Corning Natural Gas Holding Corporation

2019 ANNUAL REPORT

TO OUR SHAREHOLDERS

Two thousand nineteen lived up to expectations. We had a 50% increase in earnings, and achieved all our construction, operations, customer service, marketing, and supply goals. We also managed our financial assets effectively, including refinancing nearly all our debt under favorable terms. To paraphrase a common colloquial expression: we "labored in the trenches" literally and figuratively. Given our size and resources, it is incumbent that we focus on performing core tasks proficiently. We are not a company trying to hit home runs. Rather, we play small ball, hitting singles, bunting, and playing defense. We may not win big, but we deliver a win.

In the context of our three utilities, delivering a win means upgrading and maintaining good infrastructure--both physical and technological. We focus on pipe replacement, leak repair, tree trimming, pole replacement, information technology, customer service, supply chain, and employee training. We try to keep it simple. There are limited layers of management at our companies, and everyone must work together for optimal delivery.

Our core task is to deliver critical utility service safely, reliably, efficiently, and with good customer service. The officers' letters that follow will detail the numbers, but some facts are worth mentioning:

1. our customer service scores are the highest ever; 2. in constant dollars, our gas acquisitions costs are the lowest ever; 3. our older, bare steel pipe and services are being replaced at a record pace; 4. our electric maintenance pole replacement and tree trimming program is the most aggressive that it's ever been; 5. our customer count is the highest ever; 6. our earnings are the highest ever; 7. our cost of capital is the lowest in at least 50 years; and, 8. we have reduced gas leaks nearly 90% since 2006, important for both safety and environmental purposes.

Despite these successes, as many of you are aware, the regulatory and governmental environment is increasingly challenging. Two thousand twenty will be a regulatory year. At Corning Natural Gas, we will file a rate case with the New York Commission. At Pike, we will file an electric Long-Term Infrastructure Improvement Plan, and at Leatherstocking, we will file with the Pennsylvania Commission to approve our purchase of the other 50% of Leatherstocking Gas. These regulatory initiatives are critical to delivering long-term, positive results.

The focus of previous shareholder letters was growth and innovation. Examples included buying Pike, building Leatherstocking, building Corning's Virgil franchise, connecting local production and storage, and buying a pipeline in Wyalusing, Pennsylvania. Our efforts in 2019 were no different – with the purchase of nine miles of pipe in Steuben County, New York, and signing a term sheet to purchase the other 50% of Leatherstocking Gas. Delivering small wins has facilitated our historic growth and innovation.

If we remain focused on core tasks, and only if we remain focused on core tasks, will we succeed in future initiatives. Our efforts are people dependent; so we will continue to rely on well-trained and dedicated staff. When our people stand up to bat, we deliver a win.

Michael German

Michael German

President & CEO

Finance and Rates

The corporation achieved a number of milestones in fiscal 2019. These included continuing to improve financial operations and efficiencies, as well as improved inventory management and software utilization. Two thousand nineteen was also the second year of a three-year Corning Natural Gas Corporation rate order which impacted earnings positively (50% increase in EPS). Another factor that impacted the year was our continued dedication to improvements in infrastructure. These improvements, while driving up O&M and capital costs in the short term, will reduce these same costs over time as overtime and repair costs shrink.

The company also entered into improved financing agreements in 2019. All three of our utility companies entered into agreements to allow term notes for capital expenditures to be converted to long term financings payable over a ten-year term at attractive fixed rates.

In light of this being the third and final year of the Corning Natural Gas Corporation rate order, work has begun for an anticipated 2020 filing of a new rate case. This is a very labor-intensive process that will guide future budgets and capital improvements. The company continues to focus on improving earnings and shareholder equity while maintaining the highest standards for safety and reliability. This requires a high level of teamwork and dedication from the accounting staff. While no rate case is imminent for our Pike subsidiary, we continue to monitor and assess the financial needs of that operation to assure that we have the necessary human and capital resources to meet the needs of our customers in that region.

Throughout 2019, the finance group worked on two purchases: (1) buying out Corning Incorporated's natural gas pipelines in our service territory, and (2) purchasing the 50% share of Leatherstocking Pennsylvania from Mirabito Regulated Industries. The former transaction closed in December 2019, and for the latter, the company has a signed term sheet. The finance group is working to ensure we have the financial resources for both these transactions and will pursue the necessary regulatory approvals.

These are some of the challenges that arise while managing the financial and regulatory requirements for three utilities in two states. Overall, 2019 was a good year relative to our financial performance, specifically in the key areas of finance, cash flow, and shareholder equity. Our focus remains on executing strategies that will improve the operations of our core businesses, enhance shareholder value, and prepare for possible expansions that may avail themselves to us in the future.

Fi Sarhangi
Chief Financial Officer

To Our Shareholders,

Natural gas cost for residential customers on the Corning Natural Gas Corporation (CNGC) system remained flat in FY2019 with an average annual cost of $0.359/Ccf. The average gas cost for CNGC customers during first five months of FY2019 was $0.40/Ccf, while for the same period in FY2020, it was $0.28/Ccf, showing a marked decline to date over last year. CNGC continues to provide its residential customers some of the lowest gas cost in the state.

The decline in gas cost is a result of oversupply in the marketplace, as well as CNGC's access to local production. Gas costs have also been reduced at both Pike County Light & Power and Leatherstocking Gas Company. Lower gas cost has also resulted in reduced electric cost for all customer classes at Pike. Residential default service charges have gone from $0.1008/kWh in the December 2018 – February 2019 period to $0.0301/kWh for December 2019 – February 2020.

The bad news is low natural gas prices are discouraging natural gas drilling in the Appalachia region. This will tend to drive gas commodity cost up over time as demand matches or outpaces supply. The good news is all our utility subsidiaries are well-positioned to continue to take advantage of low-cost, directly connected gas supplies. In addition, our companies have either physical natural gas hedging programs in place or financial electric hedge pricing programs in place to temper potential price swings.

All three utilities continue to add new customers. Corning added new customers via urban renewal projects like the new residential and commercial complex on the site of the old Corning Hospital site, while retaining the existing load of the new hospital in East Corning. Leatherstocking is in the process of completing a distribution system expansion that will connect the Susquehanna County Correctional Facility and the Wyalusing Area School District's K-12 complex. Pike is on track to add over 100 electric customers and expand its natural gas distribution system in several locations.

The companies continue to upgrade and harden their information technology systems and add new cybersecurity capabilities. The integration of Pike, Leatherstocking, and Corning's IT system will be completed during FY2020 with a dedicated fiber line between Pike and CNGC's facilities. A New England based data center will provide 24/7, 365 days/year disaster recovery capabilities.

As the technical capabilities of the companies increase, the knowledge base of our employees will increase. The company will continue to provide more training to its employees to ensure they keep pace with the everchanging technology environment.

All three utilities will continue to grow customer base during FY2020. Energy costs are expected to remain competitive and the company will continue to enhance its IT and cybersecurity capabilities. Our focus will remain on doing what we do well better.

Russ Miller
Vice President – Energy Supply & Business Development

Main Street, Wyalusing, PA

Gas Operations and Customer Service

In 2019, Operations and Customer Service focused on the core tasks of reliability, safety, and superior customer service. Regarding reliability and safety, Operations continued our infrastructure improvement program by replacing more than 11 miles of bare steel main and over 210 bare steel services. Our totals continue to grow with more than 125 miles of main and 5,500 services replaced since the inception of this program. Our leak backlog for 2019 is approximately 58% below last year's total, continuing on the path to reduce system leaks to zero. All this work was done in order to improve safety and reliability of our service. Leak repairs coupled with an aggressive meter replacement program has reduced lost and unaccounted for gas to a low 0.5%. This work not only improves safety, it also reduces our environmental footprint.

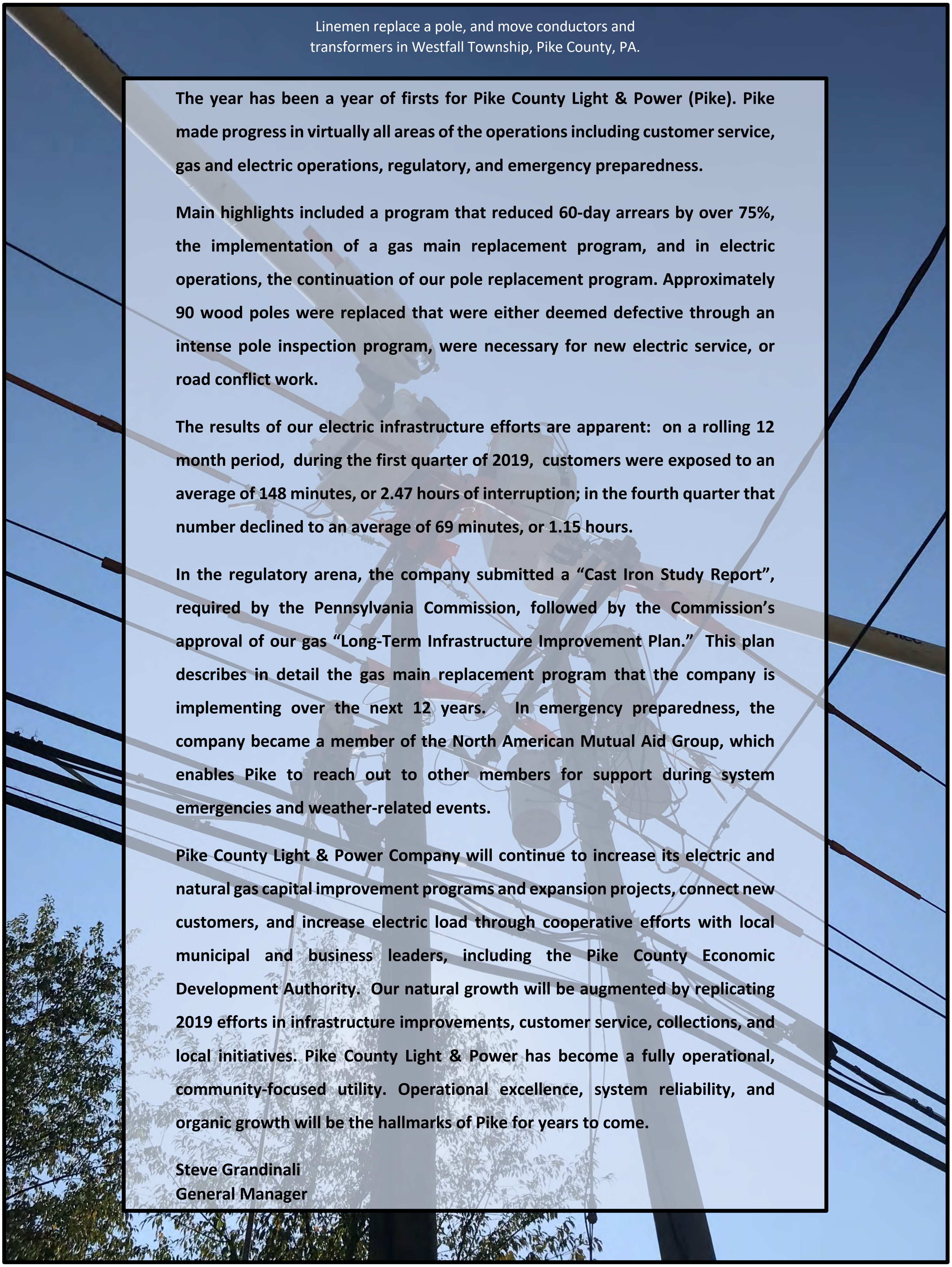
We are increasingly an integrated operation of three utilities. Corning Operations and Customer Service provides support to our subsidiaries: Corning Natural Gas Corporation, Pike County Light & Power, and Leatherstocking Gas Company.

We continue the enhancements to our training and Operator Qualification programs by improving curriculums and adding state-of-the-art training processes. These enhanced programs ensure us a superior workforce within all subsidiaries for system operation, growth, and profitability.

Customer Service maintains low customer arrears at Corning Natural Gas Corporation while supporting the two other subsidiaries in doing the same. Corning Natural Gas Corporation's customer satisfaction survey performance of 91.9% for calendar year 2019 exemplifies our superior customer service. We have executed the same service philosophy at the two other companies with the ideals of maintaining a local presence, accepting in-office payments, answering our phones, and caring for our customers. We have provided safe, reliable, and customer focused service by doing the little things right, and we expect this to continue in 2020.

Matt J. Cook
Vice President –
Gas Operations and Customer Service

A new section of HDPE, 124 PSIG pipe is installed on Line 11 as part of a project to eliminate a segment of leak-prone pipe in Erwin, NY



Linemen replace a pole, and move conductors and transformers in Westfall Township, Pike County, PA.

The year has been a year of firsts for Pike County Light & Power (Pike). Pike made progress in virtually all areas of the operations including customer service, gas and electric operations, regulatory, and emergency preparedness.

Main highlights included a program that reduced 60-day arrears by over 75%, the implementation of a gas main replacement program, and in electric operations, the continuation of our pole replacement program. Approximately 90 wood poles were replaced that were either deemed defective through an intense pole inspection program, were necessary for new electric service, or road conflict work.

The results of our electric infrastructure efforts are apparent: on a rolling 12 month period, during the first quarter of 2019, customers were exposed to an average of 148 minutes, or 2.47 hours of interruption; in the fourth quarter that number declined to an average of 69 minutes, or 1.15 hours.

In the regulatory arena, the company submitted a "Cast Iron Study Report", required by the Pennsylvania Commission, followed by the Commission's approval of our gas "Long-Term Infrastructure Improvement Plan." This plan describes in detail the gas main replacement program that the company is implementing over the next 12 years. In emergency preparedness, the company became a member of the North American Mutual Aid Group, which enables Pike to reach out to other members for support during system emergencies and weather-related events.

Pike County Light & Power Company will continue to increase its electric and natural gas capital improvement programs and expansion projects, connect new customers, and increase electric load through cooperative efforts with local municipal and business leaders, including the Pike County Economic Development Authority. Our natural growth will be augmented by replicating 2019 efforts in infrastructure improvements, customer service, collections, and local initiatives. Pike County Light & Power has become a fully operational, community-focused utility. Operational excellence, system reliability, and organic growth will be the hallmarks of Pike for years to come.

Steve Grandinali
General Manager

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2019

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 000-00643

Corning Natural Gas Holding Corporation

(Exact name of registrant as specified in its charter)

New York	**46-3235589**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer Identification no.)**

330 W. William St.

Corning, New York 14830

(Address of principal executive offices, including zip code)

(607) 936-3755

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	**N/A**	**N/A**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value $0.01 per share

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. YES [ ] NO [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. YES [ ] NO [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). YES [X] NO [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of “large accelerated filer”, “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated Filer [ ] Accelerated Filer [ ] Non-Accelerated Filer [ ] Smaller Reporting Company [X] Emerging Growth Company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b2 of the Act). YES [ ] NO [X]

The aggregate market value of the 2,131,746 million shares of the registrant’s common stock held by non-affiliates of the registrant was $35,730,000 at the $19.85 average of bid and asked prices on March 31, 2019.

Number of shares of Common Stock outstanding as of the close of business on December 23, 2019: 3,078,409

DOCUMENTS INCORPORATED BY REFERENCE

In accordance with General Instruction G(3) of Form 10-K, certain information required by Part III will either be incorporated by reference to the definitive proxy statement for Corning Natural Gas Holding Corporation’s Annual Meeting of Shareholders filed within 120 days after September 30, 2019, or will be included in an amendment to this Form 10-K filed within that period.

Information contained in this Form 10-K for fiscal 2019 period which is incorporated by reference contains certain forward looking statements which may be impacted by factors beyond the control of the Company, including but not limited to natural gas supplies, regulatory actions and customer demand. As a result, actual conditions and results may differ from present expectations. See “Cautionary Statement Regarding Forward-Looking Statements” below.

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For the Fiscal Year Ended September 30, 2019

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EXPLANATORY NOTE

Corning Natural Gas Holding Corporation (the "Holding Company") is a successor issuer to Corning Natural Gas Corporation ("Corning Gas" or the "Gas Company") as of November 12, 2013, as a result of a share-for-share exchange, creating a holding company structure. As of November 12, 2013, the Gas Company became a wholly-owned subsidiary of Holding Company.

As used in this Form 10-K, the term "Company", "we", or "us" refers to the consolidated companies, the terms "Gas Company" and "Corning Gas" mean Corning Natural Gas Corporation, and the term "Pike" means Pike County Light & Power Company, unless the context clearly indicates otherwise. Except as otherwise stated, the information contained in this Form 10-K is as of September 30, 2019.

PART I

ITEM 1 – BUSINESS

General

The Holding Company was incorporated in New York in July 2013 to serve as a holding company for the Gas Company and its dormant subsidiary, Corning Natural Gas Appliance Corporation (the "Appliance Company"). The Holding Company has 50% ownership interests in our joint ventures Leatherstocking Gas Company, LLC ("Leatherstocking Gas"), which includes its subsidiary, Leatherstocking Gas Development Corporation, and Leatherstocking Pipeline Company, LLC ("Leatherstocking Pipeline"). On August 31, 2016, the Company completed the stock purchase acquisition of Pike County Light & Power Company ("Pike").

The Company's principal executive offices are located at 330 W. William Street, Corning New York, 14830. The telephone number is (607) 936-3755, and our website is www.corninggas.com.

Business

The Company's primary business, through its subsidiaries Corning Gas and Pike, is natural gas and electric distribution. Corning Gas serves approximately 15,000 residential, commercial, industrial, and municipal customers in the Corning, Hammondsport and Virgil, New York, areas and two other gas utilities which serve the Elmira and Bath, New York areas. It is franchised to supply gas service in all of the political subdivisions in which it operates. The Gas Company is under the jurisdiction of the New York Public Service Commission ("NYPSC") which oversees and sets rates for New York gas distribution companies. In addition, the Gas Company has contracts with Corning Incorporated and Woodhull Municipal Gas Company, a small local utility, to provide maintenance service on their gas lines. Pike is an electric and gas utility regulated by the Pennsylvania Public Utility Commission ("PAPUC"). Pike provides electric service to approximately 4,800 customers in the Townships of Westfall, Milford and the northern part of Dingman and in the Boroughs of Milford and Matamoras. Pike provides natural gas service to 1,200 customers in Westfall Township and the Borough of Matamoras. All of these communities are located in Pike County, Pennsylvania. Additionally, Leatherstocking Gas distributes gas in Susquehanna and Bradford Counties, Pennsylvania, and has an application pending before the NYPSC for authority to provide gas distribution services in Broome County, New York. Leatherstocking Pipeline, an unregulated company, has served one customer in Lawton, Pennsylvania.

Gas and Electric Supply

Corning Gas has contracted with various sources to provide natural gas to our distribution system. The Gas Company contracts for pipeline capacity, as well as storage capacity of approximately 736,000 dekatherms ("Dth"). The Company manages its transportation and storage capacity with internal resources. Pike has contracted with Orange and Rockland Utilities, Inc. ("O&R") to provide electricity and natural gas according to agreements until August 2022, subject to renewal.

Corning Gas secured the NYPSC-required fixed price and storage gas supply for the 2019-2020 winter season and is managing its storage and gas supply contracts following its gas supply and acquisition plan. Assuming no extraordinary conditions for the winter season, gas supply, flowing, and storage, will be adequate to serve its approximately 15,000 customers.

Corning Gas does not expect a shortage of natural gas to impact our business over the next five to ten years. Natural gas supply over the last several years has been positive, and domestic reserves and production have increased. This is especially true in proximity to our distribution network. We likewise anticipate no shortages of the necessary pipes and valves for safe distribution of natural gas, and continue to receive material inventory from various reliable sources. We also have confidence that our agreement with O&R will enable Pike to meet all of our electric and gas needs for Pike's customers until August 2022, subject to renewal.

Seasonality

For both Corning Gas and Pike, business is highly seasonal in nature, and sales for each quarter of the year vary and are not comparable. Sales vary depending on seasonal variations in temperature. Gas sales for Corning Gas and Pike peak in the winter, while Pike's electric sales peak in the summer.

Significant Customers

The Gas Company has three major customers: Corning Incorporated, New York State Electric & Gas, and Bath Electric, Gas & Water Systems. These customers accounted for approximately 15.18% of our revenues in fiscal year 2019 and 15.69% in fiscal year 2018. The loss of any of these customers would have an adverse impact on our financial results.

Employees

The Company had 64 employees as of September 30, 2019, and 63 as of September 30, 2018. Of this total, approximately one quarter are union labor working under a union contract effective until April 5, 2021.

Competition

Historically, the competition in the Gas Company's residential market and Pike's gas franchise territories has been primarily from electricity for water heating and clothes drying, and to a small degree, fuel oil and propane for heating. The price of gas remains low in comparison to that of alternative fuels in our service territories and our competitive position in the residential, commercial and industrial markets continues to be strong. When we expand our distribution system to attract new customers, our principal competition is oil and propane. Natural gas enjoys a price advantage over these fuels today. Pike electric has not faced significant competition to date but could see competition from customer-owned solar in the future.

Environmental Regulation

We believe we are in compliance with present federal, state, and local provisions relating to the protection of the environment. We do not expect that continued compliance with these requirements will have any material adverse effect on our capital expenditures, earnings and financial position. The Company has no former manufactured gas plant sites (MGP) and is not a party to any environmental proceedings, litigation, or complaints.

Regulatory Matters

As previously reported, on March 7, 2017, Corning Gas, the Staff of the N.Y. Department of Public Service, and Multiple Intervenors (which represents large industrial customers), signed and filed with the NYPSC, a Gas Rates Joint Proposal in Case 16-G-0369 (the "Joint Proposal"). On June 15, 2017, the NYPSC issued an Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plan (the "June 2017 Order") adopting the Joint Proposal without substantive modification.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Regulatory Matters" for key terms of the Joint Proposal.

Pike is operating under a rate order issued effective September 1, 2014, extended to March 1, 2018, and continuing until the next rate case under the terms of our acquisition (for additional information see below under the heading "Regulatory Matters – Pike"). The next rate case is expected to be filed during the second quarter of our fiscal year 2020.

ITEM 1A. RISK FACTORS

Our operations could be adversely affected by fluctuations in the price of natural gas and electricity.

Prices for natural gas and electricity are subject to volatile fluctuations in response to changes in supply and other market conditions. While these costs are usually passed on to customers of the Gas Company pursuant to natural gas adjustment clauses, and to customers of Pike through the gas rate cost, and therefore do not pose a direct risk to earnings, we are unable to predict what effect a sharp increase in natural gas and electricity prices may have on our customers' energy consumption or ability to pay. Higher prices to customers can lead to higher bad debt expense and customer conservation. Higher prices may also have an adverse effect on our cash flow as we are typically required to pay for our natural gas and electricity prior to receiving payments for the natural gas or electricity from our customers.

Operational issues beyond our control could have an adverse effect on our business.

Pike, Leatherstocking Gas and Gas Company's ability to provide natural gas and electricity depends both on our own operations and facilities and that of third parties, including local gas producers and natural gas pipeline operators and our electric supplier from whom we receive our natural gas and electric supplies. The loss of use or destruction of our facilities or the facilities of third parties due to extreme weather conditions, breakdowns, war, acts of terrorism, or other occurrences could greatly reduce potential earnings and cash flows and increase our costs of repairs and replacement of assets. Although we carry property insurance to protect our assets, and regulatory policies of the NYPSC and PAPUC provide the opportunity for deferral and recovery of extraordinary incremental costs associated with losses for such incidents , our losses may not be fully recoverable through insurance or customer rates.

Environmental regulations can significantly affect the Company's business.

The Company's business operations are subject to federal, state, and local laws and regulations relating to environmental protection. Costs of compliance and liabilities could negatively affect the Company's results. In addition, compliance with environmental laws, regulations or permit conditions could require unexpected capital expenditures at the Company's facilities. Because the costs of such compliance could be significant, additional regulation could negatively affect the Company's business. Climate change, and the regulatory and legislative developments related to climate change, may adversely affect operations and financial results. If there were to be any impacts from climate change to the Company's operations and financial results, the Company expects that they would likely occur over a long period of time and thus are difficult to quantify with any degree of specificity. Extreme weather events may result in adverse physical effects on portions of the Company's gas infrastructure, which could disrupt the Company's supply chain and ultimately its operations. Disruption of transportation and distribution systems activities could result in reduced operational efficiency and customer service interruption. Climate change and the laws, regulations, and other initiatives to address climate change may impact the Company's financial results. Federal, state and local legislative and regulatory initiatives proposed or adopted in recent years in an attempt to limit the effects of climate change, including greenhouse gas emissions, could have significant impacts on the energy industry including government-imposed limitations, prohibitions or moratoriums on the use of gas. A number of states have adopted energy strategies or plans with goals that include the reduction of greenhouse gas emissions. New York passed the Climate Leadership and Community Protection Act which created emission reduction and electric generation mandates, and could ultimately impact the Company's customer base. Legislation or regulation that aims to reduce greenhouse gas emissions could also include greenhouse gas emissions limits, reporting requirements, carbon taxes, restrictive permitting, increased efficiency standards, and incentives or mandates to conserve energy or use renewable energy sources. Additionally, the trend toward increased conservation, competition from renewable energy sources, and technological advances to address climate change may reduce the demand for natural gas and electricity. For further discussion of the risks associated with environmental regulation to address climate change, refer to Management's Discussion and Analysis under the heading "Environmental Matters".

Significantly warmer than normal weather conditions may affect the sale of natural gas and significantly cooler than normal weather could affect our electric sales. Either could adversely impact our financial position and the results of our operations.

The demand for natural gas and electricity are directly affected by weather conditions. Significantly warmer than normal weather conditions in the winter in our service areas could reduce our earnings and cash flows as a result of lower gas sales. Cooler summer weather would result in lower electricity sales for air conditioning. Corning Gas mitigates the risk of warmer winter weather through the weather normalization and revenue decoupling clauses in our tariffs. These clauses allow the Gas Company to surcharge customers for under-recovery of revenue. Pike and Leatherstocking Gas do not have weather normalization or revenue decoupling to mitigate the risk of warmer weather in the winter or cooler weather in the summer.

Information Technology

Cyber-attacks or acts of cyber-terrorism could disrupt our business operations and information technology systems or result in the loss or exposure of confidential or sensitive customer, employee, or Company information. The Company currently has a cyber attack protocol. This protocol will be revised and improved after January 2020 when the new cyber risk management policy is implemented.

Since February 2018, the Company has begun a three phase upgrade to information technology ("IT") hardware and software. Currently two of the three phases have been completed. The Company has hired an IT company to augment its existing IT staff and implement the required changes. System improvements include 24/7 firewall monitoring by Synoptek, cleanup of active directory, and review of internal credentials. The Company is utilizing Endeavor Services Group to maintain system integrity, upgrade the Company to an Office 365 environment, and implement a robust helpdesk capability. The Company has also implemented improved onboarding and offboarding capabilities as they relate to IT. The Company has begun a phishing assessment with KnowBe4 to test the current level of employee knowledge and ability to prevent the download of malware via e-mail attachments. KnowBe4 has provided a baseline report and ongoing training to improve employee awareness.

The Company participated an American Gas Association ("AGA") sponsored cybersecurity peer review in Columbus, Ohio in 2018. Data from this review is identifying how the Company's current cybersecurity configurate compares with other AGA members.

The Gas Company's cybersecurity capability was audited by the NYPSC in August of 2018. The official results found no significant discrepancies. The company continues to implement new policies and processes to improve corporate cyber security.

The Company has not been a victim of any cyber attacks that we are aware of.

There are inherent risks associated with storing and transporting natural gas and distribution of electricity, which could cause us to incur significant financial losses.

There are inherent hazards and operation risks in gas transportation and distribution activities, such as leaks, accidental explosions, and mechanical problems that could cause substantial financial losses. There are also risks associated with the distribution of electricity. These risks could, if they occur, result in the loss of human life, significant damage to property, environmental pollution, impairment of operations, and substantial losses. The location of pipelines, storage facilities, and electric distribution near populated areas, including residential areas, commercial business centers, and industrial sites, could increase the level of damages resulting from these risks. These activities may subject us to litigation and administrative proceedings that could result in substantial monetary judgments, fines, or penalties. To the extent that the occurrence of any of these events is not fully covered by insurance, they could adversely affect our financial position and results of operations.

Changes in regional economic conditions could reduce the demand for natural gas and electricity.

The Gas Company's business follows the economic cycle of the customers in our service regions: Corning, Bath, Virgil, and Hammondsport, New York. A falling, slow, or sluggish economy that would reduce the demand for natural gas in the areas in which we are doing business by forcing temporary plant shutdowns, closing operations, or slow economic growth would reduce our earnings potential. Pike is less likely to be affected by a sluggish economy as it presently has no large industrial customers.

Many of our commercial and industrial gas customers use natural gas in the production of their products. During economic downturns, these customers may see a decrease in demand for their products, which in turn may lead to a decrease in the amount of natural gas they require for production. During any economic slowdown there is typically an increase in individual and corporate customer bankruptcies. Pike has limited industrial customers and is therefore less vulnerable to economic conditions in its service territory. An increase in customer bankruptcies would increase our bad debt expenses and reduce our cash flows.

Our earnings may decrease in the event of adverse regulatory actions.

Most of our operations are subject to the jurisdiction of the NYPSC or the PAPUC. The NYPSC and PAPUC approve the rates that we may charge to our customers. If we are required in a rate proceeding to reduce the rates we charge our customers, or if we are unable to obtain approval for rate relief, particularly when necessary to cover increased costs, including costs that may be incurred in connection with mandated infrastructure improvements, our earnings would decrease.

Our success depends in large part upon the continued services of a number of significant employees, the loss of which could adversely affect our business, financial condition and results of operation.

Our success depends in large part upon the continued services of our senior executives and other key employees. Although we have entered into an employment agreement with Michael I. German, our president and chief executive officer, he can terminate his agreement with ninety days' notice. Other significant employees, who entered into change of control agreements on April 17, 2012 and December 16, 2016, may terminate their employment at any time. The loss of the services of any significant employee could have a material adverse effect on our business.

Concentration of share ownership among our largest shareholders may prevent other shareholders from influencing significant corporate decisions.

The six largest holders of our common stock own approximately 60% of the outstanding stock. As a result, if any chose to act together, they would have the ability to exert substantial influence over all matters requiring approval by our shareholders, including the election and removal of directors and any proposed merger, consolidation or sale of all or substantially all of our assets, and other corporate transactions. This concentration of ownership could be disadvantageous to other shareholders with differing interests from these shareholders.

Our cash flows from operations may not be sufficient to fund our capital expenditures.

We may not generate sufficient cash flows from operations to meet all of our cash needs. As part of the Gas Company's June 2017 Order by the NYPSC, we estimated capital expenditures to upgrade our distribution system of approximately $6.0 million in fiscal year 2018 through 2020. In fiscal years 2019 and 2018, these investments were $4.4 million and $6.3 million respectively. We also continue to have debt retirement obligations of approximately $3.0 million per year at the Gas Company, and $1.0 million per year at Pike. Additionally, we estimate investments into Leatherstocking Gas of between $100,000 to $300,000 for fiscal years 2020 and 2021 respectively, to fund our one-half of the cost (based on ownership interest) of capital projects. Our funding requirement would increase if our ownership interest increased.

We will require additional financing which may be difficult or costly to obtain.

In order to fund our capital expenditures, we will need to obtain additional equity and/or debt financing. The sale of additional equity securities could result in dilution to our shareholders. The incurrence of debt would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. Additional financing for the Gas Company requires NYPSC approval and for Pike requires PAPUC approval. Additional financing for either company may have unacceptable terms or may not be available at all for various reasons including:

* Limits placed on us by our current lenders in our loan agreements,
* Our future results of operations, financial condition, and cash flows,
* Our inability to meet our business plan,
* Lenders' or investors' perception of, and demand for, securities of natural gas utilities, and
* Conditions of the capital markets in which we may seek to raise funds.

If we cannot raise additional capital on acceptable terms, we may not be able to finance the expansion and mandated upgrading of our distribution system, take advantage of future opportunities, respond to competitive pressures, or respond to unanticipated capital requirements. This financing could be adversely affected by the above factors.

The Company's profitability may be adversely affected by increased competition.

Corning Gas is in a geographical area with a number of interstate pipelines and local production sources. If a major customer decided to connect directly to either an interstate pipeline or a local producer, our earnings and revenues would decrease. At Pike, electric customers could construct solar facilities at their homes or businesses reducing electric demand.

Changes to the Tax Code.

In December 2017, Congress enacted, and the President signed, significant changes to the federal income tax code known as The Tax Cuts and Jobs Act ("Tax Act"). The legislation significantly changed U.S. tax law by, among other things, permanently reducing the U.S. corporate income tax rate from a maximum of 35% to a flat 21% rate, effective January 1, 2018. As part of the Tax Act, taxpayers with a tax year-end other than December 31, 2017 had to prorate their tax rate applicable for their entire fiscal year. As a result, since the Company has a tax year ended of September 30, 2018, our federal income tax rate for fiscal year 2018 was 24.25%. As a result of the reduction in the U.S. corporate income tax rate from 35% to 21% under the Tax Act, the Company revalued its ending U.S. net deferred tax liabilities at December 31, 2017. These changes have affected our balance sheet, income statement, and cash flow as the New York and Pennsylvania commissions have issued orders that require the Company to return to Corning Gas and Pike electric customers the difference between the federal income tax allowance in base rates and the new statuary rate of 21%. This did not impact Pike gas customers or Leatherstocking Gas. The refund to customers began on October 1, 2018. The non-regulated segments of the Company's operation are not subject to the Commission orders. The vast majority of the tax benefits will be refunded to customers via bill sur-credits or the next base rate case.

ITEM 2 – PROPERTIES

Corning Gas and the Holding Company's headquarters are located at 330 West William Street, Corning, New York. This structure is physically connected to the operations center. Leatherstocking headquarters are in Binghamton, New York and its operations center is located in Montrose, Pennsylvania. Pike's headquarters and operation center are in Westfall, Pennsylvania.

The Gas Company's pipeline system is surveyed each year as required for compliance with federal and state regulations. Any deficiencies found are corrected as mandated. Approximately 425 miles of distribution main, 15,000 services, and 86 regulating stations, along with various other properties, are owned by the Gas Company, except for one section of 10" gas main that is under long-term lease. The pipe under long-term lease was purchased by the Company on December 13, 2019. See Note 16 "Subsequent Events" in the notes to the consolidated financial statements for additional information. All of the property owned by the Gas Company is adequately insured and is subject to the lien of the Gas Company's first mortgage indenture. The Leatherstocking Companies own four gate stations and approximately 16 miles of pipe in Susquehanna and Bradford Counties, Pennsylvania. Pike owns approximately 160 miles of electric distribution wire and poles, and 21 miles of gas distribution pipeline.

ITEM 3 - LEGAL PROCEEDINGS

The Company has lawsuits pending of the type incurred in the normal course of business and the Company believes that any potential losses should be covered by insurance and will not have a material impact on the business.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 - MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The principal market on which the Holding Company's common stock is traded is the OTCQX Best Marketplace, under the symbol CNIG. Trading in the common stock is limited and sporadic. The following table sets forth the high and low closing sale prices as reported on the OTCQX for the Holding Company's common stock for each quarter within the Holding Company's last two fiscal years. Because the Holding Company's stock is traded on the OTCQX, these quotations reflect inter-dealer prices, without retail markup, markdown, or commission and may not represent actual transactions. The number of shareholders of record of the Holding Company's common stock was 604 as of September 30, 2019.

MARKET PRICE - (OTCQX)

Quarter Ended	High	Low
December 31, 2017	20.50	18.22
March 31, 2018	19.50	17.51
June 30, 2018	18.51	17.01
September 30, 2018	19.01	17.10
December 31, 2018	19.42	17.62
March 31, 2019	23.50	17.86
June 30, 2019	23.00	19.00
September 30, 2019	22.00	18.10

COMMON STOCK, PREFERRED STOCK, AND DIVIDENDS

For the fiscal year ended September 30, 2019, there were a total of 25,209 shares of common stock issued for $239,481 of services and $186,446 in connection with the DRIP (dividend reinvestment program). There were 14,600 shares issued to officers and directors, 600 shares sold to Leatherstocking Gas, which used the shares to compensate its independent director, Carl Hayden, and 10,009 shares issued to various investors under the DRIP.

For the fiscal year ended September 30, 2018, there were a total of 27,054 shares of common stock issued for $223,783 of services and $165,075 in connection with the DRIP (dividend reinvestment program). There were 16,725 shares issued to officers and directors, 750 shares sold to Leatherstocking Gas, which used the shares to compensate its independent director, Carl Hayden, and 9,579 shares issued to various investors under the DRIP.

Dividends on shares of common stock are accrued when declared by the board of directors. For the quarter ended December 31, 2017, $405,328 was accrued for dividends paid on January 15, 2018 to stockholders of record on December 31, 2017. For the quarter ended March 31, 2018, $421,110 was accrued for dividends paid on April 16, 2018 to stockholders of record on March 31, 2018. For the quarter ended June 30, 2018, $421,932 was accrued for dividends paid on July 16, 2018 to stockholders of record on June 30, 2018. For the quarter ended September 30, 2018, $422,739 was accrued for dividends paid on October 12, 2018 to stockholders of record on September 30, 2018. For the quarter ended December 31, 2018, $423,836 was accrued for dividends paid on January 14, 2019 to stockholders of record on December 31, 2018. For the quarter ended March 31, 2019, $439,814 was accrued for dividends paid on April 15, 2019 to stockholders of record on March 31, 2019. For the quarter ended June 30, 2019, $440,622 was accrued for dividends paid on July 15, 2019 to stockholders of record on June 30, 2019. For the quarter ended September 30, 2019, $441,494 was accrued for dividends paid on October 15, 2019 to stockholders of record on September 30, 2019.

Series A Cumulative Preferred Stock accrues cumulative dividends at a rate of 6.0% of the liquidation preference per share ($25.00) and are expected to be paid on or about the 14th day of April, July, October and January of each year. For the quarter ended September 30, 2019, $78,975 was accrued for dividends paid on October 15, 2019. Dividends on the Series A Preferred Stock are reported as interest expense.

Series B Convertible Preferred Stock accrues cumulative dividends at a rate of 4.8% of the liquidation preference per share ($20.75) and are expected to be paid on or about the 14th day of April, July, October and January of each year. For the quarter ended September 30, 2019, $61,065 was accrued for dividends paid on October 15, 2019.

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The Tax Act of 2017 reduced the federal corporate tax rate from 34% to 21%. Upon that occurrence the NYSPSC and PAPUC issued orders to New York and Pennsylvania utilities intended to give utility customers the benefit of the income tax reduction. As a result, revenue collected from customers mirror the reduction of the utility federal income tax expense. While net income for the fiscal year should not be materially affected, revenue and margin will be reduced by the credit on customer bills. The impact of the credit will be offset by lower book income taxes (21% vs. 34%). On a quarterly basis, higher margin/income quarters will see net benefits from lower tax rate, while low margin/income quarters will be negatively impacted by the credit.

For the fiscal year ended September 30, 2019, the rate increase at the Gas Company and cost savings at our other utilities drove higher earnings. We continue to focus on improving the efficiency of our operations and making capital investments to improve our infrastructure. Corning Gas' infrastructure improvement program concentrates on the replacement of older distribution mains and customer service lines. For the fiscal year 2019, the Gas Company repaired 187 leaks, replaced 9.5 miles of bare steel main, and replaced 282 bare steel services. In fiscal 2018, the Gas Company repaired 134 leaks, replaced 9.8 miles of bare steel main, and 249 bare steel services. For the fiscal year 2019, Pike replaced approximately 116 poles and did extensive tree trimming to maintain our electric infrastructure. On January 18, 2019, Pike filed a Long Term Infrastructure Improvement Plan ("LTIIP") to accelerate replacement of cast iron, wrought iron, and bare steel pipe over 11 years. The PAPUC approved the LTIIP plan on June 13, 2019.

We believe our key performance indicators are net income, stockholders' equity, and the safety and reliability of our systems. Net income increased by $979,964 for the fiscal year ended September 30, 2019 compared to fiscal 2018. Because the Holding Company's principal operations are conducted through Corning Gas and Pike, both regulated utility companies, stockholders' equity is an important performance indicator. The NYPSC and PAPUC allow Corning Gas, Pike, and Leatherstocking the opportunities to earn a just and reasonable return on stockholders' equity as determined under applicable regulations. Stockholders' equity is, therefore, a precursor of future earnings potential. As of September 30, 2019, compared to September 30, 2018, stockholders' equity increased from $32,840,724 to $34,417,705. We plan to continue our focus on building stockholders' equity. Safety and efficiency indicators include leak repair, main and service replacements, and customer service metrics. Key performance indicators:

	Year Ended September 30,	
	2019	2018
Net income	$3,124,232	$2,144,268
Stockholders' equity	$34,417,705	$32,840,724
Stockholders' equity per outstanding share	$11.30	$10.87

Revenue and Margin

Electric Margin (the excess of electric revenues over the cost) was down $508,240 which resulted in a decrease in margin percentage of 3.15% for the fiscal year ended September 30, 2019 compared to the prior year. The electric margin was negatively impacted by the federal income tax credit of $35,218 mandated by the PAPUC, higher purchased power costs, and lower sales. Although the federal income tax credit refund to customers mandated by the PAPUC negatively impacted margin, this was mitigated by the decrease in the federal income tax rate.

Gas Margin (the excess of utility gas revenues over the cost of natural gas purchased) was up $929,488, or approximately 5%, whereas revenues were up 6%. This resulted in a decrease in margin percentage of 0.91% for the fiscal year ended September 30, 2019 compared to the prior year. The gas margin percentages were negatively impacted by the federal income tax credit of $1,405,983 mandated by the NYPSC and higher purchased gas costs, offset by Corning Gas' rate increase. Although the federal income tax credit refund to customers mandated by the NYPSC negatively impacted margin, this was mitigated by the decrease in the federal income tax rate.

Utility electric retail operating revenues decreased $294,984 during the fiscal year ended September 30, 2019 compared to the prior year. This decrease was mainly attributable to lower sales volumes resulting in a revenue decrease of $218,009 and decrease in recovery of electric purchased power costs of $41,757. Revenues also decreased by $35,218 due to the pass back to customers related to the federal income tax benefit related to 2017 Tax Act.

Other electric revenues decreased $65,613 during the fiscal year ended September 30, 2019 compared to the prior year. This decrease in other electric operating revenues was primarily due to a non-recurring revenue adjustment in 2018 of $59,407 related to the Pike purchase.

Gas retail operating revenues increased $1,246,663, during the fiscal year ended September 30, 2019 compared to the prior year. Sales volumes decreased by 234,061 McF in 2019 compared to 2018. This sales decrease had a negative revenue impact of $691,649. However, this amount was offset by recovery of higher purchased gas costs of $720,431 and a Corning Gas rate increase net of the pass back to customers for the federal income tax benefit related to 2017 Tax Act amounting to $1,217,881.

Other gas revenues increased $376,752 during the fiscal year ended September 30, 2019 compared to the prior year. The drivers for this increase are detailed in the tables below:

Utility operating revenue	**September 30, 2019**	**September 30, 2018**
Retail electric revenue:		
Residential	3,882,291	4,061,857
Commercial	4,108,681	4,222,811
Street lights	126,849	128,137
Total retail electric revenue	8,117,821	8,412,805
Other electric revenue:		
Customer discounts forfeited	62,078	6,255
FIT sur-credit reconciliation	(38,707)	-
Third party billings	111,706	102,811
All other	(13,114)	78,510
Total other electric revenues	121,963	187,576
Total electric operating revenues	**$8,239,784**	**$8,600,381**
Retail gas revenue:		
Residential	$16,728,152	$15,926,261
Commercial	2,807,725	2,605,985
Transportation	4,378,121	4,364,457
Wholesale	2,236,053	2,006,685
Total retail gas revenue	26,150,051	24,903,388
Other gas revenue:		
Local production	698,203	807,128
Customer discounts forfeited	117,051	104,363
Reconnect fees	4,098	2,100
Surcharges	1,521	19,690
All other	329,271	(159,889)
Total other gas revenue	1,150,144	773,392
Total gas operating revenue	**$27,300,195**	**$25,676,780**
Total operating revenues	**$35,539,979**	**$34,277,161**

The following tables further summarize all other income in the other gas revenue table above:

	September 30, 2019	September 30, 2018
Other gas & electric revenues:		
2017 Tax Act FIT reconciliation	$588,120	$ -
RDM amortizations net	(251,653)	(41,522)
Contract customer reconciliation	(148,718)	(77,476)
Regulatory liability reserve	(74,147)	-

Local production revenues	59,066	2,731
Capacity release revenues	33,733	-
Customer performance incentive	32,000	32,000
Delivery rate adjustment carrying costs	7,351	5,018
Annual DRA Reconciliation	-	(148,187)
Revenue write-off from Pike purchase	-	95,595
All Other	83,519	(28,048)
	$329,271	($159,889)

Margin	September 30, 2019	September 30, 2018
Utility Electric Revenues	$8,239,784	$8,600,381
Electricity Purchased	2,806,907	2,659,264
Margin	$5,432,877	$5,941,117
	65.93%	69.08%
Utility Gas Revenues	$27,300,195	$25,676,780
Natural Gas Purchased	7,742,728	7,048,801
Margin	$19,557,467	$18,627,979
	71.64%	72.55%

Electricity costs increased by $147,643 for the fiscal year ended September 30, 2019 compared to the prior year. The increase in costs for fiscal year ended 2019 is due primarily to increased purchased electric sales volumes totaling $506,900, offset by a decrease in electricity costs of $359,257 at Pike Electric compared to fiscal 2018.

Gas purchases are our largest expenses. Purchased gas expense increased $693,927 for the fiscal year ended September 30, 2019 compared to the prior year. The increase in costs is due primarily to increased gas costs of $.28 per Mcf year over year amounting to $551,407 at Corning and Pike Gas. Additionally, the Company incurred gas costs of $142,520 to meet the increased firm customer gas volumes of 38,844 Mcf.

We anticipate that the cost of gas should remain relatively stable because of our access to local production and current economic and government projections. The cost of electricity should also remain relatively stable because electricity prices generally follow the prices of natural gas.

Operating and Interest Expenses

Operating and maintenance expense for the fiscal year ended September 30, 2019 decreased by $507,728 compared to the prior year. The decrease in expenses for fiscal year 2019 was primarily from lower cost of repair and maintenance of electric overhead lines and gas distribution expenses of $414,876. The remaining decrease results primarily from lower customer service, administrative, and general expenses.

Taxes other than income taxes increased $27,133 for the fiscal year ended September 30, 2019 compared to the prior year. This increase was due to an increase in property taxes of $25,228 and an increase in Gross Receipts Tax ("GRT") of $35,574, offset primarily by an increase in payroll taxes capitalized on fixed assets of $33,669.

Depreciation expense for the fiscal year ended September 30, 2019 compared to the same period last year, increased by $124,058 due to increased depreciable utility plant placed in service.

Interest expense for the fiscal year ended September 30, 2019 compared to the prior year increased by $229,016 mainly due to additional interest costs associated with higher levels of outstanding debt attributed to capital expenditures.

Net Income

As a result of the foregoing, net income for fiscal year 2019 increased by $979,964 compared to fiscal year 2018. The increase in net income for fiscal year 2019 was primarily due to higher gas sales volume, the rate increase at the Gas Company, and lower net operating expenses offset by lower electric revenues.

Effective Tax Rate

There was an effective income tax rate of 29.6% for the year ended September 30, 2019 and 45.5% for the year ended September 30, 2018. The decrease in the effective tax rate was driven by a decrease in the federal income tax rate from 24.5% to 21.0%, as well as regulatory deferrals (see Note 11 "Income Taxes" in the notes to the consolidated financial statements.)

Liquidity and Capital Resources

Internally generated cash from operating activities consists of net income, adjusted for non-cash expenses, and changes in operating assets and liabilities. Non-cash items include depreciation and amortization, gain or loss on sale of securities, and deferred income taxes. Over or under recovered gas costs could significantly impact cash flow. In addition, there are significant year-to-year changes in regulatory assets that impact cash flow. Cash flows used in investing activities consist primarily of capital expenditures and investments in our joint ventures. As part of the Joint Proposal approved in the June 2017 Order, we have estimated capital expenditures to upgrade our distribution system of approximately $6 million in fiscal 2020. We expect to finance these planned capital expenditures with a combination of cash provided by operations and issuance of additional long-term debt and equity.

The earnings sharing mechanism approved by the NYPSC in the June 2017 Order provided for sharing between Corning Gas stockholders and customers of the earned return on equity (ROE) above certain levels. Under the earnings sharing mechanism, Corning Gas is allowed to retain all earnings up to and including a 9.5% ROE level, 50% of earnings above 9.5% up to and including 10%, 25% of earnings above 10% up to and including 10.5%, and 10.0% of earnings above 10.5%. We believe that these limits do not have a significant effect on our liquidity because even at those limits, we have sufficient cash collected from our earnings to support operations.

Cash flows from financing activities consist of dividends paid, repayment of long-term debt, new debt, and changes in the outstanding balances of our lines-of-credit.

Corning Gas has a revolving line of credit of $8.0 million at a variable interest rate determined by the Gas Company's funded debt to EBITDA ratio calculated ninety days after the end of each quarter added to the daily LIBOR rate. This line expires on April 1, 2020. The amount outstanding under this line on September 30, 2019 was approximately $5.7 million with an interest rate of 4.66%. Our lender has a purchase money security interest in all our natural gas purchases utilizing funds advanced by the bank under the credit agreement and all proceeds of sales and accounts receivable from the sale of that gas.

Pike has a revolving line of credit of $2.0 million at an interest rate equal to LIBOR plus 2.75% with principal repayable on demand by the lender. This line expires on April 26, 2020. The amount outstanding under this line on September 30, 2019 was approximately $1.1 million with an interest rate of 4.81%. As of September 30, 2018, the amount outstanding was approximately $1.3 million. The agreement contains various affirmative and negative covenants of Pike including, (i) a total funded debt to tangible net worth ratio of not greater than 1.4 to 1.0, (ii) a total funded debt to EBITDA ratio of not greater than 3.75 to 1.0, and (iii) a minimum cash flow overage of not less than 1.1 to 1.0, with each of the financial covenants measured quarterly based on Pike's trailing twelve-month operating performance and fiscal quarterly financial statements commencing with the period ended September 30, 2017; compliance, accounting, financial statement requirements, prohibitions on changes in management or control, any sale of all or substantially all of its assets, acquisitions of substantially all the asset of any other entity, or other material changes to its business, purposes, structure, or operations which could materially adversely affect Pike.

On September 30, 2019, we had approximately $42.2 million in long-term debt outstanding. We made principal payments on outstanding debt during fiscal year 2019 consistent with the requirements of our debt instruments and refinancing activities.

On November 30, 2017, the Gas Company entered into a long-term debt agreement with Manufacturers and Traders Trust Company Bank ("M&T") for $29 million at a fixed rate of 4.16% with a ten year maturity (the "November 2017 Credit Agreement"). This debt replaced all of the Gas Company long-term debt and is secured by all personal property of the Gas Company including, among other things, accounts, deposit accounts, general intangibles, inventory, and all fixtures, including, among other things, pipelines, easements, rights of way and compressors in the Gas Company's distribution system. The November 2017 security agreement contains various representations, warranties, covenants, and agreements customary in security agreements, and various events of default with remedies under the New York Uniform Commercial Code and the security agreement itself. This refinancing is consistent with our June 2017 NYSPSC rate order. The November 2017 term note may be prepaid upon payment of a prepayment premium equal to the greater of 1% of the amount prepaid or the present value of the spread between the 4.16% fixed interest rate of the 2017 term note and the then current "market rate" based on the most recent U.S. Treasury Obligations with a term corresponding to the remaining period to the maturity date.

On May 23, 2018, Pike entered into a credit agreement (the "May 2018 Credit Agreement") with M&T and refinanced its outstanding loan with M&T, issuing an $11.2 million term note pursuant to the May 2018 Credit Agreement. The Pike credit agreement contains various affirmative and negative covenants of Pike including: a total funded debt-to-EBITDA ratio of not greater than 3.75 to 1.0, measured quarterly based on Pike's trailing twelve month operating performance and fiscal quarterly financial statements; a minimum cash flow coverage of not less than 1.10 to 1.0, measured quarterly based on Pike's trailing twelve month operating performance and fiscal quarterly financial statements; compliance and financial statement requirements; and prohibitions on changes in management or control, any sale of all or substantially all of its assets, acquisitions of substantially all the assets of any other entity, or other material changes to its business, purposes, structure, or operations which could materially adversely affect Pike. The note bears interest at 4.92%. The note is payable in 119 consecutive monthly payments of $118,763 plus accrued interest, beginning on June 23, 2018 with a final payment of unpaid principal and interest on the maturity date of May 23, 2028. The note is secured by all personal property of Pike. Pike will owe a pre-payment penalty of 1% on any pre-paid principal made in advance of the maturity date.

On August 15, 2018, the Gas Company entered into a $3.6 million multiple disbursement term note with M&T which permitted draws from time to time in accordance with its terms until October 31, 2018, at which time amounts outstanding under the note totaling $3.6 million converted to a ten year-term loan to be payable in 119 equal monthly installments. An additional final installment of unpaid principal and interest will be due on November 30, 2028. Before converting to a term loan, the note bore interest at the one-month LIBOR rate plus 3%. After October 31, 2018, the interest rate was fixed at 4.92%. Additional terms of this note are substantially the same as those in the November 2017 Credit Agreement.

On June 27, 2019, the Gas Company entered into a $3.127 million multiple disbursement term note with M&T which permitted draws from time to time for capital expenditures in accordance with its terms until October 31, 2019, at which time amounts outstanding under the note totaling $3.127 million converted to a ten-year term loan, payable in 119 equal monthly installments, with an additional final installment of unpaid principal and interest due on November 30, 2029. Before converting to a term loan, borrowings on the note had a variable interest rate of the one-month LIBOR rate plus 3% (4.875% as of September 30, 2019). After October 31, 2019, the interest rate was fixed at 3.51%. Additional terms of this note are substantially the same as those in the Gas Company's November 2017 Credit Agreement with M&T.

On December 4, 2018, Pike entered into a demand note with M&T for $510,000, payable in 364 days unless otherwise converted into a term note. On February 1, 2019, Pike converted the $510,000 demand note to a ten-year term loan with a fixed interest rate of 4.89% and monthly principal and interest payments of $5,397.

On June 27, 2019, Pike entered into a $2.072 million multiple disbursement term note with M&T which permitted draws from time to time for capital expenditures in accordance with its terms until October 31, 2019, at which time amounts outstanding under the note totaling $2.072 million converted to a ten-year term loan, payable in 119 equal monthly installments, with an additional final installment of unpaid principal and interest due on November 30, 2029. Before converting to a term loan, borrowings on the note had a variable interest rate of the one-month LIBOR rate plus 3% (5.06% as of September 30, 2019). After October 31, 2019, the interest rate was fixed at 3.51%. Additional terms of this note are substantially the same as those in Pikes November 2017 Credit Agreement with M&T.

The Gas Company is responsible for managing its gas supply assets. As of September 30, 2019, the Gas Company had 596,454 Dth at a cost of $1,238,826 in storage. As the result of these actions, we anticipate that the Gas Company will have sufficient gas to supply our customers for the 2019-2020 winter heating season. The contract with O&R should provide for sufficient electricity and natural gas to supply Pike for the 2019-2020 winter heating and summer cooling demand. M&T has issued to O&R a letter of credit in the amount of $1.525 million as security for the obligations of Pike under the Electric Supply Agreement and the Gas Supply and Gas Transportation Agreement. Each agreement, as amended, dated August 31, 2016, is for three years of electric and gas supply for the customers of Pike, with up to three, one-year extensions.

As of September 30, 2019, we believe that cash flow from operating activities and borrowings under our lines of credit will be sufficient to satisfy debt service requirements over the next twelve months. We believe new debt and proceeds from equity will be required to satisfy our capital expenditures to finance our internal growth needs for the next twelve months.

Off Balance Sheet Arrangements

We have no off balance sheet arrangements.

Contractual Obligations

The following tables summarize the Gas Company's expected future contractual cash obligations as of September 30, 2019, and the twelve-month periods over which they occur.

The aggregate maturities of long-term debt for each of the five years subsequent to September 30, 2019 are as follows:

2020	$4,260,846
2021	$4,644,917
2022	$4,803,253
2023	$5,005,454
2024	$4,917,114

The estimated interest payments on the above debts are as follows:

2020	$1,901,439
2021	$1,713,861
2022	$1,507,154
2023	$1,293,015
2024	$1,069,462

The estimated pension plan benefit payments are as follows:

2020	$1,437,116
2021	$1,484,569
2022	$1,478,038
2023	$1,487,713
2024	$1,522,441

The projected benefit obligation of the benefit plan has been calculated based on the census and plan provisions, as well as a number of economic and demographic assumptions. The discount rate for the period ending September 30, 2019 is 3.96% and is assumed to be the rate going forward. A decrease in the discount rate of 1% could increase the projected benefit obligation by $3.8 million and an increase in the discount rate of 1% could decrease the obligation by $3.0 million. Either change would impact the estimated pension plan payment for future periods.

Regulatory Matters

Holding Company

On April 11, 2016, the Holding Company filed a petition in Case 16-G-0200 with the NYPSC, seeking a declaratory ruling that Public Service Law Section 70(4), which pertains to the acquisition of more than 10 percent of the voting capital stock of a gas corporation, does not apply to the exercise of rights to convert the 4.8% Series B Convertible Preferred Stock (see Note 9 – Stockholders' Equity to the Company's consolidated financial statements for additional information) to common stock of the Holding Company, or that, if that section is applicable at all to the Holding Company, there is no need for NYPSC approval under the statute because the relevant subscription rights are to be issued pro-rata to existing shareholders, thereby limiting the potential changes in relative ownership concentration that are the focus of Section 70(4). In the alternative, if the NYPSC determined that the statute applies to the conversion of preferred shares to common shares in the Holding Company, the Holding Company requested that the NYPSC approve such acquisition of common shares by stockholders of the Holding Company whose ownership interests exceed 10 percent of the Holding Company's stock. On August 1, 2016, the NYPSC issued an order in Case 16-G-0200. Although the NYPSC declined to issue the requested declaratory ruling that Public Service Law 70(4) is inapplicable, the NYPSC approved the exercise of conversion rights on a Series B Convertible Preferred Stock by our three holders of 10% or more of our common stock. The three holders - President Michael German, funds controlled or with investments managed by Mario Gabelli, and the Article 6 Marital Trust under the First Amended and Restated Jerry Zucker Revocable Trust - reported on filings with the U.S. Securities and Exchange Commission that they acquired 57,936 shares, 73,398 shares, and 0 shares of our Series B Convertible Preferred Stock, respectively. There can be no assurance that any of such shares will actually be converted into our common stock.

The Holding Company's primary business, through its subsidiaries Corning Gas and Pike, is regulated by the NYPSC and PAPUC, among other agencies.

Gas Company

On April 13, 2016, the Gas Company filed a petition in Case 16-G-0204 with the NYPSC, to defer leak repair and survey costs over and above the amounts permitted to be recovered in rates for 2015. In this petition, we requested that the incremental cost of $349,547 together with the associated income tax effect, be deferred and recovered in a manner to be established in future rate proceedings. The Company recognized this deferral in the quarter ended March 31, 2016. The petition is still pending before the NYSPSC.

On June 15, 2017, the NYPSC issued an Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plan (the "June 2017 Order") adopting the Joint Proposal without substantive modification in Case16-G-0369.

As adopted by the June 2017 Order, the Joint Proposal is a comprehensive settlement extending for three consecutive Rate Years (the twelve months ending May 31, 2018, 2019 and 2020) and permits Corning Gas to increase its base rates for gas delivery service. The new base rates under the June 2017 Order, when offset by the elimination of existing surcharges at the beginning of Rate Year 1 and levelized over the three Rate Years, result in the following incremental revenue increases over the prior Rate Year: Rate Year 1 - $1,558,553, Rate Year 2 - $1,573,706, and Rate Year 3 - $1,556,594, equating to increases of approximately 6.2%, 5.9% and 5.5%, respectively, as a percentage of total delivery revenues including gas costs. The Joint Proposal, as adopted, permits a rate of return on common equity of 9.0%, and an

“Earnings Sharing Mechanism” that provides for Corning Gas to retain all earnings above 9.00% up to and including 9.50%, and for customers to retain 50% of the earnings above 9.50% up to and including 10.00%, 75% of earnings above 10.00% up to and including 10.50%, and 90% of earnings above 10.50%.

The Joint Proposal provides true-ups for property taxes, pension costs, and plant additions and continues performance metrics for safety and customer satisfaction from the prior rate case. Although the stringency of certain performance measures and the amount of certain negative revenue adjustments for failure to meet specific standards are increased, the Joint Proposal, as approved by the June 2017 Order, also provides opportunities for positive revenue adjustments for exceeding applicable standards with regard to certain measures. Because the June 2017 Order approving the Joint Proposal was issued after the June 1, 2017 commencement of Rate Year 1 of the three-year rate plan and new rates did not go into effect until July 1, 2017, the 2017 Order provides for each of the Gas Company and its customers to be placed in the same position in which they would have been if the new rates had gone into effect as of June 1, 2017. Any resulting revenue adjustments in favor of the Gas Company are deferred for future recovery, with interest.

By petition dated June 13, 2017, Corning Gas requested authority under Public Service Law (PSL) §69 to issue approximately $44 million of long-term debt through December 31, 2020. In its petition, Corning Gas requested permission to refinance all or a portion of its existing loans with a ten-year fixed rate loan (“Refunding Debt”). In addition, Corning Gas requested authority to issue new debt through December 31, 2020 to fund its future construction expenditures, repay short-term debt incurred to finance previous years’ construction expenditures, and to refinance its maturing debt obligations (“New Debt”). The NYSPSC, in an order issued November 17, 2017, authorized Corning Gas to issue up to $26 million for Refunding Debt and New Debt issuances of up to $18 million.

On August 9, 2018, the NYSPSC issued an order in Case 17-M-0815 that required the Company to return to customers the difference between the federal income tax allowance in base rates and the new statutory rate of 21%. The refund to customers began on October 1, 2018. The customers experienced a decrease of 3.87% on their overall bill in the year starting October 1, 2018, and will experience a decrease of 3.72% on their overall bill in the year starting October 1, 2019. The amount estimated to be returned to customers was $980,964 during the year ended September 30, 2019, and is expected to be $1,004,563 during the year ending September 30, 2020. These refunds will not impact the Company’s allowed earnings. The impact of the change in the Tax Act on deferred regulatory balances will be deferred until the Company’s next base rate case. The Company has recorded those amounts as Regulatory Liabilities on the balance sheet.

Pike

The acquisition of Pike was subject to the approval of the PAPUC. At its public meeting held on August 11, 2016, the PAPUC approved the Recommended Decision of the Administrative Law Judge, dated June 30, 2016, which approved the Joint Petition for Full Settlement of the Joint Application of Pike, O&R, the Company, the Pennsylvania Office of Consumer Advocate, and the Pennsylvania Office of Small Business Advocate (the “Settlement”). The Settlement required Pike and the Holding Company to take a variety of actions including, among a series of other matters, hiring a general manager and other staffing of Pike, which had no employees when owned by O&R, and not filing for a rate increase prior to March 1, 2018. The general manager and several staff members were hired in 2017 and 2018.

The PAPUC issued an order in Case M-2018-2641242 that required the Company to return to customers the difference between the federal income tax allowance in base rates and the new statutory rate of 21%. Pike’s electric customers will receive a refund of $73,923, or a decrease of 0.67% on their overall bill effective October 1, 2018. No refunds were ordered for Pike’s gas operation because amounts were not material. The impact of the change in the Tax Act on deferred regulatory balances will be deferred until the Company’s next base rate case. The Company has recorded those amounts as Regulatory Liabilities on the balance sheet.

Leatherstocking Gas

On February 20, 2015, Leatherstocking Gas, pursuant to Section 68 of the PSL, filed with the NYPSC for a Certificate of Public Convenience and Necessity and for approval of, and permission to exercise, franchises previously granted in the Town of Windsor (Case 15-G-0098) and Village of Windsor (Case 15-G-0099). The Commission review of the applications is pending.

On February 27, 2015, Leatherstocking Gas, pursuant to Public Service Law Section 69, filed with the NYPSC for authority to issue long term indebtedness in the principal amount of $2,750,000 for the purpose of financing new construction in the Town and Village of Windsor. The Commission review of the application is pending.

The PAPUC issued an order in Case M-2018-2641242 that require the Company to return to customers the difference between the federal income tax allowance in base rates and the new statuary rate of 21%. No refunds were ordered for Leatherstocking Gas operations since the Company has experienced federal income tax losses since 2012.

Environmental Matters

The Company is subject to various federal, state, and local laws and regulations relating to the protection of the environment. The effect (material or not) on the Company of any new legislative or regulatory measures will depend on the particular provisions that are ultimately adopted. Environmental regulation, legislative, and regulatory measures to address climate change and greenhouse gas emissions are in various phases of discussion or implementation. Legislation or regulation that aims to reduce greenhouse gas emissions could also include greenhouse gas emissions limits and reporting requirements, carbon taxes, restrictive permitting, increased efficiency standards, and incentives or mandates to conserve energy, or use renewable energy sources. Federal, state, or local governments may provide tax advantages and other subsidies to support alternative energy sources, mandate the use of specific fuels or technologies, or promote research into new technologies to reduce the cost and increase the scalability of alternative energy sources. New York State, for example, passed the CLCPA that mandates reduced greenhouse gas emissions to 60% of 1990 levels by 2030, and 15% of 1990 levels by 2050, with the remaining emission reduction achieved by controlled offsets. The CLCPA also requires electric generators to meet 70% of demand with renewable energy by 2030. These climate change and greenhouse gas initiatives could impact the Company's customer base and assets depending on regulatory treatment afforded in the process. The initiatives could also increase the Company's cost of environmental compliance by increasing reporting requirements and requiring the Company to replace all leak prone pipe. They could also delay or otherwise negatively affect efforts to obtain permits and other regulatory approvals with regard to existing and new facilities, and impose additional monitoring and reporting requirements. Changing market conditions and new regulatory requirements, as well as unanticipated or inconsistent application of existing laws and regulations by administrative agencies, make it difficult to predict a long-term business impact across twenty or more years.

Critical Accounting Policies

Our significant accounting policies are described in the notes to the accompanying Consolidated Financial Statements of this Form 10-K. The application of generally accepted accounting principles (GAAP) involves certain assumptions, judgments, and estimates that affect reported amounts of assets, liabilities, revenues, and expenses. Thus, the application of these principles can result in varying results from company to company. The principles and policies that most significantly impact us are discussed below.

Accounting for Utility Revenue and Cost of Gas Recognition

Corning Gas records revenues from residential and commercial customers based on meters read on a cycle basis throughout each month, while certain large industrial and utility customers' meters are read at the end of each month. Corning Gas does not accrue revenue for gas delivered but not yet billed, as the NYPSC requires that such accounting be adopted during a rate proceeding, which we have not done. Currently, Corning Gas does not anticipate adopting unbilled revenue recognition, nor does it believe it would have a material impact on financial results. Our tariffs contain mechanisms that provide for the recovery of the cost of gas applicable to firm customers, which includes estimates. Under these mechanisms, we periodically adjust rates to reflect increases and decreases in the cost of gas and electricity. Annually, we reconcile the difference between the total gas costs collected from customers and the cost of gas. We defer any excess or deficiency and subsequently either recover it from, or refund it to, customers over the following twelve-month period or possibly longer based on the amounts if the cost for gas significantly exceeds the total gas costs collected from customers. Quarterly, we reconcile the difference between electric costs collected from customers and the cost of electricity. The default service charges for electricity are adjusted every quarter. To the extent estimates are inaccurate, a regulatory asset on the balance sheet is increased or decreased. Leatherstocking Gas reads all meters at the end of the month and therefore has no unbilled. Pike reads all meters at the end of the month and therefore no longer has unbilled revenue. As gas and electricity are immediately available for use upon delivery to the customer, the gas or electricity and its delivery are identifiable as a single performance obligation. The Company recognizes revenues as this performance obligation is satisfied over time as the Company delivers, and its customers simultaneously receive and consume the gas or electricity.

Accounting for Regulated Operations - Regulatory Assets and Liabilities

Corning Gas is subject to regulation by NYPSC and Pike is subject to regulation by the PAPUC. We record the results of our regulated activities in accordance with Financial Accounting Standards Board (FASB) ASC No. 980, which results in differences in the application of generally accepted accounting principles between regulated and non-regulated businesses. FASB ASC No. 980 requires the recording of regulatory assets and liabilities for certain transactions that would have been treated as revenue and expense in non-regulated businesses. In certain circumstances, FASB ASC No. 980 allows entities whose rates are determined by third-party regulators to defer costs as "regulatory" assets in the balance sheet to the extent that the entity expects to recover these costs in future rates. Management believes that currently available facts support the continued application of FASB ASC No. 980 and that all regulatory assets and liabilities are recoverable or refundable through the regulatory environment.

Accounting for Income Taxes

The Holding Company uses the asset and liability method to establish deferred tax assets and liabilities for the temporary differences between the financial reporting basis and the tax basis of the Holding Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled. Such deferred tax assets and liabilities will be adjusted for the effects of enacted changes in tax laws and rates.

Accounting for the Joint Ventures

The investment and equity in Leatherstocking Gas and Leatherstocking Pipeline (collectively, the “Joint Ventures”) has been recognized in the consolidated financial statements. The Holding Company has accounted for its equity investment using the equity method of accounting based on the guidelines established in FASB ASC 323. In applying the guidance of FASB ASC 323, the Holding Company recognized the investment in the Joint Ventures as an asset at cost. The investment will fluctuate in future periods based on the Holding Company’s allocable share of earnings or losses from the Joint Ventures which is recognized through earnings.

Pension and Postretirement Benefits

The amounts reported in our consolidated financial statements related to pension and other postretirement benefits are determined on an actuarial basis, which requires the use of many assumptions in the calculation of such amounts. These assumptions include the discount rate, the expected return on plan assets, the rate of compensation increase and, for other postretirement benefits, the expected annual rate of increase in per capita cost of covered medical and prescription benefits. Changes in actuarial assumptions and actuarial experience could have a material impact on the amount of our pension and postretirement benefit costs and funding requirements. In 2019, the mortality assumption was revised to the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants with mortality improvements projected using Scale MP-2018 on a fully generational basis. The decrease in discount rate from 4.89% to 3.96% as of September 2019 increased the benefit obligation. The net effect of changes to the assumptions and discount rate is an increase of approximately $3.7 million to the pension benefit obligation. However, we expect to recover substantially all our net periodic pension and other postretirement benefit costs attributed to employees in accordance with NYPSC authorization. For financial reporting purposes, the difference between the amounts of such costs as determined under applicable accounting principles is recorded as either a regulatory asset or liability.

Preferred Stock and Temporary Equity

The Holding Company classifies conditionally redeemable convertible preferred shares, which includes preferred shares subject to redemption upon the occurrence of uncertain events not solely within control of the Holding Company, as temporary equity in the mezzanine section of the consolidated balance sheet, in accordance with the guidance enumerated in FASB ASC No. 480 "Distinguishing Liabilities from Equity". The Company also analyzes the embedded conversion feature for bifurcation, based on whether the host instrument has more equity-like or debt-like characteristics. Dividends are recorded as a reduction to retained earnings, and issuance costs reduce the initial proceeds and are then accreted over the life of the instrument to the redemption amount.

The Holding Company records mandatorily redeemable stock as a liability in accordance with FASB ASC No. 480. Dividends are recorded as interest expense and issuance costs are treated the same way as debt issuance costs.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains statements which, to the extent they are not recitations of historical facts, constitute "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995 (“Reform Act”). The words "estimate", "project", "anticipate", "expect", "intend", "believe", "could" and similar expressions are intended to identify forward-looking statements. All such forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act. Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be achieved. As forward-looking statements, these statements involve risks, uncertainties, and other factors that could cause actual results to differ materially from the expected results. Accordingly, actual results may differ materially from those expressed in any forward-looking statements. Factors that could cause results to differ materially from our management's expectations include, but are not limited to, those listed under Item 1A - "Risk Factors" of this Annual Report on Form 10-K for the fiscal year ended September 30, 2018, in addition to:

* The effect of any interruption in our supply of natural gas or electricity or a substantial increase in the price of natural gas or electricity,
* Our ability to successfully negotiate new supply agreements for natural gas as they expire, on terms favorable to us, or at all,
* The effect on our operations of any action by the NYPSC or PAPUC,
* The effect of any litigation,
* The effect on our operations of unexpected changes in any other applicable legal or regulatory requirements,
* The amount of natural gas produced and directed through our pipeline by producers,
* Our ability to obtain additional equity or debt financing to fund our capital expenditure plans and for general corporate purposes,
* Our successful completion of various capital projects and the use of pipeline, compressor stations, and storage by customers and counterparties at levels consistent with our expectations,
* Our successful integration of Pike into our current operations,
* Our ability to retain the services of our senior executives and other key employees,
* Our vulnerability to adverse general economic and industry conditions generally and particularly the effect of those conditions on

our major customers,

* The effect of any events in our transportation and delivery facilities, and
* Competition to our gas supply and transportation business from other pipelines.

Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update any forward-looking statement in light of new information or future events.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial statements are filed with this Form 10-K:

Report of Freed Maxick CPAs, P.C., Independent Registered Public Accounting Firm

Consolidated Financial Statements:

Consolidated Balance Sheets as of September 30, 2019 and 2018

Consolidated Statements of Income for the years ended September 30, 2019 and 2018

Consolidated Statements of Comprehensive Income for the years ended September 30, 2019 and 2018

Consolidated Statements of Stockholders' Equity for the years ended September 30, 2019 and 2018

Consolidated Statements of Cash Flows for the years ended September 30, 2019 and 2018

Notes to Consolidated Financial Statements

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A - CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2019, the Company's management, with the participation of the Company's chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended. Based upon the Company's evaluation, the Company's chief executive officer and chief financial officer concluded that the Company's disclosure controls and procedures are effective as of September 30, 2019.

Management's Report on Internal Controls over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal controls over financial reporting as such term is defined in Exchange Act Rule 13a-15(f) and 15d-15(f). The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements. Our internal controls over financial reporting are supported by appropriate reviews by management, written policies and guidelines, careful selection and training of qualified personnel, and a written Code of Conduct adopted by our Company's Board of Directors, applicable to all Company Directors, officers, and employees of our Company.

The Audit Committee of our Company's Board of Directors meets with the independent public accountants and management periodically to discuss internal controls over financial reporting and auditing and financial reporting matters. The Audit Committee reviews with the independent public accountants the scope and results of the audit effort. The Audit Committee's Report will be reported in the Proxy Statement issued in connection with the Company's 2020 Annual Meeting of Stockholders.

The Company's management, including the Company's chief executive officer and chief financial officer, assessed the effectiveness of the Company's internal controls over financial reporting as of September 30, 2019. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework* from 2013. Based upon that evaluation, our chief executive officer and chief financial officer concluded that our internal controls over financial reporting was effective as of September 30, 2019.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15f, or 15d-15f that was conducted during the last fiscal quarter for the Company that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B - OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The information required by Item 10 is incorporated herein by reference to the Registrant's definitive Proxy Statement relating to its 2020 Annual Meeting of Shareholders (the "Proxy Statement") under the captions "Board of Directors", "Executive Officers", "Section 16(a) Beneficial Ownership Reporting Compliance", "Code of Business Conduct and Ethics," or as an amendment to this Annual Report in Form 10-K. The Proxy Statement, or an amendment to this Annual Report on Form 10-K containing the required information, will be filed with the SEC prior to January 28, 2020.

Based solely upon a review of Section 16(a) reports furnished to the Company pursuant to Rule 16a-3 under the Exchange Act, the Company believes that all such forms required to be filed pursuant to Section 16(a) of the Exchange Act were timely filed, as necessary, by the officers, directors, and security holders required to file such forms.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 will be contained under the caption "Executive Compensation" in the Proxy Statement and incorporated herein by reference or an amendment to this Annual Report on Form 10-K. The Proxy Statement, or an amendment to this Annual Report on Form 10-K containing the required information, will be filed with the SEC prior to January 28, 2020.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required with respect to security ownership of certain beneficial owners will be set forth under the caption "Principal Stockholders" and "Equity Compensation Plan Information at September 30, 2019" in the Proxy Statement and incorporated herein by reference or an amendment to this Annual Report on Form 10-K. The Proxy Statement, or an amendment to this Annual Report on Form 10-K containing the required information, will be filed with the SEC prior to January 28, 2020.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 will be contained under the caption "Certain Relationships and Related Transactions" and "Director Independence" in the Proxy Statement and incorporated herein by reference or an amendment to this Annual Report on Form 10-K. The Proxy Statement, or an amendment to this Annual Report on Form 10-K containing the required information, will be filed with the SEC prior to January 28, 2020.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 will be contained under the caption "Audit Committee Report - Principal Accounting Fees and Services" in the Proxy Statement and incorporated herein by reference or an amendment to this Annual Report on Form 10-K. The Proxy Statement, or an amendment to this Annual Report on Form 10-K containing the required information, will be filed with the SEC prior to January 28, 2020.

PART IV

ITEM 15 - EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statement Schedules (see Item 8 Financial Statements and Supplementary Data)
(b) Exhibits

Exhibits incorporated by reference for filings made before January 1, 1995 may be found in the Company's Commission File 0-643

Exhibit No.	Description
3.1	The Holding Company's Certificate of Incorporation, (included as Exhibit B to the Proxy Statement/Prospectus forming portion of the Form S-4)
3.2	Second Amended and Restated By-laws of Corning Natural Gas Holding Corporation, effective February 6, 2018 (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K dated February 6, 2018)
3.7	Certificate of Amendment to the Certificate of Incorporation with respect to the number of shares of common stock and preferred stock filed with the Department of State of the State of New York on May 1, 2018 (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K dated May 1, 2018)
4.4*	Corning Natural Gas Holding Corporation 2018 Employee Long-Term Incentive Plan (incorporated by reference to Appendix 1 of the Company's definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 22, 2018)
10.1*	Employment Agreement dated November 30, 2006 between Michael German and the Company (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated November 30, 2006)
10.2*	Amended and Restated Severance Agreement effective August 18, 2006 between the Company and Kenneth J. Robinson (incorporated by reference to Exhibit 10.18 of the Company's Current Report on Form 8-K dated August 14, 2006)
10.3*	First Amendment to Employment Agreement between Michael I. German and the Company dated December 31, 2008 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 10-Q dated August 12, 2009)
10. 4	Amended and Restated 2007 Stock Plan (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 10-Q dated August 12, 2009)
10.14*	Settlement and Release Agreement between the Company and Thomas K. Barry dated December 30, 2011 (incorporated by reference to Exhibit 10.30 of the Company's Registration Statement on Form S-1 (No. 333-182386), originally filed with the Securities and Exchange Commission on June 28, 2012)
10.16	Operating Agreement of the Leatherstocking Gas Company, LLC (incorporated by reference to Exhibit 10.32 of the Company's Registration Statement on Form S-1 (No. 333-182386), originally filed with the Securities and Exchange Commission on June 28, 2012)
10.21*	Form of Restricted Stock Agreement – Officers under the Corning Natural Gas Corporation's Amended and Restated 2007 Stock Plan (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated December 11, 2012)
10.22*	Form of Restricted Stock Agreement - Non-employee Directors under the Corning Natural Gas Corporation's Amended and Restated 2007 Stock Plan (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated December 11, 2012)
10.32	Stock Purchase Agreement between the Holding Company and Article 6 Marital Trust under the First Amended and Restated Jerry Zucker Revocable Trust Dated April 2, 2007, dated April 7, 2014
10.33	Stock Purchase Agreement between the Holding Company and the Retirement Plan for the L.S. Starret Company with QCI Management, Inc., as Registered Investment Advisor dated April 14, 2014
10.34	Stock Purchase Agreement between the Holding Company and DBH, LLC with QCI Asset Management, Inc., as Registered Investment Advisor dated April 14, 2014
10.35	Stock Purchase Agreement between the Holding Company and Cold Spring Construction Profit Sharing Plan with QCI Asset Management, Inc., as Registered Investment Advisor dated April 14, 2014
10.37	Stock Purchase Agreement between the Holding Company and Timothy E. Delaney with QCI Asset Management, Inc., as Registered Investment Advisor dated April 14, 2014
10.38	Stock Purchase Agreement between the Holding Company and Robert B. Johnston dated April 16, 2014
10.48	Pledge and Security Agreement between Corning Natural Gas Holding Corporation and Mirabito Regulated Industries, LLC with Wayne Bank dated January 31, 2019 (incorporated by reference to Exhibit 10.6 of the March 2019 8-K)
10.49	Pledge and Security Agreement between Corning Natural Gas Holding Corporation and Mirabito Regulated Industries, LLC with Wayne dated January 31, 2019 (incorporated by reference to Exhibit 10.7 of the March 2019 8-K)
10.61	Multiple Disbursement Term Note between the Gas Company and Manufacturers and Traders Trust Company, dated January 27, 2016 (incorporated by reference to Exhibit 10.1 of January 2016 8-K)
10.72	Loan Agreement between Leatherstocking Gas (Borrower) and Leatherstocking Pipeline (Guarantor) and Five Star Bank, dated July 11, 2016 (incorporated by reference to Exhibit 10.2 of the June 2016 10-Q)
10.73	General Security Agreement between Leatherstocking Gas and Five Star Bank dated July 11, 2016 (incorporated by reference to Exhibit 10.3 of the June 2016 10-Q)
10.74	General Security Agreement between Leatherstocking Pipeline and Five Star Bank dated July 11, 2016 (incorporated by reference to Exhibit 10.4 of the June 2016 10-Q)

10.79	Continuing Guaranty, dated August 31, 2016, from Corning Natural Gas Holding Corporation to M&T Bank with respect to the obligations of Pike County Light & Power Company to M&T Bank (incorporated by reference to Exhibit 10.5 on the September 2016 8-K)
10.87	Credit Agreement, dated June 27, 2019, between Corning Natural Gas Company and M&T Bank (incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K dated August 15, 2019)
10.88	Multiple Disbursement Term Note, dated August 15, 2018, from Corning Natural Gas Corporation to M&T Bank in the maximum principal amount of $3,600,000 (incorporated by reference to Exhibit 10.2 of the Company’s Current Report on Form 8-K dated August 15, 2018)
10.89	General Security Agreement, dated June 27, 2019, from Corning Natural Gas Corporation to M&T Bank (incorporated by reference to Exhibit 10.3 of the Company’s Current Report on Form 8-K dated August 15, 2019)
10.90	Replacement Credit Agreement, dated June 27, 2019, between Pike Light & Power Company and M&T Bank (incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K dated May 23, 2019)
10.91	Replacement Term Note, dated May 23, 2018, from Pike Light & Power Company to M&T Bank in the initial principal amount of $11,200,000 (incorporated by reference to Exhibit 10.2 of the Company’s Current Report on Form 8-K dated May 23, 2018)
10.92	Continuing Guaranty, dated June 27, 2019, between Pike Light & Power Company and M&T Bank (incorporated by reference to Exhibit 10.3 of the Company’s Current Report on Form 8-K dated May 23, 2019)
10.93	General Security Agreement, dated June 27, 2019, between Pike Light & Power Company and M&T Bank (incorporated by reference to Exhibit 10.4 of the Company’s Current Report on Form 8-K dated May 23, 2019)
21**	Subsidiary of Company
23.1**	Consent of Freed Maxick CPA's, P.C.
24	Power of Attorney
31.1**	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act - Michael I. German
31.2**	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act - Firouzeh Sarhangi
32.1***	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act
101***	The following materials from the Corning Natural Gas Corporation Annual Report on Form 10-K for the period ended September 30, 2019, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets at September 30, 2019 and 2018 (ii) the Condensed Consolidated Statements of Income and Comprehensive Income for the years ended September 30, 2019 and 2018 (iii) the Condensed Consolidated Statements of Stockholders' Equity for the years ended September 30, 2019 and 2018 (iv) the Condensed Consolidated Statements of Cash Flows for the years ended September 30, 2019 and 2018 (v) related notes to the Condensed Consolidated Financial Statements

*	Indicates management contract or compensatory plan or arrangement
**	Filed herewith
***	Furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CORNING NATURAL GAS HOLDING CORPORATION

Date: December 23, 2019	/s/ Michael I. German Michael I. German President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: December 23, 2019	/s/ Firouzeh Sarhangi Firouzeh Sarhangi, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)
Date: December 23, 2019	/s/ Michael I. German Michael I. German, President and Chief Executive Officer and Director (Principal Executive Officer)
Date: December 23, 2019	* Henry B. Cook, Chairman of the Board of Directors
Date: December 23, 2019	* Ted W. Gibson, Director
Date: December 23, 2019	* Robert B. Johnston, Director
Date: December 23, 2019	* Joseph P. Mirabito, Director
Date: December 23, 2019	* William Mirabito, Director
Date: December 23, 2019	* George J. Welch, Director
Date: December 23, 2019	* John B. Williamson III, Director

*By: /s/ [Attorney-in-fact]
[Attorney-in-fact]
Attorney-in-fact

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
Corning Natural Gas Holding Corporation
Corning, New York

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Corning Natural Gas Holding Corporation and subsidiaries (collectively, the "Company") as of September 30, 2019 and 2018, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Freed Maxick CPAs, P.C.

Rochester, NY
December 23, 2019

CORNING NATURAL GAS HOLDING CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets as of September 30,

Assets	2019	2018
Plant:		
Utility property, plant and equipment	$ 121,041,738	$114,559,199
Less: accumulated depreciation	(29,263,612)	(26,966,064)
Total plant, net	91,778,126	87,593,135
Investments:		
Marketable securities at fair value	2,184,170	2,193,578
Investment in joint ventures	2,597,919	2,740,575
	4,782,089	4,934,153
Current assets:		
Cash and cash equivalents	314,341	219,962
Customer accounts receivable (net of allowance for uncollectible accounts of $66,470 and $228,666, respectively)	2,436,221	3,350,700
Other accounts receivable	335,481	385,987
Related party receivables	5,818	206,331
Gas stored underground	1,238,826	1,620,916
Materials and supplies inventories	2,747,194	1,818,974
Prepaid expenses	1,726,353	1,468,030
Total current assets	8,804,234	9,070,900
Regulatory and other assets:		
Regulatory assets:		
Unrecovered electric and gas costs	985,556	1,236,124
Deferred regulatory costs	4,401,299	4,279,839
Deferred pension	7,294,641	4,043,072
Other	562,703	583,437
Total regulatory and other assets	13,244,199	10,142,472
Total assets	$118,608,648	$111,740,660

See accompanying notes to consolidated financial statements.

CORNING NATURAL GAS HOLDING CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets as of September 30,

	2019	2018
Liabilities and capitalization		
Long-term debt, less current installments	$37,939,785	$36,975,484
Less: debt issuance costs	(276,885)	(338,903)
Total long-term debt	37,662,900	36,636,581
Redeemable preferred stock - Series A (Authorized 255,500 shares. Issued and outstanding: 210,600 shares at September 30, 2019 and 210,600 shares at September 30, 2018, less debt issuance costs of $78,188 and $98,918, respectively)	5,186,812	5,166,082
Current liabilities:		
Current portion of long-term debt	4,260,846	3,793,998
Borrowings under lines-of-credit and short-term debt	6,875,752	6,662,357
Accounts payable	1,826,604	3,247,376
Accrued expenses	422,557	407,692
Customer deposits and accrued interest	1,403,139	1,227,398
Dividends declared	502,559	483,806
Total current liabilities	15,291,457	15,822,627
Deferred credits and other liabilities:		
Deferred income taxes	6,209,336	4,896,771
Regulatory liabilities	3,557,481	3,777,495
Deferred compensation	1,391,924	1,412,345
Pension costs and post-retirement benefits	9,683,393	6,016,240
Other	240,747	219,948
Total deferred credits and other liabilities	21,082,881	16,322,799
Commitments and contingencies (see Note 14)	-	-
Temporary equity:		
Redeemable convertible preferred stock - Series B (Authorized 244,500 shares. Issued and outstanding: 244,263 shares at September 30, 2019 and 2018)	4,966,893	4,951,847
Common stockholders' equity:		
Common stock ($.01 par value per share ($.01 par value per share. Authorized 4,500,000 shares. Issued and outstanding: 3,047,060 shares at September 30, 2019 and 3,021,851 at September 30, 2018)	30,470	30,218
Additional paid-in capital	27,745,837	27,320,162
Retained earnings	6,634,085	5,399,751
Accumulated other comprehensive income	7,313	90,593
Total common stockholders' equity	34,417,705	32,840,724
Total liabilities and capitalization	$118,608,648	$111,740,660

See accompanying notes to consolidated financial statements.

CORNING NATURAL GAS HOLDING CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income for the years ended September 30,

	2019	2018
Utility operating revenues:		
Gas operating revenues	$27,300,195	$25,676,780
Electric operating revenues	8,239,784	8,600,381
Total utility operating revenues	35,539,979	34,277,161
Cost of sales:		
Gas purchased	7,742,728	7,048,801
Electricity purchased	2,806,907	2,659,264
Total cost of sales	10,549,635	9,708,065
Gross margin	24,990,344	24,569,096
Costs and expense:		
Operating and maintenance expense	10,969,038	11,476,766
Taxes other than income taxes	3,617,169	3,590,036
Depreciation	2,499,558	2,375,500
Other deductions, net	460,104	411,848
Total costs and expenses	17,545,869	17,854,150
Utility operating income	7,444,475	6,714,946
Other income and (expense):		
Interest expense	(2,325,642)	(2,096,626)
Other expense	(616,403)	(751,803)
Investment income	52,095	44,289
Loss from joint ventures	(142,656)	(131,831)
Rental income	35,052	48,552
Income from utility operations before income taxes	4,446,921	3,827,527
Income tax expense	(1,322,689)	(1,683,259)
Net income	3,124,232	2,144,268
Less Series B Preferred Stock Dividends	244,263	244,263
Net income attributable to common stockholders	2,879,969	1,900,005
Weighted average earnings per share-		
basic	$0.95	$0.63
diluted	$0.94	$0.63
Average shares outstanding - basic	3,035,479	3,010,465
Average shares outstanding - diluted	3,328,595	3,010,465

See accompanying notes to consolidated financial statements.

CORNING NATURAL GAS HOLDING CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income for the years ended September 30,

	2019	2018
Net income	$3,124,232	$2,144,268
Other comprehensive income:		
Net unrealized gain on securities available for sale net of tax of $11,693 and $1,076, respectively	16,851	33,075
Total comprehensive income	$3,141,083	$2,177,343

See accompanying notes to consolidated financial statements.

CORNING NATURAL GAS HOLDING CORPORATION AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

	Number of Shares	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balances at September 30, 2017	2,994,797	$ 29,948	$27,084,738	$5,170,855	$57,518	$32,343,059
Issuance of common stock	27,054	270	388,588	-	-	388,858
Dividends declared on common	-	-	-	(1,671,109)	-	(1,671,109)
Dividends declared on Series B Preferred Stock	-	-	-	(244,263)	-	(244,263)
Stock issuance costs	-	-	(153,164)	-	-	(153,164)
Comprehensive income:						
Change in unrealized gain on securities available for sale, net of income taxes	-	-	-	-	33,075	33,075
Net income	-	-	-	2,144,268	-	2,144,268
Balances at September 30, 2018	3,021,851	$30,218	$27,320,162	$5,399,751	$90,593	$32,840,724
Adoption of accounting standard	-	-	-	100,131	(100,131)	-
Issuance of common stock	25,209	252	425,675	-	-	425,927
Dividends declared on common	-	-	-	(1,745,766)	-	(1,745,766)
Dividends declared on Series B Preferred Stock	-	-	-	(244,263)	-	(244,263)
Comprehensive income:						
Change in unrealized gain on securities available for sale, net of income taxes	-	-	-	-	16,851	16,851
Net income	-	-	-	3,124,232	-	3,124,232
Balances at September 30, 2019	3,047,060	$30,470	$27,745,837	$6,634,085	$7,313	$34,417,705

See accompanying notes to consolidated financial statements.

CORNING NATURAL GAS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows for the years ended September 30,

	2019	2018
Cash flows from operating activities:		
Net income	$3,124,232	$2,144,268
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,499,558	2,375,500
Amortization of debt issuance cost	109,977	80,258
Non-cash pension expenses	941,428	933,452
Regulatory asset amortizations	677,139	428,925
Stock issued for services	239,481	223,783
Loss (gain) on sale of marketable securities	3,994	(68,062)
Unrealized gain	(69,021)	-
Deferred income taxes	1,308,524	1,640,887
Bad debt expense	162,170	267,189
Loss from joint ventures	142,656	131,831
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	802,815	(690,825)
Gas stored underground	382,090	(238,720)
Materials and supplies inventories	(928,220)	(482,117)
Prepaid expenses	(258,323)	23,930
Unrecovered gas and electric costs	250,568	(129,847)
Deferred regulatory costs	(830,758)	(578,767)
Other	20,734	21,379
Increase (decrease) in:		
Accounts payable	(1,420,772)	1,107,318
Accrued expenses	14,865	(335,410)
Customer deposits and accrued interest	175,741	(50,130)
Deferred compensation	(20,421)	(31,384)
Deferred pension costs & post-retirement benefits	(525,844)	(713,813)
Other liabilities and deferred credits	(195,174)	(173,661)
Net cash provided by operating activities	6,607,439	5,885,984
Cash flows from investing activities:		
Sale of securities net	91,286	120,107
Amount received from (paid to) related parties	200,513	(115,798)
Investment in joint ventures	-	(165,000)
Capital expenditures	(6,628,162)	(7,832,707)
Net cash used in investing activities	(6,336,363)	(7,993,398)
Cash flows from financing activities:		
Net proceeds under lines-of-credit	213,395	1,092,939
Debt issuance costs paid	(36,411)	(174,475)
Dividends paid	(1,784,830)	(1,729,966)
Proceeds under long-term debt	5,179,146	43,034,390
Repayment of long-term debt	(3,747,997)	(40,338,442)
Net cash (used in) provided by financing activities	(176,697)	1,884,446
Net increase (decrease) in cash and cash equivalents	94,379	(222,968)
Cash and cash equivalents at beginning of year	219,962	442,930
Cash and cash equivalents at end of year	$314,341	$219,962

Supplemental disclosures of cash flow information:

Cash paid during the year for:		
Interest	$1,973,206	$1,694,384
Income taxes	14,165	42,372
Non-cash financing activities:		
Dividends paid with shares	$186,446	$165,075
Number of shares issued as dividends	10,009	9,579

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

Corning Natural Gas Holding Corporation's (the "Holding Company") primary business, through its subsidiaries, Corning Natural Gas Corporation ("Corning Gas" or "Gas Company") and Pike County Light & Power Company ("Pike"), is natural gas and electric distribution. Corning Gas provides gas on a commodity and transportation basis to its customers in the Southern Tier of New York State. Pike provides electric and gas service to customers in Pike County, Pennsylvania. As used in these notes, the term "the Company" refers to the consolidated operations of the Holding Company, the Gas Company and its dormant subsidiary Corning Natural Gas Appliance Corporation (the "Appliance Company'), and Pike. The Company follows the Uniform System of Accounts prescribed by the Public Service Commission of the State of New York ("NYPSC") which has jurisdiction over and sets rates for New York State gas distribution companies and the Pennsylvania Public Utility Commission ("PAPUC") which has jurisdiction over and sets rates for Pennsylvania gas and electric distribution companies. The Company's regulated operations meet the criteria to and, accordingly, follow the accounting and reporting of the Financial Accounting Standard Board ("FASB") ASC No. 980 "Regulated Operations". The Company's consolidated financial statements contain the use of estimates and assumptions for reporting certain assets, liabilities, revenue, and expenses, and actual results could differ from the estimates. The more significant accounting policies of the Company are summarized below.

(a) Principles of Consolidation and Presentation

The consolidated financial statements include the Holding Company and its wholly owned subsidiaries, Corning Gas, Pike and the Appliance Company. All intercompany accounts and balances have been eliminated.

It is the Company's policy to reclassify amounts in the prior year financial statements to conform to the current year presentation.

(b) Utility Property, Plant and Equipment

Utility property, plant, and equipment are stated at the historical cost of construction or acquisition. These costs include payroll, fringe benefits, materials and supplies, and transportation costs. The Company charges normal repairs to maintenance expense.

(c) Depreciation

The Company provides for depreciation for accounting purposes using a straight-line method based on the estimated economic lives of property and equipment as determined by the current rate plan based on the latest depreciation study. The depreciation rate used for Corning Gas utility plant, expressed as an annual percentage of depreciable property, was 2.0% for each of the years ended September 30, 2019 and 2018. The NYPSC allows the Gas Company recovery in revenues to offset costs of building certain projects. At the time utility properties are retired, costs of removal less any salvage are charged to accumulated depreciation.

The depreciation rate used for Pike, expressed as an annual percentage of depreciable property, was 2.1% for each of the years ended September 30, 2019 and 2018. Pike also charges cost of removal less any salvage to accumulated depreciation.

(d) Accounting for Impairment

FASB ASC No. 360-10-15, "Accounting for the Impairment or Disposal of Long-Lived Assets" establishes accounting standards to account for the impairment of long-lived assets, and certain identifiable intangibles. Under FASB ASC No. 360-10-15, the Company reviews assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. FASB ASC No. 360-10-15 also requires that a rate regulated enterprise recognize an impairment when regulatory assets are no longer probable of recovery. No impairment losses were incurred for the years ended September 30, 2019 and 2018.

(e) Marketable Securities

Marketable securities are intended to fund the Gas Company's deferred compensation plan obligations. Such securities are reported at fair value based on quoted market prices. Unrealized gains and losses on debt securities classified as available for sale, net of the related income tax effect, are excluded from income, and reported as a component of accumulated other comprehensive income in stockholders' equity until realized. Unrealized gains and losses on equity securities are included as a component of investment income in the consolidated statement of income. The cost of securities sold was determined using the specific identification method. For all investments in the unrealized loss position, none have been in an unrealized loss position for more than 12 months. None are other than temporary impairments based on management's analysis of available market research. In 2019 and 2018, the Gas Company sold equity securities for realized (losses) gains included in earnings of ($3,994) and $68,062, respectively.

(f) Fair Value of Financial Instruments

The Company has determined the fair value of debt and other financial instruments using a valuation hierarchy. The hierarchy, which prioritizes the inputs used in measuring fair value, consists of three levels. Level 1 uses observable inputs such as quoted prices in active markets; Level 2 uses inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, which is defined as unobservable inputs in which little or no market data exists, requires the Company to develop its own assumptions. The carrying amount of debt on the Consolidated Balance Sheets approximates fair value as a result of instruments bearing interest rates that approximate current market rates for similar instruments, and the carrying amounts for cash, accounts receivable and accounts payable approximate fair value due to their short-term nature. The assets used to fund the pension plan and marketable securities, which fund the Gas Company's deferred compensation plan, are valued based on Level 1 inputs.

The Company has determined the fair value of certain assets through application of FASB ASC 820 "Fair Value Measurements and Disclosures."

Fair value of assets and liabilities measured on a recurring basis at September 30, 2019 and 2018 are as follows:

Fair Value Measurements at Reporting Date Using:	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Level 2	Level 3
September 30, 2019				
Available-for-sale securities	$2,184,170	$2,184,170	$-	$-
September 30, 2018				
Available-for-sale securities	$2,193,578	$2,193,578	$-	$-

Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets.

The pension assets in Note 12 are valued using Level 1 inputs.

(g) Cash and Cash Equivalents

Cash and cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. Cash and cash equivalents at financial institutions may periodically exceed federally insured limits.

(h) Accounts Receivable

Accounts receivable are stated net of an allowance for doubtful accounts. The Company estimates the allowance based on its analysis of specific balances, taking into consideration the age of past due accounts and relying on rules and guidelines established by the NYPSC and PAPUC regarding customer disconnects. Under the terms of the Transitional Service Agreement ("TSA") signed as part of the Pike acquisition from Orange & Rockland Utilities, Inc. ("O&R"), O&R billed Pike customers for twelve months after closing.

(i) Gas Stored Underground

Gas stored underground is carried at an average unit cost method as prescribed by the NYPSC. Pike does not have any gas storage.

(j) Materials and Supplies Inventories

Materials and supplies inventories are stated at the lower of cost or net realizable value, cost being determined on an average unit price basis.

(k) Debt Issuance Costs

Debt issuance costs are presented as a direct deduction from the associated debt. Costs associated with the issuance of debt by the Company are amortized over the lives of the related debt.

(l) Regulatory Matters

Certain costs of the Company are deferred and recognized as expenses when they are reflected in rates and recovered from customers as permitted by FASB ASC No. 980. These costs are shown as regulatory assets. Such costs arise from the traditional cost-of-service rate setting approach whereby all prudently incurred costs are generally recoverable through rates. Deferral of these costs is appropriate while the Company's rates are regulated under a cost-of-service approach of the NYPSC and PAPUC for utilities (see Note 5 - Regulatory Matters).

As regulated utilities, the Gas Company and Pike defer certain costs for future recovery. In a purely competitive environment, such costs might have been currently expensed. Accordingly, if the Company's rate settings were changed from a cost-of-service approach and the Gas Company and Pike were no longer allowed to defer these costs under FASB ASC No. 980, certain of these assets might not be fully recoverable. However, the Company cannot predict the impact, if any, of competition and continues to operate in a cost-of-service based regulatory environment. Accordingly, the Company believes that accounting under FASB ASC No. 980 is appropriate**.**

(m) Revenue Recognition

The Company has the obligation to deliver gas and electricity to its customers. As gas and electricity are immediately available for use upon delivery to the customer, the gas or electricity and its delivery are identifiable as a single performance obligation. The Company recognizes revenues as this performance obligation is satisfied over time as the Company delivers, and its customers simultaneously receive and consume, the gas or electricity. The amount of revenues recognized reflects the consideration the Company expects to receive in exchange for delivering the gas or electricity. Under their tariffs, the transaction price for full-service customers includes the Company's energy cost and for all customers includes delivery charges determined based on customer class and in accordance with established tariffs and guidelines of the NYSPSC or the PAPUC, as applicable. Accordingly, there is no unsatisfied performance obligation associated with these customers. The transaction price is applied to the Company's revenue generating activities through the customer billing process. Because gas and electricity are delivered over time, the Company uses output methods that recognize revenue based on direct measurement of the value transferred, such as units delivered, which provides an accurate measure of value for the gas or electricity delivered.

The Gas Company records revenues from residential and commercial customers based on meters read on a cyclical basis throughout each month, while certain large industrial and utility customers' meters are read at the end of each month. Several meters are read at the end of each month to calculate local production revenues. The Gas Company does not accrue revenue for gas delivered but not yet billed, as the NYPSC requires that such accounting must be adopted during a rate proceeding which the Gas Company has not done. The Gas Company, as part of its currently effective rate plan, has a weather normalization clause as protection against severe weather fluctuations. This affects space heating customers and is activated when degree days are 2.2% greater or less than the 30-year average. As a result, the effect on revenue fluctuations of weather related gas sales is somewhat moderated.

Pike recognizes revenues for electric and gas service on a monthly billing cycle basis. Pike does not record unbilled revenues. Pike does not have a weather normalization clause as protection against severe weather.

In addition to weather normalization, the Gas Company has implemented a revenue decoupling mechanism ("RDM"). The RDM reconciles actual delivery service revenues to allowed delivery service revenues (which are based on the annual customer and volume forecasts in the last rate case) for certain residential customers. The Gas Company will refund or surcharge customers for differences between actual and allowed revenues. The shortfall or excess after the annual reconciliation will be surcharged or refunded to customers over a twelve-month period starting September 1st each year. Pike does not have a revenue decoupling mechanism as part of their rate structure.

Revenues are recorded as energy is delivered, generated, or services are provided and billed to customers. Amounts billed are recorded in customer accounts receivable, with payment generally due the following month.

For additional disclosures required by ASC 606, see Note 2.

(**n) Cost of Sales**

Cost of sales consists only of the costs of purchasing gas and electricity sold during the period presented.

Gas purchases are recorded on readings of suppliers' meters as of the end of each month. The Gas Company's and Pike's rate tariffs include a Gas Adjustment Clause ("GAC") or Gas Rate Clause ("GRC") which adjusts rates to reflect changes in gas costs from levels established in the rate setting process. In order to match such costs and revenue, the NYPSC and PAPUC have provided for an annual reconciliation of recoverable GAC and GRC costs with applicable revenue billed. Any excess or deficiency in GAC and GRC revenue billed is deferred and the balance at the reconciliation date is either refunded to or recovered from customers over a subsequent twelve-month period.

As part of its rate structure for electric sales, Pike is required to file quarterly a Statement of Default Services Charges. The Default Service Charges are separated into two components: (1) the Market Price of Electric Supply which is based on the forecast of electric supply costs applied to service classification-specific factors to reflect each service classification's load characteristics, forecast sales and applicable losses, and (2) an Electric Supply Adjustment Charge to reconcile differences between default service revenues and costs. The new electric rates go into effect on the first day of the month after the filing is accepted.

(o) Operating and Maintenance Expense

Operating and maintenance expense includes all personnel, administrative, and marketing expenses of the Company, as well as expenses incurred in the maintenance of the Company's utility property, plant, and equipment.

(p) Federal Income Tax

The Company uses the asset and liability method to establish deferred tax assets and liabilities for the temporary differences between the financial reporting basis and the tax basis of the Holding Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled. In addition, such deferred tax assets and liabilities will be adjusted for the effects of enacted changes in tax laws and rates.

(q) Revenue Taxes

The Gas Company collects state revenue taxes on residential delivery rates. The amount included in Revenue and Taxes other than Federal Income Taxes was $300,876 and $287,109 in fiscal years 2019 and 2018, respectively. Pike collects state taxes on total revenue. The amounts collected were $535,984 and $514,177 in 2019 and 2018, respectively.

(r) Stock Based Compensation

The Holding Company accounts for stock-based awards in accordance with FASB ASC No. 718. The Holding Company awards restricted shares as compensation to our directors. The shares awarded become unrestricted upon a director leaving the board. Directors who also serve as officers of Corning Gas are not compensated for their service as directors. Since these shares are restricted, in recording compensation expense, the expense incurred is recorded at 25% less than the closing price of the stock on the day the stock was awarded. During the years ending September 30, 2019 and 2018 the Company issued 15,200 and 17,475 shares, respectively, as stock based compensation and recorded related expense of $239,481 and $223,783, respectively.

(s) Earnings Per Share

Basic earnings per share are computed by dividing income available for common stock (net income less dividends declared on Series B Preferred Stock) by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

For the fiscal years 2019 and 2018, the impact of Preferred B shares on earnings per share was determined to be anti-dilutive. The net income and average shares outstanding used to compute basic and diluted earnings per share for the years ended September 30, 2019 and September 30, 2018 are as follows:

	2019	2018
Net income attributable to common stockholders	$2,879,969	$1,900,005
Add Preferred B Dividends	244,263	244,263
Net income	$3,124,232	$2,144,268
Average shares outstanding - basic	3,035,479	3,010,465
Effect of Preferred B Shares	293,116	-
Average shares outstanding - diluted	3,328,595	3,010,465

(t) 311 Transportation Agreement / Compressor Station

On January 11, 2010, the Gas Company entered into a contract ("311 Transportation Agreement") with a local gas producer that provided for the building of a compressor station as well as the transfer of a 6" pipeline owned by the gas producer to the Company for nominal consideration. The contract also sets forth the terms, rates, and condition of the transport of the local producer gas to the interstate pipeline system. On May 21, 2010, the 311 Transportation Agreement was revised to reflect a change in the projected gas delivery schedule and delivery volumes. The previously agreed to transportation rates did not change. The contract's maximum daily delivery quantity remained the same. The schedule for attaining the maximum daily delivery quantity was altered to accommodate the project's construction schedule. The Gas Company bought the $11 million compressor station and $2.1 million pipeline from the local producer for two dollars. The local producer had the right to repurchase these facilities for two dollars in ten years. This transaction became effective on May 12, 2011, when the station began operations. Although the Gas Company has plant available for use that had an original cost of $13.1 million, only two dollars was recognized in accordance with the Uniform System of Accounts (313.2) which states that in the case of gas plant contributed to the utility, gas plant accounts shall be charged only with such expenses, if any, incurred by the utility. On May 23, 2018 the Gas Company modified its contract with the gas producer eliminating the producer's right to repurchase the compressor station.

(u) Collective Bargaining Agreement

The Company had 64 employees as of September 30, 2019, and 63 as of September 30, 2018. Of this total, approximately one quarter are members of the International Brotherhood of Electrical Workers Local 139 labor union working under an agreement effective until April 5, 2021.

(v) Leatherstocking Companies

The Holding Company has a 50% investment in Leatherstocking Gas Company, LLC ("Leatherstocking Gas") and Leatherstocking Pipeline Company, LLC ("Leatherstocking Pipeline"). The investment and equity in both companies (collectively, "Joint Ventures") has been recognized in the consolidated financial statements. The Holding Company has accounted for its equity investment using the equity method of accounting based on the guidelines established in FASB ASC No. 323. In applying the guidance of FASB ASC 323, the Holding Company recognized the investment in the Joint Ventures as an asset at cost. The investment will fluctuate in future periods based on the Holding Company's allocable share of earnings or losses from the Joint Ventures which is recognized through earnings.

(w) Preferred Stock and Temporary Equity

The Holding Company classifies conditionally redeemable convertible preferred shares, which includes preferred shares subject to redemption upon the occurrence of uncertain events not solely within control of the Holding Company, as temporary equity in the mezzanine section of the consolidated balance sheets, in accordance with the guidance enumerated in FASB ASC No. 480-10 "Distinguishing Liabilities from Equity". The Company also analyzes the embedded conversion feature for bifurcation, based on whether the host instrument has more equity-like or debt-like characteristics. Dividends are recorded as a reduction to retained earnings and issuance costs reduce the initial proceeds and are then accreted over the life of the instrument to the redemption amount.

The Holding Company records mandatorily redeemable stock as a liability in accordance with FASB ASC No. 480. Dividends are recorded as interest expense and issuance costs are treated the same way as debt issuance costs.

(x) Adoption of New Accounting Guidance

On October 1, 2018, we adopted Accounting Standards Update 2016-01 "Financial Instruments—Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"), Accounting Standards Codification 606 – "Revenues from Contracts with Customers" ("ASC 606"), and Accounting Standards Update 2017-07 "Compensation – Retirement Benefits" ("ASU 2017-07").

With respect to ASU 2016-01, we reclassified net after-tax unrealized gains on equity securities of $100,131 as of October 1, 2018 from accumulated other comprehensive income (loss) to retained earnings. We continue to carry our investments in equity securities at fair value and there is no change to the asset values or total stockholders' equity that we would have otherwise recorded. Beginning in fiscal 2019, we are including unrealized gains and losses arising from the changes in the fair values of our equity securities as a component of investment income in the Consolidated Statements of Income. ASU 2016-01 prohibited the restatement of prior year financial statements and for periods ending prior to October 1, 2018, unrealized gains and losses from the changes in fair value of available-for-sale equity securities were recorded in other comprehensive income.

We adopted ASC 606 using the modified retrospective method, whereby the cumulative effect of the adoption is required to be recorded as an adjustment to retained earnings. For the year ended September 30, 2019, the Company recognized revenues from contracts with customers in accordance with ASC 606. The revenues recognized were equivalent to the revenues that would have been recognized had the Company not adopted ASC 606 and had recognized all revenues in accordance with ASC 605 – Revenue Recognition ("ASC 605"). For the year ended September 30, 2018, the Company recognized revenues, including revenues from contracts with customers, in accordance with ASC 605. No prior period adjustment or charge to retained earnings for cumulative impact was required as a result of the Company's adoption of ASC 606. ASC 606 also provides for certain other disclosures which are included in Note 2.

In March 2017, the FASB issued ASU 2017-07 "Compensation – Retirement Benefits" which amends the guidance related to the presentation of net periodic pension cost and net periodic postretirement benefit cost. The new guidance requires segregation of the service cost component from the other components of net periodic pension cost and net periodic postretirement benefit cost for financial reporting purposes. The service cost component is to be presented on the income statement in the same line items as other compensation costs included within Operating Expenses and the other components of net periodic pension cost and net periodic postretirement benefit cost are to be presented on the income statement below the subtotal labeled Operating Income (Loss). Under this guidance, the service cost component is eligible to be capitalized as part of the cost of inventory or property, plant, and equipment while the other components of net periodic pension cost and net periodic postretirement benefit cost are generally not eligible for capitalization, unless allowed by a regulator. The Company adopted this guidance effective October 1, 2018. The Company applied the guidance retrospectively for the pension and postretirement benefit costs using amounts disclosed in prior period financial statement notes as estimates for the reclassifications in accordance with a practical expedient allowed under the guidance. Operation and maintenance expenses decreased $650,492 and Other Income (expense) increased by the same amount for the year ended September 30, 2019 as a result of the reclassifications. Operation and maintenance expenses decreased $787,652 and Other Income (expense) increased by the same amount for the year ended September 30, 2018 as a result of the reclassifications.

(y) New Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, Leases (ASC Topic 842), which requires lessees to recognize substantially all leases on-balance sheet and disclose key information about leasing arrangements. The new standard establishes a right of use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The new standard is effective for annual and interim periods beginning after December 15, 2018. ASU 2016-02 requires entities to adopt a modified retrospective transition method for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The Company continues to evaluate the impact that adopting ASU 2016-02 will have on its consolidated financial statements, but does not believe it will have a material impact at this time.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326), which provides a model, known as the current expected credit loss model, to estimate the expected lifetime credit loss on financial assets, including trade and other receivables, rather than incurred losses over the remaining life of most financial assets measured at amortized cost. The guidance also requires use of an allowance to record estimated credit losses on available-for-sale debt securities. The new standard is effective for annual and interim periods beginning after December 15, 2019. The Company is currently evaluating the impact of the guidance on their consolidated financial statements and related disclosures.

(2) Revenue from Contracts with Customers

The following tables present, the year ended September 30, 2019, revenue from contracts with customers as defined in ASC 606, as well as additional revenue from sources other than contracts with customers, disaggregated by major source.

	For the year ended September 30, 2019		
	Revenues from contracts with customers	Other revenues (a)	Total utility operating revenues
Corning Gas:			
Residential gas	$15,405,942	$583,941	$15,989,883
Commercial gas	2,453,170	(148,718)	2,304,452
Transportation	4,378,121	-	4,378,121
Street lights gas	468	-	468
Wholesale	2,236,053	-	2,236,053
Local production	698,203	-	698,203
Total Corning Gas	25,171,957	435,223	25,607,180
Pike:			
Residential gas	1,321,742	16,718	1,338,460
Commercial gas	354,555	-	354,555
Total Pike retail gas	1,676,297	16,718	1,693,015
Residential electric	3,882,291	121,963	4,004,254
Commercial electric	4,108,681	-	4,108,681
Electric – street lights	126,849	-	126,849
Total Pike retail electric	8,117,821	121,963	8,239,784
Total Pike	$9,794,118	138,681	$9,932,799
Total consolidated utility operating revenue	$34,966,075	$573,904	$35,539,979

(a) Other revenues include revenue from alternative revenue programs, such as revenue decoupling mechanisms under New York gas rate plans and weather normalization clauses. This also reflects reductions in revenues resulting from the deferral as regulatory liabilities of the net benefits of the federal Tax Act of 2017.

The Gas Company has three major customers, Corning Incorporated, New York State Electric & Gas, and Bath Electric, Gas & Water Systems. Although no customer represents at least 10% of our total revenue, the loss of any of these customers could have a significant impact on the Company's financial results.

(3) Utility Property, Plant and Equipment

The following table summarizes fixed assets included in utility property, plant and equipment on the Holding Company's Consolidated Balance Sheet at September 30, 2019 and 2018:

	2019	2018
Utility Plant	$ 5,037,937	$ 4,936,788
Poles & Line	14,980,190	12,813,450
Pipeline	53,846,773	51,090,474
Structures	33,436,173	32,474,188
Land	1,787,034	1,787,034
Construction Work in Progress	3,892,686	3,187,796
All Other	8,060,945	8,269,469
	$121,041,738	$114,559,199

Useful lives for the above assets range from 35 to 55 years for utility plant, 30 to 65 years for poles and line, 66 years for pipeline, from 45 to 47 years for structures, 50 to 65 years for land rights and 5 to 25 years for all other and corporate fixed assets. Utility plant includes station equipment, services, meters, regulators, as well as all costs to install those assets. Poles and line include poles, line, and conductors. Total mains installed are represented in pipeline. Structures include both regulator station buildings and office and operations buildings. All other plant includes all general plant except for buildings, land, and land rights. Accumulated depreciation as of September 30, 2019 and 2018 was $29,263,612 and $26,966,064 respectively. Depreciation expense for the years ended as of September 30, 2019 and 2018 was $2,499,558 and $2,375,500 respectively.

(4) Marketable Securities

A summary of the marketable securities at September 30, 2019 and 2018 is as follows:

	Cost Basis	Unrealized Gain	Unrealized Loss	Market Value
2019				
Cash and equivalents	$ 64,457	$ -	$ -	$ 64,457
Metlife stock value	39,810	-	-	39,810
Government and agency bonds	229,850	8,024	-	237,874
Corporate bonds	190,113	2,477	-	192,590
Mutual funds	22,359	486	-	22,845
Corning Preferred A Stock	572,875	41,247	-	614,122
Equity securities	866,600	145,872	-	1,012,472
Total securities	$ 1,986,064	$ 198,106	$	$ 2,184,170
2018				
Cash and equivalents	$ 158,210	$ -	$ -	$ 158,210
Metlife stock value	38,197	-	-	38,197
Government and agency bonds	264,376	-	9,246	255,130
Corporate bonds	193,526	-	3,716	189,810
Mutual funds	22,359	-	292	22,067
Corning Preferred A Stock	572,875	-	23,144	549,731
Equity securities	813,215	167,218	-	980,433
Total securities	$ 2,062,758	$ 167,218	$ 36,398	$2,193,578

The government and agency bonds have contractual maturity dates between January 5, 2022 and September 24, 2026. The contractual maturity dates for the corporate bonds are from June 15, 2020 to April 17, 2028.

(5) Regulatory Matters

Below is a summary of the Gas Company's deferred regulatory assets as of September 30, 2019 and 2018:

	2019	2018
Unrecovered gas and electric costs	985,556	1,236,124
Deferred regulatory costs	4,401,299	4,279,839
Deferred pension costs	7,294,641	4,043,072
Total regulatory assets	$12,681,496	$ 9,559,035

Unrecovered gas costs arise from an annual reconciliation of certain gas revenue and costs (as described in Note 1) and are recoverable in customer rates in the year following the reconciliation.

The following table summarizes deferred regulatory costs at September 30, 2019 and 2018:

	2019	2018
2016 rate case costs	$ 253,353	$ 348,475
Deferred interest costs	478,433	206,623
Income tax assets and reconciliation	801,489	883,604
Storm costs	1,228,854	1,373,634
Leak repair costs	349,547	349,547
Delivery rate deferral	548,049	587,373
All other regulatory costs, net	741,574	530,583
Total	$4,401,299	$ 4,279,839

Deferred rate case costs are costs that were incurred to litigate prior base rate cases. These costs are recovered in rates over a period determined by the NYPSC or PAPUC. All other deferred costs result from reconciliations approved by the regulators in the last base rate case or by specific Commission directives. Recovery of these costs will be determined by the NYPSC and PAPUC either through Delivery Rate Adjustment or the next rate case.

In fiscal year 2015, the Gas Company determined that it met the criteria to record the minimum pension liability as a regulatory asset in accordance with FASB ASC 980-715-25-5. As a result of this change in estimate, amounts previously recorded as Accumulated OCI, net of tax have been recorded as regulatory assets in the current year in accordance with ASC 980-715-25-8, as well as a related deferred tax liability. The amount of the regulatory asset was $6,520,833 as of September 30, 2019 and $3,149,493 as of September 30, 2018. For periods after the fiscal year ended September 30, 2015, there will be no change to OCI because of the change in estimate. Factors considered included: (1) consistent recovery of the pension costs on an accrual basis historically and in the current rate case, (2) no indication of expected changes to recovery, and (3) the existence of a reconciliation process to track the recovery of these costs. For these reasons, management determined the Gas Company met the criteria as set forth in ASC 980-725-25-5.

Also included in pension costs and postretirement benefits is approximately $773,808 and $893,579 for fiscal years 2019 and 2018, respectively, for regulatory assets and (liabilities) related to pension and postretirement costs. These amounts include both amounts approved to be amortized in the previous rate case and amounts being accumulated for the next rate case.

The Company expects to recover the cost of its regulatory assets. The Company expects that regulatory assets other than deferred unrecovered gas costs and deferred pension costs related to minimum pension liability will be fully recoverable from customers by the end of its next rate case.

Total Regulatory Assets on the Balance Sheet as of September 30, 2019 amounts to $12,681,496 compared to $9,559,035 at September 30, 2018. The Regulatory Assets include $1,544,347 at September 30, 2019 and $1,544,347 at September 30, 2018 that is subject to Deferred Accounting Petitions and $750,902 at September 30, 2019 and $845,707 at September 30, 2018 that will be considered in the Company's next base rate case. The remaining items in regulatory assets are either approved in rates, part of annual reconciliations approved by the NYSPSC and PAPUC, or approved through various commission directives.

(6) Long-term Debt

Long-term debt, including the current portion, was as follows at September 30, 2019 and 2018:

	2019	2018
Note Payable - fixed interest rate of 4.16% with monthly installments through November 2027	$24,549,520	$27,017,405
Note Payable - fixed interest rate of 4.92% with monthly installments through May 2028	10,010,035	10,911,401
Multiple Disbursement Note – variable interest rate through October 2018, fixed at 5.31% thereafter, with monthly installments through November 2028	3,335,974	2,534,424
Multiple Disbursement Note – variable interest rate through October 2019, fixed at 3.51% thereafter, with monthly installments through November 2029	1,836,662	-
Multiple Disbursement Note – variable interest rate through October 2019, fixed at 3.51% thereafter, with monthly installments through November 2029	1,643,043	-
Note Payable – fixed interest rate of 4.89% with monthly installments through February 2029	479,627	-
Vehicle loans - variable interest rate ranging from 4.81% to 5.83%	345,770	306,252
Total long-term debt	42,200,631	40,769,482
Less current installments	4,260,846	3,793,998
Long-term debt less current installments	$37,939,785	$36,975,484

The aggregate maturities of long-term debt for each of the five years subsequent to September 30, 2019 are as follows:

2020	$4,260,846
2021	$4,644,917
2022	$4,803,253
2023	$5,005,454
2024	$4,917,114

On November 30, 2017, the Gas Company entered into a long-term debt agreement with M&T Bank for $29 million at a fixed rate of 4.16% with a ten-year maturity (the “November 2017 Credit Agreement”). Principal and interest payments on the note commenced on December 30, 2017, with 120 consecutive monthly payments of $296,651 due on the last day of each month, with the unpaid principal and any unpaid interest due and payable in full on November 30, 2027. This debt is secured by all personal property of the Gas Company including, among other things, accounts, deposit accounts, general intangibles, inventory, and all fixtures, including, among other things, pipelines, easements, rights of way and compressors in the Gas Company’s distribution system pursuant to the November 2017 Credit Agreement. The November 2017 Credit Agreement contains various affirmative and negative covenants of the Gas Company including, among others: (i) a “Total Funded Debt to Tangible Net Worth” (as such terms are defined in the November 2017 Credit Agreement) ratio of not greater than 1.40 to 1.0; (ii) a “Total Funded Debt-to-EBITDA” (as such terms are defined in the November 2017 Credit Agreement) ratio of not greater than 3.75 to 1.0; and (iii) a minimum Cash Flow Coverage (as defined in the November 2017 Credit Agreement) of not less than 1.10 to 1.0; in each case measured quarterly based on the Gas Company’s trailing twelve-month operating performance and fiscal quarterly financial statements; delivery of compliance and financial statement requirements, and prohibitions on any sale of all or substantially all of its assets, acquisitions of substantially all the assets of any other entity, doing business under any assumed name, material changes to its business, purposes, structure, or operations which could materially adversely affect the Gas Company, or any merger, consolidation, or other similar transaction. Events of default under the November 2017 Credit Agreement and the term note which permit the lender to exercise its remedies, including immediate acceleration of the principal and interest on any loans outstanding to the Gas Company, include, among others: (i) default in the payment of principal or interest on the loans under the November 2017 Credit Agreement, (ii) default by the Gas Company on any other obligation under the November 2017 Credit Agreement and related documents, (iii) failure to pay when due any other obligations of the Gas Company which could result in the acceleration of that obligation, (iv) various failures by any pension plan maintained by the Gas Company to comply with applicable law or any underfunding which the Lender determines may have an material adverse effect on the Gas Company’s ability to repay its debts, (v) entry of any judgments or order of any court or governmental entity against the Gas Company, and (vi) various bankruptcy and insolvency events. In addition, additional events of default under the November 2017 Credit Agreement include: any adverse change in the Gas Company, its business, assets, operations, affairs, or condition which the lender determines will have a material adverse effect on the Gas Company, its business, assets, operation, or condition (financial or otherwise) or on its ability to repay its debts, and at any time the lender in good faith deems itself insecure with respect to payment of the Gas Company’s obligations to it, or other performance of such obligations. The November 2017 Security Agreement contains various representations, warranties, covenants, and agreements customary in security agreements and various events of default substantially similar to those in the November 2017 Credit Agreement with remedies under the New York Uniform Commercial Code and the November 2017 Security Agreement. This refinancing is consistent with our June 2017 NYSPSC rate order. The 2017 Term Note may be prepaid upon payment of a prepayment premium equal to the greater of 1% of the amount prepaid or the present value of the spread between the 4.16% fixed interest rate of the 2017 Term Note and the then current “market rate” based on the most recent U.S. Treasury Obligations with a term corresponding to the remaining period to the maturity date.

On May 23, 2018, Pike entered into a credit agreement (the “May 2018 Credit Agreement”) with Manufacturers and Traders Trust Company (“M&T”) and refinanced its outstanding loan with M&T, issuing an $11.2 million term note pursuant to the May 2018 Credit Agreement. The Pike Credit Agreement contains various affirmative and negative covenants of Pike including: a total funded debt-to-EBITDA ratio of not greater than 3.75 to 1.0, measured quarterly based on Pike’s trailing twelve-month operating performance and fiscal quarterly financial statements; a minimum cash flow coverage of not less than 1.10 to 1.0, measured quarterly based on Pike's trailing twelve-month operating performance and fiscal quarterly financial statements; compliance and financial statement requirements; prohibitions on changes in management or control, any sale of all or substantially all of its assets, acquisitions of substantially all the assets of any other entity, or other material changes to its business, purposes, structure or operations which could materially adversely affect Pike. The note bears interest at 4.92%. The note is payable in 119 consecutive monthly payments of $118,763 plus accrued interest, beginning on June 23, 2018 with a final payment of unpaid principal and interest on the maturity date of May 23, 2028. The note is secured by all personal property of Pike. Pike will owe a pre-payment penalty of 1% on any pre-paid principal made in advance of the maturity date.

On August 15, 2018, the Gas Company entered into a $3.6 million multiple disbursement term note with M&T which permitted draws from time to time in accordance with its terms until October 31, 2018, at which time amounts outstanding under the note totaling $3.6 million converted to a ten-year term loan to be payable in 119 equal monthly installments with an additional final installment of unpaid principal and interest due on November 30, 2028. Before converting to a term loan, the note bore interest at the one-month LIBOR rate plus 3%. After October 31, 2018, the interest rate was fixed at 4.92%. Additional terms of this note are substantially the same as those in the November 2017 Credit Agreement.

On December 4, 2018, Pike entered into a demand note with M&T for $510,000, payable in 364 days unless otherwise converted into a term note. On February 1, 2019 Pike converted the $510,000 demand note to a ten-year term loan with a fixed interest rate of 4.89% and monthly principal and interest payments of $5,397.

On June 27, 2019, the Gas Company entered into a $3.127 million multiple disbursement term note with M&T which permitted draws from time to time for capital expenditures in accordance with its terms until October 31, 2019, at which time amounts outstanding under the note totaling $3.127 million converted to a ten-year term loan, payable in 119 equal monthly installments with an additional final installment of unpaid principal and interest due on November 30, 2029. Before converting to a term loan, borrowings on the note had a variable interest rate of the one-month LIBOR rate plus 3% (4.875% as of September 30, 2019). After October 31, 2019, the interest rate was fixed at 3.51%. Additional terms of this note are substantially the same as those in the Gas Company's November 2017 Credit Agreement with M&T.

On June 27, 2019, Pike entered into a $2.072 million multiple disbursement term note with M&T which permitted draws from time to time for capital expenditures in accordance with its terms until October 31, 2019, at which time amounts outstanding under the note totaling $2.072 million converted to a ten-year term loan, payable in 119 equal monthly installments with an additional final installment of unpaid principal and interest due on November 30, 2029. Before converting to a term loan, borrowings on the note had a variable interest rate of the one-month LIBOR rate plus 3% (5.06% as of September 30, 2019). After October 31, 2019, the interest rate was fixed at 3.51%. Additional terms of this note are substantially the same as those in Pike's November 2017 Credit Agreement with M&T.

The Gas Company and Pike were in compliance with all of their loan covenants as of September 30, 2019.

(7) Lines of Credit

On May 8, 2017, the Gas Company entered into an agreement with M&T for a revolving line of credit of $8.0 million at a variable interest rate determined by the Gas Company's funded debt-to-EBITDA ratio calculated ninety days after the end of each quarter, added to the daily LIBOR rate. This line last expired on April 1, 2019, was renewed under the same terms, and expires on April 1, 2020. The amount outstanding under this line on September 30, 2019 was approximately $5.7 million with an interest rate of 4.66%. The maximum amount outstanding during the year ended September 30, 2019 was $5,782,876. Our lender has a purchase money security interest in all our natural gas purchases utilizing funds advanced by the bank under the credit agreement and all proceeds of sale and accounts receivable from the sale of that gas.

On August 31, 2016, Pike entered into an agreement with M&T for a $2.0 million revolving line of credit at an interest rate equal to LIBOR plus 2.75% with principal repayable on demand by the lender. This line last expired on April 26, 2019, was renewed under the same terms, and expires on April 26, 2020. The amount outstanding under this line on September 30, 2019 was approximately $1.1 million with an interest rate of 4.81%. The maximum amount outstanding during the year ended September 30, 2019 was $1,092,876. The agreement contains various affirmative and negative covenants of Pike including, (i) a total funded debt-to-tangible-net-worth ratio of not greater than 1.4 to 1.0, (ii) a total funded debt-to-EBITDA ratio of not greater than 3.75 to 1.0, and (iii) a minimum cash flow overage of not less than 1.1 to 1.0, with each of the financial covenants measured quarterly based on Pike's trailing twelve-month operating performance and fiscal quarterly financial statements commencing with the period ended September 30, 2017; compliance, accounting, and financial statement requirements, prohibitions on changes in management or control, any sale of all or substantially all of its assets, acquisitions of substantially all the asset of any other entity, or other material changes to its business, purposes, structure or operations which could materially adversely affect Pike.

(8) Preferred Stock

The Holding Company filed a Registration Statement on Form S-1 with the Securities and Exchange Commission with respect to a subscription rights offering to its stockholders to issue up to approximately $11.0 million in preferred stock. The subscription rights were distributed on a one-for-one basis to stockholders of record as of April 14, 2016 and expired on June 20, 2016. The Form S-1 covered 2,468,961 subscription rights for the purchase of up to 140,000 shares of 6% Series A Cumulative Preferred Stock and up to 360,000 shares of 4.8% Series B Convertible Preferred Stock. Each subscription right entitled the holder to purchase either: (i) one-eighth share of the 6% Series A Cumulative Preferred Stock, par value $0.01 per share, for $25.00 per share, or (ii) one-sixth share of the 4.8% Series B Convertible Preferred Stock, par value $0.01 per share, for $20.75 per share, which is convertible in accordance with its terms into one share of common stock, subject to adjustment. Of the 140,000 shares of Series A Cumulative Preferred Stock available, 105,303 shares were subscribed and of the 360,000 shares of Series B Convertible Preferred Stock available, 244,263 shares were subscribed. Each shareholder exercising over-subscription rights was able to purchase all of the additional shares of Preferred Stock for which the shareholder subscribed. During the year ended September 30, 2016 the Holding Company received approximately $7.7 million less issuance costs of approximately $225,000 for net proceeds of approximately $7.5 million, of which approximately $197,000 of the Series A Preferred Stock proceeds was received from the Company's Rabbi Trust investment. During the year ended September 30, 2017 the Holding Company received approximately $2.6 million less issuance costs of approximately $112,800 for net proceeds of approximately $2.5 million, of which approximately $375,000 of the Series A Preferred Stock proceeds was received from the Company's Rabbi Trust investment.

Series A Cumulative Preferred Stock accrues cumulative dividends at a rate of 6.0% of the liquidation preference per share ($25.00) and are expected to be paid on or about the 14th day of April, July, October, and January of each year starting October 14, 2016. The dates of record for the dividends, if any, will be March 31, June 30, September 30, and December 31 immediately preceding the relevant dividend payment date. On September 30, 2023, outstanding shares of Series A Cumulative Preferred Stock will mature and be redeemed solely in cash at a redemption price equal to the liquidation preference per share plus an amount equal to all accrued but unpaid dividends subject to our having funds legally available for redemption under New York law. In the event of a fundamental change as defined on the Certificate of Amendment to the Certificate of Incorporation, holders of Series A Cumulative Preferred Stock have the right to redeem their shares at a redemption price equal to the liquidation preference per share plus an amount equal to all accrued but unpaid dividends prior to the effective date of the fundamental change subject to our having funds legally available for such redemption under New York law. A fundamental change is generally defined as a change of control of the Holding Company. The holders of Series A Cumulative Preferred Stock will have no voting rights except as specifically required by New York laws or by the Charter, as amended by the Certificate of Amendment, which allows voting rights under specific circumstances. If dividends on shares of Series A Cumulative Preferred Stock have not been declared and paid for eight or more consecutive dividend periods, the holders of Series A Cumulative Preferred Stock and Series B Convertible Preferred Stock, voting together as a single class with holders of all other preferred stock of equal rank having similar voting rights, will be entitled at our next special or annual meeting of shareholders to vote for the election of a total of one additional member of our Board of Directors, subject to certain limitations.

The Series A Cumulative Preferred Stock will rank, with respect to priority of dividend payments and rights upon liquidation, dissolution or winding up, senior to all classes or series of our common stock, and to any other class or series of our capital stock issued in the future, unless the terms of that capital stock expressly provide that it ranks senior to, or on parity with, the Series A Preferred Stock; on parity with any class or series of our capital stock, the terms of which expressly provide that it will rank on parity with the Series A Cumulative Preferred Stock, including the Series A Preferred Stock; and junior to any other class or series of our capital stock, the terms of which expressly provide that it will rank senior to the Series A Cumulative Preferred Stock, none of which exists on the date hereto, and the issue of which would be subject to the approval of a majority of the outstanding shares of Series A Cumulative Preferred Stock and all other preferred stock of equal rank having similar rights voting as a single class; and subject to funds legally available, and payment of or provision for our debts and other liabilities.

In accordance with FASB ASC No. 480, because of the mandatory redemption feature, Series A Cumulative Preferred Stock is treated as liability. The issuance costs are treated as debt issuance costs and will be amortized over the life of the instrument and a direct reduction of the Preferred A shares on the balance sheet. Unamortized debt issuance costs were $78,188 and $98,918 at September 30, 2019 and 2018, respectively. Dividends are recorded as interest expense. For the quarter ended September 30, 2018, $78,975 was accrued for the dividend paid on October 12, 2018. For the quarter ended September 30, 2019, $78,975 was accrued for the dividend paid on October 15, 2019. Preferred A dividends recorded as interest expense for the years ended September 30, 2019 and 2018 were approximately $315,000 and $315,000, respectively.

Series B Convertible Preferred Stock accrues cumulative dividends at a rate of 4.8% of the liquidation preference per share ($20.75) and are expected to be paid on or about the 14th day of April, July, October, and January of each year commencing October 14, 2016. The dates of record for the dividends, if any, will be March 31, June 30, September 30, and December 31 immediately preceding the relevant dividend payment date. At any time and from time to time after issuance, the shares of Series B Convertible Preferred Stock are convertible, in whole or in part, at the option of the holder into shares of common stock at the rate of one-and-two-tenths (1.2) shares of our common stock for each one (1) share of Series B Convertible Preferred Stock, subject to adjustment for standard anti-dilution adjustments such as stock dividends or stock distributions; subdivisions or combinations of our common stock; and certain tender or exchange offers by us or one of our subsidiaries for our common stock, in each case subject to certain exceptions. In the event a holder of shares of the Series B Convertible Preferred Stock elects to convert any shares of Series B Convertible Preferred Stock that would result in such shareholder owning more than 10% of the capital stock of the Gas Company under the provisions of Section 70 of the New York Public Service Law, that holder would be unable to exercise the conversion right without prior consent of the NYPSC. The Holding Company will not pay any cash to a holder in respect of such conversion or otherwise settle any such conversion in cash, other than the right of the holder to receive payment in lieu of any fraction of a share in exchange therefor. The NYPSC approved the exercise of conversion rights on any Series B Convertible Preferred Stock by our three existing shareholders of 10% or more of our common stock.

On September 30, 2026, outstanding shares of Series B Cumulative Preferred Stock will mature and be redeemed solely in cash at a redemption price equal to the liquidation preference per share, plus an amount equal to all accrued but unpaid dividends, subject to our having funds legally available under New York law. In the event of a fundamental change, as defined on the Certificate of Amendment to the Certificate of Incorporation, holders of Series B Convertible Preferred Stock have the right to redeem their shares at a redemption price equal to the liquidation preference per share, plus an amount equal to all accrued but unpaid dividends prior to the effective date of the fundamental change, subject to our having funds legally available for such redemption under New York law. A fundamental change is generally defined as a change of control of the Holding Company.

The holders of Series B Convertible Preferred Stock will have no voting rights except as specifically required by New York laws or by the Holding Company's Charter, as amended by the Certificate of Amendment, which allows voting rights under specific circumstances as described in the Certificate of Amendment. If dividends on shares of Series B Convertible Preferred Stock have not been declared and paid for eight or more consecutive dividend periods, the holders of Series B Convertible Preferred Stock and the Series A Cumulative Preferred Stock, voting together as a single class with holders of all other preferred stock of equal rank having similar voting rights, will be entitled at our next special or annual meeting of shareholders to vote for the election of a total of one additional member of our Board of Directors, subject to certain limitations.

The Series B Convertible Preferred Stock will rank, with respect to priority of dividend payments and rights upon liquidation, dissolution, or winding up senior to all classes or series of our common stock, and to any other class or series of our capital stock issued in the future, unless the terms of that capital stock expressly provide that it ranks senior to, or on parity with, the Series A Cumulative Preferred Stock; on parity with any class or series of our capital stock, the terms of which expressly provide that it will rank on parity with the Series B Convertible Preferred Stock, including the Series A Cumulative Preferred Stock; and junior to any other class or series of our capital stock, the terms of which expressly provide that it will rank senior to the Series B Convertible Preferred Stock, none of which exists on the date of this report, and the issue of which would be subject to the approval of a majority of the outstanding shares of Series B Convertible Preferred Stock and all other stock of equal rank having similar rights voting as a single class; subject to funds legally available and payment of, or provision for, our debts and other liabilities.

In accordance with FASB ASC No. 480, Series B Cumulative Preferred Stock is not considered mandatorily redeemable as a result of the conversion feature presenting a contingency related to the redemption dates. Accordingly, this is not considered a liability. However, as a result of the decision related to conversion and not reaching redemption resting with the holder, this instrument has been classified as temporary equity in accordance with ASC 480. The Company determined that bifurcation of the embedded conversion option feature was not required. Upon conversion, the instrument would be reclassified as permanent equity. Dividends will be recorded each period in the consolidated statement of changes in stockholders' equity and began to accrue July 1, 2016. For the quarter ended September 30, 2018, $61,066 was accrued for dividends paid on October 12, 2018. For the quarter ended September 30, 2019, $61,065 was accrued for dividends paid on October 15, 2019. The issuance costs of approximately $150,000 reduce the initial proceeds and will be accreted until redemption or conversion.

(9) Stockholders' Equity

For the fiscal year ended September 30, 2019, there were a total of 25,209 shares of common stock issued for $239,481 of services and $186,446 in connection with the dividend reinvestment program (DRIP). There were 14,600 shares issued to officers and directors, 600 shares sold to Leatherstocking Gas, which used the shares to compensate its independent director, Carl Hayden, and 10,009 shares issued to various investors under the DRIP.

For the fiscal year ended September 30, 2018, there were a total of 27,054 shares of common stock issued for $223,783 of services and $165,075 in connection with the DRIP. There were 16,725 shares issued to officers and directors, 750 shares sold to Leatherstocking Gas, which used the shares to compensate its independent director, Carl Hayden, and 9,579 shares issued to various investors under the DRIP.

Dividends on shares of common stock are accrued when declared by the board of directors. For the quarter ended December 31, 2017, $405,328 was accrued for dividends paid on January 15, 2018 to stockholders of record on December 31, 2017. For the quarter ended March 31, 2018, $421,110 was accrued for dividends paid on April 16, 2018 to stockholders of record on March 31, 2018. For the quarter ended June 30, 2018, $421,932 was accrued for dividends paid on July 16, 2018 to stockholders of record on June 30, 2018. For the quarter ended September 30, 2018, $422,739 was accrued for dividends paid on October 12, 2018 to stockholders of record on September 30, 2018. For the quarter ended December 31, 2018, $423,836 was accrued for dividends paid on January 14, 2019 to stockholders of record on December 31, 2018. For the quarter ended March 31, 2019, $439,814 was accrued for dividends paid on April 15, 2019 to stockholders of record on March 31, 2019. For the quarter ended June 30, 2019, $440,622 was accrued for dividends paid on July 15, 2019 to stockholders of record on June 30, 2019. For the quarter ended September 30, 2019, $441,494 was accrued for dividends paid on October 15, 2019 to stockholders of record on September 30, 2019. Total dividends for the years ended September 30, 2019 and 2018 were $1,745,766 and $1,671,109, respectively.

(10) Investment in Joint Ventures

The Holding Company has an interest in Leatherstocking Gas and Leatherstocking Pipeline, each of which is a joint venture with Mirabito Regulated Industries, LLC, accounted for by the equity method. Leatherstocking Gas is currently moving forward on expansions to several areas in the northeast. The Holding Company and Mirabito Regulated Industries each own 50% of the joint venture and each appoints three managers to operate Leatherstocking Gas. The seventh manager is a neutral manager agreed to by the Holding Company and Mirabito Regulated Industries who is not an officer, director, or employee of either company, currently Carl T. Hayden. The current managers are Joseph P. Mirabito, John J. Mirabito, and William Mirabito from Mirabito Regulated Industries; Matthew J. Cook, Michael I. German, and Russell S. Miller from the Holding Company; and Carl T. Hayden as the neutral manager. Michael I. German is the Chief Executive Officer and President of the Holding Company and is also a stockholder and current board member of the Holding Company. Joseph P. Mirabito and William Mirabito are stockholders and current board members of the Holding Company. Leatherstocking Gas has received franchises from the Village and Town of Sidney, Village and Town of Bainbridge, Village and Town of Windsor, Village and Town of Unadilla, and Village and Town of Delhi in New York. Leatherstocking Gas' petitions for authority to exercise its franchises in the Town and Village of Windsor are currently pending before the NYPSC. In addition, Leatherstocking Gas has acquired sixteen franchises in Susquehanna and Bradford Counties, Pennsylvania.

The interests in Leatherstocking Pipeline, which was formed with the same structure and managers as Leatherstocking Gas, are also held by the Holding Company. Leatherstocking Pipeline is an unregulated company whose purpose is to serve one customer in Lawton, Pennsylvania. In the spring and summer of 2012, Leatherstocking Pipeline built and placed in service facilities to serve that customer. The investment and equity in both Leatherstocking companies (collectively, the "Joint Ventures") has been recognized in the consolidated financial statements. The Holding Company has accounted for its equity investment using the equity method of accounting based on the guidelines established in FASB ASC No. 323. In applying the guidance of FASB ASC No. 323, the Holding Company recognized the investment in the Joint Ventures as an asset at cost. The investment will fluctuate in future periods based on the Holding Company's allocable share of earnings or losses from the Joint Ventures which is recognized through earnings.

The following table represents the Holding Company's investment activity in the Joint Ventures at September 30, 2019 and September 30, 2018:

	2019	2018
Beginning balance in investment in joint ventures	$2,740,575	$2,707,406
Investment in joint ventures during year	-	165,000
Loss in joint ventures during year	(142,656)	(131,831)
Ending balance in joint ventures	$2,597,919	$2,740,575

As of and for the year ended September 30, 2019, the Joint Ventures had combined assets of $12.7 million, combined liabilities of $7.5 million, and combined net losses of approximately ($286,000). As of and for the year ended September 30, 2018, the Joint Ventures had combined assets of $13.3 million, combined liabilities of $7.9 million, and combined net losses of approximately ($264,000).

(11) Income Taxes

Income tax expense for the years ended September 30 is as follows:

	2019	2018
Current	$ 14,165	$ 42,372
Deferred	1,308,524	1,640,887
Total	$1,322,689	$ 1,683,259

Actual income tax expense differs from the expected tax expense computed at the statuary rate of 21.00 % for the year ended September 30, 2019 and 24.25% for the year ended September 30, 2018 as follows:

	2019	2018
Expected federal tax expense	$ 933,853	$ 928,175
Regulatory deferral for tax rate difference	-	411,421
Prior Year Tax Recorded	80,160	168,591
Adjustment of non-regulatory tax reserves for tax rate difference	-	(83,998)
Federal income sur credit amortization	54,992	-
	255,899	273,199

State tax expense (net of federal)		
Other, net	(2,215)	(14,129)
Actual tax expense	$1,322,689	$ 1,683,259

The tax effects of temporary differences that result in deferred income tax assets and liabilities at September 30 are as follows:

	2019	2018
Deferred income tax assets:		
Postretirement benefit obligations	$ 2,762,794	$ 1,242,647
NOL carryforwards	1,463,913	1,783,281
Customer Contribution	938,342	953,347
Regulatory reconciliation tax assets	350,320	228,532
Deferred compensation reserve	382,779	386,348
Unbilled revenue	71,250	61,910
Deferred tax asset resulting from 2017 Tax Act	877,356	1,075,299
Other	0	633,590
Total deferred income tax assets	6,846,754	6,364,954
Deferred income tax liabilities:		
Property, plant and equipment, principally due to differences in depreciation	8,668,093	9,015,898
Pension benefit obligations	2,099,588	661,394
Regulatory reconciliation tax liabilities	763,999	172,505
Bargain purchase	665,456	665,456
Storm costs	370,269	370,269
Recoverable fuel costs	306,471	376,203
Other	182,214	0
Total deferred income tax liabilities	13,056,090	11,261,725
Net deferred income tax liabilities	$6,209,336	$ 4,896,771

The Holding Company has federal, New York, and Pennsylvania state tax net operating loss carry forwards available of approximately $3.7 million for federal and $6.2 million for state as of September 30, 2019. These begin to expire at the end of the Holding Company's fiscal 2025 tax year. For the fiscal year ended September 30, 2018, the net operating loss carry forwards were $5.7 million for federal and $9.0 million for state.

The alternate minimum tax ("AMT") is a credit of $0.3 million for fiscal year ended September 30, 2019 and 2018.

On August 9, 2018, the NYSPSC issued an order in Case 17-M-0815 that required the Company to quantify the amount of the deferred taxes that will be due customers as a result of the 2017 Tax Act. The PAPUC issued a similar order in Case M-2018-2641242. The estimated amount due customers has been recorded as regulatory liability in the amount of $3,557,481 and $3,777,495, at September 30, 2019 and 2018, respectively.

The accounting rules for uncertain taxes provide for the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recognized in the financial statements. The Holding Company has evaluated its tax positions accordingly and has not identified any significant uncertain tax positions. The Holding Company's policy is to classify interest associated with uncertain tax positions as interest expense in the financial statements. Penalties are classified under other expense. The Holding Company files a consolidated federal income tax return, and the Gas Company and Pike file separate state income tax returns in New York and Pennsylvania.

(12) Pension and Other Postretirement Benefit Plans

There are currently three covered participants related to the deferred compensation obligation that are all former officers. The liability on the consolidated balance sheet represents the present value of the future obligation. In 1997, the Gas Company established a trust (the Rabbi Trust) to fund a deferred compensation plan for certain officers. The fair market value of assets in the trust was $2,144,360 (plus $39,810 in additional stock) and $2,155,281 (plus $38,197 in additional stock) at September 30, 2019 and 2018, respectively, and the plan liability, which is labeled as deferred compensation on the balance sheet, was $1,391,924 and $1,412,345 at September 30, 2019 and 2018, respectively. The assets of the trust are available to general creditors in the event of insolvency. In 2019, the mortality assumption was based on the 2008 VBT Primary Male Smoker tables with generational improvements using scale MP-2018 for two of the covered participants which resulted in a decrease in the liabilities of $20,421.

The Gas Company has defined benefit pension plans covering substantially all of its employees. The benefits are based on years of service and the employee's highest average compensation during a specified period. The Gas Company makes annual contributions to the plans equal to amounts determined in accordance with the funding requirements of the Employee Retirement Security Act of 1974. Contributions are intended to provide for benefits attributed for service to date, and those expected to be earned in the future.

In addition to the Gas Company's defined benefit pension plans, the Gas Company offers postretirement benefits comprised of medical and life coverage to its employees who meet certain age and service criteria. For union participants who retire on or after September 2, 1992, the Gas Company cost for postretirement benefits is contractually limited and will not exceed $150 per month. This contract is in effect until April 5, 2021. The monthly benefit for all non-union employees, who retire between the ages of 62 and 65, will be the lesser of 40% of the retiree's plan premium or $150. After age 65, the Gas Company pays up to $150 a month for the cost of the retiree's supplemental plan. In addition, the Gas Company offers limited life insurance coverage to active employees and retirees. The postretirement benefit plan is not funded. The Gas Company accrues the cost of providing postretirement benefits during the active service period of the employee.

The following table shows reconciliations of the Gas Company's pension and postretirement plan benefits as of September 30:

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
Change in benefit obligations:				
Benefit obligation at beginning of year	$21,830,528	$22,011,497	$1,235,289	$ 1,409,521
Service cost (excluding expected expenses)	458,813	421,642	16,492	17,781
Interest cost	1,035,097	961,202	47,755	48,240
Participant contributions	-	-	123,014	107,254
Actuarial gain (loss)	3,490,391	(398,494)	123,846	(154,349)
Benefits paid	(1,215,055)	(1,165,319)	(211,819)	(193,158)
Curtailments	-	-	-	-
Benefit obligation at end of year	25,599,774	21,830,528	1,334,577	1,235,289
Change in plan assets:				
Fair value of plan assets at beginning of year	17,322,720	16,149,671	-	-
Actual return on plan assets	763,132	1,371,493	-	-
Company contributions	764,594	974,364	88,805	85,904
Participant contributions	-	-	123,014	107,254
Benefits paid	(1,309,930)	(1,172,808)	(211,819)	(193,158)
Fair value of plan assets at end of year	17,540,516	17,322,720	-	-
Funded status	(8,059,258)	(4,507,808)	(1,334,577)	(1,235,289)
Unrecognized net actuarial loss/(gain)	6,348,307	3,103,970	36,636	(93,919)
Unrecognized prior service cost	-	-	135,890	139,442
(Accrued) prepaid benefit cost	(1,710,951)	(1,403,838)	(1,162,051)	(1,189,766)
Accrued contribution	-	-	-	-
Amounts recognized in the balance sheets consists of: accrued benefit liability	(8,059,258)	(4,507,808)	(1,334,577)	(1,235,289)
Amounts recognized in the balance sheets consist of:				
Accrued pension cost as of beginning of fiscal year	(1,403,838)	(1,219,189)	(1,189,766)	(1,200,608)
Pension (cost)	(1,326,030)	(1,071,707)	(61,090)	(75,062)
Contributions	764,594	974,364	-	-
Change in receivable contribution	254,323	(87,306)	-	-
Net benefits paid	-	-	88,805	85,904
Change in additional minimum liability	-	-	-	-
Accrued pension cost as of end of fiscal year	(1,710,951)	(1,403,838)	(1,162,051)	(1,189,766)
Fair value of plan assets at end of year				
Cash and equivalents	$ 633,981	$ 323,755	-	-
Government and agency issues	$3,552,866	$ 4,076,999	-	-
Corporate bonds	$3,261,451	$ 2,997,197	-	-

Fixed index funds	$1,029,307	$ 843,799	-	-
Fixed income	993,911	594,130	-	-
Equity securities	8,069,000	8,486,840	-	-
	$17,540,516	$17,322,720	-	-

The funded status of both plans, totaling a deficiency of approximately $9.4 million and $5.7 million at September 30, 2019 and 2018, respectively, are included in deferred pension and postretirement benefits on the consolidated balance sheets, along with an additional pension regulatory liability of approximately $290,000 and $273,000 as of September 30, 2019 and September 30, 2018 respectively, for amounts owed to customers. In the fourth quarter of fiscal 2015, the Gas Company determined that it meets the criteria to record these items as a regulatory asset in accordance with FASB ASC No. 980-715-25-5. See Note 1(i) to the Notes of the Consolidated Financial Statements for additional information.

Amortization of unrecognized net loss for the Retirement Plan for fiscal year ending September 30, 2019:

1	Projected benefit obligation as of September 30, 2019	$25,599,774
2	Plan assets at September 30, 2019	$(17,540,516)
3	Unrecognized loss as of September 30, 2019	$6,348,307
4	Ten percent of greater of (1) or (2)	$2,559,977
5	Unamortized loss subject to amortization - (3) minus (4)	$3,788,330
6	Active future service of active plan participants expected to receive benefits	$12.034
7	Minimum amortization of unamortized net loss - (5)/(6)	$314,802
8	Amortization of loss for 2018-2019	$897,287

Amortization of unrecognized net loss for the Postretirement Plan for the fiscal year ended September 30, 2019:

Unrecognized net loss at October 1, 2018 subject to amortization	$135,890
Amount to be amortized 2019 - 2020	
Amortization period	13 years
Amortization for 2019 - 2020 (loss divided by period)	$10,453

	Pension Benefits		Postretirement Benefits	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Components of net period benefit cost:				
Service cost	$465,813	$428,642	$16,492	$17,781
Interest cost	1,035,097	961,202	47,755	48,240
Expected return on plan assets	(1,279,864)	(1,200,819)	-	-
Amortization of prior service	-	-	3,552	3,547
Amortization of unrecognized actuarial loss	850,661	969,988	(6,709)	5,494
Net periodic benefit cost	$1,071,707	$1,159,013	$61,090	$75,062

For ratemaking and financial statement purposes, pension and postretirement represents the amount approved by the NYPSC in the Gas Company's most recently approved rate case. Pension and post retirement expense (benefit) for ratemaking and financial statement purposes was $941,427 and $941,427 for the years ended September 30, 2019 and 2018, respectively. The difference between the pension expense (benefit) for ratemaking and financial statement purposes, and the amount computed above, has been deferred as regulatory assets and are not included in the prepaid pension cost noted above. The cumulative amounts deferred equal $750,902 and $893,579 as of September 30, 2019 and 2018, respectively.

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
Weighted average assumptions used to determine net period cost at September 30:				
Discount rate	3.96%	4.89%	2.86%	4.01%
Salary increases	3.50%	3.00%	N/A	N/A
Expected return on assets	7.50%	7.50%	N/A	N/A

For the year ended September 30, 2019 and September 30, 2018, the discount rate was prepared by utilizing an analysis of the plan's expected future cash flows and high-quality, fixed-income investments currently available and expected to be available during the period to maturity of the pension benefits. The discount rate used is an estimate of the rate at which a defined benefit pension plan could settle its obligations. Rather than using a rate and curve developed using a bond portfolio, this method selects individual bonds to match to the expected cash flows of the Plan. Management feels this provides a more accurate depiction of the true cost to the Plan to settle the obligations as the Plan could theoretically go into the marketplace and purchase the specific bonds used in the analysis in order to settle the obligations of the Plan.

The expected returns on plan assets of the Retirement Plan and Postretirement Plan are applied to the market-related value of plan assets of the respective plans. For the Retirement Plan, the market-related value of assets recognizes the performance of its portfolio over five years, and reduces the effects of short-term market fluctuations. The Gas Company's Retirement Plan assets are invested by a manager that reports at least annually to the Gas Company's Investment Committee for review and evaluation. The manager has been given the objective to achieve modest capital appreciation with a secondary objective of achieving a relatively high level of current income using a mix of cash equivalents, fixed income securities, and equities to structure a balanced investment portfolio. The Investment Committee does not reserve control over investment decisions, with the exception of certain limitations, and holds the manager responsible and accountable to achieve the stated objectives. The market-related value of Postretirement Plan assets is set equal to market value.

For measurement purposes, a 6.75% annual rate of increase in the per capita cost of covered benefits (health care cost trend rate) was assumed for 2019. A 1% increase in the actual health care cost trend would result in approximately a 3.47% increase in the service and interest cost components of the annual net periodic postretirement benefit cost, and a 4.68% increase in the accumulated postretirement benefit obligation. A 1% decrease in the actual health care cost trend would result in approximately a 3.97% decrease in the service and interest cost components of the annual net periodic postretirement benefit cost, and a 2.94% decrease in the accumulated postretirement benefit obligation.

The Gas Company expects to contribute $1,424,157 to the Retirement Plan during the year ended September 30, 2020.

The estimated pension plan benefit payments are as follows:

2020	$1,437,116
2021	$1,484,569
2022	$1,478,038
2023	$1,487,713
2024	$1,522,441
2025+	$7,817,672

The Gas Company also maintains the Corning Natural Gas Corporation Employee Savings Plan (the "Savings Plan"). All employees of the Gas Company who work for more than 1,000 hours per year and who have completed one year of service may enroll in the Savings Plan at the beginning of each calendar quarter. Under the Savings Plan, participants may contribute up to 50% of their wages. For all employees, the Gas Company will match one-half of the participant's contribution up to a total of 50% of the participant's contribution up to a total of 6% of the participant's wages. The plan is subject to the federal limitation. The Gas Company contribution to the plan was $93,538 in 2019 and $93,538 in 2018.

(13) Segment Reporting

The Company's reportable segments have been determined based upon the nature of the products and services offered, customer base, availability of discrete internal financial information, homogeneity of products, delivery channel, and other factors.

The Corning Natural Gas Corporation (the "Gas Company") is a gas distribution company providing gas on a commodity and transportation basis to its customers in the Southern Tier of New York State. Pike County Light & Power Company ("Pike") provides electricity and natural gas to Pike County, Pennsylvania. The Holding Company is the parent company of all subsidiaries and has a 50% ownership in the

Leatherstocking joint ventures. Corning Natural Gas Appliance Corporation's (the "Appliance Company") information is presented with the Holding Company as it is has little activity.

The following table reflects the results of the segments consistent with the Holding Company's internal financial reporting process. The following results are used in part, by management, both in evaluating the performance of, and in allocating resources to, each of the segments.

For the year ended September 30, 2019

	Gas Company	Pike	Holding Company	Total Consolidated
Total electric utility revenue	$0	$8,239,784	$0	$8,239,784
Total gas utility revenue	$25,607,180	$1,693,015	$0	$27,300,195
Investment income	$52,095	$0	$0	$52,095
Equity investment (loss)	$0	$0	$(142,656)	$(142,656)
Net income (loss)	$2,780,092	$806,675	$(462,535)	$3,124,232
Income tax expense (benefit)	$1,122,170	$218,989	$(18,470)	$1,322,689
Interest expense	$1,382,394	$654,136	$289,112	$2,325,642
Depreciation expense	$1,836,873	$659,025	$3,660	$2,499,558
Amortization expense	$336,562	$402,778	$47,776	$787,116
Total assets	$88,098,228	$27,415,639	$3,094,781	$118,608,648
Capital expenditures	$4,442,609	$2,185,553	$0	$6,628,162

For the year ended September 30, 2018

Total electric utility revenue	$0	$8,600,381	$0	$8,600,381
Total gas utility revenue	$24,050,606	$1,626,174	$0	$25,676,780
Investment income	$44,289	$0	$0	$44,289
Equity investment (loss)	$0	$0	$(131,831)	$(131,831)
Net income (loss)	$1,705,445	$878,690	$(439,867)	$2,144,268
Income tax expense (benefit)	$1,359,655	$337,623	$(14,019)	$1,683,259
Interest expense	$1,281,675	$533,588	$281,363	$2,096,626
Depreciation expense	$1,781,933	$589,907	$3,660	$2,375,500
Amortization expense	$206,863	$281,868	$20,452	$509,183
Total assets	$81,703,516	$26,686,811	$3,350,333	$111,740,660
Capital expenditures	$6,359,565	$1,473,142	$0	$7,832,707

(14) Commitments and Contingencies

The Gas Company is a local distribution company and has contracted for gas supply from various sources to provide the commodity to the city gates. The city gate is the transfer point at which we take ownership of the gas supply from local producers and interstate pipelines and billing metering starts. The Gas Company maintains storage capacity of approximately 736,000 dekatherms. The Gas Company is responsible for managing its gas supply assets. At September 30, 2019, the Gas Company had 596,454 dekatherms at a cost of $1,238,826 in storage. As the result of these actions, we anticipate that the Gas Company will have sufficient gas to supply our customers for the 2019-2020 winter heating season. At September 30, 2018, the Gas Company had 657,293 dekatherms at a cost of $1,620,916 in storage. The contract with O&R should provide sufficient electricity and natural gas to supply Pike for the 2019-2020 winter heating and summer cooling season.

The Gas Company has secured the NYPSC required fixed price and storage gas supply for the winter season and is managing its gas storage and gas contracts to assure that the Gas Company follows its gas supply and acquisition plan. The gas supply plan is a formal document that defines how we acquire natural gas to supply our customers. The plan is submitted to the NYPSC every year and adherence to the plan is a regulatory mandate. Assuming no extraordinary conditions for the winter season, gas supply, both flowing and storage, will be adequate to serve our approximately 15,000 customers.

Environmental Considerations: The Gas Company and Pike are subject to various federal, state, and local environments laws and regulations. Both the Gas Company and Pike have established procedures for the ongoing evaluation of its operations to identify potential environmental exposures and assure compliance with regulatory policies and procedures. Management believes the Gas Company and Pike are in compliance with all applicable regulations.

(15) Related Party Transactions

Related party receivables are expenditures paid on behalf of the Holding Company's joint venture investments. The outstanding receivable as of September 30, 2019 and September 30, 2018 was $5,818 and $206,331 respectively.

(16) Subsequent Events

On December 18, 2019, Corning Natural Gas Corporation purchased approximately 7.4 miles of 2" – 10" steel and plastic pipe connected on the north end in the Town of Corning to Millennium Transmission pipeline and at the south in the City of Corning to two locations on the "Gas Company" distribution system. This system supplies gas to Corning Incorporated facilities within the City of Corning. Corning Natural Gas Corporation will also assume operation of the ten metering points (stations) in the City that provides natural gas to Corning Incorporated facilities. In addition, on December 18, 2019, Corning Natural Gas Corporation purchased approximately 1.0 mile of 2" – 8" steel and plastic pipe connected to and supplied by the Corning Natural Gas system in the Town of Erwin. This system supplies gas to Corning Incorporated facilities within Corning Incorporated's Research Center campus. The total acquisition cost of all Corning facilities at the time of purchase was $250,000. As result of this acquisition, the Company will acquire approximately 10 new customers, which is expected to increase delivery retail revenues by approximately $140,000 annually.

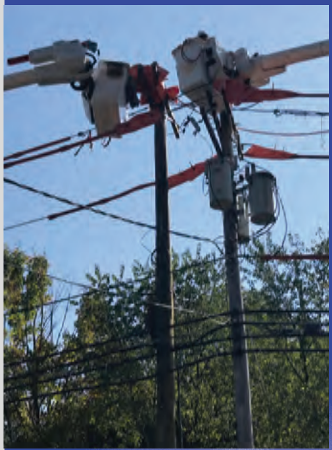
On November 25, 2019, Corning Natural Gas Corporation and the Bath Electric, Gas and Water System entered into an agreement effective December 1, 2019 that fixed the transportation rate at $.99/Mcf for gas transported over Bath's system to serve Corning Natural Gas Corporation's Hammondsport/Urbana franchise area, as well as a commercial customer, A.L. Blades. The agreement is for a term of ten years. The agreement will continue in force thereafter from year-to-year until canceled by either party by three month's written notice.

On November 25, 2019, Corning Natural Gas Corporation and the Bath Electric, Gas and Water System updated the Memorandum of Understanding executed in September of 2014 to reflect the current status and future obligations of the parties.

On December 17, 2019, Corning Natural Gas Holding Corporation ("Holdco") signed a term sheet to purchase the other 50% of Leatherstocking Gas Company ("LGC") and Leatherstocking Pipeline Company ("LPC") from Mirabito Regulated Industries for $3.2 million. When this purchase is completed, the Holdco will own 100% of LGC's and LPC's Pennsylvania assets. A new joint venture will own LGC's New York State assets. Closing is contingent on regulatory approvals.


IN THIS FAMILY
NO ONE FIGHTS ALONE

CNGHC Board of Directors (front row, L to R): George Welch, Henry B. Cook, Mike German, John Williamson III; (back row) Rob Johnston, Bill Mirabito, Joe Mirabito, Ted Gibson



BOARD OF DIRECTORS

Henry B. Cook, Jr. President, Triple Cities Acquisition, LLC	Chairman of the Board Member Audit Committee Member Nominating & Compensation Committee
Michael I. German President & CEO, Corning Natural Gas Holding Corp.	Director
Ted W. Gibson CEO, Classic City Mechanical Contractors	Chairman Corporate Governance Committee Member Nominating & Compensation Committee
Robert B. Johnston Executive Vice President The Intertech Group	Member Nominating & Compensation Committee Member Corporate Governance Committee
Joseph P. Mirabito CEO, Mirabito Holdings, Inc.	Chairman Nominating & Compensation Committee
William Mirabito Senior Vice President & Treasurer Mirabito Holdings, Inc.	Member Audit Committee Member Corporate Governance Committee
John B. Williamson, III Chairman, RGC Resources, Inc.	Member Audit Committee Member Nominating & Compensation Committee
George J. Welch, Sr. Partner, Welch Law Firm	Chairman Audit Committee Member Corporate Governance Committee

EXECUTIVE OFFICERS

Michael I. German	Chief Executive Officer, President
Firouzeh Sarhangi	Chief Financial Officer, Treasurer, and Corporate Secretary
Matthew J. Cook	Vice President - Operations/Customer Service
Russell S. Miller	Vice President - Energy Supply/Business Development

Registrar and Stock Transfer Agent
Computershare
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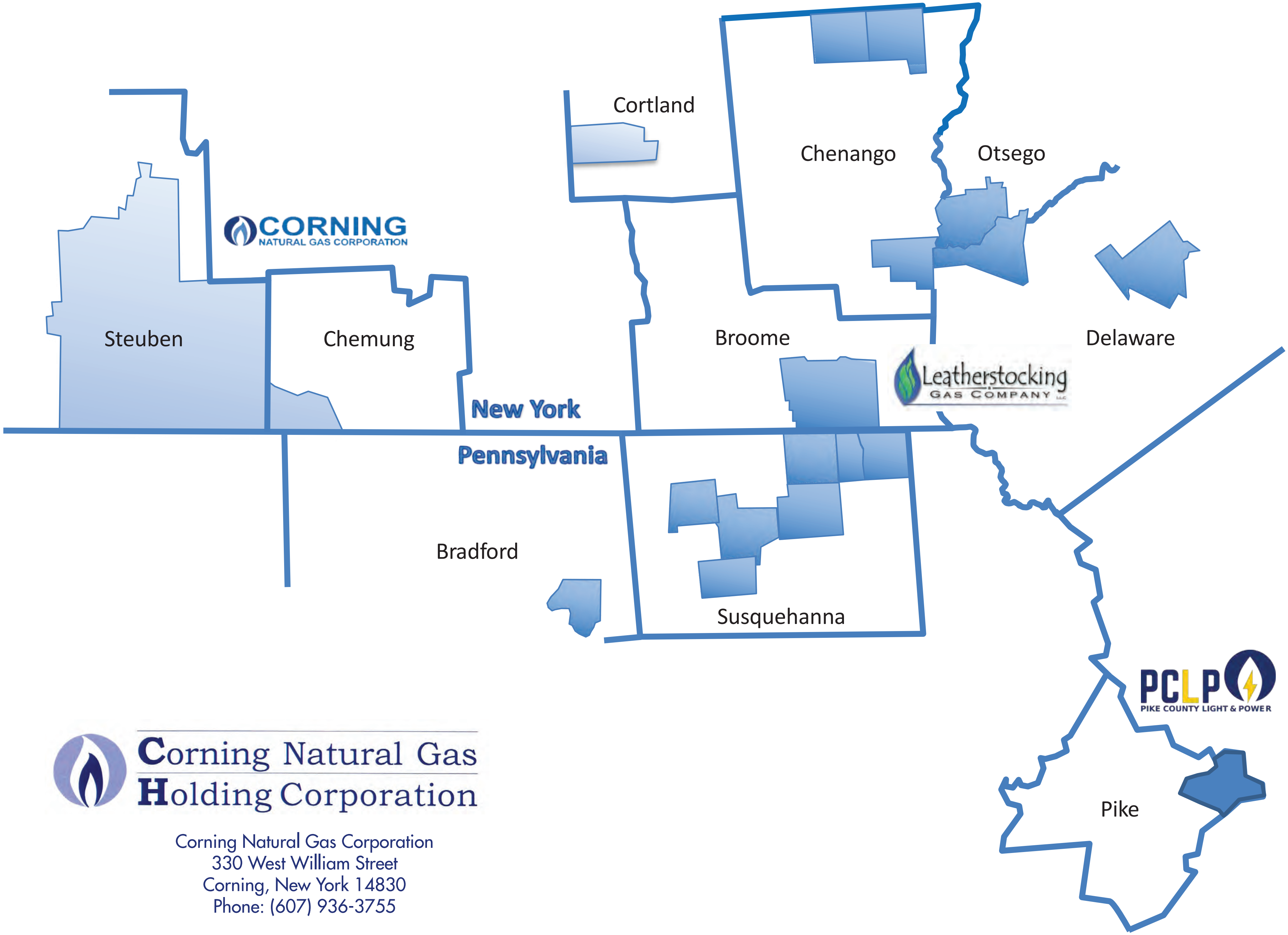
216.696.8700

Upon written request to the address below, we will provide, without charge, a copy of our annual report on Form 10-K, including the financial statements and the financial statement schedules, required to be filed with the Securities and Exchange Commission pursuant to Rule 13a-1 under the Securities and Exchange Act of 1934, as amended, for the fiscal year ended September 30, 2019.

Attn: Firouzeh Sarhangi, Corporate Secretary
Corning Natural Gas Corporation
330 West William Street
Corning, New York 14830
(607) 936-3755



Corning Natural Gas
Holding Corporation

Corning Natural Gas Corporation
330 West William Street
Corning, New York 14830
Phone: (607) 936-3755