

Exhibit \_\_\_\_ (AEB-R-5)  
Adj Staff CAMP Rf

Corning Natural Gas  
Staff Calculation of Generic Finance Method (GFC)  
**Return on Equity (Summary)**<sup>1</sup>

	Return	
	Implied	Required
Merrill Lynch Cost of Market:		
Jul 2016	10.90%	10.70%
August 2016	10.80%	10.60%
September 2016	10.80%	10.70%
Expected Market Return ( <i>R<sub>m</sub></i> )	<b>10.75%</b>	
Risk Free Rate <sup>2</sup> :	<b>4.30%</b>	
Market Risk Premium ( <i>MRP</i> ):	<b>6.45%</b>	
Proxy Group Beta ( <i>B</i> ):	0.70	Median
Proxy Group DCF ROE:	8.29%	Mean
Traditional CAPM ROE:	8.82%	
Zero Beta CAPM ROE:	9.30%	
Generic CAPM ROE:	9.06%	

Sources:

<sup>1</sup> Staff Finance Panel Workpapers FP-18

<sup>2</sup> Risk Free Rate (*R<sub>f</sub>*) : Blue Chip Financial Forecasts, Vol. 35, No. 6, June 1, 2016, at 14; projected 30-Year U.S. Treasury Bond yield (2018 - 2022)