

STATE OF NEW YORK

Public Service Commission

William M. Flynn, Chairman

Three Empire State Plaza, Albany, NY 12223

Further Details: (518) 474-7080

<http://www.dps.state.ny.us>

FOR RELEASE: IMMEDIATELY

06024

PSC Announces Educational Forums and Public Statement Hearings On Proposed Rates for Corning Natural Gas

Albany, NY—April 25, 2006—The New York State Public Service Commission (Commission) today announced that it will conduct four educational forums and public statement hearings to seek consumer views concerning proposed rates for Corning Natural Gas Corporation (Corning).

The dates, times and locations for the forums and hearings are as follows:

Wednesday, May 3, 2006

1:00 P.M. – Educational Forum
2:00 P.M. – Public Statement Hearing
Steele Memorial Library Auditorium
101 East Church Street
Elmira, NY

Wednesday, May 3, 2006

6:00 P.M. – Educational Forum
7:00 P.M. – Public Statement Hearing
Hammondsport High School Cafeteria
8272 Main Street Extension
Hammondsport, NY

Thursday, May 4, 2006

1:00 P.M. – Educational Forum
2:00 P.M. – Public Statement Hearing
Corning Town Hall, Court Entrance
20 South Maple Street
Corning, NY

Thursday, May 4, 2006

6:00 P.M. – Educational Forum
7:00 P.M. – Public Statement Hearing
Southeast Steuben County Library
300 Nasser Civic Center Plaza, Suite 101
Corning, NY

Summary of Joint Proposal

On March 16, 2006, a number of parties filed a Joint Proposal, setting forth recommendations for resolving several issues presented in the pending Corning cases, including future delivery rates and the company's acts and practices leading up to the Winter 2005-2006 heating season. On April 14, 2006, an Amendment to the Joint Proposal was filed.

If approved by the Commission, the amended Joint Proposal would increase Corning's annual revenues for gas delivery service by approximately \$2.7 million beginning on June 1, 2006. New delivery rates to support the revenue requirement would remain in effect through September 30, 2007, and, as a result, annual bills for average residential heating customers would increase by approximately 11%. Parties supporting the Joint Proposal maintain that the new rates are necessary due to increased costs, to increase the probability that reasonable and adequate gas supply will be available in the coming year, and to improve the company's overall cash flow. The Joint Proposal also includes "best practices" that the company should adopt to improve future operations; explicit performance goals related to gas safety and reliability, supply portfolio management, and accounting practices; and, a potential "Merger Package" that provides guidance on issues that should be addressed in any petition to merge with, or acquire, the company.

The Joint Proposal is supported by Corning; Department of Public Service staff; the Bath Electric, Gas, and Water Systems; Multiple Intervenors (an association of over 50 industrial, large commercial, and institutional energy consumers); and, in part, by Fortuna Energy Inc. (a local gas producer). The Commission may adopt the terms of the Joint Proposal and Amendment, adopt them subject to modifications, or reject them and adopt other terms. The Joint Proposal and Amendment are available on the Commission's Web site at <http://www.dps.state.ny.us/05G1359.html>.

Forums and Public Statement Hearings

The four educational forums and public statement hearings will help guide the Commission's decision-making process. It is not necessary to make an appointment in advance or present written material to speak at a public statement hearing. Persons will be called to speak

after completing a request card. All comments at the hearings will be transcribed and become part of the Commission's formal record.

Hearing sessions will remain open for at least one hour. Afternoon sessions will end as necessary to start evening sessions timely. Evening hearing sessions are not expected to go beyond 9:00 p.m.

Each public statement hearing will be preceded by an educational forum at which Department of Public Service staff will provide more information about and answer questions concerning the issues pending in the Corning cases. Disabled persons requiring special accommodations should contact the Department of Public Service's Human Resource Management Office at (518) 474-2520 as soon as possible.

Other Ways to Comment

Interested persons not wishing to attend or who are unable to attend the public statement hearing may comment (in English or Spanish) on the pending Corning cases by mailing their written statements to: Honorable Jaclyn A. Brillong, Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350. Statements should reference "Cases 05-G-1359, 05-G-1268, and 04-G-1032 – Corning Natural Gas Corporation – Rates, Acts and Practices, Deferral Petition" and be submitted or mailed no later than May 5, 2006.

Other alternatives available for submitting comments for consideration by the Commission include:

Toll-free Opinion Line: Interested persons may call a special toll-free Opinion Line at 1-800-335-2120. This phone line is set up to receive comments about the proceedings from in-state callers, 24 hours-a-day. Callers should select English or Spanish and press "1" to leave comments about the pending Corning cases.

Internet: Comments also may be submitted via the "PSC Comment Form," in the "Contact Us" file, accessed through the homepage of the Commission's Consumer Web site. The

Web site address is <http://www.AskPSC.com> and comments are downloaded regularly. Many libraries offer free Internet access.

Copies of the Joint Proposal, Amendment, and a Summary of the two documents also may be viewed at the New York State Department of Public Service, Central Files, 14th Floor, Three Empire State Plaza, Albany, NY or at the following libraries:

Southeast Steuben County Library
300 Civic Center Plaza
Corning, NY

Dormann Library
101 West Morris Street
Bath, NY

Steele Memorial Library
101 East Church Street
Elmira, NY