

# Morgan Lewis

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December 5, 2025

**VIA E-FILING**

Matthew Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

Re: **Joint Application of Pike County Light and Power Company, Leatherstocking Gas Company, LLC, Corning Energy Corporation, ACP Series 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P., Argo Capital Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., ACP Crotona Corp., Argo Infrastructure Partners LLC and Apollo Global Management, Inc. for a Certificate of Public Convenience Under Sections 1102(A)(3) and 1103 of the Public Utility Code and All Other Necessary Approvals to Effect an Indirect Change of Control of Pike County Light and Power Company's and Leatherstocking Gas Company's Parent Company, Corning Energy Corporation**  
**Docket No. A-2025-3055264, A-2025-3055265, A-2025-3055335**

Dear Secretary Homsher:

Enclosed for filing please find the **Joint Petition for Settlement ("Joint Petition")**.

All parties indicated on the enclosed Certificate of Service received a copy of this Joint Petition.

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

Very truly yours,



Kenneth M. Kulak

KMK/ap

Enclosure

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

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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 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-2025-3055264  
A-2025-3055265  
A-2025-3055335**

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served a copy of the **Joint Petition for Settlement** on the following persons in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA ELECTRONIC MAIL**

The Honorable Charece Z. Collins  
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Dated: December 5, 2025



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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**JOINT PETITION FOR SETTLEMENT**

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**December 5, 2025**

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## **EXHIBITS AND STATEMENTS IN SUPPORT**

- Exhibit 1            Joint Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs
- Statement A        Statement in Support of Joint Petition for Settlement of Pike County Light & 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. and Argo Infrastructure Partners LLC, and Apollo Global Management, Inc.
- Statement B        Statement in Support of Joint Petition for Settlement of the Office of Consumer Advocate
- Statement C        Statement in Support of Joint Petition for Settlement of the Office of Small Business Advocate

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>JOINT APPLICATION OF PIKE</b>	:	
<b>COUNTY LIGHT AND POWER</b>	:	
<b>COMPANY, LEATHERSTOCKING</b>	:	
<b>GAS COMPANY, LLC, CORNING</b>	:	
<b>ENERGY CORPORATION, ACP</b>	:	
<b>SERIES 3 PARTNERSHIP L.P., ARGO</b>	:	
<b>CAPITAL PLATFORM (P) 2017, L.P.,</b>	:	
<b>ARGO CAPITAL PLATFORM (K)</b>	:	
<b>SERIES 3, L.P., ACP CROTONA</b>	:	
<b>HOLDINGS L.P., ACP CROTONA</b>	:	<b>DOCKET NOS. A-2025-3055264</b>
<b>CORP., ARGO INFRASTRUCTURE</b>	:	<b>A-2025-3055265</b>
<b>PARTNERS LLC AND APOLLO</b>	:	<b>A-2025-3055335</b>
<b>GLOBAL MANAGEMENT, INC. FOR</b>	:	
<b>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</b>	:	
<b>EFFECT AN INDIRECT CHANGE OF</b>	:	
<b>CONTROL OF PIKE COUNTY</b>	:	
<b>LIGHT AND POWER COMPANY’S</b>	:	
<b>AND LEATHERSTOCKING GAS</b>	:	
<b>COMPANY’S PARENT COMPANY,</b>	:	
<b>CORNING ENERGY CORPORATION</b>	:	

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**JOINT PETITION FOR SETTLEMENT**

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**TO THE HONORABLE CHARECE Z. COLLINS, ADMINISTRATIVE LAW JUDGE:**

Pike County Light & Power Company (“Pike”), Leatherstocking Gas Company, LLC (“Leatherstocking”), Corning Energy Corporation (“Corning”), 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. (“ACP Crotona”), Argo Infrastructure Partners LLC and

Apollo Global Management, Inc. (“Apollo”) (collectively, the “Joint Applicants”),<sup>1</sup> the Office of Consumer Advocate (“OCA”), and the Office of Small Business Advocate (“OSBA”) (collectively, the “Joint Petitioners”), by their respective counsel, submit this Joint Petition for Settlement (“Settlement”) in the above-captioned proceeding and request that Administrative Law Judge (“ALJ”) Charece Z. Collins, to whom this matter was assigned, and the Pennsylvania Public Utility Commission (“Commission”) approve the Settlement without modification. In support of this Settlement, the Joint Petitioners state as follows:

### **I. BACKGROUND AND HISTORY OF THE PROCEEDING**

1. This proceeding was initiated on May 19, 2025, when the Joint Applicants filed an application (the “Joint Application”) to request approval by the Commission under Sections 1102(a)(3) and 1103 of the Public Utility Code (the “Code”) for Apollo’s proposed acquisition of Argo Infrastructure Partner, LLC’s (“Argo’s”) infrastructure business (the “Transaction”). Upon completion, the Transaction will result in a new controlling interest in Corning, the direct parent of Pike and Leatherstocking (collectively, the “Utilities”). Pike and Leatherstocking are Pennsylvania public utilities subject to the jurisdiction of the Commission. The Joint Application included written testimony and exhibits describing the Transaction and the substantial affirmative benefits to the public, the Utilities and their customers including, among other things, enhanced access to capital on attractive terms to support the Utilities’ infrastructure and operational improvements.

2. Notice of the Joint Application was published in the *Pennsylvania Bulletin* on May 31, 2025, and pursuant to a Secretarial Letter issued May 20, 2025, notice was also

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<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., and ACP Crotona are collectively referred to as “Argo Capital”.

published in a general circulation newspaper in the area involved by the Joint Application. On June 13, 2025, the OCA filed a Notice of Intervention, Public Statement and Protest. On June 16, 2025, the OSBA filed a Notice of Intervention and Public Statement.

3. A telephonic Prehearing Conference was held on August 12, 2025. Consistent with Commission practice, a schedule was adopted whereby all case-in-chief, rebuttal, surrebuttal, and rejoinder testimony would be submitted in writing in advance of hearings.

4. On September 19, 2025, the OCA and the OSBA submitted a total of three written statements of direct testimony and accompanying exhibits. On October 9, 2024, the Joint Applicants submitted a total of three written statements of rebuttal testimony.<sup>2</sup> On October 23, 2025, the OCA and the OSBA submitted a total of three written statements of surrebuttal testimony and accompanying exhibits. On October 31, 2025, the Joint Applicants submitted a total of three written statements of rejoinder testimony and an accompanying exhibit.

5. A telephonic evidentiary hearing was held on November 5, 2025. At the hearing, the written testimony and exhibits of all parties were admitted into evidence.

6. The parties continued to engage in discussions to negotiate a settlement of some or all the issues in this case. As a result of those negotiations, the Joint Petitioners were able to agree to the Settlement set forth herein, which resolves all issues in this proceeding. The Joint Petitioners notified the ALJ that a settlement had been reached on November 13, 2025.

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<sup>2</sup> In his rebuttal testimony (Joint Applicants Statement No. 2-R), the Utilities' and Corning's current Chief Executive Officer ("CEO"), Tony Dorazio, adopted the direct testimony (Joint Applicants Statement No. 2) submitted on May 19, 2025 by Michael German, who was the CEO of the Utilities and Corning at that time.

## II. TERMS AND CONDITIONS OF SETTLEMENT

7. The Settlement consists of the following terms and conditions:

8. The Transaction will not change existing base rates for Pike and Leatherstocking customers. The Utilities shall continue to charge their base rates pursuant to existing PUC-approved tariffs until an order of the Commission approving new base rates. Pike and Leatherstocking further agree that they shall not file for a general base rate increase under Section 1308(d) of the Public Utility Code, 66 Pa.C.S. Section 1308(d), prior to October 31, 2027 and December 31, 2026, respectively.

9. The Joint Applicants agrees to abide by the commitments and stated benefits of the Transaction as specified in Exhibit C of the Joint Application.

10. Within nine months of the closing of the Transaction, the Utilities will provide a one-time per-customer bill credit to all customers of record at the time the credit is applied in the following manner:

- a) A one-time \$25.00 per-customer bill credit to all of the approximate 368 residential customers of Leatherstocking;
- b) A one-time \$50.00 per customer bill credit to all of the approximate 141 commercial and industrial customers of Leatherstocking;
- c) A one-time \$25.00 per-customer bill credit to all of the approximate 4,384 residential customers of Pike – Electric and Gas Divisions; and
- d) A one-time \$50.00 per-customer bill credit to the commercial and industrial customers of Pike – Electric and Gas Divisions, currently estimated to be approximately 1,097 customers.

These one-time bill credits resolve all present and future claims by any party in any future rate case of the Utilities for customer recovery of any cost savings arising from the Transaction, except as those cost savings may be embedded in the costs and expenses of the Utilities in the context of a general rate case and could potentially be reflected in future Commission-approved rates. Within 60 days of completion of the customer credit, the Utilities will notify in writing the Commission, the OCA, and the OSBA of the total amount and number of customers who received the credit, the method by which the credit was carried out, and whether any difficulty was encountered in providing the credit.

11. The Utilities will not loan any funds to Apollo, Argo or their affiliates.

12. Apollo will maintain the existing capital structure of the Utilities unless a different capital structure is approved by the Commission in a general rate case. 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.

13. Any future capital raising and debt offerings involving the Utilities are expected to be undertaken solely for the benefit of Corning and the Utilities, i.e., the financial transactions will not involve capital raises or debt offerings for other Apollo-affiliated entities. If future capital raises or debt offerings will include funds for other Apollo-affiliated entities, or funds that are arranged by other Apollo affiliates, Apollo will provide notice to the OCA and OSBA of no less than 90 days in advance of the offering with details of the envisioned transaction. Such details should allow the Commission and statutory parties to verify that the costs and fees are consistent with current market conditions.

14. In the event that Apollo Capital does provide capital to the Corning utilities, Apollo Capital will provide the funds to the Corning Utilities on the same terms and conditions applicable to Apollo Capital, including an interest rate equal to the stated interest rate extended to Apollo Capital, and a pro rata assignment of transaction fees to each of the Utilities.

15. Dividend payments from the Utilities to the parent company, ACP Crotona, shall comport with maintaining adequate available funding for utility operations to maintain safe and reliable electric and natural gas service at just and reasonable rates in accordance with the Public Utility Code.

16. The Utilities shall maintain current staffing levels for one year from the date of Commission approval of the Joint Petition. During that period, if a current employee voluntarily leaves their employment position, or is discharged for performance, safety, or other business reasons, the Utilities shall fill that position or create another similar position with an individual qualified for the position.

17. The Utilities shall continue to honor their existing obligations under applicable collective bargaining agreements and will honor the collective bargaining agreement negotiated for Leatherstocking's and Pike's employees.

18. The Utilities shall continue to abide by any existing Commission-approved Affiliated Interest Agreements and any Public Utility Code provisions regarding Affiliated Interest filings.

19. The Utilities shall not:

- a) guarantee the debt of Apollo, or Apollo's affiliates not regulated by the Commission, except as approved by the Commission upon a determination that a securities certificate should be granted approving the Transaction;

- 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 Apollo, or Apollo's affiliates for a term of more than one year, without prior Commission approval, if required, by the Public Utility Code.

20. The Utilities will maintain community involvement and charitable contributions at pre-acquisition levels for at least three years post-closing of the Transaction.

21. In event the OCA and the OSBA believe it is appropriate to investigate alternate natural gas supplies for the Utilities, upon OCA and OSBA request, the Utilities commit to commencing such investigation. Notwithstanding the foregoing provision, the Utilities retain their right to investigate natural gas supplies in accordance with sound ratemaking principles and consistent with their responsibilities under the Public Utility Code.

### **III. THE SETTLEMENT IS IN THE PUBLIC INTEREST**

22. The Joint Applicants, the OCA, and the OSBA have prepared and attached to this Joint Petition Statements in Support identified as Statements A through C, respectively, setting forth the bases on which they believe the Settlement is in the public interest. The Joint Petitioners agree that the Settlement is in the public interest and will produce substantial affirmative public benefits.

23. The Joint Applicants further agree that the Settlement amicably and expeditiously resolves a number of important and contentious issues and will avoid the substantial administrative burden and costs to litigate these matters to conclusion.

24. The Joint Petitioners arrived at the Settlement terms after conducting informal discovery and engaging in in-depth discussions over several weeks. The Settlement terms and

conditions constitute a carefully crafted package representing reasonable negotiated compromises on the issues addressed herein. Thus, the Settlement is consistent with the Commission's rules and practices encouraging negotiated settlements (*see* 52 Pa. Code §§ 5.231, 69.391 and 69.401), and is supported by substantial record evidence.

#### **IV. ADDITIONAL TERMS AND CONDITIONS**

25. The Commission's approval of the Settlement shall not be construed as approval of any party's position on any issue, except to the extent required to effectuate the terms and agreements of the Settlement. Accordingly, this Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

26. It is understood and agreed among the Joint Petitioners that the Settlement is the result of compromise and does not necessarily represent the position(s) that would be advanced by any party in this or any other proceeding, if it were fully litigated.

27. This Settlement is being presented only in the context of this proceeding in an effort to resolve the proceeding in a manner that is fair and reasonable. The Settlement is the product of compromise. This Settlement is presented without prejudice to any position which any of the parties may have advanced and without prejudice to the position any of the parties may advance in the future on the merits of the issues in future proceedings, except to the extent necessary to effectuate the terms and conditions of this Settlement.

28. This Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission should disapprove the Settlement or modify the terms and conditions herein, this Settlement may be withdrawn upon written notice to the Commission and all active parties within five business days following entry of the Commission's Order by any of the Joint Petitioners and, in such event, shall be of no force

and effect. In the event that the Commission disapproves the Settlement or the Joint Applicants or any other Joint Petitioner elects to withdraw as provided above, the Joint Petitioners reserve their respective rights to fully litigate this remanded case, including but not limited to presentation of witnesses, cross-examination and legal argument through submission of Briefs, Exceptions and Replies to Exceptions.

29. If the ALJ, in her Recommended Decision on this Joint Petition, recommends that the Settlement be adopted as herein proposed without modification, the Joint Petitioners agree to waive the filing of Exceptions. However, the Joint Petitioners do not waive their rights to file Exceptions with respect to any modifications to the terms and conditions of this Settlement, or any additional matters proposed by the Administrative Law Judge in her Recommended Decision. The Joint Petitioners also reserve the right to file Replies to any Exceptions that may be filed.

**WHEREFORE**, the Joint Petitioners, by their respective counsel, respectfully request as follows:

1. That Administrative Law Judge Charece Z. Collins recommend approval and the Commission approve the Settlement embodied in this Joint Petition, including all terms and conditions thereof without modification; and

2. That the Commission issue certificates of public convenience evidencing approval under Section 1102(a)(3) of the Code the change in control of Pike and Leatherstocking effected by the Transaction.

Respectfully submitted,



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*Counsel for Pike County Light and Power  
Company, Leatherstocking Gas Company*

Dated: December 5, 2025



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*Counsel for Office of Small Business  
Advocate*

## **EXHIBIT 1**

### **Joint Proposed Findings of Fact, Conclusions of Law and Ordering Paragraphs**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**JOINT PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDERING  
PARAGRAPHS IN SUPPORT OF JOINT PETITION FOR SETTLEMENT**

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December 5, 2025

## PROPOSED FINDINGS OF FACT

1. This proceeding was initiated on May 19, 2025, when Pike County Light & Power Company (“Pike”), Leatherstocking Gas Company, LLC (“Leatherstocking”), Corning Energy Corporation (“Corning”), 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. (“ACP Crotona”), Argo Infrastructure Partners LLC and Apollo Global Management, Inc. (“Apollo”) (collectively, the “Joint Applicants”) filed an application (the “Joint Application”) requesting approval by the Pennsylvania Public Utility Commission (the “Commission” or “PUC”) under Sections 1102(a)(3) and 1103 of the Public Utility Code (the “Code”) for a change of control of Pike and Leatherstocking resulting from Apollo’s proposed acquisition of Argo Infrastructure Partners LP’s (“Argo’s”) infrastructure business (the “Transaction”).

2. Since 2022, Argo-managed entities have owned and controlled Corning, the direct parent of Pike and Leatherstocking (collectively, the “Utilities”).<sup>1</sup>

3. Apollo manages a \$751 billion global investment portfolio and has over 5,000 employees globally as of December 31, 2024. Apollo is one of the largest investors in infrastructure assets, managing \$27 billion in infrastructure equity around the world. Joint Applicants Statement (“JA St.”) No. 1 (Mills), pp. 3-6.

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<sup>1</sup> The Commission approved Argo’s prior 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 LP, 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 (Initial Decision dated Dec. 20, 2021 adopted by Order entered Feb. 3, 2022).

4. At closing of the Transaction, a new Apollo-controlled entity will replace Argo Infrastructure Partners LLC as the general partner of ACP Holdings, which 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. As such, the existing voting securities of Corning currently controlled by Argo will become voting securities controlled by Apollo through the same managed funds. However, Corning and the Utilities will continue to be owned by the same investment funds that own Corning today. Argo's experienced team, which currently oversees management of the Utilities, will join Apollo's infrastructure group in similar roles. *See* Joint Application, ¶¶ 17-21, Ex. B; JA St. Nos. 1 (Mills), pp. 6-8 & 1-R (Mills), pp. 4-5; JA St. 2-R (Dorazio), pp. 3-4; JA St. 3 (Lenns), pp. 6-7; JA St. 4 (Zaroulis), pp. 5-6.

5. The Joint Application included written testimony and exhibits describing the Transaction and substantial affirmative public benefits produced by the Transaction, including (1) greater access to capital; (2) additional expertise in strategy development and management practices; (3) commitments to employees; and (4) strong leadership in local communities. *See, e.g.,* Joint Application, ¶¶ 35-36; JA St. No. 1 (Mills), pp. 10-15; JA St. No. 2 (German), pp. 7-8; <sup>2</sup> JA St. No. 3 (Lenns), pp. 3-7; JA St. No. 4 (Zaroulis), pp. 9-11.

6. The Joint Applicants explained that the Transaction would not have an adverse impact on the level of service provided by the Utilities to customers, the rates paid by customers for service from the Utilities, Commission access to the Utilities, or the technical expertise

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<sup>2</sup> In his rebuttal testimony (Joint Applicants Statement No. 2-R), the Utilities' and Corning's current Chief Executive Officer ("CEO"), Tony Dorazio, adopted the direct testimony (Joint Applicants Statement No. 2) submitted on May 19, 2025 by Michael German, who was the CEO of the Utilities and Corning at that time.

available to the Utilities. *See, e.g.*, Joint Application, ¶¶ 29-34; JA St. No. 1 (Mills), pp. 9-10, 14; JA St. No. 3 (Lenns), pp. 5-7; JA St. No. 4 (Zaroulis), p. 6.

7. The Joint Applicants addressed each of the ten public interest factors set forth by the Commission in *Penn Estates*<sup>3</sup> and further explained their position that the Transaction satisfies the *Penn Estates* factors. *See, e.g.*, Joint Application, ¶¶ 37-47.

8. The Joint Applicants explained that Apollo does not own or operate any companies that directly or indirectly compete with the Utilities or operate in the Utilities' service areas. As such, the Joint Applicants stated that the 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. *See* Joint Application, ¶ 48.

9. Pike and Leatherstocking are Pennsylvania public utilities subject to the jurisdiction of the Commission. *See* Joint Application, ¶¶ 8-9; JA St. No. 2 (German), pp. 4-5.

10. Notice of the Joint Application was published in the *Pennsylvania Bulletin* on May 31, 2025 and, pursuant to a Secretarial Letter issued May 20, 2025, notice was also published in a general circulation newspaper in the area impacted by the Joint Application. On June 13, 2025, the Office of Consumer Advocate ("OCA") filed a Notice of Intervention, Public Statement and Protest. On June 16, 2025, the Office of Small Business Advocate ("OSBA") filed a Notice of Intervention and Public Statement.

11. A telephonic Prehearing Conference was held on August 12, 2025 before presiding Administrative Law Judge Charece Z. Collins (the "ALJ"). Consistent with Commission practice,

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<sup>3</sup> *Application of Penn Estates Utils, Inc.*, Docket Nos. A-210072F0003 et al. (Order entered Oct. 2, 2006).

a schedule was adopted requiring, among other things, that all case-in-chief, rebuttal, surrebuttal, and rejoinder testimony be submitted in writing in advance of hearings.

12. On September 19, 2025, the OCA and the OSBA submitted a total of three written statements of direct testimony and accompanying exhibits. On October 9, 2024, the Joint Applicants submitted a total of three written statements of rebuttal testimony. On October 23, 2025, the OCA and the OSBA submitted a total of three written statements of surrebuttal testimony and accompanying exhibits. On October 31, 2025, the Joint Applicants submitted a total of three written statements of rejoinder testimony and an accompanying exhibit.

13. Witnesses for the OCA and OSBA raised concerns about the Transaction in direct and surrebuttal testimony, including concerns regarding the transparency and oversight of future transactions with Apollo affiliates, capital structure for ratemaking purposes, dividend policy, and the Utilities' plans for infrastructure improvements and service expansion. *See generally* OCA St. Nos. 1 (Morgan), pp. 10-19; & 1SR (Morgan), pp. 1-6; OSBA St. Nos. 1 (Ewen), pp. 5-6 & 1-SR (Ewen), pp. 1-3; OSBA St. Nos. 2 (Price), pp. 4-9; & 2-SR (Price), pp. 1-6.

14. The Joint Applicants' witnesses responded to the concerns raised by OCA and OSBA in rebuttal and rejoinder testimony. *See generally* JA St. Nos. 1-R (Mills), pp. 3-8 & 1-RJ (Mills), pp. 2-3; JA St. Nos. 2-R (Dorazio), pp. 4-9 & 2-RJ (Dorazio), pp. 2-4; JA St. Nos. 3-R (Lenns), pp. 3-10 & 3-RJ (Lenns), pp. 6-10.

15. A telephonic evidentiary hearing was held on November 5, 2025. At the hearing, the written testimony and exhibits of all parties were admitted into evidence.

16. The parties engaged in discussions to negotiate a settlement of some or all the issues in this case. As a result of those negotiations, the Joint Petitioners were able to agree to the Settlement set forth herein, which resolves all issues in this proceeding. On November 13, 2025,

the Joint Applicants notified the ALJ that a settlement had been reached resolving all issues in this proceeding, and that the settling parties would submit a Joint Petition for Settlement and Statements in Support to memorialize their agreement.

17. On December 5, 2025, the Joint Applicants, the OCA and the OSBA (collectively, the “Joint Petitioners”) submitted a Joint Petition for Settlement (“Settlement” or “Joint Petition”) and requested that the ALJ approve the Settlement without modification.

18. Under the Settlement, the Joint Petitioners agreed that the Transaction, with the additional commitments agreed to under the Settlement, fully satisfies the requirements for a certificate of public convenience from the Commission under Chapter 11 of the Public Utility Code. The principal substantive terms and conditions of the Settlement are set forth in Paragraph Nos. 8-21 of the Joint Petition, which address the issues raised by the OCA and OSBA in this proceeding.

19. The Settlement includes the following commitments:

- a) The Utilities will not loan any funds to Apollo, Argo or their affiliates. *See* Joint Petition, ¶ 11.
- b) Apollo will maintain the existing capital structure of the Utilities unless a different capital structure is approved by the Commission in a general rate case. 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. *See* Joint Petition, ¶ 12.
- c) If future capital raises or debt offerings involving the Utilities will include funds for other Apollo-affiliated entities (entities other than Corning and the Utilities), or funds that are arranged by other Apollo affiliates, Apollo will provide notice to the OCA and OSBA of no less than 90 days in advance of the offering with details of the envisioned transaction. *See* Joint Petition, ¶ 13.
- d) In the event that Apollo Capital does provide capital to the Corning utilities, Apollo Capital will provide the funds to the Corning Utilities on the same terms and conditions applicable to Apollo Capital, including an interest rate equal to the stated interest rate extended to Apollo Capital, and a pro rata assignment of transaction fees to each of the Utilities. *See* Joint Petition, ¶ 14.

- e) Dividend payments from the Utilities to the parent company, ACP Crotona, shall comport with maintaining adequate available funding for utility operations to maintain safe and reliable electric and natural gas service at just and reasonable rates in accordance with the Code. *See* Joint Petition, ¶ 15.
- f) The Utilities shall continue to abide by any existing Commission-approved Affiliated Interest Agreements and any Code provisions regarding Affiliated Interest filings. *See* Joint Petition, ¶ 18.
- g) The Utilities shall not:
  - (i) guarantee the debt of Apollo, or Apollo's affiliates not regulated by the Commission, except as approved by the Commission upon a determination that a securities certificate should be granted approving the Transaction;
  - (ii) grant liens upon their property other than in conjunction with obtaining financing for each such entity; or
  - (iii) make loans or extend credit to Apollo, or Apollo's affiliates for a term of more than one year, without prior Commission approval, if required, by the Code. *See* Joint Petition, ¶ 19.
- h) In the event that the OCA and the OSBA believe it is appropriate to investigate alternate natural gas supplies for the Utilities, upon OCA and OSBA request, the Utilities commit to commencing such investigation. Notwithstanding the foregoing provision, the Utilities retain their right to investigate natural gas supplies in accordance with sound ratemaking principles and consistent with their responsibilities under the Code. *See* Joint Petition, ¶ 21.

20. Under the Settlement, within nine months of the closing of the Transaction, the Utilities will provide a one-time per-customer bill credit to all customers of record at the time the credit is applied in the following manner:

- a) A one-time \$25.00 per-customer bill credit to all of the approximate 368 residential customers of Leatherstocking;
- b) A one-time \$50.00 per-customer bill credit to all of the approximate 141 commercial and industrial customers of Leatherstocking;
- c) A one-time \$25.00 per-customer bill credit to all of the approximate 4,384 residential customers of Pike – Electric and Gas Divisions; and
- d) A one-time \$50.00 per-customer bill credit to the commercial and industrial customers of Pike – Electric and Gas Divisions, currently estimated to be approximately 1,097 customers. *See* Joint Petition, ¶ 10.

21. Under the Settlement, Pike and Leatherstocking further agreed that they shall not file for a general base rate increase under Section 1308(d) of the Code, 66 Pa.C.S. Section 1308(d), prior to October 31, 2027 and December 31, 2026, respectively. *See* Joint Petition, ¶ 8.

22. The Settlement also includes commitments by the Utilities regarding staffing levels, honoring existing obligations under applicable collective bargaining agreements, and maintaining pre-acquisition levels of community involvement and charitable contributions. *See* Joint Petition, ¶¶ 16-17, 20.

23. Finally, the Settlement affirms that the Joint Applicants will abide by the commitments stated in Exhibit C of the Joint Application. *See* Joint Petition, ¶ 9.

24. The parties agree that the terms and conditions of the Settlement address the issues raised in this proceeding in a fair and reasonable fashion.

25. As explained in the Joint Applicants' Statement in Support (pp. 2-10), the Transaction, as conditioned by the Settlement, will produce substantial affirmative benefits for the Utilities, their customers and the communities in their service areas. Under the Settlement, Pike and Leatherstocking customers will realize an immediate tangible benefit from rate credits totaling approximately \$180,000, and the Settlement provides for extended base rate stability for the Utilities' customers.<sup>4</sup> The Settlement also includes (1) commitments regarding capital structure; (2) notice requirements to the OCA and the OSBA for future financial transactions; and (3) continuity commitments for maintaining future staffing of the Utilities. *See also* OCA Statement in Support, pp. 6-10; OSBA Statement in Support, pp. 3-4.

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<sup>4</sup> Pike previously agreed not to file for a general electric distribution base rate increase under Section 1308(d) of the Code prior to October 31, 2027 as part of a settlement of its most recent electric rate case and that commitment is reaffirmed in the Settlement. *Pa. P.U.C. v. Pike County Light & Power Co. (Elec.)*, Docket No. R-2024-3052359 (Order entered Aug. 28, 2025) (adopting July 25, 2025 administrative law judge decision recommending approval of settlement with October 31, 2027 "stay-out" provision).

26. In addition, the Joint Applicants agreed to several other significant commitments conferring substantial affirmative benefits as part of the Settlement, including retention of the Utilities' existing management teams, honoring current collective bargaining agreements, implementing important ring-fencing measures, assuring the maintenance of the Utilities' existing levels of charitable contributions, and providing wage and benefit protections for current employees. *See* Joint Applicants Statement in Support, pp. 5, 8-9; OCA Statement in Support, pp. 9-13; OSBA Statement in Support, pp. 3-4.

## **PROPOSED CONCLUSIONS OF LAW**

1. The Commission has jurisdiction over the Joint Application. 66 Pa. C.S. § 1102(a)(3).

2. The Joint Applicants bear the burden of proving that they are entitled to the relief sought in this application proceeding. 66 Pa.C.S. § 332(a).

3. The Commission may issue a certificate of public convenience upon a finding that “the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public.” 66 Pa.C.S. § 1103(a).

4. The Joint Applicants have demonstrated that the proposed Transaction, as conditioned by the Settlement, will “affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way.” *City of York v. Pa. Pub. Util. Comm’n*, 449 Pa. 136, 151, 295 A.2d 825, 828 (1972); *Popowsky v. Pa. Pub. Util. Comm’n*, 594 Pa. 583, 611, 937 A.2d 1040, 1057 (2007).

5. The Joint Applicants have demonstrated that the proposed Transaction, as conditioned by the Settlement, will satisfy the ten public interest considerations regarding investment fund control of Pennsylvania public utilities as set forth by the Commission in *Application of Penn Estates Utils., Inc.*, Docket Nos. A-210072F0003 et al. (Order entered Oct. 2, 2006).

6. The Joint Applicants have demonstrated that the proposed Transaction, as conditioned by the Settlement, 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. *See* 66 Pa. C.S. § 2811(e)

7. Based on the record developed in this proceeding and a thorough review of the positions of the parties, the proposed Transaction, as conditioned by the Settlement, is in the public interest.

### **PROPOSED ORDERING PARAGRAPHS**

1. That the Joint Application is hereby approved subject to the terms and conditions of the Joint Petition for Settlement.
2. That the Joint Petition for Settlement entered into and filed by the Joint Applicants, OCA and OSBA, including the terms and conditions contained therein, is hereby approved.
3. That a certificate of public convenience be issued evidencing approval under Section 1102(a)(3) of the Public Utility Code of the change in control of Pike and Leatherstocking effected by the Transaction.
4. That any other approvals or certificates appropriate, customary, or necessary under the Public Utility Code to carry out the Transaction contemplated in the Joint Application subject to the terms and conditions of the Joint Petition for Settlement are hereby granted.
5. That the Secretary mark Docket Nos. A-2025-3055264, A-2025-3055265, and A-2025-3055335 as closed.

## **STATEMENT A**

**Statement in Support of Joint Petition for Settlement of Pike County Light & 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. and Argo Infrastructure Partners LLC, and Apollo Global Management, Inc.**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>JOINT APPLICATION OF PIKE</b>	:	
<b>COUNTY LIGHT AND POWER</b>	:	
<b>COMPANY, LEATHERSTOCKING GAS</b>	:	
<b>COMPANY, LLC, CORNING ENERGY</b>	:	
<b>CORPORATION, ACP SERIES 3</b>	:	
<b>PARTNERSHIP L.P., ARGO CAPITAL</b>	:	
<b>PLATFORM (P) 2017, L.P., ARGO</b>	:	<b>DOCKET NOS. A-2025-3055264</b>
<b>CAPITAL PLATFORM (K) SERIES 3,</b>	:	<b>A-2025-3055265</b>
<b>L.P., ACP CROTONA HOLDINGS L.P.,</b>	:	<b>A-2025-3055335</b>
<b>ACP CROTONA CORP., ARGO</b>	:	
<b>INFRASTRUCTURE PARTNERS LLC</b>	:	
<b>AND APOLLO GLOBAL</b>	:	
<b>MANAGEMENT, INC. FOR A</b>	:	
<b>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</b>	:	
<b>AN INDIRECT CHANGE OF CONTROL</b>	:	
<b>OF PIKE COUNTY LIGHT AND POWER</b>	:	
<b>COMPANY'S AND</b>	:	
<b>LEATHERSTOCKING GAS</b>	:	
<b>COMPANY'S PARENT COMPANY,</b>	:	
<b>CORNING ENERGY CORPORATION</b>	:	

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**STATEMENT OF THE JOINT APPLICANTS  
IN SUPPORT OF  
THE JOINT PETITION FOR SETTLEMENT**

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December 5, 2025

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**STATEMENT OF THE JOINT APPLICANTS  
IN SUPPORT OF  
THE JOINT PETITION FOR SETTLEMENT**

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**I. INTRODUCTION**

On December 5, 2025, Pike County Light & Power Company (“Pike”), Leatherstocking Gas Company, LLC (“Leatherstocking”), Corning Energy Corporation (“Corning”), 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 Holdings”), ACP Crotona Corp. (“ACP Crotona”), Argo Infrastructure Partners LLC and Apollo Global Management, Inc. (“Apollo”) (collectively, the “Joint Applicants”), the Office of Consumer Advocate (“OCA”), and the Office of Small Business Advocate (“OSBA”) (collectively, the “Joint Petitioners”), filed with the Pennsylvania Public Utility Commission (the “Commission” or “PUC”) a Joint Petition for Settlement (“Joint Petition”)

in the above-captioned proceeding. The Joint Petition contains, among other things, a statement of the factual background and procedural history of this case, which is incorporated herein by reference.<sup>1</sup> This Statement in Support (the “Statement”) is filed pursuant to Paragraph 22 of the Joint Petition.

The settlement embodied in the Joint Petition (the “Settlement”) was achieved only after an extensive investigation by the parties of the Joint Applicants’ Application for a change of control of Pike and Leatherstocking (collectively, the “Utilities”), which included substantial discovery and the submission of written direct, rebuttal, surrebuttal and rejoinder testimony. In addition, the Joint Petitioners engaged in extensive discussions and negotiations about the terms of the Settlement over an extended period.

The Joint Applicants are in full agreement with the Settlement and each of the affirmative public benefits identified in the Joint Petition. In this Statement, the Joint Applicants offer additional reasons why the Settlement is in the public interest and should be approved and request the presiding Administrative Law Judge (“ALJ”) to specifically reflect all the reasons for and benefits of the requested change of control of the Utilities in the Initial Decision in this proceeding.

## **II. OVERVIEW OF THE TRANSACTION AND SETTLEMENT**

On May 19, 2025, the Joint Applicants filed a Joint Application to obtain the approval of the Commission under Chapters 11 and 28 of the Public Utility Code (“Code”) for Apollo’s proposed acquisition of Argo Infrastructure Partners, LP’s (“Argo’s”) infrastructure business (the “Transaction”). Upon completion, the Transaction will result in a new controlling interest in Corning, the direct parent of the Utilities.

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<sup>1</sup> The Joint Petitioners’ Joint Proposed Findings of Fact, Conclusions of Law and Ordering Paragraphs are attached to the Joint Petition as Exhibit 1.

Since 2022, Argo-managed entities have owned and controlled Corning.<sup>2</sup> At closing of the Transaction, a new Apollo-controlled entity will replace Argo Infrastructure Partners LLC as the general partner of ACP Holdings, which 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. As such, the existing voting securities of Corning currently controlled by Argo will become voting securities controlled by Apollo through the same managed funds. However, Argo is not “selling” the Utilities as part of the Transaction. Corning and the Utilities will continue to be owned by the same investment partnerships that own Corning today. Those investment funds have 15+ year horizons and are fundamentally different from other private equity investments that operate on a much shorter time horizon and achieve expected returns only upon sale of underlying assets. The experienced team at Argo that currently oversees management of the Utilities will join Apollo’s infrastructure group in similar roles. *See* Joint Application, ¶ 17, ¶ 24, Ex. B; Joint Applicants Statement Nos. (“JA Sts.”) 1 (Mills), pp. 6-8 & 1-R (Mills), pp. 4-5; JA St. 2-R (Dorazio), pp. 3-4; JA St. 3 (Lenns), pp. 6-7; JA St. 4 (Zaroulis), pp. 5-6.

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.”<sup>3</sup> In *City of York v. Pennsylvania Public Utility Commission.*, 295 A.2d 825, 828 (Pa. 1972) (“*City*

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<sup>2</sup> The Commission approved Argo’s prior 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 LP, 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 (Initial Decision dated Dec. 20, 2021 adopted by Order entered Feb. 3, 2022 (“*Argo-Corning*”)).

<sup>3</sup> 66 Pa. C.S. § 1102(a)(3).

of York”), the Pennsylvania Supreme Court held that those seeking approval of a utility merger 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> Evidence that the Commission has found sufficient to satisfy this standard has included testimony that the proposed transaction would provide enhanced access to capital and improve service, as well as commitments to retain Pennsylvania jobs, continue charitable contributions, and delay general base rate increases.<sup>6</sup>

The Joint Application and the Joint Applicants’ written testimony admitted into the record in this case set forth substantial affirmative public benefits from the Transaction, including the following:

**Greater Access to Capital.** As one of the largest global investors in infrastructure with a long track record of strong financial performance, Apollo will be able to expand on the enhanced access to capital for the Utilities initiated by Argo.<sup>7</sup> As explained in the direct testimony of Joint

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

<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.”).

<sup>6</sup> See, e.g., *City of York and Popowsky*, *supra*; *Argo-Corning*, p. 24; *Joint Application of Aqua America Inc., Aqua Pa. Inc., Aqua Pa. Wastewater Inc., and Peoples Natural Gas Co. LLC for All of the Authority and Necessary Certificates of Public Convenience to Approve a Change in Control of Peoples Natural Gas Co. LLC by Way of the Purchase of All of LDC Funding LLC’s Membership Interests by Aqua America Inc.*, Docket Nos. A-2018-3006061, et al. (Opinion and Order entered Jan. 24, 2020), pp. 119-20, 126-27, 175-77; *Re: UGI Utilities, Inc., et al.*, Docket No. A-2008-2034045 (Recommended Decision issued Aug. 7, 2008 and adopted by Order entered Aug. 21, 2008), pp. 21, 29.

<sup>7</sup> 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

Applicants' witness Trevor Mills, 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. Given Apollo's scale and expertise in funding markets, the Utilities will likely be able to borrow more money for a longer term and at lower interest rates with Apollo involvement. *See* JA Sts. 1 (Mills), pp. 11-12 & 1-R (Mills), pp. 3-4; JA Sts. 3 (Lenns), pp. 4-6 & 3-R (Lenns), pp. 3-5.

**Strategy Development and Management Practices.** While Apollo does not directly own distribution gas or electric utilities, Apollo has extensive investments and assets under management in regulated energy businesses, including various wholesale electric generation companies around the country. The Transaction will allow the Argo team and the Utilities to access Apollo's deep expertise in managing hundreds of portfolio companies across multiple industry segments. *See* JA Sts. 1 (Mills), pp. 3-6, 1-R (Mills), p. 6 & 1-RJ (Mills), p. 2.

**Commitment to Employees.** The Joint Applicants have made specific commitments regarding employment and compensation levels after the Transaction and existing employee collective bargaining agreements and benefits. *See* Joint Application, Ex. C; JA Sts. 1 (Mills), pp. 13-14 & 1-R (Mills), p. 6-7; Joint Petition, ¶¶ 16-17.

**Strong Leadership in Local Communities.** As noted previously, no material changes in the management team of the Utilities or their headquarters will occur as a result of the Transaction. The Joint Applicants have also agreed to maintain at least the Utilities' current levels of charitable support in local communities for three years. *See* Joint Application, Ex. C JA St. 1 (Mills), pp. 12-13; JA St. 2-R (Dorazio), p. 8; Joint Petition, ¶ 20.

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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. *See* Joint Application, ¶ 2.

As a result of the Settlement, the Transaction would also create significant additional substantial affirmative public benefits discussed in Section III below, including rate credits to customers totaling approximately \$180,000 and commitments to not increase the rates of Leatherstocking and Pike through October 31, 2026 and December 31, 2027, respectively.

### **III. THE SETTLEMENT IS IN THE PUBLIC INTEREST AND FULLY SATISFIES THE REQUIREMENTS FOR A CERTIFICATE OF PUBLIC CONVENIENCE**

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 Mr. Mills in Joint Applicants Statement No. 1 (pp. 3-6), Apollo manages a \$751 billion global investment portfolio and has over 5,000 employees globally as of December 31, 2024. Apollo is one of the largest investors in infrastructure assets, managing \$27 billion in infrastructure equity around the world. *Id.*

The Transaction, as conditioned by the Settlement, will provide the Utilities with greater and continuous access to stable, long-term capital on reasonable terms that the Utilities need for future infrastructure improvements and service expansions in underserved communities in northeastern Pennsylvania. Pike and Leatherstocking customers will realize an immediate tangible benefit from the agreed-upon customer rate credits totaling approximately \$180,000, and the Settlement provides for extended base rate stability for the Utilities' customers. In addition to the customer rate credits, the Settlement confers additional substantial affirmative benefits such as (1) commitments regarding capital structure; (2) notice requirements to OCA and OSBA for future financial transactions; and (3) continuity commitments for maintaining future staffing of the Utilities. The Settlement also affirms several other significant commitments included in the Joint Application or subsequent rebuttal and rejoinder testimony. Those commitments include retention of the Utilities' existing highly qualified management teams, honoring current collective bargaining agreements, ring-fencing measures, maintenance of the Utilities' existing levels of

charitable contributions, and wage and benefit protections for current employees. In short, the addition of Apollo in the controlling structure of the Utilities will produce substantial affirmative benefits for the Utilities and their customers and communities in their service areas. Therefore, and for the reasons discussed below, the Settlement is in the public interest and should be approved without modification.

**A. The Transaction Will Allow the Utilities to Maintain Their Local Presence with Broader Access to Capital to Invest More Robustly in Infrastructure Improvements and Service Expansion**

Apollo identifies and seeks out investments with high-quality management teams and then supports management with considerable financial resources and deep expertise across its integrated platform. The electric and natural gas industry is highly capital intensive, and access to funding markets is one of the key attributes of successful long-term management and growth of those businesses. Apollo's large size and unique expertise and relationships in capital markets will build on and expand the enhanced access to capital initiated by Argo, resulting in favorable terms for future capital required by the Utilities. Greater access to capital will allow the utilities to complete necessary infrastructure improvements described by Corning's and the Utilities' President and Chief Executive Officer ("CEO"), Tony Dorazio, and expand natural gas service to underserved areas in Northeastern Pennsylvania at a lower cost. *See* JA Sts. 1 (Mills), pp. 11-12 & 1-R (Mills), pp. 6-8; JA St. 2 (German), pp. 3-7;<sup>8</sup> JA Sts. 3 (Lenns), pp. 4-6 & 3-R (Lenns), pp. 3-5.

OCA witness Lafayette K. Morgan, Jr. did not challenge the technical or financial fitness of the combined Apollo/Argo entities that would be under control of Apollo as a result of the Transaction. However, he recommended that the Joint Applicants provide specific commitments

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<sup>8</sup> In his rebuttal testimony, Mr. Dorazio adopted the direct testimony (Joint Applicants Statement No. 2) submitted on May 19, 2025 by Michael German, who was the CEO of the Utilities and Corning at that time.

and plans for service expansion and improvements with timelines. *See* OCA St. 1 (Morgan), pp. 10-11, 14. Mr. Dorazio submitted rebuttal and rejoinder testimony addressing the OCA’s concerns about the Utilities’ plans for service expansion and infrastructure improvements, and explained why formal commitments to specific projects are unworkable. *See* JA Sts. 2-R (Dorazio), pp. 5-7 & 2-RJ (Dorazio), p. 3. Under the Settlement, the Joint Applicants committed to investigate alternate natural gas supplies for the Utilities, upon OCA and OSBA request. *See* Joint Petition, ¶ 21.

**B. Customers Will Realize Tangible Benefits from Rate Credits and Base Rate Stability Under the Settlement**

In addition to the substantial affirmative public benefit of enhanced access to capital, the Transaction, as amended by the Settlement, provides rate protection and ensures the continued provision of high-quality service by the Utilities. The Settlement provides an immediate tangible benefit in recognition of the cost savings the Transaction is expected to produce for the Utilities via a one-time bill credit – \$25 for each residential customer and \$50 for each commercial and industrial customers of the Utilities. The total customer bill credit is currently estimated to total about \$180,000. The Transaction will not change existing base rates for Pike and Leatherstocking customers, and the Settlement provides for extended base rate stability for Leatherstocking’s customers until December 31, 2026.<sup>9</sup> *See* Joint Application, Ex. C; JA St. 3 (Lenns), pp. 6-7; Joint Petition, ¶¶ 8-10. Those benefits to the Utilities’ customers would not otherwise be available absent the Transaction.

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<sup>9</sup> Pike previously agreed to not file for a general electric distribution base rate increase under Section 1308(d) of the Code prior to October 31, 2027, as part of a settlement of its most recent electric rate case, and that commitment is reaffirmed in the Settlement. *Pa. P.U.C. v. Pike County Light & Power Co. (Elec.)*, Docket No. R-2024-3052359 (Order entered Aug. 28, 2025) (adopting July 25, 2025 administrative law judge decision recommending approval of settlement with October 31, 2027 “stay-out” provision).

**C. The Settlement Will Strengthen the Utilities' Charitable Giving and Community Support**

The Settlement will strengthen Pike's and Leatherstocking's charitable and community involvement by converting what are now voluntary contributions into a binding commitment. The Settlement reflects the Joint Applicants' commitment to maintain the Utilities 2024 levels of charitable giving for three years after closing. *See* Joint Application, Ex. C; JA Sts. 1 (Mills), p. 12 & 1-R (Mills), pp. 6-7; JA St. 2-R (Dorazio), p. 8; Joint Petition, ¶ 20.

**D. The Settlement Includes Significant Measures to Protect the Utilities and Their Customers from Financial Risk**

Since the proposed Transaction does not involve a change in economic ownership, Apollo will maintain the ring-fencing commitments approved by the Commission in *Argo-Corning*. Those commitments include maintaining the separate existence of the Utilities and ensuring that the Utilities will not guarantee the debt of any Apollo entity not regulated by the Commission. The Settlement also contains numerous safeguards to which the Joint Applicants committed as part of their initial filing or that were adopted to address concerns identified by the OSBA or OCA. For example, 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. *See* JA St. 3-RJ (Lenns), p. 4. These commitments are reflected in the Settlement. *See* Joint Petition, ¶¶ 9, 11-15, 18-19.

The OCA raised concerns about capital raised by Apollo Capital Solutions and recommended that transactions between Apollo Capital Solutions be conducted pursuant to an affiliated interest agreement. *See* OCA St. 1 (Morgan), pp. 17-18 & 1SR (Morgan), pp. 5-9. While Apollo has not determined whether it might be possible to raise capital for the Utilities with other Apollo entities, Apollo expects to continue separate capital raises and debt offerings for Corning and the Utilities. *See* JA St. 1-R (Mills), p. 5; JA St. 3-R (Lenns), pp. 5-9. Nonetheless, to allay the concerns raised by the OCA, under the Settlement, the Joint Applicants agreed that any such

equity or debt offering combined with any other Apollo-affiliated entities would be undertaken only after reasonable advance notice (i.e., 90 days) to the OCA and the OSBA. In addition, if Apollo Capital does provide capital to the Utilities, the Joint Applicants agreed that Apollo Capital will provide the funds to the Utilities on the same terms and conditions applicable to Apollo Capital, including an interest rate equal to the stated interest rate extended to Apollo Capital, and a pro rata assignment of transaction fees to each of the Utilities. *See* Joint Petition, ¶¶ 13-14.

**E. The Settlement Is Consistent with Commission Policies Promoting Negotiated Settlements**

The Settlement amicably and expeditiously resolves a number of important and contentious issues. The administrative burden and costs to litigate these matters to conclusion would be substantial.

The Joint Petitioners arrived at the Settlement terms after conducting informal discovery and engaging in in-depth discussions over several weeks. The Settlement terms and conditions constitute a carefully crafted package representing reasonable negotiated compromises on the issues addressed herein. Thus, the Settlement is consistent with the Commission's rules and practices encouraging negotiated settlements (*see* 52 Pa. Code §§ 5.231, 69.391 and 69.401) and is supported by substantial record evidence.

**F. The Settlement Satisfies the Public Interest Considerations for Investment Fund Ownership of Utilities**

In addition to the substantial affirmative public benefits discussed in Sections II and III.A. to III.D. above, the Transaction satisfies the ten public interest factors, known as the *Penn Estates* factors,<sup>10</sup> when investment fund control of a Pennsylvania utility is involved in a transaction, as summarized below.

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<sup>10</sup> *Application of Penn Estates Utils, Inc.*, Docket Nos. A-210072F0003 et al. (Order entered Oct. 2, 2006) (“*Penn Estates*”).

- ***Capital to Be Allocated to Ongoing Operating and Maintenance Expenses:*** Post-closing of the Transaction, the Utilities will continue to charge their Commission-approved rates to support their operations. The Utilities will also be permitted to retain sufficient earnings to address their ongoing service needs and to fulfill their duties to customers to provide safe, adequate and reasonable service. *See* JA St. 3 (Lenns), pp. 3-4; JA St. 2-RJ (Dorazio), pp. 3-4. In addition, as explained in Sections III.A. and III.B. above, greater access to capital through Apollo will enhance the Utilities' ability to further improve reliability and customer service, while maintaining reasonable rates.
- ***Corporate Governance/Sarbanes-Oxley Compliance.*** Argo does 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. *See* Joint Application, ¶ 39.
- ***The Expected Term of Ownership.*** Apollo and Argo understand that the various investors intend to be long-term owners of Corning and the Utilities. As previously noted, those investments funds have 15+ year horizons. 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. *See* JA St. 1 (Mills), pp. 3-6.

- ***Experience as an Owner and Operator of Utilities.*** As discussed above, Apollo's technical, legal, and financial fitness to support the managed funds that own the Utilities, Apollo's ability to access and raise necessary capital, and Apollo's 30+-year track record as one of the largest alternative asset managers in the world confirm and demonstrate that an Apollo-managed entity is a strong strategic partner for Corning and the Utilities. In addition, the existing management for the Utilities will not change as a result of the Transaction to ensure continuity of the utility operations experience unique to these Utilities.
- ***Community Presence.*** The Transaction will maintain the Utilities' presence in the communities they currently serve in Pennsylvania. As noted above, post-closing of the Transaction, no material changes in the management team of the Utilities, their headquarters, their charitable contributions, or their employees are contemplated to occur as a result of the Transaction.
- ***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 Transaction. As described above, the ownership of the various Argo entities leading to Corning and, ultimately, to the Utilities will not change under the Transaction. The general partner of ACP Holdings that currently controls Corning will become indirectly and wholly-owned by Apollo.
- ***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. *See* Joint Petition, ¶ 18.

- ***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. *See* Joint Application, Ex. C; Joint Petition, ¶ 12.
- ***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 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. *See* Joint Application, Ex. C; Joint Petition, ¶¶ 11-15, 18-19.
- ***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.

**G. The Transaction, as Modified by the Settlement, Will Not Have an Adverse Impact on Retail Competition**

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.<sup>11</sup> 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.

The 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. See Joint Application, ¶ 48. Therefore, no likely anticompetitive or discriminatory conduct will arise from Apollo obtaining control of Corning or the Utilities.

**IV. CONCLUSION**

For the reasons set forth above, the Transaction, as modified by the Settlement, 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. Moreover, the Settlement terms have been carefully designed to resolve, in a reasonable fashion,

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<sup>11</sup> See 66 Pa. C.S. § 2811(e)(1) (emphasis added). 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.

the issues and concerns that were raised by the parties in this case without the need for costly formal litigation. Accordingly, the Settlement is in the public interest and should be approved without modification.

Respectfully submitted,



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Dated: December 5, 2025



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## **STATEMENT B**

**Statement in Support of Joint Petition for Settlement  
of the Office of Consumer Advocate**

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	:	A-2025-3055335
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.	:	

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STATEMENT OF THE  
OFFICE OF CONSUMER ADVOCATE  
IN SUPPORT OF THE  
JOINT PETITION FOR FULL SETTLEMENT

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The Office of Consumer Advocate (OCA), a signatory party to the Joint Petition for Full Settlement (Settlement) in the above-captioned proceeding, respectfully requests that the terms and conditions of the Settlement be approved by Administrative Law Judge Charece Z. Collins and the Pennsylvania Public Utility Commission (Commission). The proposed Settlement is in the public interest and in the interests of the residential customers of Pike County Light and Power Company and Leatherstocking Gas Company LLC.

## I. INTRODUCTION

On May 19, 2025, Pike County Light & Power Company (Pike), Leatherstocking Gas Company, LLC (Leatherstocking), Corning Energy Corporation f/k/a Corning Natural Gas Holding Corporation (Corning), 1 ACP Series 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P., Argo Capital Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., ACP Crotona Corp., and Argo Infrastructure Partners LLC (collectively, Argo), and Apollo Global Management, Inc. (Apollo) (collectively, the Joint Applicants) filed with the Commission the instant Application seeking the grant of Certificates of Public Convenience under Sections 1102(a)(3) and 1103 of the Public Utility Code together with all other necessary approvals needed to effectuate an indirect change of control of Pike's and Leatherstocking's parent company, Corning (Application).

As described in the Application, the Joint Applicants requested the Commission's approval under Chapters 11 and 28 of the Public Utility Code for Apollo's proposed acquisition of Argo, which would result in a new controlling interest in Corning, the direct parent of Pike and Leatherstocking (collectively, the Utilities).<sup>1</sup> Specifically, the Joint Applicants requested that the Commission grant a certificate of public convenience under Sections 1102(a)(3) and 1103 of the Public Utility Code and all other necessary approvals to effectuate an indirect change of control of Pike's and Leatherstocking's parent company, Corning.<sup>2</sup>

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<sup>1</sup> Application at 1-2.

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

On June 13, 2025, the OCA filed a Notice of Intervention, Protest and Public Statement. On June 16, 2025, the Office of Small Business Advocate (OSBA) filed a Notice of Appearance, Notice of Intervention and Public Statement.

On August 5, 2025, the Commission served a notice establishing an initial telephonic prehearing conference for this matter for Tuesday, August 12, 2025, and assigning Administrative Law Judge Charece Z. Collins (ALJ Collins) as the presiding officer. On August 5, 2025, ALJ Collins served a Prehearing Conference Order setting forth the rules and expectations for the conference.

On August 11, 2025, OCA filed a Notice of Appearance. The telephonic prehearing conference was held as scheduled on August 12, 2025. On September 18, 2025, the OCA submitted the Direct Testimony of Lafayette K. Morgan. Also on September 18, 2025, OSBA filed direct testimony. On October 9, 2025, the Joint Applicants submitted rebuttal testimony. On October 24, 2025, the OCA served the Surrebuttal Testimony of Lafayette K. Morgan. Also on October 24, 2025, OSBA served surrebuttal testimony. On November 5, 2025, a telephonic evidentiary hearing was held in which the parties entered testimony and exhibits into the record.

On November 13, 2025, the Joint Applicants informed the ALJ that the parties reached a comprehensive settlement in principle. The OCA, one of the signatory parties to the Settlement, finds the terms and conditions of the Settlement to be in the public interest.

## II. LEGAL STANDARDS

For Commission approval of a proposed merger, the applicant must show that the transaction results in a substantial affirmative public benefit.<sup>3</sup>

The policy of the Commission is to encourage settlements, and the Commission stated that settlement rates are often preferable to those achieved at the conclusion of a fully litigated proceeding.<sup>4</sup>

In order to accept a settlement such as proposed here, the Commission must determine that the proposed terms and conditions are in the public interest.<sup>5</sup> “It is the Commission’s duty to determine the public interest and to protect the rights of the public.”<sup>6</sup> Consistent with the Commission’s other statutory responsibilities, the Commission must determine the public interest with “due consideration to the interests of consumers.”<sup>7</sup>

As to the amount of proof required, it is well-established that the “degree of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of the evidence.”<sup>8</sup> For a Commission decision to be supported by substantial evidence, it must be supported by such relevant evidence as a reasonable

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<sup>3</sup> *City of York v. Pennsylvania Public Utility Commission*, 449 Pa. 136, 295 A. 2d 825 (Pa. 1972) (*York*).

<sup>4</sup> 52 Pa. Code §§ 5.231, 69.401.

<sup>5</sup> *Pa. PUC v. City of Bethlehem – Water Dept.*, Docket No. R-2020-3020256 (Order entered April 15, 2021) (*City of Bethlehem*) at 13 (citing *Pa. PUC v. York Water Co.*, Docket No. R 00049165 (Order entered October 4, 2004); *Pa. PUC v. C. S. Water and Sewer Assoc.*, 74 Pa. P.U.C. 767 (1991) (*CS Water and Sewer*)).

<sup>6</sup> *Duquesne Light Co. v. Pa. PUC*, 715 A.2d 540, 546 (Pa. Cmwlth. Ct. 1998) (internal citations omitted).

<sup>7</sup> 71 P.S. § 309-5.

<sup>8</sup> *Lansberry v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Cmwlth. Ct. 1990) (*Lansberry*).

mind might accept as adequate to support a conclusion.<sup>9</sup> The evidence must be substantial and legally credible, not mere “suspicion” or a “scintilla” of evidence.<sup>10</sup> The Commission must make findings “in sufficient detail to enable the court on appeal, to determine the controverted question presented by the proceeding and whether proper weight was given to the evidence.”<sup>11</sup>

In accordance with the procedural schedule established in this proceeding, the OCA now submits this Statement in Support of the Settlement.

### **III. STATEMENT IN SUPPORT**

#### **A. Pike and Leatherstocking’s Base Rates (Settlement ¶¶ 8-9)**

Under the proposed Settlement, the transaction will not change existing rates for Pike and Leatherstocking ratepayers.<sup>12</sup> Pike and Leatherstocking will continue to charge rates pursuant to their existing Commission-approved tariffs.<sup>13</sup> Joint Applicants also agree to abide by the commitments made in Exhibit C of the Application.<sup>14</sup>

In addition to the modifications to the commitments made through the Settlement, Exhibit C of the Application include commitments to: (1) not seek recovery in rates of any acquisition premium above book value (i.e. goodwill) associated with the Transaction and transaction costs incurred in connection with Apollo’s acquisition of Argo; (2) corporate organization, financial integrity, and ring-fencing; (3) labor, employment, and

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<sup>9</sup> *Dutchland Tours, Inc. v. Pa. PUC*, 337 A.2d 922, 925 (Pa. Cmwlth. 1975) (*Dutchland*).

<sup>10</sup> *Lansberry*, 578 A.2d at 602.

<sup>11</sup> 66 Pa.C.S. § 703(e); *ARIPPA v. PUC*, 792 A.2d 636, 668-669 (Pa. Cmwlth. 2002).

<sup>12</sup> Settlement ¶ 8.

<sup>13</sup> *Id.*

<sup>14</sup> Settlement ¶ 9.

compensation; (4) reliability and quality of service; (5) local presence; (6) charitable contributions and community initiatives; (7) affiliate standards, and (8) Commission jurisdiction.<sup>15</sup>

These commitments, while not rising to the level of substantial affirmative benefits alone without the modifications and additions made in the Settlement, are important provisions that benefit Pennsylvania ratepayers, and ensure compliance with the Public Utility Code, as well as the Commission's regulations. As these commitments are in the public interest, they should be adopted by the Commission.

**B. Leatherstocking's Rate Case Stay-Out (Settlement ¶ 8)**

Under the Settlement, Leatherstocking will not file for a base rate increase prior to December 31, 2026.<sup>16</sup> The proposed stay-out until December 31, 2026 is a reasonable compromise between the parties and is in the public interest as it shields Leatherstocking's customers from any immediate rate increase due to the change in control from Argo to Apollo.

**C. Residential Ratepayer Bill Credits (Settlement ¶ 10)**

The Settlement provides for one-time bill credits to Pike and Leatherstocking customers to be paid within nine months of closing of the proposed transaction.<sup>17</sup> Of particular interest to the OCA are the one-time \$25 bill credits to the residential customers of Pike and Leatherstocking.<sup>18</sup>

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<sup>15</sup> Joint Application at Exh. C.

<sup>16</sup> Settlement ¶ 8.

<sup>17</sup> Settlement ¶ 10.

<sup>18</sup> *Id.*

The Settlement further states that the one-time bill credits resolve all present and future claims by any party in any future rate case of the Utilities for customer recovery of any cost savings arising from the Transaction, except as those cost savings may be embedded in the costs and expenses of the Utilities in the context of a general rate case and could potentially be reflected in future Commission-approved rates.<sup>19</sup> Within 60 days of completion of the customer credit, the Utilities will notify in writing the Commission, the OCA, and the OSBA of the total amount and number of customers who received the credit, the method by which the credit was carried out, and whether any difficulty was encountered in providing the credit.<sup>20</sup>

Rate credits for residential customers are a key Settlement term as it provides an affirmative, immediately tangible benefit to residential customers and were the result of extensive settlement negotiations between the parties. The rate credits contained in the Settlement are in the public interest and should be adopted by the Commission.

**D. No Loans to Apollo or Argo (Settlement ¶ 11)**

Under the Settlement, the Utilities will not loan any funds to Apollo, Argo or their affiliates.<sup>21</sup> In the prior transaction at Docket Nos. A-2021-3025659 and A-2021-3025662 in which Argo acquired the Utilities, Argo agreed that the Utilities would not make loans to Argo Capital, or Argo Capital's affiliates for a term of more than one year, without prior Commission approval, if required, by the Public Utility Code.<sup>22</sup> As such, OCA witness

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<sup>19</sup> Settlement ¶ 10.

<sup>20</sup> *Id.*

<sup>21</sup> Settlement ¶ 11.

<sup>22</sup> OCA St. 1 at 14.

Morgan testified as to the importance of maintaining this important ring fencing provision.<sup>23</sup> Additionally, OCA witness Morgan noted that, in Docket No. G-2024-3049087, Corning Energy Corporation and Leatherstocking Natural Gas Company filed for approval of an Affiliated Interest Loan Agreement.<sup>24</sup>

The Settlement goes beyond the one-year limitation of the previous transaction by plainly stating that the Utilities will not loan any funds to Apollo, Argo, or their affiliates without stating a timeframe.<sup>25</sup> This important ring-fencing provision ensures that the Utilities and its ratepayers are not burdened with loans to Apollo or Argo. As such, this provision is in the public interest and should be approved by the Commission.

#### **E. Capital Structure (Settlement ¶ 12)**

OCA witness Morgan initially testified as to the lack of clarity regarding the Joint Applicants' initial capital structure proposal.<sup>26</sup> OCA witness Morgan recommended that a reasonable resolution of this issue is the following language: "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."<sup>27</sup>

Under the Settlement, Apollo will maintain the existing capital structure of the Utilities unless a different capital structure is approved by the Commission in a general rate

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<sup>23</sup> *Id.*

<sup>24</sup> OCA St. 1SR at 7-8.

<sup>25</sup> Settlement ¶ 11.

<sup>26</sup> *See* OCA St. 1 at 15-16.

<sup>27</sup> OCA St. 1SR at 13.

case.<sup>28</sup> Additionally, 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.<sup>29</sup>

The Settlement adopts OCA witness Morgan’s recommendation. As such, the OCA supports this Settlement provision as it is reasonable, responsive to the OCA’s concerns, and is in the public interest.

**F. Capital and Debt Offerings (Settlement ¶ 13-14)**

OCA witness Morgan noted his concern regarding the Joint Applicants statement in discovery that “Apollo has not determined whether future debt and equity capital for the Corning utilities will be raised separately or in combination with other entities.”<sup>30</sup> OCA witness Morgan testified that “[t]he prospect of jointly raising capital creates a potential for arrangements that run counter to the ring-fencing measures.”<sup>31</sup>

Under the Settlement, any future capital raising and debt offerings involving the Utilities are expected to be undertaken solely for the benefit of Corning and the Utilities, i.e., the financial transactions will not involve capital raises or debt offerings for other Apollo-affiliated entities.<sup>32</sup> Moreover, if future capital raises or debt offerings will include funds for other Apollo-affiliated entities, or funds that are arranged by other Apollo affiliates, Apollo will provide notice to the OCA and OSBA of no less than 90 days in

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<sup>28</sup> Settlement ¶ 12.

<sup>29</sup> *Id.*

<sup>30</sup> OCA St. 1 at 14-15 (internal citations omitted).

<sup>31</sup> OCA St. 1 at 15.

<sup>32</sup> Settlement ¶ 13.

advance of the offering with details of the envisioned transaction.<sup>33</sup> The Settlement further notes that such details should allow the Commission and statutory parties to verify that the costs and fees are consistent with current market conditions.<sup>34</sup>

The Settlement additionally states that, in the event that Apollo Capital does provide capital to the Corning utilities, Apollo Capital will provide the funds to the Corning Utilities on the same terms and conditions applicable to Apollo Capital, including an interest rate equal to the stated interest rate extended to Apollo Capital, and a pro rata assignment of transaction fees to each of the Utilities.<sup>35</sup>

These Settlement provisions represent a reasonable compromise by ensuring that capital raises and debt offerings involving the Utilities benefit Corning and the Utilities by not involving capital raises or debt offerings for other affiliated entities. Additionally, providing notice to the OCA and OSBA in the event that Apollo Capital provides funds to the Utilities provides the statutory parties with notification and helps ensure that any associated costs and fees are consistent with market conditions. Moreover, Apollo Capital's provision of funds to the Utilities on the same terms and conditions applicable to Apollo Capital further helps ensure that the Utilities are not being unreasonably utilized by Apollo on unfavorable terms. As such, these Settlement provisions provide important ratepayer protections and are in the public interest.

#### **G. Affiliated Interest Agreements (Settlement ¶ 18)**

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<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

<sup>35</sup> Settlement ¶ 14.

Under the Settlement, the Joint Applicants commit to continuing to comply with any existing Commission-approved Affiliated Interest Agreements and any Public Utility Code provisions regarding Affiliated Interest filings.<sup>36</sup> OCA witness Morgan brought attention to the Joint Applicants' statement that, 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.<sup>37</sup>

OCA witness Morgan testified that "because Apollo Capital Solutions and the Corning Utilities would be part of the same ownership group, Apollo Capital Solutions services should be provided pursuant to an affiliate interest agreement."<sup>38</sup> Requiring the Joint Applicants to continue to comply with any existing Commission-approved Affiliated Interest Agreements and any Public Utility Code provisions regarding Affiliated Interest filings is a reasonable approach to alleviate the OCA's concerns regarding affiliated interest agreements, is in the public interest, and should be adopted by the Commission.

#### **H. Retaining Financial Protections/Ring-Fencing Provisions from the Prior Transaction (Settlement ¶ 19)**

Under the Settlement, the Joint Applicants agree that Pike and Leatherstocking will not guarantee the debt of Apollo, or Apollo's affiliates not regulated by the Commission, except as may be approved by the Commission upon a determination that a securities

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<sup>36</sup> Settlement ¶ 18.

<sup>37</sup> OCA St. 1SR at 5 (internal citations omitted).

<sup>38</sup> OCA St. 1SR at 5.

certificate should be granted approving the Proposed Transaction.<sup>39</sup> Further, Pike and Leatherstocking will not grant liens against their property other than in conjunction with obtaining financing for each entity.<sup>40</sup> Additionally, Pike or Leatherstocking will not make loans or extend credit to Argo Capital, or Argo Capital's affiliates for a term of more than one year, without prior Commission approval, if required by the Public Utility Code.<sup>41</sup>

Regarding the above financial protections and ring-fencing provisions, OCA witness Morgan testified as follows:

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

1. Guarantee the debt of Argo Capital, or Argo Capital's affiliates not regulated by the Commission, except as approved by the Commission upon a determination that a securities certificate should be granted approving the Proposed Transaction;
2. Grant liens upon their property other than in conjunction with obtaining financing for each such entity; or
3. Make loans or extend credit to Argo Capital, or Argo Capital's affiliates for a term of more than one year, without prior Commission approval, if required, by the Public Utility Code.<sup>42</sup>

OCA witness Morgan testified that "it is worth emphasizing that retaining the previously agreed upon ring-fencing measures is essential."<sup>43</sup> The Settlement retains the

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<sup>39</sup> Settlement ¶ 19.a.

<sup>40</sup> Settlement ¶ 19.b.

<sup>41</sup> Settlement ¶ 19.c.

<sup>42</sup> OCA St. 1 at 7-8.

<sup>43</sup> OCA St. 1 at 15.

ring-fencing provisions from the previous transaction. As such, this Settlement provision is in the public interest and should be adopted.

**I. Community Involvement and Charitable Contributions (Settlement ¶ 20)**

Initially, the Joint Applicants proposed a commitment to maintain charitable contributions at 2024 levels.<sup>44</sup> OCA witness Morgan testified that “[t]his is a continuation of the status quo, not a substantial affirmative public benefit that would not occur, but for this transaction.”<sup>45</sup>

Under the Settlement, the Joint Applicants will maintain community involvement and charitable contributions at pre-acquisition levels for at least three (3) years post-closing of the Proposed Transaction.<sup>46</sup> Requiring the Joint Applicants to maintain its current community involvement and charitable contributions for at least three years goes beyond the Joint Applicants’ initial proposal and commits the Joint Applicants to a reasonable timeframe. In context with the Settlement’s other provisions, this Settlement provision represents a reasonable compromise between the parties and should be adopted by the Commission.

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<sup>44</sup> OCA St. 1 at 19.

<sup>45</sup> OCA St. 1SR at 10.

<sup>46</sup> Settlement ¶ 20.

### III. CONCLUSION

For all of the reasons stated herein, the OCA submits that the proposed Settlement represents a reasonable compromise between the positions of the parties in this proceeding, that the Settlement is in the public interest, and that the Settlement should be approved by the Commission.

Respectfully submitted,

/s/ Harrison W. Breitman

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Dated: December 1, 2025

## **STATEMENT C**

**Statement in Support of Joint Petition for Settlement  
of the Office of Small Business Advocate**

**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>

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**STATEMENT OF  
THE OFFICE OF SMALL BUSINESS ADVOCATE  
IN SUPPORT OF THE  
JOINT PETITION FOR SETTLEMENT**

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**I. Introduction**

**A. History**

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50.

Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a notice of intervention in response to the Joint Application of Pike County Light and

Power Company, Leatherstocking Gas Company, LLC, Corning Energy Corporation, ACP Series 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P. Argo Capital Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., ACP Crotona Corp., Argo Infrastructure Partners LLC and Apollo Global Management, Inc. for a Certificate of Public Convenience Under Sections 1102(A)(3) and 1103 of the Public Utility Code and All Other Necessary Approvals to Effect an Indirect Change of Control of Pike County Light and Power Company's and Leatherstocking Gas Company's Parent Company, Corning Energy Corporation that was filed with the Pennsylvania Public Utility Commission ("Commission") on May 19, 2025.

The OSBA actively participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Settlement ("*Joint Petition*"). The *Joint Petition* addresses the issues raised by this office in this proceeding. Therefore, the OSBA submits this statement in support of the *Joint Petition*.

**B. Standards for the Approval of the *Joint Petition***

Section 5.231(a) of the Commission's regulations, 52 Pa. Code § 5.231(a) (Formal Proceedings; Hearings; Settlement and Stipulations; Offers of Settlement) states, as follows:

It is the policy of the Commission to encourage settlements.

Similarly, Section 69.401 of the Commission's regulations, 52 Pa. Code § 69.104 (Settlement Guidelines and Procedures for Major Rate Cases – Statement of Policy; General) states, as follows:

In the Commission's judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.

## **II. Settlement**

### **A. Rate Relief**

The *Joint Petition* proposes that the proposed transaction will not change existing base rates for Pike and Leatherstocking customers. The *Joint Petition* also proposes that Pike and Leatherstocking (collectively, the “Utilities”) will not file for a general base rate increase under Section 1308(d) of the Public Utility Code, prior to October 31, 2027, and December 31, 2026, respectively.<sup>1</sup>

The OSBA submits that the proposed rate stay-out periods for both Pike and Leatherstocking will provide rate stability for the small business customers of the Utilities. Therefore, the OSBA submits that this is a just, reasonable, and affirmative public benefit of the proposed transaction.

### **B. Customer Credits**

The *Joint Petition* proposes to provide the Pike and Leatherstocking small businesses with a one-time \$50 per-customer bill credit.<sup>2</sup> Although this is not a large amount, the OSBA submits that this is another just, reasonable, and affirmative public benefit of the proposed transaction.

### **C. Ring-Fencing Provision**

As set forth in the testimony of OSBA witness Mark D. Ewen, as originally filed, the proposed transaction provided little protection for the ratepayers of Pike or Leatherstocking from Apollo aggressively burdening the Utilities’ financial resources.<sup>3</sup>

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<sup>1</sup> Joint Petition, Paragraph 8.

<sup>2</sup> *Joint Petition*, Paragraph 10.

<sup>3</sup> OSBA Statement No. 1, at 5-6.

The *Joint Petition* addresses this problem by strengthening the ring-fencing provisions whereby the Utilities will make no loans to Apollo, Argo, or their affiliates.<sup>4</sup>

The OSBA respectfully submits that this is a critical commitment that is set forth in the *Joint Petition*. This will provide the necessary protection for all ratepayers of both Pike and Leatherstocking from any financial burden which Apollo could inflict upon the Utilities.

### **III. Conclusion**

Therefore, for the reasons set forth in the *Joint Petition*, as well as the issues set forth in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the ALJ and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,

*/s/ Steven C. Gray*

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Dated: December 5, 2025

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<sup>4</sup> *Joint Petition*, Paragraph 13.