

**Corning Natural Gas Corporation**  
**Impact of Tax Cuts and Jobs Act of 2017**  
**Summary**

<b>Summary</b>	<b>Rate Change</b> <b>10/1/18</b>	<b>Rate Change</b> <b>10/1/19</b>
Protected Amount (Tax Depreciation)	(5,494,772)	(3,496,673)
Unprotected (Other Timing Differences) Compressor	1,415,658	900,873
Unprotected (Other Timing Differences)-All Other	362,820	230,885
Deferred Tax Reserve Not Subject to Base Rates	(216,787)	(72,262)
Amount of Revenue Requirement Deferred to 9/30/18	(671,893)	-
Amount of Revenue Requirement Eligible for Sur Credit at 10/1/18	(937,255)	(643,669)
	<u>(5,542,229)</u>	<u>(3,080,846)</u>

		Amortization Period	10/1/2018/ to 9/30/2019 Rate Change 10/1/18	10/1/2019 to 9/30/2020 Rate Change 10/1/19	Total
<b><u>Impact Blend Rate to 9/30/2018</u></b>					
Protected Amount (Tax Depreciation)	(5,494,772)	51	(107,740.62)	(107,740.62)	(215,481.24)
Unprotected (Other Timing Differences) Compressor	1,415,658	51	27,757.99	27,757.99	55,515.99
Unprotected (Other Timing Differences)-All Other	362,820	3	120,939.99	120,939.99	241,879.98
Deferred Tax Reserve Not Subject to Base Rates	(216,787)	3	(72,262.23)	(72,262.23)	(144,524.46)
Amount of Revenue Requirement Deferred to 9/30/18	(671,893)	3	(223,964.35)	(223,964.35)	(447,928.70)
Amount of Revenue Requirement Eligible for Sur Credit at 10/1/18	(937,255)	3	(312,418.28)	(312,418.28)	(624,836.56)
	<u>(5,542,229)</u>		<u>(567,687.50)</u>	<u>(567,687.50)</u>	<u>(1,135,375.00)</u>
<b><u>Incremental Amount Blended Rate to Statutory Rate of 21%</u></b>					
Protected Amount (Tax Depreciation)	(3,496,673)	51	-	(68,562.21)	(68,562.21)
Unprotected (Other Timing Differences) Compressor	900,873	51	-	17,664.18	17,664.18
Unprotected (Other Timing Differences)-All Other	230,885	3	-	76,961.81	76,961.81
Deferred Tax Reserve Not Subject to Base Rates	(72,262)	3	-	(24,087.41)	(24,087.41)
Amount of Revenue Requirement Eligible for Sur Credit at 10/1/19	(643,669)	3	-	(214,556.45)	(214,556.45)
	<u>(3,080,846)</u>		-	<u>(212,580.08)</u>	<u>(212,580.08)</u>
			<u>(567,687.50)</u>	<u>(780,267.58)</u>	<u>(1,347,955.08)</u>
			15,242,482	16,842,140	16,042,311
Delivery Revenue			25,363,882	26,963,540	26,163,711
Total Revenues					
% on					
Delivery Revenue			-3.72%	-4.63%	-8.40%
Total Revenues			-2.24%	-2.89%	-5.15%

**Corning Natural Gas Corporation**  
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**Revenue Requirement Analysis**

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	Twelve Months Ended May 31, 2018					
	Rate Year Per JP	Rate Increase	RY1 Total			
<b>Operating Income Before Income Taxes</b>	\$ 2,029,714	2,981,684	\$ 5,011,398			
SIT Current	150,060	(193,809)	(43,749)			
Interest Expense	(915,158)		(915,158)			
Amort of Excess Book Depr Reserve	(151,619)		(151,619)			
ADR Normalized	18,094		18,094			
ACRS Normalized	(2,935,265)		(2,935,265)			
Amortization of Matrix Incentive	31,857		31,857			
Rate Case 2011	-		-			
Rate Case 2016	95,184		95,184			
Rate Case 2008	-		-			
Other Surcharges applied to Plant	176,735		176,735			
Deferred Net Plant Due	(24,629)		(24,629)			
Book Depreciation -includes clearing accounts	2,053,102	-	2,053,102			
<b>Total Adjustments for Taxable Income</b>	(1,501,639)	(193,809)	(1,695,448)			
Tax Income	528,075	2,787,875	3,315,950			
Rate	34.00%	34.00%	34.00%			
<b>Current Federal Income Tax</b>	<b>\$ 179,546</b>	<b>\$ 947,878</b>	<b>\$ 1,127,423</b>	84.07%	\$ 947,809	\$ (179,614)
			1,127,423			
<b>Provision for Deferred Tax</b>						
ADR Normalized	(6,152)		(6,152)			
ACRS Normalized	299,935		299,935			
Amortization of Matrix Incentive	(10,831)		(10,831)			
Rate Case Cost 2011	-		-			
Rate Case 2008	(0)		(0)			
Other Surcharges Applied to Plant	(60,090)		(60,090)			
Deferred Net Plant Due	8,374		8,374			
Rate Case 2016	(32,363)		(32,363)			
Account 410 Compressor & Dalrmp	166,383		166,383			
Account 411 Compressor & Dalrmp	(116,573)		(116,573)			
<b>Total Deferred FIT</b>	<b>\$ 248,682</b>	<b>\$ 248,682</b>	<b>\$ 248,682</b>	84.07%	\$ 209,064	\$ (39,618)
						\$ (219,232)
Proof						
Current Expense			\$ 1,127,423			
Add Back Deferred tax Protected			293,783			
Amount Subject to Rate Differential			\$ 1,421,206	84.07%	\$ 1,194,789	\$ (226,418)
Deferred Tax			\$ 248,682			
Deduct Deferred tax Protected			(293,783)			
			\$ (45,101)	84.07%	\$ (37,916)	\$ 7,185
Check =0						\$ 0

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	Rate Year Per JP	Rate Increase	Twelve Months Ended May 31, 2019		Tax at New Rate	Difference
			RY2 Total	Revised Tax Rate		
<b>Operating Income Before Income Taxes</b>	\$ 4,671,804	634,767	\$ 5,306,571			
SIT Current	(13,375)	41,260	(54,635)			
Interest Expense	(972,128)		(972,128)			
Amort of Excess Book Depr Reserve	(151,619)		(151,619)			
ADR Normalized	18,094		18,094			
ACRS Normalized	(2,935,265)		(2,935,265)			
Amortization of Matrix Incentive	31,857		31,857			
Rate Case 2011	-		-			
Rate Case 2016	95,184		95,184			
Rate Case 2008	-		-			
Other Surcharges applied to Plant	176,735		176,735			
Deferred Net Plant Due	(24,629)		(24,629)			
Book Depreciation -includes clearing accounts	2,053,102		2,053,102			
<b>Total Adjustments for Taxable Income</b>	<b>(1,722,045)</b>	<b>41,260</b>	<b>(1,763,304)</b>			
Tax Income	2,949,759	676,027	3,543,266			
Rate	<u>34.00%</u>	<u>34.00%</u>	<u>34.00%</u>			
<b>Current Federal Income Tax</b>	<b>\$ 1,002,918</b>	<b>\$ 229,849</b>	<b>\$ 1,204,711</b>	61.76%	<u>\$ 744,086</u>	<u>\$ (460,625)</u>
						\$ (281,011)
<b>Provision for Deferred Tax</b>						
ADR Normalized	(6,152)		(6,152)			
ACRS Normalized	299,935		299,935			
Amortization of Matrix Incentive	(10,831)		(10,831)			
Rate Case Cost 2011	-		-			
Rate Case 2008	(0)		(0)			
Other Surcharges Applied to Plant	(60,090)		(60,090)			
Deferred Net Plant Due	8,374		8,374			
Rate Case 2016	(32,363)		(32,363)			
Account 410 Compressor & Dalrmp	166,383		166,383			
Account 411 Compressor & Dalrmp	(116,573)		(116,573)			
<b>Total Deferred FIT</b>	<b>\$ 248,683</b>	<b>\$ -</b>	<b>\$ 248,683</b>	61.76%	<u>\$ 153,598</u>	<u>\$ (95,085)</u>
						\$ (55,466)
Proof						
Current Expense			\$ 1,204,711			
Add Back Deferred tax Protected			293,783			
Amount Subject to Rate Differential			\$ 1,498,494	61.76%	\$ 925,540	\$ (572,953)
Deferred Tax			\$ 248,683			
Deduct Deferred tax Protected			(293,783)			
			\$ (45,100)	61.76%	\$ (27,856)	\$ 17,244
Check =0						-

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	Twelve Months Ended May 31, 2020					Difference
	Rate Year Per JP	Rate Increase	RY3 Total	Revised Tax Rate	Tax at New Rate	
<b>Operating Income Before Income Taxes</b>	\$ 4,948,623	618,074.35	\$ 5,566,698			
SIT Current	(28,101)	40175	(68,276)			
Interest Expense	(1,022,395)		(1,022,395)			
Amort of Excess Book Depr Reserve	(151,619)		(151,619)			
ADR Normalized	18,094		18,094			
ACRS Normalized	(2,935,265)		(2,935,265)			
Amortization of Matrix Incentive	31,857		31,857			
Rate Case 2011	-		-			
Rate Case 2016	95,184		95,184			
Rate Case 2008	-		-			
Other Surcharges applied to Plant	176,735		176,735			
Deferred Net Plant Due	(24,629)		(24,629)			
Book Depreciation -includes clearing accounts	2,053,102		2,053,102			
<b>Total Adjustments for Taxable Income</b>	(1,787,037)	40,175	(1,827,212)			
Tax Income	3,161,587	658,249	3,739,486			
Rate	34.00%	34.00%	34.00%			
<b>Current Federal Income Tax</b>	<b>\$ 1,074,939</b>	<b>\$ 223,805</b>	<b>\$ 1,271,425</b>	61.76%	<b>\$ 785,292</b>	<b>\$ (486,133)</b>
						\$ (25,509)
<b>Provision for Deferred Tax</b>						
ADR Normalized	(6,152)		(6,152)			
ACRS Normalized	299,935		299,935			
Amortization of Matrix Incentive	(10,831)		(10,831)			
Rate Case Cost 2011	-		-			
Rate Case 2008	(0)		(0)			
Other Surcharges Applied to Plant	(60,090)		(60,090)			
Deferred Net Plant Due	8,374		8,374			
Rate Case 2016	(32,363)		(32,363)			
Account 410 Compressor & Dalrmp	166,383		166,383			
Account 411 Compressor & Dalrmp	(116,573)		(116,573)			
<b>Total Deferred FIT</b>	248,683	-	248,683	61.76%	<u>\$ 153,598</u>	<u>\$ (95,085)</u>
						\$ -
Proof						
Current Expense			\$ 1,271,425			
Add Back Deferred tax Protected			293,783			
Amount Subject to Rate Differential			\$ 1,565,208	61.76%	\$ 966,746	\$ (598,462)
Deferred Tax			\$ 248,683			
Deduct Deferred tax Protected			(293,783)			
			\$ (45,100)	61.76%	\$ (27,856)	\$ 17,244
Check =0						-

**Corning Natural Gas Corporation  
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June to Dec	34%	7	19.83%					
Jan to May	21%	5	8.75%	84.07%	61.76%	61.76%		
			28.58%					

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	Twelve Months		
	5/31/2018 RY1	5/31/2019 RY2	5/31/2020 RY3
<b>Deferred Taxes</b>			
Root Pipeline Project CIAC-Federal	197,949	197,949	197,949
Root Pipeline Project Tax Depreciation-Federal	(127,918)	(127,918)	(127,918)
Tax on Accelerated Recovery -Federal	1,161,765	1,161,765	1,161,765
Compressor Station-Federal CIAC	3,647,194	3,647,194	3,647,194
Dairymple-Federal CIAC	101,559	101,559	101,559
Accel. Depreciation-Compressor Station 100% Bonus Deprec.	(3,341,367)	(3,341,367)	(3,341,367)
Accel. Depreciation-Federal	(10,814,948)	(10,814,948)	(10,814,948)
Federal Tax Other-Deferred Debits	(395,896)	(395,896)	(395,896)
Federal Tax Other-Deferred Credits	(2,717)	(2,717)	(2,717)
<b>Total Deferred Taxes</b>	<u>(9,574,379)</u>	<u>(9,574,379)</u>	<u>(9,574,379)</u>

		5/31/2018 RY1	5/31/2019 RY2	5/31/2020 RY3
<b>Deferred Taxes</b>				
Root Pipeline Project CIAC-Federal	Unprotected	166,413	122,262	122,262
Root Pipeline Project Tax Depreciation-Federal	Unprotected	(107,539)	(79,008)	(79,008)
Tax on Accelerated Recovery -Federal	Unprotected	976,680	717,561	717,561
Compressor Station-Federal CIAC	Unprotected	3,066,146	2,252,678	2,252,678
Dairymple-Federal CIAC	Unprotected	85,379	62,728	62,728
Accel. Depreciation-Compressor Station 100% Bonus Deprec.	Protected	(2,809,041)	(2,063,786)	(2,063,786)
Accel. Depreciation-Federal	Protected	(9,091,978)	(6,679,821)	(6,679,821)
Federal Tax Other-Deferred Debits	Unprotected	(332,824)	(244,524)	(244,524)
Federal Tax Other-Deferred Credits	Unprotected	(2,284)	(1,678)	(1,678)
<b>Total Deferred Taxes</b>		<u>(8,049,049)</u>	<u>(5,913,587)</u>	<u>(5,913,587)</u>
		(1,525,330)	(3,660,792)	(3,660,792)

	5/31/2018			5/31/2019		5/31/2020			
	Protected	Unprotected	Total	Protected	Unprotected	Total	Protected	Unprotected	Total
Per Rate Case									
Root Pipeline Project CIAC-Federal		31,536	31,536		75,686	75,686		75,686	75,686
Root Pipeline Project Tax Depreciation-Federal		(20,379)	(20,379)		(48,910)	(48,910)		(48,910)	(48,910)
Tax on Accelerated Recovery -Federal		185,085	185,085		444,204	444,204		444,204	444,204
Compressor Station-Federal CIAC		581,048	581,048		1,394,515	1,394,515		1,394,515	1,394,515
Dairymple-Federal CIAC		16,180	16,180		38,831	38,831		38,831	38,831
Accel. Depreciation-Compressor Station 100% Bonus Deprec.	(532,326)	-	(532,326)	(1,277,582)	-	(1,277,582)	(1,277,582)	-	(1,277,582)
Accel. Depreciation-Federal	(1,722,970)	-	(1,722,970)	(4,135,127)	-	(4,135,127)	(4,135,127)	-	(4,135,127)
Federal Tax Other-Deferred Debits	(63,072)	-	(63,072)	(151,372)	-	(151,372)	(151,372)	-	(151,372)
Federal Tax Other-Deferred Credits	-	(433)	(433)	-	(1,039)	(1,039)	-	(1,039)	(1,039)
	<u>(2,255,295)</u>	<u>729,965</u>	<u>(1,525,330)</u>	<u>(5,412,709)</u>	<u>1,751,917</u>	<u>(3,660,792)</u>	<u>(5,412,709)</u>	<u>1,751,917</u>	<u>(3,660,792)</u>
			(3,157,413)	1,021,951					

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Per Joint Proposal Case 16-G-0369**

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Per Fiscal Yr.	9/30/2018		9/30/2019		9/30/2020	
	<u>Protected</u>	<u>Unprotected</u>	<u>Protected</u>	<u>Unprotected</u>	<u>Protected</u>	<u>Unprotected</u>
Per Revenue Requirement						
RY1	(2,255,295)	-				
RY2	(1,052,471)	-	(2,104,942)	-		
RY3	-	-	-	-	-	-
	(3,307,766)	-	(2,104,942)	-	-	-
Revenue Factor	1.66117		1.66117			
Excess Amount Subject to Deferral Protected	(5,494,772)		(3,496,673)			
 RY1						
Root Pipeline Project CIAC-Federal		31,536				
Root Pipeline Project Tax Depreciation-Federal		(20,379)				
Tax on Accelerated Recovery -Federal		185,085				
Compressor Station-Federal CIAC		581,048				
Dalrymple-Federal CIAC		16,180				
Accel. Depreciation-Compressor Station 100% Bonus Deprec.		-				
Federal Tax Other-Deferred Debits		(63,072)				
Federal Tax Other-Deferred Credits		(433)				
 RY2						
Root Pipeline Project CIAC-Federal		14,717		29,434		
Root Pipeline Project Tax Depreciation-Federal		(9,510)		(19,020)		
Tax on Accelerated Recovery -Federal		86,373		172,746		
Compressor Station-Federal CIAC		271,156		542,311		
Dalrymple-Federal CIAC		7,551		15,101		
Accel. Depreciation-Compressor Station 100% Bonus Deprec.		-		-		
Federal Tax Other-Deferred Debits		(29,433)		(58,867)		
Federal Tax Other-Deferred Credits		(202)		(404)		
	-	1,070,616	-	681,301		
Revenue Factor		1.66117		1.66117		
Excess Amount Subject to Deferral Unprotected		1,778,478		1,131,758		
		218,412				
		362,820				

**Book Entry**

<u>Protected (Per Revenue Requirement)</u>					
Acc Def Inc Tax-Lib. Depr	282010	9,571	6,091		
Acc Def Inc Tax-Assets-Cng	282020	3,061,970	1,948,526		0.29%
Acc Def Inc Tax-Assets-Bath	282030	185,855	118,272		92.57%
Acc Def Inc Tax-Assets-H'sport	282040	50,370	32,054		5.62%
Acc Def Inc Tax-Assets-Due Customers Protected	253040	(3,307,766)	(2,104,942)		1.52%
Gross up to Revenue Requirement	253040	(2,187,005)	(1,391,731)		100.00%
Deferred Regulatory Tax Asset Protected	186XX	2,187,005	1,391,731		
 <u>Unprotected (Per Revenue Requirement)</u>					
Accum Def Inc Tax-FIT (Compr)	190000		(868,567)	(552,725)	
Accum Def Inc Tax-FIT (Dalry)	190020		(23,730)	(15,101)	
Acc Def Income Tax-Other	283000		(178,318)	(113,475)	
Acc Def Inc Tax-Assets-Due Customers Unprotected	253920		1,070,616	681,301	
Gross up to Revenue Requirement	253920		707,862	450,458	
Deferred Regulatory Tax Asset Unprotected	186XX		(707,862)	(450,458)	

#REF1	Current	Deferred		Total
		Protected	Unprotected	
RY1	1,421,206	293,783	(45,101)	1,669,888
RY2	1,498,494	293,783	(45,100)	1,747,177
RY3	1,565,208	293,783	(45,100)	1,813,892
	4,484,908		(135,301)	

	Current	Deferred		Total
		Protected	Unprotected	
RY1	1,194,789	293,783	(37,916)	1,450,656
RY2	925,540	293,783	(27,856)	1,191,467
RY3	966,746	293,783	(27,856)	1,232,674
	3,087,075		(93,628)	
	1,397,833		(41,673)	1,356,160

Difference		Revenue Requirement Factor			
		Protected	Unprotected		
RY1	(226,418)	-	7,185	(219,232)	1.66117 (364,182.97)
RY2	(572,953)	-	17,244	(555,709)	1.66117 (923,130.24)
RY3	(598,462)	-	17,244	(581,218)	1.66117 (965,504.03)
			(1,356,160)		(2,252,817.25)

Tax Impact on Current Revenue Requirement	9/30/2018	10/1/2018	10/1/2019
RY1		(364,183)	
RY2		(307,710)	(615,420)
RY3		-	(321,835)
		(671,893)	(937,255)
			(643,669)

**Corning Natural Gas Corporation**  
**Impact of Tax Cuts and Jobs Act of 2017**  
**Tax Reserves Not Subject to Base Rate Treatment**

-1

	YTD 9/30/2017	Deferred Tax @ 34%	71.32%	61.76%	9/30/2018 Change Y1	9/30/2019 Change Y2	Attachment C
<b><u>Deferred Tax Reserve Not Subject to Base Rates</u></b>							
GAC - Corning Operations	904,293	(307,460)	(219,291.09)	(189,901.56)	88,168.58	29,389.53	-
FAS 106 Post-retirement Benefits	78,305	(26,624)	(18,988.92)	(16,444.01)	7,634.72	2,544.91	
Ratable Pension Expense	485,116	(164,939)	(117,640.55)	(101,874.29)	47,298.78	15,766.26	
Deferred Pension	(742,466.94)	252,439	180,048.23	155,918.06	(72,390.53)	(24,130.18)	
Fixed Interest							
Safety & Reliability Shortfall	146,859	(49,932)	(35,613.22)	(30,840.32)	14,318.72	4,772.91	
Customer Affiliate Allocation Shortfall	87,785	(29,847)	(21,287.86)	(18,434.85)	8,559.04	2,853.01	
Customer Make Whole Increase	91,987	(31,276)	(22,306.89)	(19,317.31)	8,968.75	2,989.58	
Corning Revenue Decoupling	89,857	(30,551)	(21,790.24)	(18,869.90)	8,761.03	2,920.34	
Hammondspport Revenue Decoupling	26,054	(8,858)	(6,318.07)	(5,471.32)	2,540.26	846.75	
Corning/Hammondspport MFC	(103,008)	35,023	24,979.50	21,631.73	(10,043.30)	(3,347.77)	
Bath MFC	8,561	(2,911)	(2,076.04)	(1,797.81)	834.70	278.23	
Property Tax Reconciliation	756,400	(257,176)	(183,427.08)	(158,844.07)	73,749.03	24,583.01	
Contract Customer Reconciliation	512,332	(174,193)	(124,240.52)	(107,589.73)	49,952.37	16,650.79	
Leak Repair/Survey	349,547	(118,846)	(84,765.15)	(73,404.87)	34,080.83	11,360.28	
Def Debit-Rate Case 2016	443,474	(150,781)	(107,542.42)	(93,129.52)	43,238.70	14,412.90	
Gas Cost - Parking Fees		-	-	-	-	-	
Deferred Delivery Rate Adjustment	486,262	(165,329)	(117,918.57)	(102,115.05)	47,410.56	15,803.52	
		(1,231,261)	(878,179)	(760,485)	353,082	117,694	470,776 Dr283
Revenue Factor					1,661,117	1,661,117	Cr 253
Excess Amount Subject to Deferral Unprotected					586,531	195,510	
Refunds From Suppliers (Pending)	(123,743)	42,073	30,007.77	25,986.11	(12,064.98)	(4,021.66)	
FASB 106 Postretirement Benefits	(1,390,237)	472,680	337,132.37	291,949.68	(135,548.07)	(45,182.69)	
Deferred Interest On FAS 106	(263,713)	89,663	63,950.49	55,379.81	(25,712.05)	(8,570.68)	
Deferred Gas System Benefits Charge	(280,036)	95,212	67,908.63	58,807.47	(27,303.47)	(9,101.16)	
Deferred Local Production Due	(126,622)	43,051	30,705.71	26,590.52	(12,345.60)	(4,115.20)	
Deferred Credits-2015 Regulatory Liability	(48,522)	16,497	11,766.55	10,189.59	(4,730.88)	(1,576.96)	
Deferred Credits-2016 Regulatory Liability	(50,000)	17,000	12,125.00	10,500.00	(4,875.00)	(1,625.00)	
		776,177	553,597	479,403	(222,580)	(74,193)	(296,773) Cr283
Revenue Factor					1,661,117	1,661,117	Dr 253
Excess Amount Subject to Deferral Unprotected					(369,744)	(123,248)	
Book Entries							
<b><u>Deferred Tax Reserve Not Subject to Base Rates</u></b>							
Acc Def Income Tax-Other	283000				353,082	117,694	
Acc Def Income Tax-Other	283000				(222,580)	(74,193)	
Acc Def Income Tax-Other	283000				-	-	
Acc Def Inc Tax-Assets-Due Customers Unprotected	253920				(130,502)	(43,501)	
Gross up to Revenue Requirement	253920				(86,285)	(28,762)	
Deferred Regulatory Tax Asset Unprotected	186XX				86,285	28,762	

**Corning Natural Gas Corporation**  
**Impact of Tax Cuts and Jobs Act of 2017**  
**Net Operating Losses and Other**  
**Subject to Further Review By PSC**

Attachment D

<b>Net Operating Losses (NOL's)</b>		<b>Balance</b>		<b>As Adjusted Balance</b>		
		<b>9/30/2017</b>	<b>9/30/2018</b>	<b>9/30/2019</b>		
Per Books			@34%	71.32%		61.76%
Taxes Accrued-Fit 2008	236200	199,736.00	142,458.76	123,366.35		
Taxes Accrued-Fit 2006	236340	958,011.00	683,287.26	591,712.68		
Taxes Accrued-Fit 2007	236360	214,696.00	153,128.76	132,606.35		
Taxes Accrued-Fit 2009	236380	894,982.00	631,200.40	546,606.53		
Taxes Accrued-Fit 2010	236400	119,539.00	85,259.43	73,822.91		
Taxes Accrued-Fit 2011	236420	851,606.00	607,395.46	525,991.94		
Taxes Accrued-Fit 2012	236440	1,246,596.28	889,116.46	769,956.53		
Taxes Accrued-Fit 2013	236460	(606,877.16)	(432,846.21)	(374,835.89)		
Taxes Accrued-Fit 2014	236500	(1,222,164.52)	(871,690.87)	(754,866.32)		
Taxes Accrued-Fit 2015	236550	(477,383.68)	(340,486.89)	(294,854.63)		
Taxes Accrued-Fit 2016	236580	142,582.09	101,694.58	88,065.41		
Taxes Accrued-Fit 2017	236600	(129,437.39)	(92,319.31)	(79,946.62)		
		2,181,885.62	1,556,197.83	1,347,635.24		
Revenue Factor			625,687.79	208,562.60	834,250.38	
Excess Amount Subject to Deferral Unprotected			1,661,117	1,661,117		Cr 236
			1,039,376	346,459		Dr 409 Tax Expense
<b>Book Entries</b>						
Net Operating Losses (NOL's)						
Taxes Accrued-Fit 2008	236200		(57,277)	(19,092)		
Taxes Accrued-Fit 2006	236340		(274,724)	(91,575)		
Taxes Accrued-Fit 2007	236360		(61,567)	(20,522)		
Taxes Accrued-Fit 2009	236380		(253,782)	(84,594)		
Taxes Accrued-Fit 2010	236400		(34,280)	(11,427)		
Taxes Accrued-Fit 2011	236420		(244,211)	(81,404)		
Taxes Accrued-Fit 2012	236440		(357,480)	(119,160)		
Taxes Accrued-Fit 2013	236460		174,031	58,010		
Taxes Accrued-Fit 2014	236500		350,474	116,825		
Taxes Accrued-Fit 2015	236550		136,897	45,632		
Taxes Accrued-Fit 2016	236580		(40,888)	(13,629)		
Taxes Accrued-Fit 2017	236600		37,118	12,373		
Acc Def Inc Tax-Assets-Due Customers Unprotected	253920		625,688	208,563		
Gross up to Revenue Requirement	253920		413,688	137,896		
Deferred Regulatory Tax Asset Unprotected	186XX		(413,688)	(137,896)		
		<b>As Adjusted Balance</b>				
		<b>9/30/2018</b>	<b>9/30/2019</b>			
<b>Amounts Not Subject to Staff Recommendation</b>	236530	73,291.00	52,273.73	45,267.97		
<b>Deferred Tax Reserve Not Subject to Base Rates GAAP Presentation/Other</b>						
Deferred Comp	(1,443,729)	490,868	350,104.28	303,183.09	(140,763.58)	(46,921.19)
Unfunded Pension Liability	4,642,637	(1,578,497)	(1,125,839.47)	(974,953.77)	452,657.11	
Unfunded OPEB Liability	208,913	(71,030)	(50,661.40)	(43,871.73)	20,369.02	150,885.70
	4,851,550	(1,649,527)	(1,176,501)	(1,018,826)	473,026	6,789.67
Deferred Pension Offset to Unfunded Liability	(4,851,550)	1,649,527	1,176,501	1,018,826	(473,026)	157,675
<b>Below the Line Charge</b>					(140,763.58)	(157,675)
						(46,921.19)
<b>Book Entry</b>						
Acc Def Income Tax-Other	283000				(140,763.58)	
Provision for Deferred Tax	410.1				140,763.58	(46,921.19)
<b>To record write down of deferred taxes on below the line (non utility) costs</b>						46,921.19
Deferred Pension	(5,594,017)	1,901,966	1,356,549	1,174,744	(545,417)	
Deferred Pension Offset to Unfunded Liability	4,851,550	(1,649,527)	(1,176,501)	(1,018,826)	473,026	(181,806)
Deferred Pension Offset to Current Liability Liability	742,467	(252,439)	(180,048)	(155,918)	72,391	157,675
Check	-	-	-	-	0	24,130
						(0)



**Tax Cut and Jobs Act -2017  
Refund Rate**

Attachment E

<u>Service Class</u>	<u>Rate Code</u>	<u>Rate</u>			<u>Rate</u>		
		<u>Year 2</u>	<u>10/1/2018</u>	<u>Rate Per</u>	<u>Year 3</u>	<u>10/1/2019</u>	<u>Rate Per</u>
		<u>Total CCF*</u>	<u>Rate Reduction</u>	<u>CCF</u>	<u>Total CCF*</u>	<u>Rate Reduction</u>	<u>CCF</u>
SC-1 Residential	RI,RO,TI,TO,VRO,HR,HRO	11,811,834	(205,485.04)	(0.0174)	11,882,340	(283,505.67)	(0.0239)
SC-3 Commercial	CI,CO,HC,HCO,MI,MO, OTF,SC5,VCO,VMO	2,206,576	(38,386.79)	(0.0174)	2,206,576	(52,647.61)	(0.0239)
SC-8 Hammondspport Trans	HT,HTF,HTO	555,621	(9,665.88)	(0.0174)	555,621	(13,256.79)	(0.0239)
SC-14 AGR Residential	ARO,HA	1,581,058	(27,504.94)	(0.0174)	1,581,058	(37,723.12)	(0.0239)
SC-14 AGR Commercial & Public Authority	ACO,HAC,AMO	1,624,230	(28,255.98)	(0.0174)	1,624,230	(38,753.18)	(0.0239)
SC-6 Commercial Trans	CT,DOT,HT,HTO,MTO, PTO,CTO,VTO,MT,PT	2,135,963	(37,158.37)	(0.0174)	2,135,963	(50,962.83)	(0.0239)
SC-7 Industrial Trans	IT,I TO	7,415,256	(128,999.80)	(0.0174)	7,415,256	(176,923.67)	(0.0239)
Bath E G & W - Firm SC-1		2,691,807	(46,828.13)	(0.0174)	2,691,807	(64,224.94)	(0.0239)
Bath E G & W - Trans SC-3 & SC-4		1,321,972	(22,997.74)	(0.0174)	1,321,972	(31,541.48)	(0.0239)
Contract 1		495,020	(8,611.64)	(0.0174)	495,020	(11,810.89)	(0.0239)
Contract 3		532,600	(9,265.40)	(0.0174)	532,600	(12,707.52)	(0.0239)
Contract 5		260,270	(4,527.80)	(0.0174)	260,270	(6,209.89)	(0.0239)
		<u>32,632,207</u>	<u>(567,687)</u>		<u>32,702,713</u>	<u>(780,268)</u>	<u>(0.0239)</u>
	Delivery Rates		15,242,482			16,842,140	
	% Decrease		-3.72%			-4.63%	

\* Per Case 16-G-0369 Appendix D Page 1 of 1

PSC No: 7 Gas  
Corning Natural Gas Corporation  
Initial Effective Date: 10/01/2018

Attachment F  
Leaf: 77  
Revision: 6  
Superseding Revision: 5

Issued Under Authority of PSC Order Dated August 9, 2018 in Case No. 17-M-0815.

Per Commission order in Case# 13-G-0465 dated December 19, 2013, allows for the recovery of property tax expense and the special contract non-firm revenue deferrals through the Delivery Rate Adjustment (DRA) clause to be effective January 1, 2014.

Per Commission order in Case# 13-G-0465 dated December 12, 2014, allows for the recovery of the special contract non-firm revenue deferral of \$809,299 which is the outstanding unrecovered amount in rate year one (\$314,048) and 100% of rate year two amount (\$495,251) through the Delivery Rate Adjustment (DRA) clause to be effective January 1, 2015.

Per Commission order in Case# 13-G-0465 dated December 21, 2015, allows for the recovery of \$1,136,382, to offset contract customer revenue deferral of \$413,835 for rate year three and property tax deferrals of \$722,547 for both rate year two (\$299,820) and rate year three (\$422,727), through the Delivery Rate Adjustment (DRA) clause to be effective January 1, 2016.

A statement to implement the DRA will be filed by November 15th of each year with the effective date of January 1<sup>st</sup>. The DRA will remain in effect for 12 months and be derived including interest on the unrecovered balance or the unrefunded balance owed to customers, whichever may be the case. Interest on the unrefunded or unrecovered balance will be computed using the Commission approved unadjusted customer deposit rate. The initial DRA should reflect the reconciliation for the period October 1st, 2006 through September 30<sup>th</sup>, 2007. Based on results of the above reconciliation or flow-back mechanisms for the previous twelve months ended September 30<sup>th</sup>, to the extent the net DRA credit or surcharge is not fully passed back or recovered during the twelve month period the credit or surcharge is in effect, the remaining refund or surcharge balance will be included in the derivation of the next effective DRA.

#### Federal Tax Act Surcharge/Credit

On August 9, 2018 the New York State Public Service Commission (NYSPPSC) issued an order in Case# 17-M-0815. In that order the Company was instructed to begin to pass back the net benefits as a result of the Tax Cuts and Jobs Act of 2017 on customers' bills beginning 10-1-18. Statement number 1 filed with the NYSPPSC shows the resulting rates.

Issued by: Michael German, C.E.O. and President, Corning, NY 14830

PSC No. 7 - Gas  
 Corning Natural Gas Corporation  
 Effective October 1, 2018

Statement Type: TAX  
 Statement No: 1

Tax and Jobs Act -2017  
 Refund Rate

		Effective 10/1/2018			Effective 10/1/2019		
		Total CCF	Rate Reduction	Rate Per CCF	Total CCF	Rate Reduction	Rate Per CCF
SC-1 Residential	RI,RO,TI,TO,VRO,HR,HRO	11,811,834	(205,485.04)	(0.0174)	11,882,340	(283,505.67)	(0.0239)
SC-3 Commercial	CI,CO,HC,HCO,MI,MO, OTF,SC5,VCO,VMO	2,206,576	(38,386.79)	(0.0174)	2,206,576	(52,647.61)	(0.0239)
SC-8 Hammondsport Trans	HT,HTF,HTO	555,621	(9,665.88)	(0.0174)	555,621	(13,256.79)	(0.0239)
SC-14 AGR Residential	ARO,HA	1,581,058	(27,504.94)	(0.0174)	1,581,058	(37,723.12)	(0.0239)
SC-14 AGR Commercial & Public Authority	ACO,HAC,AMO	1,624,230	(28,255.98)	(0.0174)	1,624,230	(38,753.18)	(0.0239)
SC-6 Commercial Trans	CT,DOT,HT,HTO,MTO, PTO,CTO,VTO,MT,PT	2,135,963	(37,158.37)	(0.0174)	2,135,963	(50,962.83)	(0.0239)
SC-7 Industrial Trans	IT,ITO	7,415,256	(128,999.80)	(0.0174)	7,415,256	(176,923.67)	(0.0239)
Bath E G & W - Firm SC-1		2,691,807	(46,828.13)	(0.0174)	2,691,807	(64,224.94)	(0.0239)
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Contract 5		260,270	(4,527.80)	(0.0174)	260,270	(6,209.89)	(0.0239)
		<u>32,632,207</u>	<u>(567,687)</u>		<u>32,702,713</u>	<u>(780,268)</u>	