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 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, | Docket Nos.:  
 L.P., ACP Crotona Holdings, L.P., ACP | A-2025-3055264  
 Crotona Corp., Argo Infrastructure | A-2025-3055265  
 Partners, LLC and Apollo Global | A-2025-3055335  
 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 |

Initial Call-In Telephonic Hearing

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Judge's Chambers  
 Commonwealth Keystone  
 Building - Plaza Level  
 400 North Street  
 Harrisburg, PA 17120

November 5, 2025

Commencing at 11:14 a.m.

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Exhibit Joint 1

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Exhibit Joint 1-R

Rebuttal Testimony of

Trevor Mills 34 37

Exhibit Joint 1-RJ

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Direct Testimony of

Michael I. German 35 37

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Tony Dorazio 35 37

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Surrebuttal Testimony

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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 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 Nos. A-2025-3055264  
A-2025-3055265  
A-2025-3055335**

**LIST OF JOINT APPLICANTS TESTIMONY & EXHIBITS**

**JOINT APPLICANTS Statement No. 1: Direct Testimony of Trevor Mills**

**JOINT APPLICANTS Statement No. 1-R: Rebuttal Testimony of Trevor Mills**

**JOINT APPLICANTS Statement No. 1-RJ: Rejoinder Testimony of Trevor Mills**

**JOINT APPLICANTS Statement No. 2: Direct Testimony of Michael I. German\***

**JOINT APPLICANTS Statement No. 2-R: Rebuttal Testimony of Tony Dorazio**

**JOINT APPLICANTS Statement No. 2-RJ: Rejoinder Testimony of Tony Dorazio**

**JOINT APPLICANTS Statement No. 3: Direct Testimony of Charles Lenns**

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**JOINT APPLICANTS Statement No. 3-RJ: Rejoinder Testimony of Charles Lenns**

**JOINT APPLICANTS Exhibit TD-1RJ (Confidential) Response to Interrogatory OCA-2-1**

**JOINT APPLICANTS Statement No. 4: Direct Testimony of Andrew Zaroulis**

**Joint Application (filed with the Commission on May 19, 2025)**

**Joint Applicants Exhibit B – Diagrams of Corning Pre- and Post- Transaction Corporation Structure**

**Joint Applicants Exhibit C – Commitments List**

\* The direct testimony of Joint Applicants witness Michael I. German originally filed with the Application in this proceeding was adopted by Joint Applicants witness Tony Dorazio following Mr. German's retirement.

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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”),<sup>1</sup> 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

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<sup>1</sup> 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.<sup>2</sup> 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.

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<sup>2</sup> 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 merger<sup>3</sup> 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.<sup>4</sup> Rather, that test is satisfied when the record evidence shows that a proposed transaction, viewed as a whole, will produce an affirmative public benefit.<sup>5</sup>

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<sup>3</sup> *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.

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

<sup>5</sup> *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,<sup>6</sup> 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.<sup>7</sup>

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.<sup>8</sup>

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

<sup>7</sup> *Id.*

<sup>8</sup> 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. Lennox 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,



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*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

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Jessica L. Lomm  
Secretary  
Apollo Global Management, Inc.

**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-

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DIRECT TESTIMONY

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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  
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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



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Trevor Mills

**JOINT APPLICANTS  
STATEMENT NO. 1-R**

**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 NOS. A-2025-3055326, A-2025-3055265 AND A-2025-3055335**

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**REBUTTAL TESTIMONY**

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**WITNESS: TREVOR MILLS**

**SUBJECT: PROPOSED TRANSACTION BENEFITS**

**DATED: OCTOBER 9, 2025**

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**REBUTTAL 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. Have you previously submitted testimony in this proceeding?**

9 A. Yes. I submitted direct testimony on behalf of Pike County Light & Power Company  
10 (“Pike”), Leatherstocking Gas Company, LLC (“Leatherstocking”), Corning Energy  
11 Corporation f/k/a Corning Natural Gas Holding Corporation (“Corning”), ACP Series  
12 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P., Argo Capital Platform (K)  
13 Series 3, L.P., ACP Crotona Holdings LP, ACP Crotona Corp. and Argo  
14 Infrastructure Partners LLC (collectively, “Argo Entities”), and Apollo Global  
15 Management, Inc. (“Apollo”) (collectively, the “Joint Applicants”), which was  
16 marked as Joint Applicants Statement No. 1. My background and qualifications are  
17 set forth in that statement.

18 **3. Q. What is the purpose of your rebuttal testimony?**

19 A. The overarching purpose of my rebuttal testimony is to reiterate why the addition of  
20 Apollo in the controlling structure of Pike and Leatherstocking (collectively, the  
21 “Utilities”) following Apollo’s acquisition of the infrastructure business of Argo  
22 Infrastructure Partners LLC (“Argo”) (the “Transaction”) will serve the public  
23 interest and produce substantial affirmative benefits. To that end, I first review the  
24 numerous commitments that the Joint Applicants presented in their initial filing, and

1 then discuss the additional commitments offered in this rebuttal testimony in response  
2 to certain concerns raised by witnesses on behalf of the Office of Consumer Advocate  
3 (“OCA”) and the Office of Small Business Advocate (“OSBA”) to provide added  
4 assurance that the Transaction will serve the public interest and produce substantial  
5 affirmative benefits. Second, I will address the OCA’s and the OSBA’s claims that  
6 the Transaction benefits claimed by the Joint Applicants are insufficient or  
7 unsubstantiated. As part of that discussion, I will respond to general concerns raised  
8 by OCA witness Lafayette K. Morgan, Jr. about investment fund and asset manager  
9 control of the Utilities. Finally, I will explain why the potential risks identified by the  
10 OCA and the OSBA either are overstated or have been adequately addressed by the  
11 Joint Applicants’ ring-fencing commitments.

## 12 **II. REVIEW OF THE JOINT APPLICANTS’ COMMITMENTS**

13 **4. Q. Please summarize why you believe the Transaction will serve the public interest**  
14 **and briefly describe the commitments that the Joint Applicants made with their**  
15 **initial filing.**

16 A. Apollo is a large, well-qualified manager of investment funds with global reach and  
17 will provide the Utilities with greater and continuous access to stable, long-term  
18 capital on reasonable terms that the Utilities need for future infrastructure  
19 improvements and service expansions in northeastern Pennsylvania. In our Joint  
20 Application and direct testimony, the Joint Applicants made several other significant  
21 commitments, including retention of the Utilities’ existing highly qualified  
22 management teams, honoring current collective bargaining agreements, implementing  
23 important ring-fencing measures, assuring the maintenance of the Utilities’ existing

1 levels of charitable contributions, and providing wage and benefit protections for  
2 current employees.

3 **5. Q. Are there any additional commitments that the Joint Applicants are willing to**  
4 **make based on their review of the OCA's and the OSBA's direct testimony?**

5 A. Yes. As discussed later in my rebuttal testimony, the Joint Applicants have agreed to  
6 expand our list of commitments to include: (1) agreeing not to make any loans to or  
7 otherwise extend credit to ACP Crotona Corp., Apollo, or their affiliates, and  
8 (2) continuing capital expenditures in accordance with the Utilities' pre-existing,  
9 long-term infrastructure improvement plans.

10 **III. THE TRANSACTION WILL PRODUCE SUBSTANTIAL AFFIRMATIVE**  
11 **PUBLIC BENEFITS**

12 **6. Q. OSBA witness Jason Price suggests that the benefit of enhanced access to capital**  
13 **cited by the Joint Applicants is unsubstantiated because they did not quantify**  
14 **incremental cost savings from Apollo's ability to secure better financing terms**  
15 **for the Utilities. Is that a correct characterization of this benefit?**

16 A. No. While a precise, quantitative value for greater access to capital is not currently  
17 possible, as one of the largest global investors in infrastructure with a long track  
18 record of strong financial performance, Apollo will be able to expand on the  
19 enhanced access to capital initiated by the Argo Entities. As explained in my direct  
20 testimony, Apollo has significant bargaining power in funding markets and leverages  
21 its size and reputation to access diverse funding sources and negotiate favorable terms  
22 from lenders and investors. Year to date, Apollo Capital Services has engaged in  
23 over \$47 billion in debt financing with over \$116 million in savings, and we have  
24 strong relationships with many investors throughout the energy sector. The scale of

1 the transactions that Apollo undertakes and its capabilities are reflected in two  
2 examples:

- 3 • For a large European electric utility, we created a strategic capital solution  
4 through the issuance of over \$4 billion in fixed-rate callable notes with a  
5 multi-tranche structure to provide the utility with both additional necessary  
6 capital and flexibility for future financing needs.
- 7 • For a new joint venture involved in the liquified natural gas industry, we  
8 placed a \$1.45 billion term loan in a challenging debt market environment,  
9 starting with 10 different banks along with 10 direct lenders and achieving a  
10 tailored financial solution involving five direct lenders that removed market  
11 uncertainty.

12 Given our capabilities, the Utilities will likely be able to borrow more money for a  
13 longer term and at lower interest rates with Apollo involvement.

14 **7. Q. OCA witness Morgan agrees that Apollo will provide greater access to capital to**  
15 **fund future infrastructure improvements and expand natural gas service, but he**  
16 **raises a concern that those benefits may be short-lived because the Transaction**  
17 **could begin a pattern of selling the Utilities for a quick profit. Do you agree?**

18 A. No. Mr. Lafayette incorrectly assumes that Argo is “selling” the Utilities. Following  
19 the consummation of the contemplated Transaction, Corning and the Utilities will  
20 continue to be owned by the same ACP S3 managed funds that own Corning today.  
21 Those investments funds have 15+ year horizons and are fundamentally different  
22 from other private equity investments that operate on a much shorter time horizon and  
23 achieve expected returns only upon sale of underlying assets. Apollo’s acquisition of  
24 Argo’s entire infrastructure business and maintenance of the existing Argo-managed  
25 funds are consistent with Apollo’s long-term investment goals in infrastructure and  
26 should not be viewed as a change in equity ownership because the economic  
27 ownership remains with the same managed funds. I can also confirm that Apollo will

1 continue to support the Utilities' capital expenditures in accordance with the existing  
2 long-term infrastructure improvement plans.

3 **8. Q. Mr. Lafayette also criticizes the Joint Applicants for not committing to provide**  
4 **any capital raised by Apollo Capital Solutions at cost pursuant to an affiliate**  
5 **interest agreement. Please comment.**

6 A. The OCA's proposed requirement that Apollo raise capital and manage debt offerings  
7 at cost would effectively require Apollo's affiliated investment management business  
8 to operate at a loss in any such transaction. In the event that Apollo Capital does  
9 provide capital to Corning or the Utilities, any fee would be consistent with market  
10 practices. If Apollo were to attempt to charge above-market fees it would not be able  
11 to raise capital because excessive fees will not be accepted by the market. Because of  
12 Apollo's scale and financial strength, the Joint Applicants believe that debt and equity  
13 costs for the Utilities will be lower than the costs that Argo was able to achieve in  
14 equivalent market conditions.

15 While Apollo has not determined whether it might be possible to raise capital for the  
16 Utilities with other Apollo entities, Apollo expects to continue separate capital raises  
17 and debt offerings for Corning and the Utilities. Nonetheless, to allay the concerns  
18 raised by the OCA, Apollo is willing to commit to a notification mechanism by which  
19 any such equity or debt offering combined with any other Apollo-affiliated entities  
20 would be undertaken only after reasonable advance notice to the OCA and the OSBA.

21

1 9. Q. OSBA witness Price implies that Apollo’s expertise in strategy development and  
2 management practices is entitled to little consideration in assessing Transaction  
3 benefits because Apollo does not currently own regulated electric and gas  
4 distribution companies. Do you agree?

5 A. No. While Apollo does not directly own distribution gas or electric utilities, Apollo  
6 has extensive investments and assets under management in regulated energy  
7 businesses, including various wholesale electric generation companies around the  
8 country. Moreover, as explained in my direct testimony, Argo’s experienced team,  
9 which currently oversees management of the Utilities, will join Apollo’s  
10 infrastructure group. The Transaction will also allow the Argo team and Utilities to  
11 access Apollo’s deep expertise in managing hundreds of portfolio companies across  
12 multiple industry segments.

13 Mr. Price’s related claim that Apollo will not be able to hire and retain skilled  
14 employees in the electric and gas distribution industry in the future is also unfounded.  
15 Under Argo’s management, which will be continuing after the Transaction, Corning  
16 and the Utilities underwent a change in leadership with Anthony Dorazio’s  
17 appointment as Chief Executive Officer upon Michael German’s retirement.

18 10. Q. The OCA claims that the Joint Applicants’ commitment regarding charitable  
19 contributions is insignificant and of little value to the communities served by the  
20 Utilities given the relatively small size of those contributions. Do you agree?

21 A. No. I am not aware of any prohibition today that would preclude the Utilities from  
22 reducing their levels of charitable support. By making a specific commitment in this

1 area, the Joint Applicants have provided assurances that do not presently exist to  
2 provide real, tangible value to the communities served by the Utilities.

3 **IV. THE TRANSACTION DOES NOT CREATE NEW RISK FOR CUSTOMERS**

4 **11. Q. In addition to questioning the benefits of the Transaction, OSBA witness Mark**  
5 **D. Ewen raises a concern that the ring-fencing measures proposed by the Joint**  
6 **Applicant may not adequately protect customers from financial risk through**  
7 **loans to Apollo and Argo entities for terms of less than one year and dividend**  
8 **payments. Is there any basis for that concern?**

9 A. No. Since the proposed Transaction does not involve a change in economic  
10 ownership, Apollo will maintain the ring-fencing commitments approved by the  
11 Pennsylvania Public Utility Commission (“Commission”) in the 2022 Corning-Argo  
12 acquisition proceeding at Docket No. A-2021-30235659. Those commitments  
13 include maintaining the separate existence of the Utilities and ensuring that the  
14 Utilities will not guarantee the debt of any Apollo entity not regulated by the  
15 Commission. Apollo will enhance these commitments by acknowledging that the  
16 Utilities will make no loans to Apollo or Argo or their affiliates. Apollo is not  
17 expecting any changes in dividend payments to the Utilities’ ultimate upstream owner  
18 following the Transaction. Moreover, as explained by Anthony Dorazio in Joint  
19 Applicants Statement No. 2-R, the Utilities examine the best use of cash considering  
20 the long-term interests of owners and the Utilities before making any dividend  
21 payments.

1 12. Q. Please respond to the OCA’s request to clarify the Joint Applicants’  
2 commitment to preserve an overall cost of capital consistent with the Utilities’  
3 current capital structure, absent any external influences.

4 A. The “external influences” contemplated by this clause relate to regulatory directions  
5 from the Commission with respect to the future capital structure of the Utilities.  
6 Apollo has not identified any other external influences that would require a change in  
7 the capital structure of the Utilities. In short, the Utilities’ current capital structure  
8 will not change without Commission approval in a general base rate case proceeding.

9 V. CONCLUSION

10 13. Q. Does this conclude rebuttal direct testimony?

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

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 LP,  
ACP CROTONA CORP., ARGO  
INFRASTRUCTURE PARTNERS LLC  
AND APOLLO GLOBAL  
MANAGEMENT, INC. FOR A  
CERTIFICATE OF PUBLIC  
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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-2025-3055264  
A-2025-3055265  
A-2025-3055335**

**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 Rebuttal Testimony 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: October 9, 2025



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Trevor Mills

**JOINT APPLICANTS  
STATEMENT NO. 1-RJ**

**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 NOS. A-2025-3055326, A-2025-3055265 AND A-2025-3055335**

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**REJOINDER TESTIMONY**

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**WITNESS: TREVOR MILLS**

**SUBJECT: RESPONSE TO OFFICE OF SMALL  
BUSINESS ADVOCATE WITNESS  
JASON PRICE**

**DATED: OCTOBER 31, 2025**

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**REJOINDER 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. Have you previously submitted testimony in this proceeding?**

9 A. Yes. I submitted direct testimony on behalf of Pike County Light & Power Company  
10 (“Pike”), Leatherstocking Gas Company, LLC (“Leatherstocking”), Corning Energy  
11 Corporation f/k/a Corning Natural Gas Holding Corporation (“Corning”), ACP Series  
12 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P., Argo Capital Platform (K)  
13 Series 3, L.P., ACP Crotona Holdings LP, ACP Crotona Corp. and Argo  
14 Infrastructure Partners LLC (collectively, “Argo Entities”), and Apollo Global  
15 Management, Inc. (“Apollo”) (collectively, the “Joint Applicants”), which was  
16 marked as Joint Applicants Statement No. 1. My background and qualifications are  
17 set forth in that statement. I also submitted rebuttal testimony marked as Joint  
18 Applicants Statement No. 1-R.

19 **3. Q. What is the purpose of your rebuttal testimony?**

20 A. My rejoinder testimony responds to two averments in the surrebuttal testimony of  
21 Office of Small Business Advocate (“OSBA”) witness Jason Price. First, I will  
22 address Mr. Price’s contention that Apollo’s experience as an investor in wholesale  
23 electric generation companies is unlikely to benefit the Utilities. Second, I will

1 respond to Mr. Price’s criticism of my rebuttal testimony that provides examples of  
2 favorable financing terms secured by Apollo for other businesses.

3 **II. RESPONSE TO OSBA WITNESS JASON PRICE**

4 **4. Q. OSBA witness Price questions whether Apollo’s experience in managing**  
5 **investments in wholesale energy generators will benefit regulated electric and**  
6 **gas distribution companies. Do you agree?**

7 A. No. First, as a threshold matter, I believe that our experience in managing  
8 investments in wholesale energy companies provides significant perspective on  
9 markets that are directly connected to the success and operation of the Utilities. The  
10 Utilities regularly contract for power and gas supplies, and our understanding of how  
11 the entities in those markets generally function will inform our work with the  
12 management of the Utilities.

13 Second, our investments do include significant financial interests in rate-regulated  
14 utilities. For example, Apollo manages a fund that is the 100% owner of an entity  
15 formed for the sole purpose of financing a major interstate natural gas pipeline  
16 expansion for a third party-owned natural gas pipeline system that runs approximately  
17 5,300 miles from South Texas to Florida and supplies 65% of the natural gas  
18 consumed in Florida and manages both infrastructure investment and short-and long-  
19 term contracts. Transportation on the pipeline system is rate-regulated and the  
20 substantial majority of revenues are from franchised public utilities in Florida.

21 **5. Q. Mr. Price also complains that your rebuttal testimony does not explain how the**  
22 **\$116 million in estimated savings related to Apollo debt financing in 2025 was**  
23 **calculated. Please respond.**



**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF PIKE  
COUNTY LIGHT AND POWER  
COMPANY, LEATHERSTOCKING GAS  
COMPANY, LLC, CORNING ENERGY  
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PARTNERSHIP L.P., ARGO CAPITAL  
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COMPANY'S PARENT COMPANY,  
CORNING ENERGY CORPORATION**

**Docket No. A-2025-3055264  
A-2025-3055265  
A-2025-3055335**

**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 Rejoinder Testimony 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: October 31, 2025



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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-

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DIRECT TESTIMONY

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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 **DIRECT TESTIMONY**  
2 **OF**  
3 **MICHAEL I. GERMAN**

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

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

6 A. My name is Michael I. German. My business address is 330 West William Street,  
7 Corning, New York 14830.

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

9 A. I am Chief Executive Officer (“CEO”) of Pike County Light and Power Company  
10 (“Pike”) and Leatherstocking Gas Company (“Leatherstocking”) (collectively, the  
11 “Utilities”) and Corning Energy Corporation (“Corning”). The General Manager  
12 of Pike is Nancy Karlovich.

13 **3. Q. Please briefly describe your educational background and experience relative**  
14 **to this proceeding.**

15 A. I served as the President and CEO of Pike since 2016 and served as the President  
16 and CEO of Leatherstocking since 2011 up to the recent appointment of Charles  
17 Lenns as President of both companies. From 2006 to present, I have served as  
18 CEO and President of Corning Natural Gas Corporation, known as “Corning  
19 Energy Corporation,” as a result of a ministerial name change.

20 Prior to joining Corning, I was senior vice president of utility operations for  
21 Southern Union Company, where I was responsible for gas utility operations in  
22 Missouri, Pennsylvania, Rhode Island and Massachusetts. I was also president of

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 Lennox 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. Lennox 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**

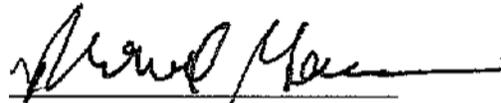
**JOINT APPLICATION OF PIKE COUNTY  
LIGHT AND POWER COMPANY,  
LEATHERSTOCKING GAS COMPANY,  
LLC, CORNING ENERGY CORPORATION,  
ACP SERIES 3 PARTNERSHIP L.P., ARGO  
CAPITAL PLATFORM (P) 2017, L.P., ARGO  
CAPITAL PLATFORM (K) SERIES 3, L.P.,  
ACP CROTONA HOLDINGS L.P., ACP  
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INFRASTRUCTURE PARTNERS LLC AND  
APOLLO GLOBAL MANAGEMENT, INC.  
FOR A CERTIFICATE OF PUBLIC  
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NECESSARY APPROVALS TO EFFECT AN  
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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. 2-R**

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 NOS. A-2025-3055264, A-2025-3055265, A-2025-3055335

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REBUTTAL TESTIMONY

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WITNESS: TONY DORAZIO

SUBJECTS: CONTINUITY OF UTILITY  
MANAGEMENT, SERVICE EXPANSION  
AND INFRASTRUCTURE  
IMPROVEMENT PLANS, CHARITABLE  
CONTRIBUTIONS, AND DIVIDEND  
POLICY

DATED: OCTOBER 9, 2025

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1 world, including the acquisition of nine electric and gas utilities, in addition to  
2 managing critical operational restructurings and strategic realignments. This  
3 experience has focused on customers and employees and has delivered safe,  
4 reliable, and affordable service. As such, my past experience directly relates to  
5 the proposed addition of Apollo Global Management, Inc. (“Apollo”) in the  
6 controlling structure of the Utilities following Apollo’s acquisition of the  
7 infrastructure business of Argo Infrastructure Partners LLC (“Argo”) (the  
8 “Transaction”).

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

11 A. No.

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

13 A. The purpose of my testimony is twofold. First, I will adopt the direct testimony  
14 (Joint Applicants<sup>1</sup> Statement No. 2) submitted on May 19, 2025 by Michael  
15 German, who was the CEO of the Utilities and CEC at that time. Second, I will  
16 address concerns raised in the direct testimony of witnesses on behalf of the  
17 Office of Consumer Advocate (“OCA”) and/or the Office of Small Business  
18 Advocate (“OSBA”) regarding (1) the impact of the Transaction on continuity of  
19 the Utilities’ management team and staffing; (2) the Utilities’ plans for service  
20 expansion and infrastructure improvements; (3) the Joint Applicants’ commitment  
21 to maintain the Utilities’ current level of charitable contributions; and (4)

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<sup>1</sup> The Joint Applicants are Pike, Leatherstocking, CEC, 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.

1 financial risks to customers arising from increased dividend payments following  
2 the Transaction.

3 **II. ADOPTION OF JOINT APPLICANTS STATEMENT NO. 2**

4 **6. Q. Have you reviewed the Direct Testimony of Michael German marked as**  
5 **Joint Applicants Statement No. 2?**

6 A. Yes.

7 **7. Q. Why are you adopting Mr. German's testimony?**

8 A. On May 19, 2025, Mr. German provided the direct testimony marked as Joint  
9 Applicants Statement No. 2 in his role as CEO of the Utilities and CEC.

10 Thereafter, Mr. German voluntarily retired as CEO at age 74. I assumed that role  
11 on June 2, 2025, and will testify on the Utilities' and CEC's behalf.

12 **8. Q. Do you have any changes to Joint Applicant Statement No. 2?**

13 A. No. Other than my own qualifications and employment history as described  
14 above in lieu of what was originally provided by Mr. German, I hereby adopt  
15 Joint Applicants Statement No. 2 as originally submitted in this proceeding by the  
16 Joint Applicants on May 19, 2025.

17

1 **III. THE TRANSACTION WILL NOT ADVERSELY IMPACT CONTINUITY OF**  
2 **THE UTILITIES' MANAGEMENT AND STAFFING**

3 **9. Q. OSBA witness Jason Price claims that Apollo will not be able to effectively**  
4 **manage Pike and Leatherstocking employee departures or transitions in the**  
5 **future because Apollo does not currently own regulated electric and gas**  
6 **distribution companies. Do you agree with this testimony?**

7 A. No. Mr. Price ignores the fact that Argo's experienced team that currently  
8 oversees management of the Utilities will join Apollo's infrastructure group and  
9 continue after the Transaction closes. Indeed, under Argo's oversight, the  
10 Utilities successfully hired qualified individuals for the following management  
11 positions in 2024 and 2025: CEO of the Utilities and Corning (myself); General  
12 Manager at Pike (Nancy Karlovich); Electric Manager at Pike (Larry Gaffney).  
13 In addition, the Transaction will not change any of the best practices employed by  
14 Utilities and CEC to retain, promote and hire employees and management. For  
15 example, CEC recently completed a succession review known as a "nine-box  
16 exercise" that evaluated each Pike and Leatherstocking employee based on  
17 performance and potential. Following the review, CEC developed detailed plans  
18 for training, mentorship and full succession for those employees. Further, the  
19 CEC, Pike, and Leatherstocking boards of directors serve as fiduciaries to oversee  
20 and ensure proper management and staffing at the Utilities. Those directors  
21 regularly review CEC's management retention plan and monitor how the Utilities  
22 are managing their employees for satisfaction and potential. Thus, the OSBA's  
23 concern about the post-Transaction management of the Utilities, including

1 possible loss of staff and/or management and impact on customers and service, is  
2 not justified.

3 **IV. THE OCA'S CONCERNS ABOUT THE UTILITIES' PLANS FOR SERVICE**  
4 **EXPANSION AND INFRASTRUCTURE IMPROVEMENTS ARE UNFOUNDED**

5 **10. Q. OCA witness Lafayette K. Morgan, Jr. complains the Utilities do not have a**  
6 **“formal plan” to achieve service expansion. Do the Utilities have plans**  
7 **related to opportunities to provide service to additional customers?**

8 A. Yes. It is important to understand that expansion plans are necessarily tied to  
9 changing population and economic conditions. Thus, the Utilities must be nimble  
10 enough to respond to, and have the flexibility to modify, their expansion plans as  
11 conditions may change. In addition, the business models and growth potential at  
12 Pike and Leatherstocking are different. In connection with Pike's electric  
13 distribution service, the focus is on making sure we have available or can readily  
14 acquire the equipment, such as transformers, necessary to serve new customers.  
15 Pike's growth and expansion have been and continue to be largely responsive to  
16 population growth and customer demand, including an increase in commercial  
17 businesses in Pike County, Pennsylvania. With respect to gas distribution service,  
18 there are opportunities for Pike's expansion into new areas of the service territory.  
19 At Leatherstocking, which is a relatively new and unique utility, customer  
20 expansion takes a different approach, i.e., bringing local gas to local people.  
21 While Leatherstocking is also reactive to economic and population conditions, it  
22 actively seeks out new customers where economically feasible. To support this  
23 effort, Leatherstocking has taken steps, such as obtaining United States  
24 Department of Agriculture funds to make low interest rates to customers for

1 natural gas appliances and state grants, to assist with funding of extension of gas  
2 mains.

3 **11. Q. Are the Utilities currently developing further service expansion plans?**

4 A. Yes. Our strategic plan for gas service expansion is to review areas that are in  
5 underserved locations where we can reach anchor customers, such as school  
6 districts, fire departments or other large municipal loads, while at the same time  
7 bringing safe, efficient, clean, reliable, and affordable gas service to residents  
8 within that community.

9 **12. Q. Do you believe that specific commitments on when, how, where, and at what  
10 expense the Utilities will expand service are necessary or appropriate?**

11 A. No. First, as noted previously, expansion plans are in part dependent upon the  
12 Utilities' ability to obtain greater access to capital, which will take some time  
13 after the Transaction has closed. Second, granular parameters and conditions on  
14 service expansion would place unreasonable restrictions on a process that needs to  
15 be nimble and capable of responding to changing economic conditions and  
16 population growth. The Utilities must retain the discretion to pursue expansion  
17 by the most efficient and economic means, which can change over time. For  
18 example, planned new residential developments or industrial users may not  
19 materialize when expected while another opportunity appears elsewhere.

20

1 **13. Q. OCA witness Morgan raises a concern about Leatherstocking’s ability to**  
2 **provide safe and reasonable gas service because it does not currently have a**  
3 **long-term infrastructure improvement plan (“LTIIIP”). Is that a legitimate**  
4 **concern?**

5 A. No. Mr. Morgan’s stated concern demonstrates a lack of understanding of  
6 Leatherstocking’s infrastructure, LTIIIPs, or both. First, LTIIIPs focus on the  
7 repair, replacement and improvement of a utility’s distribution system – not  
8 service expansion. The main component of gas LTIIIPs is replacement of aging  
9 cast iron and bare steel gas mains and, more recently, certain types of older plastic  
10 pipe that have a higher risk of failure and present reliability or safety concerns.  
11 Second, Leatherstocking is a relatively new utility that constructed its distribution  
12 system in 2011, *well after* the construction of the cast iron, bare steel, or older  
13 plastic vintages of pipe that now need to be repaired and replaced in Pike’s older  
14 natural gas distribution systems. The vast majority of Leatherstocking’s gas  
15 mains are composed of high-density polyethylene pipe, which is one of the most  
16 durable pipe materials used in utility construction. In high-pressure areas of its  
17 gas distribution system, Leatherstocking uses coated steel pipe with a long life  
18 span of over 40 years. In short, there is no aging Leatherstocking infrastructure to  
19 repair or replace as there is with utilities that have older distribution systems.

20 **14. Q. Is Pike committed to adhering to its PUC-approved electric and gas LTIIIPs**  
21 **after the Transaction?**

22 A. Yes. In addition, as discussed in the rebuttal testimony of Trevor Mills (Joint  
23 Applicants Statement No. 1-R), Apollo will continue to support the Utilities’

1 capital expenditures in accordance with their existing infrastructure improvement  
2 plans.

3 **V. THE JOINT APPLICANTS' COMMITMENT TO MAINTAIN 2024 LEVELS OF**  
4 **CHARITABLE SUPPORT PROVIDES CONCRETE VALUE TO COMMUNITIES**  
5 **SERVED BY THE UTILITIES**

6 **15. Q. The OCA claims that the Joint Applicants' commitment regarding charitable**  
7 **support is insubstantial given the relatively small subset of charities that**  
8 **receive those contributions. Do you agree?**

9 A. No. I disagree that the Utilities' charitable contributions do not benefit the  
10 broader community. Those voluntary shareholder contributions support the less  
11 fortunate members of the communities served by the Utilities. The Utilities'  
12 charitable support assists students within the local school districts, community  
13 members with disabilities, and essential public services (e.g., fire departments)  
14 within the community.

15 **VI. DIVIDEND PAYMENT POLICY**

16 **16. Q. Will the Utilities' policy on dividend payments change after the Transaction**  
17 **as OSBA witness Mark D. Ewen suggests?**

18 A. No. As Mr. Mills confirms in his rebuttal testimony, Apollo is not expecting to  
19 make any changes in dividend payments to the Utilities' upstream owners once  
20 the Transaction is completed. The Utilities will continue to set dividend levels  
21 based on a balance between the long-term interests of equity owners and the  
22 needs of customers. Each quarter, the Utilities examine their projected liquidity  
23 needs – such as capital expenditures for infrastructure improvements or service  
24 expansion – and will only consider dividend payments with any excess cash while

1 maintaining their PUC-approved capital structure.

2 **VII. CONCLUSION**

3 **17. Q. Does this conclude your rebuttal testimony?**

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

6

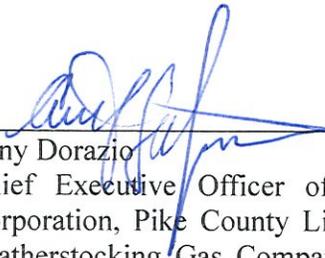
**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>JOINT APPLICATION OF PIKE COUNTY</b>	:	
<b>LIGHT AND POWER COMPANY,</b>	:	
<b>LEATHERSTOCKING GAS COMPANY,</b>	:	
<b>LLC, CORNING ENERGY</b>	:	
<b>CORPORATION, ACP SERIES 3</b>	:	
<b>PARTNERSHIP L.P., ARGO CAPITAL</b>	:	
<b>PLATFORM (P) 2017, L.P., ARGO CAPITAL</b>	:	
<b>PLATFORM (K) SERIES 3, L.P., ACP</b>	:	
<b>CROTONA HOLDINGS L.P., ACP</b>	:	<b>Docket Number: A-2025-3055264</b>
<b>CROTONA CORP., ARGO</b>	:	<b>A-2025-3055265</b>
<b>INFRASTRUCTURE PARTNERS LLC AND</b>	:	<b>A-2025-3055335</b>
<b>APOLLO GLOBAL MANAGEMENT, INC.</b>	:	
<b>FOR A CERTIFICATE OF PUBLIC</b>	:	
<b>CONVENIENCE UNDER SECTIONS</b>	:	
<b>1102(A)(3) AND 1103 OF THE PUBLIC</b>	:	
<b>UTILITY CODE AND ALL OTHER</b>	:	
<b>NECESSARY APPROVALS TO EFFECT AN</b>	:	
<b>INDIRECT CHANGE OF CONTROL OF</b>	:	
<b>PIKE COUNTY LIGHT AND POWER</b>	:	
<b>COMPANY'S AND LEATHERSTOCKING</b>	:	
<b>GAS COMPANY'S PARENT COMPANY,</b>	:	
<b>CORNING ENERGY CORPORATION.</b>	:	

**VERIFICATION**

I, Tony Dorazio, hereby declare that I am the Chief Executive Officer 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 Rebuttal Testimony 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: October 9, 2025

  
\_\_\_\_\_  
Tony Dorazio  
Chief Executive Officer of Corning Natural Gas Corporation, Pike County Light & Power Company, Leatherstocking Gas Company, and Corning Energy Corporation

**JOINT APPLICANTS  
STATEMENT NO. 2-RJ**

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 NOS. A-2025-3055264, A-2025-3055265, A-2025-3055335

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REJOINDER TESTIMONY

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WITNESS: TONY DORAZIO

SUBJECTS: CONTINUITY OF UTILITY  
MANAGEMENT, SERVICE EXPANSION  
AND INFRASTRUCTURE  
IMPROVEMENT PLANS, AND  
DIVIDEND POLICY

DATED: OCTOBER 31, 2025

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1 Apollo's value in developing strategy and management practices that will benefit  
2 the Utilities; (2) the Utilities' plans for service expansion and infrastructure  
3 improvements; and (3) dividend payments by the Utilities following the closing of  
4 the Transaction.

5 **II. APOLLO WILL PROVIDE ADDED VALUE IN DEVELOPING STRATEGY**  
6 **AND MANAGEMENT PRACTICES**

7 **5. Q. OSBA witness Jason Price claims that because Argo's management will**  
8 **continue in their current roles after the Transaction closes Apollo will not**  
9 **provide additional value in developing strategy and management practices**  
10 **for the Utilities. Do you agree with this testimony?**

11 A. No. While current Argo personnel will continue in their current roles after the  
12 Transaction closes, which will help provide management continuity, that by no  
13 means indicates that Apollo's experience and expertise in developing strategy and  
14 management practices will not benefit the Utilities. We know the Apollo  
15 management team that will be involved in assisting in the overall management of  
16 the Utilities post Transaction closing and fully expect them to provide meaningful  
17 incremental benefit with their ideas on how to best manage and grow the Utilities'  
18 business based on their vast management experience, especially with regard to the  
19 Utilities' future capital needs.  
20

1           **III.           THE OCA’S CONCERNS ABOUT THE UTILITIES’ PLANS FOR**  
2                   **SERVICE EXPANSION AND INFRASTRUCTURE IMPROVEMENTS**  
3                   **CONTINUE TO BE UNFOUNDED**

4   **6.        Q.        OCA witness Lafayette K. Morgan, Jr. continues to assert the Utilities do not**  
5                   **have a plan to achieve service expansion. Do the Utilities have plans related**  
6                   **to opportunities to provide service to additional customers?**

7            A.        Yes. I am attaching to my rejoinder testimony Exhibit TD-1RJ  
8                    CONFIDENTIAL, which is the expansion plan provided in discovery to the OCA  
9                    on September 15, 2025. The information in this plan demonstrates how the  
10                  Utilities have approached expansion and the factors considered, including  
11                  economic modeling. It also includes information on 2025-2026 expansion  
12                  projects.

13                    The information in this expansion plan further demonstrates why Mr.  
14                    Morgan’s suggestion that the Utilities formally commit to specific expansion  
15                    projects is unworkable. With respect to Leatherstocking, state grant funding  
16                    through, the Pipeline Investment Program was previously available to assist with  
17                    service expansion. This program has not been funded for 2025, and the  
18                    Commonwealth continues to lack an approved budget for 2025-2026. Without  
19                    grant funding, some service expansions may not be economically appropriate or  
20                    feasible and plans may need to change. This is just one example of how the all-  
21                    too-common reality of changing circumstances makes committing to formal  
22                    expansion plans for utility infrastructure and service unworkable. The order in  
23                    which planned expansion projects occur may often change.

1 **IV. DIVIDEND PAYMENT POLICY**

2 **7. Q. Will the Utilities’ policy on dividend payments change after the Transaction**  
3 **closes as OSBA witness Mark D. Ewen suggests?**

4 A. No. The Utilities will continue to set dividend levels based on a reasonable  
5 balance between the long-term interests of their equity owners and the needs of  
6 customers. This means balancing and weighing the need for future capital  
7 spending versus investors’ need for dividends in future years.

8 Moreover, the Joint Applicants’ commitments on maintaining a specific  
9 capital structure are a significant protection on the payment of dividends by the  
10 Utilities to their investors. To keep the necessary debt to equity ratio, the Utilities  
11 are limited in paying out dividends. Paying out dividends, all else equal, reduces  
12 the capital ratio. Historically, retaining company earnings instead of distributing  
13 them to Argo reflects the Utilities’ strategic decisions to improve their  
14 infrastructure and to expand their service offerings to new customers. The same  
15 will be true with Apollo post Transaction closing. The capital structure  
16 commitments the Joint Applicants have made will continue to limit the amount of  
17 earnings paid as dividends as opposed to being reinvested in the Utilities.

18 **V. CONCLUSION**

19 **8. Q. Does this conclude your rejoinder testimony?**

20 A. Yes, it does. However, I reserve the right to present such additional testimony as  
21 may be necessary or appropriate.  
22

**EXHIBIT TD-1RJ**  
**CONFIDENTIAL**

**Redacted in full**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

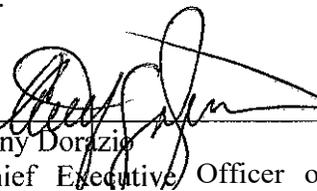
**JOINT APPLICATION OF PIKE COUNTY :  
LIGHT AND POWER COMPANY, :  
LEATHERSTOCKING GAS COMPANY, :  
LLC, CORNING ENERGY CORPORATION, :  
ACP SERIES 3 PARTNERSHIP L.P., ARGO :  
CAPITAL PLATFORM (P) 2017, L.P., ARGO :  
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ACP CROTONA HOLDINGS L.P., ACP :  
CROTONA CORP., ARGO :  
INFRASTRUCTURE PARTNERS LLC AND :  
APOLLO GLOBAL MANAGEMENT, INC. :  
FOR A CERTIFICATE OF PUBLIC :  
CONVENIENCE UNDER SECTIONS :  
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GAS COMPANY'S PARENT COMPANY, :  
CORNING ENERGY CORPORATION. :  
:  
:**

**Docket Number:     A-2025-3055264  
                           A-2025-3055265  
                           A-2025-3055335**

**VERIFICATION**

I, Tony Dorazio, hereby declare that I am the Chief Executive Officer 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 Rejoinder Testimony 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: October 31, 2025

  
\_\_\_\_\_  
Tony Dorazio  
Chief Executive Officer of Corning Natural Gas Corporation, 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-

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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**

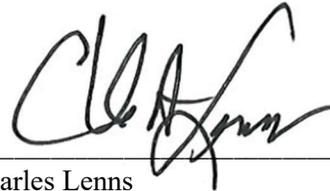
**JOINT APPLICATION OF PIKE COUNTY  
LIGHT AND POWER COMPANY,  
LEATHERSTOCKING GAS COMPANY,  
LLC, CORNING ENERGY CORPORATION,  
ACP SERIES 3 PARTNERSHIP L.P., ARGO  
CAPITAL PLATFORM (P) 2017, L.P., ARGO  
CAPITAL PLATFORM (K) SERIES 3, L.P.,  
ACP CROTONA HOLDINGS L.P., ACP  
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INFRASTRUCTURE PARTNERS LLC AND  
APOLLO GLOBAL MANAGEMENT, INC.  
FOR A CERTIFICATE OF PUBLIC  
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1102(A)(3) AND 1103 OF THE PUBLIC  
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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 Lennox, 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 Lennox  
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. 3-R**

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 NOS. A-2025- 3055264, A-2025-3055265 and A-2025-3055335

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REBUTTAL TESTIMONY

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WITNESS: CHARLES LENNS

SUBJECT: ACCESS TO CAPITAL, RING-FENCING,  
AND PROTECTIONS RELATED TO  
AFFILIATE TRANSACTIONS

DATED: OCTOBER 9, 2025

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1 of that testimony, I will address the OCA's contention that the Joint Applicants'  
2 commitment regarding the Utilities' capital structure is vague. I will also explain  
3 the use of Affiliated Interest Agreements ("AIAs") and how other regulatory  
4 mechanisms, such as securities certificates and rate proceedings, provide  
5 ratepayer protection regarding cost of debt.

## 6 II. GREATER ACCESS TO CAPITAL

7 **4. Q. OSBA witness Jason Price suggests that the benefit of enhanced access to**  
8 **capital cited by the Joint Applicants is unsubstantiated because the Joint**  
9 **Applicants did not quantify incremental cost savings from Apollo's ability to**  
10 **secure better financing terms for the Utilities. Do you agree with Mr. Price?**

11 A. No. At the outset, while I am not legal counsel in this proceeding, my  
12 understanding of the substantial affirmative benefits standard in Pennsylvania is  
13 that benefits need not be guaranteed or quantified. Regardless of a guarantee or  
14 quantification, as the Joint Applicants' witness Trevor Mills has explained,  
15 Apollo will enable greater access to capital to the Utilities, which results in  
16 substantial affirmative public benefits.

17 **5. Q. Have the Utilities had challenges in accessing capital on a competitive basis?**

18 A. Yes. Historically, the Utilities only had access to general commercial lending  
19 resources through regional banks. Pike and Leatherstocking each had outstanding  
20 debt held by regional banks that was required to be repaid on a 10-year cycle. All  
21 of the Utilities' operating assets were collateralized by existing loans. Given the  
22 relative size of the Utilities and their respective debt in the financial market, the  
23 Utilities had no choice but to continue to rely upon commercial bank lending.

1 In 2023 and 2024, with rapidly rising interest rates and tighter lending standards,  
2 Pike saw the interest rates on its new loans increase to more than 9%, in some  
3 cases more than double the historical interest rates. Pike's lender, M&T Bank,  
4 refused to offer longer-term amortization periods. M&T Bank also refused to  
5 offer Pike interest-only, non-amortizing debt. The Utilities' then-existing debt  
6 and refinancing options required principal and interest payments to be made  
7 monthly so that the debt would be fully amortized over a 10-year period.  
8 However, the cost of constructing capital projects is generally recovered in utility  
9 revenue requirement over a much longer period. This mismatch in recovery  
10 period and the Utilities' inability to borrow over a longer term meant Pike was  
11 unable to secure financing from its then-existing lender to fund its 2024 capital  
12 plan. In sum, from 2023 to 2024, the Utilities were unable to competitively shop  
13 for more advantageous debt.

14 **6. Q. How did Argo provide the Utilities with improved access to capital?**

15 A. Argo opened the door to additional private debt transactions with counterparties  
16 that could offer products that are usually only available to companies that are  
17 typically much larger than the Utilities. The lending terms achieved through debt  
18 refinancing with Argo's assistance include non-amortizing, fixed interest rate debt  
19 with much lower interest rates, longer-term debt, and no liens on the Utilities'  
20 assets.

1 7. Q. Why do you believe Apollo will be able to build on and expand the enhanced  
2 access to capital initiated by Argo?

3 A. I believe this for two reasons. First, as described at length in the Joint Applicants'  
4 direct testimony, Apollo is a much larger investment manager than Argo and thus  
5 has greater reach and broader access to capital. Argo is primarily an  
6 infrastructure investor, while Apollo invests in and has specialized knowledge  
7 across many more sectors and industries, which expands investment sourcing  
8 opportunities. Mr. Mills testified that these characteristics allow Apollo to  
9 respond in a timely manner to complex opportunities arising from a lack of  
10 traditional financing sources with privately originated investments, non-traded  
11 securities, and investments in non-traditional asset classes.

12 Second, Apollo is retaining the Argo employees that assisted the Utilities in the  
13 refinancing I discussed above. Argo's existing track record, coupled with  
14 Apollo's larger size and equity and unique expertise and relationships in capital  
15 markets, will provide the Utilities with even greater options when it comes to  
16 future financing. CEC, with Argo's assistance, was able to secure two investors  
17 for its inaugural private debt issuance. With Apollo's access to a broader investor  
18 universe and more diverse capital markets, CEC will have a more competitive  
19 debt issuance process in the future, resulting in even more favorable interest rates,  
20 terms and conditions for the Utilities.

21

1                   **III. RING-FENCING COMMITMENTS AND PROTECTIONS**

2   **8. Q. Do the OCA or the OSBA take issue with any of the Joint Applicants'**  
3                   **commitments to protect customers from financial risks associated with the**  
4                   **Transaction?**

5   A. Yes. I will address three issues the OCA and OSBA have raised regarding  
6                   commitments the Joint Applicants made in their initial filing, specifically (1) the  
7                   possibility of the extension of loans from the Utilities to Apollo or Apollo  
8                   affiliates, as discussed by OSBA witness Mark D. Ewen; (2) the future capital  
9                   structure of the Utilities, noted by both Mr. Ewen and OCA witness Lafayette K.  
10                  Morgan, Jr.; and (3) Mr. Morgan's proposed requirement that Apollo enter into an  
11                  AIA with the Utilities if Apollo entities assist in raising capital that will benefit  
12                  the Utilities.

13   **9. Q. With respect to the first commitment, will the Utilities extend loans to Apollo**  
14                   **or Apollo affiliates outside the CEC group of companies?**

15   A. No. After review of the OSBA's concerns, the Utilities have concluded and  
16                   commit they will not extend loans to Apollo or Apollo affiliates outside the CEC  
17                   group of companies, Pike, Leatherstocking, CEC and Corning Natural Gas, a New  
18                   York public utility. This should resolve all issues the OSBA raises concerning  
19                   prior commitments regarding loans by the Utilities.

20

1 **10. Q. The OCA raises a concern regarding the Utilities’ commitment that “the**  
2 **Utilities will not request a capital structure for ratemaking purposes that is**  
3 **outside the range of capital structures employed by comparable electric and**  
4 **gas distribution companies operating in the Commonwealth,” stating this**  
5 **commitment is vague because “it is not clear what would be the basis of**  
6 **comparison (revenues, number of customers, capitalization, etc.).” OCA St.**  
7 **1 at 15:9-16:7. Do you agree with the OCA’s concerns?**

8 A. No. First, I note that the Pennsylvania Public Utility Commission  
9 (“Commission”) previously considered and approved the same commitment in the  
10 Joint Petition for Settlement (“Settlement”) of the proceeding that enabled Argo  
11 and its affiliates to hold a controlling interest in CEC and the Utilities at Docket  
12 Nos. A-2021-3025659 and A-2021-3025662. The Commission did not find the  
13 commitment vague when it approved the Settlement as in the public interest.  
14 Second, the commitment regarding capital structure is specific to capital structure  
15 proposed in a future rate case. Any proposed capital structure in that rate case  
16 will be fully examined in such proceedings, and the longstanding methodology of  
17 using proxy groups as a check on reasonableness of capital structure in a rate case  
18 provides the clarity OCA seeks:

19 A proxy (or barometer) group is a collection of similar risk  
20 companies that acts as a benchmark for determining the subject  
21 utility’s rate of return and a check on capital structure. The criteria  
22 used to select the proxy companies are important—the proxy group  
23 needs to contain companies of similar risk in the industry but also  
24 needs to contain enough companies that one company cannot  
25 assert undue influence over the group.

26 The following criteria are often used to ensure that the group  
27 resembles the risks of the subject company’s industry:

1 (1) 50 percent or more of the company’s revenues (or assets) must  
2 be generated from (or dedicated to) the utility’s industry (water,  
3 natural gas, electric);

4 (2) The company’s stock must be publicly traded;

5 (3) Investment information for the company must be available  
6 from more than one source; and

7 (4) The company must not be currently involved in an announced  
8 merger or targeted in an acquisition.<sup>1</sup>

9 Use of these criteria by a qualified expert in future rate cases will provide a check  
10 on the reasonableness of the Utilities’ capital structure.

11 **11. Q. The OCA raises the concern that if an Apollo affiliate raises capital for the**  
12 **Utilities, an AIA must be provided and approved by the Commission and**  
13 **that capital should be provided at cost, with no mark-up. OCA St. 1 at OCA**  
14 **St. 1 at 17:12-19. Do you agree with the OCA’s suggestions?**

15 A. No. I believe these concerns demonstrate a failure to understand when an  
16 affiliated interest agreement is required and what costs can be passed on from  
17 non-utility affiliates to public utilities, and ignores other ratepayer protections  
18 regarding cost of debt.

19 **12. Q. Will Apollo or Apollo Capital Solutions transact directly with the Utilities**  
20 **following the Transaction?**

21 A. No. My understanding is that, consistent with the Utilities’ current debt  
22 arrangements, debt will be held at the CEC level and then passed through to the  
23 Utilities. Consistent with past practice, CEC would enter into an AIA in the form

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<sup>1</sup> *Cawley and Kennard, 2021, A Guide to Utility Ratemaking, at pp. 127-128 (available at [https://www.puc.pa.gov/General/publications\\_reports/pdf/Ratemaking\\_Guide2018.pdf](https://www.puc.pa.gov/General/publications_reports/pdf/Ratemaking_Guide2018.pdf)).*

1 of a loan agreement with each Utility and seek the Commission’s approval  
2 thereof. This is what occurred with the debt refinancing I described earlier in my  
3 testimony. The Commission approved the AIAs for that debt refinancing at  
4 Docket Nos. G-2024-3049087 (Leatherstocking) and G-2024-3049089 (Pike).

5 **13. Q. Do you believe it is fair or appropriate to limit affiliate transactions to cost,**  
6 **with no margin or return as OCA recommends?**

7 A. No. Just because a service is provided by an affiliate does not mean the affiliate  
8 is not entitled to recover both its costs and a fair return. In my opinion, earning a  
9 reasonable return based on market terms and conditions does not indicate an  
10 “excessive amount.” I am not aware of the Commission limiting affiliate  
11 transactions to cost with no mark-up despite its concern about excessive amounts  
12 charged by affiliates to utilities.

13 **14. What existing protections are in place to protect customers from**  
14 **responsibility for excessive costs?**

15 A. There are two regulatory requirements that protect customers from excessive debt  
16 costs, whether through a utility’s affiliate or otherwise. First, prior to taking out  
17 debt (including pledge of assets or stock associated with debt), a utility must  
18 obtain a securities certificate. The Commission expressly requires loan terms and  
19 costs to be submitted for its review of securities certificates. As an example,  
20 review of extensive information concerning the debt refinancing I discussed  
21 above was undertaken by the Commission prior to approving securities  
22 certificates in 2024 at Docket Nos. S-2024-3048836 and S-2024-3048831.  
23 Second, just because a securities certificate or affiliated interest agreement is

1 approved by the Commission does not mean associated costs are approved for  
2 ratemaking purposes. In future rate cases, as in past rate cases, Pike and  
3 Leatherstocking will be required to justify the cost of their debt as reasonable to  
4 pass such costs on to customers through rates.

#### 5 IV. CONCLUSION

6 **15. Q. Do the concerns raised by the OCA and OSBA and addressed in your**  
7 **rebuttal testimony above demonstrate that the Transaction is not in the**  
8 **public interest?**

9 A. No. I believe the Transaction continues to be in the public interest, particularly  
10 with the commitments the Joint Applicants made in their initial filing and added  
11 in rebuttal testimony.

12 **16. Q. Does this conclude your rebuttal testimony?**

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

15

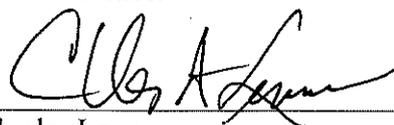
**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>JOINT APPLICATION OF PIKE COUNTY</b>	:	
<b>LIGHT AND POWER COMPANY,</b>	:	
<b>LEATHERSTOCKING GAS COMPANY,</b>	:	
<b>LLC, CORNING ENERGY</b>	:	
<b>CORPORATION, ACP SERIES 3</b>	:	
<b>PARTNERSHIP L.P., ARGO CAPITAL</b>	:	
<b>PLATFORM (P) 2017, L.P., ARGO CAPITAL</b>	:	
<b>PLATFORM (K) SERIES 3, L.P., ACP</b>	:	
<b>CROTONA HOLDINGS L.P., ACP</b>	:	<b>Docket Number: A-2025-3055264</b>
<b>CROTONA CORP., ARGO</b>	:	<b>A-2025-3055265</b>
<b>INFRASTRUCTURE PARTNERS LLC AND</b>	:	<b>A-2025-3055335</b>
<b>APOLLO GLOBAL MANAGEMENT, INC.</b>	:	
<b>FOR A CERTIFICATE OF PUBLIC</b>	:	
<b>CONVENIENCE UNDER SECTIONS</b>	:	
<b>1102(A)(3) AND 1103 OF THE PUBLIC</b>	:	
<b>UTILITY CODE AND ALL OTHER</b>	:	
<b>NECESSARY APPROVALS TO EFFECT AN</b>	:	
<b>INDIRECT CHANGE OF CONTROL OF</b>	:	
<b>PIKE COUNTY LIGHT AND POWER</b>	:	
<b>COMPANY'S AND LEATHERSTOCKING</b>	:	
<b>GAS COMPANY'S PARENT COMPANY,</b>	:	
<b>CORNING ENERGY CORPORATION.</b>	:	

**VERIFICATION**

I, Charles Lenns, hereby declare that I am the 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 Rebuttal Testimony 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: October 9, 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. 3-RJ**

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 NOS. A-2025- 3055264, A-2025-3055265 and A-2025-3055335

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REJOINDER TESTIMONY

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WITNESS: CHARLES LENNS

SUBJECT: ACCESS TO CAPITAL, RING-FENCING,  
AND PROTECTIONS RELATED TO  
AFFILIATE TRANSACTIONS, PAYMENT  
OF DIVIDENDS, HISTORIC UTILITY  
OWNERSHIP TRANSACTIONS

DATED: OCTOBER 31, 2025

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1                   **III. RING-FENCING COMMITMENTS AND PROTECTIONS**

2   **5. Q. OCA witness Morgan previously raised issues regarding the commitment to**  
3                   **maintain capital structure. Does it appear those concerns have been**  
4                   **resolved?**

5           A. Yes. In surrebuttal testimony, Mr. Morgan states “I propose that a reasonable  
6                   resolution of this issue is the following language: The Utilities will not request a  
7                   capital structure for ratemaking purposes that is outside the range of capital  
8                   structures employed by comparable electric and gas distribution companies  
9                   operating in the Commonwealth.” The Utilities agree with this commitment.

10 **6. Q. OCA witness Morgan implies that you were unaware of a previously filed**  
11 **affiliated interest agreements between Pike and Corning Energy Company**  
12 **and Leatherstocking and Corning Energy Company that passed along the**  
13 **costs of lending from Corning Energy because you stated that “I am not**  
14 **aware of the Commission limiting affiliate transactions to cost with no mark-**  
15 **up””? Does Mr. Morgan’s testimony accurately represent your testimony?**

16           A. No. I am of course aware that the Commission previously approved two  
17                   Affiliated Interest Agreements (“AIA”) that passed along the costs CEC incurred  
18                   to borrow funds directly to the Utilities. These AIAs were cited in my surrebuttal  
19                   testimony. In those AIAs, passing through debt to the Utilities at the cost CEC  
20                   incurred was how CEC and the Utilities chose to structure those transactions and  
21                   the Commission approved it. However, my understanding remains that the  
22                   Commission does not have a general rule limiting affiliate transactions to cost  
23                   incurred by the affiliate with no mark-up. Those AIAs were simply a pass

1 through of debt and related fees from CEC to the Utilities because CEC borrowed  
2 from third party lenders on behalf of the Utilities. The lenders charged fees that  
3 were passed along to the Utilities. The lenders did not lend “at cost.”

4 **7. Q. Will the Utilities file with the Commission for approval all AIAs related to**  
5 **affiliate borrowing after the Transaction closes?**

6 A. Yes. The Utilities are not seeking in this proceeding approval of any affiliated  
7 transactions. Should new affiliated transactions be contemplated, required AIAs  
8 will be filed for approval with the Commission in a future proceeding where the  
9 OCA could participate or challenge the AIAs and any related affiliate charges. I  
10 also note that Commission approval of an AIA expressly does not mean that the  
11 costs of that agreement or transaction can be included in rates. Costs allowable in  
12 rates associated with an approved AIA are an issue for a future base rate case  
13 proceeding. The Utilities are not seeking any findings in this proceeding  
14 regarding inclusion of any AIA related costs in future rates.

#### 15 **IV. HISTORIC UTILITY TRANSACTIONS**

16 **8. OCA Witness Morgan claims that the historic changes in control of the**  
17 **Utilities supports his allegation that Apollo may only be seeking short term**  
18 **ownership of the Utilities. Do you agree with Mr. Morgan’s characterization**  
19 **of historic transactions related to the Utilities?**

20 A. No. First, Leatherstocking has always remained under the ownership and control  
21 of CEC. As to Pike, Pike was first acquired by CEC in 2016 from Orange and  
22 Rockland Utilities, a New York state public utility and part of a much larger

1 corporation. CEC's ownership of Pike transformed that utility from a minor part  
2 of a much larger utility company to the main focus of a smaller, local company,  
3 CEC. When the Argo opportunity arose, appropriate filings were made with the  
4 Commission, litigated with all the relevant stakeholders, including the OCA, and  
5 concluded with a Commission finding that the acquisition of CEC and the  
6 Utilities was in the public interest.

7 Contrary to Mr. Morgan's characterization, the CEC and Argo transactions were  
8 not short-term changes in ownership of the Utilities solely for the purpose of  
9 profiting investors. The current Transaction with Apollo – which as noted  
10 previously does not change the ownership of the Utilities – is not structured in  
11 that fashion either.

## 12 V. CONCLUSION

13 **9. Q. Do the concerns raised by the OCA and the OSBA in their surrebuttal**  
14 **testimony and addressed in your rejoinder testimony demonstrate that the**  
15 **Transaction is not in the public interest?**

16 A. No. I believe the Transaction continues to be in the public interest, particularly  
17 with the commitments the Joint Applicants made in their initial filing and added  
18 to in rejoinder testimony.

19 **10. Q. Does this conclude your rejoinder testimony?**

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

**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 :     **Docket Number:     A-2025-3055264**  
INFRASTRUCTURE PARTNERS LLC AND :     **A-2025-3055265**  
APOLLO GLOBAL MANAGEMENT, INC. :     **A-2025-3055335**  
FOR A CERTIFICATE OF PUBLIC :  
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PIKE COUNTY LIGHT AND POWER :  
COMPANY'S AND LEATHERSTOCKING :  
GAS COMPANY'S PARENT COMPANY, :  
CORNING ENERGY CORPORATION. :  
:**

**VERIFICATION**

I, Charles Lenms, hereby declare that I am the Vice 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 Rejoinder Testimony 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: October 31, 2025



Charles Lenms  
Vice 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-

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DIRECT TESTIMONY

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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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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**

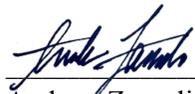
**JOINT APPLICATION OF PIKE  
COUNTY LIGHT AND POWER  
COMPANY, LEATHERSTOCKING GAS  
COMPANY, LLC, CORNING ENERGY  
CORPORATION, ACP SERIES 3  
PARTNERSHIP L.P., ARGO CAPITAL  
PLATFORM (P) 2017, L.P., ARGO  
CAPITAL PLATFORM (K) SERIES 3,  
L.P., ACP CROTONA HOLDINGS L.P.,  
ACP CROTONA CORP., ARGO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

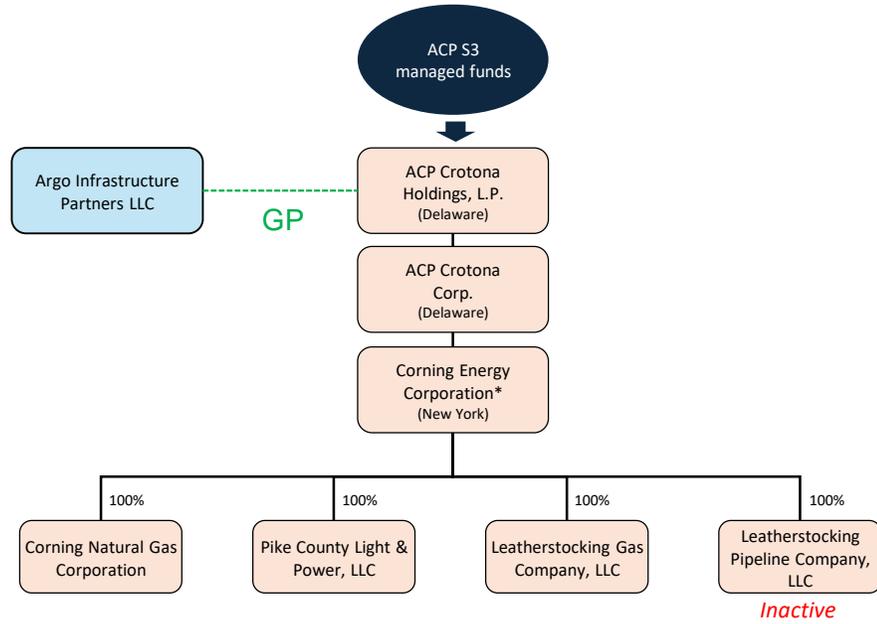
DATE: May 19, 2025

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

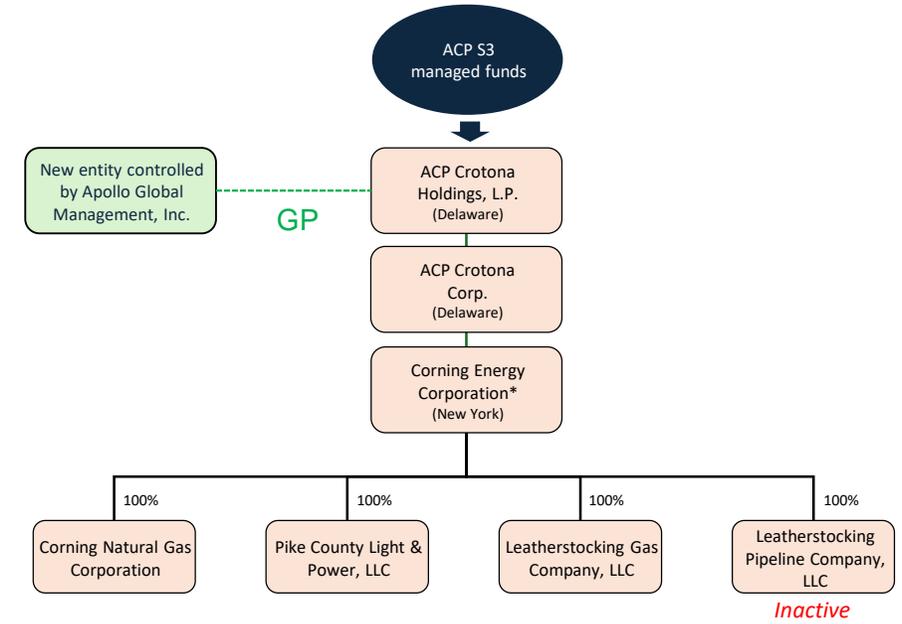
**EXHIBIT B**

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

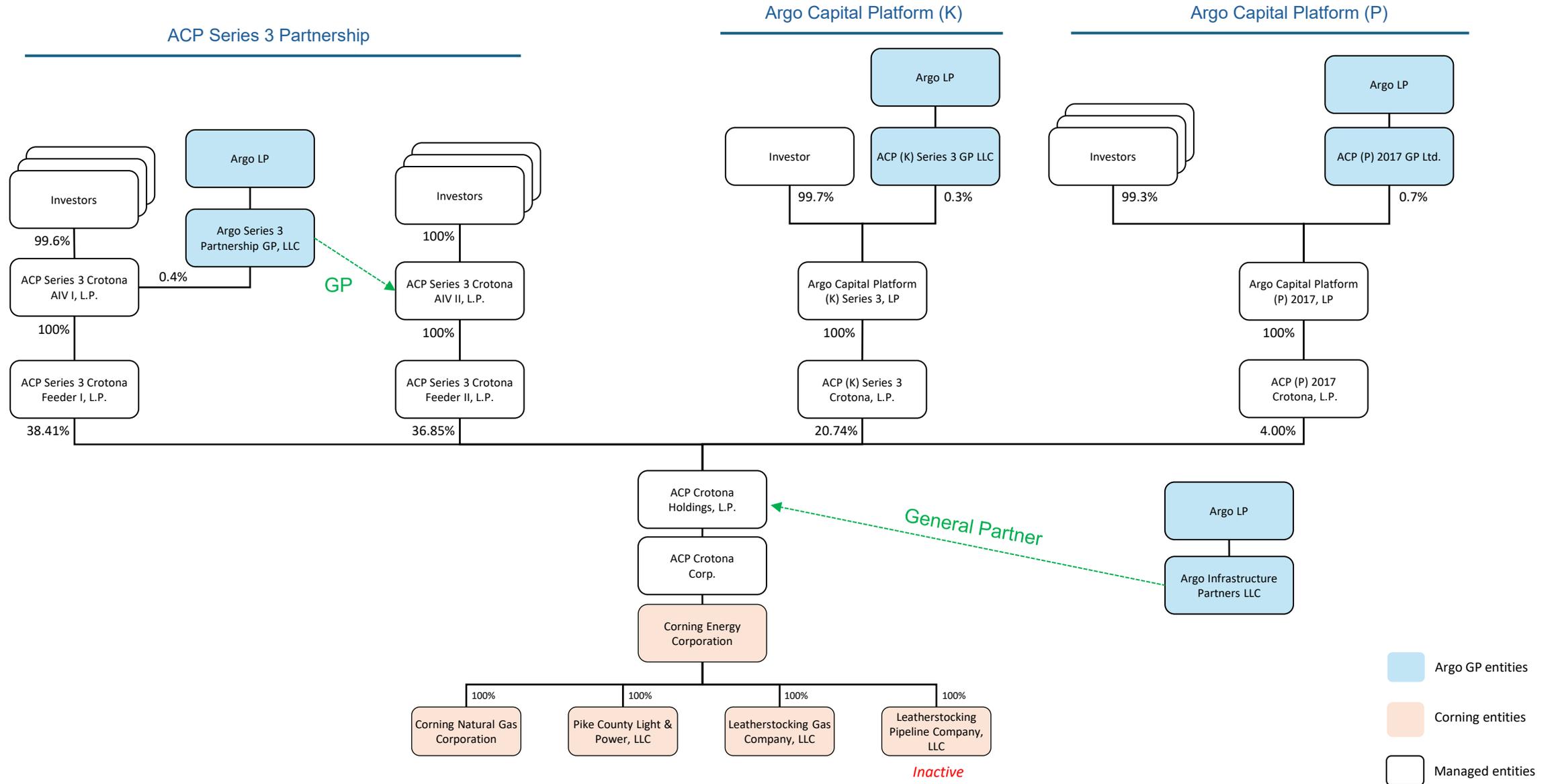
# Corning Energy Corporation Current

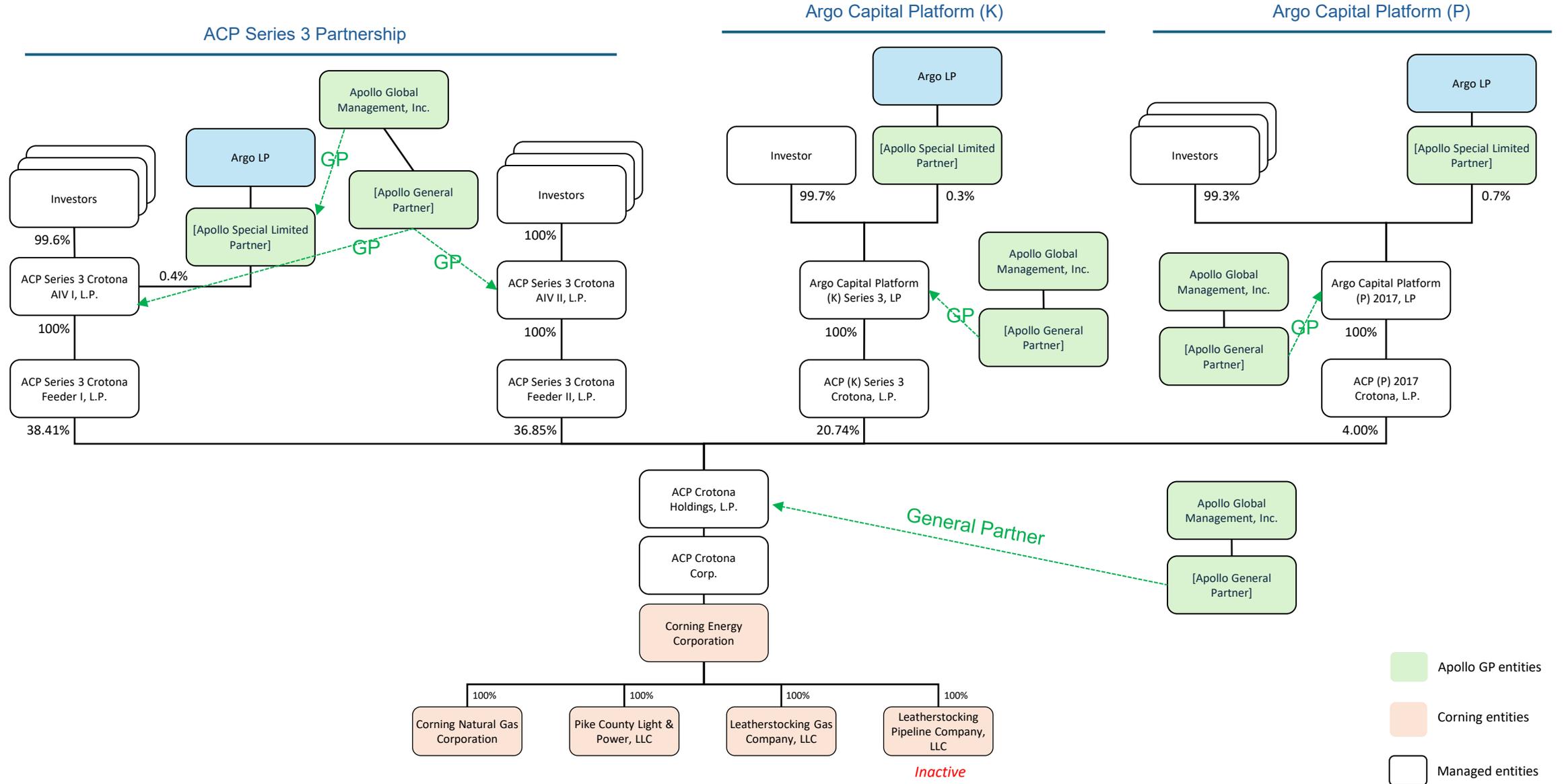


# Corning Energy Corporation Pro Forma



\* 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.

COMMONWEALTH OF PENNSYLVANIA



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September 18, 2025

**Via Electronic Filing**

Administrative Law Judge Charece Z. Collins (charcollin@pa.gov)  
Office of Administrative Law Judge  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
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 Nos. A-2025-3055264;  
A-2025-3055265;  
A-2025-3055335

Dear Honorable Judge Collins:

Please find enclosed a copy of the Direct Testimony being submitted on behalf of the Office of Consumer Advocate in this proceeding, as follows:

- OCA Statement 1: Direct Testimony of Lafayette K. Morgan
- Appendix A
- Verification of Lafayette Morgan

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ David T. Evrard

David T. Evrard, Esq.

Assistant Consumer Advocate

PA Attorney I.D. #33870

devrard@paoca.org

Enclosures:

cc:

Secretary Matthew L. Homsher (Cover Letter and Certificate of Service Only)  
Certificate of Service

CERTIFICATE OF SERVICE

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 Nos.	A-2025-3055264;
	:		A-2025-3055265;
	:		A-2025-3055335

I hereby certify that I have this day served a true copy of the following documents, the Office of Consumer Advocate's Direct Testimony, as follows:

OCA Statement 1: Direct Testimony of Lafayette K. Morgan

upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 18<sup>th</sup> day of September 2025.

SERVICE BY E-MAIL ONLY

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Dated: September 18, 2025

/s/ Harrison W. Breitman  
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PA Attorney I.D. # 320580  
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David T. Evrard  
Assistant Consumer Advocate

Counsel for:  
Darryl Lawrence  
Consumer Advocate

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	:	Docket Nos.
MANAGEMENT, INC. FOR A	:	A-2025-3055264
CERTIFICATE OF PUBLIC	:	A-2025-3055265
CONVENIENCE UNDER SECTIONS	:	A-2025-3055335
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	:	

DIRECT TESTIMONY  
OF  
LAFAYETTE K. MORGAN, JR.

ON BEHALF OF THE  
OFFICE OF CONSUMER ADVOCATE

SEPTEMBER 18, 2025

---

**EXETER**  
ASSOCIATES, INC.

10480 Little Patuxent Parkway, Suite 300  
Columbia, Maryland 21044

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1 **I. Introduction**

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. My name is Lafayette K. Morgan, Jr. My business address is 10480 Little Patuxent  
4 Parkway, Suite 300, Columbia, Maryland, 21044. I am a Public Utilities Consultant  
5 working with Exeter Associates, Inc. (“Exeter”). Exeter is a consulting firm  
6 specializing in issues pertaining to public utilities.

7 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND  
8 QUALIFICATIONS.

9 A. I received a Master of Business Administration degree from The George Washington  
10 University. The major area of concentration for this degree was Finance. I received a  
11 Bachelor of Business Administration degree with concentration in Accounting from  
12 North Carolina Central University. I was previously a CPA licensed in the state of  
13 North Carolina, however, in 2009, I elected to place my license in an inactive status as  
14 I focused on start-up activities for other business interests.

15 Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.

16 A. From May 1984 until June 1990, I was employed by the North Carolina Utilities  
17 Commission - Public Staff in Raleigh, North Carolina. I was responsible for analyzing  
18 testimony, exhibits, and other data presented by parties before the North Carolina  
19 Utilities Commission. I had the additional responsibility of performing the examination  
20 of books and records of utilities involved in rate proceedings and summarizing the  
21 results into testimony and exhibits for presentation before that Commission. I was also  
22 involved in numerous special projects, including participating in compliance and  
23 prudence audits of a major utility, and conducting research on several issues affecting  
24 natural gas and electric utilities.

1           From June 1990 until July 1993, I was employed by Potomac Electric Power  
2 Company (Pepco) in Washington, D.C. At Pepco, I was involved in the preparation of  
3 the cost of service, rate base and ratemaking adjustments supporting Columbia's  
4 requests for revenue increases in the State of Maryland and the District of Columbia.

5           From July 1993 through 2010, I was employed by Exeter as a Senior Regulatory  
6 Analyst. During that period, I was involved in the analysis of the operations of public  
7 utilities, with emphasis on utility rate regulation. I reviewed and analyzed utility rate  
8 filings, focusing primarily on revenue requirements determination. This work involved  
9 natural gas, water, electric, and telephone companies.

10           In 2010, I left Exeter to focus on start-up activities for other ongoing business  
11 interests. In late 2014, I returned to Exeter continuing to work in a similar capacity as  
12 prior to my hiatus.

13 Q.           HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY  
14 PROCEEDINGS ON UTILITY RATES?

15 A.           Yes. I have previously presented testimony and affidavits on numerous occasions  
16 before the Regulatory Commission of Alaska, the Colorado Public Utilities  
17 Commission, the Georgia Public Service Commission, the Illinois Commerce  
18 commission, the Kansas Corporation Commission, the Kentucky Public Service  
19 Commission, the Louisiana Public Service Commission, the Maine Public Utilities  
20 Commission, the Maryland Public Service Commission, the Massachusetts Department  
21 of Public Utilities the North Carolina Utilities Commission, the Public Utilities  
22 Commission of Ohio, the Corporation Commission of Oklahoma, the Pennsylvania  
23 Public Utility Commission, the Philadelphia Gas Commission, the Philadelphia Water,  
24 Sewer and Storm Water Rate Board, the Public Utilities Commission of Rhode Island,

1 the Public Service Commission of South Carolina, the Public Utility Commission of  
2 Texas, the Vermont Public Service Board, the Virginia Corporation Commission, the  
3 West Virginia Public Service Commission, the Wyoming Public Service Commission,  
4 and the Federal Energy Regulatory Commission (“FERC”). My resume is attached  
5 hereto as Appendix A.

6 Q. ON WHOSE BEHALF ARE YOU APPEARING?

7 A. I am presenting this testimony on behalf of the Pennsylvania Office of Consumer  
8 Advocate (“OCA”).

9 Q. HOW IS YOUR TESTIMONY ORGANIZED?

10 A. Section I is an introduction. Section II provides a summary of the Joint Application for  
11 approval of the proposed acquisition and provides background information of the Joint  
12 Applicants. Section III provides a discussion of the Commission’s standard for  
13 approval of mergers. Section IV is a discussion of the issues I have identified as they  
14 relate to this proceeding. Section V presents my conclusions as a result of my review  
15 of the proposed acquisition transaction.

16 **II. Summary of Transaction**

17 Q. PLEASE SUMMARIZE THE PROPOSED TRANSACTION.

18 A. This filing before the Pennsylvania Public Utility Commission (“Commission”) is the  
19 Joint Application of Pike County Light and Power Company, Leatherstocking Gas  
20 Company, LLC, Corning Energy Corporation, ACP Series 3 Partnership L.P., Argo  
21 Capital Platform (P) 2017 L.P., Argo Capital Platform (K) Series 3, L.P., ACP Crotona  
22 Holdings L.P., ACP Crotona Corp., Argo Infrastructure Partners LLC (collectively,  
23 “Argo Entities”) and Apollo Global Management, Inc. (“Apollo”) (collectively “Joint  
24 Applicants”), for a Certificate of Public Convenience Under Sections 1102(A)(3) and

1 1103 of the Public Utility Code and all other necessary approvals to effect an indirect  
2 change of control of Pike County Light and Power Company, Leatherstocking Gas  
3 Company, and their Parent Company, Corning Energy Corporation (f/k/a Corning  
4 Natural Gas Holding Corporation) (“Corning”).

5 Q. PLEASE PROVIDE ADDITIONAL ORGANIZATIONAL INFORMATION  
6 REGARDING THE JOINT APPLICANTS.

7 A. Argo Infrastructure Partners LP (“Argo”) is an independent infrastructure investment  
8 management firm that manages capital from pension funds, insurance companies and  
9 other large institutional investors for investments in long-duration infrastructure  
10 projects and companies.<sup>1</sup> Argo currently manages approximately \$6.5 billion<sup>2</sup> of  
11 invested and committed capital on behalf of its institutional investor partners,  
12 representing investments in high-quality infrastructure businesses in North America.  
13 Argo controls 100% of the common and preferred stock of Corning through its  
14 managed funds -- ACP S3 Managed Funds, ACP Crotona Holdings, L.P. (“ACP  
15 Holdings”), ACP Crotona Corp. ACP Holdings is a limited partnership managed by  
16 Argo Infrastructure Partners LLC, under an Amended and Restated Limited  
17 Partnership Agreement dated December 8, 2021. Argo (i.e. Argo Infrastructure  
18 Partners LLC) is the general partner of ACP Holdings, and has voting and management  
19 control over Corning’s operations, including Pike County Light and Power Company,  
20 Leatherstocking Gas Company.

21 Corning Energy Corporation was acquired by the Argo Entities in 2022 in  
22 Docket Nos. A-2021-3025659 and A-2021-3025662. After approval by the  
23 Commission, Corning, a publicly traded company at the time, was purchased by Argo

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<sup>1</sup> Zaroulis Testimony at 4.

<sup>2</sup> *Id.* at 5.

1 and was delisted from public trading. Corning has three direct public utility  
2 subsidiaries: Pike and Leatherstocking in Pennsylvania and Corning Natural Gas  
3 Corporation in New York. Corning also owns 100% of Leatherstocking Pipeline  
4 Company, LLC, which is an inactive noncertificated pipeline built in 2012 to serve one  
5 customer in Lawton, Pennsylvania.

6 Pike is a corporation organized and existing under the laws of the  
7 Commonwealth of Pennsylvania and is engaged in the business of supplying and  
8 distributing electricity to approximately 5,363 retail customers in a certificated service  
9 area that includes the Boroughs of Milford and Matamoras and the Townships of  
10 Milford, Dingman and Westfall in northeastern Pennsylvania. Pike also provides  
11 natural gas service to approximately 1,379 customers in Pike County, Pennsylvania.  
12 Pike is a “public utility” and “electric distribution company” as those terms are defined,  
13 respectively, in Sections 102 and 2803 of the Code (66 Pa. C.S. §§ 102 and 2803) and,  
14 therefore, is subject to regulation by the Commission.

15 Leatherstocking is a limited liability company organized and existing under the  
16 laws of the State of New York and is engaged in the business of supply and distribution  
17 of natural gas to approximately 501 customers in Susquehanna and Bradford Counties,  
18 Pennsylvania. Leatherstocking is a “public utility” under Section 102 of the Code (66  
19 Pa. C.S. § 102) and, therefore, is subject to regulation by the Commission.

20 Apollo is a publicly traded asset management and retirement services firm  
21 founded in 1990 and headquartered in New York City, with \$785 billion of assets under  
22 management, including \$28 billion in infrastructure and infrastructure-related  
23 investments. Through certain of its subsidiaries, Apollo raises, invests, and manages

1 funds on behalf of pension, endowment and sovereign wealth funds, as well as other  
2 institutional and individual investors.

3 Q. WHAT ARE THE REASONS FOR THE ACQUISITION?

4 A. Argo explains that its reason for pursuing this acquisition is because of its majority  
5 owner's desire to exit its investment in Argo.<sup>3</sup> From Apollo's perspective, the  
6 acquisition aligns with its strategy to expand its infrastructure footprint and deepen  
7 exposure to sectors that it believes will benefit from robust investment, including  
8 sustainability and energy transition.<sup>4</sup>

9 Q. WHAT ARE THE CHANGES PLANNED FOR THE ARGO ENTITIES  
10 AFTER COMMISSION AUTHORIZATION (OR CONSUMMATION) OF  
11 THE ACQUISITION?

12 A. Upon Commission authorization, the management and structure of the Argo Entities  
13 will remain largely unchanged. The most significant change appears to be the General  
14 Partner. The Joint Applicants indicate that Apollo intends to replace Argo  
15 Infrastructure Partners LLC, which currently serves as the General Partner of the Argo  
16 Entities, with a new Apollo-controlled entity to effectuate the change of control of the  
17 Argo Entities. The significance of this change is that it is the General Partner through  
18 which the management and control of the Argo Entities will be exerted. The existing  
19 voting securities in Corning currently controlled by Argo will become voting securities  
20 controlled by Apollo through the various funds. Argo will also assign all of its  
21 investment management contracts to a new registered investment advisor that will be  
22 owned by Apollo. The current Argo executive team that governs Corning, Pike and  
23 Leatherstocking will join Apollo in similar roles as they now have. Hence, the day-to-

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<sup>3</sup> Zaroulis Direct Testimony at 7:12.

<sup>4</sup> Mills Direct Testimony at 8:15.

1 day operation of the Corning Utilities should remain virtually unchanged. The Joint  
2 Applicants explained that the economic ownership of the various Argo Entities will not  
3 change under the Proposed Transaction. There will be no changes to the economic  
4 ownership of ACP Holdings, directly or indirectly, as a result of the Proposed  
5 Transaction, including the ACP S3 Managed Funds. The equity investors of the  
6 Corning and the Corning Utilities comprise the ownership of these funds. Hence, as  
7 described in informal discovery, the Proposed Transaction is more a matter of a change  
8 of control rather than a change of ownership.

9 **III. Commission Standard for Approval of Public Utility Mergers**

10 Q. PLEASE STATE YOUR UNDERSTANDING OF THE COMMISSION'S  
11 STANDARD FOR THE APPROVAL OF PUBLIC UTILITY MERGERS  
12 AND ACQUISITIONS.

13 A. It is my understanding that the Commission employs an affirmative public benefit  
14 standard for the approval of public utility mergers and acquisitions. Under Sections  
15 1102 and 1103, the proposed transaction must affirmatively promote the service,  
16 accommodation, convenience, or safety of the public in some substantial way. 66 Pa.  
17 C.S. §§ 1102, 1103; *City of York v. Pa. PUC*, 295 A.2d 825, 28 (Pa. Cmwlth. Ct. 1972);  
18 *Popowsky v. Pa PUC*, 594 Pa. 583; 937 A.2d 1040; (2007). My understanding of this  
19 test is that for an acquiring utility to warrant an approved Certificate of Public  
20 Convenience for the proposed acquisition of another utility, the acquiring utility must  
21 demonstrate by a preponderance of the evidence that benefits will arise out of the  
22 transaction which: (1) are substantial and unique to the transaction and (2) outweigh  
23 the acknowledged or known harms that will result from the transaction. That is, the law  
24 requires that the Commission conduct a fact-based evaluation and fact-based balancing

1 such that any approval must demonstrate that the public is better off – on net – because  
2 of the transaction than it would be in the absence of the transaction, and this decision  
3 must be rooted in the facts that are specific to both the acquiring utility and the acquired  
4 system. *McCloskey v. Pa. P.U.C.*, 195 A.3d 1055, 1067 (Pa. Cmwlt. Ct. 2018); *Cicero*  
5 *v. Pa. P.U.C.*, 300 A.3d 1106, 1119 (Pa. Cmwlt. Ct. 2023), *petitions for allowance of*  
6 *appeal filed*, Nos. 568 MAL 2023 (Commission), 569 MAL 2023 (East Whiteland  
7 Township), 570 MAL 2023 (Aqua Pennsylvania) (all filed Oct. 26, 2023).

8 Q. WHAT ARE THE BENEFITS OF THE PROPOSED TRANSACTION  
9 THAT HAVE BEEN IDENTIFIED BY THE JOINT APPLICANTS?

10 A. The substantial affirmative benefits to be derived from the Proposed Transaction are:  
11 (1) The Utilities to maintain their local presence; (2) Apollo will bring its vast  
12 resources, relationship and expertise; (3) Customers will benefit through Apollo’s  
13 knowledge of global financial markets to access capital on favorable terms; (4)  
14 identification and sharing of best practices; (5) the Corning Utilities will have broader  
15 access to long-term capital on reasonable terms; (6) demonstrated track record of  
16 infrastructure investment; (7) a firm commitment to maintain charitable contributions  
17 at 2024 levels.

18 Q. THE JOINT APPLICANTS STATE THAT IN ADDITION TO THE CITY OF  
19 YORK TEST, THE COMMISSION CONSIDERS TEN PUBLIC INTEREST  
20 FACTORS, KNOWN AS THE PENN ESTATES FACTORS, WHEN AN  
21 INVESTMENT FUND IS INVOLVED IN A TRANSACTION TO CHANGE  
22 CONTROL OF A PENNSYLVANIA UTILITY. DO YOU AGREE?

23 A. Yes, it is my understanding that the Commission has considered the Penn Estates  
24 assessments when considering the acquisition of a Pennsylvania public utility by an

1 investment fund. The Joint Applicants have summarized the following ten public  
2 interest factors as factors to consider when an investment fund seeks control of a  
3 Pennsylvania utility. These factors are:

- 4 (1) Capital to be Allocated to Ongoing Operating and Maintenance Expenses;
- 5 (2) Corporate Governance/Sarbanes-Oxley Compliance;
- 6 (3) The Expected Term of Ownership;
- 7 (4) Experience as an Owner and Operator of Utilities;
- 8 (5) Community Presence;
- 9 (6) The Nature and Objectives of the various affiliated relationships involved;
- 10 (7) Fees Paid to and Services Performed by Affiliates;
- 11 (8) Limits on use of Leverage and Other Capital Structure Protections;
- 12 (9) Transparency on Corporate Structure Issues; and
- 13 (10) Creditworthiness

14 Q. PLEASE PROVIDE ANY COMMENTS WITH RESPECT TO THE PENN  
15 ESTATES FACTORS.

16 A. Many of the line items covered in the 10-item list above have been addressed by the  
17 Joint Applicants either in the Application or testimony. Rather than address each line  
18 item, I will provide brief comments on those line items where I believe additional  
19 discussion is necessary. The first item is Capital to be Allocated to Ongoing Operating  
20 and Maintenance Expenses. Given that the Corning Utilities are not start-up companies,  
21 there is cash flow from service revenues that provide funds needed to meet the day-to-  
22 day operating and maintenance expenses. The utilities also maintain short-term lines of  
23 credit that should also provide liquidity for operations. Even though I do not recall  
24 Apollo explicitly stating that funds would be allocated for Operating and Maintenance

1 expenses, I am of the opinion that the Corning Utilities should have adequate funding  
2 to meet its ongoing Operating and Maintenance expenses from its cash flow from  
3 operations.

4 Regarding the Corporate Governance/Sarbanes-Oxley Compliance, Apollo is a  
5 publicly traded entity. Therefore, it is required by Federal law to comply with the  
6 Sarbanes-Oxley Act and Corporate Governance standards.

7 Regarding Experience as an Owner and Operator of Utilities, this is an issue  
8 that should not be a concern because Argo's investment platform already includes  
9 ownership of regulated energy utilities in addition to Pike and Leatherstocking. Apollo  
10 has clearly stated that it intends to retain the leadership of Argo, Pike and  
11 Leatherstocking after the conclusion of the Transaction. Consequently, experience as  
12 an Owner Operator should not be an issue.

13 **IV. Issues of Concerns Brought About by the Proposed Merger**

14 Q. DO YOU HAVE ANY CONCERNS ABOUT TECHNICAL OR  
15 FINANCIAL FITNESS WITH RESPECT TO THE PROPOSED  
16 TRANSACTION?

17 A. No. I am not challenging the technical or financial fitness of the combined Apollo/Argo  
18 Entities under the control of Apollo. Apollo is a publicly traded asset management and  
19 retirement services platform with \$785 billion of assets under management. Since its  
20 inception, Apollo has consistently grown its assets under management and has a strong  
21 financial track record. On the other hand, Argo currently manages approximately \$6.5  
22 billion of invested and committed capital on behalf of its institutional investor partners.  
23 Argo states that its investment portfolio consists of 18 infrastructure businesses,  
24 including regulated utilities, contracted power and renewables and other long duration

1 assets or concessions. Both Apollo and Argo have demonstrated the ability to perform  
2 in the sector involving infrastructure and regulated utilities.

3 In addition, the current management and decision makers that have guided the  
4 Corning Utilities thus far will remain with the Corning Utilities after the consummation  
5 of the Proposed Transaction. I expect that, with adequate financing, management  
6 should be able to continue with good decision making.

7 Q. WHAT ARE YOUR CONCERNS RELATED TO THE PROPOSED  
8 MERGER?

9 A. I have several concerns about the proposed merger that need to be considered by the  
10 Commission while reaching a decision in this proceeding. These issues are:

- 11 • Inherent Concerns of Investment Fund/Asset Managers Ownership.
- 12 • Retaining ring-fencing commitments made in 2022 in Docket Nos. A-2021-  
13 3025659 and A-2021-3025662.
- 14 • Maintaining a capital structure that is not too heavily weighted with equity.
- 15 • The cost of capital raised by Apollo Capital should not include additional mark ups  
16 or profit margin to either Apollo Capital or other Apollo affiliated entities.
- 17 • No LTIP or infrastructure financing Plan were provided for Leatherstocking.
- 18 • The Utilities should identify specific geographic regions for service expansion and  
19 present specific plans for expansion with timelines.
- 20 • Charitable Contributions

21 A. **Inherent Concerns of Asset Manager Ownership of Utilities**

22 Q. WHAT ARE YOUR CONCERNS WITH RESPECT TO INVESTMENT  
23 FUNDS AND ASSET MANAGERS OWNERSHIP OF UTILITIES.

1 A. Utilities operate in franchised territories in which there is limited competition and a  
2 monopoly to provide the service they offer. The rates charged for the services offered  
3 by the utilities are set based on providing an opportunity to earn a rate of return set by  
4 the regulatory commission.

5 Asset Managers manage funds for Pension Funds, Institutional Investors and  
6 high net-worth individuals. The goal of Asset Manager firms is to seek to maximize  
7 the returns of their investors. Therefore, Asset Managers may seek opportunities to own  
8 small utilities that have high growth potential.

9 Small utilities like Pike and Leatherstocking have high growth potential  
10 because the areas they serve is not characterized by high customer saturation. In fact,  
11 in the response to OCA-2-1, the Joint Applicants state that “Pike County is the fastest  
12 growing county in Pennsylvania.” The growth in customers and revenues is perhaps  
13 the best way to increase the value of a company because the value of a company is  
14 forward looking. Because of the inherent nature of Asset Managers to always seek  
15 higher returns for their investors, there is the potential for Asset Managers, who may  
16 own a high growth small utility, to seek sale of the utility once its value increases or  
17 retain ownership and settle for steady annual returns.

18 This dichotomy creates a concern. It has been argued by the Joint Applicants  
19 that the Acquisition by Apollo will provide access to capital that would enable Pike’s  
20 and Leatherstocking’s growth. From the OCA’s perspective, this investment would  
21 provide citizens in Pike’s and Leatherstocking’s operating territories with cleaner and  
22 more efficient energy choices and contribute to economic growth. The concern is that  
23 the commitment to provide access to capital to carry out the investment would be cut  
24 short by a decision to seek quick profits from the sale of the utilities.

1           According to the testimony of Apollo witnesses, Apollo has no utilities  
2 operating in Pennsylvania subject to the Commission’s jurisdiction. Hence, there is no  
3 experience between Apollo and the Commission, or any of the parties to this  
4 proceeding. While Pike and Leatherstocking have been before the Commission on  
5 numerous occasions, most of that experience occurred when the Utilities were  
6 independent entities. However, in 2022, in Docket Nos. A-2021-3025659 and A-2021-  
7 3025662, the Commission approved the acquisition of Corning Energy Corporation by  
8 Argo. As discussed earlier, Argo is also an Asset Manager. According to the Joint  
9 Application in that proceeding,

10           The Proposed Transaction will provide substantial affirmative public  
11 benefits including, among other things, the Utilities’ enhanced access  
12 to capital for infrastructure investment, increased ability to expand  
13 facilities to serve new areas and customers, and additional flexibility  
14 to invest in the Utilities’ internal systems, such as more modern  
15 financial accounting systems, customer service software, and  
16 improved cyber security systems, as needs arise. Upon closing of the  
17 Proposed Transaction, the Utilities’ management teams will continue  
18 in their respective roles, thus assuring the same high quality utility  
19 service that their customers and this Commission have come to  
20 expect.<sup>5</sup>

21           The reasons for the merger in that proceeding are very similar to this  
22 proceeding. Yet, after a relatively short period of time, control of the Utilities is being  
23 sold to another Asset Manager citing similar reasons for the sale. This raises serious  
24 concerns because when the prior transaction occurred, it was anticipated that system  
25 expansion would occur to provide clean and efficient energy to the Utilities service  
26 territory. The concern is that this acquisition does not begin a pattern of selling the  
27 Utilities in which investment firms reap profits and the customers and citizen in the  
28 service territory of the Utilities gain very little in terms of safe and reliable services.

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<sup>5</sup> Docket Nos. A-2021-3025659 and A-2021-3025662, Joint Application, page 2.

1           Because of this concern, it is imperative that the Joint Applicants provide specific  
2           commitments and plans for service expansion and improvement with timelines and that  
3           Apollo and the Utilities be held accountable for meeting those goals. Our  
4           recommendation to the Commission is that without such a commitment, this acquisition  
5           should not be approved.

6           **B.     Ring-Fencing Commitments**

7           Q.           PLEASE DISCUSS YOUR CONCERNS REGARDING THE RING-  
8                                 FENCING COMMITMENTS.

9           A.           In the prior transaction, in Docket Nos. A-2021-3025659 and A-2021-3025662, Argo  
10                           agreed to certain ring-fencing agreement that were designed to protect service to  
11                           ratepayer. Argo agreed that the Utilities shall not:

- 12                         1. Guarantee the debt of Argo Capital, or Argo Capital's affiliates not regulated  
13                                 by the Commission, except as approved by the Commission upon a  
14                                 determination that a securities certificate should be granted approving the  
15                                 Proposed Transaction;
- 16                         2. Grant liens upon their property other than in conjunction with obtaining  
17                                 financing for each such entity; or
- 18                         3. Make loans or extend credit to Argo Capital, or Argo Capital's affiliates for a  
19                                 term of more than one year, without prior Commission approval, if required, by  
20                                 the Public Utility Code.

21                         In this proceeding, Apollo proposes to maintain similar ring-fencing measures.<sup>6</sup>  
22                         However, in the response to OCA 1-4, the Joint Applicants state: "Apollo has not  
23                         determined whether future debt and equity capital for the Corning utilities will be raised

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<sup>6</sup> Mills Direct Testimony beginning at 13:6.

1 separately or in combination with other entities.” The prospect of jointly raising capital  
2 creates a potential for arrangements that run counter to the ring-fencing measures listed  
3 above. The OCA has submitted discovery to clarify this issue, but a response has not  
4 yet been provided. As a result, it is worth emphasizing that retaining the previously  
5 agreed upon ring-fencing measures is essential.

6 **C. Capital Structure**

7 Q. PLEASE DISCUSS YOUR CONCERNS REGARDING THE JOINT  
8 APPLICANTS’ CAPITAL STRUCTURE PROPOSALS.

9 A. The Joint Applicants state that the Utilities will not request a capital structure for  
10 ratemaking purposes that is outside the range of capital structures employed by  
11 comparable electric and gas distribution companies operating in the Commonwealth.  
12 They also state that Apollo commits to preserve an overall cost of capital consistent  
13 with the Utilities’ current capital structures, absent any external influences.

14 These proposals are vague and need further clarification. It is not clear what the  
15 Joint Applicants mean by “comparable electric and gas distribution companies  
16 operating in the Commonwealth.” In other words, it is not clear what would be the basis  
17 of comparison (revenues, number of customers, capitalization, etc.). The Joint  
18 Applicants need to clarify what would be used as the basis of comparison.

19 It is also not clear what the Joint Applicants mean by “Apollo commits to  
20 preserve an overall cost of capital consistent with the Utilities’ current capital  
21 structures, absent any external influences.” The nature of the financial market is such  
22 that it is consistently affected by external influences. Respectfully, this proposal  
23 appears to be something that cannot be achieved because of the constant effects of  
24 external forces on the financial markets and, by extension, the cost of capital.

1 Below is the capital structure and cost of capital for Pike and Leatherstocking.  
 2 As can be seen, the capitalization ratios are not the same for both utilities and are  
 3 presumably different from comparable electric and gas distribution companies  
 4 operating in the Commonwealth:  
 5

Pike County Light And Power Company  
 Consolidated Cost of Money

Actual at June 30, 2025

	Percent of Capital	Cost of Component	Weighted Cost
Long Term Debt	43.31%	6.77%	2.93%
Short Term Debt	6.10%	7.05% (a)	0.43%
Common Stock Equity	50.59%	10.25%	5.19%
Total Capitalization	<u>100.00%</u>		<u>8.55%</u>

(a) Based on short-term line of Credit Rate currently in effect

Leatherstocking Gas Company  
 Consolidated Cost of Money

Actual at June 30, 2025

	Percent of Capital	Cost of Component	Weighted Cost
Long Term Debt	51.71%	6.68%	3.45%
Short Term Debt	5.15%	7.05% (a)	0.36%
Common Stock Equity	43.14%	10.25%	4.42%
Total Capitalization	<u>100.00%</u>		<u>8.23%</u>

(a) Based on short-term line of Credit Rate currently in effect

6 It is not clear why the ratemaking capital structure should be determined in this  
 7 proceeding. Therefore, the Joint Applicants should explain this proposal.

1           **D.     Capital Raised by Apollo Capital Solutions**

2           Q.                 PLEASE DISCUSS YOUR CONCERNS REGARDING CAPITAL  
3                                 RAISED BY APOLLO CAPITAL SOLUTIONS.

4           A.                 Apollo Capital Solutions is a subsidiary of Apollo. Apollo Capital Solutions supports  
5                                 Apollo portfolio companies with raising both debt and equity capital. As explained by  
6                                 the Joint Applicants, in the event that Apollo Capital Solutions does provide capital to  
7                                 the Corning utilities, any fee would be consistent with market practices.

8                                 According to paragraph 44 of the Joint Application, Apollo does not expect to  
9                                 provide services to the Utilities that will require the payment of fees. However, as a  
10                                 subsidiary of Apollo, Apollo Capital Solutions would be part of the same ownership  
11                                 group as Pike and Leatherstocking after consumation of the Transaction. Apollo  
12                                 Capital Solutions would be an affiliate of Pike and Leatherstocking. To the extent that  
13                                 Apollo Capital Solutions raises capital for the the Corning Utilities, those transactions  
14                                 should be conducted pursuant to an affiliate interest agreement. Typically, the cost of  
15                                 goods and services provided by affiliates, that are subject to an affiliate interest  
16                                 agreement, are to be provided at actual cost and exclude any additional mark up or  
17                                 profit margin. According to the response to OCA-1-5 (a), “[i]n the event that Apollo  
18                                 Capital does provide capital to the Corning utilities, any fee would be consistent with  
19                                 market practices.” While more information on the fee structure will need to be  
20                                 reviewed, the fee from Apollo Capital Solutions raises a concern, and would have to  
21                                 be examined before those costs can be passed through to customer rates.

22           **E.     Service Expansion**

23           Q.                 PLEASE DISCUSS YOUR CONCERNS REGARDING SERVICE  
24                                 EXPANSION IN THE UTILITIES’ SERVICE AREAS.

1 A. Pike and Leatherstocking have identified areas of potential growth and service  
2 expansion. One of the claimed benefits of the Proposed Transaction is that Pike and  
3 Leatherstocking will have greater access to capital due to the size and exposure of  
4 Apollo. The Utilities indicate that they are currently developing strategic plans to grow  
5 their customer bases. However, while the Utilities have identified the potential growth  
6 areas for service expansion, there does not appear to be a formal plan for achieving the  
7 service expansion.

8 There is a major concern with regard to Leatherstocking. The Joint Applicants  
9 did not provide an LTIP for Leatherstocking. There was no explanation for the lack of  
10 the LTIP. This is concerning because without such a plan it is difficult to determine  
11 the level of effort that is given to providing safe and reliable service in the  
12 Leatherstocking service area. The Joint Applicants should address this apparent gap as  
13 part of this proceeding.

14 While the Utilities indicate that they are working on strategic plans for growing  
15 their customer bases, a formal plan has not been provided to demonstrate committed  
16 resources in pursuit of serving under-served areas. As a condition of the approval of  
17 the acquisition, the Utilities should demonstrate a commitment to service expansion.  
18 For those areas that have already been identified as areas for service expansion, the  
19 Utilities should also provide a plan for the service expansion, including a breakdown  
20 of costs and components of the investment, a timeline for the expansion, and the source  
21 of financing for the expansion.

22 **F. Charitable Contributions**

23 Q. PLEASE COMMENT ON THE UTILITIES PLEDGE TO CONTINUE  
24 CHARITABLE CONTRIBUTIONS AT THE 2024 LEVEL.

1 A. As part of its consideration of substantial public benefits, the Joint Utilities proposed a  
2 firm commitment to maintain charitable contributions at 2024 levels. While charitable  
3 contribution allows the utilities to be involved in the community it serves, charitable  
4 contributions do not rise to the level of being considered as substantial public benefits.  
5 The amounts contributed are generally not large and the utility is selective when  
6 choosing which charities to support. As a result, the benefits of these contributions do  
7 not benefit the broader community, but instead a small, selected group of charities. The  
8 Joint Applicants' pledge to make charitable contributions does not support a finding of  
9 substantial affirmative public benefits.

10 **V. Conclusion**

11 Q. WHAT ARE YOUR CONCLUSIONS WITH RESPECT TO THE  
12 APPLICATION TO APPROVE THE TRANSACTION?

13 A. I have concluded that this transaction should not be approved as proposed by the Joint  
14 Applicants. As discussed earlier, there are specific issues that need to be addressed by  
15 the Joint Applicants and conditions that should be imposed by the Commission if the  
16 transaction is to be approved.

17 Q. ARE THERE ANY ADDITIONAL COMMENT YOU WOULD LIKE TO  
18 ADD?

19 A. Yes. At the time of preparing this testimony, late-filed responses were being received.  
20 The OCA reserves the right to supplement this testimony, if necessary.

21 Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?

22 A. Yes, it does.

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	:	Docket Nos.
MANAGEMENT, INC. FOR A	:	A-2025-3055264
CERTIFICATE OF PUBLIC	:	A-2025-3055265
CONVENIENCE UNDER SECTIONS	:	A-2025-3055335
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	:	

DIRECT TESTIMONY  
OF  
LAFAYETTE K. MORGAN, JR.

Appendix A

## LAFAYETTE K. MORGAN, JR.

Mr. Morgan is an independent regulatory consultant focusing in the area of the analysis of the operations of public utilities with particular emphasis on rate regulation. He has reviewed and analyzed utility rate filings, focusing primarily on revenue requirements determination, accounting and regulatory policy and cost recovery mechanisms. This work has included natural gas, water, electric, and telephone utilities.

### Education and Qualifications

B.B.A. (Accounting) – North Carolina Central University, 1983

M.B.A. (Finance) – The George Washington University, 1993

C.P.A. – Licensed in the State of North Carolina (Inactive status)

### Previous Employment

1993-2010      Senior Regulatory Analyst  
Exeter Associates, Inc.  
Columbia, MD

1990-1993      Senior Financial Analyst  
Potomac Electric Power Company  
Washington, D.C.

1984-1990      Staff Accountant  
North Carolina Utilities Commission – Public Staff  
Raleigh, NC

### Professional Experience

As a Staff Accountant with the North Carolina Utilities Commission – Public Staff, Mr. Morgan was responsible for analyzing testimony, exhibits, and other data presented by parties before the Commission. In addition, he performed examinations of the books and records of utilities involved in rate proceedings and summarized the results into testimony and exhibits for presentation before the Commission. Mr. Morgan also participated in several policy proceedings and audits involving regulated utilities.

As a Senior Financial Analyst with Potomac Electric Power Company, Mr. Morgan was a lead analyst and was involved in the preparation of the cost of service, rate base, and ratemaking adjustments supporting the Company's request for revenue increases in its retail jurisdictions.

As a Senior Regulatory Analyst with Exeter Associates, Inc., Mr. Morgan has been involved in the analysis of the operations of public utilities with particular emphasis on rate regulation. He has reviewed and analyzed utility rate filings, focusing primarily on revenue requirements determination, accounting and regulatory policy and cost recovery mechanisms. This work included natural gas, water, electric, and telephone utilities.

Kings Grant Water Company (North Carolina Utilities Commission, Docket No. W-250, Sub 5), 1984. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Northwood Water Company (North Carolina Utilities Commission, Docket No. W-690, Sub 1), 1985. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Emerald Village Water System (North Carolina Utilities Commission, Docket No. W-184, Sub 3), 1985. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

General Telephone Company of the South (North Carolina Utilities Commission, Docket No. P-19, Sub 207), July 1986. Presented testimony on the level of cash working capital allowance on behalf of the North Carolina Utilities Commission – Public Staff.

Heins Telephone Company (North Carolina Utilities Commission, Docket No. P-26, Sub 93), November 1986. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Carolina Power and Light Company (North Carolina Utilities Commission, Docket No. E-2, Sub 537), March 1988. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Public Service Company of North Carolina, Inc. (North Carolina Utilities Commission, Docket No. G-5, Sub 246), August 1989. Presented testimony on rate base, cash working capital allowance, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Conestoga Telephone and Telegraph Company (Pennsylvania Public Utility Commission, Docket No. I-00920015), September 1993. Presented testimony on cost of service on behalf of the Pennsylvania Office of Consumer Advocate.

Louisiana Power and Light Company (Louisiana Public Service Commission, Docket No. U-20925), February 1995. Presented testimony on rate base and working capital issues on behalf of the Louisiana Public Service Commission Staff.

South Central Bell Telephone Company – Louisiana (Louisiana Public Service Commission, Docket No. U-17949, Subdocket E), June 1995. Presented testimony on rate base and working capital issues on behalf of the Louisiana Public Service Commission Staff.

Apollo Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00953378), August 1995. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Carnegie Natural Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00953379), August 1995. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Tennessee Gas Pipeline Company (Federal Energy Regulatory Commission, Docket No. RP95-112), September 1995. Presented testimony rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Virginia-American Water Company (Virginia State Corporation Commission, Case No. PUE-950003), March 1996. Presented testimony on rate base and cost of service issues on behalf of the City of Alexandria.

GTE North, Inc. Interconnection Arbitration (Pennsylvania Public Utility Commission, Docket No. A-310125F0002), September 1996. Presented testimony on the determination of the appropriate resale discount on behalf of the Pennsylvania Office of Consumer Advocate.

United Cities Gas Company (Georgia Public Service Commission, Docket No. 6691-U), October 1996. Presented testimony on rate base and cost of service issues on behalf of the Office of Governor, Consumer Utility Counsel Division.

GTE North, Inc. (Pennsylvania Public Utility Commission, Docket Nos. R-00963666 and R-00963666C001), February 1997. Presented testimony on the determination of the appropriate resale discount on behalf of the Pennsylvania Office of Consumer Advocate.

Consumers Maine Water Company (Maine Public Utilities Commission, Docket No. 96-739), May 1997. Presented testimony on rate base, cost of service, and rate of return issues on behalf of the Maine Office of the Public Advocate.

Pennsylvania-American Water Company (Pennsylvania Public Utility Commission, Docket No. R-00973944), July 1997. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Pennsylvania-American Water Company – Wastewater Operations (Pennsylvania Public Utility Commission, Docket No. R-00973973), July 1997. Presented testimony on rate base, cost of service, depreciation, and rate design issues on behalf of the Pennsylvania Office of Consumer Advocate.

Jackson Purchase Electric Cooperative Corporation (Kentucky Public Service Commission, Case No. 97-224), December 1997. Presented testimony on rate base and cost of service issues on behalf of the Kentucky Office of the Attorney General.

Henderson Union Electric Cooperative Corporation (Kentucky Public Service Commission, Case No. 97-220), January 1998. Presented testimony on the return of patronage capital on behalf of the Kentucky Office of the Attorney General.

Green River Electric Corporation (Kentucky Public Service Commission, Case No. 97-219), January 1998. Presented testimony on the return of patronage capital on behalf of the Kentucky Office of the Attorney General.

Western Kentucky Gas Company (Kentucky Public Service Commission, Case No. 99-070), November 1999. Presented testimony on rate base and cost of service issues on behalf of the Kentucky Office of the Attorney General.

American Broadband, Inc. (Rhode Island Public Utilities Commission, Docket No. 2000-C-3), June 2000. Presented report and testimony on the Company's financing plan on behalf of the Rhode Island Division of Public Utilities and Carriers.

PPL Utilities (Pennsylvania Public Utility Commission, Docket No. R-00005277), October 2000. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

T.W. Phillips Oil and Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00005459), October 2000. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Pike County Light & Power Company (Pennsylvania Public Utility Commission, Docket No. P-00011872), May 2001. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Vermont Gas Systems, Inc. (Vermont Public Service Board, Docket No. 6495), June 2001. Presented testimony on rate base and cost of service issues on behalf of the Vermont Public Service Department.

Community Service Telephone Company (Maine Public Utilities Commission, Docket No. 2001-249), July 2001. Presented joint testimony on rate base and cost of service issues on behalf of the Maine Office of the Public Advocate.

West Virginia-American Water Company (Public Service Commission of West Virginia, Docket No. 01-0326-W-42-T), August 2001. Presented testimony on rate base and cost of service issues on behalf of the Consumer Advocate Division.

Philadelphia Suburban Water Company (Pennsylvania Public Utility Commission, Docket No. R-00016750) February 2002. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Illinois-American Water Company (Illinois Commerce Commission, Docket No. 02-0690) January 2003. Presented testimony on cost of service issues on behalf of Citizens Utility Board.

Pennsylvania-American Water Company (Pennsylvania Public Utility Commission, Docket No. R-00027983), February 2003. Presented testimony addressing surcharge mechanism to recover security costs on behalf of the Pennsylvania Office of Consumer Advocate.

FairPoint New England Telephone Companies (Maine Public Utilities Commission, Docket Nos. 2002-747, 2003-34, 2003-35, 2003-36, and 2003-37), June 2003. Presented testimony on rate base and cost of service issues on behalf of the Maine Office of the Public Advocate.

Pennsylvania-American Water Company (Pennsylvania Public Utility Commission, Docket No. R-00038304), August 2003. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

PPL Electric Utilities Corporation (Pennsylvania Public Utility Commission, Docket No. R-00049255), June 2004. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Entergy Louisiana, Inc. (Louisiana Public Service Commission, Docket No. U-20925 RRF 2004), August 2004. Presented testimony on rate base and cost of service issues on behalf of the Louisiana Public Service Commission Staff.

Vectren Energy Delivery of Indiana (Indiana Utility Regulatory Commission, Cause No. 42598), September 2004. Presented testimony on O&M expense issues on behalf of the Indiana Office of Utility Consumer Counselor.

National Fuel Gas Distribution Corporation (Pennsylvania Public Utility Commission, Docket No. R-00049656), December 2004. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Block Island Power Company (Rhode Island Public Utilities Commission, Docket No. 3655), April 2005. Presented testimony on cash working capital on behalf of the Rhode Island Division of Public Utilities & Carriers.

Verizon New England, Inc. (Maine Public Utilities Commission, Docket No. 2005-155), September 2005. Presented joint testimony with Thomas S. Catlin on rate base and cost of service issues on behalf of the Maine Office of the Public Advocate.

T.W. Phillips Oil and Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00051178), May 2006. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Duquesne Light Company (Pennsylvania Public Utility Commission, Docket No. R-00061346), July 2006. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

National Fuel Gas Distribution Company (Pennsylvania Public Utility Commission, Docket No. R-00061493), September 2006. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Southern Indiana Gas & Electric Co. (Indiana Utility Regulatory Commission, Cause No. 43112), January 2007. Presented testimony on rate base and cost of service issues on behalf of the Indiana Office of Utility Consumer Counsel.

PPL Electric Utilities (Pennsylvania Public Utility Commission, Docket No. R-00072155), July 2007. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Aqua Pennsylvania, Inc. (Pennsylvania Public Utility Commission, Docket No. R-00072711), February 2008. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Equitable Gas Company (Pennsylvania Public Utility Commission, Docket No. R-2008-2029325), October 2008. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

The Narragansett Bay Commission (Rhode Island Public Utilities Commission, Docket No. 4026), April 2009. Presented testimony on rate base and cost of service issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Maryland-American Water Company (Maryland Public Service Commission, Case No. 9187), July 2009. Presented testimony on rate base and cost of service issues on behalf of the Maryland Office of People's Counsel.

Monongahela Power Company & The Potomac Edison Company, both d/b/a Allegheny Power Company (West Virginia Public Service Commission, Case No. 09-1352-E-42T), February 2010. Presented testimony on rate base and cost of service issues on behalf of the West Virginia Consumer Advocate Division.

PPL Electric Utilities (Pennsylvania Public Utility Commission, Docket No. R-2010-2161694), June 2010. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Pawtucket Water Supply Board (Rhode Island Public Utilities Commission, Docket No. 4550), June 2015. Presented testimony on revenue requirements issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Columbia Gas of Pennsylvania (Pennsylvania Public Utility Commission, Docket No. R-2015-2468056), June 2015. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Indianapolis Power and Light Company (Indiana Utility Regulatory Commission, Cause No. 44576/44602), July 2015. Presented testimony on revenue requirements issues on behalf of the Indiana Office of Utility Consumer Counselor.

Public Service Company of Oklahoma (Corporation Commission of Oklahoma, Cause No. PUD 201500208), October 2015. Presented testimony on revenue requirements and environmental compliance rider issues on behalf of the United States Department of Defense and the Federal Executive Agencies.

Northern Indiana Public Service Company (Indiana Utility Regulatory Commission, Cause No. 44688), January 2016. Presented testimony on the company's electric division operating revenues, operating expenses and income taxes issues on behalf of the Indiana Office of Utility Consumer Counselor.

Philadelphia Water Department (Philadelphia Water, Sewer And Storm Water Rate Board, FY2017-2018 Rate Proceeding), March 2016. Presented testimony on revenue requirements issues on behalf of the Public Advocate.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9417), June 2016. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Chesapeake Utilities Corporation (Delaware Public Service Commission, PSC Docket No. 15-1734), August 2016. Presented testimony on rate base and cost of service issues on behalf of the Staff of the Delaware Public Service Commission.

Kent County Water Authority (Public Service Commission of Rhode Island, Docket No. 4611), September 2016. Presented testimony on rate base and cost of service issues on behalf of the Division of Public Utilities and Carriers.

Northern Utilities, Inc. (Maine Public Utilities Commission, Docket No. 2017-00065), August 2017. Assisted the Maine Office of Public Advocate (OPA) with Northern Utilities application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements, the utility's request to renew and modify its alternative rate plan, and its Targeted Infrastructure Replacement Adjustment.

Indiana Michigan Power Company (Indiana Utility Regulatory Commission, Cause No. 44967), November 2017. Presented testimony on rate base, operating revenues and operating expenses issues on behalf of the Indiana Office of Utility Consumer Counselor.

Emera Maine (Maine Public Utilities Commission, Docket No. 2017-00198), December 2017. Assisted the Maine Office of Public Advocate (OPA) with Emera Maine's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

UGI-Electric (Pennsylvania Public Utility Commission, Docket No. R-2017-2640058), April 2018. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Electric's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Philadelphia Water Department (Philadelphia Water, Sewer And Storm Water Rate Board, FY2019-2020 Rate Proceeding), April 2018. Presented testimony on revenue requirements and the Department's three-year rate plan issues on behalf of the Public Advocate.

Westar Energy, Inc. (Westar Energy) and Kansas Gas and Electric Company (KGE), (Kansas State Corporation Commission, Docket No. 18-WSEE-328-RTS), May 2018. Presented testimony on revenue requirements on behalf on behalf of the Federal Executive Agencies.

Duquesne Light Company (Pennsylvania Public Utility Commission, Docket No. R-2018-3000124), June 2018. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Electric's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Bangor Natural Gas Company (Maine Public Utilities Commission, Docket No. 2018-00007), June 2018. Assisted the Maine Office of Public Advocate (OPA) Presented testimony, on behalf of the OPA, on the changes brought about by the Tax Change and Jobs Act of 2017.

SUEZ Water Pennsylvania, Inc. (Pennsylvania Public Utility Commission, R-2018-3000834), July 2018. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with SUEZ Water's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including Rate Base, Operating Income, Inclusion of Costs Related to Expansion Territories and the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Woonsocket Water Division (Public Service Commission of Rhode Island, Docket No. 4879), January 2019. Presented testimony on cost of service issues on behalf of the Division of Public Utilities and Carriers.

Central Maine Power Company (Maine Public Utilities Commission, Docket No. 2018-00194), January 2019. Assisted the Maine Office of Public Advocate (OPA) with Central Maine Power's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2019 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), May 2019. Presented

testimony regarding the appropriate adjustments to the 2019 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Newport Water Department (Public Service Commission of Rhode Island, Docket No. 4933), July 2019. Presented testimony on cost of service issues on behalf of the Division of Public Utilities and Carriers.

UGI-Gas (Pennsylvania Public Utility Commission, Docket No. R-2018-3006814), April 2019. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9609), August 2019. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Public Service Company of Colorado (Colorado Public Utility Commission, Proceeding No. 19AL-0268E), September 2019. Mr. Morgan provided testimony, on behalf of the Department of Energy and the Federal Executive Agencies, on accounting issues including test year revenue requirements, Rate Base and Net Operating Income.

Northern Utilities, Inc. (Maine Public Utilities Commission, Docket No. 2019-00092), September 2019. Assisted the Maine Office of Public Advocate (OPA) with Northern Utilities application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements and the utility's request to institute a Capital Investment Recovery Mechanism.

Citizens' Electric Company of Lewisburg (Pennsylvania Public Utility Commission, Docket No. R-2019-3008212), October 2019. Provided testimony on Plant in Service, Construction Work in Progress, Materials and Supplies, Customer Deposits, Depreciation Expense, Growth Factor, and The Tax Cuts and Jobs Act. Mr. Morgan provided testimony, on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Valley Energy, Inc. (Pennsylvania Public Utility Commission, Docket No. R-2019-3008209), October 2019. Provided testimony on Plant in Service, Construction Work in Progress, Materials and Supplies, Customer Deposits, Depreciation Expense, Growth Factor, and The Tax Cuts and Jobs Act. Mr. Morgan provided testimony, on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Wellsboro Electric Company (Pennsylvania Public Utility Commission, Docket No. R-2019-3008208), October 2019. Provided testimony on Plant in Service, Construction Work in Progress, Materials and Supplies, Customer Deposits, Depreciation Expense, Growth Factor, and The Tax Cuts and Jobs Act. Mr. Morgan provided testimony, on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Blue Granite Water Company (Public Service Commission of South Carolina, (Docket No. 2019-290-WS), January 2020. Assisted the South Carolina Department of Consumer Affairs. Presented testimony on accounting policy issues including test year revenue requirements.

UGI-Gas (Pennsylvania Public Utility Commission, Docket No. R-2019-3015162), May 2020. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9644), July 2020. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

PECO Energy Company - Gas Division (Pennsylvania Public Utility Commission, Docket No. R-2020-3018929), December 2020. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with PECO-Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2022 - 2023 Rates Proceeding), March 2021. Presented testimony on revenue requirements and the Department's three-year rate plan issues on behalf of the Public Advocate.

Versant Maine (Maine Public Utilities Commission, Docket No. 2020-00316), April 2021. Assisted the Maine Office of Public Advocate (OPA) with Versant's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company (Maine Public Utilities Commission, Docket No. 2021-00053), April 2021. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's Request for Approval of Rate Increase and Rate Smoothing Mechanism Pertaining to The Maine Water Company Biddeford & Saco Division. Mr. Morgan provided testimony, on the authorization of the Rate Smoothing Mechanism.

UGI-Electric (Pennsylvania Public Utility Commission, Docket No. R-2021-3023618), May 2021. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Electric's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Bangor Natural Gas Company (Maine Public Utilities Commission, Docket No. 2021-00024), June 2021. Assisted the Maine Office of Public Advocate (OPA) with Bangor Natural Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2021 - 2022 Operating Budget Proceeding), June 2021. Presented testimony on the reasonableness of the Fiscal Year 2022 Operating Budget on behalf of the Public Advocate.

Duquesne Light Company (Pennsylvania Public Utility Commission, Docket No. R-2021-3024750), June 2021. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with Duquesne Light Company's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9664), July 2021. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Palmetto Wastewater Reclamation, Inc. (Public Service Commission of South Carolina, (Docket No. 2021-153-S), September 2021. Assisted the South Carolina Department of Consumer Affairs. Presented testimony on accounting policy issues including test year revenue requirements.

Maine Water Company (Maine Public Utilities Commission, Docket No. 2021-00289), November 2021. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

City of Lancaster – Water Department (Pennsylvania Public Utility Commission, Docket No. R-2021-3026682), December 2021. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with the City of Lancaster – Water Department's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Maryland Water Service (Public Service Commission of Maryland, Case No. 9671), January 2022. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Commonwealth Edison Company (Illinois Commerce Commission, ICC Docket No. 21-0607 & ICC Docket No. 21-0739 (consolidated)), February 2022. Provided testimony related to the review and evaluation of the rate effects of Commonwealth Edison's misconduct admitted in the Deferred Prosecution Agreement between the United States Attorney for the Northern District of Illinois and Commonwealth Edison. Provided testimony on behalf of the Office of the Illinois Attorney General, the City of Chicago, and the Citizens Utility Board.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2022 - 2023 Capital Budget Proceeding), February 2022. Presented testimony proposing several adjustments to Philadelphia Gas Works' Fiscal Year 2023 Capital Budget on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2022 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), March 2022. Presented testimony regarding the appropriate adjustments to the 2022 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2023 Special Rate Proceeding), April 2022. Presented testimony that demonstrated Philadelphia Water Department's outperformance and proposed a sharing of the utility's outperformance earnings. Presented testimony on behalf of the Public Advocate.

Maine Water Company-Camden& Rockland Division (Maine Public Utilities Commission, Docket No. 2022-00056), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company-Freeport Division (Maine Public Utilities Commission, Docket No. 2022-00057), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company-Millinocket Division (Maine Public Utilities Commission, Docket No. 2022-00058), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company-Oakland Division (Maine Public Utilities Commission, Docket No. 2022-00059), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Columbia Gas of Pennsylvania (Pennsylvania Public Utility Commission, Docket No. R-2022-3031211), June 2022. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with Columbia Gas of Pennsylvania's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2022 - 2023 Operating Budget Proceeding), June 2022. Presented testimony on the reasonableness of the Fiscal Year 2023 Operating Budget on behalf of the Public Advocate.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9680), July 2022. Presented joint testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Oncor Electric Delivery Company (Public Utility Commission of Texas, PUC Docket No. 53601), August 2022. Presented joint testimony on rate base and cost of service issues on behalf of the Department of Defense and Federal Executive Agencies.

Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy (Wyoming Public Service Commission, Docket No. 20003-214-ER-22), November 2022. Presented testimony, on behalf of Microsoft Corporation, on rate base and cost of service issues.

Central Maine Power Company (Maine Public Utilities Commission, Docket No. 2022-00152), December 2022. Assisted the Maine Office of Public Advocate (OPA) with Central Maine Power's application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements and the company's request for a multi-year rate plan.

National Fuel Gas Distribution Corporation (Pennsylvania Public Utility Commission, Docket No. R-2022-3035730), January 2023. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with National Fuel Gas Distribution Corporation's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2022 - 2023 Capital Budget Proceeding), February 2023. Presented testimony proposing several adjustments to Philadelphia Gas Works' Fiscal Year 2024 Capital Budget on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2023 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), March 2023. Presented testimony regarding the appropriate adjustments to the 2023 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2024 - 2025 Rates Proceeding), April 2023. Presented testimony on behalf of the Public Advocate on revenue requirements and issues relating to the Department's proposed two-year rate plan.

Dayton Power and Light Company d/b/a AES Ohio (The Public Utilities Commission of Ohio, Case No. 22-900-EL-SSO), April 2023. Presented testimony addressing the recovery of deferred costs and regulatory assets as part of AES Ohio's Application for Approval of Its Electric Security Plan on behalf of the Office of the Ohio Consumers' Counsel.

Maine Water Company- Biddeford & Saco Division (Maine Public Utilities Commission, Docket No. 2023-00065), June 2023. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues and test year revenue requirements.

Potomac Edison Company (Public Service Commission of Maryland, Case No. 9695), June 2023. Presented testimony on rate base, cost of service and accounting issues on behalf of the Office of People's Counsel.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2023 - 2024 Operating Budget Proceeding), June 2023. Presented testimony identifying issues and recommendations to be considered in approving the Fiscal Year 2024 Operating Budget on behalf of the Public Advocate.

Northern Utilities, Inc. (Maine Public Utilities Commission, Docket No. 2023-00051), July 2023. Assisted the Maine Office of Public Advocate (OPA) with Northern Utilities application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues and test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2024 Capital Budget Amendment), August 2023. Presented testimony as to the appropriateness of Philadelphia Gas Works' amendments to the Fiscal Year 2024 Capital Budget on behalf of the Public Advocate.

Evergy Kansas Central, Inc. (Kansas State Corporation Commission, Docket No. 23-EKCE-775-RTS), August 2023. Assisted the U.S. Department of Defense and the Federal Executive Agencies with Evergy Kansas Central, Inc. application for an increase in rates. Provided testimony on accounting issues including test year revenue requirements.

American Transmission Systems, Inc., Mid-Atlantic Interstate Transmission, LLC and Trans-Allegheny Interstate Line Company (Pennsylvania Public Utility Commission, Docket Nos. A-2023-3040481, A-2023-3040482, A-2023-3040483, G-2023-3040484 and G-2023-3040485), August 2023. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with investigation of Joint Applicants application to sell additional equity stake in FirstEnergy Transmission LLC to North American Transmission Company II, L.P. Provided testimony, on behalf of the OCA, identifying issues and recommendations to be considered by the Commission in approving the transaction.

Fitchburg Gas and Electric Light Company d/b/a Unitil (Electric and Gas Divisions) (Massachusetts Department of Public Utilities, Docket Nos. D.P.U. 23-80 & 23-81), December 2023. Assisted the Massachusetts Office of Attorney General (AGO) with Fitchburg Gas and Electric Light Company's application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues and test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2024 - 2025 Capital Budget Proceeding), February 2024. Presented testimony proposing several adjustments to Philadelphia Gas Works' Fiscal Year 2024 Capital Budget on behalf of the Public Advocate.

Pawtucket Water Supply Board (Rhode Island Public Utilities Commission, Docket No. 23-30-WW), March 2024. Presented testimony on revenue requirements issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Massachusetts Electric Company and Nantucket Electric Company, d/b/a National Grid (Massachusetts Department of Public Utilities, Docket Nos. D.P.U. 23-150), March 2024. Assisted the Massachusetts Office of Attorney General (AGO) with National Grid's application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues and test year revenue requirements.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2024-Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), April 2024. Presented testimony regarding the appropriate adjustments to the 2024 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Pennsylvania-American Water Company, Manwalamink Water Company and Manwalamink Sewer Company (Pennsylvania Public Utility Commission, Docket Nos. A-2023-3044418, A-2023-3044419, A-2023-3044421, A-2023-3044422), May 2024. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with investigation of Pennsylvania-American application to acquire Manwalamink Water Company and Manwalamink Sewer Company. Provided testimony, on behalf of the OCA, identifying issues and recommendations to be considered by the Commission in approving the transaction.

Veolia Water Pennsylvania, Inc. (Pennsylvania Public Utility Commission, Docket Nos. R-2024-3045192 and R-2024-3045193, May 2024. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with Veolia Water Pennsylvania's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Dominion Energy South Carolina, Inc. (South Carolina Public Service Commission, Docket No. 2024-34-E), June 2024. Assisted the U.S. Department of Defense and the Federal Executive Agencies with Dominion Energy South Carolina, Inc.'s application for an increase in rates. Provided testimony on accounting issues including test year revenue requirements.

Versant Maine (Maine Public Utilities Commission, Docket No. 2023-00336), June 2024. Assisted the Maine Office of Public Advocate (OPA) with Versant's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maryland Water Service (Public Service Commission of Maryland, Case No. 9729), June 2024. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2024 - 2025 Operating Budget Proceeding), June 2024. Presented testimony identifying issues and recommendations to be considered in approving the Fiscal Year 2025 Operating Budget on behalf of the Public Advocate.

Elizabethtown Gas Company (New Jersey Board of Public Utilities, BPU Docket No. GR24020158), June-August 2024. Assisted the Division of Rate Counsel with the investigation and litigation of Elizabethtown Gas Company's application for an increase in rates. Mr. Morgan investigated the Company's claimed revenue requirement and assisted the Division of Rate Counsel on accounting issues and participated in the settlement negotiations leading to the case resolution.

New Jersey Natural Gas Company (New Jersey Board of Public Utilities, BPU Docket No. GR19020278), July-September 2024. Assisted the Division of Rate Counsel with the investigation and litigation of New Jersey Natural Gas Company's Request for Approval to Implement an Infrastructure Investment Program and Associated Cost Recovery Mechanism.

City of Newport Utilities Department Water Division (Rhode Island Public Utilities Commission, Docket No. 24-30-WW), October 2024. Presented testimony on revenue requirements issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Staff-Assisted Rate Case for Nine Water Utilities Located in Southern Maryland (Maryland Public Service Commission, Case No. 9750), November 2024. Engaged by the Maryland Office of People's Counsel to review, evaluate and determine the reasonableness of the revenue requirement of the Commission Staff-assisted Rate Case for nine small water utilities.

Maine Water Company-Camden & Rockland Division (Maine Public Utilities Commission, Docket No. 2024-00291), January 2025. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2025 - 2026 Capital Budget Proceeding), February 2025. Presented testimony proposing several adjustments to Philadelphia Gas Works' Fiscal Year 2026 Capital Budget on behalf of the Public Advocate.

City of Woonsocket Water Division (Rhode Island Public Utilities Commission, Docket No. 25-01-WW), April 2025. Presented testimony on revenue requirements issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska, Docket No. U-24-030 & U-24-031), April 2025. Presented testimony on water and

sewer revenue requirements/cost of service issues on behalf of the United States Department of Defense and All Other Federal Executive Agencies.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2025 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), April 2025. Presented testimony regarding the appropriate adjustments to the 2025 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2026 - 2027 Rates Proceeding), May 2025. Presented testimony on behalf of the Public Advocate on revenue requirements and issues relating to the Department's proposed two-year rate plan.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2025 - 2026 Operating Budget Proceeding), June 2025. Presented testimony identifying issues and recommendations to be considered in approving the Fiscal Year 2026 Operating Budget on behalf of the Public Advocate.

### **Special Projects**

Developed a Uniform System of Accounts and Financial Data Collection Template for five countries participating in the National Association of Regulatory Utility Commissioners (NARUC)/East Africa Regional Energy Regulatory Partnership. Also conducted training seminars and participated as a panel member addressing issues in the utility industry from the perspective of the regulator. This work was conducted by NARUC) and the United States Agency for International Development (USAID).

### **Other Projects**

Texas Gas Transmission Corporation (Federal Energy Regulatory Commission, Docket No. RP93-106). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Natural Gas Pipeline Company of America (Federal Energy Regulatory Commission, Docket No. RP93-36). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Texas Gas Transmission Company (Federal Energy Regulatory Commission, Docket No. RP94-423). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Lafourche Telephone Company (Louisiana Public Service Commission, Docket No. U-21181). Analysis and investigation of earnings and appropriate rate of return on behalf of the Louisiana Public Service Commission Staff.

Natural Gas Pipeline Company of America (Federal Energy Regulatory Commission, Docket No. RP95-326). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Pymatuning Independent Telephone Company (Pennsylvania Public Utility Commission, Docket No. R-00953502). Technical analysis and development of settlement position in the Company's rate case on behalf of the Pennsylvania Office of Consumer Advocate.

Illinois Bell Telephone Company (Illinois Commerce Commission, Docket No. 96-0172). Technical analysis of the Company's annual rate filing pursuant to its Price Cap Plan on behalf of Citizens Utility Board.

Illinois Bell Telephone Company (Illinois Commerce Commission, Docket No. 97-0157). Technical analysis of the Company's annual rate filing pursuant to its Price Cap Plan on behalf of Citizens Utility Board.

TDS Telecom (Pennsylvania Public Utility Commission, Docket Nos. R-00973892 and R-00973893). Technical analysis regarding rate base, cost of service, rate design, and rate of return, and assistance in settlement negotiations in the Company's rate case and alternative regulatory filing on behalf of the Pennsylvania Office of Consumer Advocate.

Appalachian Power Company (Virginia State Corporation Commission, Case No. PUE 960301). Technical analysis regarding rate base and cost of service and assistance in settlement negotiations in the Company's rate case and alternative regulatory filing on behalf of the Virginia Office of the Attorney General.

Central Maine Power Company (Maine Public Utilities Commission, Docket No. 97-580). Technical analysis regarding attrition and accounting issues in the Company's Transmission and Distribution unbundling proceeding on behalf of the Maine Public Utilities Commission Staff.

Illinois Bell Telephone Company (Illinois Commerce Commission, Docket No. 98-0259). Technical Analysis of the Company's annual rate filing pursuant to its Price Cap Plan on behalf of Citizens Utility Board.

Maine Public Service Company (Maine Public Utilities Commission, Docket No. 98-577). Technical analysis regarding attrition and accounting issues in the Company's Transmission and Distribution unbundling proceeding on behalf of the Maine Public Utilities Commission Staff.

Bangor Hydro-Electric Company (Maine Public Utilities Commission, Docket No. 97-596). Technical analysis regarding attrition and accounting issues in the Company's Transmission and Distribution unbundling proceeding on behalf of the Maine Public Utilities Commission Staff.

TDS Telecom (Maine Public Utilities Commission, Docket Nos. 98-894, 98-895, 98-904, 98-906, 98-911, and 98-912). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

Mid-Maine Telecom (Maine Public Utilities Commission, Docket No. 2000-810). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

Unitel, Inc. (Maine Public Utilities Commission, Docket No. 2000-813). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

Hydraulics International, Inc. (Armed Services Board of Contract Appeals, ASBCA No. 51285). Technical analysis and support relating to the Economic Adjustment Clause claim on behalf of the Air Force Materiel Command.

Tidewater Telecom and Lincolnville Telephone Company (Maine Public Utilities Commission, Docket Nos. 2002-100 and 2002-99). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

TDS Telecom (Vermont Public Service Board, Docket No. 6576). Technical analysis regarding rate base, cost of service, and depreciation expense on behalf of the Vermont Department of Public Service.

CenterPoint Energy-Entex (Louisiana Public Service Commission, Docket No. U-26720, Subdocket A). Technical analysis regarding rate base and cost of service on behalf of the Louisiana Public Service Commission Staff.

CenterPoint Energy-Arkla (Louisiana Public Service Commission, Docket No. U-27676). Technical analysis regarding rate base and cost of service on behalf of the Louisiana Public Service Commission Staff.

Provided technical analysis and support on behalf of the Louisiana Public Service Commission Staff relating to CLECO Power LLC Rate Stabilization Plan.

Provided technical analysis and support on behalf of the Louisiana Public Service Commission Staff relating to CLECO Power LLC post-Katrina power purchases.

Provided technical analysis and support on behalf of the Louisiana Public Service Commission Staff relating to Entergy Louisiana LLC recovery of storm damage costs.

Westar Energy, Inc. (Westar Energy) and Kansas Gas and Electric Company (KGE), (Kansas State Corporation Commission, Docket No. 17-WSEE-147-RTS). Technical analysis regarding rate base and cost of service on behalf of the Federal Executive Agencies.

Westar Energy, Inc. (Westar Energy) and Kansas Gas and Electric Company (KGE), (Kansas State Corporation Commission, Docket No. 17-WSEE-147-RTS). Technical analysis regarding rate base and cost of service on behalf of the Federal Executive Agencies.



COMMONWEALTH OF PENNSYLVANIA



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October 24, 2025

**Via Electronic Filing**

Administrative Law Judge Charece Z. Collins (charcollin@pa.gov)  
Office of Administrative Law Judge  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
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 Nos. A-2025-3055264;  
A-2025-3055265;  
A-2025-3055335

Dear Honorable Judge Collins:

Please find enclosed a copy of the Surrebuttal Testimony being submitted on behalf of the Office of Consumer Advocate in this proceeding, as follows:

- OCA Statement 1SR: Surrebuttal Testimony of Lafayette K. Morgan
- Appendix A
- Verification of Lafayette Morgan

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Harrison W. Breitman  
Harrison W. Breitman  
Assistant Consumer Advocate  
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Enclosures:

cc: Secretary Matthew L. Homsher (Cover Letter and Certificate of Service Only)  
Certificate of Service

CERTIFICATE OF SERVICE

Joint Application of Pike County Light and	:		
Power Company, Leatherstocking Gas	:	Docket Nos.	A-2025-3055264;
Company, LLC, Corning Energy Corporation,	:		A-2025-3055265;
ACP Series 3 Partnership L.P., Argo Capital	:		A-2025-3055335
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.	:		

I hereby certify that I have this day served a true copy of the following documents, the Office of Consumer Advocate's Surrebuttal Testimony, as follows:

OCA Statement ISR: Surrebuttal Testimony of Lafeyette K. Morgan,

upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 24th day of October 2025.

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Dated: October 24, 2025

/s/ Harrison W. Breitman  
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Consumer Advocate

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 Nos.
A-2025-3055264
A-2025-3055265
A-2025-3055335

SURREBUTTAL TESTIMONY  
OF  
LAFAYETTE K. MORGAN, JR.

ON BEHALF OF THE  
PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

OCTOBER 24, 2025

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1 **I. Introduction**

2 Q. **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Lafayette K. Morgan, Jr. My business address is 10480 Little Patuxent  
4 Parkway, Suite 300, Columbia, Maryland, 21044. I am a Public Utilities Consultant  
5 working with Exeter Associates, Inc. (“Exeter”). Exeter is a consulting firm  
6 specializing in issues pertaining to public utilities.

7 Q. **ARE YOU THE SAME LAFAYETTE K. MORGAN, JR. WHO**  
8 **SUBMITTED PRE-FILED DIRECT TESTIMONY IN THIS**  
9 **PROCEEDING?**

10 A. Yes, I am.

11 Q. **WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

12 A. The purpose of my Surrebittal Testimony is to respond to the Rebuttal Testimonies  
13 of the Joint Applicants’ witnesses Trevor Mills, Tony Dorazio and Charles Lenns.

14 Q. **BEFORE RESPONDING TO THE JOINT APPLICANTS’ WITNESSES**  
15 **REBUTTAL TESTIMONY, PLEASE PROVIDE A SUMMARY OF YOUR**  
16 **DIRECT TESTIMONY TO GIVE SOME CONTEXT TO YOUR**  
17 **RESPONSES AND COMMENTS.**

18 A. In my direct testimony, I recommend that the Commission not approve the transaction  
19 as proposed by the Joint Applicants. The concerns I raised about the proposed merger  
20 included: 1) concerns about ownership of the Corning Utilities by an Investment  
21 Fund/Asset Manager firm potentially resulting in short-term ownership of the Corning  
22 Utilities; 2) retaining ring-fencing commitments made in 2022 in Docket Nos. A-  
23 2021-3025659 and A-2021-3025662 as it relates to jointly raising capital with other  
24 Apollo affiliates; 3) maintaining a capital structure that is not too heavily weighted

1 with equity; 4) concerns that the cost of capital raised by Apollo Capital Solutions not  
2 include additional mark ups or profit margin to either Apollo Capital or other Apollo  
3 affiliated entities; 5) the lack of an Long-Term Infrastructure Improvement Plan  
4 (LTIIP) or infrastructure financing Plan being provided for Leatherstocking; 6) the  
5 Utilities should identify specific geographic regions for service expansion and present  
6 specific plans for expansion with timelines; and 7) whether continuing Charitable  
7 Contributions constitutes substantial public benefits.

## 8 **II. Discussion and Response to the Joint Applicants Witnesses**

### 9 **A. Concerns of Asset Manager Ownership of Utilities**

10  
11 **Q. PLEASE RESPOND TO THE DISCUSSION IN MR. MILLS' REBUTTAL**  
12 **TESTIMONY IN WHICH HE DISAGREES WITH YOUR CONCERN**  
13 **ABOUT THIS TRANSACTION LEADING TO A SHORT-TERM**  
14 **OWNERSHIP BY APOLLO DUE TO THE INHERENT PROFIT**  
15 **SEEKING NATURE OF ASSET MANAGER FIRMS.**

16 **A.** In my direct testimony, I explained my concern about Apollo's acquisition of the  
17 Corning Utilities resulting in a short-term ownership of the utilities because Asset  
18 Management firms tend to seek the best returns possible for their investors. Mr. Mills  
19 disagrees with respect to the proposed transaction, and states that it is not Apollo's  
20 intent to sell Argo in the short-term.<sup>1</sup>

21 In his rebuttal testimony, he explains his disagreement with my concern as  
22 discussed in my direct testimony about the potential motive of Apollo to seek short-  
23 term profit. First, he believes that I incorrectly assume that Argo is selling the Corning  
24 Utilities. Second, he explains that after consummation of the acquisition, ownership of

---

<sup>1</sup> Mills Rebuttal at 4:18-5:2.

1 Corning and the Corning Utilities will not change. The current owner, ACP S3  
2 managed funds, will remain as owner. Third, he states that the ACP S3 investment  
3 funds have an investment outlook that is 15 years or more. Fourth, he states that the  
4 ACP S3 investment funds are fundamentally different from other private equity  
5 investments that operate on a much shorter time horizon and achieve expected returns  
6 only upon sale of underlying assets.

7 To be clear, I did not incorrectly assume that the transaction for which  
8 authorization is sought involved the sale of Argo or the sale of the Corning Utilities. In  
9 discovery responses, both formal and informal, the Joint Applicants have made it clear  
10 that the Transaction is a change of control, not ownership. Hence, I did not assume that  
11 the proposed transaction was about obtaining authorization for a change in the  
12 ownership of the Corning Utilities.

13 Mr. Mills indicates that the transaction is about Apollo's acquisition of Argo's  
14 entire infrastructure business,<sup>2</sup> which I understand to be a broader business platform  
15 that includes digital infrastructure, renewable energy, transportation, utilities and other  
16 industries. He states that the existing Argo-managed funds are consistent with Apollo's  
17 long-term investment goals in infrastructure. Hence, there is agreement (between the  
18 OCA and the Joint Applicants) that the petition before the Commission is for a change  
19 of control which boils down to a change in who manages the Argo funds. Accordingly,  
20 Apollo states that Argo Infrastructure Partners LLC, the current general partner of ACP  
21 Holdings, will be changed to an Apollo-controlled entity.<sup>3</sup> However, my concern about  
22 whether the change of control of Argo or the Corning Utilities will lead to a sale of the

---

<sup>2</sup> Mills Rebuttal at 4:23-27.

<sup>3</sup> Joint Application at 8, paragraph 18.

1 utilities in the short-term does not change regardless of whether the proposed  
2 transaction is about a change in ownership or a change in control.

3 The general partner has the power to direct the management of Corning by  
4 virtue of its general partnership interest in ACP Crotona Holdings, L.P., which is the  
5 indirect parent of Corning.<sup>4</sup> Hence, despite ACP S3 investment funds having an over  
6 15-year investment horizon, if circumstances present an opportunity to sell  
7 Argo/Corning at a significant profit for the investors, the general partner is likely to  
8 bring the opportunity to the investors for consideration. In fact, the history of the  
9 Utilities over the last 10 years shows that as opportunities arise, that the investors and  
10 owners of the Company find attractive, they have chosen to avail themselves of the  
11 opportunities.

12 Specifically, in August 2016, in Docket Nos. A-2015-2517036 and A-2015-  
13 2517111, the Commission approved the acquisition of Pike County Light and Power  
14 Company, by Corning Natural Gas Holding Corporation from Orange and Rockland  
15 Utilities, Inc. Then, in February 2022, in Docket Nos. A-2021-3025659 and A-2021-  
16 3025662, the Commission approved the acquisition of Pike County Light and Power  
17 Company and Leatherstocking by Argo/ACP Series 3 from Corning Natural Gas  
18 Holding Corporation. Now, approximately 3½ years later, the Commission is faced  
19 with a decision to grant authority for a change of control. Therefore, my concern about  
20 a short-term sale of Corning/Corning Utilities is still a legitimate concern.

---

<sup>4</sup> Response to OCA-3-6.

1 **B. Concerns about Apollo Capital Solutions**

2 Q. PLEASE RESPOND TO THE JOINT APPLICANTS' CRITICISMS  
3 OF THE CONCERN YOU RAISED WITH RESPECT TO APOLLO  
4 CAPITAL SOLUTIONS.

5 A. In my direct testimony, I brought attention to paragraph 44 of the Joint Application,  
6 where the Joint Applicants state:

7 Apollo does not expect to provide services to the Utilities that will  
8 require the payment of fees. However, should any services be  
9 provided by Apollo or other affiliated interests to the Utilities, the  
10 services will be provided only after Commission approval of  
11 affiliated interest agreements consistent with Chapter 21 of the Code.

12 I then explain information about Apollo Capital Solutions as provided by the Joint  
13 Applicants. Apollo Capital Solutions supports Apollo portfolio companies with raising  
14 both debt and equity capital and it does so for a fee. I explained that because Apollo  
15 Capital Solutions and the Corning Utilities would be part of the same ownership group,  
16 Apollo Capital Solutions services should be provided pursuant to an affiliate interest  
17 agreement.

18 Both witness Mills and Lenns submitted rebuttal testimony on my  
19 recommendation with respect to Apollo Capital Solution services to the Corning  
20 Utilities. The two witnesses have either misunderstood my recommendation or have  
21 taken my recommendation out of context.

22 Mr. Mills stated that:

23 The OCA's proposed requirement that Apollo raise capital and  
24 manage debt offerings at cost would effectively require Apollo's  
25 affiliated investment management business to operate at a loss in any  
26 such transaction.<sup>5</sup>

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<sup>5</sup> Mills Rebuttal at 5:6-8.

1 Similarly, Mr. Lenns states:

2 Just because a service is provided by an affiliate does not mean the  
3 affiliate is not entitled to recover both its costs and a fair return. In  
4 my opinion, earning a reasonable return based on market terms and  
5 conditions does not indicate an “excessive amount.” I am not aware  
6 of the Commission limiting affiliate transactions to cost with no  
7 mark-up despite its concern about excessive amounts charged by  
8 affiliates to utilities.<sup>6</sup>

9 With respect to Messrs. Mills’ and Lenns’ claims that I am recommending that  
10 Apollo Capital Solution provide services to the Corning Utilities at cost, operate at a  
11 loss and be denied a fair return, they have misconstrued my recommendation because  
12 they reached conclusions that I did not recommend. In my direct testimony, my  
13 recommendation was:

14 To the extent that Apollo Capital Solutions raises capital for the  
15 Corning Utilities, those transactions should be conducted pursuant to  
16 an affiliate interest agreement.<sup>7</sup>

17 I did provide additional commentary which stated:

18 Typically, the cost of goods and services provided by affiliates, that  
19 are subject to an affiliate interest agreement, are to be provided at  
20 actual cost and exclude any additional mark up or profit margin.<sup>8</sup>

21 However, that was not part of my recommendation. The statement was intended to  
22 provide context to my recommendation. I summarized that section of my testimony  
23 stating that more information on the fee structure will need to be reviewed, and would  
24 have to be examined before those costs can be passed through to customer rates.

25 With respect to Mr. Lenns’ comments, I could not have claimed the fees were  
26 excessive when I stated that more information about the fee structure will need to be

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<sup>6</sup> Lenns Rebuttal at 9:7-12.

<sup>7</sup> Morgan Direct at 17:12-14.

<sup>8</sup> *Id.* at 17:14-17.

1 reviewed. In fact, the Joint Applicants did not provide any information on the fees other  
2 than to say: “In the event that Apollo Capital does provide capital to the Corning  
3 utilities, any fee would be consistent with market practices.”<sup>9</sup> This response is  
4 concerning, as it implies that there is the potential for fees, and that the amount of fees  
5 is unknown at this time. These unknown fees will very likely need to be paid for by  
6 ratepayers in the event that the Commission approves this transaction.

7 With respect to Mr. Lennox’s statement that he was not aware of the Commission  
8 limiting affiliate transactions to cost with no mark-up, in Docket Number G-2024-  
9 3049087, Corning Energy Corporation and Leatherstocking Natural Gas Company  
10 filed for approval of an Affiliated Interest Loan Agreement. On page 1 of the then  
11 proposed agreement stated:

12 **WHEREAS, Lender will lend to Borrower funds on the same**  
13 **terms and conditions applicable to the Parent Borrowing,**  
14 **including an interest rate equal to the interest rate on Parent**  
15 **Borrowing, and a pro rata assignment of transaction fees to each**  
16 **subsidiary. [Emphasis added]**

17 NOW, THEREFORE, in consideration of the mutual covenants and  
18 agreements hereinafter set forth and for other good and valuable  
19 consideration, the receipt and sufficiency of which are hereby acknowledged,  
20 the parties hereto agree as follows:  
21

22 Lender shall provide loans to Borrower in amounts and at times as Lender  
23 deems appropriate. Loans may be in the form of term loans and/or revolving  
24 lines of credit.

25 **Lender shall provide loans with identical terms and conditions to the**  
26 **Parent Borrowing. [Emphasis Added]**<sup>10</sup>

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<sup>9</sup> Response to OCA-1-5 (c).

<sup>10</sup> May 16, 2024, Securities Certificate of Leatherstocking Gas Company, LLC for Refinancing of All Outstanding Debt and Line of Credit in an amount up to \$9,450,000; Docket No. S-2024-3048831; AFFILIATED INTEREST LOAN AGREEMENT.

1 Given that the Corning Utilities have, in the past, sought Commission approval of an  
2 Affiliated Interest Loan Agreement, and Mr. Lenns' apparent failure to recall actions  
3 taken by the utilities, I do not believe my recommendations demonstrate a failure to  
4 understand when an affiliated interest agreement is required and what costs can be  
5 passed on from non-utility affiliates to public utilities, as stated by Mr. Lenns.<sup>11</sup> In fact,  
6 my recommendation is consistent with the utilities' past actions.

7 Q. MR. LENNS STATES THAT HE IS NOT AWARE OF THE  
8 COMMISSION LIMITING AFFILIATE TRANSACTIONS TO COST  
9 WITH NO MARK-UP DESPITE ITS CONCERN ABOUT  
10 EXCESSIVE AMOUNTS CHARGED BY AFFILIATES TO  
11 UTILITIES. DO YOU AGREE?

12 A. No. Though Mr. Lenns is not aware, one of the uses of Affiliate Interest Agreements  
13 specifically limits the ability of affiliates to mark-up costs. This is particularly true for  
14 utilities that are part of a holding company structure. In a holding company structure, a  
15 service company is established to handle the provision of services to the regulated  
16 utilities. The affiliate interest agreement between the regulated utility and the service  
17 company typically limits the service company from charging a mark-up on goods and  
18 services it arranges or provides to the regulated utility. Hence, the concept of limiting  
19 mark-ups for services provided by an affiliate to a utility is not an unknown concept.

20 Q. WHY DID YOU RAISE THE ISSUE OF THE NEED FOR AN  
21 AFFILIATED INTEREST AGREEMENT WITH RESPECT TO  
22 APOLLO CAPITAL SOLUTIONS?

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<sup>11</sup> Lenns Rebuttal at 8:15-18.

1 A. I raised this issue because, as stated above, in paragraph 44 of the Joint Application,  
2 the Joint Applicants stated that Apollo does not expect to provide services to the  
3 Utilities that will require the payment of fees. In my opinion, Apollo Capital Solution  
4 (an affiliate) would be providing a service for a fee. This is contrary to what the Joint  
5 Applicants stated in paragraph 44. It is important that, as part of this proceeding, the  
6 Commission is aware of the intent of the Apollo to earn a profit on services that one of  
7 its affiliates provides to the Utilities.

8 Q. **MR. MILLS STATES THAT “APOLLO IS WILLING TO COMMIT**  
9 **TO A NOTIFICATION MECHANISM BY WHICH ANY SUCH**  
10 **EQUITY OR DEBT OFFERING COMBINED WITH ANY OTHER**  
11 **APOLLO-AFFILIATED ENTITIES WOULD BE UNDERTAKEN**  
12 **ONLY AFTER REASONABLE ADVANCE NOTICE TO THE OCA**  
13 **AND THE OSBA.”<sup>12</sup> WHAT IS YOUR RESPONSE?**

14 A. The proposal of advance notification before undertaking any equity or debt offering  
15 combined with any other Apollo-affiliated entities is inadequate. From my perspective,  
16 such advance notice is only informational. More importantly, the proposal omits the  
17 right of the Commission to exercise its regulatory authority over regulated public  
18 utilities in Pennsylvania. Therefore, for protection of ratepayers, I recommend that only  
19 after approval by the Commission and an opportunity for input/comment by the  
20 statutory advocates should equity or debt offering arranged by an Apollo-affiliate  
21 entities be approved.

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<sup>12</sup> Mills Rebuttal at 5:18-20.

1 **C. Charitable Contributions**

2 Q. **THE JOINT APPLICANTS DISAGREE WITH THE COMMENTS**  
3 **YOU MADE IN YOUR DIRECT TESTIMONY WITH RESPECT TO**  
4 **CHARITABLE CONTRIBUTIONS. PLEASE RESPOND.**

5 A. In my direct testimony, I disagreed that the Joint Applicants’ pledge to make charitable  
6 contributions at the 2024 levels rises to a finding of substantial affirmative public  
7 benefits. The Joint Applicants disagree. Mr. Dorazio states:

8 I disagree that the Utilities’ charitable contributions do not benefit  
9 the broader community. Those voluntary shareholder contributions  
10 support the less fortunate members of the communities served by the  
11 Utilities. The Utilities’ charitable support assists students within the  
12 local school districts, community members with disabilities, and  
13 essential public services (e.g., fire departments) within the  
14 community.<sup>13</sup>

15 A. As noted in the quote above, the charitable contribution is largely a voluntary  
16 shareholder initiative. To be clear, Mr. Mills stated: “I am not aware of any prohibition  
17 today that would preclude the Utilities from reducing their levels of charitable support.  
18 By making a specific commitment in this area, the Joint Applicants have provided  
19 assurances that I do not presently exist to provide real, tangible value to the  
20 communities served by the Utilities.”<sup>14</sup> I acknowledge and commend the Utilities for  
21 their current community support. However, the charitable contributions are not a new  
22 initiative that would come into existence because of the change in control. This is a  
23 continuation of the status quo, not a substantial affirmative public benefit that would  
24 not occur, but for this transaction. Therefore, I still believe that the contribution does

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<sup>13</sup> Dorazio rebuttal at 8:9-14.

<sup>14</sup> Mills Rebuttal at 6:21-7:2.

1 not rise to a finding of substantial affirmative public benefits, unless there was a  
2 commitment to increase the charitable contributions because of the change of control.

3 **D. Corning Utilities Access to Capital**

4 Q. ACCORDING TO THE JOINT APPLICATION, BETTER ACCESS  
5 TO LOWER COST CAPITAL IS ONE OF THE BENEFITS OF THE  
6 CHANGE IN CONTROL. HAVE THE WITNESS REBUTTAL  
7 TESTIMONY PROVIDED ANY ADDITIONAL INFORMATION OR  
8 QUANTIFICATION OF BENEFITS OF THE ACCESS TO  
9 CAPITAL?

10 A. No. Joint Applicant witness Mills, in his response to OSBA witness Price repeats a  
11 statement previously provided in the response to OCA1-11, which is that a precise  
12 quantitative value is not available.<sup>15</sup> Joint Applicant witness Lenns makes only  
13 references the statements made by Mr. Mills.<sup>16</sup> The point here is that even though the  
14 Joint Applicants consider access to capital to be a substantial benefit, there is no  
15 quantification of that benefit to know whether it would be substantial. The Joint  
16 Applicants' lack of quantification creates a question as whether the claim is reliable.

17 **E. Capital Structure**

18 Q. MR. LENNS DISAGREES WITH YOUR CONCERNS WITH  
19 RESPECT TO THE CORNING UTILITIES PROPOSED  
20 COMMITMENT ON CAPITAL STRUCTURE. PLEASE RESPOND.

21 A. In my direct testimony, I raised concern regarding the Corning Utilities' proposed  
22 commitment that the "Utilities will not request a capital structure for ratemaking  
23 purposes that is outside the range of capital structures employed by comparable electric

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<sup>15</sup> Mills Rebuttal at 3:16.

<sup>16</sup> Lenns Rebuttal at 3:11-16.

1 and gas distribution companies operating in the Commonwealth.”<sup>17</sup> I stated that the  
2 commitment is vague because the basis of comparison was not clear.

3 Mr. Lenns disagrees and states that the Commission previously considered and  
4 approved the same commitment in the Joint Petition for Settlement in Docket Nos. A-  
5 2021-3025659 and A-2021-3025662.<sup>18</sup> He then states: “The Commission did not find  
6 the commitment vague when it approved the Settlement as in the public interest.”<sup>19</sup>  
7 Each settlement put forth for approval by the Commission generally imply that the  
8 settlement is to be considered in its entirety as the result of negotiation. So, it cannot  
9 be said that the Commission did not find the commitment vague as if it conveys a form  
10 of precedence. Settlements generally do not set precedent with respect to any single  
11 aspect of the settlement. Hence, Mr. Lenns rebuttal on this issue does not have merit.

12 Q. **PLEASE RESPOND TO MR. MILLS’ COMMENTS, IN HIS**  
13 **REBUTTAL TESTIMONY, ON THE CAPITAL STRUCTURE**  
14 **PROPOSAL IN THE JOINT APPLICATION.**

15 A. In his rebuttal testimony, Mr. Mills states:

16 The “external influences” contemplated by this clause relate to  
17 regulatory directions from the Commission with respect to the future  
18 capital structure of the Utilities. Apollo has not identified any other  
19 external influences that would require a change in the capital  
20 structure of the Utilities. In short, the Utilities’ current capital  
21 structure will not change without Commission approval in a general  
22 base rate case proceeding.

23 The concern I have with respect to the capital structure in future rate proceedings is to  
24 avoid language that, as a result of the approval of this transaction, could be interpreted  
25 that the Corning Utilities are required to use the capital structures employed by

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<sup>17</sup> Joint Application at 18, paragraph 45.

<sup>18</sup> Lenns Rebuttal at 7:8-13.

<sup>19</sup> *Id.*

1 comparable electric and gas distribution companies operating in the Commonwealth.  
2 After considering Mr. Mills' statement, I propose that a reasonable resolution of this  
3 issue is the following language:

4 The Utilities will not request a capital structure for ratemaking  
5 purposes that is outside the range of capital structures employed by  
6 comparable electric and gas distribution companies operating in the  
7 Commonwealth.

8 **F. Expansion Plans**

9 Q. PLEASE RESPOND TO MR. DORAZIO'S REBUTTAL TESTIMONY IN  
10 WHICH HE ADDRESSES YOUR COMMENTS ON THE CORNING  
11 UTILITIES EXPANSION PLANS.

12 A. In my direct testimony, I explained that the Corning Utilities claim to have identified  
13 areas of potential growth and service expansion. One of the claimed benefits of the  
14 Proposed Transaction is that Pike and Leatherstocking will have greater access to  
15 capital, which will allow for expansion. However, I identified two areas of concern.  
16 One is the lack of a formal plan for achieving service expansion and the other was a  
17 lack of an LTIIP for Leatherstocking.

18 In his rebuttal testimony, Mr. Dorazio characterizes my direct testimony as  
19 complaining that the Utilities do not have a formal plan for service expansion and that  
20 I lack understanding of Leatherstocking's infrastructure, LTIIPs, or both.

21 It is important to keep in mind that my direct testimony, in part, responds to  
22 claims made by the utilities. With respect to the system expansion plans, the direct  
23 testimony of the Utilities witness German stated early in his testimony:

24 The purpose of my testimony is to provide an overview of the  
25 Utilities and their ongoing infrastructure improvement projects. I will  
26 also discuss the Utilities' efforts to expand natural gas service to  
27 underserved communities that will be facilitated through enhanced

1 access to low-cost capital if the proposed transaction described by  
2 Trevor Mills in Joint Applicants Statement No. 1 (the “Transaction”)  
3 is approved. Natural gas expansion projects will provide a substantial  
4 benefit for new customers by providing access to lower-cost natural  
5 gas and for the surrounding communities and local businesses  
6 through project construction, employment of local individuals, and  
7 local sourcing of materials. There are also infrastructure projects  
8 related to Pike’s electric and natural gas supply that could provide  
9 additional optionality for lower-cost default supply to customers.  
10 Charles Lenns discusses in more detail how the addition of Apollo  
11 Global Management, Inc. (“Apollo”), as one of the controlling  
12 entities of the Utilities, will increase the Utilities’ access to capital  
13 on attractive terms to support the infrastructure projects I will discuss  
14 in my testimony.<sup>20</sup>

15 Mr. German’s testimony links system expansion to the change in control, citing  
16 Apollo’s access to capital on better terms and costs. However, when asked to provide  
17 any strategic plans for expansion, the Utilities responded that “The Utilities are  
18 currently developing strategic plans to grow customer bases at both Pike and  
19 Leatherstocking.”<sup>21</sup> In his rebuttal, Mr. Dorazio states the Utilities have plans related to  
20 opportunities to provide service to additional customers,<sup>22</sup> but he admits later in his  
21 rebuttal testimony that the Utilities are currently developing their expansion plans.<sup>23</sup>  
22 Clearly, if the plan is being developed, no plan exists.

23 In my direct testimony I stated:

24 The Utilities indicate that they are currently developing strategic  
25 plans to grow their customer bases. However, while the Utilities  
26 have identified the potential growth areas for service expansion,  
27 there does not appear to be a formal plan for achieving the service  
28 expansion.<sup>24</sup>

29 This is not a complaint. It is a statement of fact.

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<sup>20</sup> German direct testimony at 2:21-3:12.

<sup>21</sup> Response to OCA 2-5.

<sup>22</sup> Dorazio rebuttal at 5:6-8.

<sup>23</sup> *Id.* at 6:3-8.

<sup>24</sup> Morgan direct at 18:4-7.

1                   With respect to the fact that the Utilities did not provide an LTIIIP for  
2 Leatherstocking, I stated the following in my testimony:

3                   There is a major concern with regard to Leatherstocking. The Joint  
4 Applicants did not provide an LTIIIP for Leatherstocking. There was  
5 no explanation for the lack of the LTIIIP. This is concerning because  
6 without such a plan it is difficult to determine the level of effort that  
7 is given to providing safe and reliable service in the Leatherstocking  
8 service area. The Joint Applicants should address this apparent gap  
9 as part of this proceeding.<sup>25</sup>

10                  With respect to Leatherstocking, one can see that in that paragraph, I did not imply that  
11 the LTIIIP was needed as proof of a system expansion plan for Leatherstocking. It  
12 should be noted that in a discovery request, OCA 1-20, the Utilities were asked to  
13 provide a copy of the LTIIIP for gas operations for the period 2019 to 2029. The Utilities  
14 provided the LTIIIP for Pike. Instead of offering an explanation for the lack of an LTIIIP  
15 for Leatherstocking, the decision was made to ignore the request as it pertained to  
16 Leatherstocking. Hence, Mr. Dorazio's statement that I lack understanding of  
17 Leatherstocking infrastructure, LTIIIPs, or both is unfounded.

18                  **G. Conclusion**

19                  Q.                   WHAT CONCLUSIONS HAVE YOU REACHED AFTER REVIEWING  
20 THE JOINT APPLICANTS' REBUTTAL TESTIMONY.

21                  A.                   Many of the concerns I raised in my direct testimony have not been resolved. Having  
22 said that, I believe there are two issues about which ideas have been exchanged. With  
23 respect to Apollo Capital Solutions, a mechanism that protects ratepayers by retaining  
24 the Commission's oversight and the statutory parties right to review transactions is a  
25 possible way forward to resolve the concern I raised.

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<sup>25</sup> Id. at 18:8-13.

1           The other issue is the capital structure in future rate proceedings. I believe it is  
2 important that there is language included that makes it clear that intervenors have the  
3 right to challenge the Utilities' intent to not request a capital structure for ratemaking  
4 purposes that is outside the range of capital structures employed by comparable electric  
5 and gas distribution companies operating in the Commonwealth.

6           Finally, I believe that, given the history of the utilities being sold multiple times,  
7 a quantifiable plan for investment and expansion, to which the Joint Applicants can  
8 commit, is necessary to create substantial public benefits from this transaction.

9 Q.           DOES THIS COMPLETE YOUR SURREBUTTAL TESTIMONY?

10 A.       Yes, it does.



BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of Pike County Light and	:	Docket Nos.	A-2025-3055264;
Power Company, Leatherstocking Gas	:		A-2025-3055265;
Company, LLC, Corning Energy Corporation,	:		A-2025-3055335
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.	:		
	:		

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OCA HEARING EXHIBIT NO. 1

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LIST OF EVIDENCE TO BE MOVED INTO THE EVIDENTIARY RECORD  
BY THE OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA) intends to submit the following evidence into the evidentiary record in the above captioned proceedings at the scheduled evidentiary hearings in this proceeding.

**OCA Direct Testimony**

OCA Statement 1: Direct Testimony of Lafayette K. Morgan consisting of written testimony, signed verification, and the following:

- Appendix A (Witness Qualifications)

**OCA Surrebuttal Testimony**

OCA Statement 1SR: Surrebuttal Testimony of Lafayette K. Morgan consisting of written testimony with signed verification of Lafayette K. Morgan



COMMONWEALTH OF PENNSYLVANIA

September 18, 2025

The Honorable Charece Collins  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
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 Nos. A-2025-3055264, A-2025-3055265, A-2025-3055335**

Dear Judge Collins:

Enclosed please find the Direct Testimony and Exhibits of Mark D. Ewen, labelled OSBA Statement No. 1, with associated Exhibit IEc-1 and Exhibit IEc-2, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service only)  
Mark Ewen  
Jason Price  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Joint Application of Pike County Light</b>	:	
<b>and Power Company, Leatherstocking</b>	:	<b>Docket Nos. A-2025-3055264</b>
<b>Gas Company, LLC, Corning Energy</b>	:	<b>A-2025-3055265</b>
<b>Corporation, ACP Series 3 Partnership</b>	:	<b>A-2025-3055335</b>
<b>L.P., Argo Capital Platform (P) 2017,</b>	:	
<b>L.P. Argo Capital Platform (K) Series 3,</b>	:	
<b>L.P., ACP Crotona Holdings L.P., ACP</b>	:	
<b>Crotona Corp., Argo Infrastructure</b>	:	
<b>Partners LLC and Apollo Global</b>	:	
<b>Management, Inc. for a Certificate of</b>	:	
<b>Public Convenience Under Sections</b>	:	
<b>1102(A)(3) and 1103 of the Public Utility</b>	:	
<b>Code and All Other Necessary Approvals</b>	:	
<b>to Effect an Indirect Change of Control</b>	:	
<b>of Pike County Light and Power</b>	:	
<b>Company’s and Leatherstocking Gas</b>	:	
<b>Company’s Parent Company, Corning</b>	:	
<b>Energy Corporation</b>	:	

**DIRECT TESTIMONY & EXHIBITS**

**of**

**MARK D. EWEN**

**On Behalf of the**

**Pennsylvania Office of Small Business Advocate**

**TOPICS:**

**Review of Acquisition Terms and Ringfencing Provisions**

**Date Served: September 18, 2025**

**Date Submitted for the Record: \_\_\_\_\_**

**DIRECT TESTIMONY OF MARK D. EWEN**

1     **1.     Introduction and Context**

2     **Q.     Please state your name and briefly describe your qualifications.**

3     A.     My name is Mark D. Ewen. I am a Principal and President of Industrial Economics,  
4            Incorporated (“IEc”), a consultancy of 150 professionals headquartered at 2067  
5            Massachusetts Avenue, Cambridge, MA 02140. My consulting practice focuses on  
6            regulatory and energy economics, expert case management and economic damages  
7            estimation in a variety of litigation contexts, and financial analysis. I obtained a B.A degree  
8            in Economics and Political Science from the University of North Dakota, and a Master of  
9            Public Policy degree from the University of Michigan. I have participated and provided  
10           testimony in a variety of proceedings before the PA Public Utilities Commission, including  
11           electric and gas base rates cases, 1307(f) purchased gas cost filings, energy efficiency and  
12           conservation cases, merger and acquisition cases, and default service provider (“DSP”)  
13           petitions. My résumé and a listing of the expert testimony that I have filed in various  
14           litigation and utility regulatory proceedings are attached in Exhibit IEC-1.

15    **Q.     Have you previously testified before the Pennsylvania Public Utility Commission?**

16    A.     Yes. Please see my list of appearances before the Commission provided in Exhibit IEC-1

17    **Q.     Have you previously testified before other regulatory agencies?**

18    A.     Yes. Please see my list of appearances before the Commission provided in Exhibit IEC-1

19    **Q.     What is the purpose of your testimony?**

20    A.     The purpose of my testimony is to review Apollo Global Management, Inc.’s (“Apollo’s”) proposed  
21           acquisition of Argo Infrastructure Partners LP (“Argo”) relative to  
22           Pennsylvania’s affirmative public benefit standard. Apollo’s proposed acquisition of Argo  
23           would result in a new controlling interest in Corning, the direct parent of Pike County Light  
24           & Power Company (“Pike”) and Leatherstocking Gas Company, LLC (“Leatherstocking”).  
25           The focus of my testimony in this case is on matters related to appropriate and sufficient  
26           ring-fencing provisions.

27    **2.     Pennsylvania’s Standard of Approval for Utility Mergers**

1 **Q. Mr. Ewen, what is your understanding of Pennsylvania’s Standard for the approval**  
2 **of public utility mergers and acquisition?**

3 A. Pennsylvania uses a public interest standard as the basis for approving public utility  
4 mergers. As indicated in the Joint Application, this standard was established by the  
5 Pennsylvania Supreme Court in the *City of York* case. Under this standard, parties seeking  
6 approval of a utility merger must demonstrate that the merger will affirmatively promote  
7 the service, accommodations, convenience, or safety of the public in a substantial way.  
8 Thus, the affirmative public benefit standard goes beyond a requirement to merely show  
9 the absence of adverse effects to the public.

10 **Q. What are the Penn Estates factors that the Commission considers when a merger or**  
11 **acquisition involves investment fund control of a utility?**

12 A. In cases of proposed utility acquisitions involving investment fund control of a utility, the  
13 Commission considers ten specific public interest factors, known as the *Penn Estates*  
14 factors. As summarized in the Joint Application, these factors are as follows: (1) capital to  
15 be allocated to ongoing operating and maintenance expenses, (2) corporate  
16 governance/Sarbanes-Oxley compliance, (3) expected term of ownership, (4) experience  
17 as an owner and operator of utilities, (5) community presence, (6) the nature and objectives  
18 of the affiliated relationships involved, (7) fees paid to and services performed by affiliates,  
19 (8) limits on use of leverage and other capital structure protections, (9) transparency on  
20 corporate structure issues, and (10) creditworthiness.

21 **3. Summary of Joint Applicants’ Arguments**

22  
23 **Q. What are the Joint Applicants specifically requesting?**

24 A. The Joint Applicants seek the issuance of a certificate of public conveyance to a proposed  
25 Apollo-controlled entity that would replace Argo Infrastructure Partners LLC as the  
26 general partner of ACP holdings. Through this newly created entity, indirect control of the  
27 Utilities would be transferred from Argo to Apollo.

28 **Q. Have the Joint Applicants provided arguments as to how the proposed acquisition**  
29 **would meet Pennsylvania’s affirmative public benefit standard?**

30 A. Yes. The Joint Applicants argue that the public benefits of the proposed acquisition include  
31 the following:

1 (1) Greater access to capital: The Joint Applicants claim that the proposed acquisition  
2 would likely provide the Utilities with greater access to capital at more favorable terms.  
3 According to the direct testimony of Trevor Mills, this enhanced access to capital would  
4 result from Apollo’s size and expertise in funding markets, as well as the expanded  
5 investment sourcing opportunities to which Apollo has access through its investments in  
6 the infrastructure sector.

7 (2) Strategy development and management practices: Drawing on its experience managing  
8 various infrastructure investments, Apollo will “support the Utilities in establishing  
9 strategic direction, analyzing growth opportunities, and implementing best management  
10 practices.”<sup>1</sup>

11 (3) Commitment to employees: Apollo has committed to no net reductions in staffing at  
12 the Utilities for one year due to involuntary attrition. Apollo also commits to honoring all  
13 existing collective bargaining agreements to provide current employees compensation and  
14 benefits that are “at least as favorable in the aggregate as the compensation and benefits  
15 provided immediately before the Proposed Transaction.”<sup>2</sup>

16 (4) Strong leadership in local communities: Apollo has committed to maintaining  
17 charitable contributions, local community support, and economic development at 2024  
18 levels for at least three years following Commission approval of the proposed transaction.

19 **Q. Have the Joint Applicants addressed the Penn Estates consideration related to**  
20 **experience as an owner and operator of utilities?**

21 A. Yes. The Joint Application states that Apollo plans to retain the existing management of  
22 the Utilities and will support the Argo entities that oversee governance of the Utilities.

23 **Q. Have the Joint Applicants addressed the Penn Estates consideration related to**  
24 **transparency on corporate structure issues?**

25 A. Yes. The Joint Application states that the Utilities will not “(a) guarantee the debt of any  
26 Apollo entity not regulated by the Commission, except as approved by the Commission

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<sup>1</sup> See the Joint Application, page 15.

<sup>2</sup> See the Joint Application, page 15.

1 upon a determination that such guarantee provides net benefits to customers; (b) grant liens  
2 upon their property other than in conjunction with obtaining financing for each such entity;  
3 or (c) make loans or extend credit to ACP Crotona Corp., Apollo or their affiliates for a  
4 term of more than one year without prior Commission approval, if required by the Code.”<sup>3</sup>

5 **Q. What ring-fencing arrangements has Apollo committed to should the proposed**  
6 **acquisition be approved?**

7 A. Apollo has committed to implementation of the following ring-fencing provisions should  
8 the Commission approve of the proposed transaction:

9 *(1) the Utilities will maintain their separate existence and separate debt financing,*  
10 *and Apollo commits to preserve an overall cost of capital consistent with the*  
11 *Utilities’ current capital structure, absent any external influences; (2) dividend*  
12 *payments from the Utilities to the upstream owner ACP Crotona Corp. shall*  
13 *comport with maintaining adequate available funding to provide safe and reliable*  
14 *electric and natural gas service at just and reasonable rates in accordance with the*  
15 *Public Utility Code; (3) the books and records of the Utilities, the Argo entities and*  
16 *Apollo pertaining to the Utilities’ operations in Pennsylvania will be available for*  
17 *inspection and examination by the Commission upon request; (4) the Utilities will*  
18 *not guarantee the debt of unregulated Apollo or Argo entities, except as approved*  
19 *by the Commission upon a determination that a securities certificate should be*  
20 *granted; (5) the Utilities will not grant liens upon their property other than in*  
21 *conjunction with obtaining financing for each such entity; and (6) the Utilities will*  
22 *not make loans or extend credit to Apollo or Argo affiliates for a term of more than*  
23 *one year without prior Commission approval, if required by the Public Utility*  
24 *Code.”*<sup>4</sup>

25 **4. Potential Impacts of the Proposed Acquisition on Pike and Leatherstocking**  
26 **Ratepayers**  
27

---

<sup>3</sup> See the Joint Application, page 18.

<sup>4</sup> See the Joint Application, Exhibit C.

1 **Q. Based on your respective reviews of the Joint Application, in your joint opinion, does**  
2 **it meet Pennsylvania’s standards for approval?**

3 A. No. As explained further below and further supported by companion testimony submitted  
4 by my colleague Jason Price, the proposed acquisition falls short of these standards,  
5 primarily due to the following factors:

- 6 • The Joint Applicants have not demonstrated that the proposed acquisition would  
7 provide the Utilities with greater access to capital at more favorable terms. This  
8 benefit is central to the Joint Applicants’ arguments, but they provide no data to  
9 substantiate this claim (addressed by Mr. Price in his testimony).
- 10 • The Joint Applicants lack experience as an owner or operator of electric and/or gas  
11 distribution utilities. The risks associated with this lack of capability will fall on  
12 ratepayers (addressed by Mr. Price in his testimony).
- 13 • The ringfencing terms proposed by the Joint Applicants do not provide adequate  
14 safeguards to ensure that the Utilities’ financial resources are used to the benefit of  
15 ratepayers.

16 **Ringfencing Terms**

17 **Q. Mr. Ewen, do the ringfencing terms for the proposed acquisition leave ratepayers**  
18 **exposed to financial risks?**

19 A. Yes. The ring-fencing provisions provided in the Joint Application are vague and  
20 inadequate, posing a risk of Apollo benefiting from its ownership to the detriment of  
21 ratepayers. For example, Apollo and the Utilities commit to implementing certain ring-  
22 fencing arrangements, including that: “the Utilities will maintain their separate existence  
23 and separate debt financing, and Apollo commits to preserve an overall cost of capital  
24 consistent with the Utilities’ current capital structure, *absent any external influences*”  
25 (emphasis added).<sup>5</sup> In its response to interrogatory OSBA-1-9<sup>6</sup>, Apollo represents that the  
26 “external influences” contemplated by this clause relate to regulatory directions from the

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<sup>5</sup> See Joint Application, Ex. C, p. 1.

<sup>6</sup> OSBA-1-9, attached in Exhibit IEc-2

1 Commission; however, this generic language provides no such guarantee and stands in  
2 contrast to the stated influence that Apollo may have over the Utilities' cost of capital, as  
3 noted above.

4 The application is similarly vague in its commitment regarding dividend payments, noting:  
5 "...dividend payments from the Utilities to the upstream owner ACP Crotona Corp. shall  
6 comport with maintaining adequate available funding to provide safe and reliable electric  
7 and natural gas serve at just and reasonable rates in accordance with the Public Utility  
8 Code."<sup>7</sup> The standard outlined in this commitment provides unclear and vague protections  
9 for ratepayers from aggressive burdening of the Utilities' financial resources by their  
10 owners. Although Apollo's interrogatory response<sup>8</sup> (OSBA-1-10) provides some  
11 clarification on its approach to dividend payments, these likewise remain general in nature  
12 and are not explicitly included in its formal commitments.

13 Finally, the Joint Application provides a commitment where: "the Utilities will not make  
14 loans or extend credit to Apollo or Argo Affiliates for a term of more than one year without  
15 prior Commission approval."<sup>9</sup> The commitment says nothing about loans from the Utilities  
16 to Apollo or Argo Affiliates with a term of less than one year, which could also pose a  
17 burden to ratepayers.

18 **Q. Mr. Ewen, does this conclude your direct testimony?**

19 **A.** Yes, it does.

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<sup>7</sup> See Joint Application, Ex. C, p. 1.

<sup>8</sup> OSBA-1-10, attached in Exhibit IEc-2

<sup>9</sup> See Joint Application, Ex. C, p. 1.

# **EXHIBIT IEc-1**

**RÉSUMÉ AND EXPERT TESTIMONY LIST  
FOR  
MARK D. EWEN**

## Overview

Mr. Ewen has a strong background in applied economics, empirical methodologies, and financial analysis. As a Principal at Industrial Economics, Incorporated (IEc), he focuses on expert case management and economic damages estimation in a variety of litigation contexts, regulatory and energy economics, and financial analysis. Within his areas of expertise, Mr. Ewen has been qualified as an expert witness before judicial and regulatory bodies (see schedule of testimony and appearances). He has also served as a Managing Director of the firm and is currently its President..

## Education

Master of Public Policy, University of Michigan

Bachelor of Arts, summa cum laude in Economics and Political Science, University of North Dakota

## Project Experience

Examples of his project work include the following:

Mr. Ewen has participated in various proceedings concerning energy markets and regulated utilities. These efforts, which focus on issues related to cost allocation and rate design, include working on behalf of industry and consumer intervenor groups in rate-making cases before the public utility commissions in Pennsylvania, New York and Alberta, Canada, and the U.S. Postal Rate Commission. For example, for the **PENNSYLVANIA OFFICE OF SMALL BUSINESS ADVOCATE** and the **NEW YORK UTILITY INTERVENTION UNIT**, he has provided consulting and analytic support relating to electricity and natural gas tariff design, revenue requirements, and other regulatory initiatives concerning electrical and natural gas distribution utilities. For the **RHODE ISLAND ATTORNEY GENERAL**, Mr. Ewen conducted a due diligence review of PPL's proposed acquisition of Narragansett Electric Company and its potential impacts on the state's ratepayers.

For the **NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (NYSERDA) AND DEPARTMENT OF PUBLIC SERVICE (DPS)**, Mr. Ewen provided expert services assessing the economic impacts to municipal governments of extended electricity outages related to Tropical Storm Isaias. As part of this work, he constructed a model to estimate various costs of incremental staffing requirements for over 500 localities, including excess overtime, surge time (i.e., bringing on extra staff for outage response coordination and logistics), and idle time (e.g., crews waiting extended periods for downed lines to be de-energized). The review also included consideration of other direct costs, including, among others: effects to water systems; delivery of bottled water; operation of generators; and other constraints on the provision of essential governmental services. The litigation was settled to the satisfaction of the involved parties.

For the **NYSERDA AND NEW YORK DPS**, Mr. Ewen directed the development of a Generic Environmental Impact Statement (GEIS), pursuant to the requirement of the State Environmental Quality Review Act (SEQRA) that assessed the environmental and economic impacts of the "Reforming the Energy Vision" and "Clean Energy

Fund” initiatives within the state. He also directed the preparation of a Supplemental EIS to assess the environmental and economic impacts of the newly proposed Clean Energy Standard (CES). The CES is being developed to support the state’s goal of supplying 50 percent of electricity demand with renewable generation resources by the year 2030. More recently, he directed the development of a model to assess the financial viability of various waste-to-energy technologies, and related social welfare benefits. This model uses detailed capital budgeting scenarios for specific facilities to generate forecast scenarios.

For the **U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF OCEAN ENERGY MANAGEMENT (BOEM)**, directing an assessment of the Bureau’s approach to calculating and presenting the operating fee included in offshore wind leases under BOEM’s jurisdiction. As part of this engagement, IEC provided a number of recommendations for simplifying the implementation of the operating fee formula and identified available data sources and approaches to estimating individual components of the fee formula. The review also addressed the structure and levels of fees associated with operations of renewable wind energy projects in the U.S. and worldwide. More recently, IEC has been supporting the development of Standard Operating Procedures for the fee calculation and lease management process. The overall goal is to provide information resources and a methodological approach that will allow lessees to derive accurate data for fee equation variables efficiently and consistently, and for BOEM to present the fee calculation clearly in the lease.

For **NYSERDA**, conducting a market analysis examining the potential economic development opportunities that could accrue in New York from hydrogen playing a role in achieving components of its Climate Leadership and Community Protection Act.

For the **U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF OCEAN ENERGY MANAGEMENT**, managed the development of a model to assess the economic and fiscal impacts of offshore oil and gas activity in the Gulf of Mexico and other BOEM OCS regions. This model, the Lifecycle Impacts Model (LCIM), assesses the economic and fiscal impacts associated with a specific lease or group of leases, over the time horizon of the lease(s). IEC’s framework for the model was to build a capital budgeting forecasting tool for lease development, yielding estimates of industry expenditures, OCS revenues, industry profits, and employment impacts for a single lease or a set of leases. A key component of model development was to dynamically simulate the complex and unique timing parameters of lease development, incorporating the influence of critical exogenous factors like market prices and lease geology.

For the **U.S. COAST GUARD, NATIONAL POLLUTION FUNDS CENTER**, Mr. Ewen provides ongoing support to the NPFC in adjudicating damages claims resulting from oil spills. These claims include damages for business interruption, lost profits, property damage or value diminution, increased costs, and lost wages or employment, among other categories. Cases have also included damages for contract delays to construction projects and shipping demurrage. Industry sectors that Mr. Ewen has evaluated include: *electricity generation (nuclear and coal); railroads; cruise ships; oil ship transport; lodging and tourism; food and beverage; gambling; fisheries; marinas; real estate development, oil and gas development; and oil refining.*

Mr. Ewen’s analytic work includes expert financial analysis and economic damages estimation in the context of general litigation and environmental enforcement actions. These efforts include assessing damages in breach of contract, nuisance, and cost recovery actions, and assessing the financial capabilities and economic benefit of noncompliance of firms accused of environmental violations. Clients in this area of his practice include the **U.S. DEPARTMENT OF JUSTICE, U.S. COAST GUARD, U.S. ENVIRONMENTAL PROTECTION AGENCY, STATES,** and private parties.

## Testimony and Appearances

Mr. Ewen has provided testimony or appeared in the following cases and regulatory proceedings.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for Columbia Gas of Pennsylvania (Docket No. R-2025-3053499, June 2025).

Expert report and deposition testimony on financial matters in *The State of Ohio, et al. v. Norfolk Southern Railway, Civil Action No. 4:23CV517*. Deposition testimony given June 10, 2025.

On behalf of New York's Utility Intervention Unit, submitting testimony before the NY Public Service Commission, concerning revenue allocation and rate design in the base rates case for Consolidated Edison Company (Docket No. 25-E-0072, May 2025).

Expert report and deposition testimony on financial matters in *John A. Adema, et al. v. Southern Natural Gas Company, L.L.C. et al. Case No. 66-691*. Deposition testimony given May 20, 2025.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning the distribution system improvement charge (DSIC) case for PPL Electric Utilities Corporation (Docket No. R-2024-3048732, July 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for First Energy of PA (Docket No. R-2024-30447068, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for PECO Gas (Docket No. R-2024-3046932, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for Columbia Gas of Pennsylvania (Docket No. R-2024-3046519, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning the Default Service Plan for PPL Electric (Docket No. P-2024-3047290, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning the Default Service Plan for PECO Energy Company (Docket No. P-2024-3046008, April/May 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning recovery of purchased gas costs and revenue sharing for National Fuel Gas Distribution Corporation (Docket No R-2024-3045177, March 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning electricity price hedging under the default service plan for Pike County

Light and Power (Docket No. P-2023-3039927; direct testimony June 2023; surrebuttal testimony August 2023).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning base tariff rate development for Columbia Gas of Pennsylvania, including issues of cost allocation, revenue allocation, and rate design. (Docket No. R-2022-3031211, June/July 2022)

On behalf of Attorney General of the State of Rhode Island, submitted testimony before the Rhode Island Division of Public Utilities and Carriers concerning due diligence and related reviews of PPL Corporation's proposed acquisition of Narragansett Electric Company from National Grid USA (Docket No. D-21-09, November 2021).

Expert report and deposition testimony concerning economic damages and related financial matters, *Seaplane Adventures, LLC, vs. County of Marin, California*; expert report filed September 2021, deposition testimony given September 2021.

Expert reports and deposition testimony on bankruptcy reorganization plan feasibility and related financial matters, *in re: First Energy Solutions Corp., et al., Debtors, Case No. 18-50757*; expert reports filed July 2019, deposition testimony given August 9, 2019.

Expert declaration concerning economic damages and related financial matters, *in re: Outer Banks Power Outage Litigation, all actions, No. 4:17-CV-141-D*, March 2018.

Expert report and deposition testimony on Economic Damages in *State of Alaska v. Williams Alaska Petroleum, Inc., et al., Case No. 4FA-14-01544 CI*; expert report filed December 2016, deposition testimony given February 15, 2017.

Expert reports and deposition testimony on Economic Benefit in *Sierra Club v. Energy Future Holdings Corp. et al., Case No. 5:10-cv-156 (E.D. Tex.)* and *Sierra Club v. Energy Future Holdings Corp. et al., Case No. 6:12-cv-108 (W.D. Tex.)*; expert reports filed in June and July 2013, deposition testimony given August 2013. Trial testimony given in *Case No. 6:12-cv-108 (W.D. Tex.) in March 2014*.

Expert testimony on ability-to-pay provided, in the matter of Mercury Vapor Processing Technologies, Inc., et al. (No. RCRA-05-2010-0015), July 2011.

Expert Declaration in a patent case concerning economic and financial matters in the context of environmental credits valuation -- In re Patent Application of: Jeff Andrienas et al., Application No.: 12/328,219, For: VALUING ENVIRONMENTAL CREDITS, submitted June 2011.

Expert report and deposition testimony on financial matters in *Evansville Greenway and Remediation Trust v. Southern Indiana Gas and Electric Company, Inc., et al. (03:07-cv-0066-SEB-WGH)*; expert report filed July 2009, deposition testimony given January 2010.

Expert testimony on ability-to-pay provided, in the matter of Robert J. Heser, Andrew J. Heser, and Heser Farms (No. CWA-05-2006-0002), May 2007.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning tariff design issues for Columbia Gas of Pennsylvania (Docket No. R-00049783, May 2005).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue assignment, and rate design for Pennsylvania Power and Light (Docket No. R-00049255, August 2004).

Expert report on economic damages in United States v. Southern California Edison No. CIV. F-01-5167 OWW DLB (E.D. Cal.), July 2004; deposition testimony provided September 2004.

Expert testimony on ability-to-pay provided in U.S. v. Peter Thorson, Managed Investments, Inc., Construction Management, Inc., and Gerke Excavating, Inc. (No. 03-C-0074), May 2004.

Expert testimony on ability-to-pay provided in U.S. v. Paul A. Heinrich and Charles Vogel Enterprises, Inc. (No. 03-C-0075-S), October 2003.

Expert testimony on ability-to-pay provided in the matter of Dearborn Refining Company (No. RCRA-05-2001-0019), February 2003.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning recovery of purchased gas costs and revenue sharing for PFG Gas and Northern Penn Gas (Docket No. R-00027389, July 2002).

Expert report and testimony on economic damages in Carol Marmo et al. v. IBP, Inc.; expert report filed March 2002, deposition testimony given June 2002, September 2004, and testimony at trial given February 2005.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning recovery of purchased gas costs and revenue sharing for National Fuel Gas Distribution Corporation (Docket No. R-00016789, March 2002).

On behalf of the Office of the Consumer Advocate, providing testimony before the United States Postal Rate Commission regarding cost allocation of city carrier street time costs. Docket No. R2000-1, July 11, 2000.

Expert report and declaration on ability-to-pay in re Indspec Chemical Corporation and Associated Thermal Services, Inc., and related testimony in U.S. EPA administrative court on February 24, 1998 (No. CAA-III-086).

Expert report on ability-to-pay in re Harrisburg Hospital and First Capital Insulation, Inc. and related testimony in U.S. EPA administrative court on October 8, 1997 (No. CAA-III-076).

2025

# **EXHIBIT IEc-2**

## **REFERENCED INTEROGATORY RESPONSES**

**OSBA-1-9**

**OSBA-1-10**

**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 Nos. A-2025-3055264; A-2025-3055265; A-2025-3055335**

**Response of the Joint Applicants to Interrogatories of the Office of Small Business Advocate  
OSBA Set 1**

**Response Date: September 15, 2025**

OSBA-1-9

Reference Exhibit C, page 1, Commitment 2, that notes: "the Utilities will maintain their separate existence..., and Apollo commits to preserve an overall cost of capital consistent with the Utilities' current capital structure, absent any external influences."

- a. Please provide details and further characterization concerning the "external influences" referenced here.

RESPONSE:

The "external influences" contemplated by this clause relate to regulatory directions from the Commission with respect to the capital structure of the Utilities. In the event the Commission implemented a lawful change in the recommended capital structure, the Utilities would adjust the structure accordingly. As of the date of this response, Apollo has not identified any other external influences.

Responsible Witness: Trevor Mills and Andrew Zaroulis

**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 Nos. A-2025-3055264; A-2025-3055265; A-2025-3055335**

**Response of the Joint Applicants to Interrogatories of the Office of Small Business Advocate  
OSBA Set 1**

**Response Date: September 15, 2025**

OSBA-1-10

Reference Exhibit C, page 1, Commitment 2, that notes: "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."

- a. Does Apollo expect dividend payments to the upstream owner of ACP Crotona Corp. to increase, decrease, or remain the same if the proposed Transaction is approved?
- b. Under what conditions would such dividend payments increase if the proposed Transaction is approved?
- c. Under what conditions would such dividend payments decline if the proposed Transaction is approved?
- d. Under what conditions would such dividend payments remain unchanged if the proposed Transaction is approved?

RESPONSE:

a. There are no pre-determined expectations for dividend payments. The Utilities will always examine the best use of cash – such as capital expenditures in support of LTIP or other rate base investments such as expanding the service territories – and lastly the Utilities will consider making dividend payments with the excess cash while maintaining the regulated capital structure. The Utilities will examine each quarter the projected liquidity needs in the consideration of whether to make a dividend payment, with specific consideration to matters quoted above. Thus, Apollo is not expecting any changes in dividend payments to the upstream owner ACP Crotona Corp. if the proposed Transaction is approved and has not identified conditions under which such dividend payments would change.

- b. Please see the response to subpart a.

**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 Nos. A-2025-3055264; A-2025-3055265; A-2025-3055335**

**Response of the Joint Applicants to Interrogatories of the Office of Small Business Advocate  
OSBA Set 1**

**Response Date: September 15, 2025**

- c. Please see the response to subpart a.
- d. Please see the response to subpart a.

Responsible Witness: Trevor Mills

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>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</b>	:	<b>Docket Nos. A-2025-3055264 A-2025-3055265 A-2025-3055335</b>
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**VERIFICATION**

I, Mark D. Ewen, hereby state that the facts set forth in the Direct Testimony and Exhibits, labelled OSBA Statement No. 1, with associated Exhibit IEC-1 and Exhibit IEC-2, is true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 9.17.25

  
\_\_\_\_\_  
Mark D. Ewen

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>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</b>	<b>:</b>	<b>Docket Nos.</b>	<b>A-2025-3055264</b>
	<b>:</b>		<b>A-2025-3055265</b>
	<b>:</b>		<b>A-2025-3055335</b>

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Charece Collins  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
[charcollin@pa.gov](mailto:charcollin@pa.gov)

Allison Kaster, Esquire  
Director  
Commonwealth Keystone Building  
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Harrisburg, PA 17120  
[akaster@pa.gov](mailto:akaster@pa.gov)

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PA Office of Consumer Advocate  
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Date: September 18, 2025

*/s/ Steven C. Gray*  
\_\_\_\_\_  
Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney I.D. No. 77538



COMMONWEALTH OF PENNSYLVANIA

September 18, 2025

The Honorable Charece Collins  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
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 Nos. A-2025-3055264, A-2025-3055265, A-2025-3055335**

Dear Judge Collins:

Enclosed please find the Direct Testimony and Exhibits of Jason C. Price, labelled OSBA Statement No. 2, with associated Exhibit IEC-1 and associated Exhibit IEC-2, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service only)  
Mark Ewen  
Jason Price  
Parties of Record



**DIRECT TESTIMONY OF JASON C. PRICE**

1     **1.     Introduction and Context**

2     **Q.     Please state your name and briefly describe your qualifications.**

3     A.     My name is Jason C. Price. I am a Principal at Industrial Economics, Incorporated (“IEc”),  
4           a consulting firm located at 2067 Massachusetts Avenue, Cambridge, MA 02140.

5           I have more than 16 years of experience in energy economics, energy policy analysis, and  
6           regulatory analysis. As part of my consulting practice, I have prepared multiple analyses  
7           of regulatory policy, energy market impacts, and ratepayer impacts. This experience  
8           includes developing energy market models, assessing ratepayer impacts across different  
9           income groups and geographic regions, managing the peer review of detailed energy  
10          system models, advising public agencies on methods for assessing the impacts of energy  
11          policies on disadvantaged communities, and developing resource potential data for the  
12          residential and commercial building sectors. I have served as contract manager and/or the  
13          analytic lead for relevant contracts with multiple agencies including the New York State  
14          Energy Research and Development Authority (“NYSERDA”), the Bureau of Land  
15          Management, the Bureau of Ocean Energy Management, the Department of Energy  
16          (DOE), and the Colorado Energy Office. I earned a B.A. in political science and  
17          international relations, *summa cum laude*, from Syracuse University in 2000 and an M.P.P.  
18          from the University of Michigan in 2002. My resume is attached in Exhibit IEC-1.

19    **Q.     Have you previously testified before the Pennsylvania Public Utility Commission?**

20    A.     Yes, I have testified before the Pennsylvania Public Utility Commission on behalf of the  
21          Pennsylvania Office of the Small Business Advocate.

22    **Q.     Have you previously testified before other regulatory agencies?**

23    A.     Yes, I have testified before the New Mexico Public Regulation Commission.

24    **Q.     What is the purpose of your testimony?**

25    A.     The purpose of my testimony is to review Apollo Global Management, Inc.’s (“Apollo’s”)  
26          proposed acquisition of Argo Infrastructure Partners LP (“Argo”) relative to  
27          Pennsylvania’s affirmative public benefit standard. Apollo’s proposed acquisition of Argo  
28          would result in a new controlling interest in Corning, the direct parent of Pike County Light

1 & Power Company (“Pike”) and Leatherstocking Gas Company, LLC (“Leatherstocking”).  
2 The focus of my testimony is on matters related to capital access and experience as an  
3 owner and operator of utilities.

4 **2. Pennsylvania’s Standard of Approval for Utility Mergers**

5 **Q. Mr. Price, what is your understanding of Pennsylvania’s Standard for the approval**  
6 **of public utility mergers and acquisition?**

7 A. Pennsylvania uses a public interest standard as the basis for approving public utility  
8 mergers. As indicated in the Joint Application, this standard was established by the  
9 Pennsylvania Supreme Court in the *City of York* case. Under this standard, parties seeking  
10 approval of a utility merger must demonstrate that the merger will affirmatively promote  
11 the service, accommodations, convenience, or safety of the public in a substantial way.  
12 Thus, the affirmative public benefit standard goes beyond a requirement to merely show  
13 the absence of adverse effects to the public.

14 **Q. What are the Penn Estates factors that the Commission considers when a merger or**  
15 **acquisition involves investment fund control of a utility?**

16 A. In cases of proposed utility acquisitions involving investment fund control of a utility, the  
17 Commission considers ten specific public interest factors, known as the *Penn Estates*  
18 factors. As summarized in the Joint Application, these factors are as follows: (1) capital to  
19 be allocated to ongoing operating and maintenance expenses, (2) corporate  
20 governance/Sarbanes-Oxley compliance, (3) expected term of ownership, (4) experience  
21 as an owner and operator of utilities, (5) community presence, (6) the nature and objectives  
22 of the affiliated relationships involved, (7) fees paid to and services performed by affiliates,  
23 (8) limits on use of leverage and other capital structure protections, (9) transparency on  
24 corporate structure issues, and (10) creditworthiness.

25 **3. Summary of Joint Applicants’ Arguments**

26  
27 **Q. What are the Joint Applicants specifically requesting?**

28 A. The Joint Applicants seek the issuance of a certificate of public conveyance to a proposed  
29 Apollo-controlled entity that would replace Argo Infrastructure Partners LLC as the  
30 general partner of ACP holdings. Through this newly created entity, indirect control of the  
31 Utilities would be transferred from Argo to Apollo.

1 **Q. Have the Joint Applicants provided arguments as to how the proposed acquisition**  
2 **would meet Pennsylvania’s affirmative public benefit standard?**

3 A. Yes. The Joint Applicants argue that the public benefits of the proposed acquisition include  
4 the following:

5 (1) Greater access to capital: The Joint Applicants claim that the proposed acquisition  
6 would likely provide the Utilities with greater access to capital at more favorable terms.  
7 According to the direct testimony of Trevor Mills, this enhanced access to capital would  
8 result from Apollo’s size and expertise in funding markets, as well as the expanded  
9 investment sourcing opportunities to which Apollo has access through its investments in  
10 the infrastructure sector.

11 (2) Strategy development and management practices: Drawing on its experience managing  
12 various infrastructure investments, Apollo will “support the Utilities in establishing  
13 strategic direction, analyzing growth opportunities, and implementing best management  
14 practices.”<sup>1</sup>

15 (3) Commitment to employees: Apollo has committed to no net reductions in staffing at  
16 the Utilities for one year due to involuntary attrition. Apollo also commits to honoring all  
17 existing collective bargaining agreements to provide current employees compensation and  
18 benefits that are “at least as favorable in the aggregate as the compensation and benefits  
19 provided immediately before the Proposed Transaction.”<sup>2</sup>

20 (4) Strong leadership in local communities: Apollo has committed to maintaining  
21 charitable contributions, local community support, and economic development at 2024  
22 levels for at least three years following Commission approval of the proposed transaction.

23 **Q. Have the Joint Applicants addressed the Penn Estates consideration related to**  
24 **experience as an owner and operator of utilities?**

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<sup>1</sup> See the Joint Application, page 15.

<sup>2</sup> See the Joint Application, page 15.

1 A. Yes. The Joint Application states that Apollo plans to retain the existing management of  
2 the Utilities and will support the Argo entities that oversee governance of the Utilities.

3 **Q. Have the Joint Applicants addressed the Penn Estates consideration related to**  
4 **transparency on corporate structure issues?**

5 A. Yes. The Joint Application states that the Utilities will not “(a) guarantee the debt of any  
6 Apollo entity not regulated by the Commission, except as approved by the Commission  
7 upon a determination that such guarantee provides net benefits to customers; (b) grant liens  
8 upon their property other than in conjunction with obtaining financing for each such entity;  
9 or (c) make loans or extend credit to ACP Crotona Corp., Apollo or their affiliates for a  
10 term of more than one year without prior Commission approval, if required by the Code.”<sup>3</sup>

11 **4. Potential Impacts of the Proposed Acquisition on Pike and Leatherstocking**  
12 **Ratepayers**

13  
14 **Q. Based on your respective reviews of the Joint Application, in your joint opinion, does**  
15 **it meet Pennsylvania’s standards for approval?**

16 A. No. As explained below and further supported by companion testimony submitted by my  
17 colleague Mark Ewen, the proposed acquisition falls short of these standards, primarily  
18 due to the following factors:

19 • The Joint Applicants have not demonstrated that the proposed acquisition would  
20 provide the Utilities with greater access to capital at more favorable terms. This  
21 benefit is central to the Joint Applicants’ arguments, but they provide no data to  
22 substantiate this claim.

23 • The Joint Applicants lack experience as an owner or operator of electric and/or gas  
24 distribution utilities. The risks associated with this lack of capability will fall on  
25 ratepayers.

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<sup>3</sup> See the Joint Application, page 18.

- The ringfencing terms proposed by the Joint Applicants do not provide adequate safeguards to ensure that the Utilities’ financial resources are used to the benefit of ratepayers (addressed by Mr. Ewen in his testimony).

**Capital Access**

**Q. Mr. Price, what is the basis of your opinion that the Joint Applicants do not provide support to substantiate their assertion that the proposed acquisition would provide the Utilities with greater access to capital at more favorable terms?**

A. In their filing and in interrogatory responses, the Joint Applicants speak in general terms about the Utilities gaining greater access to capital at more favorable terms should the Commission approve the proposed acquisition, but they provide no details to demonstrate the veracity of this claim. For example, in response to OCA-1-4<sup>4</sup>, which requested that the Joint Applicants explain how Apollo’s access to capital provides greater access to capital than Argo, the Joint Applicants stated the following:

*“As a large global firm with a long track record of strong financial performance, Apollo has significant bargaining power in funding markets and leverages its size and reputation to access diverse funding sources and negotiate favorable terms from lenders and investors. With Argo’s assistance, the Utilities were able to undertake sophisticated borrowing enabling significantly better debt terms including a lack of security interest in the Utilities assets, which enables further collateralized borrowing on better terms. This type of borrowing could not have occurred without Argo’s support. With Apollo’s support and market position, when undertaking debt financing in the future, it is expected the Utilities will be able to obtain even better lending terms such as the interest rate, term length, collateralization terms, and amount of debt.”*

Similarly, in response to OCA-1-5c<sup>5</sup>, the Joint Applicants state:

*“Because of Apollo’s significant bargaining power in funding markets and its ability to leverage its size and reputation to access diverse funding sources and negotiate favorable*

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<sup>4</sup> OCA-1-4, attached in Exhibit IEC-2

<sup>5</sup> OCA-1-5c, attached in Exhibit IEC-2

1 *terms from lenders and investors (see response to OCA Set I-4), the Joint Applicants*  
2 *believe that debt and equity costs for the utilities will be lower than the costs that Argo was*  
3 *able to achieve in equivalent market conditions.”*

4 Both of these responses simply re-state arguments in the Joint Application. The Joint  
5 Applicants have provided no examples of how Apollo’s size has enabled other businesses  
6 in which it has a controlling interest to obtain greater capital access or financing terms, nor  
7 have they provided information on Apollo’s own cost of capital, which the Commission  
8 could compare to the Utilities’ cost of capital to assess the credibility of the Joint  
9 Applicants’ claim. In sum, despite multiple opportunities to provide the Commission with  
10 specific details or data supporting their claim of improved capital access at more favorable  
11 terms, the Joint Applicants have responded by repeating statements from the Joint  
12 Application, providing the Commission with no additional information that would enable  
13 it to confirm or otherwise assess the likelihood or magnitude of this purported benefit.

14 **Q. Have the Joint Applicants described any specific plans they have for ensuring that**  
15 **the Utilities will have greater access to capital at more favorable terms in the event**  
16 **that the acquisition is approved?**

17 A. No. In response to OCA-1-5a<sup>6</sup>, which asks whether Apollo Capital will be the primary  
18 source of funding for the utilities and what other potential sources of capital have been  
19 identified, the Joint Applicants state that the “extent to which Apollo and its affiliates may  
20 directly provide debt or equity capital for the Corning utilities has not been determined.  
21 Other potential sources of capital for the Corning utilities have not been identified at this  
22 time and will not be identified prior to the commencement of process to obtain such debt  
23 and equity capital in the future.” Based on this statement, the Joint Applicants have no  
24 concrete plans for financing the Utilities’ investments. They are simply assuming, and  
25 asking the Commission to assume, that they will be able to provide better terms than is  
26 currently possible under Argo’s ownership.

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<sup>6</sup> OCA-1-5a, attached in Exhibit IEC-2

1 **Q. Have the Joint Applicants performed an analysis or otherwise developed estimates of**  
2 **the cost savings that the Utilities would realize due to Apollo’s purported ability to**  
3 **secure better financing terms for the Utilities?**

4 A. No, the Joint Applicants have not developed such an estimate, as indicated in their response  
5 to OCA-1-9<sup>7</sup>: “The Joint Applicants have not performed an analysis of the quantitative  
6 impact of Apollo’s financial and technical expertise on the utilities’ operating costs.” Thus,  
7 the Joint Applicants have provided no empirical basis for their claim that the Utilities  
8 would achieve cost savings due to more favorable financing terms.

9 **Experience as an Owner and Operator of Utilities**

10 **Q. Mr. Price, why should Apollo’s experience as an owner and operator of utilities factor**  
11 **into whether the proposed acquisition is likely to result in an affirmative public**  
12 **benefit?**

13 A. Apollo’s level of experience owning and operating utilities would have bearing on how  
14 effectively the Utilities are managed, including how the Utilities would manage any  
15 unexpected challenges such as cost pressures and staff attrition.

16 **Q. Does Apollo have an ownership stake in any natural gas or electric distribution**  
17 **utilities?**

18 A. No. In response to OCA-1-1<sup>8</sup>, the Joint Applicants state that “Apollo’s current  
19 infrastructure-related equity investments and assets under management do not include any  
20 regulated electric and natural gas distribution utilities.”

21 **Q. Have the Joint Applicants represented that Apollo has any previous experience**  
22 **owning or operating natural gas or electric distribution utilities?**

23 A. No. Neither the Joint Application nor the Joint Applicants’ responses to interrogatories  
24 indicate that Apollo has any previous experience owning or operating natural gas or electric  
25 distribution utilities.

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<sup>7</sup> OCA-1-9, attached in Exhibit IEc-2

<sup>8</sup> OCA-1-1, attached in Exhibit IEc-2

1 **Q. How do the Joint Applicants plan to oversee the Utilities, given Apollo's lack of**  
2 **experience owning and operating regulated natural gas and electric utilities?**

3 A. They plan to keep the existing management teams in place to manage the Utilities' day-to-  
4 day operations.

5 **Q. Considering Apollo's plans to keep the existing management team in place, do you**  
6 **have any concerns about Apollo's lack of experience owning or operating any natural**  
7 **gas or electric distribution utilities?**

8 A. Yes. Although I currently have no reason to question the technical and managerial  
9 capabilities of the Utilities' management teams, both Pike and Leatherstocking have  
10 relatively small management teams and a small team of staff. According to the Joint  
11 Application, Pike and Leatherstocking have just ten and three full-time employees,  
12 respectively. The Joint Application also identifies the Utilities' management team as  
13 Michael German (Chief Executive Officer of Pike, Leatherstocking, and Corning Energy  
14 Corporation); Nancy Karlovich (General Manager of Pike); and Charles Lennox (President  
15 and Chief Financial Officer and Treasurer of Pike, Leatherstocking, Corning Natural Gas  
16 Corporation, and Corning Energy Corporation). Although the streamlined staff and  
17 management team may be appropriate given the small size of the Utilities, it would impose  
18 risks on ratepayers in the event that the proposed acquisition is approved and there are  
19 subsequent management or other experienced staff departures. If a member of the existing  
20 management team were to depart, quickly identifying and onboarding a capable  
21 replacement would be critically important to ensure the continued delivery of quality  
22 service to ratepayers. Due to Apollo's lack of experience owning or operating gas or  
23 electric utilities, however, it has no track record of successfully recruiting and hiring  
24 effective managers for these industries. The risk that Apollo would not be able to effectuate  
25 a smooth transition that cost-effectively maintains quality service would fall on ratepayers.

26 **Q. What other concerns do you have regarding Apollo's lack of experience owning or**  
27 **operating any natural gas or electric utilities?**

28 A. Due to Apollo's lack of experience owning and operating utilities, I do not find the Joint  
29 Applicants' claim of affirmative public benefits related to strategy development and  
30 management practices, as summarized above, to be credible. Although Apollo has  
31 significant experience managing infrastructure investments in other sectors, the effective

1 management of public utilities requires specialized knowledge and expertise that Apollo  
2 does not possess. Lacking such knowledge, Apollo is ill equipped to advise the Utilities'  
3 current management team on strategic direction, growth opportunities, or best practices in  
4 the management of regulated gas and electric utilities. On the contrary, the Utilities'  
5 management team is more likely to educate Apollo on best practices regarding the  
6 management of regulated utilities.

7 **Q. Mr. Price, does this conclude your direct testimony?**

8 A. Yes, it does.

# **EXHIBIT IEc-1**

**RÉSUMÉ AND EXPERT TESTIMONY LIST  
FOR  
JASON C. PRICE**

## Overview

Mr. Price has a diverse background in applied economics and policy analysis. As a Principal at Industrial Economics, Incorporated (IEc), Mr. Price specializes in the development and implementation of methods to assess the costs, benefits, and economic impacts of policies and programs related to energy development and production, air pollution policy, and climate change.

## Education

Master of Public Policy, University of Michigan (2002);

B.A., *summa cum laude*, in International Relations & Political Science, Syracuse University (2000)

## Select IEc Project Experience

For the **PENNSYLVANIA OFFICE OF SMALL BUSINESS ADVOCATE (OSBA)**, provided consulting and expert testimony support in relation to a Philadelphia Gas Works' petition to the Pennsylvania Public Utility Commission for an emergency rate increase (*Pennsylvania Public Utility Commission, Case P-2008-2073938*). Testimony addressed issues related to tariff design and the allocation of revenues across customer classes.

For the **COALITION FOR CLEAN AFFORDABLE ENERGY**, developed expert testimony related to the proposed acquisition of the New Mexico Gas Company by Bernhard Capital Partners Management (*New Mexico Public Regulation Commission, Docket No. 24-00266-UT*).

For the **U.S. DEPARTMENT OF ENERGY (DOE), OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT**, Mr. Price directed an analysis of the distributional impacts associated with changes in natural gas and electricity prices for DOE's recent [liquified natural gas \(LNG\) export study](#). Using price projections from DOE's National Energy Modeling System (generated by IEc collaborator OnLocation) in conjunction with IEc's Household Energy Impact Distribution Model (HEIDM), the analysis led by Mr. Price assessed how household energy expenditure effects, by year, would be distributed across income groups within each Census Division. These distributional impacts were estimated both in absolute terms and as a fraction of income, providing DOE with estimates of the energy burden impact associated with LNG export policy scenarios.

For the Environmental and Public Health Intervenors on litigation related to EPA's Clean Power Plan, Mr. Price was an expert declarant on the employment impacts of the Clean Power Plan. (*U.S. Court of Appeals for the District of Columbia Circuit, Case No. 15-1363*).

For **NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (NYSERDA)**, developed guidance on methods for assessing the extent to which disadvantaged communities would realize the benefits and costs of changes in building codes and product standards. The methods developed under Mr. Price's direction draw on IEc's extensive knowledge of the New York State building stock and expertise in air quality benefits assessment.

# IEc

For **NYSERDA**, directed the development of an analysis examining the costs and benefits of burying (or “undergrounding”) the State’s electric, telephone, and internet transmission lines. This analysis examines the impact of undergrounding on the susceptibility of the electric grid to interruptions in service, the economic benefits of reduced outages, the effect of undergrounding on utilities’ capital and operating costs, and other related benefits and costs.

For **NYSERDA**, directed the development of the data inputs module for the Building Efficiency and Electrification Model (BEEM), which NYSERDA uses to assess the adoption and customer bill impacts of efficiency and electrification measures. As part of this effort, Mr. Price oversaw identification and selection of the market segments to be explicitly represented in the model (e.g., sector, building type, current heating system), coordinated with NYSERDA’s supply curve modeling team to ensure a seamless flow of data between the data inputs module and other BEEM modules, and managed the programming of the data inputs module to efficiently generate the data inputs required by the other modules within BEEM.

For **NYSERDA**, managed the development of a benefit-cost analysis tool to use in assessment of proposed energy-related changes to New York’s uniform building code. These code changes are designed to improve the energy efficiency of buildings across New York state and support efficiency in other sectors linked to the building sector (e.g., vehicles that may be charged in affected buildings). The costs captured by the tool include upfront capital costs related to code changes and operational costs during the lifetime of the code-related measures examined. These costs are estimated net of costs incurred absent a code change. The benefits captured by the tool include energy cost savings, avoided damages from GHG emissions, and avoided health damages from criteria pollutant emissions. The tool also distinguishes between benefits realized in Disadvantage Communities versus benefits realized in other communities.

For the **CALIFORNIA ENERGY COMMISSION**, directed development of the Electric Program Investment Charge Program (EPIC) Emissions Calculator. The tool calculates the changes in emissions from EPIC projects that increase the use of renewable electricity generating sources in California, reduce or shift demand for electricity, and reduce consumption of gas and oil through vehicle and building electrification measures. The tool reflects the projected emissions profile of generating resources on margin by region (within California), season, and time slice (within a given season), inclusive of imports. Outputs generated by the tool include changes in emissions by pollutant, year, and air basin within California.

For **U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF OCEAN ENERGY MANAGEMENT (BOEM)**, managed the redesign of the MarketSim multi-market partial equilibrium model to assist BOEM in analyses of the energy market impacts of oil and gas development on the outer continental shelf (OCS). The model includes a detailed representation of energy supply and demand, with production and consumption modeled separately for oil, gas, electricity, and coal. Outputs generated by the model include changes in prices, consumption, and production by fuel, as well as changes in consumer surplus. Mr. Price oversaw the development of the model’s design and programming, the identification and selection of elasticity values, and the incorporation of data from the Energy Information Administration’s National Energy Modeling System (NEMS).

For **BOEM**, Mr. Price oversaw the development of the Offshore Environmental Cost Model (OECM) to assist the Bureau with assessments of the environmental impacts of oil and gas development on the Outer Continental Shelf (OCS). For a given scenario, the OECM estimates impacts to air quality, commercial fishing, recreation, property value, marine life, and subsistence use. Mr. Price served as the technical lead

on developing the air quality module of the OEMC, which applies a series of location-specific dollar-per-ton values to estimate the economic value of offshore emissions.

For **BOEM**, directed the development of a model to assess the benefits of offshore wind projects in Federal waters. Based on benefits estimates for approximately 900 representative offshore wind projects, Ben-Wind estimates the air quality and energy system benefits associated with user-specified offshore wind projects defined according to their size, location, and timing, among other factors. The benefits for the 900 scenarios are based on electricity market simulations performed with the Engineering, Economic, and Environmental Electricity Simulation Tool (“E4ST”) and the AP2 integrated air quality assessment model.

For the **U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT (BLM)**, directed the development of the EnergySub multi-market partial equilibrium model to support assessment of the energy market impacts of BLM leasing of federal lands for oil, gas, and coal development. The model includes a detailed representation of energy supply and demand, with production and consumption modeled separately for oil, gas, electricity, and coal. Outputs generated by the model include changes in prices, consumption, and production by fuel, as well as changes in consumer surplus.

For the **U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA), OFFICE OF AIR AND RADIATION**, provided analytic support on a range of methodological issues related to the Agency's benefit-cost analysis of the Clean Air Act Amendments of 1990. As part of this effort, Mr. Price oversaw development of the cost and emissions impacts of the Amendments and, in this capacity, led specification of the reference case economic growth, population, and energy price projections through the year 2020. He also designed and implemented an approach for incorporating learning curve impacts into EPA's estimates of the costs associated with the Amendments and developed a strategy for using a computable general equilibrium macroeconomic model to estimate the economic impacts of the Amendments.

For the **U.S. DEPARTMENT OF THE INTERIOR, OFFICE OF SURFACE MINING**, managed the analysis of energy market impacts associated with the Stream Protection Rule. Responsibilities on this effort include oversight of the project team's approach for assessing changes in the amount and geographic distribution of coal production in the U.S. and developing an approach for estimating the consumer surplus effects of the rule.

For the **U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA), CLEAN AIR MARKETS DIVISION**, directed the peer review of EPA's Integrated Planning Model Power Sector Modeling Platform, version 6. Mr. Price identified and recruited the peer review panel, assisted EPA in development of the peer review charge, facilitated structured interactions between the peer review panel and EPA, coordinated with the peer review panel chair in making assignments to individual reviewers, and assisted the chair in drafting the peer review report based on charge question responses prepared by members of the panel.

For **ENVIRONMENT AND CLIMATE CHANGE CANADA (ECCC)**, co-managed the development of a peer review of ENERGY 2020, a system dynamics model that ECCC uses to assess the behavior of the Canadian energy system in response to potential policy changes. Mr. Price co-authored the peer review charge, recruited experts in energy markets and energy system modeling to serve as reviewers, and provided reviewers with input on their initial responses to the charge.

# **EXHIBIT IEc-2**

## **REFERENCED INTEROGATORY RESPONSES**

**OCA-1-1**

**OCA-1-4**

**OCA-1-5a**

**OCA-1-5c**

**OCA-1-9**

**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 Nos. A-2025-3055264; A-2025-3055265; A-2025-3055335**

**Response of the Joint Applicants to Interrogatories of the Office of Consumer Advocate  
OCA Set 1**

**Response Date: September 9, 2025**

OCA-1-1

In paragraph 1 of the Joint Application, Apollo is an asset management and retirement services firm with \$785 billion of assets under management, including \$28 billion in infrastructure and infrastructure-related investments.

- a. Of the \$28 billion investment in infrastructure and infrastructure-related investments, please provide the value of Apollo's investment in regulated electric and natural gas distribution utilities.
- b. Please identify each of the natural gas and electric distribution utilities in which Apollo has an equity stake. For each entity identify the percentage of ownership held by Apollo.

RESPONSE:

Apollo's current infrastructure-related equity investments and assets under management do not include any regulated electric and natural gas distribution utilities. However, Apollo has equity investments and assets under management involving the following types of energy businesses:

- various wholesale electric generation companies around the United States, particularly in the MISO, PJM, and ERCOT markets
- the lessor of a large gas plant leased to Tennessee Valley Authority
- community solar facilities and other small power production qualifying facilities
- gas gathering and processing systems
- compressed natural gas and renewable natural gas fueling infrastructure.

Responsible Witness: Trevor Mills

**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 Nos. A-2025-3055264; A-2025-3055265; A-2025-3055335**

**Response of the Joint Applicants to Interrogatories of the Office of Consumer Advocate  
OCA Set 1**

**Response Date: September 9, 2025**

OCA-1-4

After completion of the acquisition, will the Corning utilities debt and equity capital for electric and Natural gas operations be raised separately from the other Apollo-owned entities? Explain how Apollo's access to capital provides greater access to capital than Argo.

RESPONSE:

Apollo has not determined whether future debt and equity capital for the Corning utilities will be raised separately or in combination with other entities. As a large global firm with a long track record of strong financial performance, Apollo will be able to expand on the enhanced access to capital initiated by Argo. As explained in Joint Applicants' Statement No. 1, Apollo has significant bargaining power in funding markets and leverages its size and reputation to access diverse funding sources and negotiate favorable terms from lenders and investors. With Argo's assistance, the Utilities were able to undertake sophisticated borrowing enabling significantly better debt terms including a lack of security interest in the Utilities assets, which enables further collateralized borrowing on better terms. This type of borrowing could not have occurred without Argo's support. With Apollo's support and market position, when undertaking debt financing in the future, it is expected the Utilities will be able to obtain even better lending terms such as the interest rate, term length, collateralization terms, and amount of debt.

Responsible Witness: Trevor Mills and Charles Lenns

**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 Nos. A-2025-3055264; A-2025-3055265; A-2025-3055335**

**Response of the Joint Applicants to Interrogatories of the Office of Consumer Advocate  
OCA Set 1**

**Response Date: September 9, 2025**

OCA-1-5

According to Joint Applicants Statement No. 1 at 6, line 6 through 9, Apollo Capital Solutions supports Apollo's portfolio companies with both debt and equity capital.

- a. Will Apollo Capital be the primary source of debt and equity capital for Corning utilities? If not, please identify the other potential sources of capital for the Corning utilities.
- b. Please provide evidence or assurance that the cost of capital provided through Apollo Capital is competitive with the broader capital markets.
- c. Will Apollo Capital include a margin, finder's fee or cost adder to capital that is provided to the Corning utilities?
- d. Please explain how funds provided by Apollo Capital for Apollo-controlled entities are arranged and identify any additional costs other than the actual cost of debt or equity that could be flowed through to the Corning utilities.

RESPONSE:

- a. The extent to which Apollo and its affiliates may directly provide debt or equity capital for the Corning utilities has not been determined. Other potential sources of capital for the Corning utilities have not been identified at this time and will not be identified prior to the commencement of process to obtain such debt and equity capital in the future.
- b. See response to OCA-1-5.a. At this time, Apollo expects that capital for the Corning utilities will be obtained through the broader capital markets and therefore will be competitive with those markets.
- c. See response to OCA-1-5.a. In the event that Apollo Capital does provide capital to the Corning utilities, any fee would be consistent with market practices. Because of Apollo's significant bargaining power in funding markets and its ability to leverage

**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 Nos. A-2025-3055264; A-2025-3055265; A-2025-3055335**

**Response of the Joint Applicants to Interrogatories of the Office of Consumer Advocate  
OCA Set 1**

**Response Date: September 9, 2025**

its size and reputation to access diverse funding sources and negotiate favorable terms from lenders and investors (see response to OCA Set I-4), the Joint Applicants believe that debt and equity costs for the utilities will be lower than the costs that Argo was able to achieve in equivalent market conditions.

- d. See response to OCA-1-5.a and c.

Responsible Witness: Trevor Mills

**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 Nos. A-2025-3055264; A-2025-3055265; A-2025-3055335**

**Response of the Joint Applicants to Interrogatories of the Office of Consumer Advocate  
OCA Set 1**

**Response Date: September 9, 2025**

OCA-1-9

According to the Joint Applicants Statement No. 1 at 9, line 17, Apollo provides financial and technical expertise and supports existing management in the day-to-day operation of its investments. Please explain and quantify how this assistance will impact the operating cost of Pike and Leatherstocking.

RESPONSE:

Please refer to the response to OCA-1-4 and Joint Applicants Statement No. 1, pp. 11-12 and Joint Applicants Statement No. 3, pp. 5-6 for a discussion of how Apollo's financial expertise will provide enhanced access to stable, long-term capital for the utilities' future capital improvement needs. The Joint Applicants have not performed an analysis of the quantitative impact of Apollo's financial and technical expertise on the utilities' operating costs.

Responsible Witness: Trevor Mills and Charles Lenns





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Date: September 18, 2025

/s/ Steven C. Gray  
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Senior Attorney  
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COMMONWEALTH OF PENNSYLVANIA

October 24, 2025

The Honorable Charece Collins  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
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 Nos. A-2025-3055264, A-2025-3055265, A-2025-3055335**

Dear Judge Collins:

Enclosed please find the Surrebuttal Testimony of Mark D. Ewen, labelled OSBA Statement No. 1-SR, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service only)  
Mark Ewen  
Jason Price  
Parties of Record

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of Pike County Light	:	
and Power Company, Leatherstocking	:	Docket Nos. A-2025-3055264
Gas Company, LLC, Corning Energy	:	A-2025-3055265
Corporation, ACP Series 3 Partnership	:	A-2025-3055335
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	:	

SURREBUTTAL TESTIMONY

of

MARK D. EWEN

On Behalf of the

Pennsylvania Office of Small Business Advocate

TOPICS:

Review of Acquisition Terms and Ringfencing Provisions

Date Served: October 24, 2025

Date Submitted for the Record: \_\_\_\_\_

SURREBUTTAL TESTIMONY OF MARK D. EWEN

1     **1.     Introduction and Context**

2     **Q.     Please state your name and briefly describe your qualifications.**

3     A.     My name is Mark D. Ewen. I am a Principal and President of Industrial Economics,  
4            Incorporated (“IEc”), a consultancy headquartered at 2067 Massachusetts Avenue,  
5            Cambridge, MA 02140.

6     **Q.     Have you previously submitted testimony for this proceeding?**

7     A.     Yes, I submitted direct testimony on behalf of the Pennsylvania Office of the Small  
8            Business Advocate. My qualifications and background are included as part of that  
9            testimony.

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

11    A.     The purpose of my surrebuttal testimony is to address the claims made by Joint Applicant  
12            witnesses Trevor Mills and Tony Dorazio on rebuttal regarding ring fencing and related  
13            dividend payments.

14    **Q.     What ring-fencing arrangements has Apollo committed to with respect to dividend  
15            payments should the proposed acquisition be approved?**

16    A.     Apollo has committed to implementation of the following dividend provisions should the  
17            Commission approve of the proposed transaction:

18                    ... (2) dividend payments from the Utilities to the upstream owner ACP Crotona  
19                    Corp. shall comport with maintaining adequate available funding to provide safe  
20                    and reliable electric and natural gas service at just and reasonable rates in  
21                    accordance with the Public Utility Code;... <sup>1</sup>

22    **Q.     Did you express concerns about this commitment in your direct testimony?**

23    A.     Yes, I noted that the application is vague in its commitment regarding dividend payments,  
24            and that the standard outlined in this commitment provides unclear and vague protections

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<sup>1</sup> See the Joint Application, Exhibit C.

1 for ratepayers from aggressive burdening of the Utilities’ financial resources by their  
2 owners.

3 **Q. Does Apollo’s rebuttal testimony assuage these concerns?**

4 A. No. The rebuttal testimony does nothing to clarify dividend policy or protect ratepayers.  
5 For example, Witness Mills offers the following:

6 *“Apollo is not expecting any changes in dividend payments to the Utilities’ ultimate*  
7 *upstream owner following the Transaction. Moreover, as explained by Anthony*  
8 *Dorazio in Joint Applicants Statement No. 2-R, the Utilities examine the best use of*  
9 *cash considering the long-term interests of owners and the Utilities before making*  
10 *any dividend payments.”<sup>2</sup>*

11 Similarly, Witness Dorazio states:

12 *“The Utilities will continue to set dividend levels based on a balance between the*  
13 *long-term interests of equity owners and the needs of customers. Each quarter,*  
14 *the Utilities examine their projected liquidity needs – such as capital expenditures*  
15 *for infrastructure improvements or service expansion – and will only consider*  
16 *dividend payments with any excess cash while maintaining their PUC-approved*  
17 *capital structure.”<sup>3</sup>*

18 These statements provide no meaningful guarantee that the Utilities will not be denuded to  
19 the benefit of the equity owners. Indeed, the equity owners’ interests are explicitly given  
20 strong consideration in these vague standards, which include no enforceable criteria for  
21 balancing the interests of equity owners against customers’ needs. In addition, while the  
22 PUC-approved capital structure may provide some guardrails on dividend payments, the  
23 owners will have material control over the timing and magnitude of capital expenditures to  
24 ensure compliance while maintaining a potentially advantageous dividend payment policy.

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<sup>2</sup> Applicants Statement No. 1-R, p 7.

<sup>3</sup> Applicants Statement No. 2-R, p. 8

1 Overall, the rebuttal testimony of the Apollo witnesses does nothing to assuage my  
2 concerns with these vague, and largely meaningless, commitments.

3 **Q. Mr. Ewen, does this conclude your surrebuttal testimony?**

4 A. Yes, it does.





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Date: October 24, 2025

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Dear Judge Collins:

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As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact

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<b>Crotona Corp., Argo Infrastructure</b>	:	
<b>Partners LLC and Apollo Global</b>	:	
<b>Management, Inc. for a Certificate of</b>	:	
<b>Public Convenience Under Sections</b>	:	
<b>1102(A)(3) and 1103 of the Public Utility</b>	:	
<b>Code and All Other Necessary Approvals</b>	:	
<b>to Effect an Indirect Change of Control</b>	:	
<b>of Pike County Light and Power</b>	:	
<b>Company’s and Leatherstocking Gas</b>	:	
<b>Company’s Parent Company, Corning</b>	:	
<b>Energy Corporation</b>	:	

**SURREBUTTAL TESTIMONY**

**of**

**JASON C. PRICE**

**On Behalf of the**

**Pennsylvania Office of Small Business Advocate**

**TOPICS:**

**Capital Access**

**Experience as an Owner and Operator of Utilities**

**Date Served: October 24, 2025**

**Date Submitted for the Record: \_\_\_\_\_**

SURREBUTTAL TESTIMONY OF JASON C. PRICE

1     **1.     Introduction**

2     **Q.     Please state your name and affiliation.**

3     A.     My name is Jason C. Price. I am a Principal at Industrial Economics, Incorporated (“IEc”),  
4           a consulting firm located at 2067 Massachusetts Avenue, Cambridge, MA 02140.

5     **Q.     Have you previously submitted testimony for this proceeding?**

6     A.     Yes, I submitted direct testimony on behalf of the Pennsylvania Office of the Small  
7           Business Advocate. My qualifications and background are included as part of that  
8           testimony.

9     **Q.     What is the purpose of your surrebuttal testimony?**

10    A.     The purpose of my surrebuttal is to address the claims made by Joint Applicant witnesses  
11           Trevor Mills, Tony Dorazio, and Charles Lenns on rebuttal regarding capital access and  
12           Apollo’s experience as an owner and operator of utilities.

13    **2.     Joint Applicants Have Not Demonstrated Enhanced Capital Access**

14    **Q.     Mr. Price, the rebuttal testimony of Joint Applicants’ witness Trevor Mills provides  
15           additional claims regarding enhanced capital access. Does the information provided  
16           by Mr. Mills demonstrate that the proposed transaction will enable the Utilities to  
17           secure financing at more favorable terms than would be possible absent the  
18           proposed transaction, thus providing an affirmative public benefit?**

19    A.     No, the additional information provided by Mr. Mills falls short of demonstrating that the  
20           Utilities will have greater access to capital at more favorable terms following completion  
21           of the proposed transaction. Much of Mr. Mills’ rebuttal testimony simply repeats  
22           arguments made in his direct testimony focused on Apollo’s size and bargaining power in  
23           capital markets. Mr. Mills does not show how Apollo’s size or existing relationships will  
24           enable it to secure more favorable terms than is possible with the Argo entities that  
25           currently control the Utilities. He notes that Apollo has engaged in more than \$47 billion  
26           in debt financing to date this year and claims that this financing was obtained with more  
27           than \$116 million in savings, but he provides no context to show what this means for  
28           Apollo’s ability to secure favorable financing on the Utilities’ behalf. For example, Mr.

1 Mills does not provide information on the collateral posted or other commitments made to  
2 secure this financing. Mr. Mills also provides no indication of how the estimated \$116  
3 million in savings was calculated. To claim that Apollo achieved this cost savings, Mr.  
4 Mills would need to examine costs under a scenario with Apollo's involvement and a  
5 scenario without Apollo's involvement. Because Mr. Mills provides no indication that he  
6 estimated costs under each of these scenarios, the \$116 million in claimed cost savings is  
7 unsubstantiated.

8 In an attempt to demonstrate the scale of the transactions that Apollo regularly undertakes,  
9 Mr. Mills also provides two examples of financing it secured. As stated by Mr. Mills, these  
10 include the following:

- 11 • Apollo created a capital solution for a large European electric utility through the  
12 issuance of more than \$4 billion in fixed-rate callable notes, designed with a multi-  
13 tranche structure to provide the utility with both additional capital and flexibility  
14 for future financing needs.
- 15 • Apollo secured a \$1.45 billion term loan for a joint venture operating in the liquified  
16 natural gas industry that involved multiple banks and direct lenders.

17 Although these are large transactions, Mills does not provide information on their financing  
18 terms. Given the JAs' argument that Apollo would provide the Utilities with access to  
19 capital on more favorable terms, information on the interest rate, term period, and other  
20 terms associated with these transactions would be necessary to identify these transactions  
21 as examples of the improved terms that Apollo is able to secure. Without this information,  
22 these examples do not support the JAs' claim that the proposed transaction will provide an  
23 affirmative public benefit related to improved capital access for the Utilities.

24 **Q. The Joint Applicants' witness Charles Lennox on rebuttal states that the affirmative**  
25 **public benefit standard in Pennsylvania, as he understands it, does not require that**  
26 **the claimed benefits be guaranteed or quantified. Is it your opinion that these benefits**  
27 **need to be guaranteed or quantified?**

28 **A.** No, it is not my opinion that these benefits need to be guaranteed or fully quantified,  
29 although I am not a lawyer. However, as a matter of basic due diligence, to reach a  
30 conclusion that the public is likely to realize the benefits claimed by the Joint Applicants,

1 it is incumbent on the Joint Applicants to provide information demonstrating this benefit  
2 in some way. In the context of affirmative public benefits related to greater capital access,  
3 such information would include examples of financing terms secured by Apollo for  
4 businesses similar in size (and ideally also indebtedness) as the Utilities. If Apollo does not  
5 have experience securing financing for businesses similar in size to the Utilities, this  
6 information itself would also be germane to assessing the likelihood of Apollo's ability to  
7 provide the Utilities with improved capital access. In the Joint Application, direct  
8 testimony, and rebuttal, the Joint Applicants and their witnesses have not provided any of  
9 this information. The Joint Applicants' claim of affirmative public benefits associated with  
10 enhanced capital access therefore remains unsubstantiated.

11 **Q. JA witness Charles Lenns states on rebuttal that the Utilities have experienced**  
12 **challenges accessing capital on a competitive basis. He indicates that both Pike and**  
13 **Leatherstocking have outstanding debt held by regional banks that is required to be**  
14 **repaid on a 10-year cycle. In addition, Lenns states that Pike's lender has refused to**  
15 **offer longer-term amortization periods that would better align with the more**  
16 **extended period over which the Utilities recover costs through the utility revenue**  
17 **requirement. Mr. Lenns asserts that Apollo will be able to enhance the Utilities' access**  
18 **to capital (1) because it is much larger than Argo and has greater reach in capital**  
19 **markets and (2) because Apollo is retaining the Argo employees that have assisted the**  
20 **Utilities in recent refinancing efforts. Has Mr. Lenns provided sufficient information**  
21 **to demonstrate that the proposed transaction would provide an affirmative public**  
22 **benefit related to enhanced capital access?**

23 A. No, he has not. In my opinion, the demonstration of an affirmative public benefit should  
24 go beyond claiming that Apollo could secure better financing terms due to its size and  
25 reach in financial markets. An effective demonstration of such an affirmative public benefit  
26 would show that Apollo—due to its size, reach in financial markets, or other  
27 characteristics—is able to secure more favorable financing terms for businesses similar in  
28 size to the Utilities. Such a demonstration could be achieved by providing examples of  
29 financing that Apollo has successfully secured for businesses that are of similar size as the  
30 Utilities, *including details on the terms of such financing*. To date, the Joint Applicants  
31 have provided no such examples. For this reason, the information provided on record

1 through the Joint Application and the JAs' witnesses is insufficient to conclude that the  
 2 proposed transaction would lead to an affirmative public benefit related to improved capital  
 3 access for the Utilities.

4 Mr. Lenns also states that Argo has enabled additional private debt transactions for the  
 5 Utilities that are typically only feasible for much larger companies. As he states, the  
 6 "lending terms achieved through debt refinancing with Argo's assistance include non-  
 7 amortizing, fixed interest rate debt with much lower interest rates, longer-term debt, and  
 8 no liens on the Utilities' assets."<sup>1</sup> Thus, Lenns' own accounting of the capital market access  
 9 provided by Argo contradicts his contention that regional commercial banks are the  
 10 Utilities' only financing option. At a minimum Lenns' characterization of Argo's financial  
 11 market access would suggest that Apollo would have a high hurdle to overcome to provide  
 12 the Utilities with *enhanced* capital market access relative to the access they have with the  
 13 Argo entities that currently control the Utilities.

14 **3. Experience as an Owner and Operator of Utilities**

15  
 16 **Q. JA witness Trevor Mills, in rebuttal, disagrees with your contention in direct  
 17 testimony that the proposed transaction will not result in affirmative public benefits  
 18 related to strategy development and management practices, due to Apollo's lack of  
 19 experience owning regulated gas and electric companies. Mr. Mills asserts that Apollo  
 20 has extensive investments in regulated energy businesses, including various wholesale  
 21 electric generation companies across the U.S., as well as investments in hundreds of  
 22 companies across multiple industry segments. Does this experience highlighted by  
 23 Mr. Mills support the claim that the proposed transaction will lead to an affirmative  
 24 public benefit related to strategy development and management practices?**

25 **A.** No, it does not. Regulated gas and electricity distribution companies, in de-regulated  
 26 jurisdictions such as Pennsylvania, can differ significantly from wholesale electricity  
 27 generators. Because regulated distribution entities operate as monopolies in their service  
 28 territories, they are closely regulated by state public utility commissions. Their capital and  
 29 operating expenses and investment plans are publicly scrutinized in detail by state

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<sup>1</sup> Lenns on rebuttal, page 4.

1 regulatory commissions and other stakeholders. In addition, the costs that distribution  
2 entities pass on to their customers in the form of utility rates are subject to an open,  
3 adversarial process in which various interveners may challenge the utility's proposed rates.  
4 In contrast, wholesale electricity markets in de-regulated jurisdictions are highly  
5 competitive, with multiple generators supplying power to a given distribution entity.  
6 Pricing in wholesale markets is not regulated by state public utility commissions but is  
7 instead set on the open market, based on the pricing bid by individual generators. The costs  
8 incurred by wholesale generators are not closely scrutinized by state agencies or other  
9 stakeholders, and wholesale generators have the latitude to make whatever capital  
10 investments they deem appropriate if they are able to secure financing.

11 Considering the significant differences in the regulatory environment for electricity and  
12 gas distribution entities versus wholesale electric generators, Apollo's experience as an  
13 investor in wholesale electric generators is unlikely to provide insights germane to strategy  
14 development or management practices for the Utilities. The proposed transaction is  
15 therefore unlikely to provide an affirmative public benefit related to strategy development  
16 and management practices.

17 **Q. In response to your assertion in direct testimony that Apollo may not be able to**  
18 **effectuate a smooth transition of personnel if a member of the Utilities' existing**  
19 **management team were to depart, JA witnesses Trevor Mills and Tony Dorazio**  
20 **indicate that Argo's management will continue in their current roles after the**  
21 **proposed transaction. Mr. Dorazio stated that they will join Apollo's infrastructure**  
22 **group. Does this information support the JAs' claim of affirmative public benefits.**

23 A. No, this information undermines the JAs' claim of affirmative public benefits, specifically  
24 benefits related to strategy development and management practices. As described by Mr.  
25 Mills and Mr. Dorazio, the same individuals overseeing the current Utilities' management  
26 team will still serve in that same role following completion of the proposed transaction.  
27 Although these individuals may continue to serve capably in these roles, the JAs' stated  
28 plan to continue relying on them following the proposed transaction, as opposed to  
29 involving current Apollo personnel to provide strategic or managerial direction, indicates  
30 that Apollo will provide no value added with respect to strategy development and  
31 management practices.

- 1 **Q. Mr. Price, does this conclude your surrebuttal testimony?**
- 2 **A. Yes, it does.**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>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</b>	:	<b>Docket Nos. A-2025-3055264 A-2025-3055265 A-2025-3055335</b>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	-------------------------------------------------------------------------

**VERIFICATION**

I, Jason C. Price, hereby state that the facts set forth in the Surrebuttal Testimony, labelled OSBA Statement No. 2-SR, is true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 10.22.25

  
\_\_\_\_\_  
Jason C. Price



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