

CORNING NATURAL GAS CORP.

INDEX OF SCHEDULES

Cost of Service

<u>SCHEDULE</u>	<u>TITLE OF SCHEDULES</u>	<u>WITNESS</u>
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1	Summary of Elements of Costs (Operation and Maintenance Expenses)	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

	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		Exhibit CNG-3 Summary Page 1 of 4		
Operating Revenues																	
Total Delivery Revenues	\$	13,219,621	(1)a	\$(348,076)	\$	12,871,545	\$	12,871,545	\$	12,871,545	\$	5,927,841	\$	18,799,385			
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		5,927,841		19,201,074			
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		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		24,064,127		29,991,968			
Other Gas Revenues																	
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		-		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		221,273	(4)	(221,273)		291,411		278,707		278,707		279,244		279,244			
Talisman Purchase from Corning		221,273	(2)k	(221,273)		-		-		-		-		-			
Total Other Gas Revenues		1,243,125		83,215		1,326,340		1,313,636		1,322,483		683,017		683,017			
Operating Revenues		21,437,604		(440,414)		20,997,189		20,973,236		20,982,083		24,747,144		30,674,984			
	15,374,004																
Operating Expenses																	
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)	(349,021)		7,506,042		7,796,202		8,485,284		9,156,157		84,068			
Depreciation Expense		1,350,782	(7)	39,013		1,389,795		1,492,826		1,796,202		1,875,669		1,875,669			
Depreciation - Accelerated Recovery of Plant		291,411		-		291,411		278,707		278,707		279,244		279,244			
Taxes Other Than FIT		1,965,655	(8)	41,533		2,007,188		2,071,399		2,230,612		3,302,043		74,007			
Total Operating Expenses		17,526,511		(560,891)		16,965,620		17,410,317		18,570,835		24,734,513		158,075			
Operating Income Before SIT		3,911,093		120,477		4,031,570		3,562,919		2,411,248		12,631		5,769,766			
State Income Taxes																	
Current		(98,536)	(9)	74,629		(23,906)		(54,623)		(150,191)		(256,139)		375,035			
Deferred		163,369	(10)	(7,199)		156,170		154,217		163,527		107,790		-			
Total State Income Taxes		64,834		67,430		132,264		99,594		13,336		(148,349)		375,035			
Operating Income Before FIT		3,846,259		53,047		3,899,305		3,463,325		2,397,912		160,980		5,394,731			
Federal Income Taxes																	
Current		641,809	(11)	173,018		814,828		528,784		(12,208)		(351,975)		1,834,209			
Deferred		304,869	(12)	(92,327)		212,542		365,284		526,727		56,778		56,778			
Total Federal Income Taxes		946,679		80,691		1,027,370		894,068		514,518		(295,196)		1,834,209			
Operating Income		2,899,580		(27,645)		2,871,935		2,569,257		1,883,394		456,177		3,560,523			
												2,039,205		4,016,699			
Rate Base	\$	48,312,020	(13)	\$(925,319)	\$	47,386,701	\$	47,363,828	\$	50,633,088	\$	55,456,310	\$	-	\$	55,456,310	
Rate Base Over Capitalization		-	(14)	2,374,901		2,374,901		2,374,901		2,374,901		-		2,374,901			
Rate Base As Adjusted	\$	48,312,020		\$	1,449,582	\$	49,761,602	\$	49,738,729	\$	53,007,989	\$	57,831,211	\$	-	\$	57,831,211
												49,200,018		57,831,211			
Rate of Return		6.00%		0.00%		5.77%		5.17%		3.55%		0.79%		6.95%			
Actual Capital Structure																	
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%		3.93%		3.32%		1.71%		-1.05%		-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%		7.85%		6.64%		3.42%		-2.10%		-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

2.15%

	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	Exhibit CNG-3 Summary Page 2 of 4
Operating Revenues							
Total Delivery Revenues	\$ 18,799,385	1,163,848	\$ 19,963,233	\$ 19,963,233	668,507	\$ 20,631,740	
Weather Normalization	-		-	-		-	
Safety and Reliability Charge	-		-	-		-	
Merchant Function Charge	401,689	-	401,689	401,689	-	401,689	
Total Base Revenues	19,201,074	1,163,848	20,364,922	20,364,922	668,507	21,033,430	
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	29,991,968	1,163,848	31,155,816	31,155,816	668,507	31,824,323	
Other Gas Revenues							
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	284,655		284,655	191,771		191,771	
Talisman Purchase from Corning	-		-	-		-	
Total Other Gas Revenues	688,427	-	688,427	595,544	-	595,544	
Operating Revenues	30,680,395	1,163,848	31,844,243	31,751,360	668,507	32,419,867	
	15,374,004						
Operating Expenses							
Purchased Gas (Net of Deferred Costs)	10,121,400		10,121,400	10,121,400		10,121,400	
Operating & Maintenance Expense	9,367,361	16,505	9,383,866	9,132,566	9,481	9,142,046	
Depreciation Expense	2,076,954		2,076,954	2,248,742		2,248,742	
Depreciation - Accelerated Recovery of Plant	284,655		284,655	191,771		191,771	
Taxes Other Than FIT	3,669,165	14,530	3,683,695	4,010,412	8,346	4,018,758	
Total Operating Expenses	25,519,534	31,036	25,550,570	25,704,891	17,827	25,722,717	
Operating Income Before SIT	5,160,861	1,132,812	6,293,673	6,046,469	650,681	6,697,150	
State Income Taxes							
Current	52,194	73,633	125,826	68,558	42,294	110,853	
Deferred	131,355	-	131,355	165,209	-	165,209	
Total State Income Taxes	183,549	73,633	257,181	233,768	42,294	276,062	
Operating Income Before FIT	4,977,313	1,059,179	6,036,492	5,812,702	608,386	6,421,088	
Federal Income Taxes							
Current	1,163,519	360,121	1,523,640	1,243,671	206,851	1,450,522	
Deferred	172,532	-	172,532	349,500	-	349,500	
Total Federal Income Taxes	1,336,052	360,121	1,696,173	1,593,171	206,851	1,800,023	
Operating Income	3,641,261	699,058	4,340,319	4,219,530	401,535	4,621,065	
Rate Base	\$ 59,998,425		\$ 59,998,425	\$ 64,358,958		\$ 64,358,958	
Rate Base Over Capitalization	2,374,901		2,374,901	2,374,901		2,374,901	
Rate Base As Adjusted	\$ 62,373,326		\$ 62,373,326	\$ 66,733,859		\$ 66,733,859	
	51,455,859		51,455,859	53,753,559		53,753,559	
Rate of Return	5.84%		6.96%	6.32%		6.92%	
Actual Capital Structure							
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	4.06%		5.18%	4.49%		5.10%	
Equity Ratio	50.82%		50.82%	49.96%		49.96%	
Return on Equity	7.99%		10.20%	9.00%		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
			Rounded	10.20%
<u>Pension and OPEB Fiscal Year Ended</u>	<u>Pension FASB 87</u>	<u>OPEB FASB 106</u>		
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		
Inflation-General				
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%			
Inflation-Health Costs				
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%			
Wage Increases:	<u>Salary/ Hourly/Union</u>	<u>Equity Adjustment</u>		
Effective Dates	<u>Annual</u>	<u>Factor 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

<u>Revenue Requirement Calculation</u>	<u>Revenue Requirement @</u> <u>Twelve Months Ended</u> <u>May 2018</u>	<u>Twelve Months Ended</u> <u>May 2019</u>	<u>Twelve Months Ended</u> <u>May 2020</u>	
Rate Base	\$ 57,831,211	\$ 62,373,326	\$ 66,733,859	4,330,491
Overall Return	6.95%	6.96%	6.92%	
Required Earnings	4,016,699	4,340,319	4,621,065	
Less Amount Actual Earned	456,177	3,641,261	4,219,530	65,583,301
Short Fall	3,560,523	699,058	401,535	2,682,542
Requirement Factor	1.665	1.665	1.665	68,265,844
	5,927,841	1,163,848	668,507	
Proof				
Required Earnings	\$ 4,016,699	\$ 4,340,319	\$ 4,621,065	
Total Debt	1,063,474	1,105,639	1,218,576	
Customer Deposits	1,793	1,737	1,808	
Total Debt	1,065,267	1,107,376	1,220,384	
Amount Available for Common	\$ 2,951,433	\$ 3,232,944	\$ 3,400,681	
Rate Base Support by Equity	\$ 28,935,615	\$ 31,695,526	\$ 33,340,009	
	10.20%	10.20%	10.20%	
	5,081,966	5,447,695	5,841,449	

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Summary
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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	84,068	16,505	9,481
Revenue Tax	74,007	14,530	8,346

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)

Exhibit CNG-3
Schedule 1
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<u>Operating Expenses</u>	TWELVE MONTHS ENDED							
	Per Books December 31, 2015	Normal- ization Adj.	As Adjusted December 31, 2015	May 31, 2016	May 31, 2017	Rate Year 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	2,742,371	3,009,853	3,097,850	3,146,071
Sch. 4 -- Supervisory and Indirect Labor	559,963	-	\$ 559,963	574,097	648,076	708,906	729,313	740,749
Sch. 5 -- Vacation Accrual	158,661	-	158,661	162,905	184,866	202,897	208,829	212,080
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	(36,139)	389,960	418,908	430,553	632,636	515,342	422,168
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	267,736	351,760	368,222
Sch. 10 -- Building Services	88,505	-	88,505	90,689	99,703	107,193	110,047	111,861
Sch. 11 -- Transportation	311,224	(50,727)	260,497	266,092	281,320	294,373	301,051	306,244
Sch. 12 -- Outside Services	406,791	-	406,791	414,607	422,321	429,935	438,005	446,006
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	686,068	816,880	585,097	583,204	581,444
Other O & M Costs excluding Purchased Gas	7,853,480	(349,021)	7,504,459	7,796,202	8,485,284	9,156,157	9,283,293	9,116,060
	\$ 13,917,080	\$ (641,438)	\$ 13,275,642	\$ 13,567,385	\$ 14,256,468	\$ 19,277,556	\$ 19,404,693	\$ 19,237,460

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
Property Taxes								
Property Tax Expense	2,147,769		2,147,769	2,244,075	2,485,574.44	2,753,063.26	3,049,338.29	3,377,497.40
Leatherstocking Allocation	(1,369)		(1,369)	(1,430.7)	(1,584.7)	(1,755.2)	(1,944.1)	(2,153.3)
Property Tax Reconciliation	(603,962)	-	(603,962)	(631,446.09)	(731,227.55)	-	-	-
	1,542,438	-	1,542,438	1,611,198	1,752,762	2,751,308	3,047,394	3,375,344
Payroll Taxes	196,093	19,645	215,739	222,438	240,087	258,662	255,690	254,458
State Tax On Dividends	-		-	-	-	-	-	-
State and Local Gross Receipts Taxes	227,124	21,888	249,012	237,763	237,763	292,073	366,080	380,610
Total Taxes Other Than Income Taxes	\$ 1,965,655	\$ 41,533	\$ 2,007,188	\$ 2,071,399	\$ 2,230,612	\$ 3,302,043	\$ 3,669,165	\$ 4,010,412
Payroll Taxes								
Federal Unemployment Ins. Tax	\$ 29,884	578	30,462	30,770	30,204	30,204	30,204	30,204
Federal Ins. Contributions Tax	240,809	28,696	269,505	277,201	310,317	340,409	348,956	359,241
Federal Ins. Contributions Tax Capitalized	(88,389)	(10,983)	(99,372)	(102,318)	(114,993)	(126,511)	(138,029)	(149,546)
State Unemployment Insurance Tax	13,790	1,355	15,145	16,784	14,559	14,559	14,559	14,559
	\$ 196,093	\$ 19,645	\$ 215,739	\$ 222,438	\$ 240,087	\$ 258,662	\$ 255,690	\$ 254,458
						12,224	14,530	8,346
State Gross Revenue Tax								
Gross Receipts Tax Rate	0.0124846							
Escalators								
Property Taxes- Annual	110.76%							
Property Taxes-Jan 16 to May 16	104.48%							
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 10.76%								
Average Increase Jan to May 2016 4.48%								

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	
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	91,000	91,000	91,000	-	91,000	-
Corning Revenue Decoupling	75,509	(75,509)	-	-	-	-	-	-	-
Hammondsport Revenue Decoupling	(19,830)	19,830	-	-	-	-	-	-	-
Rate Case 2011	8,262	-	160,000	160,000	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	278,707	287,554	279,244	-	279,244	-
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	36,143	36,143	36,143	-	36,143	-
Rate Case 2016	-	-	-	(150,000)	(833,333)	200,004	-	200,004	-
Taxable Income	(2,350,040)	178,168	(2,171,872)	(2,318,842)	(2,569,092)	(1,711,601)	-	(1,711,601)	-
State Income Tax Rate	299,933	491,524	791,457	176,257	(1,285,885)	(2,915,856)	5,769,766	2,853,910	-
Current Tax Provision-409	7.1%	7.1%	7.1%	6.8%	6.5%	6.5%	6.5%	6.5%	-
Book/Tax Differences (Includes Prior YR. Adj. Rec. Return vs. Book Estimate)	14,550	28,153	42,702	11,985	(83,583)	(189,531)	375,035	185,504	-
Deferred Provision - Account 409 Compressor and Dalrmlpe	(66,609)	-	(66,609)	(66,609)	(66,609)	(66,609)	-	(66,609)	-
Total current Tax Provisions	(98,536)	74,629	(23,907)	(54,623)	(150,191)	(256,139)	375,035	118,896	-
Deferred Provision - Account 410 Current	653,917	(451,920)	201,996	197,389	205,522	162,246	-	162,246	-
Deferred Provision - Account 410 Compressor and Dalrmlpe	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)	444,702	(42,362)	(39,708)	(38,531)	(50,992)	-	(50,992)	-
Deferred Provision - Account 411 Compressor and Dalrmlpe	(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	(7,198)	156,170	154,217	163,527	107,790	-	107,790	-

Exhibit CMG-3
Schedule 3
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Coming 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	
Provision for Deferred Tax									Exhibit CMG-3
ADR Normalized	(1,285)	-	(1,285)	(1,230)	(1,176)	(1,176)	-	(1,176)	Schedule 3
ACRS Normalized	196,850	-	196,850	184,866	149,755	160,645	-	160,645	Page 3 of 6
Unbilled Revenue for FYE 9/30/10	2,595	(2,595)	-	-	-	-	-	-	
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 - Coming 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	2,323	-	-	-	-	
Uncollectible Accts - 2006	-	-	-	-	-	-	-	-	
Rate Case 2007	-	-	-	-	-	-	-	-	
Depreciation Study 2007	-	-	-	-	-	-	-	-	
OPEB Restoration	-	-	-	-	-	-	-	-	
Pension Restoration	-	-	-	-	-	-	-	-	
Rate Case 2008	(10,721)	4,260	(6,461)	(6,188)	(5,915)	(5,915)	-	(5,915)	
Coming Revenue Decoupling	(5,361)	5,361	-	-	-	-	-	-	
Hammondsport Revenue Decoupling	1,408	(1,408)	-	-	-	-	-	-	
Rate Case 2011	(587)	(10,773)	(11,360)	(10,880)	(10,400)	(10,400)	-	(10,400)	
Coming/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)	-	-	-	-	-	-	-	
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	(6,076)	6,076	-	-	-	-	-	-	
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)	(18,952)	(18,691)	(18,151)	-	(18,151)	
Deferred Local Production Due	17,051	(17,051)	-	-	1,601	-	-	1,601	
Deferred Net Plant Due	(5,432)	-	-	-	-	-	-	-	
Deferred Excess Earnings Due	-	-	-	-	-	-	-	-	
Amortization of Matrix Incentive	-	(2,566)	(2,566)	(2,458)	(2,349)	(2,349)	-	(2,349)	
Rate Case 2016	-	-	-	10,200	54,167	(13,000)	-	(13,000)	
	166,853	(12,650)	159,634	157,681	166,991	111,254	-	111,254	

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	
Income Before Tax - Gas Company	\$ 5,160,861	\$ 1,132,812	\$ 6,293,673	\$ 6,046,469	\$ 650,681	\$ 6,697,150	Exhibit CNG-3 Schedule 3 Page 4 of 6
Income before tax Non Utility							
Deductions From Gross Income							
Interest on Long-term Debt	-		-	-		-	
Interest on Notes Payable	-		-	-		-	
Other Interest Deducts	-		-	-		-	
Amortization of Debt Expense	1,107,376		1,107,376	1,220,384		1,220,384	
Total Interest Charges	1,107,376		1,107,376	1,220,384		1,220,384	
Operating Income Before Taxes and Interest Charges	5,160,861	1,132,812	6,293,673	6,046,469	650,681	6,697,150	
Interest Charges:							
Interest on Long-term Debt	1,107,376		1,107,376	1,220,384		1,220,384	
Interest on Notes Payable	-		-	-		-	
Other Interest Deducts	-		-	-		-	
Amortization of Debt Expense	-		-	-		-	
Total Interest Charges	1,107,376		1,107,376	1,220,384		1,220,384	
Operating Income Before Taxes	4,053,485	1,132,812	5,186,298	4,826,085	650,681	5,476,765	
Permanent Differences and Flow Thru Items							
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)	
Timing Differences							
Book Depreciation Expense	2,361,609		2,361,609	2,440,513		2,440,513	
ADR Normalized	18094		18094	18094		18094	
Deduct Tax Depreciation	(5,081,518)		(5,081,518)	(5,420,727)		(5,420,727)	
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 - Corning 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	-		-	-		-	

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	
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	-	-	-	-	-	-	-
Rate Case 2008	85,609	-	85,609	-	-	-	-
Corning Revenue Decoupling	-	-	-	-	-	-	-
Hammondsport Revenue Decoupling	-	-	-	-	-	-	-
Rate Case 2011	45,894	-	-	-	-	-	-
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	284,655	-	284,655	191,771	-	191,771	-
Deferred Local Production Due	-	-	-	-	-	-	-
Deferred Net Plant Due	(24,629)	-	(24,629)	(24,629)	-	(24,629)	-
Deferred Excess Earnings Due	-	-	-	-	-	-	-
Amortization of Matrix Incentive	36,143	-	36,143	-	-	-	-
Rate Case 2016	200,004	-	200,004	200,004	-	200,004	-
Taxable Income	(2,074,140)	-	(2,138,128)	(2,594,974)	-	(2,613,068)	-
State Income Tax Rate	1,827,726	1,132,812	2,896,550	2,079,492	650,681	2,712,078	-
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)	118,802	73,633	192,435	135,167	42,294	177,461	-
Deferred Provision - Account 409 Compressor and Dalrmlpe	(66,609)	-	(66,609)	(66,609)	-	(66,609)	-
Total current Tax Provisions	52,194	73,633	125,826	68,558	42,294	110,853	-
Deferred Provision - Account 410 Current	178,395	-	178,395	195,315	-	195,315	-
Deferred Provision - Account 410 Compressor and Dalrmlpe	21,639	-	21,639	21,639	-	21,639	-
Deferred Provision - Account 410 Prior Period and Adjustments	-	-	-	-	-	-	-
Deferred Provision - Account 411 Current	(43,576)	-	(43,576)	(26,642)	-	(26,642)	-
Deferred Provision - Account 411 Compressor and Dalrmlpe	(25,103)	-	(25,103)	(25,103)	-	(25,103)	-
Deferred Provision - Account 411 Property Tax Resolution	-	-	-	-	-	-	-
Deferred Provision - Account 411 Prior Period and Adjustments	-	-	-	-	-	-	-
	131,355	-	131,355	165,209	-	165,209	-

Exhibit CNG-3
Schedule 3
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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	Exhibit CNG-3 Schedule 3 Page 6 of 6
	May 31, 2019	Required	Twelve Months Ended May 31, 2019	May 31, 2020	Required	Twelve Months Ended May 31, 2020	
ADR Normalized	(1,176)	-	(1,176)	(1,176)	-	(1,176)	
ACRS Normalized	176,794	-	176,794	193,714	-	193,714	
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 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	-	-	-	-	-	-	
Rate Case 2008	(5,565)	-	(5,565)	-	-	-	
Corning Revenue Decoupling	-	-	-	-	-	-	
Hammondsport Revenue Decoupling	-	-	-	-	-	-	
Rate Case 2011	(2,983)	-	(2,983)	-	-	-	
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	(18,503)	-	(18,503)	(12,465)	-	(12,465)	
Deferred Local Production Due	-	-	-	-	-	-	
Deferred Net Plant Due	1,601	-	1,601	1,601	-	1,601	
Deferred Excess Earnings Due	-	-	-	-	-	-	
Amortization of Matrix Incentive	(2,349)	-	(2,349)	-	-	-	
Rate Case 2016	(13,000)	-	(13,000)	(13,000)	-	(13,000)	
	134,819	-	134,819	168,673	-	168,673	

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	Exhibit CNG-3 Schedule 4 Page 1 of 4
Operating Income Before Taxes and Interest Charges	\$ 3,911,093	120,477	4,031,570	3,662,919	2,411,248	12,631	5,769,766	5,782,397	
Interest Charges:									
Long Term Debt	712,236	(112,426)	916,622	916,201	976,421	1,065,267	-	1,065,267	
Short Term Debt	228,450	-	-	-	-	-	-	-	
Other Interest	11,781	-	-	-	-	-	-	-	
Amortization of Debt Expense	76,580	-	-	-	-	-	-	-	
Total Interest Charges	1,029,048	(112,426)	916,622	916,201	976,421	1,065,267	-	1,065,267	
Operating Income Before Taxes	2,882,045	232,903	3,114,948	2,646,718	1,434,826	(1,052,636)	5,769,766	4,717,131	
Permanent Differences and Flow Thru Items									
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)	
Total Permanent Differences	(232,072)	80,453	(151,619)	(151,619)	(151,619)	(151,619)	-	(151,619)	
Timing Differences									
Book Depreciation Expense-includes clearing accounts	1,576,404	-	1,576,404	1,771,533	2,083,756	2,154,913	-	2,154,913	
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)	-	-	-	-	-	-	-	
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 - Coming 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	-	-	-	-	-	-	-	-	
Ratesable 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	91,000	91,000	91,000	91,000	91,000	
Coming Revenue Decoupling	75,509	(75,509)	-	-	-	-	-	-	
Hammondspport Revenue Decoupling	(19,830)	-	-	-	-	-	-	-	
Rate Case 2011	8,262	151,738	160,000	160,000	160,000	160,000	160,000	160,000	
Coming/Hsport 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 Fortune 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	278,707	287,554	279,244	-	279,244	
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	36,143	36,143	36,143	-	36,143	
Rate Case 2016	-	-	-	(150,000)	(833,333)	200,004	-	200,004	
	(607,236)	178,168	(429,068)	(927,866)	(1,402,696)	(20,496)	-	(20,496)	
Taxable Income	2,042,737	-	2,534,261	1,567,232	(119,489)	(1,224,751)	5,769,766	4,545,015	
Deduction For State Income Tax	14,550	28,153	42,702	11,985	(83,583)	(189,531)	375,035	185,504	
Taxable Income After State Income Tax Deduction	2,028,187	463,372	2,491,559	1,555,247	(36,307)	(1,036,220)	5,394,731	4,359,511	
Federal Income Tax Rate	34%	34%	34%	34%	34%	34%	34%	34%	
Current Tax Provision-409	657,281	157,546	814,828	528,784	(12,208)	(351,975)	1,834,209	1,482,234	
Book/Tax Differences (includes Prior YR. Adj. Rec. Return vs. Book Estimate)	(15,472)	-	-	-	-	-	-	-	
Total current Tax Provisions	641,809	173,018	814,828	528,784	(12,208)	(351,975)	1,834,209	1,482,234	
Deferred Provision - Account 410 Current	2,517,014	-	2,517,014	514,016	678,466	273,693	-	273,693	
Deferred Provision - Account 410 Compressor and Dalmpile	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)	(198,541)	(201,549)	(266,725)	-	(266,725)	
Deferred Provision - Account 411 Compressor and Dalmpile	(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	365,284	526,727	56,778	-	56,778	

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	
Operating Income Before Taxes and Interest Charges	5,160,861	1,132,812	5,186,298	6,046,469	650,681	5,476,765	Exhibit CNG-3 Schedule 4 Page 2 of 4
Interest Charges:							
Long Term Debt	1,107,376		1,107,376	1,220,384		1,220,384	
Short Term Debt	-		-	-		-	
Other Interest	-		-	-		-	
Amortization of Debt Expense	-		-	-		-	
Total Interest Charges	1,107,376		1,107,376	1,220,384		1,220,384	
Operating Income Before Taxes	4,053,485	1,132,812	5,186,298	4,826,085	650,681	5,476,765	
Permanent Differences and Flow Thru Items							
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)	
Timing Differences							
Book Depreciation Expense-includes clearing accounts	2,361,609		2,361,609	2,440,513		2,440,513	
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	-		-	-		-	
Rate Case 2008	85,609		-	-		-	
Coming Revenue Decoupling	-		-	-		-	
Hammondsport Revenue Decoupling	-		-	-		-	
Rate Case 2011	45,894		45,894	-		-	
Coming/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 Fortune 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	284,655		284,655	191,771		191,771	
Deferred Local Production Due	-		-	-		-	
Deferred Net Plant Due	(24,629)		(24,629)	(24,629)		(24,629)	
Deferred Excess Earnings Due	-		-	-		-	
Amortization of Matrix Incentive	36,143		36,143	-		-	
Rate Case 2016	200,004		200,004	200,004		200,004	
	(360,948)		(360,948)	(881,442)		(881,442)	
Taxable Income	3,540,918	1,132,812	4,673,730	3,793,023	650,681	4,443,704	
Deduction For State Income Tax	118,802	73,633	192,435	135,167	42,294	177,461	
Taxable Income After State Income Tax Deduction	3,422,116	1,059,179	4,481,295	3,657,856	608,386	4,266,243	
Federal Income Tax Rate	34%	34%	0	34%	34%	34%	
Current Tax Provision-409	1,163,519	360,121	1,523,640	1,243,671	206,851	1,450,522	
Book/Tax Differences (includes Prior YR. Adj. Rec. Return vs. Book Estimate)	-		-	-		-	
Total current Tax Provisions	1,163,519	360,121	1,523,640	1,243,671	206,851	1,450,522	
Deferred Provision - Account 410 Current	350,658		350,658	439,046		439,046	
Deferred Provision - Account 410 Compressor and Dalmlpe	166,383		166,383	-		166,383	
Deferred Provision - Account 410 Prior Period and Adjustments	-		-	-		-	
Deferred Provision - Account 411 Current	(227,936)		(227,936)	(139,356)		(139,356)	
Deferred Provision - Account 411 Compressor and Dalmlpe	(116,573)		(116,573)	(116,573)		(116,573)	
Deferred Provision - Account 411 Property Tax Resolution	-		-	-		-	
Deferred Provision - Account 411 Prior Period and Adjustments	-		-	-		-	
	172,532		172,532	349,500		349,500	

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	Schedule 4 -1 Page 3 of 4
Provision for Deferred Tax	-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)	
ACRS Normalized	350,110	-	350,110	451,399	386,758	265,320	265,320	265,320	
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 - Hammondspport 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	-	-	-	-	-	-	-	-	
Rate Case 2008	(51,340)	20,400	(30,940)	(30,940)	(30,940)	(30,940)	(30,940)	(30,940)	
Coming Revenue Decoupling	(25,673)	25,673	-	-	-	-	-	-	
Hammondspport Revenue Decoupling	6,742	(6,742)	-	-	-	-	-	-	
Rate Case 2011	(2,809)	(51,591)	(54,400)	(54,400)	(54,400)	(54,400)	(54,400)	(54,400)	
Coming/H sport MFC	(35,268)	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)	(94,760)	(97,768)	(94,943)	(94,943)	(94,943)	
Deferred Local Production Due	81,654	(81,654)	-	-	-	-	-	-	
Deferred Net Plant Due	(26,010)	-	(26,010)	-	8,374	8,374	8,374	8,374	
Deferred Excess Earnings Due	-	-	-	-	-	-	-	-	
Amortization of Matrix Incentive	-	(12,289)	(12,289)	(12,289)	(12,289)	(12,289)	(12,289)	(12,289)	
Rate Case 2016	-	-	-	51,000	283,333	(68,001)	-	(68,001)	
	206,460	(60,577)	145,883	315,475	476,917	6,968	-	6,968	

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	Schedule 4 (1) Page 4 of 4
Provision for Deferred Tax		-1	-1	-1	-1		
ADR Normalized	(6,152)		(6,152)	(6,152)		(6,152)	
ACRS Normalized	342,284		342,284	430,672		430,672	
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	-		-	-		-	
Rate Case 2008	-		-	-		-	
Coming Revenue Decoupling	(28,107)		(28,107)	-		-	
Hammondsport Revenue Decoupling	-		-	-		-	
Rate Case 2011	-		-	-		-	
Coming/H sport MFC	(15,604)		(15,604)	-		-	
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	(96,783)		(96,783)	(65,202)		(65,202)	
Deferred Local Production Due	-		-	-		-	
Deferred Net Plant Due	8,374	-	8,374	8,374	-	8,374	
Deferred Excess Earnings Due	-		-	-		-	
Amortization of Matrix Incentive	(12,289)	-	(12,289)	-	-	-	
Rate Case 2016	(68,001.36)	-	(68,001.36)	(68,001.36)	-	(68,001.36)	
	122,722	-	122,722	299,690	-	299,690	

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	1,449,582	49,761,602	49,738,729	53,007,989	57,831,211	62,373,326	66,733,859
Total Debt Base	48,312,020	1,449,582	49,761,602	49,738,729	53,007,989	57,831,211	62,373,326	66,733,859
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	(112,426)	916,622	916,201	976,421	1,065,267	1,107,376	1,220,384