and service and discusses the substantial benefits arising from the Proposed Transaction. Mr. Lenns also discusses the status of the commitments made by the Utilities in connection with Argo’s prior acquisition of Corning in 2022 (the “Corning-Argo Acquisition Proceeding”) (Joint Applicants Statement No. 3).

Andrew Zaroulis is a Managing Director and a senior investment professional at Argo. Mr. Zaroulis explains why Argo is entering into the Proposed Transaction with Apollo. Mr. Zaroulis also summarizes the benefits of the Proposed Transaction from Argo’s perspective and Argo’s compliance with its settlement commitments in the Corning-Argo Acquisition Proceeding (Joint Applicants Statement No. 4).

X. ADDITIONAL SUPPORTING DATA

50. The following Exhibits, containing additional information in support of this Joint Application, are attached hereto and made part hereof:

Exhibit A (CONFIDENTIAL)	Transaction Agreement
Exhibit B	Diagrams of Corning pre- and post-transaction corporate structure
Exhibit C	Commitments List

51. All general and special assessments of the Utilities have been paid.

52. Pursuant to the Commission's Rules of Practice and Procedure, all annual reports, other routine periodic reports to the Commission, certificates of public convenience, securities certificates and similar documents on file with the Commission with respect to the public utility subsidiaries owned and operated by the Joint Applicants are incorporated herein by reference and made part hereof.

XI. OTHER REQUIRED APPROVALS

53. In addition to approval from the Commission, several other regulatory approvals will be required before the Proposed Transaction can be concluded. These include expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and approvals from the Federal Energy Regulatory Commission, the Federal Communications Commission, the Jersey Financial Services Commission and the New York Public Service Commission.

XII. REQUEST FOR EXPEDITED APPROVAL

54. As explained in more detail above, the Proposed Transaction will have no adverse impact on the Utilities' rates or service and will provide substantial affirmative public benefits. The Joint Applicants request that the Commission consider this Joint Application on an expedited basis, so as to allow the Proposed Transaction to close by December 31, 2025. With that in mind, the Joint Applicants suggest that holding an initial Prehearing Conference early in the process will assist the parties in identifying and resolving issues in the event that Notices of Intervention and/or Protests are filed in this proceeding. A litigation schedule can be developed, if necessary, after the active parties have been identified, with the assistance of the presiding Administrative Law Judge.

XIII. NOTICE

55. The Joint Applicants are serving copies of this filing on the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate. A service list is attached to the transmittal letter that accompanies this Joint Application. The Joint Applicants respectfully request the Commission publish notice of this filing in the *Pennsylvania Bulletin* with a reasonable deadline for intervention in this proceeding.

XIV. CONCLUSION

56. For all of the reasons set forth in and supported by this Joint Application, the Proposed Transaction will promote the "service, accommodation, convenience, or safety of the public" and, thus, satisfies the legal requirements for approval by this Commission as a change in control of the Utilities.

WHEREFORE, the Joint Applicants respectfully urge the Commission to grant the approval and authorizations requested herein.

Respectfully submitted,



Alan M. Seltzer (Pa. No. 27890)
John F. Povilaitis (Pa. 28944)
Buchanan Ingersoll & Rooney PC
409 North Second Street, Suite 500
Harrisburg, PA 17101
Phone: (717) 237-4862
Email: alan.seltzer@bipc.com
john.povilaitis@bipc.com



Kenneth M. Kulak (Pa. No. 75509)
Catherine G. Vasudevan (Pa. No. 210254)
Brooke E. McGlinn (Pa. No. 204918)
Morgan, Lewis & Bockius LLP
2222 Market Street
Philadelphia, PA 19103
Phone: (215) 963-5384
Email: ken.kulak@morganlewis.com
catherine.vasudevan@morganlewis.com
brooke.mcglinn@morganlewis.com

*Counsel for ACP Series 3 Partnership L.P.,
Argo Capital Platform (P) 2017, L.P., Argo
Capital Platform (K) Series 3, L.P., ACP
Crotona Holdings L.P., ACP Crotona Corp.,
and Argo Infrastructure Partners LLC*

Counsel for Apollo Global Management, Inc.



Whitney E. Snyder (Pa. No. 316625)
Thomas J. Sniscak (Pa. No. 33891)
HMS Legal, LLP
Suite 301
510 Corporate Circle
Harrisburg, PA 17110
Phone: (717) 236-1300
Email: wesnyder@hmslegal.com
tjsniscak@hmslegal.com

*Counsel for Pike County Light and Power
Company, Leatherstocking Gas Company,
LLC, and Corning Energy Corporation*

Date: May 19, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF PIKE
COUNTY LIGHT AND POWER
COMPANY, LEATHERSTOCKING GAS
COMPANY, LLC, CORNING ENERGY
CORPORATION, ACP SERIES 3
PARTNERSHIP L.P., ARGO CAPITAL
PLATFORM (P) 2017, L.P., ARGO
CAPITAL PLATFORM (K) SERIES 3,
L.P., ACP CROTONA HOLDINGS LP,
ACP CROTONA CORP., ARGO
INFRASTRUCTURE PARTNERS LLC
AND APOLLO GLOBAL
MANAGEMENT, INC. FOR A
CERTIFICATE OF PUBLIC
CONVENIENCE UNDER SECTIONS
1102(A)(3) AND 1103 OF THE PUBLIC
UTILITY CODE AND ALL OTHER
NECESSARY APPROVALS TO EFFECT
AN INDIRECT CHANGE OF CONTROL
OF PIKE COUNTY LIGHT AND
POWER COMPANY'S AND
LEATHERSTOCKING GAS
COMPANY'S PARENT COMPANY,
CORNING ENERGY CORPORATION**

Docket No. A-2025-_____

VERIFICATION

I, Jessica L. Lomm, hereby declare that I am Secretary of Apollo Global Management, Inc.; that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Joint Application with respect to Apollo Global Management, Inc. are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.



DATE: May 19, 2025

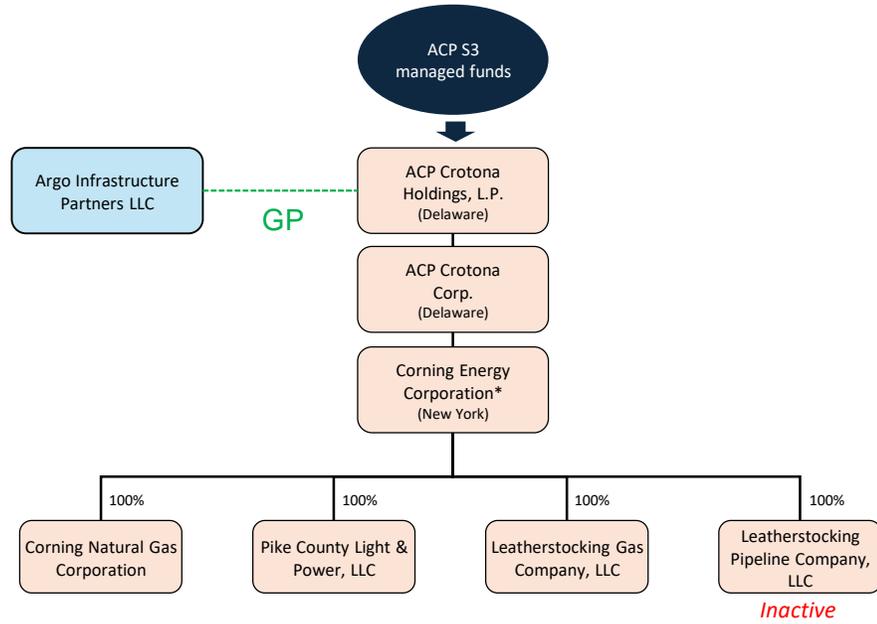
Jessica L. Lomm
Secretary
Apollo Global Management, Inc.

CONFIDENTIAL EXHIBIT A
Transaction Agreement

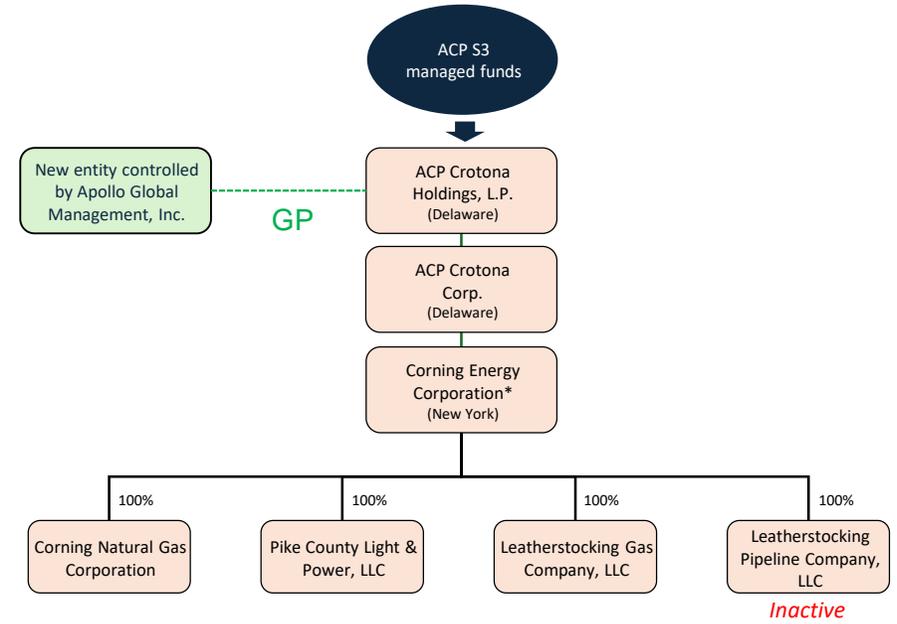
EXHIBIT B

**Diagrams of Corning Pre- and Post-Transaction
Corporate Structure**

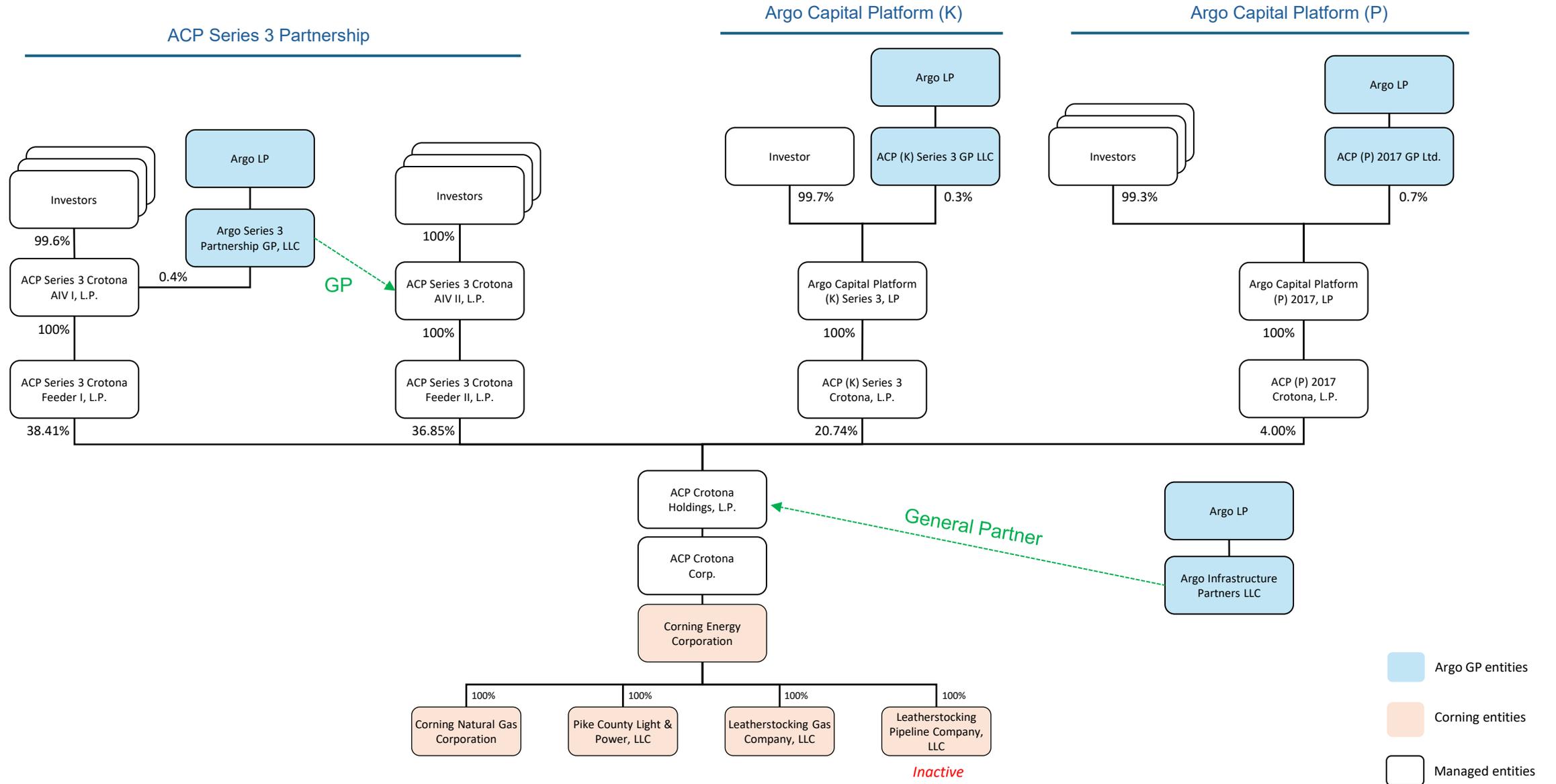
Corning Energy Corporation Current



Corning Energy Corporation Pro Forma



* Formerly known as Corning Natural Gas Holding Corporation



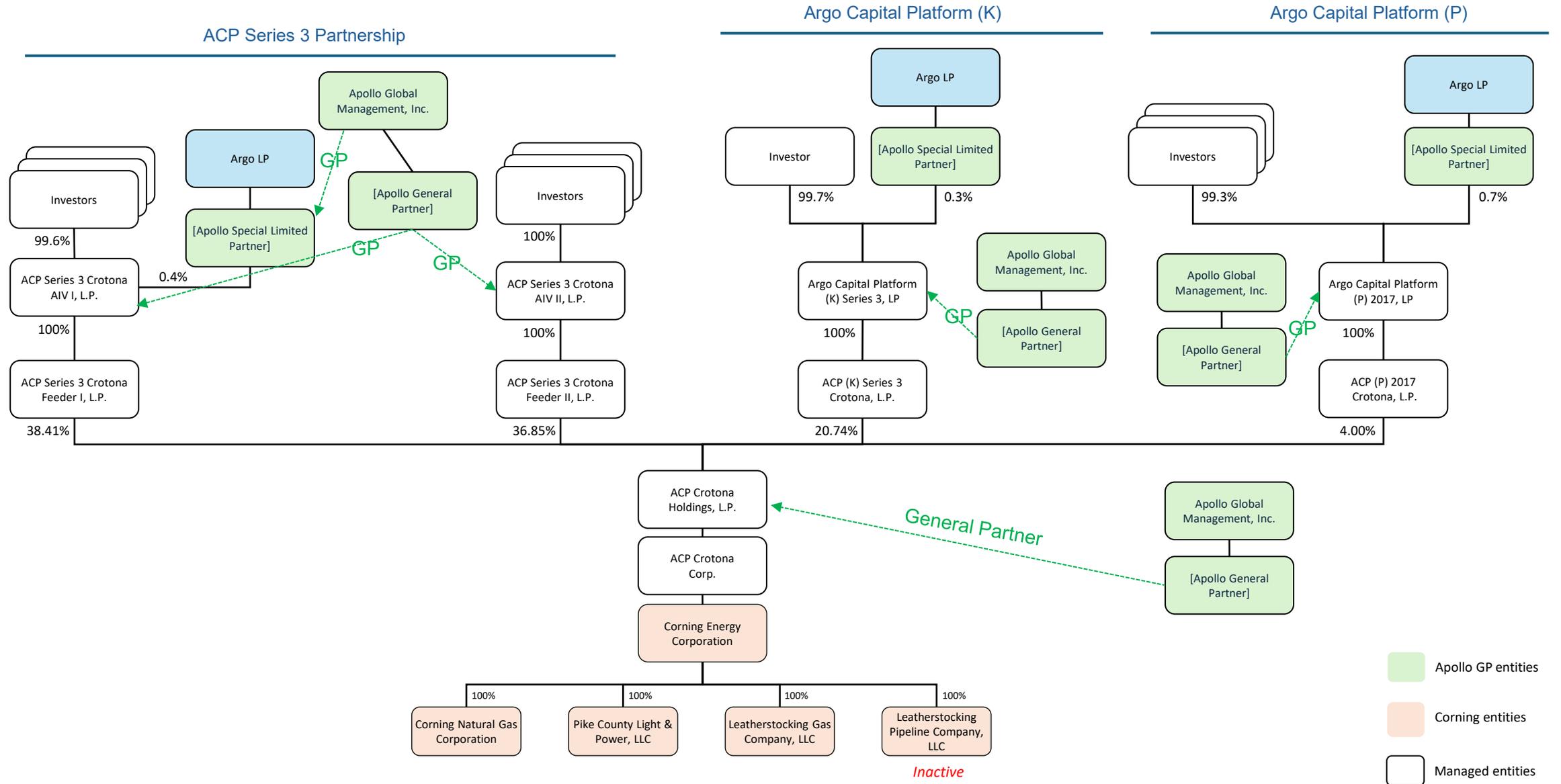


EXHIBIT C
Commitments List

EXHIBIT C – JOINT APPLICANTS’ COMMITMENTS

Commitment 1 – Transaction Impact on Rates

The Utilities will not seek recovery in rates of: (1) any acquisition premium above book value (i.e., goodwill) associated with the Transaction; or (2) any transaction costs incurred in connection with Apollo’s acquisition of Argo. Thus, the goodwill associated with the Transaction will not be shown in the Utilities’ annual reports or included in the equity component of the Utilities capitalization for purposes of calculating their return, future revenue requirements, or any other component of their rates. In addition, the Utilities will not request a capital structure for ratemaking purposes that is outside the range of capital structures employed by comparable electric distribution and natural gas distribution companies operating in the Commonwealth.

Commitment 2 – Corporate Organization, Financial Integrity and Ring-Fencing

The ownership of the various Argo entities leading to Corning Energy Corporation (“Corning”) and ultimately the Utilities will not change under the Transaction. The Argo executive teams, including those who participate in Corning’s and the Utilities’ governance, will join Apollo under similar roles. In addition, Apollo and the Utilities commit to implement the following ring-fencing arrangements: (1) the Utilities will maintain their separate existence and separate debt financing, and Apollo commits to preserve an overall cost of capital consistent with the Utilities’ current capital structure, absent any external influences; (2) dividend payments from the Utilities to the upstream owner ACP Crotona Corp. shall comport with maintaining adequate available funding to provide safe and reliable electric and natural gas service at just and reasonable rates in accordance with the Public Utility Code; (3) the books and records of the Utilities, the Argo entities and Apollo pertaining to the Utilities’ operations in Pennsylvania will

be available for inspection and examination by the Commission upon request; (4) the Utilities will not guarantee the debt of unregulated Apollo or Argo entities, except as approved by the Commission upon a determination that a securities certificate should be granted; (5) the Utilities will not grant liens upon their property other than in conjunction with obtaining financing for each such entity; and (6) the Utilities will not make loans or extend credit to Apollo or Argo affiliates for a term of more than one year without prior Commission approval, if required by the Public Utility Code.

Commitment 3 – Labor, Employment and Compensation

The Utilities will honor all existing collective bargaining agreements. Upon approval of the Transaction and for at least one year following consummation of the Transaction, Apollo: (1) will not permit a net reduction, due to involuntary attrition as a result of the Transaction, in the employment levels at the Utilities, and if a current employee leaves their position during that period, the Utilities shall fill that position with a qualified individual; and (2) will cause the Utilities to provide employees compensation and benefits that are at least as favorable in the aggregate as the compensation and benefits provided to those employees immediately before the execution of the Transaction Agreement.

Commitment 4 – Reliability and Quality of Service

The Utilities will continue to implement their current plans to maintain and enhance reliability and customer service. Specifically, Apollo commits that the Utilities will continue to make capital expenditures in accordance with their current budgets and long-term infrastructure improvement plans.

Commitment 4 – Local Presence

The Utilities will maintain their corporate headquarters within their service areas, subject to the right of Apollo to cause the Utilities to apply to the Commission for approval to relocate their corporate headquarters no earlier than five years following the closing of the Transaction.

Commitment 5 – Charitable Contributions and Community Initiatives

The Utilities will maintain charitable contributions, local community support and economic development at 2024 levels for at least three years after closing of the Transaction.

Commitment 6 – Affiliate Standards

Apollo and its affiliates will abide by the terms of an Affiliate Interest Agreement dated as of September 1, 2020 (“AIA”) among the Utilities, Leatherstocking Pipeline Company, Mirabito Holdings, Inc., and Corning Natural Gas Corporation addressing, among other things, the provision of certain goods and services, the employment of certain personnel, compensation and allocation of costs for services provided under the AIA that was approved by the Commission at Docket Nos. G-2019-3008821, 3009610 and 3009611.

Commitment 7 – Commission Jurisdiction

The Utilities will continue to be subject to the jurisdiction of the Commission following the Transaction. Apollo and the Utilities will make key decisionmakers available to meet with the Commission upon reasonable request and at mutually agreeable times. Apollo and the Argo entities that are upstream owners of the Utilities will comply with all applicable requirements of the Public Utility Code.

**JOINT APPLICANTS
STATEMENT NO. 1**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PIKE COUNTY LIGHT AND POWER COMPANY, LEATHERSTOCKING GAS COMPANY, LLC, CORNING ENERGY CORPORATION, ACP SERIES 3 PARTNERSHIP L.P., ARGO CAPITAL PLATFORM (P) 2017, L.P., ARGO CAPITAL PLATFORM (K) SERIES 3, L.P., ACP CROTONA HOLDINGS L.P., ACP CROTONA CORP., ARGO INFRASTRUCTURE PARTNERS LLC AND APOLLO GLOBAL MANAGEMENT, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE UNDER SECTIONS 1102(A)(3) AND 1103 OF THE PUBLIC UTILITY CODE AND ALL OTHER NECESSARY APPROVALS TO EFFECT AN INDIRECT CHANGE OF CONTROL OF PIKE COUNTY LIGHT AND POWER COMPANY'S AND LEATHERSTOCKING GAS COMPANY'S PARENT COMPANY, CORNING ENERGY CORPORATION

DOCKET NO. A-2025-

DIRECT TESTIMONY

WITNESS: TREVOR MILLS

SUBJECT: APOLLO GLOBAL MANAGEMENT, INC.'S BUSINESS AND INVESTMENT PHILOSOPHY; OVERVIEW OF THE PROPOSED TRANSACTION AND REASONS FOR THE STRATEGIC FIT; PROPOSED TRANSACTION BENEFITS

DATED: MAY 19, 2025

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1
2
3
**DIRECT TESTIMONY
OF
TREVOR MILLS**

4
I. INTRODUCTION AND PURPOSE OF TESTIMONY

5 **1. Q. Please state your full name and business address.**

6 A. My name is Trevor Mills. My business address is 701 Brickell Avenue, Miami,
7 Florida 33131.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am a Partner and Head of Asset Management in the Sustainability and Infrastructure
10 Group at Apollo Global Management, Inc. (“Apollo”). Apollo is one of the largest
11 alternative asset management firms in the world and also operates a retirement
12 services business through its affiliate, Athene.

13 **3. Q. Please briefly describe your professional and educational background.**

14 A. I earned a Bachelor of Commerce from the University of Calgary and a Bachelor of
15 Laws from the University of British Columbia.

16 I have three decades of experience in leading and managing investments in a range of
17 sectors, including energy and infrastructure. In 2008, I joined Apollo’s Private
18 Equity group, where I focused on investments in natural resources, engineering and
19 construction, and infrastructure. In 2023, I assumed additional responsibilities to lead
20 asset management in Apollo’s Sustainability and Infrastructure Group. Among other
21 transactions with Apollo, I played a leading role in our acquisition of a portfolio of

1 infrastructure assets from GE Capital, which created our first Infrastructure fund
2 (AIOF I), Lackawanna Power, Fairview Power, IonicBlue, Yondr and FlexGen.

3 Prior to Apollo, I served as the General Manager of Rio Tinto where I worked with
4 senior management to develop the group's mergers and acquisitions strategy, and
5 held management positions at Bechtel Enterprises, Kaiser Aluminum and Chemicals
6 Corporation and Chevron Corporation. I currently serve on the board of directors of
7 IonicBlue, Celeros, Great Bay Renewables, Caledonia, Yondr, Purmo and FlexGen.

8 **4. Q. Have you previously testified before the Pennsylvania Public Utility Commission**
9 **(the "Commission")?**

10 A. No.

11 **5. Q. What is the purpose of your testimony in this proceeding?**

12 A. My testimony first provides an overview of Apollo, including its current operations,
13 investment philosophy, and expertise in managing portfolio investments, particularly
14 infrastructure investments, across the globe. Second, I describe Apollo's proposed
15 acquisition of certain assets of Argo Infrastructure Partners LP ("Argo") (the
16 "Transaction") that will result in the upstream change in control of Corning Energy
17 Corporation ("Corning"), which is the direct parent of Pike County Light & Power
18 Company ("Pike") and Leatherstocking Gas Company ("Leatherstocking")
19 (collectively, the "Utilities"). As part of that discussion, I explain why Apollo
20 decided to purchase various Argo high-quality infrastructure assets, and I describe
21 Apollo's plans for the management and operations of the Utilities after the closing of

1 the Transaction. Finally, I summarize the benefits the Transaction will produce and
2 explain why its approval is in the public interest and the best interest of the Utilities,
3 their customers, and the communities they serve.

4 II. APOLLO AND ITS BUSINESS PRACTICES

5 **6. Q. Please provide a brief history of Apollo and a summary of its business operations**
6 **today.**

7 A. Apollo is an asset management firm founded in 1990. The common stock of Apollo
8 is publicly traded on the New York Stock Exchange under the symbol “APO.”
9 Through certain of its subsidiaries, Apollo raises, invests, and manages funds on
10 behalf of pension, endowment, and sovereign wealth funds, as well as other
11 institutional and individual investors. Through our affiliate Athene, Apollo is also the
12 leading retirement insurer in North America.

13 Apollo is headquartered in New York City and employs over 5,000 people in over 20
14 offices around the world. As of March 31, 2025, Apollo had \$785 billion of assets
15 under management, including \$28 billion invested in infrastructure assets across
16 North America and Europe. Since its inception, Apollo has consistently grown its
17 assets under management and has a strong financial track record.

18 While Apollo is involved in a wide variety of credit- and asset-management activities,
19 the management of infrastructure funds has become a key part of the organization’s
20 overall business. Apollo’s infrastructure platform focuses on long-term ownership,
21 development, and monetization of infrastructure assets, including communications,
22 power and renewables, transportation, and midstream energy. The funds managed by

1 Apollo's infrastructure business are designed to invest capital to produce attractive
2 long-term returns throughout economic cycles. A dedicated team of 25 investment
3 professionals manage the \$28 billion in equity invested in infrastructure assets as of
4 March 31, 2025.

5 **7. Q. Please describe Apollo's infrastructure investment philosophy.**

6 A. Apollo operates its asset management business in a highly integrated manner and
7 employs a value-oriented investment strategy for all products (including
8 infrastructure), with flexibility across the capital structure to offer downside
9 protection, and attractive risk-adjusted returns in all market environments. Apollo's
10 investment teams seek out infrastructure investments that do not require a sale or
11 defined exit strategy to achieve the investment goals of the funds we manage.

12 **8. Q. Please provide examples of Apollo's infrastructure investments.**

13 A. The asset portfolio managed by Apollo's infrastructure platform includes companies
14 in the power and renewables, transportation, and communications sectors. In the
15 United States, Apollo's energy investments include the acquisition of a \$1 billion
16 renewable and conventional power equity portfolio in 2018 from General Electric, as
17 well as a variety of investments in oil and gas businesses, including production
18 companies, technology companies, and transportation companies. This includes
19 Jackalope Gas Gathering Services, LLC, which owns a gas gathering and processing
20 system that is located in the Powder River Basin in Converse County, Wyoming.
21 Apollo has in the past also owned intrastate pipeline companies in other parts of the

1 United States, including Glacier Oil & Gas Corp., which owned three intrastate
2 natural gas pipelines in Alaska regulated by the Regulatory Commission of Alaska.

3 **9. Q. What is Apollo's role in the management and operation of the businesses in**
4 **which it invests?**

5 A. Apollo's infrastructure funds seek out investments with highly competent and
6 established management teams and then support them with deep industry knowledge
7 across almost all global sectors, as well as greater access to capital for portfolio
8 companies' ongoing needs. Apollo seeks to maintain existing management teams
9 when it invests in infrastructure businesses and provides them with the tools and
10 capital they need to operate and improve their businesses. Apollo's hands-on
11 approach to post-transaction value creation provides support to portfolio companies in
12 the following key areas:

13 **Operational Excellence and Business Planning:** Apollo works with existing
14 management to execute business plans and develop operational improvements and
15 other initiatives to meet business goals.

16 **Risk Management:** Apollo's risk management group works with senior management
17 at all of its portfolio companies to define, measure and monitor key business risks.
18 Apollo also supports management at its portfolio companies by assessing and
19 analyzing operational and financial risks so that the risks can be mitigated to the
20 greatest extent possible.

1 **Performance Solutions:** Apollo’s group of industry leading in-house experts
2 provide deep functional capabilities to portfolio companies in the areas of information
3 technology and digital transformation, innovation, commercial excellence,
4 construction and project management, environmental, social and governance best
5 practices, talent management and organizational effectiveness, and data analytics.

6 **Funding and Financing:** Apollo has access to numerous sources of capital and owns
7 16 proprietary origination platforms. Through its subsidiary, Apollo Capital
8 Solutions, Apollo supports its portfolio companies with both debt and equity capital
9 raises.

10 **III. OVERVIEW OF THE PROPOSED TRANSACTION**

11 **10. Q. What is Corning’s current ownership structure?**

12 A. Through its managed funds, Argo controls 100% of the common and preferred stock
13 of Corning. ACP Series 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P. and
14 Argo Capital Platform (K) Series 3, L.P. (collectively, “ACP S3 Managed Funds”)
15 are long-duration investment limited partnerships managed by Argo. The ACP S3
16 Managed Funds collectively own 100% of ACP Crotona Holdings, L.P. (“ACP
17 Holdings”), which in turn owns 100% of ACP Crotona Corp. ACP Holdings is a
18 limited partnership managed by Argo Infrastructure Partners LLC under an Amended
19 and Restated Limited Partnership Agreement dated December 8, 2021. Argo is the
20 sole owner of Argo Infrastructure Partners LLC. ACP Crotona Corp. is a special
21 purpose entity incorporated and organized under the laws of the State of Delaware

1 that owns 100% of Corning. ACP Crotona Corp. is managed by a board of directors
2 appointed by its sole shareholder, ACP Holdings.

3 **11. Q. Please provide an overview of the Transaction.**

4 A. On January 10, 2025, Apollo and Argo entered in a Transaction Agreement with the
5 approval of their respective boards of directors. Subject to regulatory approvals,
6 Apollo will acquire certain Argo infrastructure assets in a stock and cash transaction,
7 including Corning and the Utilities, and an experienced team managing those assets.
8 At closing of the Transaction, a new Apollo-controlled entity will replace Argo
9 Infrastructure Partners LLC to act as the general partner of ACP Holdings. As such,
10 the existing voting securities currently controlled by Argo in Corning through ACP
11 S3 Managed Funds will become voting securities controlled by Apollo through these
12 funds. Argo will also assign all of its investment management contracts to a new
13 registered investment advisor entity that will be acquired by Apollo. The Argo
14 executive team who participate in Corning’s governance will join Apollo under
15 similar roles.

16 **12. Q. Please describe the proposed ownership and corporate governance of Corning**
17 **following the Transaction.**

18 A. The ownership (including the identity of the owners and their respective percentage
19 ownership) of the various Argo entities leading to Corning and, ultimately, to the
20 Utilities will not change under the Transaction. The composition of the board of
21 directors of the Argo entities, Corning, Pike, and Leatherstocking also will not
22 change. However, as the new manager of the upstream owner of Corning, Apollo

1 will indirectly manage Corning's wholly owned subsidiaries, including the Utilities.
2 The existing Argo management team will be responsible for oversight and
3 governance of the Utilities with material support from the Apollo platform.

4 **13. Q. Why has Apollo decided to acquire various Argo infrastructure assets, including**
5 **the Utilities?**

6 A. As explained in the direct testimony of Andrew Zaroulis, Joint Applicants Statement
7 No. 4, Argo has a strong track record of investing in high-quality infrastructure
8 business and assets that provide essential services to their communities over long
9 operational lives. Argo's portfolio of 18 companies across the United States and
10 Canada includes power generation assets, utilities, electric transmission systems, and
11 an energy storage network. The proposed Transaction aligns with Apollo's strategy
12 to expand its infrastructure footprint and deepen exposure to sectors that Apollo
13 believes will benefit from robust investment, including sustainability and the energy
14 transition.

15 As I explained earlier in my testimony, Apollo's infrastructure funds seek to invest in
16 assets that provide long-term returns and are managed by a locally-based, highly
17 competent management team. Pike and Leatherstocking are well-run public utilities
18 that provide safe and reliable service to their customers. These are some of the
19 primary reasons Apollo was attracted to Argo's infrastructure assets and the Utilities
20 in particular.

21

1 **14. Q. What are Apollo's plans with respect to the Utilities' existing debt?**

2 A. Apollo has no plans to replace any of the Utilities' current short- or long-term debt at
3 this time. However, as I will explain in more detail later in my testimony, Apollo
4 expects to provide enhanced access to stable, long-term capital for the Utilities' future
5 capital improvement needs.

6 **15. Q. Will the Transaction result in increased rates for Pike and Leatherstocking
7 customers?**

8 A. No. Apollo and the Utilities will not pass along to utility customers the premium
9 above book value paid by Apollo to acquire Argo's interests in the Utilities (i.e.,
10 goodwill) or transaction costs. As such, the goodwill associated with the Transaction
11 will not be recorded on the Utilities books or included in the equity component for
12 purposes of calculating their return, future revenue requirements, or any other
13 component of their rates. The Utilities also will not claim a return on or recovery of
14 the transaction costs in future base rate proceedings.

15 **16. Q. What are Apollo's plans regarding future management and operation of the
16 Utilities?**

17 A. Apollo provides financial and technical expertise and supports existing management
18 in the day-to-day operation of its investments. Today, Pike and Leatherstocking are
19 run on a day-to-day basis by ten and three full-time employees, respectively, subject
20 to supervision by their boards of directors. After the Transaction, Apollo will retain
21 the Utilities' existing management teams, workforce, and boards of directors, and

1 their corporate headquarters will remain in their service areas in northeastern
2 Pennsylvania. In addition, the Argo executives currently involved in the management
3 of the Utilities will join Apollo and continue in their current roles. In short, the
4 Transaction will not change the current operation and management of the Utilities or
5 current rates and will result in no disruption to the Utilities' communities or
6 customers, while improving access to capital for future needed infrastructure
7 improvements.

8 **IV. BENEFITS THE TRANSACTION WILL PRODUCE**

9 **17. Q. Please summarize the affirmative public benefits that the Transaction will**
10 **produce.**

11 A. The Transaction will create substantial affirmative benefits for the Utilities, their
12 customers, and the communities they serve. First, the Transaction will allow the
13 Utilities to maintain their local presence but with broader access to long-term capital
14 on reasonable terms to invest more robustly in essential utility infrastructure and
15 sustain and enhance reliability and customer service. Second, Apollo brings the
16 benefit of its vast resources, relationships, and expertise to its infrastructure
17 businesses and the communities they serve. The Utilities' customers will benefit
18 through Apollo's knowledge of global financial markets, its access to capital on
19 favorable terms, the identification and sharing of best practices, and demonstrated
20 track record of infrastructure investments. Third, the Utilities' charitable
21 contributions and community support will be embodied in a firm commitment to
22 maintain spending at 2024 levels for three years following the Transaction.

1 Additionally, Apollo is proposing several commitments to protect customers and
2 employees, which I will describe later in my testimony.

3 **18. Q. In what ways will the Transaction improve the Utilities' access to capital at**
4 **competitive rates?**

5 A. There are many benefits that will be derived from Apollo's scale and expertise in
6 funding markets. Larger companies with a greater percentage of equity capital
7 typically enjoy increased access to capital. In addition, Apollo's specialized
8 knowledge across sectors and industries, particularly through Apollo's varied
9 investments in the infrastructure sector, expands its investment sourcing
10 opportunities. This allows Apollo to respond in a timely manner to complex
11 opportunities arising from a lack of traditional financing sources with privately
12 originated investments, non-traded securities, and investments in non-traditional asset
13 classes.

14 **19. Q. Why is improved access to capital important to Pike and Leatherstocking?**

15 A. The electric and natural gas industry is highly capital intensive and at times requires
16 access to the capital markets in various forms for funding. As discussed in Charles
17 Lenn's direct testimony (Joint Applicants Statement No. 3), improved access to
18 capital markets frequently results in more competitive interest rates, which translates
19 into less interest expense for Corning and the Utilities.

20 Greater access to capital will allow the Utilities to further build out infrastructure in
21 Susquehanna, Bradford, and Pike Counties to serve the growing populations and

1 economies in these areas, as discussed in Michael German’s direct testimony (Joint
2 Applicants Statement No. 2). It is my understanding that the Commission supports
3 the expansion of utility service in rural portions of the Commonwealth, such as these
4 Counties. Greater access to capital will also support Pike’s electric long-term
5 infrastructure improvement plan described by Mr. German.

6 **20. Q. In addition to these financial benefits, do you anticipate the Transaction to result**
7 **in synergy cost savings for the Utilities?**

8 A. No. Because the Transaction does not involve a combination of operating utilities, it
9 is not expected that synergy savings will be realized as a result of the Transaction.
10 However, customers will benefit in the future from Apollo’s greater and continuous
11 access to capital.

12 **21. Q. Will the Transaction strengthen the Utilities’ charitable contributions and**
13 **community support?**

14 A. Yes. The Transaction will strengthen Pike’s and Leatherstocking’s charitable and
15 community involvement by converting what are now voluntary contributions into a
16 binding commitment. Additionally, under Apollo management, the Utilities will
17 continue to play an important role in supporting the communities they serve and will
18 remain responsible corporate citizens.

19

20

1 **22. Q. Earlier, you indicated that Apollo proposes to take additional steps to protect**
2 **customers. Please discuss those measures.**

3 A. Apollo proposes to maintain Argo’s ring-fencing measures previously approved by
4 the Commission and outlined in Exhibit C to the Joint Application, which are
5 designed to isolate the Utilities from the potential financial and credit consequences
6 of unrelated business and investment risks. Consistent with those measures, the
7 Utilities will not (a) guarantee the debt of any Apollo entity not regulated by the
8 Commission, except as approved by the Commission upon a determination that such
9 guarantee provides net benefits to customers; (b) grant liens upon their property other
10 than in conjunction with obtaining financing for each such entity; or (c) make loans or
11 extend credit to ACP Crotona Corp., Apollo or their affiliates for a term of more than
12 one year, without prior Commission approval if required by the Public Utility Code
13 (“Code”). The new Apollo entity serving as the general partner of ACP Holdings will
14 comply with all applicable requirements of the Code.

15 **23. Q. Please describe the protections Apollo is offering for employees of the Utilities.**

16 A. As I explained earlier in my testimony, Apollo seeks out investments with high-
17 quality management teams and then supports management with considerable financial
18 resources and deep expertise across its integrated platforms. Therefore, if the
19 Transaction is approved by the Commission, the Utilities’ management teams,
20 operating personnel, and boards of directors will not change as a result of the
21 Transaction. Apollo has also committed that, upon approval of this Joint Application
22 as described herein and for one year after consummation of the Transaction, there will

1 be no net reductions due to involuntary attrition in the employment levels of the
2 Utilities. In that regard, Apollo has clearly stated that the Utilities will honor all
3 existing collective bargaining agreements. Apollo has also agreed that, for at least
4 one year after the closing, the Utilities will provide current employees compensation
5 and benefits that are at least as favorable in the aggregate as the compensation and
6 benefits provided to those employees immediately before the Transaction.

7 **24. Q. How will the Transaction affect the access and accountability of management?**

8 A. Apollo's acquisition of Argo will not affect access to and the accountability of the
9 Utilities' management. Regulators, government officials, community leaders and
10 customers will have the same access to the people working at the Utilities, Corning,
11 and the Argo entities as they do today. Following the Transaction, the Utilities will
12 be able to leverage the resources, expertise and financial strength of Apollo while
13 maintaining the ability to respond to local conditions and priorities.

14 **25. Q. Will the public interest be served if Apollo acquires indirect control of the**
15 **Utilities?**

16 A. Yes, for all of the reasons that I discussed above, and as explained in the Joint
17 Application and the direct testimony of other witnesses supporting the Transaction.
18 The addition of Apollo as one of the controlling entities of the Utilities will increase
19 their access to capital for necessary system upgrades and replacements that will
20 enhance customer service and improve reliability. Apollo has decades of experience
21 in managing infrastructure investments and will utilize this expertise to support the
22 Utilities in establishing strategic direction, analyzing growth opportunities, and

1 implementing management best practices. Apollo has also committed to retain the
2 Utilities' existing management teams, honor current collective bargaining
3 agreements, and provide wage and benefit protections for current employees. In sum,
4 the Transaction will position the Utilities to ensure that high-quality service is
5 maintained and to extend natural gas service to underserved areas in northeastern
6 Pennsylvania.

7 **V. CONCLUSION**

8 **26. Q. Does this conclude your direct testimony?**

9 A. Yes, it does. However, I reserve the right to supplement this testimony and/or file
10 additional testimony if necessary or appropriate to do so.

11

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF PIKE
COUNTY LIGHT AND POWER
COMPANY, LEATHERSTOCKING GAS
COMPANY, LLC, CORNING ENERGY
CORPORATION, ACP SERIES 3
PARTNERSHIP L.P., ARGO CAPITAL
PLATFORM (P) 2017, L.P., ARGO
CAPITAL PLATFORM (K) SERIES 3,
L.P., ACP CROTONA HOLDINGS LP,
ACP CROTONA CORP., ARGO
INFRASTRUCTURE PARTNERS LLC
AND APOLLO GLOBAL
MANAGEMENT, INC. FOR A
CERTIFICATE OF PUBLIC
CONVENIENCE UNDER SECTIONS
1102(A)(3) AND 1103 OF THE PUBLIC
UTILITY CODE AND ALL OTHER
NECESSARY APPROVALS TO EFFECT
AN INDIRECT CHANGE OF CONTROL
OF PIKE COUNTY LIGHT AND
POWER COMPANY'S AND
LEATHERSTOCKING GAS
COMPANY'S PARENT COMPANY,
CORNING ENERGY CORPORATION**

Docket No. A-2025-_____

VERIFICATION

I, Trevor Mills, hereby declare that I am a Partner and Head of Asset Management in the Sustainability and Infrastructure Group at Apollo Global Management, Inc.; that the facts set forth in the foregoing Statement are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

DATE: May 19, 2025



Trevor Mills

**JOINT APPLICANTS
STATEMENT NO. 2**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PIKE COUNTY LIGHT AND POWER COMPANY, LEATHERSTOCKING GAS COMPANY, LLC, CORNING ENERGY CORPORATION, ACP SERIES 3 PARTNERSHIP L.P., ARGO CAPITAL PLATFORM (P) 2017, L.P., ARGO CAPITAL PLATFORM (K) SERIES 3, L.P., ACP CROTONA HOLDINGS L.P., ACP CROTONA CORP., ARGO INFRASTRUCTURE PARTNERS LLC AND APOLLO GLOBAL MANAGEMENT, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE UNDER SECTIONS 1102(A)(3) AND 1103 OF THE PUBLIC UTILITY CODE AND ALL OTHER NECESSARY APPROVALS TO EFFECT AN INDIRECT CHANGE OF CONTROL OF PIKE COUNTY LIGHT AND POWER COMPANY'S AND LEATHERSTOCKING GAS COMPANY'S PARENT COMPANY, CORNING ENERGY CORPORATION

DOCKET NO. A-2025-

DIRECT TESTIMONY

WITNESS: MICHAEL I. GERMAN

SUBJECT: OVERVIEW OF UTILITY OPERATIONS;
INFRASTRUCTURE IMPROVEMENT
PLANS, NATURAL GAS EXPANSION;
ALTERNATIVE DEFAULT SUPPLY
OPTIONS

DATED: MAY 19, 2025

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1 New York State Electric & Gas Company, a large combination New York gas and
2 electric utility company. I have held various other senior positions with publicly
3 traded utilities, been a senior vice president at the American Gas Association and
4 worked for the US Energy Research and Development Administration. I am a
5 board member of the AMPCO-Pittsburgh Corporation and several non-profit
6 organizations. I earned a Bachelor of Arts degree in History from Trinity
7 College, a Masters of Business Administration degree from Columbia University
8 and a Juris Doctor degree from Boston University.

9 **4. Q. Have you previously testified before the Pennsylvania Public Utility**
10 **Commission (“Commission” or “PUC”)?**

11 A. Yes. I submitted testimony in connection with the Joint Application of Pike
12 County Light and Power Company, Leatherstocking Gas Company, LLC,
13 Corning Natural Gas Holding Corporation, ACP Series 3 Partnership L.P., Argo
14 Capital Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., and ACP
15 Crotona Corp. for Certificates of Public Convenience (“CPC”) under Sections
16 1102(a)(3) and 1103 of the Public Utility Code that was filed with this
17 Commission on April 30, 2021 at Docket Nos. A-2021-3025659 and A-2021-
18 3025662 and approved on February 3, 2022 (“Prior Transaction”).

19 **5. Q. Please describe the subject matter of your testimony.**

20 A. The purpose of my testimony is to provide an overview of the Utilities and their
21 ongoing infrastructure improvement projects. I will also discuss the Utilities’
22 efforts to expand natural gas service to underserved communities that will be

1 facilitated through enhanced access to low-cost capital if the proposed transaction
2 described by Trevor Mills in Joint Applicants Statement No. 1 (the “Transaction”)
3 is approved. Natural gas expansion projects will provide a substantial benefit for
4 new customers by providing access to lower-cost natural gas and for the
5 surrounding communities and local businesses through project construction,
6 employment of local individuals, and local sourcing of materials. There are also
7 infrastructure projects related to Pike’s electric and natural gas supply that could
8 provide additional optionality for lower-cost default supply to customers. Charles
9 Lenns discusses in more detail how the addition of Apollo Global Management,
10 Inc. (“Apollo”), as one of the controlling entities of the Utilities, will increase the
11 Utilities’ access to capital on attractive terms to support the infrastructure projects
12 I will discuss in my testimony.

13 **II. OVERVIEW OF THE UTILITIES AND INFRASTRUCTURE IMPROVEMENT**
14 **PLANS**

15 **6. Q. Please briefly describe the Utilities’ current operations.**

16 A. I will first address Pike and then Leatherstocking in connection with their
17 respective service territory, number of customers and employees.

1 Pike

2 Pike is a certificated Pennsylvania public utility and corporation duly organized
3 and existing under the laws of the Commonwealth of Pennsylvania and subject to
4 regulation by the Commission. Pike furnishes electric distribution services to
5 5,363 customers in a certificated service territory that includes the Boroughs of
6 Milford and Matamoras and the Townships of Milford, Westfall, and Dingman, in
7 northeastern Pennsylvania. Pike also is engaged in the retail distribution and sale
8 of natural gas for residential, commercial, and industrial purposes within the
9 Commonwealth of Pennsylvania. Pike serves approximately 1,379 residential and
10 commercial gas customers in Pike County, Pennsylvania.

11 Pike currently has ten full time employees. These ten full-time employees
12 provide overall management of Pike’s services, customer service to its electric
13 and gas customers, and day-to-day maintenance and repair services to both
14 electric and gas customers. These employees also manage independent
15 contractors who provide construction services for infrastructure expansion and
16 improvement projects such as gas main and service upgrades, electric utility
17 distribution service expansion and system upgrades, and responses to power
18 outages caused by storms or automobile accidents.

19 Leatherstocking

20 Leatherstocking is a limited liability company duly organized and existing under
21 the laws of the State of New York. Leatherstocking is a Pennsylvania public
22 utility providing natural gas distribution service to approximately 501 total

1 customers in a certificated service territory within Bradford and Susquehanna
2 Counties, Pennsylvania.

3 Leatherstocking has three employees who provide customer services to its natural
4 gas customers and day-to-day maintenance and repair services to its gas
5 customers. Its field operations personnel work with operations personnel from its
6 affiliate Corning Natural Gas Corporation to oversee independent contractors who
7 provide gas distribution systems upgrades and expanded service in areas of
8 Leatherstocking's service territory.

9 **7. Q. Please describe Pike's infrastructure improvement plans.**

10 A. Pike's customers rely on continuous and safe electric service. To meet that
11 commitment through the years, Pike has regularly replaced existing wires, poles,
12 and other equipment with new facilities. Pike has instituted a Commission-
13 approved long-term infrastructure improvement plan ("LTIIP") for its electric
14 operations to sustain reliability and safety that could otherwise suffer due to
15 normal degradation of facilities that occurs with time and natural environmental
16 stresses. Under the LTIIP, Pike will invest more than \$18 million in electric
17 infrastructure over the 2021 to 2028 period. Major projects include upgrading
18 conductors, poles, and equipment that have been in service in some
19 neighborhoods as far back as the 1940s, implementing a pole inspection and
20 replacement program to deploy state-of-the-art pole top material that contributes
21 toward storm resistance.

1 Pike also has a PUC-approved LTIP for its gas operations that focuses on cast
2 iron and bare steel pipe replacement. Pike's gas LTIP is an 11-year plan (2019-
3 2029) to invest about \$6.5 million to replace almost 69,000 feet of metallic pipes
4 with plastic mains, overhaul several regulator stations and upgrade metering
5 equipment.

6 As Mr. Lenns discusses in his direct testimony (Joint Applicants Statement No.
7 3), if the Transaction is approved, Pike will have access to more capital on
8 attractive terms, such as longer borrowing periods, that will more likely than not
9 allow for completion of LTIP projects at a lower cost to customers than if the
10 Transaction did not occur.

11 **III. THE UTILITIES' EFFORTS TO EXPAND NATURAL GAS SERVICE TO**
12 **UNDERSERVED RURAL COMMUNITIES**

13 **8. Q. What is the current status of the Utilities' plans for expansion in furtherance**
14 **of the PUC goal to supply more gas to underserved rural communities such**
15 **as those in the vicinity of Pike and Leatherstocking?**

16 A. The Utilities have substantial opportunities to provide service to additional
17 customers with additional infrastructure build-out if we can continue to obtain
18 capital, debt, and equity at reasonable terms. Since the completion of the Prior
19 Transaction, Leatherstocking invested approximately \$1.63 million in plant
20 additions since completion of the Prior Transaction, including to extend natural
21 gas service to 138 new customers in Susquehanna and Bradford Counties,
22 Pennsylvania. In addition, we have successfully completed obtaining a certificate
23 of public convenience for the Harford territory expansion. This expansion will

1 provide service to the Mountain View school, which is the anchor customer in the
2 Harford franchise, with construction expected to be complete in 2025. Further
3 build-outs to serve new customers are underway.

4 As a large and respected investment firm, we believe Apollo will, among other
5 things, enhance the Utilities' access to low-cost capital. Accordingly, we expect
6 the Utilities will be better positioned to strategically expand their natural gas
7 service territories to underserved areas in northeastern Pennsylvania.

8 IV. ADDITIONAL DEFAULT SUPPLY OPTIONS

9 **9. Q. What is the current status of the Utilities' efforts to connect with PJM**
10 **Interconnection L.L.C. ("PJM")?**

11 A. Pike is a unique Pennsylvania electric distribution company in that it connects to
12 the New York Independent System Operator ("NY-ISO") through Orange and
13 Rockland Utilities, not PJM. As discussed at length in Pike's previous default
14 service proceedings, this significantly limits Pike's options for default supply.
15 Constructing an interconnection with PJM has been considered over the years but
16 has not been proven to be feasible or available at a reasonable cost. One of the
17 commitments we made in the Prior Transaction was to conduct another study of
18 the feasibility of connecting to PJM within thirty-six (36) months of closing of the
19 prior Argo transaction. The PJM feasibility study is underway and, consistent
20 with the deadline established in and approved by the Commission in the Prior
21 Transaction, that feasibility study will be submitted to the Commission and other
22 required stakeholders by July 6, 2025. If the study suggests that such a PJM

1 interconnection is feasible and cost-effective, enhanced access to lower cost of
2 capital through Apollo is likely to be pivotal in implementing a possible PJM
3 interconnection.

4 **10. Q. What is the current status of the Utilities' efforts to investigate alternate**
5 **natural gas supplies, with an emphasis on Pennsylvania sourcing?**

6 A. The Utilities seek lower cost supplies of natural gas, especially for Pike
7 customers. Construction of a connection to another natural gas source has been
8 considered but historically has been found to be infeasible and/or too costly.
9 However, the Utilities committed in the Prior Transaction to investigate alternate
10 natural gas supplies if requested by the Office of Consumer Advocate of the
11 Office of Small Business Advocate, but no such requests have been made since
12 the Commission approved the Prior Transaction. However, the new Transaction
13 with Apollo once again affords us, with Apollo's guidance and financial support
14 via additional access to capital markets, to consider and evaluate Pennsylvania-
15 based sources of low-cost natural gas and passing on to customers the lower costs
16 of this supply.

17 **V. CONCLUSION**

18 **11. Q. Does this conclude your direct testimony?**

19 A. Yes, it does. However, I reserve the right to file such additional testimony as may
20 be necessary or appropriate.

21

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

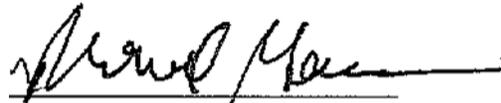
**JOINT APPLICATION OF PIKE COUNTY
LIGHT AND POWER COMPANY,
LEATHERSTOCKING GAS COMPANY,
LLC, CORNING ENERGY CORPORATION,
ACP SERIES 3 PARTNERSHIP L.P., ARGO
CAPITAL PLATFORM (P) 2017, L.P., ARGO
CAPITAL PLATFORM (K) SERIES 3, L.P.,
ACP CROTONA HOLDINGS L.P., ACP
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INFRASTRUCTURE PARTNERS LLC AND
APOLLO GLOBAL MANAGEMENT, INC.
FOR A CERTIFICATE OF PUBLIC
CONVENIENCE UNDER SECTIONS
1102(A)(3) AND 1103 OF THE PUBLIC
UTILITY CODE AND ALL OTHER
NECESSARY APPROVALS TO EFFECT AN
INDIRECT CHANGE OF CONTROL OF
PIKE COUNTY LIGHT AND POWER
COMPANY'S AND LEATHERSTOCKING
GAS COMPANY'S PARENT COMPANY,
CORNING ENERGY CORPORATION**

Docket No. A-2025-_____

VERIFICATION

I, Michael I. German, hereby declare that I am the Chief Executive Officer of Pike County Light and Power Company and Leatherstocking Gas Company and Corning Energy Corporation; that, as such, I am authorized to make this verification on their behalf; that the facts set forth in the foregoing Joint Application and Statement are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

DATE: May 19, 2025



Michael I. German
Chief Executive Officer of Pike County Light &
Power Company, Leatherstocking Gas Company,
and Corning Energy Corporation

**JOINT APPLICANTS
STATEMENT NO. 3**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PIKE COUNTY LIGHT AND POWER COMPANY, LEATHERSTOCKING GAS COMPANY, LLC, CORNING ENERGY CORPORATION, ACP SERIES 3 PARTNERSHIP L.P., ARGO CAPITAL PLATFORM (P) 2017, L.P., ARGO CAPITAL PLATFORM (K) SERIES 3, L.P., ACP CROTONA HOLDINGS L.P., ACP CROTONA CORP., ARGO INFRASTRUCTURE PARTNERS LLC AND APOLLO GLOBAL MANAGEMENT, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE UNDER SECTIONS 1102(A)(3) AND 1103 OF THE PUBLIC UTILITY CODE AND ALL OTHER NECESSARY APPROVALS TO EFFECT AN INDIRECT CHANGE OF CONTROL OF PIKE COUNTY LIGHT AND POWER COMPANY'S AND LEATHERSTOCKING GAS COMPANY'S PARENT COMPANY, CORNING ENERGY CORPORATION

DOCKET NO. A-2025-

DIRECT TESTIMONY

WITNESS: CHARLES LENNS

SUBJECT: BENEFITS OF THE PROPOSED TRANSACTION; IMPACTS ON RATES AND SERVICE; COMPLIANCE WITH COMMITMENTS IN THE UTILITIES' PRIOR CHANGE-OF-CONTROL PROCEEDING

DATED: MAY 19, 2025

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1 **DIRECT TESTIMONY**
2 **OF**
3 **CHARLES LENNS**

4 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

5 **1. Q. Mr. Lenns, please state your full name and business address.**

6 A. My name is Charles Lenns. My business address is 330 West William Street,
7 Corning, NY 14830.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am President and Chief Financial Officer and Treasurer of Corning Natural Gas
10 Corporation (“Corning Gas”), Pike County Light and Power Company (“Pike”)
11 and Leatherstocking Gas Company (“Leatherstocking”) (collectively, the
12 “Utilities”) and Corning Energy Corporation (“Corning”).

13 **3. Q. What are your duties as President, Chief Financial Officer and Treasurer?**

14 A. As President of Corning and the Utilities, I have overall responsibility for their
15 operations and performance. As Chief Financial Officer and Treasurer, I am
16 responsible for all financial affairs of the Utilities, including the proper
17 accounting for all items of income and expense and the preparation of monthly,
18 quarterly and annual financial statements. I am also responsible for overall
19 corporate budgeting and financial forecasting, including budgeting for and
20 prioritizing capital projects. In addition, I am responsible for all financial filings
21 with our state regulators, including the Pennsylvania Public Utility Commission
22 (“Commission”).

1 My duties include preparation and filing of all income, franchise, sales and use,
2 gross receipts, and property tax returns, as well as directing the Utilities' tax-
3 planning initiatives. I manage the Utilities' cash position, which includes
4 negotiating and concluding financing for capital needs as well as reviewing,
5 approving, and paying vendor invoices. I also oversee our Human Resources
6 function, including employee compensation and welfare benefit plans, and I am
7 also responsible for all of our insurance coverages.

8 **4. Q. Please briefly describe your educational background.**

9 A. I earned a Bachelor of Science degree in accounting from the University of
10 Scranton, and a Juris Doctor degree from Duquesne Law School.

11 I began my professional career with Arthur Young, a predecessor firm to Ernst &
12 Young, LLP. I became a tax partner with the firm in October of 1989, and I
13 served clients primarily in the power and utilities industry. During my tenure
14 with Ernst & Young, I worked as a tax partner in the firm's transaction advisory
15 services practice, advising power and utility companies on merger and acquisition
16 transactions. I retired from Ernst & Young in July of 2012, and in September of
17 2012, I accepted the Vice President/Tax position at Consolidated Edison
18 Company of New York, Inc. ("Con Ed") in New York City. In that role I was
19 Con Ed's chief tax officer, responsible for all income, sales and use, and property
20 tax matters for Con Ed. I was also responsible for all tax disclosures in Security
21 and Exchange and regulatory filings. I retired from Con Ed on December 31,
22 2018, and in 2019 I formed Lenns Consulting Group, LLC. In this role, I

1 provided tax and financial accounting consulting services, primarily to clients in
2 the power and utilities industry. On July 1, 2020, I began my career as the Chief
3 Financial Officer, Treasurer, Head of Human Resources and Corporate Insurance
4 for Corning Energy and each of its subsidiaries. On April 1, 2025, I was named
5 President of Corning Energy Corporation and each of its subsidiaries. I am a
6 licensed attorney and a Certified Public Accountant in the Commonwealth of
7 Pennsylvania.

8 **5. Q. Have you previously testified before the Commission?**

9 A. Yes. I submitted direct testimony in Pike’s gas and electric rate cases at Docket
10 Nos. R-2020-3022134 (gas) and R-2020-3022135 (electric). In addition, I
11 submitted testimony in connection with the Joint Application of Pike County
12 Light and Power Company, Leatherstocking Gas Company, LLC, Corning
13 Natural Gas Holding Corporation, ACP Series 3 Partnership L.P., Argo Capital
14 Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., and ACP Crotona Corp.
15 for Certificates of Public Convenience (“CPC”) under Sections 1102(a)(3) and
16 1103 of the Public Utility Code that was filed with this Commission on April 30,
17 2021 at Docket Nos. A-2021-3025659 and A-2021-3025662 and approved on
18 February 3, 2022 (the “Prior Transaction”).

19 **6. Q. Please describe the subject matter of your testimony.**

20 A. My testimony supports the Joint Application (the “Application”) submitted by
21 Pike, Leatherstocking, Corning, ACP Series 3 Partnership L.P., Argo Capital
22 Platform (P) 2017, L.P., Argo Capital Platform (K) Series 3, L.P., ACP Crotona

1 Holdings L.P., ACP Crotona Corp. and Argo Infrastructure Partners LLC
2 (collectively “Argo Entities”), and Apollo Global Management, Inc. (“Apollo”)
3 (collectively, the “Joint Applicants”), to the Commission for all approvals
4 necessary for the Transaction. The Transaction is described fully in the
5 Application and by Trevor Mills in Joint Applicants Statement No. 1.

6 I will first explain the benefits of the Transaction from the Utilities’ perspective.
7 Additionally, I will discuss the impacts of the Transaction on rates and service.
8 Finally, I will describe the status of the commitments made by the Utilities in the
9 Prior Transaction.

10 **II. AFFIRMATIVE PUBLIC BENEFITS OF THE TRANSACTION**

11 **7. Q. What are the principal benefits that are expected to result from the**
12 **Transaction from the Utilities’ perspective?**

13 A. The Transaction, which is described in the Application and in the testimony of
14 Trevor Mills (Joint Applicants Statement No. 1), is expected to improve access to
15 capital at competitive rates. As the Commission has recognized in the past,
16 Corning is a small company that faces many of the challenges typically faced by
17 small companies with regulated utility operations. These realities of the business,
18 particularly the ever-increasing demand for capital improvement and replacement
19 projects designed to ensure continued safe and reliable customer service, also
20 increase the need for capital to fund these projects. Apollo is one of the largest
21 investors in infrastructure assets, managing \$28 billion in infrastructure equity

1 around the world, and should be able to expand on Argo’s existing track record of
2 obtaining financing on favorable terms for the Utilities.

3 Apollo has also committed to retain existing employees, including management,
4 of the Utilities and to honor existing union agreements. Key Argo employees that
5 have been active in overseeing the management and direction of the Utilities will
6 remain after the Transaction closes, enabling the Utilities to continue to provide
7 seamless, high-quality service to their customers.

8 The Pennsylvania communities served by the Utilities will also benefit from
9 Apollo’s commitment to continue the Utilities’ 2024 levels of charitable
10 contributions and local community support for three years following the
11 transaction. Mr. Mills discusses additional substantial affirmative public benefits
12 with which I agree but will not repeat here.

13 **8. Q. How does greater access to capital provide a substantial affirmative public**
14 **benefit?**

15 A. Greater access to capital essentially means two things for the Utilities – the ability
16 to borrow more money and on more favorable terms. As to more favorable terms,
17 it is more likely than not that the Utilities will, post-Transaction, be able to
18 borrow more money, for a longer term, and at lower interest rates. This should
19 allow the Utilities to do more capital projects, including those described by the
20 Utilities’ Chief Executive Officer and President Michael German (Joint
21 Applicants Statement No. 2), at a lower cost to customers. Reductions in our

1 capital costs mitigates and may delay the need for future rate relief, a clear benefit
2 to the Utilities' customers.

3 Another important aspect of being able to borrow more money at better terms is
4 the ability to respond more quickly and nimbly to address necessary infrastructure
5 projects, often as a result of unplanned events such as storms, auto accidents that
6 damage company infrastructure, etc. Enhanced access to capital will also increase
7 flexibility to invest in the Utilities' internal systems, such as more modern
8 financial accounting systems, customer service software, and improved cyber
9 security systems as needs arise.

10 **III. IMPACT OF THE TRANSACTION ON RATES AND SERVICE**

11 **9. Q. In light of Apollo's stated intentions regarding retention of current**
12 **employees, including management, what changes in the Utilities' operations**
13 **do you envision on a prospective basis?**

14 A. Our understanding is that Apollo seeks investments with highly competent and
15 established management teams and then supports management with financial and
16 strategic expertise. That support will go a long way to assure the continuation and
17 expansion of the Utilities' ability to carry out their current responsibilities as a
18 regulated utility and, in particular, to meet their obligations under currently
19 effective Commission orders and under future orders. This enhanced ability to
20 meet critical business objectives and legal commitments is a clear advantage to
21 customers.

1 **10. Q. Please provide examples of these objectives and commitments that you**
2 **believe will benefit from Apollo’s financial strength and its support for local**
3 **management.**

4 A. Apollo’s strong financial position and decades of experience in managing
5 infrastructure investments will be critical in our continuing and future efforts to
6 meet the Utilities’ needs for low-cost capital. For example, when our existing
7 credit facilities expire and need to be renewed, Apollo’s substantial financial
8 resources and ability to access the capital markets will allow us to refinance at
9 what we believe will be favorable rates. These lower costs will in turn allow us to
10 do more projects and relieve the natural upward pressure on customer rates.

11 **11. Q. Will the addition of Apollo as a new controlling entity of Corning and the**
12 **Utilities be seamless to customers?**

13 A. Yes. The Transaction will have no adverse impact on the Utilities’ customers,
14 including their rates and service. As I discussed above, there will be continuity of
15 management and operations. The Utilities will continue to operate and charge
16 duly authorized rates under terms of service previously approved by this
17 Commission as Pennsylvania public utilities subject to the continuing jurisdiction
18 of the Commission. There will be no reduction in the Commission’s existing
19 oversight or any diminishment in the authority of the Commission over the
20 Utilities as a result of the Transaction. The Transaction will not adversely affect
21 the management, service, rates, or day-to-day operations of the Utilities.

- 1 • The Utilities did not request a capital structure for ratemaking purposes
2 that is outside the range of capital structure employed by comparable gas
3 and electric utilities in Pennsylvania.
- 4 • The Utilities have not guaranteed any debt of Argo or its affiliates with
5 prior Commission approval, granted liens on their property, or made any
6 loans or extensions of credit to Argo or its affiliates for a term of more
7 than one year absent Commission approval.
- 8 • The Utilities maintained their levels of community involvement and
9 charitable contributions for at least three years post-closing of the last
10 change of control.
- 11 • The Utilities provided a one-time per customer bill credit to all customers
12 at the time of the credit in recognition of then estimated merger cost
13 savings from the last change of control transaction.
- 14 • The Utilities are still currently studying the feasibility of interconnection
15 with PJM Interconnection L.L.C., with the report on such study to be
16 submitted to the Commission and other parties by no later than July 6,
17 2025.
- 18 • The Utilities (and Argo affiliates) have not passed along to customers any
19 acquisition premium or transaction costs associated with the Prior
20 Transaction. Further, no goodwill has been shown in the Utilities’ annual
21 reports to the Commission, or included in the equity component of their

1 capitalization for calculating their return, future revenue requirements or
2 other component of their rates.

3 Andrew Zaroulis will discuss the status of the commitments made by Argo or
4 jointly with the Utilities.

5 **V. CONCLUSION**

6 **13. Q. Does this conclude your direct testimony?**

7 A. Yes, it does. However, I reserve the right to provide such additional testimony as
8 deemed necessary or appropriate.

9

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

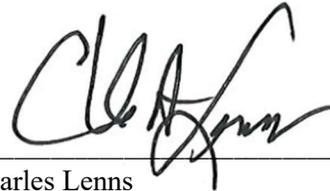
**JOINT APPLICATION OF PIKE COUNTY
LIGHT AND POWER COMPANY,
LEATHERSTOCKING GAS COMPANY,
LLC, CORNING ENERGY CORPORATION,
ACP SERIES 3 PARTNERSHIP L.P., ARGO
CAPITAL PLATFORM (P) 2017, L.P., ARGO
CAPITAL PLATFORM (K) SERIES 3, L.P.,
ACP CROTONA HOLDINGS L.P., ACP
CROTONA CORP., ARGO
INFRASTRUCTURE PARTNERS LLC AND
APOLLO GLOBAL MANAGEMENT, INC.
FOR A CERTIFICATE OF PUBLIC
CONVENIENCE UNDER SECTIONS
1102(A)(3) AND 1103 OF THE PUBLIC
UTILITY CODE AND ALL OTHER
NECESSARY APPROVALS TO EFFECT AN
INDIRECT CHANGE OF CONTROL OF
PIKE COUNTY LIGHT AND POWER
COMPANY'S AND LEATHERSTOCKING
GAS COMPANY'S PARENT COMPANY,
CORNING ENERGY CORPORATION**

Docket No. A-2025-_____

VERIFICATION

I, Charles Lenns, hereby declare that I am the President and Chief Financial Officer and Treasurer of Corning Natural Gas Corporation, Pike County Light and Power Company and Leatherstocking Gas Company and Corning Energy Corporation; that, as such, I am authorized to make this verification on their behalf; that the facts set forth in the foregoing Joint Application and Statement are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

DATE: May 19, 2025



Charles Lenns
President, Chief Financial Officer and Treasurer
of Corning Natural Gas Corporation, Pike County
Light & Power Company, Leatherstocking Gas
Company, and Corning Energy Corporation

**JOINT APPLICANTS
STATEMENT NO. 4**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PIKE COUNTY LIGHT AND POWER COMPANY, LEATHERSTOCKING GAS COMPANY, LLC, CORNING ENERGY CORPORATION, ACP SERIES 3 PARTNERSHIP L.P., ARGO CAPITAL PLATFORM (P) 2017, L.P., ARGO CAPITAL PLATFORM (K) SERIES 3, L.P., ACP CROTONA HOLDINGS L.P., ACP CROTONA CORP., ARGO INFRASTRUCTURE PARTNERS LLC AND APOLLO GLOBAL MANAGEMENT, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE UNDER SECTIONS 1102(A)(3) AND 1103 OF THE PUBLIC UTILITY CODE AND ALL OTHER NECESSARY APPROVALS TO EFFECT AN INDIRECT CHANGE OF CONTROL OF PIKE COUNTY LIGHT AND POWER COMPANY'S AND LEATHERSTOCKING GAS COMPANY'S PARENT COMPANY, CORNING ENERGY CORPORATION

DOCKET NO. A-2025-

DIRECT TESTIMONY

WITNESS: ANDREW ZAROULIS

SUBJECT: ARGO'S ROLE IN THE OWNERSHIP
AND CONTROL OF THE UTILITIES;
IMPACTS AND BENEFITS OF THE
PROPOSED TRANSACTION

DATED: MAY 19, 2025

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III. REASONS FOR THE PROPOSED TRANSACTION AND BENEFITS OF ADDING APOLLO AS A NEW CONTROLLING INTEREST.....	7
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1 following portfolio companies: DQE Holdings LLC (“DQE”), the parent
2 company of Duquesne Light Company, an electric transmission and distribution
3 utility serving 600,000 customers in southwestern Pennsylvania; Bayonne Water
4 and Middletown Water, water and wastewater concessions with the City of
5 Bayonne (NJ) and the Borough of Middletown (PA), respectively; Cross-Sound
6 Cable Company (“CSC”), a vital electric interconnection in the Northeast U.S.;
7 Colorado IPP (“CIPP”), a 200 MW combined-cycle power plant owned in
8 partnership with Black Hills Corp.; Hawaii Gas, a regulated gas and propane
9 distribution business in Hawaii; TierPoint, a leading owner and provider of
10 colocation data centers throughout the U.S.; LAZ Parking (“LAZ”), a nationwide
11 parking services operator; and Smoky Mountain Hydro, a 378-MW hydroelectric
12 power portfolio in the Tennessee Valley region. I currently serve or have served
13 on the boards of TierPoint, CIPP, LAZ and other Argo portfolio companies.

14 Prior to Argo, I was a member of Macquarie Group’s infrastructure investment
15 team in the United States. Among other transactions with Macquarie, in 2007-08
16 I participated in the \$3.5 billion acquisition by an investor group led by
17 Macquarie of Puget Energy, the parent of Puget Sound Energy, an electric and gas
18 transmission and distribution utility in Washington State.

19 **4. Q. What are your duties at Argo?**

20 A. I am a Managing Director at Argo and one of the three members of the firm’s
21 Management Committee. I have day-to-day oversight responsibilities for many
22 aspects of Argo’s operations, in particular our asset management activities. I

1 serve as Chair of the Risk and Performance Management Committee, which is
2 responsible for the oversight of financial and operating performance of each of the
3 investments in our managed portfolio, as well as activities involving fund
4 operations, fund-level performance, finance, and reporting. I am also a member
5 of the firm’s Investment Committee, which oversees the investment teams in
6 finding, analyzing and acquiring new infrastructure investments.

7 **5. Q. Have you previously testified before the Pennsylvania Utility Commission**
8 **(“Commission”)?**

9 A. No.

10 **6. Q. What is the purpose of your testimony?**

11 A. My testimony supports the Joint Application of Pike, Leatherstocking, Corning
12 Energy Corporation f/k/a Corning Natural Gas Holding Corporation, ACP Series
13 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P., Argo Capital Platform
14 (K) Series 3, L.P., ACP Crotona Holdings L.P., ACP Crotona Corp. and Argo
15 Infrastructure Partners LLC (collectively “Argo Entities”), and Apollo Global
16 Management, Inc. (“Apollo”) (collectively, the “Joint Applicants”) for CPCs
17 under Sections 1102(a)(3) and 1103 of the Public Utility Code that was filed with
18 this Commission on May 19, 2025 (the “Application”). The Application requests
19 Commission approval for Apollo’s proposed acquisition of Argo’s business and
20 assets, which will result in a new controlling interest in Corning, the direct parent
21 of the Utilities. The proposed transaction (“Transaction”) is described in the
22 Application and by Trevor Mills in Joint Applicants Statement No. 1.

1 Under the Transaction, the general partner of the Argo investment funds that
2 currently control Corning and the Utilities will be replaced by an entity indirectly
3 owned by Apollo, and the Argo employees and managers involved in the
4 management of the Utilities will transfer to Apollo and continue to participate in
5 their current roles.

6 In this testimony, I will first provide relevant background concerning the
7 Transaction, including Argo's current role in the ownership and management of
8 the Utilities and expected changes following the Transaction and Argo's
9 compliance with the commitments made to the Commission in the Prior
10 Transaction. I will then describe the reasons Argo is pursuing the current
11 Transaction with Apollo. As part of that discussion, I will explain why, from
12 Argo's perspective, Apollo's assumption of Argo's managerial role will be
13 beneficial to the Utilities and the Utilities' customers in the future.

14 **II. ARGO'S CURRENT ROLE IN THE MANAGEMENT OF THE UTILITIES AND**
15 **EXPECTED CHANGES UNDER THE TRANSACTION**

16 **7. Q. Please provide a brief overview of Argo and its current operations.**

17 A. Argo is an independent infrastructure investment management firm headquartered
18 in New York. Argo's investment focus is high-quality U.S. infrastructure assets
19 that provide essential services to the communities they serve, including regulated
20 utilities, contracted power and renewables and other long-duration assets or
21 concessions. Argo's team includes highly experienced senior principals who
22 have, on average, over 20 years of experience in acquiring and managing many
23 utility businesses, including Corning, DQE, SourceGas, CLECO, Puget Energy,

1 Summit Utilities and Michigan Electric Transmission Company.

2 Argo currently manages approximately \$6.5 billion of invested and committed
3 capital on behalf of its institutional investor partners. Since closing of its first
4 investment partnership in 2015, Argo has expanded its managed assets that
5 provide essential services to the communities they serve. Today, Argo's
6 investment portfolio consists of 18 high-quality infrastructure businesses,
7 including regulated utilities, contracted power and renewables and other long
8 duration assets or concessions.

9 **8. Q. Please describe the current ownership and control structure of the Utilities**
10 **following the closing of the Commission-approved Prior Transaction.**

11 A. Since 2022, Argo-managed entities have owned and controlled Corning, which is
12 the Utilities' direct parent. Following the Prior Transaction, the Utilities
13 continued to operate as stand-alone utilities with no changes to the Utilities'
14 management teams, workforce, or corporate headquarters. Importantly, Argo,
15 through its various investment entities, arranged for long-term debt capital to
16 provide necessary funding for the Utilities' systems, operations and growth. Argo
17 maintained its established practice of holding its portfolio companies as separate
18 entities with individual dedicated governance structures, stand-alone management
19 teams that are integrated into local communities, and dedicated boards of directors
20 with strong governance protocols.

21 Argo's philosophy with respect to utility companies has been one of oversight and
22 support. In implementing the Prior Transaction, Argo maintained the local

1 management teams and has provided them with the tools and capital they needed
2 to operate and improve their companies. Through its seats on the Utilities'
3 boards, Argo established a framework for management that provides a structure
4 for executing on the mutually-agreed business goals and for delivering on its
5 responsibilities to all stakeholders. It is Argo's understanding that Apollo intends
6 to add Argo's experienced team, including the employees involved in the
7 management of the Utilities, to Apollo's infrastructure platform under similar
8 roles following closing on the Transaction.

9 **9. Q. What is your understanding of Apollo's plans relative to the current**
10 **governance and operational structure of the entities in a direct line of**
11 **ownership to the Utilities and the Utilities themselves?**

12 A. Argo's understanding is that Apollo will essentially continue with this structure
13 with the exception of an Apollo affiliate assuming Argo Infrastructure Partners
14 LLC's responsibilities as the general partner of ACP Crotona Holdings, L.P. As I
15 noted above, Argo's current employees and managers involved in management of
16 the Utilities will continue in their roles, albeit as employees, representatives and
17 appointees of Apollo.

18 **10. Q. Can you describe what is not expected to change following closing on the**
19 **Transaction?**

20 A. Yes. The following will not change post-closing of the Transaction:

- 21 • The ownership (including the identity of the owners and their respective

1 percentage ownership) of the various entities leading to Corning and
2 ultimately to the Utilities will not change.

- 3 • The composition of the boards of directors for any of the entities leading
4 to and including Corning and the Utilities will not change.
- 5 • Argo holds a collective 0.24% ownership interest in Corning, which is
6 held indirectly through the three general partners of Argo managed funds.
7 Apollo will not be acquiring these interests, which will remain with
8 Argo's parent company, Argo LP, post Transaction.

9 **III. REASONS FOR THE PROPOSED TRANSACTION AND BENEFITS OF**
10 **ADDING APOLLO AS A NEW CONTROLLING INTEREST**

11 **11. Q. Why is Argo entering into the Transaction with Apollo?**

12 A. The majority owner of Argo is pursuing the Transaction with Apollo as a means
13 of exiting its investment in the firm.

14 **12. Q. Has Argo met the commitments it made under the Prior Transaction**
15 **approved by the Commission?**

16 A. Yes. Some of the commitments were designed to be implemented by Argo, and
17 others were intended to be implemented by the Utilities, which are addressed by
18 Charles Lennox in his direct testimony (Joint Applicants Statement No. 3).

19 Specific commitments met by Argo entities are as follows.

- 20 • Dividend payments to ACP Crotona Corp. were consistent with
21 maintaining adequate available funding for utility operations to maintain

- 1 safe and reliable service at just and reasonable rates.
- 2 • No debt to Argo was guaranteed unless a Commission determination was
3 rendered that a securities certificate should be granted approving the
4 transaction.
 - 5 • Argo has complied with all applicable requirements of the Public Utility
6 Code.
 - 7 • As discussed earlier in my testimony, Argo has operated Corning and the
8 Utilities as standalone utilities and maintained policies consistent with
9 continuity in employment and management. Customer service and system
10 operations remain local, and the Utilities retain their roles and character as
11 hometown providers of public service. Board governance has reflected
12 Argo's best practices and Environmental, Social and Governance
13 commitment, and included six members: the Corning Chief Executive
14 Officer, an independent member with ties to the local communities and
15 four experienced board members that were appointed by Argo.
 - 16 • Argo has maintained separate debt financing for the Utilities and
17 preserved an overall cost of capital consistent with the Utilities prior
18 capital structure.
 - 19 • Argo met its 12-month commitment to maintain net employment levels at
20 the Utilities and compensation levels and retirement benefits to employees
21 at least as favorable as those in place immediately before the Prior
22 Transaction was implemented. Argo has honored all union contracts.

- 1 • Argo continued prior levels of corporate charitable contributions,
2 community support and economic development following the closing of
3 the Prior Transaction. Argo evaluated existing practices in the areas of
4 charitable giving, event participation, and employee volunteerism.
- 5 • Argo caused the Utilities to continue capital expenditures in accordance
6 with their pre-existing plans.
- 7 • Argo has abided by the terms of the Affiliated Interest Agreement dated
8 September 1, 2020, that was approved by the Commission at Docket Nos.
9 G-2019-3008821, G-2019-3009610 and G-2019-3009611.
- 10 • Argo has maintained the Utilities' corporate headquarters inside their
11 respective service territories.
- 12 • Argo has operated consistent with Commission jurisdiction, made its
13 books and records available to the Commission, and has been responsive
14 and available to the Commission and its representatives.

15 **13. Q. Is it Argo's expectation that Apollo is positioned to further advance benefits**
16 **initiated by Argo during its tenure?**

17 A. Yes. Apollo is an institutional asset manager with enormous scale as described by
18 Trevor Mills in Joint Applicants' Statement No. 1. Apollo should be able to
19 leverage that scale into favorable terms for future capital required by the Utilities.
20 Also, as explained in Michael German's direct testimony (Joint Applicants
21 Statement No. 2), Pike is undertaking substantial investments in infrastructure
22 improvements over the next several years, and there is significant potential for

1 further natural gas service expansions to new customers by the Utilities in
2 underserved areas in Pennsylvania. Apollo’s financial resources and expertise,
3 including the ability to support the Utilities’ obtaining debt capital at favorable
4 terms to support these investments and expansions, should significantly benefit
5 current and new customers of the Utilities. Finally, studies are underway on the
6 feasibility and cost/benefit of establishing an interconnection between Pike and
7 the PJM Interconnection LLC (“PJM”). PJM is the regional transmission
8 organization that serves the great majority of Pennsylvania. As explained by Mr.
9 German, should the studies demonstrate that an interconnection with PJM will be
10 beneficial to customers, Apollo’s ability to facilitate the Utilities’ access to capital
11 on competitive terms could play a valuable role in making the interconnection a
12 reality.

13 **14. Q. When do you expect the Transaction to close?**

14 A. The Transaction will close upon receipt of all approvals, including that of the
15 Commission.

16 **IV. CONCLUSION**

17 **15. Q. What are your conclusions regarding whether the proposed Transaction**
18 **should be found to be in the public interest?**

19 A. In my view, the Transaction is in the public interest because Apollo has
20 demonstrated substantial affirmative public benefits that will accrue to the public,
21 including the Utilities’ customers and the communities they serve, building upon
22 the strong foundation established by Argo since the Prior Transaction closed.

1 Apollo is an experienced, well-qualified manager of investment funds and will
2 provide the Utilities with the resources and expertise, including access to capital
3 on favorable terms, that they need to be successful. At the same time, Apollo
4 intends to continue to afford its affiliates the autonomy they require to be able to
5 address their unique, local circumstances.

6 Argo agrees with Apollo that the benefits of the proposed Transaction outlined in
7 Mr. Mills' direct testimony support a determination by the Commission that this
8 Transaction meets Pennsylvania's affirmative benefits legal requirement for the
9 issuance of a CPC and such approval should be granted promptly.

10 **16. Q. Does this conclude your direct testimony?**

11 A. Yes, it does. However, I reserve the right to supplement this testimony or file
12 additional testimony as deemed necessary or appropriate.

13

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF PIKE
COUNTY LIGHT AND POWER
COMPANY, LEATHERSTOCKING GAS
COMPANY, LLC, CORNING ENERGY
CORPORATION, ACP SERIES 3
PARTNERSHIP L.P., ARGO CAPITAL
PLATFORM (P) 2017, L.P., ARGO
CAPITAL PLATFORM (K) SERIES 3,
L.P., ACP CROTONA HOLDINGS L.P.,
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AN INDIRECT CHANGE OF CONTROL
OF PIKE COUNTY LIGHT AND
POWER COMPANY'S AND
LEATHERSTOCKING GAS
COMPANY'S PARENT COMPANY,
CORNING ENERGY CORPORATION**

Docket No. A-2025-_____

VERIFICATION

I, Andrew Zaroulis, hereby declare that I am the Managing Director and a senior investment professional at Argo Infrastructure Partners LP; that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Joint Application and Statement are true and correct to the best of my knowledge, information, and belief; and that I make this verification subject to the penalties of 18 Pa. C.S.A. § 4904 pertaining to false statements to authorities.

DATE: May 19, 2025



Andrew Zaroulis
Managing Director and Senior Investment Professional
Argo Infrastructure Partners LP