

CORNING NATURAL GAS CORP.

EXHIBIT CNG-3A

INDEX OF SCHEDULES

Cost of Service

<u>SCHEDULE</u>	<u>TITLE OF SCHEDULES</u>	<u>WITNESS</u>
Summary	Cost of Service for the Twelve Month Period Ended December 31, 2015, April 30, 2016, 2017, 2018, 2019 and 2020	F. Sarhangi/ L.M. DiValentino
1	Summary of Elements of Costs (Operation and Maintenance Expenses)	F. Sarhangi/ L.M. DiValentino
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3	State Income Tax Calculation For the Twelve Month Period Ended December 31, 2015, April 30, 2016, 2017, 2018, 2019 and 2020	F. Sarhangi/ L.M. DiValentino
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Corning Natural Gas  
Cost of Service  
For the Twelve Month Period Ended December 31, 2015, May 31, 2016, 2017, 2018, 2019 and 2020

Updated  
Exhibit CNG-3  
Summary  
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	Twelve Months Ended December 31, 2015		Twelve Months Ended December 31, 2015 As Adjusted		Twelve Months Ended May 31, 2016		Twelve Months Ended May 31, 2017		Rate Year Twelve Months Ended May 31, 2018		Required Rate Increase		Rate Year As Adjusted Twelve Months Ended May 31, 2018	
<b>Operating Revenues</b>														
Total Delivery Revenues	\$	13,219,621	(1)a	\$(348,076)	\$	12,871,545	\$	12,871,545	\$	12,871,545	\$	5,846,128	\$	18,717,673
Weather Normalization		(295,783)	(1)b	295,783		295,783		-		-		-		-
Safety and Reliability Charge		107,665		(107,665)		0		0		0		-		-
Merchant Function Charge		401,689		-		401,689		401,689		401,689		-		401,689
Total Base Revenues		13,433,192		(159,958)		13,273,234		13,273,234		13,273,234		5,846,128		19,119,362
Gas Costs		5,771,183		-		5,771,183		5,771,183		5,771,183		-		10,121,400
Balancing Charge		-		-		-		-		-		-		-
Revenue Taxes		249,012		-		249,012		237,763		237,763		-		292,073
Delivery Rate Adjustment		-		-		-		-		-		-		-
HEAP Credit		(73,768)	(2)a	73,768		-		-		-		-		-
Revenue Decoupling		-		-		-		-		-		-		-
Customer CIAC Surcharge		291,411	(2)b	(291,411)		-		-		-		-		-
NYSE&G		377,420		-		377,420		377,420		377,420		-		377,420
Misc. Adjustments		146,029	(3)	(146,029.13)		-		-		-		-		-
Gas Operating Revenues		20,194,479		(523,630)		19,670,849		19,659,600		19,659,600		5,846,128		29,910,255
<b>Other Gas Revenues</b>														
Customer Discounts Forfeited		106,627		-		106,627		106,627		106,627		-		106,627
Reconnect Fees		3,962		-		3,962		3,962		3,962		-		3,962
Misc. Revenues		6,495		-		6,495		6,495		6,495		-		6,495
Contract Customer Reconciliation		372,561		-		372,561		372,561		372,561		-		-
Carrying Costs on Storage		4,754	(2)c	(4,754)		-		-		-		-		-
Capacity Release		46,674	(2)d	(46,674)		-		-		-		-		-
Local Production Shortfall		124,493		31,123		155,616		-		-		-		-
Local Production Revenue-Imputation Achieved		389,668		-		389,668		545,284		545,284		286,688		286,688
RDM Reconciliation Prior Years		(246,678)	(2)e	246,678		-		-		-		-		-
DRA Reconciliation Prior Years		115,334	(2)f	(115,334)		-		-		-		-		-
MFC Reconciliation-vs 2015 Target		(53,072)	(2)g	53,072		-		-		-		-		-
MFC Reconciliation-vs 2014 Target		(50,657)	(2)h	50,657		-		-		-		-		-
Local Production-Transp Income		1,008,454	(2)i	(1,008,454)		-		-		-		-		-
Local Production Due Customer Via Deferred Credit		(806,763)	(2)j	806,763		-		-		-		-		-
Accelerated Recovery Plant		291,411	(4)	291,411		291,411		277,754		195,961		176,735		176,735
Talisman Purchase from Corning		221,273	(2)k	(221,273)		-		-		-		-		-
Total Other Gas Revenues		1,243,125		83,215		1,326,340		1,312,683		1,230,890		580,507		580,507
<b>Operating Revenues</b>		21,437,604		(440,414)		20,997,189		20,972,283		20,890,490		24,644,634		30,490,762
	15,374,004													
<b>Operating Expenses</b>														
Purchased Gas (Net of Deferred Costs)		6,063,600	(5)	(292,417)		5,771,183		5,771,183		5,771,183		10,121,400		10,121,400
Operating & Maintenance Expense		7,855,064	(6)	(344,735)		7,510,328		7,708,150		8,504,666		9,163,416		82,909
Depreciation Expense		1,350,782	(7)	39,013		1,389,795		1,492,901		1,796,813		1,876,368		1,876,368
Depreciation - Accelerated Recovery of Plant		291,411		-		291,411		277,754		195,961		176,735		176,735
Taxes Other Than FIT		1,965,655	(8)	45,810		2,011,465		2,053,422		2,171,195		3,117,492		3,190,479
Total Operating Expenses		17,526,511		(552,329)		16,974,182		17,303,410		18,439,818		24,455,410		155,896
Operating Income Before SIT		3,911,093		111,915		4,023,007		3,668,873		2,450,672		189,225		5,690,232
<b>State Income Taxes</b>														
Current		(98,536)	(9)	72,511		(26,024)		(55,147)		(156,940)		(263,115)		369,865
Deferred		163,369	(10)	(6,895)		156,475		171,773		171,773		125,209		125,209
Total State Income Taxes		64,834		65,617		130,450		106,932		14,833		(137,906)		369,865
Operating Income Before FIT		3,846,259		46,298		3,892,557		3,561,941		2,435,839		327,131		5,320,367
<b>Federal Income Taxes</b>														
Current		641,809	(11)	165,052		806,861		525,923		(45,215)		(386,094)		1,808,925
Deferred		304,869	(12)	(92,327)		212,542		398,555		569,861		147,894		147,894
Total Federal Income Taxes		946,679		72,725		1,019,404		924,479		524,646		(238,199)		1,808,925
Operating Income		2,899,580		(26,427)		2,873,153		2,637,462		1,911,193		565,331		3,511,442
<b>Rate Base</b>	\$	48,312,020	(13)	\$(922,533)	\$	47,389,487	\$	47,369,345	\$	50,603,352	\$	55,401,882	\$	55,401,882
<b>Rate Base Over Capitalization</b>		-	(14)	3,294,253		3,294,253		3,294,253		3,294,253		-		3,294,253
<b>Rate Base As Adjusted</b>	\$	48,312,020		\$ 2,371,720	\$	50,683,740	\$	50,663,598	\$	53,897,605	\$	58,696,135	\$	58,696,135
<b>Rate of Return</b>		6.00%		0.00%		5.67%		5.21%		3.55%		0.96%		6.95%
<b>Actual Capital Structure</b>														
Less: Weighted Cost of Debt		1.84%		1.84%		1.84%		1.84%		1.84%		1.77%		1.84%
Less: Weighted Cost of Customer Deposit		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
Amount Available for Common		4.16%		3.83%		3.36%		1.70%		-0.88%		-1.78%		5.10%
Equity Ratio		50.03%		50.03%		50.03%		50.03%		50.03%		50.03%		50.03%
Return on Equity		8.31%		7.65%		6.72%		3.41%		-1.76%		-3.55%		10.20%

Corning Natural Gas  
Cost of Service  
For the Twelve Month Period Ended December 31, 2015, May 31, 2016, 2017, 2018, 2019 and 2020

	Twelve Months Ended May 31, 2019	Required Rate Increase	Rate Year 2 As Adjusted Twelve Months Ended May 31, 2019	Twelve Months Ended May 31, 2020	Required Rate Increase	Rate Year 3 As Adjusted Twelve Months Ended May 31, 2020	Updated Exhibit CNG-3 Summary Page 2 of 4
<b>Operating Revenues</b>							
Total Delivery Revenues	\$ 18,717,673	1,169,350	\$ 19,887,022	\$ 19,887,022	490,131	\$ 20,377,153	
Weather Normalization	-		-	-		-	
Shelf and Reliability Charge	-		-	-		-	
Merchant Function Charge	401,689		401,689	401,689		401,689	
Total Base Revenues	19,119,362	1,169,350	20,288,711	20,288,711	490,131	20,778,842	
Gas Costs	10,121,400		10,121,400	10,121,400		10,121,400	
Balancing Charge	-		-	-		-	
Revenue Taxes	292,073		292,073	292,073		292,073	
Delivery Rate Adjustment	-		-	-		-	
HEAP Credit	-		-	-		-	
Revenue Decoupling	-		-	-		-	
Customer CIAC Surcharge	-		-	-		-	
NYSE&G	377,420		377,420	377,420		377,420	
Misc. Adjustments	-		-	-		-	
Gas Operating Revenues	29,910,255	1,169,350	31,079,605	31,079,605	490,131	31,569,735	
<b>Other Gas Revenues</b>							
Customer Discounts Forfeited	106,627		106,627	106,627		106,627	
Reconnect Fees	3,962		3,962	3,962		3,962	
Misc. Revenues	6,495		6,495	6,495		6,495	
Contract Customer Reconciliation	-		-	-		-	
Carrying Costs on Storage	-		-	-		-	
Capacity Release	-		-	-		-	
Local Production Shortfall	-		-	-		-	
Local Production Revenue-Imputation Achieved	286,688		286,688	286,688		286,688	
RDM Reconciliation Prior Years	-		-	-		-	
DRA Reconciliation Prior Years	-		-	-		-	
MFC Reconciliation-vs 2015 Target	-		-	-		-	
MFC Reconciliation-vs 2014 Target	-		-	-		-	
Local Production-Transp Income	-		-	-		-	
Local Production Due Customer Via Deferred Credit	-		-	-		-	
Accelerated Recovery Plant	176,735		176,735	176,735		176,735	
Talisman Purchase from Corning	-		-	-		-	
Total Other Gas Revenues	580,507		580,507	580,507		580,507	
<b>Operating Revenues</b>	30,490,762	1,169,350	31,660,112	31,660,112	490,131	32,150,243	
	15,374,004						
<b>Operating Expenses</b>							
Purchased Gas (Net of Deferred Costs)	10,121,400		10,121,400	10,121,400		10,121,400	
Operating & Maintenance Expense	9,375,986	16,584	9,392,570	9,066,893	6,951	9,073,844	
Depreciation Expense	2,077,652		2,077,652	2,249,316		2,249,316	
Depreciation - Accelerated Recovery of Plant	176,735		176,735	176,735		176,735	
Taxes Other Than FIT	3,379,728	14,599	3,394,327	3,598,061	6,119	3,604,180	
Total Operating Expenses	25,131,501	31,182	25,162,684	25,212,404	13,070	25,225,474	
Operating Income Before SIT	5,359,261	1,138,167	6,497,428	6,447,708	477,061	6,924,768	
<b>State Income Taxes</b>							
Current	50,446	73,981	124,427	97,431	31,009	128,440	
Deferred	143,765		143,765	165,176		165,176	
Total State Income Taxes	194,211	73,981	268,192	262,607	31,009	293,616	
Operating Income Before FIT	5,165,050	1,064,186	6,229,236	6,185,100	446,052	6,631,152	
<b>Federal Income Taxes</b>							
Current	1,154,971	361,823	1,516,794	1,384,880	151,658	1,536,537	
Deferred	237,449		237,449	349,329		349,329	
Total Federal Income Taxes	1,392,419	361,823	1,754,243	1,734,209	151,658	1,885,866	
Operating Income	3,772,631	702,363	4,474,994	4,450,892	294,394	4,745,286	
<b>Rate Base</b>							
Rate Base	\$ 61,014,433		\$ 61,014,433	\$ 65,233,504		\$ 65,233,504	
Rate Base Over Capitalization	3,294,253		3,294,253	3,294,253		3,294,253	
Rate Base As Adjusted	\$ 64,308,686		\$ 64,308,686	\$ 68,527,757		\$ 68,527,757	
	51,455,859		51,455,859	53,753,559		53,753,559	
Rate of Return	5.87%		6.96%	6.50%		6.92%	
<b>Actual Capital Structure</b>							
Less: Weighted Cost of Debt	1.77%		1.77%	1.83%		1.83%	
Less: Weighted Cost of Customer Deposit	0.00%		0.00%	0.00%		0.00%	
Amount Available for Common	4.09%		5.18%	4.67%		5.10%	
Equity Ratio	50.82%		50.82%	49.96%		49.96%	
Return on Equity	8.05%		10.20%	9.34%		10.20%	

Corning Natural Gas  
 Cost of Service  
 For the Twelve Month Period Ended December 31, 2015, May 31, 2016, 2017, 2018, 2019 and 2020

Exhibit CNG-3  
 Summary  
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<u>Amortization Periods For</u>	<u>Years</u>	<u>Annual Amount</u>		
Prior Period Amounts-Pension	5	-		
Prior Period Amounts-OPEB	5	25,584		
Rate Case Cost 2011	5	90,996		
Rate Case Cost 2016	5	200,000		
Customer Credits from Accl. Recovery	0	-		
Return on Equity Requested	10.2%		Base ROE	9.68
1% Change in Equity Impact on Revenue Requirement	\$ 489,743		Small Company Risk Factor	<u>0.50</u>
1 basis point at Revenue Requirement	\$ 4,897			10.18
	<u>Pension FASB 87</u>	<u>OPEB FASB 106</u>	Rounded	10.20%
<b><u>Pension and OPEB Fiscal Year Ended</u></b>				
September 2016 ( Per Actuary)	986,000	69,000		
September 2017 ( Per Actuary)	1,102,000	74,000		
September 2018 ( Per Actuary)	1,043,000	70,000		
September 2019 ( Per Actuary)	975,000	69,000		
September 2020 ( Per Actuary)	552,000	77,000		
September 2019 ( Per Actuary)	446,000	74,000		
<b>Inflation-General</b>				
May 31, 2016	101.92%			
May 31, 2017	101.86%			
May 31, 2018	101.80%			
May 31, 2019	101.88%			
May 31, 2020	101.83%			
<b>Inflation-Health Costs</b>				
May 31, 2016	110.00%			
May 31, 2017	110.00%			
May 31, 2018	110.00%			
May 31, 2019	110.00%			
May 31, 2020	110.00%			
<b>Wage Increases:</b>	<u>Salary/ Hourly/Union</u>	<u>Equity Adjustment</u>		
<b>Effective Dates</b>	<u>Annual</u>	<u>Factor</u>		
	<u>Annual</u>	<u>Annual</u>		
May 31, 2016	3.00%	2.00%		
May 31, 2017	3.00%	2.00%		
May 31, 2018	3.00%	2.00%		
May 31, 2019	3.00%	2.00%		
May 31, 2020	3.00%	2.00%		

Corning Natural Gas  
Cost of Service  
For the Twelve Month Period Ended December 31, 2015, May 31, 2016, 2017, 2018, 2019 and 2020

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<u>Revenue Requirement Calculation</u>	<u>Revenue Requirement @</u>	<u>Twelve Months Ended</u>	<u>Twelve Months Ended</u>	<u>Twelve Months Ended</u>	
	<u>Twelve Months Ended</u>	<u>May 2018</u>	<u>May 2019</u>	<u>May 2020</u>	
Rate Base	\$	58,696,135	\$ 64,308,686	\$ 68,527,757	4,330,491
Overall Return		6.95%	6.96%	6.92%	
Required Earnings		4,076,773	4,474,994	4,745,286	
Less Amount Actual Earned		565,331	3,772,631	4,450,892	
		<hr/>	<hr/>	<hr/>	<hr/>
Short Fall		3,511,442	702,363	294,394	2,682,542
Requirement Factor		1.665	1.665	1.665	68,265,844
		5,846,128	1,169,350	490,131	
<b>Proof</b>					
Required Earnings	\$	4,076,773	\$ 4,474,994	\$ 4,745,286	
Total Debt		1,079,379	1,139,946	1,251,333	
Customer Deposits		1,819	1,790	1,857	
Total Debt		<hr/>	<hr/>	<hr/>	
		1,081,199	1,141,736	1,253,190	
Amount Available for Common	\$	2,995,574	\$ 3,333,258	\$ 3,492,096	
Rate Base Support by Equity	\$	29,368,377	\$ 32,678,996	\$ 34,236,234	
		10.20%	10.20%	10.20%	
		5,157,972	5,616,730	5,998,475	

**Calculation of Revenue Requirement Factor**

Amount Required	1.00000		
Uncollectible Factor	-0.014182		
Revenue Tax	-0.01248		
	0.9733		
State Tax	-0.0633	6.5%	
	0.9101		
Federal Tax	-0.3094	34.0%	
	0.601		
Requirement Factor	1.665		
Uncollectible	82,909	16,584	6,951
Revenue Tax	72,987	14,599	6,119

**Normalizing Adjustments:**

- (1) To reflect revenue price out and annualization
- (2) To eliminate revenue items that are reconciled
- (3) Miscellaneous adjustments not necessary for rate making purposes
- (4) Reclassify customer CIAC from (2)b above
- (5) To match gas revenues and gas costs
- (6) Various Expense Adjustments from Exhibit CNG-5, Summary, Page 3 of 3
- (7) To Reclassify Clearing Account Depreciation to Depreciation Expense
- (8) To match revenue tax expense with revenue received from customers
- (9) State Income Tax - Current Effect of Normalization Adjustments
- (10) State Income Tax - Deferred Effect of Normalization Adjustments
- (11) Federal Income Tax - Current Effect of Normalization Adjustments
- (12) Federal Income Tax - Deferred Effect of Normalization Adjustments
- (13) Various Rate Base Adjustments from Exhibit CNG - 4, Summary, Page 1 of 1
- (14) Earnings Base Capitalization Adjustment

**CORNING NATURAL GAS CORP.**  
**Gas Operating Expenses**  
**Summary of Elements of Costs (Operation and Maintenance Expenses)**

Updated  
**Exhibit CNG-3**  
**Schedule 1**  
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<u>Operating Expenses</u>	<b>TWELVE MONTHS ENDED</b>							
	Per Books	Normal-	As Adjusted			Rate Year		
	December 31, 2015	ization Adi.	December 31, 2015	May 31, 2016	May 31, 2017	May 31, 2018	May 31, 2019	May 31, 2020
Sch. 1 -- Purchased Gas Costs	\$ 6,063,600	\$ (292,417)	\$ 5,771,183	\$ 5,771,183	\$ 5,771,183	\$ 10,121,400	\$ 10,121,400	\$ 10,121,400
Sch. 2 -- Purchased Gas Costs - Other	\$ 26,573	\$ -	\$ 26,573	28,054	29,516	30,960	32,490	34,006
Sch. 3 -- Direct Labor	2,356,339	-	2,356,339	2,416,587	2,710,123	2,959,854	3,047,851	3,096,071
Sch. 4 -- Supervisory and Indirect Labor	559,963	-	\$ 559,963	574,097	640,807	694,369	714,776	726,212
Sch. 5 -- Vacation Accrual	158,661	-	158,661	162,905	182,692	200,723	206,655	209,906
Sch. 6 -- Insurance Costs	1,287,333	-	1,287,333	1,359,038	1,436,379	1,519,950	1,611,341	1,710,352
Sch. 7 -- Regulatory Costs	426,099	(31,853)	394,246	331,456	494,835	696,918	579,744	429,794
Sch. 8 -- Pensions and OPEBS	848,731	94,551	943,281	913,759	924,269	1,161,738	1,095,335	824,318
Sch. 9 -- Uncollectible Accounts	157,592	-	157,592	267,820	267,778	329,430	412,295	428,835
Sch. 10 -- Building Services	88,505	-	88,505	90,689	98,864	107,541	110,395	112,209
Sch. 11 -- Transportation	311,224	(50,727)	260,497	266,092	280,140	294,749	301,478	306,722
Sch. 12 -- Outside Services	406,791	-	406,791	414,607	422,321	434,475	442,629	450,715
Sch. 13 -- Inventory	193,967	(114)	193,853	197,577	201,253	204,882	208,727	212,540
Sch. 14 -- Other O & M Costs	1,031,703	(356,592)	675,111	685,468	815,689	527,827	529,363	508,629
Other O & M Costs excluding Purchased Gas	7,853,480	(344,735)	7,508,745	7,708,150	8,504,666	9,163,416	9,293,077	9,050,309
	<b>\$ 13,917,080</b>	<b>\$ (637,152)</b>	<b>\$ 13,279,928</b>	<b>\$ 13,479,334</b>	<b>\$ 14,275,849</b>	<b>\$ 19,284,815</b>	<b>\$ 19,414,477</b>	<b>\$ 19,171,709</b>

Corning Natural Gas  
Taxes Other Than Income Taxes

	Twelve Months Ended December 31, 2015	Adjustments	Twelve Months Ended December 31, 2015 As Adjusted	Twelve Months Ended May 31, 2016	Twelve Months Ended May 31, 2017	Rate Year Twelve Months Ended May 31, 2018	Twelve Months Ended May 31, 2019	Twelve Months Ended May 31, 2020
<b>Property Taxes</b>								
Property Tax Expense	2,147,769		2,147,769	2,214,912	2,381,092.31	2,559,741.32	2,751,794.04	2,958,256.12
Leatherstocking Allocation	(1,369)		(1,369)	(1,412.1)	(1,518.1)	-	-	-
Property Tax Reconciliation	(603,962)	-	(603,962)	(623,239.98)	(691,386.72)	-	-	-
	1,542,438	-	1,542,438	1,590,259	1,688,188	2,559,741	2,751,794	2,958,256
Payroll Taxes	196,093	23,922	220,015	225,400	245,245	265,677	262,874	260,145
State Tax On Dividends	-		-	-	-	-	-	-
State and Local Gross Receipts Taxes	227,124	21,888	249,012	237,763	237,763	292,073	365,060	379,659
Total Taxes Other Than Income Taxes	\$ 1,965,655	\$ 45,810	\$ 2,011,465	\$ 2,053,422	\$ 2,171,195	\$ 3,117,492	\$ 3,379,728	\$ 3,598,061
<b>Payroll Taxes</b>								
Federal Unemployment Ins. Tax	\$ 29,884	(284)	29,600	29,831	30,140	30,140	30,140	30,098
Federal Ins. Contributions Tax	240,809	31,934	272,743	277,201	311,042	341,134	349,681	358,516
Federal Ins. Contributions Tax Capitalized	(88,389)	(12,223)	(100,611)	(102,318)	(115,270)	(126,788)	(138,306)	(149,824)
State Unemployment Insurance Tax	13,790	4,494	18,284	20,685	19,333	21,191	21,359	21,355
	\$ 196,093	\$ 23,922	\$ 220,015	\$ 225,400	\$ 245,245	\$ 265,677	\$ 262,874	\$ 260,145
						12,224	14,599	6,119
<b>State Gross Revenue Tax</b>								
Gross Receipts Tax Rate	0.0124846							
<b>Escalators</b>								
Property Taxes- Annual	107.50%							
Property Taxes-Jan 16 to May 16	103.13%							
Twelve Months December 31								
2010	1,469,601.86							
2011	1,673,474.83	13.87%						
2012	1,783,327.60	6.56%						
2013	1,994,615.03	11.85%						
2014	2,113,993.47	5.99%						
2015	2,098,013.81	-0.76%						
Average Increase Annual 7.50%								
Average Increase Jan to May 2016 3.13%								



Corning Natural Gas  
State Income Tax Calculation  
For the Twelve Month Period Ended December 31, 2015, May 31, 2016, 2017, 2018, 2019 and 2020

	Twelve Months Ended December 31, 2015	Adjustments	Twelve Months Ended December 31, 2015 As Adjusted	Twelve Months Ended May 31, 2016	Twelve Months Ended May 31, 2017	Rate Year Twelve Months Ended May 31, 2018	Rate Increase Required	Rate Year As Adjusted Twelve Months Ended May 31, 2018	Updated
Rate Case 2005	-	-	-	-	-	-	-	-	-
Rateable Pension Expense-Difference in rate Allow. Vs. FASB 87	43,198	(43,198)	-	-	-	-	-	-	-
Appliance Corp Cost Allocations	(72,482)	-	(72,482)	(34,167)	-	-	-	-	-
Uncollectible Accts - 2006	-	-	-	-	-	-	-	-	-
Rate Case 2007	-	-	-	-	-	-	-	-	-
Depreciation Study 2007	-	-	-	-	-	-	-	-	-
OPEB Restoration	-	-	-	-	-	-	-	-	-
Pension Restoration	-	-	-	-	-	-	-	-	-
Rate Case 2008	151,000	(60,000)	91,000	150,996	150,996	31,618	-	31,618	-
Corning Revenue Decoupling	75,509	(75,509)	-	-	-	-	-	-	-
Hammondsport Revenue Decoupling	(19,830)	19,830	-	-	-	-	-	-	-
Rate Case 2011	8,262	-	160,000	8,266	160,000	160,000	-	160,000	-
Corning/H sport MFC	103,728	(103,728)	-	-	-	-	-	-	-
Bath MFC	-	-	-	-	-	-	-	-	-
Holding Company Costs	-	-	-	-	-	-	-	-	-
Property Tax Reconciliation	416,586	(416,586)	-	-	-	-	-	-	-
Contract Customer Reconciliation	41,273	(41,273)	-	-	-	-	-	-	-
Refunds From Suppliers (Pending)	2,667	(2,667)	-	-	-	-	-	-	-
FASB 106 Postretirement Benefits	33,281	(33,281)	-	-	-	-	-	-	-
Customer Advances for Construction	-	-	-	-	-	-	-	-	-
Deferred Refund Due On P/Gas-Pending	-	-	-	-	-	-	-	-	-
Deferred Fortuna Revenue	-	-	-	-	-	-	-	-	-
Deferred Interest On FAS 106	4,468	(4,468)	-	-	-	-	-	-	-
Deferred Delivery Rate Adjustment	(222,914)	222,914	-	-	-	-	-	-	-
Deferred Gas System Benefits Charge	85,605	(85,605)	-	-	-	-	-	-	-
Deferred 2005 Rate Case Revenue	-	-	-	-	-	-	-	-	-
Section 263A	(128,611)	128,611	-	-	-	-	-	-	-
Root Well Revenues applied to plant	-	-	-	-	-	-	-	-	-
Other Surcharges Applied to Plant	291,411	-	291,411	277,754	195,961	176,735	-	176,735	-
Deferred Local Production Due	(240,160)	240,160	-	-	-	-	-	-	-
Deferred Net Plant Due	76,501	-	76,501	-	(24,629)	(24,629)	-	(24,629)	-
Deferred Excess Earnings Due	-	-	-	-	-	-	-	-	-
Amortization of Matrix Incentive	-	31,857	31,857	31,857	31,857	31,857	-	31,857	-
Rate Case 2016	-	-	-	(150,000)	(833,333)	200,004	-	200,004	-
Taxable Income	(2,350,040)	173,882	(2,176,158)	(2,416,697)	(2,695,957)	(1,979,589)	-	(1,979,589)	-
State Income Tax Rate	299,933	461,690	761,622	167,319	(1,389,713)	(3,023,182)	5,690,232	2,667,050	-
Current Tax Provision-409	7.1%	7.1%	7.1%	6.85%	6.5%	6.5%	6.5%	6.5%	-
Book/Tax Differences (Includes Prior YR. Adj. Rec. Return vs. Book Estimate)	14,550	26,034	40,584	11,461	(90,331)	(196,507)	369,865	173,358	-
Deferred Provision - Account 409 Compressor and Dairmple	(66,609)	-	(66,609)	(66,609)	(66,609)	(66,609)	-	(66,609)	-
Total current Tax Provisions	(98,536)	72,511	(26,025)	(55,147)	(156,940)	(263,115)	369,865	106,750	-
Deferred Provision - Account 410 Current	653,917	(451,920)	201,996	198,901	211,436	168,863	-	168,863	-
Deferred Provision - Account 410 Compressor and Dairmple	21,639	-	21,639	21,639	21,639	21,639	-	21,639	-
Deferred Provision - Account 410 Prior Period and Adjustments	(1,633)	1,633	-	-	-	-	-	-	-
Deferred Provision - Account 411 Current	(487,064)	445,006	(42,058)	(33,357)	(36,199)	(40,190)	-	(40,190)	-
Deferred Provision - Account 411 Compressor and Dairmple	(25,103)	-	(25,103)	(25,103)	(25,103)	(25,103)	-	(25,103)	-
Deferred Provision - Account 411 Property Tax Resolution	1,614	(1,614)	-	-	-	-	-	-	-
Deferred Provision - Account 411 Prior Period and Adjustments	163,369	(6,895)	156,475	162,080	171,773	125,209	-	125,209	-

Updated

Exhibit CMG-3  
Schedule 3  
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Corning Natural Gas  
State Income Tax Calculation  
For the Twelve Month Period Ended December 31, 2015, May 31, 2016, 2017, 2018, 2019 and 2020

Provision for Deferred Tax	Twelve Months Ended	Adjustments	Twelve Months Ended	Twelve Months Ended	Twelve Months Ended	Rate Year	Rate Increase	Rate Year As Adjusted	Updated
	December 31, 2015		December 31, 2015	May 31, 2016	May 31, 2017	Twelve Months Ended	Required	Twelve Months Ended	
			As Adjusted			May 31, 2018		May 31, 2018	
ADR Normalized	(1,285)	-	(1,285)	(1,239)	(1,176)	(1,176)	-	(1,176)	Exhibit CMG-3
ACRS Normalized	196,850	-	196,850	186,286	155,669	167,262	-	167,262	Schedule 3
Unbilled Revenue for FYE 9/30/10	2,595	(2,595)	-	-	-	-	-	-	Page 3 of 6
Deferred Comp	12,263	(12,263)	-	-	-	-	-	-	
Regulatory Delinquencies	-	-	-	-	-	-	-	-	
Covenant not to Compete Agreement	-	-	-	-	-	-	-	-	
Deferred Pension- FASB 87 net of Contributions	(342,220)	342,220	-	-	-	-	-	-	
Vacation Pay Expense 1	-	-	-	-	-	-	-	-	
Vacation Pay Expense 2	-	-	-	-	-	-	-	-	
Vacation Pay Expense 3	-	-	-	-	-	-	-	-	
Vacation Pay Expense 4	-	-	-	-	-	-	-	-	
Vacation Pay Expense 5	(4,210)	4,210	-	-	-	-	-	-	
Blank	-	-	-	-	-	-	-	-	
GAC - Corning Operations	11,554	(11,554)	-	-	-	-	-	-	
GAC - Both Operations	435	(435)	-	-	-	-	-	-	
GAC - Hammondsport Operations	287	(287)	-	-	-	-	-	-	
Def Debits - Regulatory Restructuring Cost	7,445	(7,445)	-	-	-	-	-	-	
FAS 106 Post-retirement Benefits	(1,562)	-	-	-	-	-	-	-	
NYS Franchise Tax	330,813	(330,813)	-	-	-	-	-	-	
Deferred Uncollectible Costs	-	-	-	-	-	-	-	-	
Rate Case 2005	-	-	-	-	-	-	-	-	
Rateable Pension Expense-Difference in rate Allow. Vs. FASB 87	(3,067)	3,067	-	-	-	-	-	-	
Appliance Corp Cost Allocations	5,146	-	5,146	2,340	-	-	-	-	
Uncollectible Accts - 2006	-	-	-	-	-	-	-	-	
Rate Case 2007	-	-	-	-	-	-	-	-	
Depreciation Study 2007	-	-	-	-	-	-	-	-	
OPEB Restoration	-	-	-	-	-	-	-	-	
Pension Restoration	-	-	-	-	-	-	-	-	
Rate Case 2008	(10,721)	4,260	(6,461)	(10,343)	(9,815)	(2,055)	-	(2,055)	
Corning Revenue Decoupling	(5,361)	5,361	-	-	-	-	-	-	
Hammondsport Revenue Decoupling	1,408	(1,408)	-	-	-	-	-	-	
Rate Case 2011	(587)	(10,773)	(11,360)	(566)	(10,400)	(10,400)	-	(10,400)	
Corning/Hsport MFC	(7,365)	7,365	-	-	-	-	-	-	
Bath MFC	-	-	-	-	-	-	-	-	
Holding Company Costs	-	-	-	-	-	-	-	-	
Property Tax Reconciliation	(29,578)	29,578	-	-	-	-	-	-	
Contract Customer Reconciliation	(2,930)	2,930	-	-	-	-	-	-	
Refunds From Suppliers (Pending)	(189)	189	-	-	-	-	-	-	
FASB 106 Postretirement Benefits	(2,363)	2,363	-	-	-	-	-	-	
Customer Advances for Construction	-	-	-	-	-	-	-	-	
Deferred Refund Due On P/Gas-Pending	-	-	-	-	-	-	-	-	
Deferred Fortuna Revenue	-	-	-	-	-	-	-	-	
Deferred Interest On FAS 106	(317)	317	-	-	-	-	-	-	
Deferred Delivery Rate Adjustment	15,827	(15,827)	-	-	-	-	-	-	
Deferred Gas System Benefits Charge	(6,078)	6,078	-	-	-	-	-	-	
Deferred 2005 Rate Case Revenue	-	-	-	-	-	-	-	-	
Section 263A	9,131	(9,131)	-	-	-	-	-	-	
Root Well Revenues applied to plant	-	-	-	-	-	-	-	-	
Other Surcharges applied to plant	(20,690)	-	(20,690)	(19,026)	(12,737)	(11,488)	-	(11,488)	
Deferred Local Production Due	17,051	(17,051)	-	-	1,601	1,601	-	1,601	
Deferred Net Plant Due	(5,432)	-	-	-	-	-	-	-	
Deferred Excess Earnings Due	-	-	-	-	-	-	-	-	
Amortization of Matrix Incentive	-	(2,262)	(2,262)	(2,182)	(2,071)	(2,071)	-	(2,071)	
Rate Case 2016	-	-	-	10,275	54,167	(13,000)	-	(13,000)	
	166,853	(12,346)	159,939	165,544	175,237	128,673	-	128,673	



Corning Natural Gas  
State Income Tax Calculation  
For the Twelve Month Period Ended December 31, 2013, April 30, 2014, 2015, 2016, 2017 and 2018

	Twelve Months Ended May 31, 2019	Rate Increase Required	Rate Year 2 As Adjusted Twelve Months Ended May 31, 2019	Twelve Months Ended May 31, 2020	Rate Increase Required	Rate Year 3 As Adjusted Twelve Months Ended May 31, 2020	Updated
Rate Case 2005	-	-	-	-	-	-	-
Rateable Pension Expense-Difference in rate Allow. Vs. FASB 87	-	-	-	-	-	-	-
Appliance Corp Cost Allocations	-	-	-	-	-	-	-
Uncollectible Accts - 2006	-	-	-	-	-	-	-
Rate Case 2007	-	-	-	-	-	-	-
Depreciation Study 2007	-	-	-	-	-	-	-
OPEB Restoration	-	-	-	-	-	-	-
Pension Restoration	-	-	-	37,628	-	37,628	-
Rate Case 2008	-	-	-	-	-	-	-
Corning Revenue Decoupling	-	-	-	-	-	-	-
Hammondsport Revenue Decoupling	-	-	-	-	-	-	-
Rate Case 2011	160,000	-	-	37,628	-	37,628	-
Corning/H sport MFC	-	-	-	-	-	-	-
Bath MFC	-	-	-	-	-	-	-
Holding Company Costs	-	-	-	-	-	-	-
Property Tax Reconciliation	-	-	-	-	-	-	-
Contract Customer Reconciliation	-	-	-	-	-	-	-
Refunds From Suppliers (Pending)	-	-	-	-	-	-	-
FASB 106 Postretirement Benefits	-	-	-	-	-	-	-
Customer Advances for Construction	-	-	-	-	-	-	-
Deferred Refund Due On P/Gas-Pending	-	-	-	-	-	-	-
Deferred Fortuna Revenue	-	-	-	-	-	-	-
Deferred Interest On FAS 106	-	-	-	-	-	-	-
Deferred Delivery Rate Adjustment	-	-	-	-	-	-	-
Deferred Gas System Benefits Charge	-	-	-	-	-	-	-
Deferred 2005 Rate Case Revenue	-	-	-	-	-	-	-
Section 263A	-	-	-	-	-	-	-
Root Well Revenues applied to plant	-	-	-	-	-	-	-
Other Surcharges Applied to Plant	176,735	-	176,735	176,735	-	176,735	-
Deferred Local Production Due	-	-	-	-	-	-	-
Deferred Net Plant Due	(24,629)	-	(24,629)	(24,629)	-	(24,629)	-
Deferred Excess Earnings Due	-	-	-	-	-	-	-
Amortization of Matrix Incentive	31,857	-	31,857	30,001	-	30,001	-
Rate Case 2016	200,004	-	200,004	200,004	-	200,004	-
Taxable Income	(2,265,071)	-	(2,443,165)	(2,519,215)	-	(2,537,309)	-
State Income Tax Rate	1,800,835	1,138,167	2,760,908	2,523,683	477,061	2,982,650	-
Current Tax Provision-409	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	-
Book/Tax Differences (Includes Prior YR. Adj. Rec. Return vs. Book Estimate)	117,054	73,981	191,035	164,039	31,009	195,048	-
Deferred Provision - Account 409 Compressor and Dalrmple	(66,609)	-	(66,609)	(66,609)	-	(66,609)	-
Total current Tax Provisions	50,446	73,981	124,427	97,431	31,009	128,440	-
Deferred Provision - Account 410 Current	185,364	-	185,364	196,255	-	196,255	-
Deferred Provision - Account 410 Compressor and Dalrmple	21,639	-	21,639	21,639	-	21,639	-
Deferred Provision - Account 410 Prior Period and Adjustments	-	-	-	-	-	-	-
Deferred Provision - Account 411 Current	(38,135)	-	(38,135)	(27,614)	-	(27,614)	-
Deferred Provision - Account 411 Compressor and Dalrmple	(25,103)	-	(25,103)	(25,103)	-	(25,103)	-
Deferred Provision - Account 411 Property Tax Resolution	-	-	-	-	-	-	-
Deferred Provision - Account 411 Prior Period and Adjustments	-	-	-	-	-	-	-
	143,765	-	143,765	165,176	-	165,176	-

Updated

Corning Natural Gas  
 State Income Tax Calculation  
 For the Twelve Month Period Ended December 31, 2013, April 30, 2014, 2015, 2016, 2017 and 2018

Provision for Deferred Tax	Twelve Months Ended	Rate Increase	Rate Year 2 As Adjusted	Twelve Months Ended	Rate Increase	Rate Year 3 As Adjusted	Updated
	May 31, 2019	Required	Twelve Months Ended May 31, 2019	May 31, 2020	Required	Twelve Months Ended May 31, 2020	Exhibit CNG-3 Schedule 3 Page 6 of 6
ADR Normalized	(1,176)	-	(1,176)	(1,176)	-	(1,176)	
ACRS Normalized	183,764	-	183,764	194,654	-	194,654	
Unbilled Revenue for FYE 9/30/10	-	-	-	-	-	-	
Deferred Comp	-	-	-	-	-	-	
Regulatory Delinquencies	-	-	-	-	-	-	
Covenant not to Compete Agreement	-	-	-	-	-	-	
Deferred Pension- FASB 87 net of Contributions	-	-	-	-	-	-	
Vacation Pay Expense 1	-	-	-	-	-	-	
Vacation Pay Expense 2	-	-	-	-	-	-	
Vacation Pay Expense 3	-	-	-	-	-	-	
Vacation Pay Expense 4	-	-	-	-	-	-	
Vacation Pay Expense 5	-	-	-	-	-	-	
Blank	-	-	-	-	-	-	
GAC - Corning Operations	-	-	-	-	-	-	
GAC - Both Operations	-	-	-	-	-	-	
GAC - Hammondsport Operations	-	-	-	-	-	-	
Def Debts - Regulatory Restructuring Cost	-	-	-	-	-	-	
FAS 106 Post-retirement Benefits	-	-	-	-	-	-	
NYS Franchise Tax	-	-	-	-	-	-	
Deferred Uncollectible Costs	-	-	-	-	-	-	
Rate Case 2005	-	-	-	-	-	-	
Rateable Pension Expense-Difference in rate Allow. Vs. FASB 87	-	-	-	-	-	-	
Appliance Corp Cost Allocations	-	-	-	-	-	-	
Uncollectible Accts - 2006	-	-	-	-	-	-	
Rate Case 2007	-	-	-	-	-	-	
Depreciation Study 2007	-	-	-	-	-	-	
OPEB Restoration	-	-	-	(2,446)	-	(2,446)	
Pension Restoration	-	-	-	-	-	-	
Rate Case 2008	-	-	-	-	-	-	
Corning Revenue Decoupling	-	-	-	-	-	-	
Hammondsport Revenue Decoupling	-	-	-	-	-	-	
Rate Case 2011	(10,400)	-	(10,400)	(2,446)	-	(2,446)	
Corning/Hsport MFC	-	-	-	-	-	-	
Bath MFC	-	-	-	-	-	-	
Holding Company Costs	-	-	-	-	-	-	
Property Tax Reconciliation	-	-	-	-	-	-	
Contract Customer Reconciliation	-	-	-	-	-	-	
Refunds From Suppliers (Pending)	-	-	-	-	-	-	
FASB 106 Postretirement Benefits	-	-	-	-	-	-	
Customer Advances for Construction	-	-	-	-	-	-	
Deferred Refund Due On P/Gas-Pending	-	-	-	-	-	-	
Deferred Fortuna Revenue	-	-	-	-	-	-	
Deferred Interest On FAS 106	-	-	-	-	-	-	
Deferred Delivery Rate Adjustment	-	-	-	-	-	-	
Deferred Gas System Benefits Charge	-	-	-	-	-	-	
Deferred 2005 Rate Case Revenue	-	-	-	-	-	-	
Section 263A	-	-	-	-	-	-	
Root Well Revenues applied to plant	-	-	-	-	-	-	
Other Surcharges applied to plant	(11,488)	-	(11,488)	(11,488)	-	(11,488)	
Deferred Local Production Due	-	-	-	-	-	-	
Deferred Net Plant Due	1,601	-	1,601	1,601	-	1,601	
Deferred Excess Earnings Due	-	-	-	-	-	-	
Amortization of Matrix Incentive	(2,071)	-	(2,071)	(1,950)	-	(1,950)	
Rate Case 2016	(13,000)	-	(13,000)	(13,000)	-	(13,000)	
	147,230	-	147,230	163,749	-	163,749	

Corning Natural Gas  
Federal Income Tax Calculation  
For the Twelve Month Period Ended December 31, 2015, May 31, 2016, 2017, 2018, 2019 and 2020

	Twelve Months Ended December 31, 2015	Adjustments	Twelve Months Ended December 31, 2015 As Adjusted	Twelve Months Ended May 31, 2016	Twelve Months Ended May 31, 2017	Rate Year Twelve Months Ended May 31, 2018	Rate Increase Required	Rate Year As Adjusted Twelve Months Ended May 31, 2018	Updated
Operating Income Before Taxes and Interest Charges	\$ 3,911,093	111,915	4,023,008	3,668,873	2,450,672	189,225	5,690,232	5,879,457	
<b>Interest Charges:</b>									
Long Term Debt	712,236	(95,440)	933,608	933,237	992,808	1,081,199	-	1,081,199	
Short Term Debt	228,450	-	-	-	-	-	-	-	
Other Interest	11,781	-	-	-	-	-	-	-	
Amortization of Debt Expense	76,580	-	-	-	-	-	-	-	
<b>Total Interest Charges</b>	<b>1,029,048</b>	<b>(95,440)</b>	<b>933,608</b>	<b>933,237</b>	<b>992,808</b>	<b>1,081,199</b>	<b>-</b>	<b>1,081,199</b>	
Operating Income Before Taxes	2,882,045	207,354	3,089,399	2,735,636	1,457,863	(891,974)	5,690,232	4,798,259	
<b>Permanent Differences and Flow Thru Items</b>									
Bad Debts - Accrual	150,000	(150,000)	-	-	-	-	-	-	
Bad Debts - Write Off	(202,682)	-	-	-	-	-	-	-	
Disallowed Meal Allowance	4,385	(4,385)	-	-	-	-	-	-	
70% Dividend Income	(32,157)	32,157	-	-	-	-	-	-	
Excess Depreciation - not allowed per NYPSC	(151,619)	-	(151,619)	(151,619)	(151,619)	(151,619)	-	(151,619)	
<b>Total Permanent Differences</b>	<b>(232,072)</b>	<b>80,453</b>	<b>(151,619)</b>	<b>(151,619)</b>	<b>(151,619)</b>	<b>(151,619)</b>	<b>-</b>	<b>(151,619)</b>	
<b>Timing Differences</b>									
Book Depreciation Expense-includes clearing accounts	1,576,404	-	1,576,404	1,770,655	1,992,774	2,053,102	-	2,053,102	
ADR Normalized	18,094	-	18,094	18,094	18,094	18,094	-	18,094	
ACRS Normalized	(2,606,138)	-	(2,606,138)	(3,099,177)	(3,221,281)	(2,935,265)	-	(2,935,265)	
Unbilled Revenue for FYE 9/30/07	(36,548)	36,548	-	-	-	-	-	-	
Deferred Comp	(172,725)	-	(172,725)	-	-	-	-	-	
Regulatory Deficiencies	-	-	-	-	-	-	-	-	
Covenant not to Compete Agreement	-	-	-	-	-	-	-	-	
Deferred Pension- FASB 87 net of Contributions	4,820,005	(4,820,005)	-	-	-	-	-	-	
Vacation Pay Expense 1	-	-	-	-	-	-	-	-	
Vacation Pay Expense 2	-	-	-	-	-	-	-	-	
Vacation Pay Expense 3	-	-	-	-	-	-	-	-	
Vacation Pay Expense 4	-	-	-	-	-	-	-	-	
Vacation Pay Expense 5	59,299	(59,299)	-	-	-	-	-	-	
Blank	-	-	-	-	-	-	-	-	
GAC - Corning Operations	(162,736)	162,736	-	-	-	-	-	-	
GAC - Bath Operations	(6,130)	6,130	-	-	-	-	-	-	
GAC - Hammondspport Operations	(4,047)	4,047	-	-	-	-	-	-	
Def Debts - Unfunded OPEB Liability	(104,862)	104,862	-	-	-	-	-	-	
FAS 106 Post-retirement Benefits	21,995	(21,995)	-	-	-	-	-	-	
Def Debts - Unfunded Pension Liability	(4,659,340)	4,659,340	-	-	-	-	-	-	
Deferred Uncollectible Costs	-	-	-	-	-	-	-	-	
Rate Case 2005	-	-	-	-	-	-	-	-	
Rateable Pension Expense-Difference in rate Allow. Vs. FASB 87	43,198	(43,198)	-	-	-	-	-	-	
Appliance Corp Cost Allocations	(72,482)	-	(72,482)	(34,167)	-	-	-	-	
Uncollectible Accts - 2006	-	-	-	-	-	-	-	-	
Rate Case 2007	-	-	-	-	-	-	-	-	
Depreciation Study 2007	-	-	-	-	-	-	-	-	
OPEB Restoration	-	-	-	-	-	-	-	-	
Pension Restoration	-	-	-	-	-	-	-	-	
Rate Case 2008	151,000	(80,000)	91,000	150,996	150,996	31,618	-	31,618	
Corning Revenue Decoupling	75,509	(75,509)	-	-	-	-	-	-	
Hammondspport Revenue Decoupling	(19,830)	-	-	-	-	-	-	-	
Rate Case 2011	8,262	151,738	160,000	8,266	160,000	160,000	-	160,000	
Corning/Hspport MFC	103,728	(103,728)	-	-	-	-	-	-	
Bath MFC	-	-	-	-	-	-	-	-	
Holding Company Costs	-	-	-	-	-	-	-	-	
Property Tax Reconciliation	416,586	(416,586)	-	-	-	-	-	-	
Contract Customer Reconciliation	41,273	(41,273)	-	-	-	-	-	-	
Refunds From Suppliers (Pending)	2,867	(2,867)	-	-	-	-	-	-	
FASB 106 Postretirement Benefits	33,281	(33,281)	-	-	-	-	-	-	
Customer Advances for Construction	-	-	-	-	-	-	-	-	
Deferred Refund Due On P/Gas-Pending	-	-	-	-	-	-	-	-	
Deferred Fortuna Revenue	-	-	-	-	-	-	-	-	
Deferred Interest On FAS 106	4,468	(4,468)	-	-	-	-	-	-	
Deferred Delivery Rate Adjustment	(222,914)	222,914	-	-	-	-	-	-	
Deferred Gas System Benefits Charge	85,605	(85,605)	-	-	-	-	-	-	
Deferred 2005 Rate Case Revenue	-	-	-	-	-	-	-	-	
Section 263A	(128,611)	128,611	-	-	-	-	-	-	
Root Well Revenues applied to plant	-	-	-	-	-	-	-	-	
Other Surcharges Applied to Plant	291,411	-	291,411	277,754	195,961	176,735	-	176,735	
Deferred Local Production Due	(240,160)	240,160	-	-	-	-	-	-	
Deferred Net Plant Due	76,501	-	76,501	-	(24,629)	(24,629)	-	(24,629)	
Deferred Excess Earnings Due	-	-	-	-	-	-	-	-	
Amortization of Matrix Incentive	-	36,143	36,143	31,857	31,857	31,857	-	31,857	
Rate Case 2016	-	-	(150,000)	-	(833,333)	200,004	-	200,004	
	(607,236)	178,168	(429,068)	(1,025,722)	(1,529,561)	(288,483)	-	(288,483)	
Taxable Income	2,042,737	465,976	2,508,713	1,558,295	(223,318)	(1,332,077)	5,690,232	4,358,156	
Deduction For State Income Tax	14,550	26,034	40,584	11,461	(80,331)	(196,507)	369,865	173,355	
Taxable Income After State Income Tax Deduction	2,028,187	439,942	2,468,129	1,546,833	(132,857)	(1,135,579)	5,320,367	4,184,796	
Federal Income Tax Rate	34%	34%	34%	34%	34%	34%	34%	34%	
Current Tax Provision-409	657,281	149,580	806,862	525,923	(45,215)	(386,094)	1,808,925	1,422,831	
Book/Tax Differences (includes Prior YR. Adj. Rec. Return vs. Book Estimate)	(15,472)	-	-	-	-	-	-	-	
<b>Total current Tax Provisions</b>	<b>641,809</b>	<b>165,052</b>	<b>806,862</b>	<b>525,923</b>	<b>(45,215)</b>	<b>(386,094)</b>	<b>1,808,925</b>	<b>1,422,831</b>	
Deferred Provision - Account 410 Current	2,517,014	-	2,517,014	514,314	709,400	308,309	-	308,309	
Deferred Provision - Account 410 Compressor and Dalrmpie	166,383	-	166,383	166,383	166,383	166,383	-	166,383	
Deferred Provision - Account 410 Prior Period and Adjustments	183,982	(183,982)	-	-	-	-	-	-	
Deferred Provision - Account 411 Current	(2,354,282)	-	(2,354,282)	(165,569)	(189,349)	(210,225)	-	(210,225)	
Deferred Provision - Account 411 Compressor and Dalrmpie	(116,573)	-	(116,573)	(116,573)	(116,573)	(116,573)	-	(116,573)	
Deferred Provision - Account 411 Property Tax Resolution	(10,455)	10,455	-	-	-	-	-	-	
Deferred Provision - Account 411 Prior Period and Adjustments	(81,201)	(81,201)	-	-	-	-	-	-	
	304,869	(92,327)	212,542	398,555	569,861	147,894	-	147,894	

Updated

Exhibit CNG-3  
Schedule 4  
Page 1 of 4

Coming Natural Gas  
Federal Income Tax Calculation  
For the Twelve Month Period Ended December 31, 2015, May 31, 2016, 2017, 2018, 2019 and 2020

	Twelve Months Ended	Rate Increase	Rate Year 2 As Adjusted	Twelve Months Ended	Rate Increase	Rate Year 3 As Adjusted	Updated
	May 31, 2019	Required	Twelve Months Ended May 31, 2019	May 31, 2020	Required	Twelve Months Ended May 31, 2020	
Operating Income Before Taxes and Interest Charges	5,359,261	1,138,167	5,355,692	6,447,708	477,061	5,671,578	Exhibit CNG-3 Schedule 4 Page 2 of 4
<b>Interest Charges:</b>							
Long Term Debt	1,141,736	-	1,141,736	1,253,190	-	1,253,190	
Short Term Debt	-	-	-	-	-	-	
Other Interest	-	-	-	-	-	-	
Amortization of Debt Expense	-	-	-	-	-	-	
<b>Total Interest Charges</b>	<b>1,141,736</b>	<b>-</b>	<b>1,141,736</b>	<b>1,253,190</b>	<b>-</b>	<b>1,253,190</b>	
Operating Income Before Taxes	4,217,525	1,138,167	5,355,692	5,194,518	477,061	5,671,578	
<b>Permanent Differences and Flow Thru Items</b>							
Bad Debts - Accrual	-	-	-	-	-	-	
Bad Debts - Write Off	-	-	-	-	-	-	
Disallowed Meal Allowance	-	-	-	-	-	-	
70% Dividend Income	-	-	-	-	-	-	
Excess Depreciation - not allowed per NYPSC	(151,619)	-	(151,619)	(151,619)	-	(151,619)	
Total Permanent Differences	(151,619)	-	(151,619)	(151,619)	-	(151,619)	
<b>Timing Differences</b>							
Book Depreciation Expense-includes clearing accounts	2,254,387	-	2,254,387	2,426,051	-	2,426,051	
ADR Normalized	18094	-	18094	18094	-	18,094	
ACRS Normalized	(3,366,327)	-	(3,366,327)	(3,707,196)	-	(3,707,196)	
Unbilled Revenue for FYE 9/30/07	-	-	-	-	-	-	
Deferred Comp	-	-	-	-	-	-	
Regulatory Deficiencies	-	-	-	-	-	-	
Covenant not to Compete Agreement	-	-	-	-	-	-	
Deferred Pension - FASB 87 net of Contributions	-	-	-	-	-	-	
Vacation Pay Expense 1	-	-	-	-	-	-	
Vacation Pay Expense 2	-	-	-	-	-	-	
Vacation Pay Expense 3	-	-	-	-	-	-	
Vacation Pay Expense 4	-	-	-	-	-	-	
Vacation Pay Expense 5	-	-	-	-	-	-	
Blank	-	-	-	-	-	-	
GAC - Coming Operations	-	-	-	-	-	-	
GAC - Bath Operations	-	-	-	-	-	-	
GAC - Hammondsport Operations	-	-	-	-	-	-	
Def Debts - Unfunded OPEB Liability	-	-	-	-	-	-	
FAS 106 Post-retirement Benefits	-	-	-	-	-	-	
Def Debts - Unfunded Pension Liability	-	-	-	-	-	-	
Deferred Uncollectible Costs	-	-	-	-	-	-	
Rate Case 2005	-	-	-	-	-	-	
Ratable Pension Expense-Difference in rate Allow. Vs. FASB 87	-	-	-	-	-	-	
Appliance Corp Cost Allocations	-	-	-	-	-	-	
Uncollectible Accts - 2006	-	-	-	-	-	-	
Rate Case 2007	-	-	-	-	-	-	
Depreciation Study 2007	-	-	-	-	-	-	
OPEB Restoration	-	-	-	-	-	-	
Pension Restoration	-	-	-	37,628	-	37,628	
Rate Case 2008	-	-	-	-	-	-	
Corning Revenue Decoupling	-	-	-	-	-	-	
Hammondsport Revenue Decoupling	-	-	-	-	-	-	
Rate Case 2011	160,000	-	160,000	37,628	-	37,628	
Corning/Hsport MFC	-	-	-	-	-	-	
Bath MFC	-	-	-	-	-	-	
Holding Company Costs	-	-	-	-	-	-	
Property Tax Reconciliation	-	-	-	-	-	-	
Contract Customer Reconciliation	-	-	-	-	-	-	
Refunds From Suppliers (Pending)	-	-	-	-	-	-	
FASB 106 Postretirement Benefits	-	-	-	-	-	-	
Customer Advances for Construction	-	-	-	-	-	-	
Deferred Refund Due On P/Gas-Pending	-	-	-	-	-	-	
Deferred Fortuna Revenue	-	-	-	-	-	-	
Deferred Interest On FAS 106	-	-	-	-	-	-	
Deferred Delivery Rate Adjustment	-	-	-	-	-	-	
Deferred Gas System Benefits Charge	-	-	-	-	-	-	
Deferred 2005 Rate Case Revenue	-	-	-	-	-	-	
Section 263A	-	-	-	-	-	-	
Root Well Revenues applied to plant	-	-	-	-	-	-	
Other Surcharges Applied to Plant	176,735	-	176,735	176,735	-	176,735	
Deferred Local Production Due	-	-	-	-	-	-	
Deferred Net Plant Due	(24,629)	-	(24,629)	(24,629)	-	(24,629)	
Deferred Excess Earnings Due	-	-	-	-	-	-	
Amortization of Matrix Incentive	31,857	-	31,857	30,001	-	30,001	
Rate Case 2016	200,004	-	200,004	200,004	-	200,004	
	(551,879)	-	(551,879)	(805,684)	-	(805,684)	
Taxable Income	3,514,027	1,138,167	4,652,194	4,237,215	477,061	4,714,275	
Deduction For State Income Tax	117,054	-	73,981	191,035	31,029	195,048	
Taxable Income After State Income Tax Deduction	3,396,973	1,064,166	4,461,159	4,073,175	446,052	4,519,223	
Federal Income Tax Rate	34%	34%	0	34%	34%	34%	
Current Tax Provision-409	1,154,971	361,823	1,516,794	1,384,880	151,658	1,536,537	
Book/Tax Differences (includes Prior YR. Adj. Rec. Return vs. Book Estimate)	-	-	-	-	-	-	
Total current Tax Provisions	1,154,971	361,823	1,516,794	1,384,880	151,658	1,536,537	
Deferred Provision - Account 410 Current	387,113	-	387,113	443,963	-	443,963	
Deferred Provision - Account 410 Compressor and Dalmpile	166,383	-	166,383	166,383	-	166,383	
Deferred Provision - Account 410 Prior Period and Adjustments	-	-	-	-	-	-	
Deferred Provision - Account 411 Current	(199,475)	-	(199,475)	(144,444)	-	(144,444)	
Deferred Provision - Account 411 Compressor and Dalmpile	(116,573)	-	(116,573)	(116,573)	-	(116,573)	
Deferred Provision - Account 411 Property Tax Resolution	-	-	-	-	-	-	
Deferred Provision - Account 411 Prior Period and Adjustments	-	-	-	-	-	-	
	237,449	-	237,449	349,329	-	349,329	Updated

**Coming Natural Gas**  
**Federal Income Tax Calculation**  
 For the Twelve Month Period Ended December 31, 2015, May 31, 2016, 2017, 2018, 2019 and 2020

	Twelve Months Ended December 31, 2015	Adjustments	Twelve Months Ended December 31, 2015 As Adjusted	Twelve Months Ended May 31, 2016	Twelve Months Ended May 31, 2017	Rate Year Twelve Months Ended May 31, 2018	Rate Increase Required	Rate Year As Adjusted Twelve Months Ended May 31, 2018	Updated Schedule 4
<b>Provision for Deferred Tax</b>	-1	-1	-1	-1	-1	-1	-1	-1	-1
ADR Normalized	(6,152.0)	-	(6,152)	(6,152)	(6,152)	(6,152)	(6,152)	(6,152)	(6,152)
ACRS Normalized	350,110	-	350,110	451,697	417,692	299,935	299,935	299,935	299,935
Unbilled Revenue for FYE 9/30/10	12,426	(12,426)	-	-	-	-	-	-	-
Deferred Comp	58,726	(58,726)	-	-	-	-	-	-	-
Regulatory Deficiencies	-	-	-	-	-	-	-	-	-
Covenant not to Compete Agreement	-	-	-	-	-	-	-	-	-
Deferred Pension- FASB 87 net of Contributions	(1,638,802)	1,638,802	-	-	-	-	-	-	-
Vacation Pay Expense 1	-	-	-	-	-	-	-	-	-
Vacation Pay Expense 2	-	-	-	-	-	-	-	-	-
Vacation Pay Expense 3	-	-	-	-	-	-	-	-	-
Vacation Pay Expense 4	-	-	-	-	-	-	-	-	-
Vacation Pay Expense 5	(20,162)	20,162	-	-	-	-	-	-	-
Blank	-	-	-	-	-	-	-	-	-
GAC - Coming Operations	55,330	(55,330)	-	-	-	-	-	-	-
GAC - Bath Operations	2,084	(2,084)	-	-	-	-	-	-	-
GAC - Hammondsport Operations	1,376	(1,376)	-	-	-	-	-	-	-
Def Debits - Regulatory Restructuring Cost	35,653	(35,653)	-	-	-	-	-	-	-
FAS 106 Post-retirement Benefits	(7,478)	7,478	-	-	-	-	-	-	-
NYS Franchise Tax	1,584,176	(1,584,176)	-	-	-	-	-	-	-
Deferred Uncollectible Costs	-	-	-	-	-	-	-	-	-
Rate Case 2005	-	-	-	-	-	-	-	-	-
Rateable Pension Expense-Difference in rate Allow. Vs. FASB 87	(14,687)	14,687	-	-	-	-	-	-	-
Appliance Corp Cost Allocations	24,644	-	24,644	11,617	-	-	-	-	-
Uncollectible Accts - 2006	-	-	-	-	-	-	-	-	-
Rate Case 2007	-	-	-	-	-	-	-	-	-
Depreciation Study 2007	-	-	-	-	-	-	-	-	-
OPEB Restoration	-	-	-	-	-	-	-	-	-
Pension Restoration	(51,340)	20,400	(30,940)	(51,339)	(51,339)	(10,750)	(10,750)	(10,750)	(10,750)
Rate Case 2008	(25,673)	25,673	-	-	-	-	-	-	-
Coming Revenue Decoupling	6,742	(6,742)	-	-	-	-	-	-	-
Hammondsport Revenue Decoupling	(2,809)	(51,591)	(54,400)	(2,810)	(54,400)	(54,400)	(54,400)	(54,400)	(54,400)
Rate Case 2011	(35,268)	-	-	-	-	-	-	-	-
Coming/H sport MFC	-	35,268	-	-	-	-	-	-	-
Bath MFC	-	-	-	-	-	-	-	-	-
Holding Company Costs	-	-	-	-	-	-	-	-	-
Property Tax Reconciliation	(141,639)	141,639	-	-	-	-	-	-	-
Contract Customer Reconciliation	(14,033)	14,033	-	-	-	-	-	-	-
Refunds From Suppliers (Pending)	(907)	907	-	-	-	-	-	-	-
FASB 106 Postretirement Benefits	(11,316)	11,316	-	-	-	-	-	-	-
Customer Advances for Construction	-	-	-	-	-	-	-	-	-
Deferred Refund Due On P/Gas-Pending	-	-	-	-	-	-	-	-	-
Deferred Fortuna Revenue	-	-	-	-	-	-	-	-	-
Deferred Interest On FAS 106	(1,519)	1,519	-	-	-	-	-	-	-
Deferred Delivery Rate Adjustment	75,791	(75,791)	-	-	-	-	-	-	-
Deferred Gas System Benefits Charge	(29,106)	29,106	-	-	-	-	-	-	-
Deferred 2005 Rate Case Revenue	-	-	-	-	-	-	-	-	-
Section 263A	43,728	(43,728)	-	-	-	-	-	-	-
Root Well Revenues applied to plant	-	-	-	-	-	-	-	-	-
Other Surcharges applied to plant	(99,080)	-	(99,080)	(94,436)	(66,627)	(60,090)	(60,090)	(60,090)	(60,090)
Deferred Local Production Due	81,654	(81,654)	-	-	-	-	-	-	-
Deferred Net Plant Due	(26,010)	-	(26,010)	-	8,374	8,374	8,374	8,374	8,374
Deferred Excess Earnings Due	-	-	-	-	-	-	-	-	-
Amortization of Matrix Incentive	-	(12,289)	(12,289)	(10,831)	(10,831)	(10,831)	(10,831)	(10,831)	(10,831)
Rate Case 2016	-	-	-	51,000	283,333	68,001	68,001	68,001	68,001
	206,460	(60,577)	145,883	348,745	520,051	98,084	-	98,084	-

Coming Natural Gas  
Federal Income Tax Calculation  
For the Twelve Month Period Ended December 31, 2015, May 31, 2016, 2017, 2018, 2019 and 2020

	Twelve Months Ended May 31, 2019	Rate Increase Required	Rate Year 2 As Adjusted Twelve Months Ended May 31, 2019	Twelve Months Ended May 31, 2020	Rate Increase Required	Rate Year 3 As Adjusted Twelve Months Ended May 31, 2020	Updated Schedule 4 (1) Page 4 of 4
<b>Provision for Deferred Tax</b>		-1	-1	-1	-1		
ADR Normalized	(6,152)		(6,152)	(6,152)		(6,152)	
ACRS Normalized	378,739		378,739	435,589		435,589	
Unbilled Revenue for FYE 9/30/10	-		-	-		-	
Deferred Comp	-		-	-		-	
Regulatory Deficiencies	-		-	-		-	
Covenant not to Compete Agreement	-		-	-		-	
Deferred Pension- FASB 87 net of Contributions	-		-	-		-	
Vacation Pay Expense 1	-		-	-		-	
Vacation Pay Expense 2	-		-	-		-	
Vacation Pay Expense 3	-		-	-		-	
Vacation Pay Expense 4	-		-	-		-	
Vacation Pay Expense 5	-		-	-		-	
Blank	-		-	-		-	
GAC - Coming Operations	-		-	-		-	
GAC - Bath Operations	-		-	-		-	
GAC - Hammondsport Operations	-		-	-		-	
Def Debits - Regulatory Restructuring Cost	-		-	-		-	
FAS 106 Post-retirement Benefits	-		-	-		-	
NYS Franchise Tax	-		-	-		-	
Deferred Uncollectible Costs	-		-	-		-	
Rate Case 2005	-		-	-		-	
Rateable Pension Expense-Difference in rate Allow. Vs. FASB 87	-		-	-		-	
Appliance Corp Cost Allocations	-		-	-		-	
Uncollectible Accts - 2006	-		-	-		-	
Rate Case 2007	-		-	-		-	
Depreciation Study 2007	-		-	-		-	
OPEB Restoration	-		-	-		-	
Pension Restoration	-		-	(12,793)		(12,793)	
Rate Case 2008	-		-	-		-	
Coming Revenue Decoupling	-		-	-		-	
Hammondsport Revenue Decoupling	-		-	-		-	
Rate Case 2011	-		-	-		-	
Coming/Hsport MFC	(54,400)		(54,400)	(12,793)		(12,793)	
Bath MFC	-		-	-		-	
Holding Company Costs	-		-	-		-	
Property Tax Reconciliation	-		-	-		-	
Contract Customer Reconciliation	-		-	-		-	
Refunds From Suppliers (Pending)	-		-	-		-	
FASB 106 Postretirement Benefits	-		-	-		-	
Customer Advances for Construction	-		-	-		-	
Deferred Refund Due On P/Gas-Pending	-		-	-		-	
Deferred Fortuna Revenue	-		-	-		-	
Deferred Interest On FAS 106	-		-	-		-	
Deferred Delivery Rate Adjustment	-		-	-		-	
Deferred Gas System Benefits Charge	-		-	-		-	
Deferred 2005 Rate Case Revenue	-		-	-		-	
Section 263A	-		-	-		-	
Root Well Revenues applied to plant	-		-	-		-	
Other Surcharges Applied to Plant	(60,090)		(60,090)	(60,090)		(60,090)	
Deferred Local Production Due	-		-	-		-	
Deferred Net Plant Due	8,374	-	8,374	8,374	-	8,374	
Deferred Excess Earnings Due	-		-	-		-	
Amortization of Matrix Incentive	(10,831)	-	(10,831)	(10,200)	-	(10,200)	
Rate Case 2016	(68,001.36)	-	(68,001.36)	(68,001.36)	-	(68,001.36)	
	<b>187,639</b>	<b>-</b>	<b>187,639</b>	<b>273,933</b>	<b>-</b>	<b>273,933</b>	

Corning Natural Gas  
Interest Synchronization Calculation

	<u>Twelve Months Ended December 31, 2015</u>	<u>Adjustments</u>	<u>Twelve Months Ended December 31, 2015 As Adjusted</u>	<u>Twelve Months Ended May 31, 2016</u>	<u>Twelve Months Ended May 31, 2017</u>	<u>Rate Year Twelve Months Ended May 31, 2018</u>	<u>Twelve Months Ended May 31, 2019</u>	<u>Twelve Months Ended May 31, 2020</u>
Rate Base	48,312,020	2,371,720	50,683,740	50,663,598	53,897,605	58,696,135	64,308,686	68,527,757
Total Debt Base	48,312,020	2,371,720	50,683,740	50,663,598	53,897,605	58,696,135	64,308,686	68,527,757
Debt Component of Capitalization		0.00%	1.84%	1.84%	1.84%	1.84%	1.78%	1.83%
Total Interest (Debt Cost X Debt Base)	1,029,048	(95,440)	933,608	933,237	992,808	1,081,199	1,141,736	1,253,190