

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

06035/06G0569

PSC Announces Public Statement Hearings on the Proposed Acquisition of Corning Natural Gas Corporation

Albany, NY— June 29, 2006—The New York State Public Service Commission (Commission) today announced that it will conduct two public statement hearings on July 13th to seek consumer views concerning C&T Enterprises, Inc.'s (C&T) proposal to acquire, subject to certain conditions, the common stock of Corning Natural Gas Corporation (Corning) for approximately \$6.95 million.

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

Thursday, July 13, 2006

1:30 P.M.

Pine City Elementary School Cafetorium
1515 Pennsylvania Avenue
Pine City, NY

-and-

7:00 P.M.

West High School Theater
35 Victory Highway
Painted Post, NY

Summary of Proposal

C&T Enterprises, Inc. is a holding company and management services provider that already owns a subsidiary company that provides utility service in New York State. The companies have proposed that C&T Enterprises, Inc. effect a merger with Corning Natural Gas Corporation such that Corning Natural Gas Corporation would become a wholly-owned subsidiary of C&T Enterprises, Inc.

The companies state that the proposal is in the public interest as it will enhance Corning's ability to procure natural gas commodity. The companies also state that the provision of safe and reliable delivery service should improve because of plans to make substantial incremental investment in infrastructure in the next five years. Under the proposal, two existing Corning executives would retire at the closing and new management would be installed. All existing Corning board members would also be asked to resign.

Examples of the proposed conditions, among others, include:

- Recently established delivery rates would not change for three years.
- \$1.4 million for past gas overcharges would be returned to customers over three years, starting as soon as January 1, 2007.
- Corning would not seek to place in rates the costs of so-called "golden parachutes" or other similar benefits.
- Corning would be required to appoint local citizens to the new Board of Directors.

The Commission may adopt the proposal in whole or in part, reject it, or take other actions.

The proposal was filed with the Commission on May 15, 2006 and supplemented on June 9, 2006. A Fact Sheet concerning the proposal is available on the Commission's Web site at www.dps.state.ny.us by accessing the What's New section of the homepage.

Public Statement Hearings

Comments from consumers at the 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. The afternoon session will end as necessary to start the evening session timely. The evening hearing session is not expected to go beyond 9:00 p.m.

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 hearings may comment (in English or Spanish) on the proposal by mailing their written statements to: Honorable Jaclyn A. Brillling, Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350. Statements should reference "Case 06-G-0569 — Proposed Acquisition of Corning Natural Gas Corporation" and should be received on or before July 17, 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 proceeding from in-state callers, 24 hours-a-day. Callers should select English or Spanish and press "1" to leave comments about the pending Corning case.

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.

All statements and comments received by the Commission are placed in the public case file and made available for public inspection in the Commission's file room, and are reported to the Commission for its consideration. All comments submitted via one of these alternative means should be received on or before Monday, July, 17, 2006.

Copies of the proposal in Case 06-G-0569 may be viewed at the New York State Department of Public Service, Central Files, 14th Floor, Three Empire State Plaza, Albany, NY, or by visiting the following local libraries:

Southeast Steuben County Library
300 Civic Center Plaza
Corning, NY

Dorman Library
101 West Morris Street
Bath, NY

Steele Memorial Library
101 East Church Street
Elmira, NY.

Corning Natural Gas Corporation provides natural gas service to approximately 14,500 customers of Steuben and Chemung counties in New York State.