

BEFORE THE  
STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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In the Matter of  
Corning Natural Gas  
Case 16-G-0369  
October 2016

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Prepared Exhibits of:

Allison Esposito  
Supervisor, Utility Accounting  
and Finance

State of New York  
Department of Public Service  
Three Empire State Plaza  
Albany, New York 12223-1350

Corning Natural Gas

Case 16-G-0369

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Exhibit AAE-1

Relied Upon Corning Natural Gas Responses to Information Requests

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**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-180 (AAE-1)  
**Requested By:** Allison Esposito  
**Requested Of:** Sarhangi/DiValentino  
**Date of Request:** July 12, 2016  
**Response Due Date:** July 22, 2016  
**Subject:** Property taxes

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1. Page 31 of the Company's testimony states that property taxes were forecast based on a five year average of actual tax bill increases. However, exhibit CNG-3, schedule 2, page 1 of 1 shows that the rate of 10.76% is calculated by taking a three year average of 2011-2013. Does the Company agreed that the five year average that should have been used covering the period 2011-2015 is 7.5%? If not, please explain why not and provide all supporting workpapers and calculations supporting your answer.

Response: Yes. The Company agrees that the five-year average that should have been used, covering the period 2011-2015, is 7.5%.

2. Please explain why the Company believes that a five year average of property tax increases is appropriate.

Response: A five-year average normalizes any one-time events in a given tax year, such as large changes in Economic and Functional Obsolescence allowances.

3. Below is the change in property taxes for each of the years 2011-2015. Please explain the significant fluctuations for each year. Please be very specific in your answer and explain if each change was the result of a change in property tax rates assessment values or some other reason. Please provide all supporting workpapers, calculations or invoices to support your reasoning.

a. 2010-2011	13.87%
b. 2011-2012	6.56%
c. 2012-2013	11.85%
d. 2013-2014	5.99%
e. 2014-2015	-.076%

Response: The information requested and its breakdown by assessment and tax rate changes have been provided to Staff in the Company's July 15, 2016 response to Staff "Filing Requirements" question DPS-39, specifically in Attachment CNG-13-39a Property tax prepaid and expense 2016.

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

4. Does the Company's rate year forecast of property taxes include any reduction related to economic obsolescence? If so, please state in the filing and forecast the reduction is included and provide any workpapers supporting the calculation. If not, please explain why not.

Response: The amount of economic obsolescence included in the historical test year was held constant and increased by the property tax five-year average.

5. Does the Company's rate year forecast of property taxes include any reduction related to functional obsolescence? If so, please state in the filing and forecast the reduction is included and provide any workpapers supporting the calculation. If not, please explain why not.

Response: The amount of functional obsolescence included in the historical test year was held constant and increased by the property tax five-year average.

Name of Respondent: L. Mario DiValentino

Position of Respondent: President, Moonstone Consulting LLC

Date: July 20, 2016

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-195 (AAE-5) [UPDATED]  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** July 15, 2016  
**Response Due Date:** July 25, 2016  
**Subject:** Pensions/OPEBs

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1. Please provide all pension and OPEB actuarial reports received from 1/1/11 – 12/31/15.

Response: The information requested is contained in the various documents attached to this response, which begin with the general designation, “Response to DPS-195 (AAE-5),” and conclude with the following specific designation:

Actuary OBEP Statement 2014, Actuary Pension Statement 2014; CRNGAS FAS87 09302011; CRNGAS FAS87 09302012; CRNGAS FAS87 09302013; CRNGAS OPEB 09302011; CRNGAS OPEB 09302012; CRNGAS OPEB 09302013; Pension CRNGAS ASC715-30 FY15\_20150930.pdf; and OPEB CRNGAS FY 2015-2016 FAS ASC 715 Report.

2. Page 13 of the November 2015 pension actuary report provided in Exhibit CNG-13 shows that the Company has selected a discount rate of 5.22% and an expected long term ROA of 7.5%. Please explain the Company’s rationale underlying these assumptions. Include all workpapers and calculations supporting these rates.

Response: The discount rate of 5.22% was supported by an analysis of the Plan’s expected future cash flows and high-quality fixed-income investments currently available during the period of maturity of the pension benefits. Attached as “Response DPS-195 (AAE-5) Part 2 Corning Consolidated Bond Listing 20150930.pdf” is a listing of bonds utilized in this analysis. Attached as “Response DPS-195 (AAE-5) Part 2 Corning Expected Benefit Payments 20150930.pdf” is the projected benefit payments from the plan.

The expected long-term rate of return of 7.50% is the same assumption Corning selected in the prior year. The rate was selected based on a discussion with the plan’s investment advisor and based on the plan’s asset allocation.

3. Page 44 of Sarhangi/DiValentino’s testimony states that Exhibit CNG-5, Exhibit 8 includes the costs of Corning’s pension, OPEB and 401K plans. Please explain where the 401K costs are in this schedule. In addition, please provide information explaining the Company’s 401k plan.

Response: The reference to 401K costs on page 44 should have been deleted. The 401K costs are included in Exhibit CNG-5, Schedule 14. Employees are eligible to enroll in the 401(K) employee savings plan on the first of the month after one year of active employment and attainment of age 21. Contribution can be from one (1) percent up to the maximum percentage and dollar amount limit established by the IRS each January 1st. The Company contributes 50 cents for every \$1 the employee contributes up to six (6) percent employee contribution. The Company maximum is 3 percent of the employee's base wages.

4. Please explain how the Company derived the rate year pension and OPEB expenses of \$1,067k and \$68k respectively.

Response: The amounts were derived from the FY 2017 and 2018 amounts forecasted by the actuaries (please see Exhibit CNG 13-2 Pension OPEB Study 5- year Forecast 2016-2020). Calculations are shown in the "Pension Expense" and "OPEB Expense" parts of the model provided to Staff in electronic format.

5. Please provide support for the Company's OPEB deferral balance of \$127,918 as of 12/31/15.

Response: The calculation of the \$127,918 as of 5/31/2017 is shown in the "OPEB Expense" (Column Q to AC Line 18 to 32) part of the model provided to Staff in electronic format.

6. Please provide support for the Company's Pension deferral balance of (\$174,347) as of 12/31/15. In addition, please explain why the Company has not proposed to amortize this amount in the rate year.

Response: The ((\$174,347) is the actual deferred balance as of 12/31/2015. The Company projected the deferred balance to the beginning of the rate year. That amount was \$936, an immaterial amount for present purposes. The "Pension Expense" (Column Q to AC Line 28 to 49) part of the model provided to Staff in electronic format shows the calculation of the deferred balance at 5/21/2017.

7. The Company's OPEB schedule shows a capitalization rate of 4.32%. Please provide all workpapers and calculations supporting this amount.

Response: The amount is the historical amount and has not changed since at least 2005.

8. The Company's Pension schedule shows that 100% of the pension costs are allocated to expense and 0% are allocated to capital. Please explain the Company's rationale for this assumption.

Response: The Pension costs are capitalized via the Construction Overhead procedure; therefore, allocated capital is set at zero on the Pension schedule.

9. Please provide support for all the cash payments made to the Company's external reserve for both pension and OPEBs over the period 1/1/11 – 12/31/15.

Response: *Please see Attachment DPS-195(9).*

Name of Respondent: L. Mario DiValentino

Position of Respondent: President, Moonstone Consulting LLC

Date of Response: July 27, 2016 [**UPDATED AUGUST 31, 2016**]



This IR response has 13 attachments, which are not needed for Staff testimony. Staff can provide these attachments if requested.

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-241 (AAE-7)  
**Requested By:** Allison Esposito  
**Requested of:** Sarhangi/DiValentino  
**Date of Request:** July 27, 2016  
**Response Due Date:** August 8, 2016  
**Subject:** Property Taxes

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The following questions relate to the Company's response to IR DPS-180 (AAE-1):

1. The Company's response states that a five year average of property tax increases is appropriate as it normalizes any one time events in a given year. Explain why the Company believes that a five year average, as opposed to a three year average is the most appropriate way to normalize these one-time events.

Response: A five year average was used in Case 11-G-0280 and is consistent with the Economic Obsolescence ("EO") calculation allowance. Furthermore, variables such as changes in construction activity, EO and Functional Obsolescence ("FO") allowances, and municipalities' budgetary needs may impact the Company's tax liability in different years. Therefore, the five year average is the most appropriate way to normalize these one-time events.

The Company would not object to use of shorter period, such as contemplated in part 2 of this question, if a property tax reconciliation were put in place consistent with the approved property tax reconciliation procedure currently in place for Corning.

2. As the Company's property taxes have been steadily decreasing over the last three years, explain why the Company believes that an average of property tax increases is more appropriate than the most recent year.

Response: Please see the response to part 1.

3. The Company's response states that the amount of economic obsolescence included in the historic test year was held constant and increased by the five year average property tax change.
  - a. Is there any EO included in property tax expense for any of the years prior to the HTY?

Response: No. The Company, Staff and the Commission addressed this issue in the extension of the 2012 Rate Plan in Case 11-G-0280 that was approved by the Commission on October 15, 2015 ("2015 Joint Proposal").

The signatory parties resolved an outstanding property tax reconciliation issue regarding Corning's failure to file for EO with the Office of Real Property Taxation Services ("ORPTS"). That issue was brought before the Commission, relating to Rate Year 2 of the 2012 Rate Plan (May 1, 2013 through April 30, 2014), in Case 13-G-0465, but the Commission concluded, in its December 12, 2014 Order, that it did not have enough information to decide the issue and that Corning's request was not yet ripe for its consideration.

The 2015 Joint Proposal's terms resolved what property tax may be included in the property tax reconciliation for both Rate Years 2 and 3 of the 2012 Rate Plan. Corning would reduce the actual per books property tax expense reported for Rate Years 2 and 3 and its property tax reconciliation calculation by \$149,000 for each Rate Year. The net effect would reduce the property tax deferrals on Corning's books by \$149,000 for each of those two Rate Years.

- b. If your answer to (a) is yes, provide all supporting workpapers and calculations showing how much EO is included in the prior years.

Response: Not applicable.

- c. If your answer to (a) is no, does the Company agree that, had it filed for EO, it would have been eligible to receive an EO award in the years prior to the HTY? If not, provide the EO calculation showing that it would not have been eligible.

Response: Please see the response to part 3a.

- d. If your answer to (c) is yes, does the Company agree that not imputing an EO award in the years prior to the HTY understates the true impact of EO on property tax expense? If not, explain why not.

Response: Please see the response to part 3a.

Name of Respondent: L. Mario DiValentino

Position of Respondent: President, Moonstone Consulting LLC

Date of Response: July 28, 2016

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-275  
**Requested By:** Molly Wright  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** August 17, 2016  
**Response Due Date:** August 29, 2016  
**Subject:** Direct Labor

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1. Similar to what was provided in DPS-219 MW-7 Part 1, for years 2012 through 2015 provide the composite capitalization rate and proof.

Response:

The 2015 information was provided in the response to DPS-219 MW-7 Part 1. The requested information for 2012 to 2014 is reflected in the table on the following page.

<b>Source: PSC Annual Report Page 354-355</b>					
<b>2014</b>					
<b>Composite Capitalization Rate</b>	<b>Amount</b>	<b>Capital %</b>	<b>Expense %</b>	<b>Capital</b>	<b>Expense</b>
Construction	502,141	100%	-	502,141	
Clearing Accounts	569,031	18%	82%	<u>99,760</u>	<u>469,271</u>
				601,901	469,271
		Total Payroll		3,433,231	3,433,231
				17.53%	13.67%
<b>Proof</b>					
Construction	14.63%	100%	0%	14.63%	0.00%
Clearing Accounts	16.57%	18%	82%	<u>2.91%</u>	<u>13.67%</u>
				17.53%	13.67%
<b>2013</b>					
<b>Composite Capitalization Rate</b>	<b>Amount</b>	<b>Capital %</b>	<b>Expense %</b>	<b>Capital</b>	<b>Expense</b>
Construction	491,806	100%	-	491,806	
Clearing Accounts	465,812	18%	82%	<u>84,566</u>	<u>381,246</u>
				576,372	381,246
		Total Payroll		3,174,812	3,174,812
				18.15%	12.01%
<b>Proof</b>					
Construction	15.49%	100%	0%	15.49%	0.00%
Clearing Accounts	14.67%	18%	82%	<u>2.66%</u>	<u>12.01%</u>
				18.15%	12.01%
<b>2012</b>					
<b>Composite Capitalization Rate</b>	<b>Amount</b>	<b>Capital %</b>	<b>Expense %</b>	<b>Capital</b>	<b>Expense</b>
Construction	550,704	100%	-	550,704	
Clearing Accounts	569,031	19%	81%	<u>106,729</u>	<u>462,302</u>
				657,433	462,302
		Total Payroll		3,161,469	3,161,469
				20.80%	14.62%
<b>Proof</b>					
Construction	17.42%	100%	0%	17.42%	0.00%
Clearing Accounts	18.00%	19%	81%	<u>3.38%</u>	<u>14.62%</u>
				20.80%	14.62%

Name of Respondent: L. Mario DiValentino  
Position of Respondent: President, Moonstone Consulting LLC  
Date of Response: August 29, 2016

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-288 (AAE-16)  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** August 24, 2016  
**Response Due Date:** September 6, 2016  
**Subject:** OPEBs

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1. Does the Company's health case expense include costs associated with retired employees? If so, provide the amount of expense associated with these retirees. Additionally, provide support for the amount.

Response:

Yes. Please see Exhibit CNG-5 Schedule 6 "Retiree Payment". The amount for the twelve months ended December 31, 2015 is \$16,331. In the Rate Model provided to Staff in electronic form, please go to the tab "Insurance Cost-2", column AO, line 18, and double click on the \$16,331.49 amount; payments to the individual retiree will be displayed. In addition, \$21,941 (Hartford Life Column AI line 14 to 138) of retiree payments were included in the Life Insurance component in Exhibit CNG-5 Schedule 6. Total Retiree payments total \$38,278. The reclassification will be included in the Company's Revenue Requirement update.

2. Does the FAS 106 actuarial expense include costs associated with both current retirees and active employees? If so, provide the amount of expense associated with these retirees.

Response:

Yes. Please refer to FAS 106 actuarial report provided in the attachment to the Company's response to DPS-195, designated "Response to DPS-195 (AAE) Actuary OBEP Statement 2014". The report includes 30 retirees at an estimated cost of \$2,000 per participant or \$60,000 annually.

Name of Respondent: L. Mario DiValentino  
Position of Respondent: President, Moonstone Consulting LLC  
Date of Response: September 6, 2016

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-289 (AAE-17)  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** August 24, 2016  
**Response Due Date:** September 6, 2016  
**Subject:** Labor Allocations

1. The following chart compares payroll data from two different tabs in the Company's model.

Position	Per "Subj. Alloc. Of Plt."	Per "Payroll + PR tax detail"	Difference
CEO	181,864	191,864	10,000
VP Administration	133,974	143,974	10,000
VP Finance	141,550	151,550	10,000
VP Marketing	131,349	141,349	10,000
VP Operations	136,181	146,181	10,000

For each of the positions listed, does the Company agree that the total payroll per the "Payroll + PR tax detail" tab is the correct amount that should be used in the calculation of the allocations? If so, provide the corrected allocation amount. If not, explain why not.

Response:

The difference in salary used in the subsidiary allocation (\$10,000 per individual) was intended to simulate that, with the added responsibility of the Pike County Light & Power operations, a \$10,000 increase in executive compensation was warranted. That increase was to be assigned directly to the Pike cost of operations. The amount used in "Subj. Alloc. Of Plt." was intended to reflect that direct assignment of cost. However, a review of the payroll methodology used to develop Direct Labor shows that only approximately 35.5% (5 X \$10,000 X 35.5%), totaling \$17,750, was excluded. The additional \$32,250, to reflect exclusion of the entire amount, will be included in the Company's Revenue Requirement update.

2. Explain why each of the positions listed below was excluded from the allocation calculation. For each of the positions that the Company believes should be allocated, provide the allocation amount.

Position

C.S. Representative 1

C.S. Representative 2

Cashier 1

Cashier 2

Compliance Manager

Customer Service Rep

Junior Billing Clerk

Operations Clerk

Billing Clerk

Response:

The Company's allocation represents the Staffing that will provide services to subsidiary operations. As an example, the Billing Clerk will be hired and has been directly allocated to Pike operations. Pike has hired a General Manger and is expected to add some operational personnel. Accordingly, the Compliance Manager has not been allocated.

Name of Respondent: L. Mario DiValentino

Position of Respondent: President, Moonstone Consulting LLC

Date of Response: September 6, 2016



**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation  
Case 16-G-0369  
Gas Rates**

**Request No.:** DPS-312  
**Requested By:** Molly Wright  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** September 8, 2016  
**Response Due Date:** September 19, 2016  
**Subject:** Rate Case Expense

1. Similar to what was provided in CNG 13-175 provide breakdown of actual rate case expense for the 11-G-0280 rate case.

Response:

The actual costs for Case 11-G-0280, by category and vendor, are detailed below:

<u>Preparation and Filing</u>	<u>Total</u>	<u>MAP</u>	<u>Moonstone</u>	<u>Nixon &amp; Other Legal</u>	<u>Publication</u>
Cost Allocation Rate Design (including testimony)	\$147,536	147,536			
Depreciation Study (including testimony)	-	-			
Cost Money (including testimony)	-		-		
Rate Base, Cost of Service and Revenue Requirement (including testimony)	190,767		83,000	107,767	
Discovery	216,463		90,000	126,463	
2 year Extension	168,535		29,500	139,035	
Litigation/Settlement/Briefs/Statement Support	460,571	-	113,000	340,580	6,991
<b>Actual Costs Case 11-G-0280</b>	<b>\$ 1,183,871</b>	<b>\$ 147,536</b>	<b>\$ 315,500</b>	<b>\$ 713,844</b>	<b>\$ 6,991</b>

2. Refer to CNG 13-175, for each category listed provided vendor and forecasted cost of each vendor.

Response:

Based on Staff's verbal clarification of this information request, the breakdown for the Case 16-G-0369 estimate of rate case costs by category and vendor is detailed below:

<u>Preparation and Filing</u>	<u>Total</u>	<u>MAP</u>	<u>Concentric</u>	<u>Moonstone</u>	<u>Nixon</u>
Cost Allocation Rate Design (including testimony)	\$50,000	\$50,000			
Depreciation Study (including testimony)	30,000	30,000			
Cost Money (including testimony)	50,000		50,000		
Rate Base, Cost of Service and Revenue Requirement (including testimony)	200,000			91,000	109,000
Discovery	215,000			90,950	124,050
Litigation/Settlement/Briefs/Statement Support	455,000	-	-	115,150	339,850
<b>Estimate Case 16-G-0369</b>	<b>\$ 1,000,000</b>	<b>\$ 80,000</b>	<b>\$ 50,000</b>	<b>\$ 297,100</b>	<b>\$ 572,900</b>

Name of Respondent: L. Mario DiValentino  
Position of Respondent: President, Moonstone Consulting LLC  
Date of Response: September 13, 2016

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-325 (AAE-20)  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** September 19, 2016  
**Response Due Date:** September 29, 2016  
**Subject:** Allocations

1. The “Sub. Alloc. Of Plt” tab of the Company’s workpapers shows how the Company forecast the costs that should be allocated to affiliates in the rate year. This tab also includes the calculation of the \$342,438 reduction in expenses to account for these allocations. Regarding this information, please answer the following:

- A. To calculate the amount of labor expense to allocate, the Company does the following:

Gross payroll for employees	\$2,180,843
<u>X labor capitalization rate</u>	<u>81%</u>
Payroll charged to expense	\$1,758,098
<u>Less: gross payroll allocated to Corning</u>	<u>\$1,463,445</u>
Adjustment	\$294,653

Does the Company agree that this calculation is incorrectly comparing total payroll expensed to gross payroll? If not, explain why this calculation is appropriate.

Response:

The Company agrees that the correct comparison is as follows:

	<b><u>Corning Total</u></b>	<b><u>Corning allocation</u></b>	<b><u>Difference</u></b>
Gross Payroll	2,180,843	1,463,807	
Labor Expense Ratio	<u>81%</u>	<u>81%</u>	
Expense	1,766,483	1,185,684	580,799

2. The Company’s calculation of the fringe benefit overhead rate includes pension costs, OPEBs, injuries and damages and health care costs. Does the Company agree that this calculation should also include payroll taxes and life insurance? If so, please provide the updated calculation. If not, please explain why not.

Response:

The Company’s Construction Overhead Rate (Fringe Benefits) includes Health Insurance costs. Please see the Excel file designated “Response DPS 253 (AAE-13) Construction

Overheads” that accompanied the Company’s response to DPS-253. Payroll taxes are capitalized separately by the Company. The composite overall rate (Payroll Taxes/Total Payroll) is 2.75%. The total overhead and payroll tax amount charged to subsidiary operations in the historic test year amounted to (\$67,880); for RY1: (\$71,742); for RY2: (\$73,088); for RY3: (\$74,423).

The requested updated calculation is contained in the accompanying Excel file designated “Response DPS 325 (AAE-20) Allocation”, tab “Part 2”.

3. Does the Company agree that the following costs should be allocated to affiliates? If so, state which allocation rate the Company proposes to use. If not, provide a separate explanation for each item the Company disagrees with.

<u>ITEM</u>	<u>Per "Other O&amp;M-2"</u> <u>Rate Year</u> <u>5/31/2018</u>
a 401(K) Employer Contribution	88,073
b Call Center After Hours	48,209
c Communication / Internet	87,353
d Dues	7,613
e Electricity	51,391
f Janitorial / Waste Removal	42,234
g Legal	14,701
h Office Expense	81,183
i Office Supplies	50,548
j Other	(11,423)
k Payroll Ancillary Costs	29,041
l Petty Cash	37,438
m Separation Costs	700
n Temporary Help	98,501
o Water & Sewer	5,432
p Life Insurance	15,269
q Software Maint Costs	109,060
r Floor Mats	12,590
s Material and Supplies	55,920
t Admin Fees	124,791
u HAS Benefit Plan	9,935
v Bank Fees	24,765
w PE Locating Program	75,000
x Annual Maint. For GIS / Forms Software	20,000
y Information Technology Upgrades (Cyber Security ect.)	100,000
z Annual Maint. Of Cyber Security Plan	25,000

Response:

The requested information is contained in the accompanying Excel file designated "Response DPS 325 (AAE-20) Allocation", tab "Part 3".

Name of Respondent: L. Mario DiValentino

Position of Respondent: President, Moonstone Consulting LLC

Date of Response: October 3, 2016

**Corning Natural Gas Corporation**  
**Response DPS 325 Part 2**

<b>Twelve Months Ended May 31, 2018</b>			
	<u>Corning Total</u>	<u>Corning allocation</u>	<u>Difference</u>
Gross Payroll	2,180,843	1,463,807	
Labor Expense Ratio	81%	81%	
Expense	1,766,483	1,185,684	580,799
<b><u>Accounts Payable</u></b>			
	<u>Amount Charged</u>	<u>Corning allocation</u>	
Corp/SEC	136,722	94,705	
Director Expenses	27,923	19,342	
Directors Fees	136,080	94,261	
	<u>300,724</u>	<u>208,307</u>	(92,417)
<b><u>Allocation to Subsidiaries</u></b>			
	<u>Amount Charged</u>	<u>Corning allocation</u>	
Payroll	116,299	580,799	464,500
Fringe Benefit & Payroll Taxes	71,242	302,480	231,238
Accounts Payable	300,724	208,307	(92,417)
Leatherstocking Re-classed	-	11,315	11,315
	<u>488,265</u>	<u>1,102,902</u>	<u>614,636</u>
Amount in Revised Filing			<u>397,952</u>
Additional Reduction			<u>216,684</u>

<b>Twelve Months Ended May 31, 2019</b>			
	<u>Corning Total</u>	<u>Corning allocation</u>	<u>Difference</u>
Gross Payroll	2,246,024	1,507,489	
Labor Expense Ratio	81%	81%	
Expense	1,819,279	1,221,066	598,213
<b><u>Accounts Payable</u></b>			
	<u>Amount Charged</u>	<u>Corning allocation</u>	
Corp/SEC	136,722	94,705	
Director Expenses	27,923	19,342	
Directors Fees	136,080	94,261	
	<u>300,724</u>	<u>208,307</u>	(92,417)
<b><u>Allocation to Subsidiaries</u></b>			
	<u>Amount Charged</u>	<u>Corning allocation</u>	
Payroll	119,788	598,213	478,425
Fringe Benefit & Payroll Taxes	73,088	311,550	238,462
Accounts Payable	300,724	208,307	(92,417)
Leatherstocking Re-classed	-	11,315	11,597
	<u>493,600</u>	<u>1,129,385</u>	<u>636,067</u>
Amount in Revised Filing			<u>407,109</u>
Additional Reduction			<u>228,958</u>

<b>Twelve Months Ended May 31, 2020</b>			
	<u>Corning Total</u>	<u>Corning allocation</u>	<u>Difference</u>
Gross Payroll	2,310,528	1,550,780	
Labor Expense Ratio	81%	81%	
Expense	1,871,528	1,256,132	615,396
<b><u>Accounts Payable</u></b>			
	<u>Amount Charged</u>	<u>Corning allocation</u>	
Corp/SEC	136,722	94,705	
Director Expenses	27,923	19,342	
Directors Fees	136,080	94,261	
	<u>300,724</u>	<u>208,307</u>	(92,417)
<b><u>Allocation to Subsidiaries</u></b>			
	<u>Amount Charged</u>	<u>Corning allocation</u>	
Payroll	119,788	615,396	495,608
Fringe Benefit & Payroll Taxes	74,423	320,498	246,075
Accounts Payable	300,724	208,307	(92,417)
Leatherstocking Re-classed	-	11,887	11,597
	<u>494,935</u>	<u>1,156,088</u>	<u>660,863</u>
Amount in Revised Filing			<u>438,445</u>
Additional Reduction			<u>222,418</u>

Overall Fringe Benefit rate	49.33%
Payroll Tax Composite	2.75%
	52.08%

**Corning Natural Gas Corporation**  
**Response DPS 325 Part 3**

	<u>Allocable</u>	<u>Explanation</u>	<u>Amount</u> <u>Allocable</u>	<u>Allocation</u> <u>Amount</u>	<u>Allocation basis</u>
Call Center After Hours	48,209 No	After hours calls for LGC paid directly to Vendor by LGC Pike calls handled by ORU billed directly to Pike			
Dues	7,613 No	LGC not a member of AGA			
Legal	14,701 No	Legal costs include in LGC allocation no further allocation necessary			
Other	(11,423) No	Book accrual reversals no allocation necessary			
Petty Cash	37,438 No	New hires hav no petty cash assoc/w position other positions included in allocable empolyee pool has little or no petty cash or have assigned costs to subsidiary operations directly			
Separation Costs	700 No	Corning only Direct Cost			
Temporary Help	98,501 No	Corning only Direct Cost			
Life Insurance	15,269 No	Life Insurance included in overhead assignment			
Material and Supplies	55,920 No	Corning only Direct Cost			
Bank Fees	24,765 No	Corning only Direct Cost			
PE Locating Program	75,000 No	Corning only Direct Cost			
Annual Maint. For GIS / Forms Software	20,000 No	Corning only Direct Cost			
401(K) Employer Contribution	88,073 Yes		88,073	14,243	Total Payroll Charged to subs/total payroll
Communication / Internet	87,353 Yes		87,353	14,127	Total Payroll Charged to subs/total payroll
Electricity	51,391 Yes		51,391	2,177	Space allocabe to subs/total building space
Janitorial / Waste Removal	42,234 Yes		42,234	1,789	Space allocabe to subs/total building space
Office Expense	81,183 Yes		81,183	13,129	Total Payroll Charged to subs/total payroll
Office Supplies	50,548 Yes		50,548	8,175	Total Payroll Charged to subs/total payroll
Payroll Ancillary Costs	29,041 Yes		29,041	4,697	Total Payroll Charged to subs/total payroll
Water & Sewer	5,432 Yes		5,432	230	Space allocabe to subs/total building space
Software Maint Costs	109,060 Yes		109,060	17,637	Total Payroll Charged to subs/total payroll
Floor Mats	12,590 Yes		12,590	533	Space allocabe to subs/total building space
Admin Fees	124,791 Yes		124,791	20,181	Total Payroll Charged to subs/total payroll
Information Technology Upgrades (Cyber Security e	100,000 Yes		100,000	16,172	Total Payroll Charged to subs/total payroll
Annual Maint. Of Cyber Security Plan	25,000 Yes		25,000	4,043	Total Payroll Charged to subs/total payroll
HAS Benefit Plan	9,935 Yes		9,935	1,607	Total Payroll Charged to subs/total payroll
	#####		816,631	118,741	

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-326 (AAE-21)  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** September 20, 2016  
**Response Due Date:** September 30, 2016  
**Subject:** OPEBs

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1. (a) The Company's response to IR DPS-288 identified health and life insurance for retirees included in insurance costs. Are there retiree costs included in any other expense component(s) (i.e. for prescription drug or dental benefits)?

Response:

No.

- (b) Per the Pension/OPEB policy statement and the implementation of FAS 106, the costs for retirees have already been paid for by customers. This payment was received in the form of an allowance for the transition obligation, when FAS 106 was implemented, and the annual FAS 106 cost, which is an accrual of costs that would be paid out when the employee retired. As such, does the Company agree that the retiree costs being recovered through insurance expense (and any other cost component identified in the response to a) are a double count? If not, please explain why the Company believes that these costs have not previously been recovered through OPEB expense.

Response:

The Company agrees that the retiree costs being recovered through insurance expense should be charged to the OPEB reserve.

Name of Respondent: L. Mario DiValentino  
Position of Respondent: President, Moonstone Consulting LLC  
Date of Response: October 7, 2016

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation  
Case 16-G-0369  
Gas Rates**

**Request No.:** DPS-328  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** September 21, 2016  
**Response Due Date:** October 3, 2016  
**Subject:** Allocations

1. Provide a list of all employees that the Company has hired/expects to hire at Pike Electric and Gas. Include the hire date for each employee, as applicable.

Response:

General Manager 100% Pike – Hired October 3, 2016  
 2 Gas Field personnel 100% Pike – Expected Hire FY 2<sup>nd</sup> Qtr, 2017  
 4 Electric Field personnel 100% Pike – Expected Hire FY 2<sup>nd</sup> Qtr, 2017

The Company is evaluating the use of a third-party contractor to provide maintenance and operating services to Pike. Services currently are being provided by ORU under a Transition Services Agreement.

2. Provide an analysis showing the amount of property taxes the Company believes should be allocated to affiliates. Provide all supporting workpapers and calculations.

Response:

The information requested is provided below.

Forecast Allocation of Space	9.21%	Exhibit CNG-4 Schedule 2		
Historical Allocation of Space	1.57%	Per JP Case 11-G-0280		
Increase Factor	5.87			
				<b>Incremental</b>
	<b><u>In Model</u></b>	<b><u>Factor</u></b>	<b><u>Amount</u></b>	<b><u>Month</u></b>
Twelve Month May 2018	1,632	5.87	9,580	7,948
Twelve Month May 2019	1,754	5.87	10,296	8,542
Twelve Month May 2020	1,886	5.87	11,071	9,185
Amount Increase	\$ 5,272		\$ 30,947	\$ 25,675

Name of Respondent: L. Mario DiValentino

Position of Respondent: President, Moonstone Consulting LLC

Date of Response: October 3, 2016



**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation  
Case 16-G-0369  
Gas Rates**

**Request No.:** DPS-333 (AAE-24)  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** September 23, 2016  
**Response Due Date:** October 3, 2016  
**Subject:** Property Taxes

Explain the following increases. In addition, provide the 2010 and 2011 bills associated with each charge.

	Description	Tax Map Number	Assessed value		Increase \$	Increase %
			2010	2011		
Town of Caton	Gas Distribution	519.00-05-002.000	369,752	1,951,417	1,581,665	428%
Town of Erwin	Special Franchise	519.00-05-002.000	3,256,049	4,671,878	1,415,829	43%
Town of Corning	Special Franchise	519.00-05-019.000	2,088,213	3,040,465	952,252	46%

Response:

Please see the accompanying PDF files “DPS-333 – 2010 Invoices” and “DPS-333 – 2011 Invoices”, for the requested information.

Town of Caton

The Town of Caton experienced an increase between 2010 and 2011 due to the addition of the Caton Compressor Station.

Town of Erwin

The Town of Erwin’s assessed value increased from 2010 to 2011 due to main replacement mandated by the Commission.

Town of Corning

The Town of Corning’s assessed value increased from 2010 to 2011 due to main replacement mandated by the Commission and investment associated with connection to local production.

Name of Respondent: L. Mario DiValentino

Position of Respondent: President, Moonstone Consulting LLC

Date of Response: October 11, 2016

**2010 TOWN & COUNTY TAX  
COUNTY OF STEUBEN  
TOWN OF CATON**

2010  
Exhibit\_(AAE-1)  
BILL NO: 1231  
Page 24 of 45  
SEQ NO: 1235

TAX MAP NO:  
\* 463400 519.00-05-002.000  
AVONNE M DICKERSON  
CATON TAX COLLECTOR  
11161 HENDY HOLLOW RD  
CORNING NY 14830

Bill No: 1231  
Seq. No: 1235  
Bank Code: 519

ROLL SECT	FISCAL YEAR	ESTIMATED STATE AID
5	01/01/2010 - 12/31/2010	CNTY 24,320,837
WARRANT DATE: 12/21/2009		TOWN 111,653

Location:	Special Franchise
Dimensions:	0.00 X 0.00 Feet
Property Class:	883 Gas Trans Im
School Dist:	460300 Corning/Painted Post
NYS Tax & Finance School District Code:	132

Corning Natural Gas Corp  
330 W William St  
PO Box 58  
Corning, NY 14830

**IMPORTANT PAYMENT INFORMATION**

For Information Phone (607) 524-6303 Ext. #1  
Taxes payable at Town of Caton Clerk's Office  
11161 Hendy Hollow Rd, Corning, NY 14830  
Mon & Thurs 2 - 6 PM; Tue & Wed 9 AM - 1 PM; Fri 1 - 5 PM  
No Penalty if paid by February 1, 2010  
1% Penalty - February 2 to March 1, 2010  
2% Penalty - March 2 to March 31, 2010  
3% Penalty - April 1 to April 8, 2010  
Contact County Treasurer @ (607) 664-2488 for payment  
after above collection period.

APPLY FOR THIRD PARTY NOTICE BY: 11/01/2010  
APPLY FOR SENIOR CITIZENS TAX EXEMPTION BY: 03/01/2010

**PROPERTY TAXPAYER'S BILL OF RIGHTS**

The assessor estimates the Full Market Value (FMV) of this property as of 07/01/2008 was: 616,253  
The Total Assessed Value of this property is: 369,752 ←  
The Uniform Percentage of Value used to establish assessments in your municipality was: 60.00%

If you wish to contest your assessment, please ask your assessor for the booklet "What To Do If You Disagree With Your Assessment" or go to the State's web site at: [www.orps.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf](http://www.orps.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf). Note that the period for filing complaints on the above assessment has passed.

Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose		
<b>Taxing Purpose</b>				<b>Total Tax Levy</b>		<b>% Change from prior year levy</b>		<b>Taxable Assessed Value Adjusted by Exemption</b>		<b>Rates per \$1000</b>		<b>Tax Amount</b>	
COUNTY TAX				44,993,772		2.7		369,752.00	9.817266			3,629.95	
TOWN TAX				939,572		-7.0		369,752.00	10.491484			3,879.25	
Caton fire dist				156,483		2.3		369,752.00	1.715833			634.43	
	<b>TOTAL</b>												

**PENALTY SCHEDULE ON TOTAL TAXES DUE:**

<b>If Paid by:</b>	02/01/2010	03/01/2010	03/31/2010
Penalty %:	0.00	1.00	2.00
Penalty Amount:	0.00	81.44	162.87
Total Taxes Due:	8,143.63	8,225.07	8,306.50

**TOTAL TAXES DUE**

**\$8,143.63**

(Taxes paid by check are subject to collection)

**2010 TOWN & COUNTY TAX  
COUNTY OF STEUBEN  
TOWN OF ERWIN**

Exhibit\_(AAE-1) **2010**  
BILL No: Page 25 of 45 **3025**  
SEQ NO: **3031**

TAX MAP NO:  
\* **464289** **519.00-05-002.000**

RUTH E CREELEY  
TOWN OF ERWIN  
PO BOX 5176  
SYRACUSE NY 13220-5176

Bill No: **3025**  
Seq. No: **3031**  
Bank Code: **519**

ROLL SECT	FISCAL YEAR	ESTIMATED STATE AID
5	01/01/2010 - 12/31/2010	CNTY 24,320,837
	WARRANT DATE: 12/21/2009	TOWN 151,339

IMPORTANT PAYMENT INFORMATION

YOU MAY PAY IN PERSON

MONDAY THRU FRIDAY 9 AM - 4PM  
ERWIN TOWN HALL  
117 W WATER STREET  
PAINTED POST NY 14870

For further information call (607) 936-3652.

Location:	Special Franchise
Dimensions:	0.00 X 0.00 Feet
Property Class:	861 Elec & gas
School Dist:	460300 Corning/Painted Post
NYS Tax & Finance School District Code:	132

Corning Natural Gas Corp  
PO Box 58  
Corning, NY 14830-0058

APPLY FOR THIRD PARTY NOTICE BY: 11/01/2010  
APPLY FOR SENIOR CITIZENS TAX EXEMPTION BY: 03/01/2010

**PROPERTY TAXPAYER'S BILL OF RIGHTS**

The assessor estimates the Full Market Value (FMV) of this property as of 07/01/2008 was: **3,256,049**  
The Total Assessed Value of this property is: **3,256,049**  
The Uniform Percentage of Value used to establish assessments in your municipality was: **100.00%**

If you wish to contest your assessment, please ask your assessor for the booklet "What To Do If You Disagree With Your Assessment" or go to the State's web site at: [www.ops.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf](http://www.ops.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf). Note that the period for filing complaints on the above assessment has passed.

Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose
<b>Taxing Purpose</b>			<b>Total Tax Levy</b>			<b>% Change from prior year levy</b>			<b>Taxable Assessed Value Adjusted by Exemption</b>		
COUNTY TAX				44,993,772				3256,049.00	5.951836		19,379.47
TOWN TAX				2,433,981				3256,049.00	5.258932		17,123.34
Cooper fire dist TOTAL				132,690				3256,049.00	1.345891		4,382.29
Stream mgmt dist TOTAL				49,935				3256,049.00	.096727		314.95

PENALTY SCHEDULE ON TOTAL TAXES DUE:

If Paid by:	02/01/2010	03/01/2010	03/31/2010
Penalty %:	0.00	1.00	2.00
Penalty Amount:	0.00	412.00	824.00
Total Taxes Due:	41,200.05	41,612.05	42,024.05

**TOTAL TAXES DUE \$41,200.05**

(Taxes paid by check are subject to collection)

**2010 TOWN & COUNTY TAX  
COUNTY OF STEUBEN  
TOWN OF CORNING**

2010  
Exhibit (AAE-1)  
BILL NO: 3104  
Page 26 of 45  
SEQ NO: 3121

TAX MAP NO:  
\* 463889 519.00-05-019.000

TAX COLLECTOR  
CLARICE K ROSS  
20 S MAPLE STREET  
CORNING NY 14830

Bill No: 3104  
Seq. No: 3121  
Bank Code: 519

ROLL SECT	FISCAL YEAR	ESTIMATED STATE AID
5	01/01/2010 - 12/31/2010 WARRANT DATE: 12/21/2009	CNTY 24,320,837 TOWN 141,300

**IMPORTANT PAYMENT INFORMATION**

In Person Payments at:  
20 South Maple Street, Corning, NY  
Monday through Thursday 9:00 AM to 4:30 PM  
January 4, 2010 thru April 8, 2010. Closed January 18.  
If paid by 2/1/2010 no penalty  
2/2/2010 - 3/1/2010 1%  
3/2/2010 - 3/31/2010 2%  
4/1/2010 - 4/8/2010 3%

For further information, call (607) 936-6114.

APPLY FOR THIRD PARTY NOTICE BY: 11/01/2010  
APPLY FOR SENIOR CITIZENS TAX EXEMPTION BY: 03/01/2010

Location:  
Dimensions: 0.00 X 0.00 Feet  
Property Class: 861 Elec & gas  
School Dist: 460300 Corning/Painted Post  
NYS Tax & Finance School District Code: 132

Corning Natural Gas Corp  
330 W William St  
PO Box 58  
Corning, NY 14830-0058

**PROPERTY TAXPAYER'S BILL OF RIGHTS**

The assessor estimates the Full Market Value (FMV) of this property as of 07/01/2008 was: 2,152,797  
The Total Assessed Value of this property is: 2,088,213  
The Uniform Percentage of Value used to establish assessments in your municipality was: 97.00%

If you wish to contest your assessment, please ask your assessor for the booklet "What To Do If You Disagree With Your Assessment" or go to the State's web site at: [www.orps.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf](http://www.orps.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf). Note that the period for filing complaints on the above assessment has passed.

Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose
<b>Taxing Purpose</b>			<b>Total Tax Levy</b>			<b>% Change from prior year levy</b>			<b>Taxable Assessed Value Adjusted by Exemption</b>		
									<b>Rates per \$1000</b>		
									<b>Tax Amount</b>		
COUNTY TAX			44,993,772			2.7			5.891943		
TOWN TAX			1,437,305			10.3			4.421480		
Gibson fire dist TOTAL			13,000			0.0			.429193		
General fpd TOTAL			204,500			0.0			1.215237		
Gibson light TOTAL			9,000			5.8			.991094		
									12,303.63		
									9,232.99		
									233.02		
									1,877.88		
									538.10		

**PENALTY SCHEDULE ON TOTAL TAXES DUE:**

<b>If Paid by:</b>	<b>02/01/2010</b>	<b>03/01/2010</b>	<b>03/31/2010</b>
Penalty %:	0.00	1.00	2.00
Penalty Amount:	0.00	241.86	483.71
Total Taxes Due:	24,185.62	24,427.48	24,669.33

**TOTAL TAXES DUE \$24,185.62**

(Taxes paid by check are subject to collection)

**2011 TOWN & COUNTY TAX  
COUNTY OF STEUBEN  
TOWN OF CATON**

2011  
Exhibit\_(AAE-1)  
BILL NO: Page 27 of 45 1237  
SEQ NO: 1241

TAX MAP NO:  
\* 463400 519.00-05-002.000

AVONNE M DICKERSON  
CATON TAX COLLECTOR  
11161 HENDY HOLLOW RD  
CORNING NY 14830

Bill No: 1237  
Seq. No: 1241  
Bank Code: 519

ROLL SECT	FISCAL YEAR	ESTIMATED STATE AID
5	01/01/2011 – 12/31/2011	CNTY 22,793,962
WARRANT DATE: 12/20/2010		TOWN 111,653

**IMPORTANT PAYMENT INFORMATION**

For Information Phone (607) 524-6303 Ext. #1  
Taxes payable at Town of Caton Clerk's Office  
11161 Hendy Hollow Rd, Corning, NY 14830  
Mon & Thurs 2 - 6 PM; Tue & Wed 9 AM - 1 PM; Fri 1 - 5 PM  
No Penalty if paid by January 31, 2011  
1% Penalty - February 1 to February 28, 2011  
2% Penalty - March 1 to March 31, 2011  
3% Penalty - April 1 to April 8, 2011  
Contact County Treasurer @ (607) 664-2488 for payment  
after above collection period.

APPLY FOR THIRD PARTY NOTICE BY: 11/01/2011  
APPLY FOR SENIOR CITIZENS TAX EXEMPTION BY: 03/01/2011

Location:	Special Franchise
Dimensions:	0.00 X 0.00 Feet
Property Class:	883 Gas Trans Im
School Dist:	460300 Corning/Painted Post
NYS Tax & Finance School District Code:	132

Corning Natural Gas Corp  
330 W William St  
PO Box 58  
Corning, NY 14830

**PROPERTY TAXPAYER'S BILL OF RIGHTS**

The assessor estimates the Full Market Value (FMV) of this property as of 07/01/2009 was: 1,951,417  
The Total Assessed Value of this property is: 1,951,417 ←  
The Uniform Percentage of Value used to establish assessments in your municipality was: 100.00%

If you wish to contest your assessment, please ask your assessor for the booklet "What To Do If You Disagree With Your Assessment" or go to the State's web site at: [www.orps.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf](http://www.orps.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf). Note that the period for filing complaints on the above assessment has passed.

Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose
<b>Taxing Purpose</b>			<b>Total Tax Levy</b>			<b>% Change from prior year levy</b>			<b>Taxable Assessed Value Adjusted by Exemption</b>		
COUNTY TAX				46,002,435		2.2		1951,417.00		5.911063	11,534.95
TOWN TAX				918,985		-2.1		1951,417.00		6.039610	11,785.80
Caton fire dist				156,483		0.0		1951,417.00		.998952	1,949.37
<b>TOTAL</b>											

**PENALTY SCHEDULE ON TOTAL TAXES DUE:**

<b>If Paid by:</b>	01/31/2011	02/28/2011	03/31/2011
Penalty %:	0.00	1.00	2.00
Penalty Amount:	0.00	252.70	505.40
Total Taxes Due:	25,270.12	25,522.82	25,775.52

**TOTAL TAXES DUE**

**\$25,270.12**

(Taxes paid by check are subject to collection)

PAGE 01 OF 01

**2011 TOWN & COUNTY TAX  
COUNTY OF STEUBEN  
TOWN OF CORNING**

BILL NO: 3100  
SEQ NO: 3114

TAX MAP NO:

\* 463889 519.00-05-019.000  
TAX COLLECTOR  
20 S MAPLE STREET  
CORNING NY 14830

Bill No: 3100  
Seq. No: 3114  
Bank Code: 519

ROLL SECT	FISCAL YEAR	ESTIMATED STATE AID
5	01/01/2011 -- 12/31/2011	CNTY 22,793,962
	WARRANT DATE: 12/20/2010	TOWN 149,817

**IMPORTANT PAYMENT INFORMATION**

In Person Payments at:  
20 South Maple Street, Corning, NY  
Monday through Thursday 9:00 AM to 4:30 PM  
January 3, 2011 thru April 5, 2011. Closed January 17.  
If paid by 1/31/2011 no penalty  
2/1/2011 - 2/28/2011 1% Closed 2/21/11.  
3/1/2011 - 3/31/2011 2 %  
4/1/2011 - 4/6/2011 3%

For further information, call (607) 936-6114.

APPLY FOR THIRD PARTY NOTICE BY: 11/01/2011  
APPLY FOR SENIOR CITIZENS TAX EXEMPTION BY: 03/01/2011

Location:  
Dimensions: 0.00 X 0.00 Feet  
Property Class: 861 Elec & gas  
School Dist: 460300 Corning/Painted Post  
NYS Tax & Finance School District Code: 132

Corning Natural Gas Corp  
330 W William St  
PO Box 58  
Corning, NY 14830-0058

**PROPERTY TAXPAYER'S BILL OF RIGHTS**

The assessor estimates the Full Market Value (FMV) of this property as of 07/01/2009 was: 3,167,151  
The Total Assessed Value of this property is: 3,040,465  
The Uniform Percentage of Value used to establish assessments in your municipality was: 96.00%

If you wish to contest your assessment, please ask your assessor for the booklet "What To Do If You Disagree With Your Assessment" or go to the State's web site at:  
[www.orps.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf](http://www.orps.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf). Note that the period for filing complaints on the above assessment has passed.

Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose
<b>Taxing Purpose</b>			<b>Total Tax Levy</b>			<b>% Change from prior year levy</b>			<b>Taxable Assessed Value Adjusted by Exemption</b>		
COUNTY TAX		46,002,435			2.2		3040,465.00		6.175322		18,775.85
TOWN TAX		1,546,247			7.5		3040,465.00		4.742530		14,419.50
Gibson fire dist TOTAL		13,000			0.0		790,521.00		.455000		359.69
General fpd TOTAL		240,382			17.5		2249,944.00		1.376928		3,098.01
Gibson light TOTAL		9,000			0.0		790,521.00		.989581		782.28

**PENALTY SCHEDULE ON TOTAL TAXES DUE:**

If Paid by:	01/31/2011	02/28/2011	03/31/2011
Penalty %:	0.00	1.00	2.00
Penalty Amount:	0.00	374.35	748.71
Total Taxes Due:	37,435.33	37,809.68	38,184.04

**TOTAL TAXES DUE \$37,435.33**

(Taxes paid by check are subject to collection)

**2011 TOWN & COUNTY TAX  
COUNTY OF STEUBEN  
TOWN OF ERWIN**

2011  
Exhibit (AAE-1)  
BILL NO: Page 29 of 45 3014  
SEQ NO: 3020

TAX MAP NO:

\* 464289 519.00-05-002.000

RUTH E CREELEY, COLLECTOR  
TOWN OF ERWIN  
DEPT 117057 PO BOX 5207  
BINGHAMTON NY 13902-5207

Bill No: 3014  
Seq. No: 3020  
Bank Code: 519

ROLL SECT	FISCAL YEAR	ESTIMATE STATE AID
5	01/01/2011 - 12/31/2011	CNTY 22,793,662
	WARRANT DATE: 12/20/2010	TOWN 127,550

**IMPORTANT PAYMENT INFORMATION**

**YOU MAY PAY IN PERSON**

MONDAY THRU FRIDAY 9 AM - 4PM  
ERWIN TOWN HALL  
117 W WATER STREET  
PAINTED POST NY 14870

For further information call (607) 936-3652.

Corning Natural Gas Corp  
PO Box 58  
Corning, NY 14830-0058

APPLY FOR THIRD PARTY NOTICE BY: 11/01/2011  
APPLY FOR SENIOR CITIZENS TAX EXEMPTION BY: 03/01/2011

**PROPERTY TAXPAYER'S BILL OF RIGHTS**

The assessor estimates the Full Market Value (FMV) of this property as of 07/01/2009 was: 4,671,878  
The Total Assessed Value of this property is: 4,671,878  
The Uniform Percentage of Value used to establish assessments in your municipality was: 100.00%

*If you wish to contest your assessment, please ask your assessor for the booklet "What To Do If You Disagree With Your Assessment" or go to the State's web site at: [www.orps.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf](http://www.orps.state.ny.us/pamphlet/complain/howtofile/whattodo.pdf). Note that the period for filing complaints on the above assessment has passed.*

Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose	Exemption	Value	FMV Est.	Purpose
<b>Taxing Purpose</b>				<b>Total Tax Levy</b>				<b>% Change from prior year levy</b>			
COUNTY TAX				46,002,435				2.2			
TOWN TAX				2,548,771				4.7			
Cooper fire dist TOTAL				136,500				2.8			
Stream mgmt dist TOTAL				51,113				2.3			
				<b>Taxable Assessed Value Adjusted by Exemption</b>				<b>Rates per \$1000</b>			
				4671,878.00				6.082994			
				4671,878.00				5.384043			
				4671,878.00				1.352971			
				4671,878.00				.097394			
				<b>Tax Amount</b>							
											28,419.01
											25,153.59
											6,320.92
											455.01

**PENALTY SCHEDULE ON TOTAL TAXES DUE:**

<b>If Paid by:</b>	01/31/2011	02/28/2011	03/31/2011
<b>Penalty %:</b>	0.00	1.00	2.00
<b>Penalty Amount:</b>	0.00	603.49	1,206.97
<b>Total Taxes Due:</b>	60,348.53	60,952.02	61,555.50

**TOTAL TAXES DUE \$60,348.53**

(Taxes paid by check are subject to collection)

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-334 (AAE-25)  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** September 23, 2016  
**Response Due Date:** October 3, 2016  
**Subject:** Rate Case Expense

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The Company's filing includes \$1.000 million of rate case expense related to the current proceeding. Additionally, the Company's response to IRs DPS-312 and DPS-316 show that the Company incurred \$1.015 million (excluding the extension) and \$.919 million for the 2011 and 2008 rate cases respectively.

1. How has the Company determined that the amount of rate case expense is reasonable?

Response:

In addition to being consistent with the levels of expense incurred in previous rate proceedings, the projected level for the current proceeding is, if anything, conservative in that the projection was made before it became apparent that the discovery demands of the current case, which is typically a major driver of costs, would be significantly more onerous and time-consuming than in previous cases. The total number of individually numbered interrogatories received to date from Staff and other parties is approximately 430, compared with approximately 280 in Case 11-G-0280, a 50% increase. Because Corning is a small utility that only files rate cases every three years or so and attempts to negotiate arrangements that would enable the Company to stay out for additional periods, the Company believes that it is reasonable to rely on outside consultants and outside counsel to prepare and litigate (and/or settle) such cases, rather than building up an in-house regulatory staff and legal department. The Company also believes that, even if it were to attempt to internalize those functions, recruiting personnel who could provide comparable levels of expertise and skill would be difficult and expensive. As a result, the Company believes that its current approach is a more reasonable, cost-effective alternative.

2. Has the Company done an analysis comparing Corning's rate case expense to any other utility's rate case expense? If so, provide any such analysis that was done.

Response:

No. The Company has not performed such an analysis. To do a meaningful comparison, it would be necessary to have detailed knowledge of what functions are carried out internally and what functions are carried out by external providers (consultants, attorneys, etc.).



3. In the past five years, has the Company solicited bids for any of the rate case services utilized (*i.e.*, legal, consulting)? If so, provide each solicitation as well as any bids received. If not, explain why not.

Response:

No. The Company has long-standing relationships with its principal rate case service providers, Management Applications Consulting, Moonstone Consulting and Nixon Peabody. Those entities and individuals within those organizations provide a variety of regulatory and other services to the Company on an on-going basis. Although the Company has not done a formal solicitation for these services, it believes that the charges by these providers are generally consistent with those of others providing similar services in the industry. Over the years, they have developed models and procedures that are tailored to Corning's operations. They have an intimate knowledge of the Company and its operations that is integral to being effective and efficient in assisting the Company with its rate cases. With respect to Concentric, which has been retained for the first time in this proceeding, the Company has negotiated a hard cap on testimony preparation costs and a not-to-exceed amount for discovery and testifying in this proceeding, whereby any costs above that amount must be authorized by the Company. Moreover, Corning is familiar with the individuals providing these services on its behalf and believes that they are fully suited to the responsibilities they are undertaking in this case. To summarize, the Company believes that it is receiving value from the providers it has retained and does not believe that it would be a worthwhile exercise to solicit bids for rate case services at this time.

4. Has the Company done an analysis to determine whether hiring internal attorneys or analysts to perform rate case work is more cost beneficial than using external attorneys and/or consultants? If so, provide any such analysis. If not, explain why not.

Response:

The Company has not performed a specific study. Please see the responses to parts 1 through 3, above.

5. Explain what the Company has done to minimize rate case expense costs.

Response:

The Company has tried to avoid frequent rate cases by proposing multi-year rate plans that have generally enabled a stay-out for up to three years. The Company has also proposed extensions of those plans to avoid full-blown cases for additional periods. Where a full-blown case is necessary, the Company has provided information in connection with the initial filing of the case that is intended to avoid protracted discovery. The responses to "frequently asked questions" in Exhibit CNG-13, as described in the Accounting and Policy Panel's Direct Testimony (pages 4-5), and providing a comprehensive interactive Rate Case Model to Staff at the time of initial filing are a good example of the Company's innovative efforts to simplify and shorten the discovery

phase of the current case. With regard to extensions of rate plans, while those extensions still require consulting and legal services, the overall costs are less than those for a full rate case. The Company also seeks to limit the amount of consulting and legal services expenditures by requiring Company personnel, wherever feasible, to prepare initial drafts of their own testimony and exhibits for the initial filing. Similarly, the Company personnel to whom interrogatories are directed generally prepare initial drafts of their responses, helping to limit the effort required by consultants and counsel. Unfortunately, despite the foregoing measures to make the discovery response process more cost-effective, the Company has no control over the volume of discovery it must address.

6. What cost controls does the Company have in place to minimize rate case expenses?

Response:

Within the constraint of being at the mercy of other parties who dictate the level of work required of the Company and its consultants and counsel in a rate case, the Company's senior management monitors expenditures closely. Management, consultants and counsel discuss strategies for allocating work among members of the Company team with the objective of holding down overall costs. These strategies have included assessment of subject matter priorities, such as which topics warrant greater or lesser effort, depending on their relative importance to the Company. While these cost-saving measures are limited where the Company has no choice but to respond to discovery, they nevertheless apply in that context and will likely have an impact at the rebuttal stage of this case. Although the Company is taking these measures to do what it can to hold down costs, those costs could be further minimized if other parties who generate those costs, especially through discovery, made a greater effort to ask only questions that are necessary and appropriate.

Name of Respondent: Firouzeh Sarhangi

Position of Respondent: Chief Financial Officer & Treasurer

Date of Response: October 11, 2016

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation  
Case 16-G-0369  
Gas Rates**

**Request No.:** DPS-345 (AAE-28)  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** October 3, 2016  
**Response Due Date:** October 13, 2016  
**Subject:** Postage

On April 10, 2016, the United States Postal Service decreased its postage rate from \$0.485 to \$0.465 for first class metered mail. Does the Company agree that the postage expense, included in the "Other O&M" cost component should be decreased by 4.1% to account for this change? If so, provide the updated estimate of postage expense. If not, explain why the Company believes that it is appropriate to increase postage expense by inflation given this known, measurable change to the rate.

Response:

Yes. Please see the Company's updated estimate below:

		<b>-4.10%</b>	
	<b>As</b>	<b>Rate</b>	<b>Revised</b>
	<b>Filed</b>	<b>Reduction</b>	<b>Amount</b>
Twelve months Ended May 2018	108,965	(4,468)	104,497
Twelve months Ended May 2019	111,010	(4,551)	106,458
Twelve months Ended May 2020	113,038	(4,635)	108,403

Name of Respondent: L. Mario DiValentino

Position of Respondent: President, Moonstone Consulting LLC

Date of Response: October 5, 2016

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-347 (AAE-30)  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** October 6, 2016  
**Response Due Date:** October 17, 2016  
**Subject:** Allocations

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1. Provide a list of all Leatherstocking, PA employees hired/ or expected to be hired. Include the hire date for each employee, as applicable.

Response:

Office Manager	DOH 01-26-2015
Gas Technician	DOH 01-05-2015
Business Analyst	DOH 08-15-2016
Meter Reader	DOH 05-01-2015

There is no further expected hiring in the near term.

2. The Company's response to IR DPS-289 discusses a billing clerk that will be hired and charged directly to Pike. Will this employee be working at Corning Natural Gas Corporation's office? If not, where will this employee be working?

Response:

The Billing Clerk will be working at Corning Natural Gas Corporation's office.

3. Explain why Corning Natural Gas Corporation has not allocated costs for the gas analyst, gas specialist or construction manager to Pike or Leatherstocking.

Response:

The gas procurement will be conducted by Orange and Rockland under the Gas Supply Agreement. Any information that would be required regarding load data and or sales data will be provided by the VP Marketing and/or accountants that have been allocated.

The Construction Manager supervises and directs Corning Natural Gas Corporation field personnel. Since the Company is prohibited from using its own field personnel in subsidiary operations, no allocation of the Construction Manager is necessary.

4. The Company's response to IR DPS-325, part three gives explanations as to why certain accounts payable costs should not be charged to affiliates. Regarding this response, answer the following:

- a. The Call Center After Hours response states that Pike calls are handled by Orange & Rockland Utilities, Inc. (ORU). Does Corning Natural Gas Corporation plan to continue using ORU after the affiliate petition has been addressed by the Commission?

Response:

The Company will hire a third party vendor to provide this service and the costs will be charged directly to Pike.

- b. For dues – is Pike a member of the AGA?

Response:

No.

- c. For petty cash – provide further explanation of the Company’s statement in the response to the IR, and why Pike should not be allocated any of these costs.

Response:

The petty cash amounts reflect the actual costs that have been incurred by the Company and allocated accordingly. It does not include any incremental costs that may arise from the operations of Pike or other affiliates. Any incremental costs will be allocated directly to subsidiary operations as appropriate.

- d. For materials and supplies –explain what these costs consist of and why they are only charged to Corning Natural Gas Corporation.

Response:

Material and supply costs represent the amounts used in Corning Natural Gas Corporation’s operation and maintenance activities by its field personnel. Since the Company is prohibited from using field personnel in subsidiary operations, no allocation of these costs is necessary.

- e. For bank fees - explain what these costs consist of and why they are only charged to Corning Natural Gas Corporation.

Response:

Affiliates have stand-alone bank accounts and bank fees are charged directly.

Name of Respondent: L. Mario DiValentino

Position of Respondent: President, Moonstone Consulting LLC

Date of Response: October 7, 2016

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-348 (AAE-31)  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** October 6, 2016  
**Response Due Date:** October 17, 2016  
**Subject:** Capital Overheads

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1. Provide a breakout of the \$632,284 of historic test year Capitalized Costs included in the Other O&M schedule. Clearly show how much of the capitalized cost amount is fringe benefits and how much is other components and break out the fringe benefit portion by each cost component (*e.g.*, health insurance, pensions, etc).

Response:

The requested breakdown is contained in the accompanying Excel file designated "Response DPS 348 (AAE-31) Construction overhead Analysis". This information was previously provided to Staff on August 25, 2016.

2. Calculate what percentage of each of the fringe benefit cost components has been capitalized in the historic test year. To the extent that any of these rates varies from the 19% capitalized labor rate, explain why there is a difference and reconcile the amounts.

Response:

The requested breakdown is contained in the accompanying Excel file designated "Response DPS 348 (AAE-31) Construction overhead Analysis".

Name of Respondent: L. Mario DiValentino  
Position of Respondent: President, Moonstone Consulting LLC  
Date of Response: October 13, 2016



10 108100	Retirement Work In Progress	108	JE107	Q3 Const OH Accrual	6/30/2015	66.13	-
10 108100	Retirement Work In Progress	108	JE107	Q3 Const OH Accrual -REVERSAL	7/31/2015	-	(66.13)
10 108100	Retirement Work In Progress	108	JE107	Q4 Const OH Accrual	9/30/2015	179.08	-
10 108100	Retirement Work In Progress	108	JE107	Q4 Const OH Accrual REVERSAL	10/31/2015	-	(179.08)
10 140320	Other A/R-Corning Inc	140	JE080	Construction Overheads	4/30/2015	35.99	-
10 140320	Other A/R-Corning Inc	140	JE080	Construction Overheads	5/31/2015	19.75	-
10 140320	Other A/R-Corning Inc	140	JE080	Construction Overheads	6/30/2015	156.36	-
10 140320	Other A/R-Corning Inc	140	JE080	Construction Overheads	9/30/2015	235.04	-
10 140320	Other A/R-Corning Inc	140	JE080	Construction Overheads	10/31/2015	79.39	-
10 140320	Other A/R-Corning Inc	140	JE107	Q3 Const OH Accrual	6/30/2015	46.91	-
10 140320	Other A/R-Corning Inc	140	JE107	Q3 Const OH Accrual -REVERSAL	7/31/2015	-	(46.91)
10 140320	Other A/R-Corning Inc	140	JE107	Q4 Const OH Accrual	9/30/2015	62.68	-
10 140320	Other A/R-Corning Inc	140	JE107	Q4 Const OH Accrual REVERSAL	10/31/2015	-	(62.68)
10 140330	A/R-Talisman Reimbursement	140	JE080	Construction Overheads	2/28/2015	70.51	-
10 140330	A/R-Talisman Reimbursement	140	JE080	Construction Overheads	3/31/2015	313.98	-
10 140330	A/R-Talisman Reimbursement	140	JE080	Construction Overheads	4/30/2015	111.59	-
10 140330	A/R-Talisman Reimbursement	140	JE080	Construction Overheads	6/30/2015	187.27	-
10 140330	A/R-Talisman Reimbursement	140	JE080	Construction Overheads	7/31/2015	60.96	-
10 140330	A/R-Talisman Reimbursement	140	JE080	Construction Overheads	8/31/2015	134.62	-
10 140330	A/R-Talisman Reimbursement	140	JE080	Construction Overheads	9/30/2015	80.52	-
10 140330	A/R-Talisman Reimbursement	140	JE107	Q4 Const OH Accrual REVERSAL	10/31/2015	79.39	-
10 140330	A/R-Talisman Reimbursement	140	JE080	Construction Overheads	11/30/2015	82.95	-
10 140330	A/R-Talisman Reimbursement	140	JE080	Construction Overheads	12/31/2015	699.07	-
10 140330	A/R-Talisman Reimbursement	140	JE107	Q1 Const OH Accrual	12/31/2015	90.20	-
10 140330	A/R-Talisman Reimbursement	140	JE107	Q2 Const OH Accrual Reversal	4/30/2015	-	(91.16)
10 140330	A/R-Talisman Reimbursement	140	JE107	Q2 Construction OH Accrual	3/31/2015	91.16	-
10 140330	A/R-Talisman Reimbursement	140	JE107	Q3 Const OH Accrual	6/30/2015	56.18	-
10 140330	A/R-Talisman Reimbursement	140	JE107	Q3 Const OH Accrual -REVERSAL	7/31/2015	-	(56.18)
10 140330	A/R-Talisman Reimbursement	140	JE107	Q4 Const OH Accrual	9/30/2015	21.47	-
10 140330	A/R-Talisman Reimbursement	140	JE107	Q4 Const OH Accrual REVERSAL	10/31/2015	-	(21.47)
10 140330	A/R-Talisman Reimbursement	140	JE107	Reverse Accrual for Construct	1/31/2015	-	(5.60)
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	1/31/2015	741.83	-
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	2/28/2015	1,149.17	-
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	4/30/2015	1,053.62	-
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	5/31/2015	910.98	-
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	6/30/2015	322.52	-
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	7/31/2015	480.25	-
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	8/31/2015	306.89	-
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	9/30/2015	122.09	-
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	10/31/2015	356.29	-
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	11/30/2015	468.14	-
10 184010	Clearing Act-Bldg, Shop	184	JE080	Construction Overheads	12/31/2015	288.43	-
10 184010	Clearing Act-Bldg, Shop	184	JE107	Q1 Const OH Accrual	12/31/2015	37.22	-
10 184010	Clearing Act-Bldg, Shop	184	JE107	Q3 Const OH Accrual	6/30/2015	96.76	-
10 184010	Clearing Act-Bldg, Shop	184	JE107	Q3 Const OH Accrual -REVERSAL	7/31/2015	-	(96.76)
10 184010	Clearing Act-Bldg, Shop	184	JE107	Q4 Const OH Accrual	9/30/2015	32.56	-
10 184010	Clearing Act-Bldg, Shop	184	JE107	Q4 Const OH Accrual REVERSAL	10/31/2015	-	(32.56)
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	1/31/2015	3,028.04	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	2/28/2015	8,392.09	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	3/31/2015	1,619.96	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	4/30/2015	2,049.64	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	5/31/2015	1,583.75	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	6/30/2015	2,407.44	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	7/31/2015	2,106.86	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	8/31/2015	1,312.74	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	9/30/2015	1,690.69	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	10/31/2015	1,855.67	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	11/30/2015	990.29	-
10 184050	Clearing Act-Tools&Work Equ	184	JE080	Construction Overheads	12/31/2015	1,268.00	-
10 184050	Clearing Act-Tools&Work Equ	184	JE107	Q1 Const OH Accrual	12/31/2015	163.61	-
10 184050	Clearing Act-Tools&Work Equ	184	JE107	Q2 Const OH Accrual Reversal	4/30/2015	-	(470.31)
10 184050	Clearing Act-Tools&Work Equ	184	JE107	Q2 Construction OH Accrual	3/31/2015	470.31	-
10 184050	Clearing Act-Tools&Work Equ	184	JE107	Q3 Const OH Accrual	6/30/2015	722.23	-
10 184050	Clearing Act-Tools&Work Equ	184	JE107	Q3 Const OH Accrual -REVERSAL	7/31/2015	-	(722.23)
10 184050	Clearing Act-Tools&Work Equ	184	JE107	Q4 Const OH Accrual	9/30/2015	450.85	-
10 184050	Clearing Act-Tools&Work Equ	184	JE107	Q4 Const OH Accrual REVERSAL	10/31/2015	-	(450.85)
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	1/31/2015	2,901.01	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	2/28/2015	3,107.85	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	3/31/2015	2,706.51	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	4/30/2015	3,426.19	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	5/31/2015	4,390.17	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	6/30/2015	3,845.99	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	7/31/2015	3,781.93	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	8/31/2015	3,991.09	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	9/30/2015	3,624.46	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	10/31/2015	4,201.51	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	11/30/2015	3,770.87	-
10 184060	Clearing Act-Vehicle Exp	184	JE080	Construction Overheads	12/31/2015	3,554.40	-
10 184060	Clearing Act-Vehicle Exp	184	JE107	Q1 Const OH Accrual	12/31/2015	458.63	-
10 184060	Clearing Act-Vehicle Exp	184	JE107	Q2 Const OH Accrual Reversal	4/30/2015	-	(785.76)
10 184060	Clearing Act-Vehicle Exp	184	JE107	Q2 Construction OH Accrual	3/31/2015	785.76	-
10 184060	Clearing Act-Vehicle Exp	184	JE107	Q3 Const OH Accrual	6/30/2015	1,153.80	-
10 184060	Clearing Act-Vehicle Exp	184	JE107	Q3 Const OH Accrual -REVERSAL	7/31/2015	-	(1,153.80)
10 184060	Clearing Act-Vehicle Exp	184	JE107	Q4 Const OH Accrual	9/30/2015	966.52	-
10 184060	Clearing Act-Vehicle Exp	184	JE107	Q4 Const OH Accrual REVERSAL	10/31/2015	-	(966.52)
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	1/31/2015	15,263.79	-
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	2/28/2015	13,327.40	-
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	3/31/2015	9,124.25	-
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	4/30/2015	12,329.60	-
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	5/31/2015	5,314.44	-



10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	6/30/2015	9,105.04	-
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	7/31/2015	10,969.04	-
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	8/31/2015	2,863.35	-
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	9/30/2015	7,616.46	-
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	10/31/2015	7,032.54	-
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	11/30/2015	5,970.42	-
10 184080	Clearing Act-Indirect Labor	184	JE080	Construction Overheads	12/31/2015	19,183.25	-
10 184080	Clearing Act-Indirect Labor	184	JE107	Q1 Const OH Accrual	12/31/2015	2,475.26	-
10 184080	Clearing Act-Indirect Labor	184	JE107	Q2 Const OH Accrual Reversal	4/30/2015	-	(2,648.98)
10 184080	Clearing Act-Indirect Labor	184	JE107	Q2 Construction OH Accrual	3/31/2015	2,648.98	-
10 184080	Clearing Act-Indirect Labor	184	JE107	Q3 Const OH Accrual	6/30/2015	2,731.51	-
10 184080	Clearing Act-Indirect Labor	184	JE107	Q3 Const OH Accrual -REVERSAL	7/31/2015	-	(2,731.51)
10 184080	Clearing Act-Indirect Labor	184	JE107	Q4 Const OH Accrual	9/30/2015	2,031.06	-
10 184080	Clearing Act-Indirect Labor	184	JE107	Q4 Const OH Accrual REVERSAL	10/31/2015	-	(2,031.06)
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	1/31/2015	10,645.72	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	2/28/2015	28,423.10	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	3/31/2015	12,462.17	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	4/30/2015	10,294.55	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	5/31/2015	11,108.26	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	6/30/2015	6,989.46	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	7/31/2015	6,981.83	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	8/31/2015	6,830.39	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	9/30/2015	10,187.59	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	10/31/2015	12,447.20	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	11/30/2015	10,615.91	-
10 184090	Clearing Act-Operations Wag	184	JE080	Construction Overheads	12/31/2015	16,096.41	-
10 184090	Clearing Act-Operations Wag	184	JE107	Q1 Const OH Accrual	12/31/2015	2,076.96	-
10 184090	Clearing Act-Operations Wag	184	JE107	Q2 Const OH Accrual Reversal	4/30/2015	-	(3,618.05)
10 184090	Clearing Act-Operations Wag	184	JE107	Q2 Construction OH Accrual	3/31/2015	3,618.05	-
10 184090	Clearing Act-Operations Wag	184	JE107	Q3 Const OH Accrual	6/30/2015	2,096.84	-
10 184090	Clearing Act-Operations Wag	184	JE107	Q3 Const OH Accrual -REVERSAL	7/31/2015	-	(2,096.84)
10 184090	Clearing Act-Operations Wag	184	JE107	Q4 Const OH Accrual	9/30/2015	2,716.69	-
10 184090	Clearing Act-Operations Wag	184	JE107	Q4 Const OH Accrual REVERSAL	10/31/2015	-	(2,716.69)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	1/31/2015	-	(51,833.78)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	2/28/2015	-	(67,139.46)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	3/31/2015	-	(47,149.25)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	4/30/2015	-	(51,085.52)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	5/31/2015	-	(43,656.44)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	6/30/2015	-	(42,047.11)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	7/31/2015	-	(54,171.99)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	8/31/2015	-	(43,973.16)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	9/30/2015	-	(48,024.29)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	10/31/2015	-	(66,029.47)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	11/30/2015	-	(48,860.00)
10 922000	Admin & Gen Exp-Admin	922	JE080	Construction Overheads	12/31/2015	-	(59,620.01)
10 922000	Admin & Gen Exp-Admin	922	JE107	Q1 Const OH Accrual	12/31/2015	-	(7,692.93)
10 922000	Admin & Gen Exp-Admin	922	JE107	Q2 Const OH Accrual Reversal	4/30/2015	13,688.50	-
10 922000	Admin & Gen Exp-Admin	922	JE107	Q2 Construction OH Accrual	3/31/2015	-	(13,688.50)
10 922000	Admin & Gen Exp-Admin	922	JE107	Q3 Const OH Accrual	6/30/2015	-	(12,614.15)
10 922000	Admin & Gen Exp-Admin	922	JE107	Q3 Const OH Accrual -REVERSAL	7/31/2015	12,614.15	-
10 922000	Admin & Gen Exp-Admin	922	JE107	Q4 Const OH Accrual	9/30/2015	-	(12,806.48)
10 922000	Admin & Gen Exp-Admin	922	JE107	Q4 Const OH Accrual REVERSAL	10/31/2015	12,806.48	-
10 922000	Admin & Gen Exp-Admin	922	JE107	Reverse Accrual for Construct	1/31/2015	1,909.79	-
Grand Total						712,412.06	(712,412.06)

Coming Natural Gas  
Response DPS 348 (AAE-31) Construction Overhead Analysis

Classification	Description	Current Debit	Current Credit	Element	Element of Cost 3	Element of Cost 4	Element of Cost 5	Element of Cost 6	Element of Cost 7	Element of Cost 8
Capitalized Costs	Q4 Const OH Accrual REVERSAL	12,806.48		Other						
Capitalized Costs	Q4 Const OH Accrual		(12,806.48)	Other						
Capitalized Costs	Q3 Const OH Accrual REVERSAL	12,614.15		Other						
Capitalized Costs	Q3 Const OH Accrual		(12,614.15)	Other						
Capitalized Costs	Q2 Construction OH Accrual		(13,688.50)	Other						
Capitalized Costs	Q2 Const OH Accrual Reversal	13,688.50		Other	WORKMAN'S COMP	GROUP HOSPITAL & PENSION & FAI	PAID VACATION & HOL	Total		
Capitalized Costs	Q1 Const OH Accrual		(7,692.93)	Other	(812.30)	(2,582.57)	(9,223.57)	(978.68)	(7,692.93)	-
Capitalized Costs	Construction Overheads		(59,620.01)	Other	(3,193.80)	(20,014.89)	(28,857.59)	(7,553.73)	(59,620.01)	-
Capitalized Costs	Construction Overheads		(49,860.60)	Other	(2,671.00)	(16,738.58)	(24,133.79)	(6,317.23)	(49,860.60)	-
Capitalized Costs	Construction Overheads		(66,029.47)	Other	(3,537.15)	(22,166.59)	(31,959.93)	(8,365.80)	(66,029.47)	-
Capitalized Costs	Construction Overheads		(48,024.29)	Other	(2,572.63)	(16,122.12)	(23,244.97)	(6,084.58)	(48,024.29)	-
Capitalized Costs	Construction Overheads		(43,973.16)	Other	(2,355.61)	(14,762.12)	(21,284.12)	(5,771.31)	(43,973.16)	-
Capitalized Costs	Construction Overheads		(54,171.99)	Other	(2,901.96)	(18,185.99)	(26,220.63)	(6,863.48)	(54,171.99)	-
Capitalized Costs	Construction Overheads		(42,047.11)	Other	(2,252.43)	(14,115.53)	(20,351.86)	(5,327.28)	(42,047.11)	-
Capitalized Costs	Construction Overheads		(43,656.44)	Other	(2,338.64)	(14,655.80)	(21,130.82)	(5,531.18)	(43,656.44)	-
Capitalized Costs	Construction Overheads		(51,085.52)	Other	(2,736.62)	(17,149.79)	(24,726.68)	(6,472.43)	(51,085.52)	-
Capitalized Costs	Construction Overheads		(47,149.25)	Other	(2,525.75)	(15,848.36)	(22,821.43)	(5,973.71)	(47,149.25)	-
Capitalized Costs	Construction Overheads		(67,139.46)	Other	(3,596.61)	(22,539.22)	(32,497.19)	(8,506.43)	(67,139.46)	-
Capitalized Costs	Construction Overheads		(51,833.78)	Other	(2,776.70)	(17,400.99)	(25,088.86)	(6,567.23)	(51,833.78)	-
		39,109.13	(671,393.14)		(33,871.01)	(212,282.51)	(306,041.42)	(80,109.07)	(632,284.01)	-

Account Number	Values	Sum of Sum of Current Debit	Sum of Sum of Current Credits	Account No	Values	Sum of Sum of Current Debit	Sum of Sum of Current Credits
10 107000	Construction Work In Progress	298,046.46	(19,967.79)	10 107000	298,046.46	(19,967.79)	278,078.67
10 108100	Retirement Work In Progress	6,220.61	(245.21)	10 108100	6,220.61	(245.21)	5,975.40
10 140320	Other A/R-Corning Inc	636.12	(109.59)	10 140320	636.12	(109.59)	526.53
10 140330	A/R-Talisman Reimbursement	2,166.82	(174.41)	10 140330	2,166.82	(174.41)	1,992.41
10 184010	Clearing Acct-Bldg, Shop	6,366.75	(129.32)	10 184010	6,366.75	(129.32)	6,237.43
10 184050	Clearing Acct-Tools&Work Equ	30,112.17	(1,643.39)	10 184050	30,112.17	(1,643.39)	28,468.78
10 184060	Clearing Acct-Vehicle Exp	46,266.69	(2,906.08)	10 184060	46,266.69	(2,906.08)	43,360.61
10 184080	Clearing Acct-Indirect Labor	127,986.39	(7,411.55)	10 184080	127,986.39	(7,411.55)	120,574.84
10 184090	Clearing Acct-Operations Wag	153,591.13	(8,431.58)	10 184090	153,591.13	(8,431.58)	145,159.55
10 922000	Admin & Gen Exp-Admin	41,018.92	(671,393.14)	10 922000	1,909.79	-	1,909.79
<b>Grand Total</b>		<b>712,412.06</b>	<b>-712,412.06</b>		673,302.93	(41,018.92)	632,284.01
				10 922000	39,109.13	(671,393.14)	(632,284.01)

Construction Overhead Rate used for CY 2015

% OF PAYROLL AS OF 12/31/14		2015 Estimated	2014 Actual
(PREPARED 2/5/15 - KW)			
PAYROLL	\$	3,543,595.92	
2015 Estimated		115,529.00	0.0326
WORKMAN'S COMP		723,996.00	0.2043
GROUP HOSPITAL & LIFE INS		1,043,862.00	0.2946
PENSION & FAS 106 EXP		273,240.20	0.0771
PAID VACATION & HOL			12.67%
Construction Overhead Rate			0.6086 100.00%

				Capital	Expense	Billing
10 107000	Construction Work In Progress	278,078.67				
10 108100	Retirement Work In Progress	5,975.40	284,054.07	44.93%	100.00%	0%
10 140320	Other A/R-Corning Inc	526.53				
10 140330	A/R-Talisman Reimbursement	1,992.41	2,518.94	0.40%		100.00%
10 184010	Clearing Acct-Bldg, Shop	6,237.43	6,237.43	0.99%	28%	72.00%
10 184050	Clearing Acct-Tools&Work Equ	28,488.78	28,488.78	4.50%	82%	18.00%
10 184060	Clearing Acct-Vehicle Exp	43,360.61	43,360.61	6.86%	21%	69.00%
10 184080	Clearing Acct-Indirect Labor	120,574.84	120,574.84	19.07%	30.00%	70.00%
10 184090	Clearing Acct-Operations Wages	145,159.55	145,159.55	22.96%	30.00%	70.00%
10 922000	Admin & Gen Exp-Admin	1,909.79	1,909.79	0.30%		100%
		632,284.01	632,284.01	100.00%		

	Capitalized						Expense/Billing						Total Exp/Billing	Check			
	Total	Capital-Direct	Shop	Tools and Work Equip	Vehicles	Indirect	Oper. Wages	Total Capital	Shop	Tools and Work Equip	Vehicles	Indirect			Oper. Wages	Expense	Billing
WORKMAN'S COMP	(33,871.01)	(15,216.58)	(93.56)	(1,250.54)	(720.07)	(1,937.73)	(2,332.83)	(21,551.31)	(240.58)	(274.51)	(1,602.73)	(4,521.38)	(5,443.27)	(102.31)	(134.94)	(12,319.70)	-
GROUP HOSPITAL & LIFE INS	(212,262.51)	(95,359.09)	(586.31)	(7,836.89)	(4,512.51)	(12,143.36)	(14,619.35)	(135,057.51)	(1,507.65)	(1,720.29)	(10,043.97)	(28,334.52)	(34,111.81)	(641.13)	(845.63)	(77,205.00)	-
PENSION & FAS 106 EXP	(306,041.42)	(137,489.34)	(845.34)	(11,299.28)	(6,506.17)	(17,508.38)	(21,078.27)	(194,726.77)	(2,173.73)	(2,480.33)	(14,481.46)	(40,852.89)	(49,182.62)	(924.39)	(1,219.23)	(111,314.65)	-
PAID VACATION & HOL	(80,109.07)	(35,989.06)	(221.28)	(2,957.69)	(1,703.05)	(4,582.97)	(5,517.42)	(50,971.47)	(568.99)	(649.25)	(3,790.65)	(10,693.61)	(12,873.99)	(241.97)	(319.14)	(29,137.60)	-
	(632,284.01)	(284,054.07)	(1,746.48)	(23,344.40)	(13,441.79)	(36,172.45)	(43,547.86)	(402,307.06)	(4,490.95)	(5,124.38)	(29,916.82)	(84,402.39)	(101,611.69)	(1,909.79)	(2,518.94)	(229,976.95)	-
						DPS 219 MW-7 Part 1		(3,528,701.00)									
						Overall Fringe Capitalized		44.40%									
						<b>Reconciliation of Capitalization Rates</b>		<b>Total PR</b>									
						Total Payroll Capitalized DPS 2109 MW-7 Part1		694,159.63									
						Total Payroll		3,653,512.00									
						Capitalization Rate		19%									
						Fringe Rate		60.86%									
						Expected Fringe Capitalization Rate		11.56%									
						Difference between Actual vs. Expected		-0.16%									
						Rounded to		0%									

Clearing classified as construction overhead in error

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE**  
**INTERROGATORY/DOCUMENT REQUEST**

**Corning Natural Gas Corporation**  
**Case 16-G-0369**  
**Gas Rates**

**Request No.:** DPS-349 (AAE-32)  
**Requested By:** Allison Esposito  
**Information Requested of:** Sarhangi/DiValentino  
**Date of Request:** October 12, 2016  
**Response Due Date:** October 24, 2016  
**Subject:** Pensions/OPEBs

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See attached (Attachment to DPS-349.xls) for Staff's calculation of the deferred pension and OPEB balances as of 4/30/16.

1. Does the Company agree with the methodology Staff used to calculate the deferral balances? If not, explain why not. Be very specific in your response and point to areas of Staff's calculation that are not consistent with the Commission's Pension/OPEB policy statement.

Response:

The Company disagrees with the use of the methodology reflected in "Attachment to DPS-349.xls" in that it amounts to the use of a new methodology for the Pension and OPEB reconciliations. The Company's Pension and OPEB reconciliation included in the filing in this proceeding is consistent with the methodology that has been used in at least the last two rate cases. That methodology was reviewed by Staff and approved by the Commission. Should Staff wish to propose a change in the methodology for Pension and OPEB reconciliation, it should be done on a prospective basis only.

2. Does the Company agree with the inputs in Staff's calculation of the deferral balances? If not, explain why not. Point to specific inputs that are not correct and provide the correct inputs that should be used, with justification for why those inputs are correct.

Response:

Please see the response to Part 1, above.

3. Does the Company agree with Staff's calculated deferral balances? If not, explain why not. Point to specific areas of the calculation that are incorrect.

Response:

With regard to Staff's proposed methodology, please see the response to Part 1, above. Assuming, contrary to that response, that Staff's methodology were appropriate for employment in this proceeding, the calculations based on that methodology appear generally to have been correctly made from a mathematical standpoint.

Name of Respondent: L. Mario DiValentino

Position of Respondent: President, Moonstone Consulting LLC

Date of Response: October 26, 2016

**Corning**  
**Pension Deferral Calculation**

Expense per Actuary	Labor Cap Rate			Transferred Out			Rate Allowance	
10/1/10 - 9/30/11	1,212,252	2011	20.8% est	2011	1.7% est	5/1/10 - 4/30/11	1,118,730	
10/1/11 - 9/30/12	1,043,758	2012	20.8%	2012	1.7%	5/1/11 - 4/30/12	1,122,144	
10/1/12 - 9/30/13	862,576	2013	18.2%	2013	0.0%	5/1/12 - 4/30/13	734,996	
10/1/13 - 9/30/14	637,478	2014	17.5%	2014	0.3%	5/1/13 - 4/30/14	732,805	
10/1/14 - 9/30/15	737,994	2015	19.0%	2015	0.12%	5/1/14 - 4/30/15	730,458	
10/1/15 - 9/30/16	986,115	2016	19.0% est	2016	0.12% est	5/1/15 - 4/30/16	730,458	
						5/1/16 - 4/30/17	730,458	

	Beq Balance 12/31/2010	1/31/2011	2/28/2011	3/31/2011	4/30/2011
<b>Pension Expense Per Actuary Report</b>		101,021	101,021	101,021	101,021
Less:					
Capitalized		21,012	21,012	21,012	21,012
Transferred Out		1,717	1,717	1,717	1,717
<b>Sub Total</b>		22,730	22,730	22,730	22,730
<b>Net Actuarial Pension</b>		78,291	78,291	78,291	78,291
<b>Rate Allowance</b>		93,228	93,228	93,228	93,228
<b>Monthly Deferred Amount</b>		(14,936)	(14,936)	(14,936)	(14,936)
<b>Cumulative Deferred</b>		(654,505)	(669,441)	(684,377)	(699,314)

	Beq Balance 4/30/2011	5/31/2011	6/30/2011	7/31/2011	8/31/2011	9/30/2011	10/31/2011	11/30/2011	12/31/2011	1/31/2012	2/29/2012	3/31/2012	4/30/2012
<b>Pension Expense Per Actuary Report</b>		101,021	101,021	101,021	101,021	101,021	86,980	86,980	86,980	86,980	86,980	86,980	86,980
Less:													
Capitalized		21,012	21,012	21,012	21,012	21,012	18,092	18,092	18,092	18,088	18,088	18,088	18,088
Transferred Out		1,717	1,717	1,717	1,717	1,717	1,479	1,479	1,479	1,446	1,446	1,446	1,446
<b>Sub Total</b>		22,730	22,730	22,730	22,730	22,730	19,570	19,570	19,570	19,534	19,534	19,534	19,534
<b>Net Actuarial Pension</b>		78,291	78,291	78,291	78,291	78,291	67,409	67,409	67,409	67,446	67,446	67,446	67,446
<b>Rate Allowance</b>		93,512	93,512	93,512	93,512	93,512	93,512	93,512	93,512	93,512	93,512	93,512	93,512
<b>Monthly Deferred Amount</b>		(15,221)	(15,221)	(15,221)	(15,221)	(15,221)	(26,103)	(26,103)	(26,103)	(26,066)	(26,066)	(26,066)	(26,066)
<b>Cumulative Deferred</b>		(714,250)	(729,471)	(744,692)	(759,912)	(775,133)	(790,354)	(816,456)	(842,559)	(868,662)	(894,728)	(920,793)	(946,859)

	Beq Balance 4/30/2012	5/30/2012	6/30/2012	7/30/2012	8/30/2012	9/30/2012	10/30/2012	11/30/2012	12/30/2012	1/30/2013	2/28/2013	3/30/2013	4/30/2013
<b>Pension Expense Per Actuary Report</b>		86,980	86,980	86,980	86,980	86,980	71,881	71,881	71,881	71,881	71,881	71,881	71,881
Less:													
Capitalized		18,088	18,088	18,088	18,088	18,088	14,948	14,948	14,948	13,050	13,050	13,050	13,050
Transferred Out		1,446	1,446	1,446	1,446	1,446	1,195	1,195	1,195	-	-	-	-
<b>Sub Total</b>		19,534	19,534	19,534	19,534	19,534	16,143	16,143	16,143	13,050	13,050	13,050	13,050
<b>Net Actuarial Pension</b>		67,446	67,446	67,446	67,446	67,446	55,739	55,739	55,739	58,832	58,832	58,832	58,832
<b>Rate Allowance</b>		61,250	61,250	61,250	61,250	61,250	61,250	61,250	61,250	61,250	61,250	61,250	61,250
<b>Monthly Deferred Amount</b>		6,197	6,197	6,197	6,197	6,197	(5,511)	(5,511)	(5,511)	(2,418)	(2,418)	(2,418)	(2,418)
<b>Cumulative Deferred</b>		(972,925)	(966,728)	(960,532)	(954,335)	(948,138)	(941,942)	(947,453)	(952,964)	(958,475)	(960,893)	(963,311)	(965,730)

	Beq Balance 4/30/2013	5/30/2013	6/30/2013	7/30/2013	8/30/2013	9/30/2013	10/30/2013	11/30/2013	12/30/2013	1/30/2014	2/28/2014	3/30/2014	4/30/2014
<b>Pension Expense Per Actuary Report</b>		71,881	71,881	71,881	71,881	71,881	53,123	53,123	53,123	53,123	53,123	53,123	53,123
Less:													
Capitalized		13,050	13,050	13,050	13,050	13,050	9,644	9,644	9,644	9,312	9,312	9,312	9,312
Transferred Out		-	-	-	-	-	-	-	-	162	162	162	162
<b>Sub Total</b>		13,050	13,050	13,050	13,050	13,050	9,644	9,644	9,644	9,475	9,475	9,475	9,475
<b>Net Actuarial Pension</b>		58,832	58,832	58,832	58,832	58,832	43,479	43,479	43,479	43,649	43,649	43,649	43,649
<b>Rate Allowance</b>		61,067	61,067	61,067	61,067	61,067	61,067	61,067	61,067	61,067	61,067	61,067	61,067
<b>Monthly Deferred Amount</b>		(2,235)	(2,235)	(2,235)	(2,235)	(2,235)	(17,588)	(17,588)	(17,588)	(17,419)	(17,419)	(17,419)	(17,419)
<b>Cumulative Deferred</b>		(968,148)	(970,383)	(972,619)	(974,854)	(977,089)	(979,325)	(996,913)	(1,014,501)	(1,032,089)	(1,049,508)	(1,066,926)	(1,084,345)

	Beq Balance 4/30/2014	5/30/2014	6/30/2014	7/30/2014	8/30/2014	9/30/2014	10/30/2014	11/30/2014	12/30/2014	1/30/2015	2/28/2015	3/30/2015	4/30/2015
<b>Pension Expense Per Actuary Report</b>		53,123	53,123	53,123	53,123	53,123	61,500	61,500	61,500	61,500	61,500	61,500	61,500
Less:													
Capitalized		9,312	9,312	9,312	9,312	9,312	10,781	10,781	10,781	11,685	11,685	11,685	11,685
Transferred Out		162	162	162	162	162	188	188	188	73	73	73	73
<b>Sub Total</b>		9,475	9,475	9,475	9,475	9,475	10,969	10,969	10,969	11,758	11,758	11,758	11,758
<b>Net Actuarial Pension</b>		43,649	43,649	43,649	43,649	43,649	50,531	50,531	50,531	49,742	49,742	49,742	49,742
<b>Rate Allowance</b>		60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871
<b>Monthly Deferred Amount</b>		(17,223)	(17,223)	(17,223)	(17,223)	(17,223)	(10,341)	(10,341)	(10,341)	(11,130)	(11,130)	(11,130)	(11,130)
<b>Cumulative Deferred</b>		(1,101,763)	(1,118,986)	(1,136,209)	(1,153,432)	(1,170,655)	(1,187,878)	(1,198,219)	(1,208,559)	(1,218,900)	(1,230,030)	(1,241,159)	(1,252,289)

	Beq Balance 4/30/2015	5/30/2015	6/30/2015	7/30/2015	8/30/2015	9/30/2015	10/30/2015	11/30/2015	12/30/2015	1/30/2016	2/29/2016	3/30/2016	4/30/2016
<b>Pension Expense Per Actuary Report</b>		61,500	61,500	61,500	61,500	61,500	82,176	82,176	82,176	82,176	82,176	82,176	82,176
Less:													
Capitalized		11,685	11,685	11,685	11,685	11,685	15,613	15,613	15,613	15,613	15,613	15,613	15,613
Transferred Out		73	73	73	73	73	97	97	97	97	97	97	97
<b>Sub Total</b>		11,758	11,758	11,758	11,758	11,758	15,711	15,711	15,711	15,711	15,711	15,711	15,711
<b>Net Actuarial Pension</b>		49,742	49,742	49,742	49,742	49,742	66,466	66,466	66,466	66,466	66,466	66,466	66,466
<b>Rate Allowance</b>		60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871
<b>Monthly Deferred Amount</b>		(11,130)	(11,130)	(11,130)	(11,130)	(11,130)	5,594	5,594	5,594	5,594	5,594	5,594	5,594
<b>Cumulative Deferred</b>		(1,263,418)	(1,274,548)	(1,285,677)	(1,296,807)	(1,307,937)	(1,319,066)	(1,331,472)	(1,343,878)	(1,356,284)	(1,368,689)	(1,381,095)	(1,393,501)

Corning  
OPEB

Expense per Actuary	Labor Cap Rate			Transferred Out			Rate Allowance		
10/1/10 - 9/30/11	7.976	2011	20.8% est	2011	1.7% est	5/1/10 - 4/30/11	63.563		
10/1/11 - 9/30/12	19.793	2012	20.8%	2012	1.7%	5/1/11 - 4/30/12	63.800		
10/1/12 - 9/30/13	51.513	2013	18.2%	2013	0.0%	5/1/12 - 4/30/13	84.352		
10/1/13 - 9/30/14	48.348	2014	17.5%	2014	0.3%	5/1/13 - 4/30/14	112.177		
10/1/14 - 9/30/15	65.298	2015	19.0%	2015	0.12%	5/1/14 - 4/30/15	112.695		
10/1/15 - 9/30/16	73.295	2016	19.0% est	2016	0.12% est	5/1/15 - 4/30/16	112.695		
						5/1/16 - 4/30/17	112.695		

	Beq Balance 12/31/2010	1/30/2011	3/1/2011	3/31/2011	4/30/2011
<b>OPEB Expense Per Actuary Report</b>		665	665	665	665
Less:					
Capitalized		138	138	138	138
Transferred Out		11	11	11	11
<b>Sub Total</b>		150	150	150	150
<b>Net Actuarial OPEB</b>		515	515	515	515
<b>Rate Allowance</b>		5.297	5.297	5.297	5.297
<b>Monthly Deferred Amount</b>		(4.782)	(4.782)	(4.782)	(4.782)
<b>Cumulative Deferred</b>		99.650	94.868	90.086	85.305

	Beq Balance 4/30/2011	5/31/2011	6/30/2011	7/31/2011	8/31/2011	9/30/2011	10/31/2011	11/30/2011	12/31/2011	1/31/2012	2/29/2012	3/31/2012	4/30/2012
<b>OPEB Expense Per Actuary Report</b>		665	665	665	665	665	1,649	1,649	1,649	1,649	1,649	1,649	1,649
Less:													
Capitalized		138	138	138	138	138	343	343	343	343	343	343	343
Transferred Out		11	11	11	11	11	28	28	28	27	27	27	27
<b>Sub Total</b>		150	150	150	150	150	371	371	371	370	370	370	370
<b>Net Actuarial OPEB</b>		515	515	515	515	515	1,278	1,278	1,278	1,279	1,279	1,279	1,279
<b>Rate Allowance</b>		5.317	5.317	5.317	5.317	5.317	5.317	5.317	5.317	5.317	5.317	5.317	5.317
<b>Monthly Deferred Amount</b>		(4.802)	(4.802)	(4.802)	(4.802)	(4.802)	(4.038)	(4.038)	(4.038)	(4.038)	(4.038)	(4.038)	(4.038)
<b>Cumulative Deferred</b>		80.523	75.721	70.920	66.118	61.317	56.515	52.477	48.438	44.400	40.362	36.325	32.287

	Beq Balance 4/30/2012	5/30/2012	6/30/2012	7/30/2012	8/30/2012	9/30/2012	10/30/2012	11/30/2012	12/30/2012	1/30/2013	2/28/2013	3/30/2013	4/30/2013
<b>OPEB Expense Per Actuary Report</b>		1,649	1,649	1,649	1,649	1,649	4,293	4,293	4,293	4,293	4,293	4,293	4,293
Less:													
Capitalized		343	343	343	343	343	893	893	893	779	779	779	779
Transferred Out		27	27	27	27	27	71	71	71	-	-	-	-
<b>Sub Total</b>		370	370	370	370	370	964	964	964	779	779	779	779
<b>Net Actuarial OPEB</b>		1,279	1,279	1,279	1,279	1,279	3,329	3,329	3,329	3,513	3,513	3,513	3,513
<b>Rate Allowance</b>		7.029	7.029	7.029	7.029	7.029	7.029	7.029	7.029	7.029	7.029	7.029	7.029
<b>Monthly Deferred Amount</b>		(5.750)	(5.750)	(5.750)	(5.750)	(5.750)	(3.701)	(3.701)	(3.701)	(3.516)	(3.516)	(3.516)	(3.516)
<b>Cumulative Deferred</b>		28.249	22.489	16.749	10.998	5.248	(502)	(4.203)	(7.904)	(11.604)	(15.120)	(18.636)	(22.152)

	Beq Balance 4/30/2013	5/30/2013	6/30/2013	7/30/2013	8/30/2013	9/30/2013	10/30/2013	11/30/2013	12/30/2013	1/30/2014	2/28/2014	3/30/2014	4/30/2014
<b>OPEB Expense Per Actuary Report</b>		4,293	4,293	4,293	4,293	4,293	4,029	4,029	4,029	4,029	4,029	4,029	4,029
Less:													
Capitalized		779	779	779	779	779	731	731	731	706	706	706	706
Transferred Out		-	-	-	-	-	-	-	-	12	12	12	12
<b>Sub Total</b>		779	779	779	779	779	731	731	731	719	719	719	719
<b>Net Actuarial OPEB</b>		3,513	3,513	3,513	3,513	3,513	3,298	3,298	3,298	3,310	3,310	3,310	3,310
<b>Rate Allowance</b>		9.348	9.348	9.348	9.348	9.348	9.348	9.348	9.348	9.348	9.348	9.348	9.348
<b>Monthly Deferred Amount</b>		(5.835)	(5.835)	(5.835)	(5.835)	(5.835)	(6.050)	(6.050)	(6.050)	(6.038)	(6.038)	(6.038)	(6.038)
<b>Cumulative Deferred</b>		(25.688)	(31.503)	(37.337)	(43.172)	(49.007)	(54.841)	(60.692)	(66.542)	(72.393)	(78.244)	(84.095)	(89.946)

	Beq Balance 4/30/2014	5/30/2014	6/30/2014	7/30/2014	8/30/2014	9/30/2014	10/30/2014	11/30/2014	12/30/2014	1/30/2015	2/28/2015	3/30/2015	4/30/2015
<b>OPEB Expense Per Actuary Report</b>		4,029	4,029	4,029	4,029	4,029	5,442	5,442	5,442	5,442	5,442	5,442	5,442
Less:													
Capitalized		706	706	706	706	706	954	954	954	1,034	1,034	1,034	1,034
Transferred Out		12	12	12	12	12	17	17	17	6	6	6	6
<b>Sub Total</b>		719	719	719	719	719	971	971	971	1,040	1,040	1,040	1,040
<b>Net Actuarial OPEB</b>		3,310	3,310	3,310	3,310	3,310	4,471	4,471	4,471	4,401	4,401	4,401	4,401
<b>Rate Allowance</b>		9.391	9.391	9.391	9.391	9.391	9.391	9.391	9.391	9.391	9.391	9.391	9.391
<b>Monthly Deferred Amount</b>		(6.081)	(6.081)	(6.081)	(6.081)	(6.081)	(4.920)	(4.920)	(4.920)	(4.990)	(4.990)	(4.990)	(4.990)
<b>Cumulative Deferred</b>		(97.143)	(103.224)	(109.305)	(115.386)	(121.467)	(127.548)	(133.629)	(139.710)	(145.791)	(151.872)	(157.953)	(164.034)

	Beq Balance 4/30/2015	5/30/2015	6/30/2015	7/30/2015	8/30/2015	9/30/2015	10/30/2015	11/30/2015	12/30/2015	1/30/2016	2/29/2016	3/30/2016	4/30/2016
<b>OPEB Expense Per Actuary Report</b>		5,442	5,442	5,442	5,442	5,442	6,108	6,108	6,108	6,108	6,108	6,108	6,108
Less:													
Capitalized		1,034	1,034	1,034	1,034	1,034	1,160	1,160	1,160	1,160	1,160	1,160	1,160
Transferred Out		6	6	6	6	6	7	7	7	7	7	7	7
<b>Sub Total</b>		1,040	1,040	1,040	1,040	1,040	1,168	1,168	1,168	1,168	1,168	1,168	1,168
<b>Net Actuarial OPEB</b>		4,401	4,401	4,401	4,401	4,401	4,940	4,940	4,940	4,940	4,940	4,940	4,940
<b>Rate Allowance</b>		9.391	9.391	9.391	9.391	9.391	9.391	9.391	9.391	9.391	9.391	9.391	9.391
<b>Monthly Deferred Amount</b>		(4.990)	(4.990)	(4.990)	(4.990)	(4.990)	(4.451)	(4.451)	(4.451)	(4.451)	(4.451)	(4.451)	(4.451)
<b>Cumulative Deferred</b>		(162.289)	(167.259)	(172.229)	(177.199)	(182.169)	(187.139)	(192.109)	(197.079)	(202.049)	(207.019)	(211.989)	(216.959)

Exhibit AAE-2

Affiliate Allocation Supporting Workpapers

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Land	1389.01	155,732.56	Williams Street	
	1389.11	<u>233,732.18</u>	Riverside	
		389,464.74		
Facilities	1390.01	299,644.51		
	1390.03	196,439.12		
	1390.04	17,946.88		
	1390.07	303,575.55		
	1390.11	3,110,029.48		
	1390.12	169,535.10		
	1390.13	675,932.84		
	1390.14	<u>87,378.11</u>		
		4,860,481.59		
Depreciation	1390.90	(71,691.89)		120,271
	1390.92	(687,436.99)		530,223
	1390.93	(630,801.49)		338,872
	1390.94	(30,514.53)		
	1390.95	(16,487.76)		
	1390.96	(96,804.67)		
	1390.97	(341,994.25)		
	1390.98	(42,555.94)		
	1390.99	<u>(70,790.45)</u>		
		(1,989,077.98)		

Exhibit CNG-4  
Schedule 2  
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<u>Square Footage %</u>		47559.11
West William Street Office	43.08%	19989.43
Operations Facility	<u>56.92%</u>	3160.69
	100.00%	70709.24

		Corning						Subsidiary
		Natural	Pike	Pike	LCG	LCG	Allocation	
		Gas	Electric	Gas	PA	NY		
Allocators	A	70.92%	17.73%	8.87%	1.77%	0.71%	29.08% Number of accounts payable documents processed during the preceding year ended December 31	
	B	72.07%	22.01%	3.77%	2.16%	0.00%	27.93% Total payroll cost distributed during the preceding year ended December 31	
	C	66.93%	20.06%	2.68%	10.03%	0.30%	33.07% Total fixed assets during the preceding year ended December 31	
	D	66.50%	26.78%	4.74%	1.98%	0.01%	33.50% Average of plant, revenues and payroll expense for the preceding year ended December 31st.	
	E	80.75%	14.63%	4.62%	0.00%	0.00%	19.25% The sum of the total income and total deductions as reported for Federal Income	
	F	58.69%	17.85%	3.31%	18.89%	1.26%	41.31% Total capital expenditures plus total operating expenses less purchased gas and electric expense, for the preceding year end	
	G	67.26%	28.27%	4.47%	0.00%	0.00%	32.74% Customer service allocation	
	H	20%	69.68%	10.92%	0.00%	0.00%	80.00% Direct charge Plus	
	I		8.63%	1.36%			Officer Direct Charge	

Twelve Months Ended May 31, 2018

		Corning						Total	Check
		Natural	Pike	Pike	LCG	LCG			
		Gas	Electric	Gas	PA	NY			
Accountant 1	C	54,921	36,759	11,018	1,471	5,506	166	54,921	-
Accountant 2	E	59,310	47,895	8,676	2,740	-	-	59,310	-
AP Clerk	A	32,504	23,052	5,763	2,882	576	231	32,504	-
H.R. Manager	B	54,315	39,144	11,953	2,046	1,172	-	54,315	-
LT Manager	D	45,671	45,671	18,390	3,255	1,360	5	68,681	-
Marketing Rep	D	38,763	25,777	10,379	1,837	767	3	38,763	-
Regulatory Accountant A	D	55,601	36,973	14,888	2,635	1,101	4	55,601	-
Regulatory Accountant B	D	67,140	44,646	17,978	3,182	1,329	5	67,140	-
Engineering Manager	D	111,924	74,427	29,969	5,304	2,216	8	111,924	-
Field Tech 1	D	46,799	31,120	12,531	2,218	927	3	46,799	-
Field Tech 2	D	60,577	40,283	16,220	2,871	1,199	4	60,577	-
Mapping Tech	D	54,091	35,969	14,484	2,563	1,071	4	54,091	-
Safety Supervisor	D	80,126	53,282	21,455	3,797	1,586	6	80,126	-
Training Technician	D	61,108	40,635	16,362	2,896	1,210	4	61,108	-
QA/QC/GPS Tech	D	50,923	33,863	13,635	2,413	1,008	4	50,923	-
Business Analyst	D	54,549	36,274	14,606	2,585	1,080	4	54,549	-
Customer Service Manager	G	71,617	48,170	20,246	3,201	-	-	71,617	-
Customer Service Rep.	G	37,683	25,346	10,653	1,684	-	-	37,683	-
Billing Clerk 2	H	-	-	25,559	4,041	-	-	29,600	(29,600)
Billing Clerk 1	G	43,388	29,183	12,266	1,939	-	-	43,388	-
Switchboard	G	29,293	19,703	8,281	1,309	-	-	29,293	-
Collections	G	34,878	23,459	9,860	1,559	-	-	34,878	-
CEO	D	181,864	120,935	48,697	8,618	3,601	13	181,864	-
VP Administration	D	133,974	89,090	35,873	6,349	2,652	10	133,974	-
VP Finance	D	141,550	94,128	37,902	6,708	2,802	10	141,550	-
VP Marketing	D	131,349	87,344	35,171	6,224	2,601	9	131,349	-
VP Operations	D	136,181	90,557	36,464	6,453	2,696	10	136,181	-
Engineer	D	86,569	57,567	23,180	4,102	1,714	6	86,569	-
Human Resources Specialist	B	48,886	35,231	10,758	1,842	1,054	-	48,886	-
Accountant 3	D	50,923	33,863	13,635	2,413	1,008	4	50,923	-
Accountant 4	D	50,923	33,863	13,635	2,413	1,008	4	50,923	-
SCADA Tech	F	50,433	29,599	9,002	1,669	9,527	636	50,433	-
		2,180,843	1,463,807	589,494	105,219	50,772	1,151	2,210,443	(29,600)
Amount Chg.			1,777,138						
Payroll			(313,331)					746,636	4,616,790
									16.17%
<b>Accounts Payable</b>									<b>Twelve Months Ended</b>
Corp/SEC	D	142,418	94,705	38,135	6,749	2,820	10	142,418	-
Director Expenses	D	29,086	19,342	7,788	1,378	576	2	29,086	-
Directors Fees	D	141,750	94,261	37,956	6,717	2,806	10	141,750	-
		313,255	208,307	83,879	14,844	6,202	23	313,255	-
<b>Amount Charged</b>									<b>Twelve Months Ended</b>
Corp/SEC			136,722						<b>May 31, 2018</b>
Director Expenses			27,923						1,632
Directors Fees			136,080						1,187
			300,724						3,957
			(92,417)						4,539
Payroll			(313,331)						11,315
Fringe Benefit			(154,552)						
Leatherstocking Re-classed			(11,315)						
Accounts Payable			(92,417)						
			(571,616)						
Less Amount Charged			116,299						
Payroll			57,365						
Fringe Benefit			-						
Other			173,664						
			(397,952)						

Twelve Months Ended May 31, 2019

Payroll	Allocation Factor	Total	Corning					Total	Check
			Natural Gas	Electric	Pike Gas	Pike PA	LCG NY		
Accountant 1	C	56,185	37,606	11,272	1,505	5,633	170	56,185	-
Accountant 2	E	60,598	48,935	8,864	2,799	-	-	60,598	-
AP Clerk	A	33,255	23,585	5,896	2,948	590	236	33,255	-
H.R. Manager	B	55,846	40,247	12,290	2,104	1,205	-	55,846	-
I.T. Manager	D	70,616	46,958	18,909	3,346	1,398	5	70,616	-
Marketing Rep	D	40,009	26,605	10,713	1,896	792	3	40,009	-
Regulatory Accountant A	D	57,269	38,083	15,335	2,714	1,134	4	57,269	-
Regulatory Accountant B	D	69,046	45,914	18,488	3,272	1,367	5	69,046	-
Engineering Manager	D	115,065	75,516	30,810	5,453	2,278	8	115,065	-
Field Tech 1	D	48,203	32,054	12,907	2,284	954	3	48,203	-
Field Tech 2	D	62,395	41,491	16,707	2,957	1,235	4	62,395	-
Mapping Tech	D	55,714	37,049	14,918	2,640	1,103	4	55,714	-
Safety Supervisor	D	82,479	54,847	22,085	3,908	1,633	6	82,479	-
Training Technician	D	62,941	41,854	16,853	2,983	1,246	5	62,941	-
QA/QC/GPS Tech	D	52,451	34,879	14,044	2,485	1,038	4	52,451	-
Business Analyst	D	56,185	37,362	15,044	2,662	1,112	4	56,185	-
Customer Service Manager	G	76,097	51,183	21,513	3,402	-	-	76,097	-
Customer Service Rep.	G	38,814	26,106	10,973	1,735	-	-	38,814	-
Billing Clerk 2	H	-	-	25,559	4,041	-	-	29,600	(29,600)
Billing Clerk 1	G	44,689	30,058	12,634	1,998	-	-	44,689	-
Switchboard	G	30,172	20,294	8,530	1,349	-	-	30,172	-
Collections	G	35,925	24,163	10,156	1,606	-	-	35,925	-
CEO	D	187,320	124,563	50,158	8,877	3,709	13	187,320	-
VP Administration	D	137,750	91,601	36,885	6,528	2,727	10	137,750	-
VP Finance	D	145,555	96,791	38,974	6,897	2,882	10	145,555	-
VP Marketing	D	135,039	89,798	36,159	6,399	2,674	10	135,039	-
VP Operations	D	140,038	93,122	37,497	6,636	2,773	10	140,038	-
Engineer	D	89,166	59,294	23,876	4,225	1,765	6	89,166	-
Human Resources Specialist	B	50,353	36,288	11,081	1,897	1,086	-	50,353	-
Accountant 3	D	52,451	34,879	14,044	2,485	1,038	4	52,451	-
Accountant 4	D	52,451	34,879	14,044	2,485	1,038	4	52,451	-
SCADA Tech	F	51,946	30,487	9,272	1,719	9,813	655	51,946	-
Amount Chg.		2,246,024	1,507,489	606,491	108,237	52,224	1,183	2,275,624	(29,600)
Payroll			1,830,253						
			(322,764)						
<b>Accounts Payable</b>									
Corp/SEC	D	142,418	94,705	38,135	6,749	2,820	10	142,418	
Director Expenses	D	29,086	19,342	7,788	1,378	576	2	29,086	
Directors Fees	D	141,750	94,261	37,956	6,717	2,806	10	141,750	
		313,255	208,307	83,879	14,844	6,202	23	313,255	
<b>Amount Charged</b>									
Corp/SEC			136,722						
Director Expenses			27,923						
Directors Fees			136,080						
			300,724						
			(92,417)						
Payroll			(322,764)						
Fringe Benefit			(159,205)						
Leatherstocking Re-classed			(11,597)						
Accounts Payable			(92,417)						
			(585,983)						
Less Amount Charged									
Payroll			119,788						
Accounts Payable			59,086						
Other			-						
			178,874						
			(407,109)						

	Twelve Months Ended	
	May 31, 2019	
Reclassification		
Property Taxes	Exhibit CNG-3 Schedule 2	1,754
Building Service	Exhibit CNG-5 Schedule 10	1,187
Transportation	Exhibit CNG-5 Schedule 11	4,031
Outside Services	Exhibit CNG-5 Schedule 12	4,625
Current Allocation Re-Classed		11,597

Twelve Months Ended May 31, 2020

Payroll	Allocation Factor	Total	Cornning					Total	Check
			Natural Gas	Electric	Pike Gas	Pike PA	LCG NY		
Accountant 1	C	57,871	38,734	11,610	1,550	5,802	175	57,871	-
Accountant 2	E	62,316	50,322	9,115	2,879	-	-	62,316	-
AP Clerk	A	34,253	24,293	6,073	3,037	607	243	34,253	-
H.R. Manager	B	57,424	41,384	12,637	2,164	1,239	-	57,424	-
I.T. Manager	D	72,610	48,284	19,442	3,441	1,438	5	72,610	-
Marketing Rep	D	40,183	26,721	10,760	1,904	796	3	40,183	-
Regulatory Accountant A	D	58,987	39,225	15,795	2,795	1,168	4	58,987	-
Regulatory Accountant B	D	71,010	47,220	19,014	3,365	1,406	5	71,010	-
Engineering Manager	D	118,301	78,667	31,677	5,606	2,342	8	118,301	-
Field Tech 1	D	49,649	33,016	13,294	2,353	983	4	49,649	-
Field Tech 2	D	64,267	42,736	17,208	3,045	1,272	5	64,267	-
Mapping Tech	D	57,383	38,159	15,365	2,719	1,136	4	57,383	-
Safety Supervisor	D	84,903	56,458	22,734	4,023	1,681	6	84,903	-
Training Technician	D	64,829	43,110	17,359	3,072	1,284	5	64,829	-
QA/QC/GPS Tech	D	54,024	35,925	14,466	2,560	1,070	4	54,024	-
Business Analyst	D	57,871	38,483	15,496	2,742	1,146	4	57,871	-
Customer Service Manager	G	78,246	52,628	22,120	3,498	-	-	78,246	-
Customer Service Rep.	G	39,978	26,889	11,302	1,787	-	-	39,978	-
Billing Clerk 2	H	29,600	25,559	4,041	-	-	-	29,600	(29,600)
Billing Clerk 1	G	45,978	30,925	12,998	2,055	-	-	45,978	-
Switchboard	G	31,077	20,903	8,786	1,389	-	-	31,077	-
Collections	G	37,003	24,888	10,461	1,654	-	-	37,003	-
CEO	D	192,939	128,300	51,662	9,143	3,820	14	192,939	-
VP Administration	D	141,640	94,187	37,926	6,712	2,804	10	141,640	-
VP Finance	D	149,679	99,533	40,079	7,093	2,963	11	149,679	-
VP Marketing	D	138,840	92,325	37,176	6,579	2,749	10	138,840	-
VP Operations	D	144,011	95,764	38,561	6,824	2,851	10	144,011	-
Engineer	D	91,841	61,072	24,592	4,352	1,818	7	91,841	-
Human Resources Specialist	B	51,863	37,377	11,414	1,954	1,119	-	51,863	-
Accountant 3	D	54,024	35,925	14,466	2,560	1,070	4	54,024	-
Accountant 4	D	54,024	35,925	14,466	2,560	1,070	4	54,024	-
SCADA Tech	F	53,503	31,401	9,550	1,771	10,107	674	53,503	-
Amount Chg.		2,310,528	1,550,780	623,163	111,228	53,739	1,218	2,340,128	(29,600)
Payroll			<u>1,882,816.79</u>						
			(332,037)						
<b>Accounts Payable</b>									
Corp/SEC	D	142,418	94,705	38,135	6,749	2,820	10	142,418	-
Director Expenses	D	29,086	19,342	7,788	1,378	576	2	29,086	-
Directors Fees	D	141,750	94,261	37,956	6,717	2,806	10	141,750	-
Amount Charged		313,255	208,307	83,879	14,844	6,202	23	313,255	-
Corp/SEC			136,722						
Director Expenses			27,923						
Directors Fees			<u>136,080</u>						
			300,724						
			(92,417)						
Payroll			(332,037)						
Fringe Benefit			(163,779)						
Leatherstocking Re-classed			(11,887)						
Accounts Payable			<u>(92,417)</u>						
			(600,119)						
Less Amount Charged									
Payroll			108,270						
Accounts Payable			53,404						
Other			-						
			<u>161,674</u>						
			(438,445)						

		Twelve Months Ended	
		May 31, 2020	
Reclassification			
Property Taxes	Exhibit CNG-3 Schedule 2		1,886
Building Service	Exhibit CNG-5 Schedule 10		1,187
Transportation	Exhibit CNG-5 Schedule 11		4,105
Outside Services	Exhibit CNG-5 Schedule 12		4,709
Current Allocation Re-Classed			<u>11,887</u>

Account No	GL Type	Batch	Trans	Delta	Month	Date	Additional Description	Description	Current Debit	Current Cr/Alloc	Notes
10 930020/A/P		1510	9742	1	1/15/2015	Corp/SEC	FREED MA	23,640.00		HoldCo	Corp/SEC
10 930020/DR		1714	JE031	12	12/31/2015	Director Expenses	M&T Charg	98.24		HoldCo	Directors
10 930020/DR		1717	JE123	12	12/31/2015	Directors Fees	Directors F	31,197.60		HoldCo	Directors
10 930020/A/P		1510	9711	1	1/15/2015	Director Expenses	SLEVE, STA	2,218.93		HoldCo	Directors
10 930020/A/P		1918		12	12/31/2015	Corp/SEC	OTC MARK	-1,440.00		HoldCo	Corp/SEC
10 930020/A/P		1920		12	12/31/2015	Corp/SEC	NIXON PEA	2,027.43		HoldCo	Corp/SEC
10 930020/A/P		1510	9742	1	1/15/2015	Corp/SEC	FREED MA	8,736.00		HoldCo	Corp/SEC
10 930020/A/P		1528	9728	1	1/27/2015	Corp/SEC	COMPUTEI	464.45		HoldCo	Corp/SEC
10 930020/A/P		1543	9911	1	1/31/2015	Corp/SEC	NIXON PEA	4,248.56		HoldCo	Corp/SEC
10 930020/DR		921	JE031	1	1/31/2015	Director Expenses	M&T Charg	247.05		HoldCo	Directors
10 930020/A/P		1571	9898	2	2/28/2015	Corp/SEC	FREED MA	9,216.00		HoldCo	Corp/SEC
10 930020/A/P		1581	10035	2	2/26/2015	Director Expenses	RJOHNSTC	518.59		HoldCo	Directors
10 930020/DR		1661	JE031	11	11/30/2015	Director Expenses	M&T Charg	1,789.87		HoldCo	Directors
10 930020/A/P		1562	9987	2	2/27/2015	Director Expenses	COMPUTEI	1,843.08		HoldCo	Corp/SEC
10 930020/A/P		1888	12287	11	11/25/2015	Director Expenses	RADISSON	145.15		HoldCo	Directors
10 930020/A/P		1886	10014	2	2/27/2015	Director Expenses	WILLIAMSK	741.31		HoldCo	Directors
10 930020/A/P		1886		11	11/23/2015	Corp/SEC	OTC MARK	14,400.00		HoldCo	Corp/SEC
10 930020/A/P		1884	12074	11	11/19/2015	Director Expenses	GIBSON, TI	1,139.48		HoldCo	Directors
10 930020/A/P		1884	12053	11	11/19/2015	Corp/SEC	COMPUTEI	980.60		HoldCo	Corp/SEC
10 930020/A/P		1571	10163	2	2/28/2015	Corp/SEC	2014 Proxy	936.40		HoldCo	Corp/SEC
10 930020/A/P		1587	10084	2	2/28/2015	Director Expenses	GIBSON, TI	1,238.83		HoldCo	Directors
10 930020/A/P		1587	10124	2	2/28/2015	Director Expenses	SLEVE, STA	234.60		HoldCo	Directors
10 930020/A/P		1587	10172	2	2/28/2015	Corp/SEC	NIXON PEA	5,144.14		HoldCo	Corp/SEC
10 930020/DR		1635	JE031	10	10/31/2015	Director Expenses	M&T Charg	694.08		HoldCo	Directors
10 930020/DR		1631	JE129	10	10/31/2015	Director Expenses	Reverse N	-42.77		HoldCo	Corp/SEC
10 930020/A/P		1868	12034	10	10/30/2015	Director Expenses	WEGMANS	53.62		HoldCo	Directors
10 930020/DR		951	JE031	2	2/28/2015	Director Expenses	M&T Charg	855.43		HoldCo	Directors
10 930020/A/P		1868	12026	10	10/30/2015	Director Expenses	SLEVE, STA	382.38		HoldCo	Directors
10 930020/A/P		1868	12023	10	10/30/2015	Director Expenses	RADISSON	145.15		HoldCo	Directors
10 930020/A/P		1603	10170	3	3/23/2015	Corp/SEC	MULTI MEI	4,181.02		HoldCo	Directors
10 930020/A/P		1603	10191	3	3/23/2015	Corp/SEC	COMPUTEI	611.42		HoldCo	Corp/SEC
10 930020/A/P		1852	11958	10	10/27/2015	Corp/SEC	NIXON PEA	42.77		HoldCo	Corp/SEC
10 930020/A/P		1851	11903	10	10/26/2015	Director Expenses	RJOHNSTC	699.07		HoldCo	Directors
10 930020/A/P		1603	10229	3	3/23/2015	Corp/SEC	BROADRID	1,810.65		HoldCo	Corp/SEC
10 930020/A/P		1845	11809	10	10/20/2015	Corp/SEC	COMPUTEI	455.37		HoldCo	Corp/SEC
10 930020/A/P		1608	10250	3	3/30/2015	Corp/SEC	MEDIANT C	150.29		HoldCo	Corp/SEC
10 930020/A/P		1608	10254	3	3/30/2015	Corp/SEC	NIXON PEA	14,422.83		HoldCo	Corp/SEC
10 930020/DR		1602	JE129	9	9/30/2015	Corp/SEC	Accrue Nix	42.77		HoldCo	Corp/SEC
10 930020/DR		1574	JE031	9	9/30/2015	Director Expenses	M&T Charg	145.15		HoldCo	Directors
10 930020/DR		978	JE031	3	3/31/2015	Director Expenses	M&T Charg	786.18		HoldCo	Directors
10 930020/DR		1569	JE103	9	9/30/2015	Directors Fees	Directors F	30,240.00		HoldCo	Directors
10 930020/DR		980	JE114	3	3/31/2015	Directors Fees	CNG Share	37,800.00		HoldCo	Directors
10 930020/A/P		1611	10340	4	4/6/2015	Corp/SEC	Acct# 7731	9,600.00		HoldCo	Corp/SEC
10 930020/A/P		1613	10260	4	4/7/2015	Director Expenses	RJOHNSTC	576.35		HoldCo	Corp/SEC
10 930020/A/P		1629	10364	4	4/17/2015	Director Expenses	RADISSON	325.79		HoldCo	Directors
10 930020/A/P		1629	10364	4	4/17/2015	Director Expenses	RADISSON	160.20		HoldCo	Directors
10 930020/A/P		1807	11632	9	9/21/2015	Corp/SEC	COMPUTEI	455.40		HoldCo	Corp/SEC
10 930020/A/P		1629	10364	4	4/17/2015	Director Expenses	RADISSON	160.20		HoldCo	Directors
10 930020/A/P		1637	10395	4	4/24/2015	Director Expenses	GIBSON, TI	837.31		HoldCo	Directors
10 930020/A/P		1638	10416	4	4/27/2015	Director Expenses	CONNING F	16.15		HoldCo	Directors
10 930020/A/P		1640	10420	4	4/28/2015	Director Expenses	SLEVE, STA	273.13		HoldCo	Directors
10 930020/DR		1547	JE031	8	8/31/2015	Director Expenses	M&T Charg	1,732.13		HoldCo	Directors
10 930020/A/P		1644	10438	4	4/29/2015	Corp/SEC	COMPUTEI	3,241.94		HoldCo	Corp/SEC
10 930020/A/P		1644	10453	4	4/29/2015	Corp/SEC	KOHRMAN	1,582.47		HoldCo	Corp/SEC
10 930020/A/P		1644	10546	4	4/29/2015	Corp/SEC	BROADRID	36.34		HoldCo	Corp/SEC
10 930020/A/P		1644	10471	4	4/29/2015	Director Expenses	RADISSON	325.79		HoldCo	Corp/SEC
10 930020/A/P		1644	10458	4	4/29/2015	Corp/SEC	MEDIANT C	53.38		HoldCo	Corp/SEC
10 930020/A/P		1764	11259	8	8/17/2015	Corp/SEC	COMPUTEI	992.47		HoldCo	Corp/SEC
10 930020/A/P		1649	10464	4	4/30/2015	Corp/SEC	NIXON PEA	646.61		HoldCo	Corp/SEC
10 930020/A/P		1784	11399	8	8/1/2015	Director Expenses	GIBSON, TI	1,806.72		HoldCo	Directors
10 930020/A/P		1664	10504	4	4/30/2015	Corp/SEC	FREED MA	12,480.00		HoldCo	Corp/SEC
10 930020/DR		1335	JE031	7	7/31/2015	Director Expenses	M&T Charg	192.00		HoldCo	Directors
10 930020/DR		1015	JE031	4	4/30/2015	Director Expenses	M&T Charg	437.13		HoldCo	Directors
10 930020/A/P		1639	10605	5	5/1/2015	Corp/SEC	Audit & Sep	9,600.00		HoldCo	Corp/SEC
10 930020/A/P		1753	11239	7	7/31/2015	Director Expenses	RADISSON	149.45		HoldCo	Directors
10 930020/A/P		1753	11239	7	7/31/2015	Director Expenses	RADISSON	448.36		HoldCo	Directors
10 930020/A/P		1753	11239	7	7/31/2015	Director Expenses	RADISSON	149.45		HoldCo	Directors
10 930020/A/P		1753	11239	7	7/31/2015	Director Expenses	RADISSON	448.36		HoldCo	Directors
10 930020/A/P		1753	11239	7	7/31/2015	Director Expenses	RADISSON	149.45		HoldCo	Directors
10 930020/A/P		1753	11239	7	7/31/2015	Director Expenses	RADISSON	149.45		HoldCo	Directors
10 930020/A/P		1667	10551	5	5/13/2015	Corp/SEC	COMPUTEI	2,115.42		HoldCo	Corp/SEC
10 930020/A/P		1685	10774	5	5/30/2015	Corp/SEC	KOHRMAN	2,343.07		HoldCo	Corp/SEC
10 930020/A/P		1685	10817	5	5/30/2015	Corp/SEC	NIXON PEA	677.16		HoldCo	Corp/SEC
10 930020/A/P		1747	11128	7	7/27/2015	Director Expenses	WILLIAMSK	491.28		HoldCo	Directors
10 930020/A/P		1747	11070	7	7/27/2015	Corp/SEC	COMPUTEI	813.08		HoldCo	Corp/SEC
10 930020/A/P		1747	11110	7	7/27/2015	Director Expenses	RJOHNSTC	660.32		HoldCo	Directors
10 930020/A/P		1741	11034	7	7/20/2015	Director Expenses	GERMAN, I	68.84		HoldCo	Directors
10 930020/A/P		1722	10953	7	7/7/2015	Director Expenses	CONNING F	12.48		HoldCo	Directors
10 930020/A/P		1697	10796	5	5/31/2015	Director Expenses	WEGMANS	116.57		HoldCo	Directors
10 930020/DR		1044	JE031	5	5/31/2015	Director Expenses	M&T Charg	3,330.67		HoldCo	Directors
10 930020/A/P		1691	10774	6	6/11/2015	Corp/SEC	KOHRMAN	3,475.39		HoldCo	Corp/SEC
10 930020/DR		1147	JE119	6	6/30/2015	Directors Fees	Directors F	36,842.40		HoldCo	Directors
10 930020/DR		1338	JE031	6	6/30/2015	Director Expenses	M&T Charg	237.57		HoldCo	Directors
10 930020/A/P		1731	11052	6	6/30/2015	Corp/SEC	NIXON PEA	1,446.05		HoldCo	Corp/SEC
10 930020/A/P		1732	11018	6	6/30/2015	Director Expenses	WILLIAMSK	734.28		HoldCo	Directors
10 930020/A/P		1731	10979	6	6/30/2015	Corp/SEC	COMPUTEI	10,661.40		HoldCo	Corp/SEC

Additional Description	Values	Sum of Current Debit	Sum of Current Credits
Corp/SEC	151,121.58	(14,400.00)	136,721.58
Director Expenses	27,965.62	(42.77)	27,922.85
Directors Fees	136,080.00	-	136,080.00
Grand Total	315,167.20	(14,442.77)	300,724.43

96%	142,418.31
96%	29,086.30
96%	141,750.00
96%	313,254.61

Account Number	PSC Account No.	Trans Detail	Description	Date	Values			
					Sum of Opening Balance	Sum of Current Debit	Sum of Current Credits	Sum of Ending Balance
10 391010	Off Furn & Equip-Furniture	391		12/31/2014	287017.92			
10 391010	Off Furn & Equip-Furniture	391		12/31/2015				300657.22
10 391010	Off Furn & Equip-Furniture	391	Btch 163	Adjustment 2 Quarter 2015 FA	3/31/2015	0	701.99	0
10 391010	Off Furn & Equip-Furniture	391		CPR Install 2 Quarter 2015 FA	3/31/2015	0	6408.96	0
10 391010	Off Furn & Equip-Furniture	391	Btch 199	CPR Install 3RD QUARTER FA	6/30/2015	0	5150.5	0
10 391010	Off Furn & Equip-Furniture	391	Btch 212	CPR Install 4 Quarter FA Batc	9/30/2015	0	1377.85	0
10 391020	Off Furn & Equip-Machines	391		12/31/2014	124880.72			
10 391020	Off Furn & Equip-Machines	391		12/31/2015				135847.04
10 391020	Off Furn & Equip-Machines	391	Btch 163	CPR Install 2 Quarter 2015 FA	3/31/2015	0	183.6	0
10 391020	Off Furn & Equip-Machines	391	Btch 199	CPR Install 3RD QUARTER FA	6/30/2015	0	10782.72	0
10 391030	Off Furn & Equip-Computer	391		12/31/2014	2479312.17			
10 391030	Off Furn & Equip-Computer	391		12/31/2015				2549536.38
10 391030	Off Furn & Equip-Computer	391	Btch 163	Adjustment 2 Quarter 2015 FA	3/31/2015	0	528.11	0
10 391030	Off Furn & Equip-Computer	391		CPR Install 2 Quarter 2015 FA	3/31/2015	0	36789.24	0
10 391030	Off Furn & Equip-Computer	391	Btch 199	Adjustment 3RD QUARTER FA	6/30/2015	0	1946.28	0
10 391030	Off Furn & Equip-Computer	391		CPR Install 3RD QUARTER FA	6/30/2015	0	9822.44	0
10 391030	Off Furn & Equip-Computer	391	Btch 212	Adjustment 4 Quarter FA Batch	9/30/2015	0	11216.95	0
10 391030	Off Furn & Equip-Computer	391		CPR Install 4 Quarter FA Batc	9/30/2015	0	3376.65	0
10 391030	Off Furn & Equip-Computer	391	Btch 227	CPR Install misc batch for de	12/31/2015	0	6544.54	0
10 391900	Acc Dep fice Furn/Equip-Comp	391		12/31/2014	-156930.17			
10 391900	Acc Dep fice Furn/Equip-Comp	391		12/31/2015				-171116.69
10 391900	Acc Dep fice Furn/Equip-Comp	391	JE064	Depreciation expense	9/30/2015	0	0	-14155.31
10 391900	Acc Dep fice Furn/Equip-Comp	391	JE143	Acc Dep fice Furn/Equip-Comp	12/31/2014	0	0	-31.21
10 391910	Acc Dep f Furn/Eq-Stware	391		12/31/2014	-378307.52			
10 391910	Acc Dep f Furn/Eq-Stware	391		12/31/2015				-513716.47
10 391910	Acc Dep f Furn/Eq-Stware	391	JE064	Depreciation expense	12/31/2014	0	0	-135408.95
10 391920	Acc Dep f Furn/Equip-Furn	391		12/31/2014	-277054.05			
10 391920	Acc Dep f Furn/Equip-Furn	391		12/31/2015				-297678.66
10 391920	Acc Dep f Furn/Equip-Furn	391	JE064	Depreciation expense	12/31/2015	0	0	-20624.61
10 391930	Acc Dep f Furn/Equip-Machines	391		12/31/2014	-72140.12			
11 391930	Acc Dep f Furn/Equip-Machines	391		12/31/2015				-81571.88
12 391930	Acc Dep f Furn/Equip-Machines	391	JE064	Depreciation expense	12/31/2015	0	0	-8431.76
Grand Total					2006778.95	94829.63	-179651.84	1921956.94
Row Labels		Sum of Sum of Opening Balance	Sum of Sum of Current Debit	Sum of Sum of Current Credits	Sum of Sum of Ending Balance			
10 391010	Off Furn & Equip-Furniture	287,017.92	13,639.30	-	300,657.22			
10 391020	Off Furn & Equip-Machines	124,880.72	10,966.32	-	135,847.04			
10 391030	Off Furn & Equip-Computer	2,479,312.17	70,224.21	-	2,549,536.38			
Grand Total		2,891,210.81	94,829.83	-	2,986,040.64			
Row Labels		Sum of Sum of Opening Balance	Sum of Sum of Current Debit	Sum of Sum of Current Credits	Sum of Sum of Ending Balance			
10 391900	Acc Dep fice Furn/Equip-Comp	(156,930.17)	-	(14,186.52)	(171,116.69)			
10 391910	Acc Dep f Furn/Eq-Stware	(378,307.52)	-	(135,408.95)	(513,716.47)			
10 391920	Acc Dep f Furn/Equip-Furn	(277,054.05)	-	(20,624.61)	(297,678.66)			
10 391930	Acc Dep f Furn/Equip-Machines	(72,140.12)	-	-	(81,571.88)			
12 391930	Acc Dep f Furn/Equip-Machines	-	-	(9,431.76)	-			
Grand Total		(884,431.86)	-	(179,651.84)	(1,064,083.70)			

**Corning Natural Gas  
Affiliate Allocation Credit  
Comparison - Company to Staff**

<b>O&amp;M Allocation Credit:</b>	<b>Company</b>	<b>Esposito</b>
Payroll costs	197,032	661,331
Fringe Benefits	97,187	344,802
LNG-NY	11,315	-
Accounts Payable	92,417	394,457
Property Taxes	-	20,712
Subtotal - O&M Credits	397,952	1,421,302
Leatherstocking Gas - Other O&M	71,742	-
<b>Total O&amp;M Allocation Credit:</b>	<b>469,694</b>	<b>1,421,302</b>
<b>Rate Base Allocation Credit:</b>		
Land, Office Space, etc.	439,072	1,102,417
Capitalized payroll	-	155,127
Capitalized fringe	-	80,879
<b>Total Rate Base Allocation Credit:</b>	<b>439,072</b>	<b>1,338,423</b>



**Corning Natural Gas  
Affiliate Allocation Credit  
Summary**

**Calculation per Esposito Testimony**

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**Payroll Allocation**

Total payroll to be allocated	2,462,269
Allocated to Corning	1,645,811
<hr/>	
Adj to payroll	(816,458)
Expense Ratio	81%
Adj to Expense	(661,331)
Adj to Capital	(155,127)

**Fringe Allocation**

Fringe benefit rate	52%
Adj to fringe	(425,681)
Expense Ratio	81%
Adj to Expense	(344,802)
Adj to Capital	(80,879)

**AP Allocation**

Total AP to be allocated	1,155,204
Allocated to Corning	760,747
<hr/>	
Adj for AP	(394,457)

**Other Taxes**

Property Taxes	(20,712)
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**Rate Base Allocation**

Plant, furniture, etc.	(1,102,417)
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Total adj to expense per Staff	(1,421,302)
Total adj to expense per Company	(469,694)
<hr/>	
<b>Net Adjustment to Expense</b>	<b>(951,608)</b>

Total adj to capital per Staff	(1,338,423)
Total adj to capital per Company	(439,072)
<hr/>	
<b>Net Adjustment to Capital</b>	<b>(899,351)</b>

**Corning Natural Gas**  
**Affiliate Allocation Credit**  
**Payroll Costs**

<u>Position</u>	<u>Total</u>	<u>Allocation Factor - Per Co</u>	<u>Allocation Factor - Per Staff</u>	<u>Allocated to Corning per Company</u>	<u>Allocated to Corning per Staff</u>
Accountant 1	54,921	C	C	36,759	36,871
Accountant 2	59,310	E	E	47,895	47,895
AP Clerk	32,504	A	A	23,052	23,052
H.R. Manager	54,315	B	B	39,144	35,255
I.T. Manager	68,681	D	D	45,671	45,838
Marketing Rep	38,763	D	D	25,777	25,489
Regulatory Accountant A	55,601	D	D	36,973	37,108
Regulatory Accountant B	67,140	D	D	44,646	44,809
Engineering Manager	111,924	D	C	74,427	75,140
Field Tech 1	46,799	D	C	31,120	31,418
Field Tech 2	60,577	D	C	40,283	40,668
Mapping Tech	54,091	D	C	35,969	36,314
Safety Supervisor	80,126	D	D	53,282	53,477
Training Technician	61,108	D	D	40,635	40,784
QA/QC/GPS Tech	50,923	D	D	33,863	33,986
Business Analyst	54,549	D	D	36,274	36,406
Customer Service Manager	71,617	G	G	48,170	47,093
Customer Service Rep.	37,683	G	G	25,346	24,779
Billing Clerk 2	29,600	H	G	-	19,464
Billing Clerk 1	43,388	G	G	29,183	28,531
Switchboard	29,293	G	G	19,703	19,262
Collections	34,878	G	G	23,459	22,935
CEO	181,864	D	D	120,935	121,377
VP Administration	133,974	D	D	89,090	89,415
VP Finance	141,550	D	D	94,128	94,472
VP Marketing	131,349	D	D	87,344	87,663
VP Operations	136,181	D	D	90,557	90,888
Engineer	86,569	D	C	57,567	58,118
Human Resources Specialist	48,886	B	B	35,231	31,731
Accountant 3	50,923	D	D	33,863	33,986
Accountant 4	50,923	D	D	33,863	33,986
SCADA Tech	50,433	F	F	29,237	28,728
C.S. Representative 2	30,310		G	-	19,931
Cashier 1	27,950		A	-	19,822
Cashier 2	28,041		A	-	19,887
Customer Service Rep	29,756		G	-	19,567
Junior Billing Clerk	29,059		G	-	19,108
Operations Clerk	39,218		D	-	26,174
Billing Clerk	37,683		G	-	24,779
C.S. Representative 1	29,809		G	-	19,602
	<b>2,462,269</b>			<b>1,463,445</b>	<b>1,645,811</b>

**Corning Natural Gas**  
**Affiliate Allocation Credit**  
**AP Costs**

<u>ITEM</u>	Per "Other O&M-2" Rate Year 5/31/2018	Allocated to Corning per Company	Allocated to Corning per Staff
401(K) Employer Contribution	88,073		57,167
Communication / Internet	87,353		56,699
Director Expenses	62,484	18,168	41,702
Directors Fees	104,882	32,232	69,999
Electricity	51,391		33,357
Janitorial / Waste Removal	42,234		27,413
Office Expense	81,183		52,694
Office Supplies	50,548		32,810
Payroll Ancillary Costs	29,041		18,850
Petty Cash	37,438		24,987
Temporary Help	98,501		63,935
Water & Sewer	5,432		3,526
Life Insurance	15,269		9,911
Software Main Costs	109,060		72,788
Floor Mats	12,590		8,403
Admin Fees	124,791	42,017	83,286
HAS Benefit Plan	9,935		6,448
Annual Maint. For GIS / Forms Software	20,000		13,348
Information Technology Upgrades (Cyber S	100,000		66,741
Annual Maint. Of Cyber Security Plan	25,000		16,685
	1,155,204	92,417	760,747

**Corning Natural Gas  
Affiliate Allocation Credit  
Property Taxes and Plant**

**Space Allocation**

Total Sq feet in Building	42,426	A
Sq Ft Allocated to Corning	33,972	A
% Allocated to Corning	80%	

**Property Taxes Allocation**

Forecast Allocation of Space	20%
Hist forecast allocation of space	1.57%
Increase factor	12.69
RY Allocation in Model	1,632
Allocation Should be	20,712

**Rate Base Allocation**

Building in Rate Base	4,949,093	B
Amount Allocated to Corning	3,846,677	B
Adjustment	1,102,417	



A	<u>First Floor- 1 Story</u>	<u>Total</u> <u>Square Feet</u>	<u>Allocate to Corning</u> <u>Per Staff</u>	<u>Square Feet</u> <u>Alloc. To</u> <u>Corning - Per Staff</u>
	Display Area	1,134	66.74%	757
	Customer Service Manager	100	66.74%	67
	Customer Service Rep.	100	66.74%	67
	Billing Clerk 2	100	66.74%	67
	Billing Clerk 1	100	66.74%	67
	Switchboard	100	66.74%	67
	Collections	100	66.74%	67
	Cust. Service Reps.	128	66.74%	85
	Cashier Area	112	66.74%	75
	Entry Area	104	66.74%	69
	Cust. Waiting Area	120	66.74%	80
	Common Area	556	66.74%	371
	Morse	150	66.74%	100
	Beer	156	66.74%	104
	Open Office Area	144	66.74%	96
	Open Office Area	126	66.74%	84
	Utility Room	90	66.74%	60
	IT Manger	144	66.74%	96
	Open Office Space	1,173	66.74%	783
	Open Office Area	126	66.74%	84
	Computer	203	66.74%	135
	Mail Room	225	66.74%	150
	Restrooms	105	66.74%	70
	Common Area	597	66.74%	398
	<u>Second Floor</u>			
	Hallway	91	66.74%	61
	Field Tech 2	148	66.74%	99
	Business Analyst	100	66.74%	67
	Mapping Tech	100	66.74%	67
	Compliance Manager	150	66.74%	100
	Field Tech 1	200	66.74%	133
	SCADA Tech	100	66.74%	67
	Accountant	100	66.74%	67
	Accounts Payable Clerk	100	66.74%	67
	Marketing Rep	100	66.74%	67
	Safety Supervisor	170	66.74%	113
	VP Administration	185	66.74%	123
	VP Marketing and Supply	170	66.74%	113
	Accountant	154	66.74%	103
	CEO	310	66.74%	207
	Accountant	139	66.74%	93
	Human Resources Mgr.	154	66.74%	103
	Gas Supply	154	66.74%	103
	VP Finance	200	66.74%	133
	VP Gas Operations	200	66.74%	133
	Kitchen	170	66.74%	113
	Accountant (2)	262	66.74%	175
	Conference Room	324	66.74%	216
	Visitor Waiting Room	440	66.74%	294
	Corridors & Misc.	693	66.74%	463
	Copier Room	173	66.74%	115
	Restrooms	245	66.74%	164
	Janitor's Closet	33	66.74%	22
	Elevators& Stairwell	544	66.74%	363

<b>First Floor -Operations</b>			
Kitchen	280	100%	280
<b>Office Area</b>			
Spear	228	100%	228
Perry-Cac	228	100%	228
Thompson-CAC	228	100%	228
DiNardo & Haynes	228	100%	228
Philips	166	100%	166
Map Room	263	100%	263
Community Meeting Room	1,230	66.74%	821
CAC Operations Room	451	100%	451
Restrooms	192	100%	192
Locker Room	174	100%	174
Common Area	834	100%	834
Mechanical Rooms & Stairwell	836	66.74%	558
Elevator & Connecting Link	682	66.74%	455
Entry Area	180	66.74%	120
Restrooms	174	66.74%	116
<b>Operations Center</b>			
Parking Garage	7,665	66.74%	5,116
Vehicle Repair Garage	1,332	100%	1,332
Main Warehouse	7,128	100%	7,128
Welding Shop	754	100%	754
Meter Shop	754	100%	754
Document Storage Area	784	66.74%	523
Parts Room	625	100%	625
Emp. Conf./Write up Area	497	66.74%	332
Restroom	135	66.74%	90
PSC Inspector Office	143	100%	143
Receiving Area	1,708	100%	1,708
Work Shop	962	100%	962
Parking/ Work Area	1,332	66.74%	889
Mechanical Room	331	100%	331
	42,426		33,972

<b>Rate Year</b>	<b>Net Plant</b>	<b>Allocate to Corning</b>	
		<b>Per Staff</b>	<b>Plant to allocate to Corning - Per Staff</b>
Land	155,733	66.74%	103,937.05
West William Street Office	1,236,925	66.74%	825,532.64
Operations Facility	1,634,479	100%	1,634,478.79
10 391010 Off Furn & Equip-Furnitur	2,979	66.74%	1,987.91
10 391020 Off Furn & Equip-Machine	54,275	66.74%	36,223.64
10 391030 Off Furn & Equip-Comput	1,864,703	66.74%	1,244,516.51
<b>Total</b>	<b>4,949,093</b>		<b>3,846,677</b>
			0.78

Exhibit AAE-3

Compilation of Other Supporting Workpapers

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**Corning Natural Gas  
Property Tax Workpaper  
Staff EO Adjustment**

	<b>EO Adjustment</b>
Actual Property Taxes - TME 12/31/15	2,147,769
Special Franchise %	55.07%
Special Franchise Property Taxes	\$ 1,182,766
Intangible Property (5%)	59,138
Tax Amount Applicable to EO	1,123,627
Effective EO Rate	12.50%
Potential Decrease	140,453
Net Factor to Reflect Rate Increase	99.46%
Amount of EO that S/B in HTY (at 2016 rate)	\$ 139,695
Amount of EO in HTY (1/2 of school award)	
School Special Franchise	616,147
Total Special Franchise	1,072,986
School %	57%
Full Year School EO	80,218
50% in HTY	40,109
Adjustment	(99,586)

**Corning Natural Gas  
Pension/OPEB  
Rate Year Forecast**

	<b>Per Company Rate Year <u>May 31, 2018</u></b>	<b>Staff <u>Adj</u></b>	<b>Per Staff Rate Year <u>May 31, 2018</u></b>
<b><u>Pension</u></b>			
Current Cost to be Recovered	\$ 1,067,583	(192,850)	874,733
Amortization of Under-Collection	-	(255,981)	(255,981)
<b>Total Pension Expenses</b>	<b>1,067,583</b>	<b>(448,831)</b>	<b>618,752</b>
<b><u>OPEB</u></b>			
Current Cost to be Recovered	68,571	(9,850)	58,721
Amortization of Over-Collection	25,584	(69,259)	(43,675)
<b>Total OPEB Expenses</b>	<b>94,155</b>	<b>(79,109)</b>	<b>15,046</b>



**Corning Natural Gas  
Pension Deferral Calculation**

<u>Expense per Actuary</u>		<u>Labor Cap Rate</u>		<u>Transferred Out</u>		<u>Rate Allowance</u>	
						5/1/10 - 4/30/11	1,118,730
10/1/10 - 9/30/11	1,212,252	2011	20.8%	2011	1.7%	5/1/11 - 4/30/12	1,122,144
10/1/11 - 9/30/12	1,043,758	2012	20.8%	2012	1.7%	5/1/12 - 4/30/13	734,996
10/1/12 - 9/30/13	862,576	2013	18.2%	2013	0.0%	5/1/13 - 4/30/14	732,805
10/1/13 - 9/30/14	637,478	2014	17.5%	2014	0.3%	5/1/14 - 4/30/15	730,458
10/1/14 - 9/30/15	737,994	2015	19.0%	2015	0.12%	5/1/15 - 4/30/16	730,458
10/1/15 - 9/30/16	986,115	2016	19.0%	2016	0.12%	5/1/16 - 4/30/17	730,458

	<u>Beg Balance</u> 12/31/2010	1/31/2011	2/28/2011	3/31/2011	4/30/2011
<b>Pension Expense Per Actuary Report</b>		101,021	101,021	101,021	101,021
<b>Less:</b>					
Capitalized		21,012	21,012	21,012	21,012
Transferred Out		1,717	1,717	1,717	1,717
<b>Sub Total</b>		22,730	22,730	22,730	22,730
<b>Net Actuarial Pension</b>		78,291	78,291	78,291	78,291
<b>Rate Allowance</b>		93,228	93,228	93,228	93,228
<b>Monthly Deferred Amount</b>		(14,936)	(14,936)	(14,936)	(14,936)
<b>Cumulative Deferred</b>		(654,505)	(669,441)	(684,377)	(699,314)

	<u>Beg Balance</u> 4/30/2011	5/31/2011	6/30/2011	7/31/2011	8/31/2011	9/30/2011	10/31/2011	11/30/2011	12/31/2011	1/31/2012	2/29/2012	3/31/2012	4/30/2012
<b>Pension Expense Per Actuary Report</b>		101,021	101,021	101,021	101,021	101,021	86,980	86,980	86,980	86,980	86,980	86,980	86,980
<b>Less:</b>													
Capitalized		21,012	21,012	21,012	21,012	21,012	18,092	18,092	18,092	18,088	18,088	18,088	18,088
Transferred Out		1,717	1,717	1,717	1,717	1,717	1,479	1,479	1,479	1,446	1,446	1,446	1,446
<b>Sub Total</b>		22,730	22,730	22,730	22,730	22,730	19,570	19,570	19,570	19,534	19,534	19,534	19,534
<b>Net Actuarial Pension</b>		78,291	78,291	78,291	78,291	78,291	67,409	67,409	67,409	67,446	67,446	67,446	67,446
<b>Rate Allowance</b>		93,512	93,512	93,512	93,512	93,512	93,512	93,512	93,512	93,512	93,512	93,512	93,512
<b>Monthly Deferred Amount</b>		(15,221)	(15,221)	(15,221)	(15,221)	(15,221)	(26,103)	(26,103)	(26,103)	(26,066)	(26,066)	(26,066)	(26,066)
<b>Cumulative Deferred</b>		(714,250)	(729,471)	(744,692)	(759,912)	(775,133)	(790,354)	(816,456)	(842,559)	(868,662)	(894,728)	(920,793)	(946,859)

	<u>Beg Balance</u> 4/30/2012	5/30/2012	6/30/2012	7/30/2012	8/30/2012	9/30/2012	10/30/2012	11/30/2012	12/30/2012	1/30/2013	2/28/2013	3/30/2013	4/30/2013
<b>Pension Expense Per Actuary Report</b>		86,980	86,980	86,980	86,980	86,980	71,881	71,881	71,881	71,881	71,881	71,881	71,881
<b>Less:</b>													
Capitalized		18,088	18,088	18,088	18,088	18,088	14,948	14,948	14,948	13,050	13,050	13,050	13,050
Transferred Out		1,446	1,446	1,446	1,446	1,446	1,195	1,195	1,195	-	-	-	-
<b>Sub Total</b>		19,534	19,534	19,534	19,534	19,534	16,143	16,143	16,143	13,050	13,050	13,050	13,050
<b>Net Actuarial Pension</b>		67,446	67,446	67,446	67,446	67,446	55,739	55,739	55,739	58,832	58,832	58,832	58,832
<b>Rate Allowance</b>		61,250	61,250	61,250	61,250	61,250	61,250	61,250	61,250	61,250	61,250	61,250	61,250
<b>Monthly Deferred Amount</b>		6,197	6,197	6,197	6,197	6,197	(5,511)	(5,511)	(5,511)	(2,418)	(2,418)	(2,418)	(2,418)
<b>Cumulative Deferred</b>		(972,925)	(966,728)	(960,532)	(954,335)	(948,138)	(941,942)	(947,453)	(952,964)	(958,475)	(960,893)	(963,311)	(965,730)

	Beg Balance 4/30/2013	5/30/2013	6/30/2013	7/30/2013	8/30/2013	9/30/2013	10/30/2013	11/30/2013	12/30/2013	1/30/2014	2/28/2014	3/30/2014	4/30/2014
<b>Pension Expense Per Actuary Report</b>		71,881	71,881	71,881	71,881	71,881	53,123	53,123	53,123	53,123	53,123	53,123	53,123
<b>Less:</b>													
Capitalized		13,050	13,050	13,050	13,050	13,050	9,644	9,644	9,644	9,312	9,312	9,312	9,312
Transferred Out		-	-	-	-	-	-	-	-	162	162	162	162
<b>Sub Total</b>		13,050	13,050	13,050	13,050	13,050	9,644	9,644	9,644	9,475	9,475	9,475	9,475
<b>Net Actuarial Pension</b>		58,832	58,832	58,832	58,832	58,832	43,479	43,479	43,479	43,649	43,649	43,649	43,649
<b>Rate Allowance</b>		61,067	61,067	61,067	61,067	61,067	61,067	61,067	61,067	61,067	61,067	61,067	61,067
<b>Monthly Deferred Amount</b>		(2,235)	(2,235)	(2,235)	(2,235)	(2,235)	(17,588)	(17,588)	(17,588)	(17,419)	(17,419)	(17,419)	(17,419)
<b>Cumulative Deferred</b>	(968,148)	(970,383)	(972,619)	(974,854)	(977,089)	(979,325)	(996,913)	(1,014,501)	(1,032,089)	(1,049,508)	(1,066,926)	(1,084,345)	(1,101,763)

	Beg Balance 4/30/2014	5/30/2014	6/30/2014	7/30/2014	8/30/2014	9/30/2014	10/30/2014	11/30/2014	12/30/2014	1/30/2015	2/28/2015	3/30/2015	4/30/2015
<b>Pension Expense Per Actuary Report</b>		53,123	53,123	53,123	53,123	53,123	61,500	61,500	61,500	61,500	61,500	61,500	61,500
<b>Less:</b>													
Capitalized		9,312	9,312	9,312	9,312	9,312	10,781	10,781	10,781	11,685	11,685	11,685	11,685
Transferred Out		162	162	162	162	162	188	188	188	73	73	73	73
<b>Sub Total</b>		9,475	9,475	9,475	9,475	9,475	10,969	10,969	10,969	11,758	11,758	11,758	11,758
<b>Net Actuarial Pension</b>		43,649	43,649	43,649	43,649	43,649	50,531	50,531	50,531	49,742	49,742	49,742	49,742
<b>Rate Allowance</b>		60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871
<b>Monthly Deferred Amount</b>		(17,223)	(17,223)	(17,223)	(17,223)	(17,223)	(10,341)	(10,341)	(10,341)	(11,130)	(11,130)	(11,130)	(11,130)
<b>Cumulative Deferred</b>	(1,101,763)	(1,118,986)	(1,136,209)	(1,153,432)	(1,170,655)	(1,187,878)	(1,198,219)	(1,208,559)	(1,218,900)	(1,230,030)	(1,241,159)	(1,252,289)	(1,263,418)

	Beg Balance 4/30/2015	5/30/2015	6/30/2015	7/30/2015	8/30/2015	9/30/2015	10/30/2015	11/30/2015	12/30/2015	1/30/2016	2/29/2016	3/30/2016	4/30/2016
<b>Pension Expense Per Actuary Report</b>		61,500	61,500	61,500	61,500	61,500	82,176	82,176	82,176	82,176	82,176	82,176	82,176
<b>Less:</b>													
Capitalized		11,685	11,685	11,685	11,685	11,685	15,613	15,613	15,613	15,613	15,613	15,613	15,613
Transferred Out		73	73	73	73	73	97	97	97	97	97	97	97
<b>Sub Total</b>		11,758	11,758	11,758	11,758	11,758	15,711	15,711	15,711	15,711	15,711	15,711	15,711
<b>Net Actuarial Pension</b>		49,742	49,742	49,742	49,742	49,742	66,466	66,466	66,466	66,466	66,466	66,466	66,466
<b>Rate Allowance</b>		60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871	60,871
<b>Monthly Deferred Amount</b>		(11,130)	(11,130)	(11,130)	(11,130)	(11,130)	5,594	5,594	5,594	5,594	5,594	5,594	5,594
<b>Cumulative Deferred</b>	(1,263,418)	(1,274,548)	(1,285,677)	(1,296,807)	(1,307,937)	(1,319,066)	(1,313,472)	(1,307,878)	(1,302,284)	(1,296,689)	(1,291,095)	(1,285,501)	(1,279,907)

5 Year Amort (255,981)

**Corning Natural Gas  
OPEB Deferral Calculation**

<u>Expense per Actuary</u>		<u>Labor Cap Rate</u>		<u>Transferred Out</u>		<u>Rate Allowance</u>	
10/1/10 - 9/30/11	7,976	2011	20.8%	2011	1.7%	5/1/10 - 4/30/11	63,563
10/1/11 - 9/30/12	19,793	2012	20.8%	2012	1.7%	5/1/11 - 4/30/12	63,800
10/1/12 - 9/30/13	51,513	2013	18.2%	2013	0.0%	5/1/12 - 4/30/13	84,352
10/1/13 - 9/30/14	48,348	2014	17.5%	2014	0.3%	5/1/13 - 4/30/14	112,177
10/1/14 - 9/30/15	65,298	2015	19.0%	2015	0.12%	5/1/14 - 4/30/15	112,695
10/1/15 - 9/30/16	73,295	2016	19.0%	2016	0.12%	5/1/15 - 4/30/16	112,695
						5/1/16 - 4/30/17	112,695

	<u>Beg Balance</u> <u>12/31/2010</u>	<u>1/30/2011</u>	<u>3/1/2011</u>	<u>3/31/2011</u>	<u>4/30/2011</u>
<b>OPEB Expense Per Actuary Report</b>		665	665	665	665
<b>Less:</b>					
Capitalized		138	138	138	138
Transferred Out		11	11	11	11
<b>Sub Total</b>		150	150	150	150
<b>Net Actuarial OPEB</b>		515	515	515	515
<b>Rate Allowance</b>		5,297	5,297	5,297	5,297
<b>Monthly Deferred Amount</b>		(4,782)	(4,782)	(4,782)	(4,782)
<b>Cumulative Deferred</b>		99,650	94,868	90,086	85,305

	<u>Beg Balance</u> <u>4/30/2011</u>	<u>5/31/2011</u>	<u>6/30/2011</u>	<u>7/31/2011</u>	<u>8/31/2011</u>	<u>9/30/2011</u>	<u>10/31/2011</u>	<u>11/30/2011</u>	<u>12/31/2011</u>	<u>1/31/2012</u>	<u>2/29/2012</u>	<u>3/31/2012</u>	<u>4/30/2012</u>
<b>OPEB Expense Per Actuary Report</b>		665	665	665	665	665	1,649	1,649	1,649	1,649	1,649	1,649	1,649
<b>Less:</b>													
Capitalized		138	138	138	138	138	343	343	343	343	343	343	343
Transferred Out		11	11	11	11	11	28	28	28	27	27	27	27
<b>Sub Total</b>		150	150	150	150	150	371	371	371	370	370	370	370
<b>Net Actuarial OPEB</b>		515	515	515	515	515	1,278	1,278	1,278	1,279	1,279	1,279	1,279
<b>Rate Allowance</b>		5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317	5,317
<b>Monthly Deferred Amount</b>		(4,802)	(4,802)	(4,802)	(4,802)	(4,802)	(4,038)	(4,038)	(4,038)	(4,038)	(4,038)	(4,038)	(4,038)
<b>Cumulative Deferred</b>	80,523	75,721	70,920	66,118	61,317	56,515	52,477	48,438	44,400	40,362	36,325	32,287	28,249

	<u>Beg Balance</u> <u>4/30/2012</u>	<u>5/30/2012</u>	<u>6/30/2012</u>	<u>7/30/2012</u>	<u>8/30/2012</u>	<u>9/30/2012</u>	<u>10/30/2012</u>	<u>11/30/2012</u>	<u>12/30/2012</u>	<u>1/30/2013</u>	<u>2/28/2013</u>	<u>3/30/2013</u>	<u>4/30/2013</u>
<b>OPEB Expense Per Actuary Report</b>		1,649	1,649	1,649	1,649	1,649	4,293	4,293	4,293	4,293	4,293	4,293	4,293
<b>Less:</b>													
Capitalized		343	343	343	343	343	893	893	893	779	779	779	779
Transferred Out		27	27	27	27	27	71	71	71	-	-	-	-
<b>Sub Total</b>		370	370	370	370	370	964	964	964	779	779	779	779
<b>Net Actuarial OPEB</b>		1,279	1,279	1,279	1,279	1,279	3,329	3,329	3,329	3,513	3,513	3,513	3,513
<b>Rate Allowance</b>		7,029	7,029	7,029	7,029	7,029	7,029	7,029	7,029	7,029	7,029	7,029	7,029
<b>Monthly Deferred Amount</b>		(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(3,701)	(3,701)	(3,701)	(3,516)	(3,516)	(3,516)	(3,516)
<b>Cumulative Deferred</b>	28,249	22,499	16,749	10,998	5,248	(502)	(4,203)	(7,904)	(11,604)	(15,120)	(18,636)	(22,152)	(25,668)

	Beg Balance												
	4/30/2013	5/30/2013	6/30/2013	7/30/2013	8/30/2013	9/30/2013	10/30/2013	11/30/2013	12/30/2013	1/30/2014	2/28/2014	3/30/2014	4/30/2014
<b>OPEB Expense Per Actuary Report</b>		4,293	4,293	4,293	4,293	4,293	4,029	4,029	4,029	4,029	4,029	4,029	4,029
<b>Less:</b>													
Capitalized		779	779	779	779	779	731	731	731	706	706	706	706
Transferred Out		-	-	-	-	-	-	-	-	12	12	12	12
<b>Sub Total</b>		<u>779</u>	<u>779</u>	<u>779</u>	<u>779</u>	<u>779</u>	<u>731</u>	<u>731</u>	<u>731</u>	<u>719</u>	<u>719</u>	<u>719</u>	<u>719</u>
<b>Net Actuarial OPEB</b>		3,513	3,513	3,513	3,513	3,513	3,298	3,298	3,298	3,310	3,310	3,310	3,310
<b>Rate Allowance</b>		9,348	9,348	9,348	9,348	9,348	9,348	9,348	9,348	9,348	9,348	9,348	9,348
<b>Monthly Deferred Amount</b>		(5,835)	(5,835)	(5,835)	(5,835)	(5,835)	(6,050)	(6,050)	(6,050)	(6,038)	(6,038)	(6,038)	(6,038)
<b>Cumulative Deferred</b>		<u>(25,668)</u>	<u>(31,503)</u>	<u>(37,337)</u>	<u>(43,172)</u>	<u>(49,007)</u>	<u>(60,892)</u>	<u>(66,942)</u>	<u>(72,993)</u>	<u>(79,030)</u>	<u>(85,068)</u>	<u>(91,106)</u>	<u>(97,143)</u>

	Beg Balance												
	4/30/2014	5/30/2014	6/30/2014	7/30/2014	8/30/2014	9/30/2014	10/30/2014	11/30/2014	12/30/2014	1/30/2015	2/28/2015	3/30/2015	4/30/2015
<b>OPEB Expense Per Actuary Report</b>		4,029	4,029	4,029	4,029	4,029	5,442	5,442	5,442	5,442	5,442	5,442	5,442
<b>Less:</b>													
Capitalized		706	706	706	706	706	954	954	954	1,034	1,034	1,034	1,034
Transferred Out		12	12	12	12	12	17	17	17	6	6	6	6
<b>Sub Total</b>		<u>719</u>	<u>719</u>	<u>719</u>	<u>719</u>	<u>719</u>	<u>971</u>	<u>971</u>	<u>971</u>	<u>1,040</u>	<u>1,040</u>	<u>1,040</u>	<u>1,040</u>
<b>Net Actuarial OPEB</b>		3,310	3,310	3,310	3,310	3,310	4,471	4,471	4,471	4,401	4,401	4,401	4,401
<b>Rate Allowance</b>		9,391	9,391	9,391	9,391	9,391	9,391	9,391	9,391	9,391	9,391	9,391	9,391
<b>Monthly Deferred Amount</b>		(6,081)	(6,081)	(6,081)	(6,081)	(6,081)	(4,920)	(4,920)	(4,920)	(4,990)	(4,990)	(4,990)	(4,990)
<b>Cumulative Deferred</b>		<u>(97,143)</u>	<u>(103,224)</u>	<u>(109,305)</u>	<u>(115,386)</u>	<u>(121,467)</u>	<u>(132,468)</u>	<u>(137,388)</u>	<u>(142,308)</u>	<u>(147,299)</u>	<u>(152,289)</u>	<u>(157,279)</u>	<u>(162,269)</u>

	Beg Balance												
	4/30/2015	5/30/2015	6/30/2015	7/30/2015	8/30/2015	9/30/2015	10/30/2015	11/30/2015	12/30/2015	1/30/2016	2/29/2016	3/30/2016	4/30/2016
<b>OPEB Expense Per Actuary Report</b>		5,442	5,442	5,442	5,442	5,442	6,108	6,108	6,108	6,108	6,108	6,108	6,108
<b>Less:</b>													
Capitalized		1,034	1,034	1,034	1,034	1,034	1,160	1,160	1,160	1,160	1,160	1,160	1,160
Transferred Out		6	6	6	6	6	7	7	7	7	7	7	7
<b>Sub Total</b>		<u>1,040</u>	<u>1,040</u>	<u>1,040</u>	<u>1,040</u>	<u>1,040</u>	<u>1,168</u>	<u>1,168</u>	<u>1,168</u>	<u>1,168</u>	<u>1,168</u>	<u>1,168</u>	<u>1,168</u>
<b>Net Actuarial OPEB</b>		4,401	4,401	4,401	4,401	4,401	4,940	4,940	4,940	4,940	4,940	4,940	4,940
<b>Rate Allowance</b>		9,391	9,391	9,391	9,391	9,391	9,391	9,391	9,391	9,391	9,391	9,391	9,391
<b>Monthly Deferred Amount</b>		(4,990)	(4,990)	(4,990)	(4,990)	(4,990)	(4,451)	(4,451)	(4,451)	(4,451)	(4,451)	(4,451)	(4,451)
<b>Cumulative Deferred</b>		<u>(162,269)</u>	<u>(167,259)</u>	<u>(172,249)</u>	<u>(177,239)</u>	<u>(182,229)</u>	<u>(187,219)</u>	<u>(191,670)</u>	<u>(196,121)</u>	<u>(200,572)</u>	<u>(205,023)</u>	<u>(209,475)</u>	<u>(213,926)</u>

5 Year Amort

(43,675)

STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST

Case 15-G-0382  
St. Lawrence Gas Company, Inc.  
Gas Rates

Request No. : DPS-175  
Requested By: Staff  
Witness: Gaines  
Date of Request:  
Response Date: July 10, 2015  
Subject: Rate case expense

175. Provide the amount of forecasted rate case expense, how it was calculated, and how it compares to expenses actually incurred in prior rate cases.

See '175 Rate Case Expense 2015 vs 2008'. The forecasted rate case expense for Case 15-G-0382 includes expense for a Marginal COS study and a Depreciation study as required in the Joint Proposal in Case 08-G-1392. These costs were not incurred in Case 08-G-1392. The Company will provide updates to the rate case expense in Case 15-G-0382 through the end of the rate case.

## ST. LAWRENCE GAS COMPANY, INC.

Rate Case Expense - \$200,000

Case 08-G-1392

	2008	2009	2010	Total
Legal - Rich May	8,736.00	67,828.69		76,564.69
Mercer Consulting - OPEB external funding	6,283.00	18,872.00		25,155.00
Haynes & Boone - Legal OPEB ext. funding	-	6,706.20		6,706.20
Cost of Service - AUS Consulting	18,087.50	2,400.00		20,487.50
Cost of Capital - EGD	-	24,122.72		24,122.72
PricewaterhouseCoopers	875.00	7,500.00		8,375.00
Hotels, meals, travel expense	60.00	5,997.71		6,057.71
Supplies, postage, legal ads, conf. calls, etc	1,147.60	758.59	545.15	2,451.34
	35,189.10	134,185.91	545.15	169,920.16
Accumulated Balance		169,375.01	169,920.16	
Allowed in Rates				\$200,000.00
We are still incurring legal and consulting fees for externally funding the OPEBs reserved				\$ (30,079.84)

ST. LAWRENCE GAS COMPANY, INC.  
Rate Case Expense - \$250,000  
2015

	2011	2012	2013	2014	01/01/2015 - 5/31/2016	Total	
Legal - Rich May					80,000.00	80,000.00	
Mercer Consulting - OPEB					2,977.00	2,977.00	
Dorsa - Pension					1,500.00	1,500.00	
Accounting Cost of Service - MAC Consulting					25,000.00	25,000.00	
Marginal Cost of Service - MAC Consulting					30,000.00	30,000.00	
Depreciation Study - MAC Consulting	29,239.08	-	0	0	25,000.00	54,239.08	
Rate Design - MAC Consulting					4,000.00	4,000.00	
Direct Testimony - MAC Consulting					6,000.00	6,000.00	
MAC Consulting - Miscellaneous					9,500.00	9,500.00	99,500.00
S. Gaines					35,000.00	35,000.00	
Hotels, meals, travel expense					6,000.00	6,000.00	
Supplies, postage, legal ads, conf. calls, etc.					2,500.00	2,500.00	
	29,239.08	-	-	-	227,477.00	256,716.08	
Accumulated Balance		29,239.08	29,239.08	29,239.08	256,716.08		
Estimate for Rate Case						\$ 250,000.00	
						\$ 6,716.08	