

CORNING NATURAL GAS CORP
Form S-1
April 12, 2010

As filed with the Securities and Exchange Commission on April 12, 2010

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-1

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

CORNING NATURAL GAS CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

New York	16-0397420
(State or other jurisdiction	(I.R.S. Employer
of incorporation or organization)	Identification Number)

330 W. William St.

Corning, New York 14830

(607) 936-3755

(Address, Including Zip Code, and Telephone Number, Including Area Code, of
Registrant's Principal Executive Offices)

Michael I. German

President and Chief Executive Officer

Corning Natural Gas Corporation

330 W. William St.

Corning, New York 14830

(607) 936-3755

(Address, Including Zip Code, and Telephone Number, Including Area Code, of
Agent for Service)

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With a copy to:

Deborah J. McLean, Esq.

Nixon Peabody LLP

1100 Clinton Square

Rochester, New York 14604

(585) 263-1307

Facsimile (866) 947-0724

Approximate date of commencement of proposed sale to the public:

As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If this Form is filed to register additional shares for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum	Proposed maximum	Amount of registration
----------------------------------------------------	-------------------------	------------------	------------------	------------------------

		offering price per share	aggregate offering price	fee(1)
Right to purchase Common Stock	(2)	--	--	(2)
Common Stock, \$5.00 par value per share	104,100 shares	\$18.00	\$1,873,800	\$133.60

(1) Calculated pursuant to Rule 457(3).

(2) The non-transferable subscription rights are being issued without consideration. No separate registration fee is payable with respect to the rights being offered hereby since the rights are being registered on the same registration statement as the securities offered pursuant to such rights.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), shall determine

Information in this prospectus is not complete and may be changed. The securities described herein may not be sold, nor may offers to buy these securities be accepted, prior to the time the registration statement filed with the Securities and Exchange Commission, of which this preliminary prospectus forms a part, become effective. This preliminary prospectus is not an offer to sell these securities, and is not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 12, 2010

PRELIMINARY PROSPECTUS

COMMON STOCK

SUBSCRIPTION RIGHTS TO PURCHASE UP TO

104,100 SHARES OF COMMON STOCK

CORNING NATURAL GAS CORPORATION

We are offering to the holders of our common stock transferable subscription rights to purchase up to an aggregate of 104,100 shares of our common stock. Subscribing shareholders will be entitled to purchase one share of our common stock for each ten current shares owned at a cash exercise price of \$18.00 per share. This rights offering is being made to help fund capital expenditures, the retirement of our debt and future growth opportunities. The subscription rights are granted to our shareholders without charge.

You will not be entitled to receive any subscription rights unless you are a shareholder of record as of 5:00 p.m. New York City time on _____, 2010, which is the record date for this rights offering. Your subscription rights will expire if they are not exercised by 5:00 p.m., New York City time, on _____, 2010, the expected expiration date of this rights offering. We, in our sole discretion, may extend the period for exercising the subscription rights. We will extend the duration of the rights offering as required by applicable law, and may choose to extend it if we decide to give investors more time to exercise their subscription rights in this rights offering. Subscription rights that are not exercised by the expiration date of the rights offering will expire and will have no value. You should carefully consider whether or not to exercise your subscription rights before the expiration date.

Shares of our common stock are traded over-the-counter and sales are reported on the OTC Bulletin Board® under the symbol "CNIG." The last reported sale price of our common stock on the OTC Bulletin Board on _____, 2010 was \$_____ per share, which may reflect inter-dealer prices without retail mark-up or mark-down or commission and may not necessarily represent actual transactions.

This is not an underwritten offering and there will be no underwriter's discounts or commissions. The subscription price and gross proceeds (before expenses) to Corning is \$18.00 per share, and the aggregate subscription price and aggregate gross proceeds (before expenses) to Corning will be approximately \$1.8 million.

AN INVESTMENT IN OUR SECURITIES INVOLVES RISKS. YOU SHOULD CONSIDER CAREFULLY THE RISK FACTORS BEGINNING AT PAGE

*** IN THIS PROSPECTUS BEFORE EXERCISING YOUR SUBSCRIPTION RIGHTS.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense. The securities are not being offered in any jurisdiction where the offer is not permitted.

The date of this prospectus is _____, 2010.

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Appendix A - Form of Instructions as to Use of Corning Subscription Rights Certificate A-1

Appendix B - Form of Subscription Rights Certificate B-1

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are making offers only to persons in jurisdictions where offers are permitted and this prospectus is not an offer to sell securities to, nor is it seeking an offer to buy securities from, any person in any jurisdiction where such offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of securities.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement (which includes exhibits) that we have filed with the Securities and Exchange Commission, or the SEC, on Form S-1 covering the subscription rights and the shares of common stock comprising the share of common stock offered by us in connection with the distribution of the subscription rights to our shareholders. This prospectus does not contain all information contained in the registration statement, certain parts of which are omitted in accordance with the SEC's rules and regulations. Statements made in this prospectus as to the contents of any other document (including exhibits to the registration statement) are not necessarily complete. You should review the document itself for a thorough understanding of its contents. The registration statement and

amendments thereto can be read and reviewed at the SEC's web site located at www.sec.gov or at the SEC's offices mentioned under the heading "Where You Can Find More Information" at page

*

FORWARD-LOOKING STATEMENTS

This prospectus contains statements that are forward-looking, such as statements relating to future capital expenditures, financing sources and availability, business development and acquisitions, dispositions, and the effects of regulation and competition. The words "believe," "expect," "anticipate," "intend," "may," "plan," and similar expressions are intended to identify these statements. 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. These statements include but are not limited to statements under the captions "Questions and Answers About the Rights Offering," "Summary" and "Risk Factors," as well as all other sections in this prospectus. Factors that could cause actual results to differ materially from our management's expectations include, but are not limited to:

- * the effect of any interruption in our supply of natural gas or a substantial increase in the price of natural gas,
- * 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 weather conditions and conservation efforts by our customers,
- * the effect on our operations of any actions by the New York Public Service Commission,
- * the effect of any litigation arising from actions taken or not taken by our former executive officers and any agreements executed in connection therewith,
- * the effect on our operations of unexpected changes in any other applicable legal or regulatory requirements,
- * 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 pipelines, compressor stations and storage by customers and counterparties at levels consistent with our expectations,
- * our ability to retain the services of our senior executives and other key employees, and
- * our vulnerability to adverse general economic and industry conditions and competition.

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.

SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that is important to you. This prospectus includes information about our business and our financial and operating data. Before making an investment decision, we encourage you to read the entire prospectus carefully, including the risks discussed in the "Risk Factors" section beginning at page

** We also encourage you to review our financial statements and the other information we provide in the reports and other documents that we file with the SEC as described under "Where You Can Find More Information" at page *.*

We use the terms "we," "us," "our," "the Company" and "Corning" in this prospectus to refer to Corning Natural Gas Corporation.

Our Company

Overview

Incorporated in 1904, we are a public utility company headquartered in Corning, New York. Our primary business is a regulated natural gas distribution business with operations in New York.

We purchase, transport, distribute and sell natural gas to approximately 14,500 customers in the Corning, Hammondsport and Virgil, New York areas. We have approximately 400 miles of gas distribution and transmission pipelines in our service areas with a population of approximately 50,000. Our customer base includes residential, commercial, industrial and municipal customers in the Corning area and gas utilities that serve the Bath, Elmira and Virgil areas.

At December 31, 2009, we provided service to approximately 10,790 residential customers, 760 small and large commercial customers and 2,960 aggregation customers. Our largest customers are Corning Incorporated, New York State Electric & Gas and Bath Electric, Gas & Water Systems.

Our natural gas supply comes from third-party providers and from natural gas held in storage. We have entered into a supply arrangement with Atmos Energy Marketing, or AEM, for natural gas through March 2011. We have contracted for storage capacity of approximately 586,000 decatherms, or Dth.

Our business is highly seasonal because a material portion of our total sales and delivery volumes is to customers whose usage varies depending upon temperature. Our present rate structure, however, includes both a weather normalization clause and a revenue decoupling mechanism that are designed to mitigate the effect of departures from normal temperatures on both our earnings and cost to our customers.

Our utility operations are subject to regulation by the New York Public Service Commission, or the NYPSC, as to rates, service area, adequacy of service and safety standards.

Recent Industry Trends

Since 2000 domestic energy markets have experienced significant price volatility. Rising natural gas prices early in the decade has resulted in a surge in supply-related investment that has stabilized domestic production, causing an

increase in the supply of natural gas. Increasing supplies and price induced conservation have favorably impacted natural gas prices. Given the current environment, we expect that natural gas will maintain a favorable competitive position compared to other fossil fuels. Given natural gas' clean burning attributes, we believe environmental regulations may enhance this competitive outlook.

Our Operating and Growth Strategy

We intend to enhance shareholder value through revenue growth and reduction of our operating costs. As a gas utility, our earnings are primarily determined by a rate of return set by the NYPSC on the investments in our facilities and equipment (*i.e.*, our rate base) to ensure service to our customers. Over the next several years, we intend to make significant capital investments to ensure the safety and reliability of our gas network. Based on these capital investments, we anticipate that we will increase our rate base. In addition, we have identified growth opportunities that we believe will contribute to our revenues, earnings and rate base, including growth in our existing service territory, expansion into new areas and increased connections with local production sources.

Experienced Management Team

Our executive management team and board of directors have over 130 years of collective experience in the utility industry.

Our principal executive offices are located at 330 West William Street, Corning, New York 14830, and our telephone number is 607-936-3755. Our web site is www.corninggas.com. The information available on our web site is not part of this prospectus or any other reports filed by us with the SEC.

Recent Discussions with Energy, Inc.

On March 1, 2010, the Company's directors received a non-binding proposal from Energy, Inc., to purchase all the common shares of the Company for \$25 per share in a combination of cash and Energy, Inc. common stock. The proposal set forth in the letter would total approximately \$28 million assuming conversion of all the Company's outstanding warrants and options and a value of \$10.04 for the Energy, Inc. stock. At its regularly schedule meeting on March 9, 2010, Corning's Board of Directors voted to form an independent committee to evaluate the offer and make recommendations to the full Board and/or the Company's shareholders.

The rights offering

We are distributing subscription rights to holders of our common stock, at no charge, at the rate of one right for each ten (10) shares of common stock owned as of the record date for this offering, _____, 2010. We are not distributing fractional rights.

Basic subscription privilege	Each right entitles you to purchase one share of our common stock at the subscription price of \$18.00 per share purchased.
Over-subscription privilege	If you fully exercise your basic subscription privilege, the over-subscription privilege entitles you to subscribe for additional shares of common stock at \$18.00 per share. If there are not enough shares to satisfy all subscriptions made under the over-subscription privilege, we will allocate the available shares pro rata among the over-subscribing rights holders.
Expiration date	5:00 p.m. New York City time, _____, 2010, unless otherwise extended by us to a later date.
Procedure for exercising rights	You may exercise your basic subscription privilege and your over-subscription privilege by properly completing the rights certificate and forwarding it to the subscription agent with payment of the subscription price, including payment for all the shares you wish to purchase with both the basic subscription privilege and the over-subscription privilege. The subscription agent must actually receive the rights certificate and payment at or prior to the expiration of the rights offering, and any personal checks must clear. If you send rights certificates by mail, you are urged to use insured, registered mail.
Subscription agent	Registrar and Transfer Company, telephone number 1-800-368-5948, 10 Commerce Dr. Cranford, NJ 07016
Use of proceeds	We will use the proceeds of this rights offering and cash flows from our existing operations for general business purposes, including capital expenditures, including replacement of distribution mains and customer service lines, the retirement of debt, future growth in our existing service territory, expansion into new areas and increased connections with local production sources and expenses and fees related to this rights offering. We expect to obtain debt financing to supplement the proceeds of this offering on a 60/40 debt to equity raised ratio.
Risk factors	You should carefully read the section entitled "Risk Factors" beginning at page * before you sell or exercise your rights.

FREQUENTLY ASKED QUESTIONS ABOUT THE RIGHTS OFFERING

Q. What is the rights offering?

A. The rights offering is a distribution to holders of our common stock, at no charge, of transferable subscription rights. We are distributing one right for each ten shares of common stock owned as of 5:00p.m. New York City time on _____, 2010, the record date, for a total of 104,100 subscription rights. We will not distribute fractional rights or issue fractional shares. Each right is evidenced by a rights certificate.

Q. What is a subscription right?

A. Each full subscription right is a right to purchase on or before _____, 2010, one share of our common stock at an exercise price of \$18.00 per share. Each subscription right carries with it a basic subscription privilege and an over-subscription privilege.

Q. What is the basic subscription privilege?

A. The basic subscription privilege of each right entitles you to purchase one share of our common stock at the subscription price of \$18.00 per share purchased.

Q. What is the over-subscription privilege?

A. We expect that some of our shareholders will not exercise all of their basic subscription privileges. By extending over-subscription privileges to our shareholders, we are providing shareholders that exercise all of their basic subscription privileges with the opportunity to purchase those shares of common stock that are not purchased by other shareholders through the exercise of their basic subscription privileges. If you fully exercise your basic subscription privilege, the over-subscription privilege entitles you to subscribe for additional shares of common stock at the same subscription price of \$18.00 per share that applies to your basic subscription privilege. If the number of shares of common stock requested by all holders exercising the over-subscription privilege is less than the total number of shares available, then each person exercising the over-subscription privilege will receive the total number of shares requested. If there are not enough shares of common stock to satisfy all subscriptions made under the over-subscription privilege, we will allocate the available shares pro rata among the over-subscribing rights holders. "Pro rata" means in proportion to the number of shares of common stock that you and the other holders of subscription rights have subscribed for by exercising the over-subscription privileges. The subscription agent will return any excess payments by mail without interest or deduction promptly after the expiration of the rights offering.

Q. How long will the rights offering last?

A. You will be able to exercise your subscription rights only during a limited period. If you do not exercise your subscription rights before 5:00 p.m., New York City time, on _____, 2010, your subscription rights will expire. We may, in our discretion, extend the rights offering until some later time.

Q. Why is Corning engaging in a rights offering?

A. The purpose of the rights offering is to raise funds for general business purposes, including to finance capital expenditures, including replacement of distribution mains and customer service lines, to retire debt, to finance future growth in our existing service territory, expansion into new areas and increased connections with local production sources, and to pay expenses and fees related to this rights offering. See "Use of Proceeds" at page *.

Q. How was the subscription price for the shares of common stock established?

A. Our board of directors determined the subscription price for the shares of common stock based on the information available to the board regarding our capital and other cash needs, the lack of an active trading market for our common stock, the proposal letter from Energy, Inc. and other matters. Our board of directors considered a number of factors in establishing the subscription price, including the historic and then current market price of the common stock, our

business prospects, our recent and anticipated operating results, general conditions in the securities markets, our need for capital, alternatives available to us for raising capital, the amount of proceeds desired, the pricing of similar transactions, the liquidity of our common stock and the level of risk to our investors. Our board of directors makes no recommendation to you about whether you should exercise any of your subscription rights.

The subscription price does not necessarily bear any relationship to the results of our past operations, cash flows, net income, or financial condition, the book value of our assets, or any other established criteria for value, nor does the trading history of our common stock accurately predict its future market performance. Because of the manner in which we have established the subscription price, the trading price of our common stock may be below the subscription price even at the closing of this rights offering.

We did not seek or obtain any opinion of financial advisors or investment bankers in establishing the subscription price of the offering. The last reported sale price of our common stock on the OTC Bulletin Board on _____, 2010, was \$____ per share, which may reflect inter-dealer prices without retail mark-up or mark-down or commission and may not necessarily represent actual transactions. You should not consider the subscription price to be an indication of our value or any assurance of future value, which may reflect inter-dealer prices without retail mark-up or mark-down or commission and may not necessarily represent actual transactions.

Q. How do I exercise my subscription rights?

A. You may exercise your rights by properly completing and signing your rights certificate. You must deliver your rights certificate with full payment of the subscription price (including any amounts in respect of the over-subscription privilege) to the subscription agent on or prior to the expiration date. If you use the mail, we recommend that you use insured, registered mail, return receipt requested. If you cannot deliver your rights certificate to the subscription agent on time, you may follow the guaranteed delivery procedures described under "The Rights Offering - Guaranteed Delivery Procedures" at page *. If you wish to exercise your over-subscription privilege, you must pay in full for (1) the number of shares of common stock you purchase with your basic subscription privilege and (2) the number of shares you wish to purchase with your over-subscription privilege. You may pay the subscription price by personal check or wire transfer. See "The Rights Offering - Method of Payment" at page *. In order for you to timely exercise your rights, the subscription agent must actually receive good funds, in payment of the subscription price, before the expiration date. An uncertified personal check may take five business days or more to clear. Accordingly, if you pay the subscription price by personal check, you should make payment sufficiently in advance of the expiration date to ensure that your check actually clears and the payment is received before the expiration date.

Q. What should I do if I want to participate in the rights offering but my shares are held in the name of my broker, custodian bank or other nominee?

A. If you hold shares of our common stock through a broker, custodian bank or other nominee, we will ask your broker, custodian bank or other nominee to notify you of the rights offering. If you wish to exercise your rights, you will need to have your broker, custodian bank or other nominee act for you. To indicate your decision, you should complete and return to your broker, custodian bank or other nominee the form entitled "Beneficial Owner Election Form." You should receive this form from your broker, custodian bank or other nominee with the other rights offering materials. You should contact your broker, custodian bank or other nominee if you believe you are entitled to participate in the rights offering but you have not received this form.

Q. What if the market price per share of the common stock is less than the subscription price per share when I am deciding to exercise my subscription rights?

A. Consult your broker regarding the alternatives available to you. Depending on the market price of our common stock and the brokerage and other transaction costs, it may be more cost effective for you to purchase shares of our common stock over-the-counter rather than exercise your subscription rights.

Q. Will I be charged a sales commission or a fee by Corning if I exercise my subscription rights?

A. No. We will not charge a brokerage commission or a fee to rights holders for exercising their subscription rights. However, if you exercise your rights through a broker, custodian bank or nominee, you will be responsible for any fees charged by your broker, custodian bank or nominee. If you sell your subscription rights, you will be responsible for any commissions, taxes or brokers fees arising from any such sale.

Q. What is the board of directors' recommendation regarding the rights offering?

A. Our board of directors is not making any recommendation as to whether you should exercise or sell your subscription rights. You are urged to make your decision based on your own assessment of the rights offering and after considering all of the information in this prospectus, including the "Risk Factors" beginning at page *.

Q. Is exercising my subscription rights risky?

A. Yes. The exercise of your rights involves risks. Exercising your subscription rights means buying additional shares of our common stock and should be considered as carefully as you would consider any other equity investment. Among other things, you should carefully consider the risks described under the heading "Risk Factors," beginning at page *, before deciding to exercise or sell your subscription rights.

Q. May I transfer or sell my subscription rights if I do not want to purchase any shares of common stock?

A. Yes. The subscription rights will be evidenced by transferable subscription rights certificates. The subscription rights are transferable until the close of business on the last trading day preceding the expiration date of this rights offering. However, the subscription agent will only facilitate subdivisions or transfers of the actual subscription rights certificates until 5:00 p.m., New York City time, on _____, 2010, three business days prior to the expiration date. In addition, we will not take any steps to facilitate trading and do not expect a market to develop in the trading of the subscription rights. Furthermore, we do not expect any transfers of subscription rights to be quoted on any inter-dealer quotation system or other national securities exchange. Therefore, we cannot assure you that you will be able to sell any of your subscription rights. See "The Rights Offering - Methods for Transferring and Selling Subscription Rights" at page *.

Q. How may I sell my rights?

A. You may sell your subscription rights by contacting your broker or the institution through which you hold your shares of common stock.

Q. Am I required to subscribe in the rights offering?

A. No.

Q. What happens if I choose not to exercise my subscription rights?

A. If you do not exercise your subscription rights, the rights offering will not affect the number of shares of common stock you now own. However, if you choose not to exercise your subscription rights and other shareholders do, the percentage of our common stock that you own after the offering will decrease, and your voting and other rights will be diluted to the extent that other shareholders exercise their basic and over-subscription rights. Rights not exercised prior to the expiration of the rights offering will automatically expire.

Q. How many shares will be outstanding after the rights offering?

A. Assuming that the rights offering is fully subscribed, _____ shares of our common stock will be outstanding and 37,266 warrants to purchase 26,086 shares of our common stock will be outstanding immediately after the rights

offering. There may be some adjustment to that number based on rounding to whole shares of the number of subscription rights issued. The warrants were issued in connection with our 2007 rights offering and each warrant gives the holder the right to purchase 0.7 shares of our common stock within four years of the date of its issuance. The number of shares of our common stock outstanding is subject to any increases that may occur after the date of this prospectus as a result of the exercise, conversion or exchange of outstanding stock options or warrants.

Q. What happens if the rights offering is not fully subscribed after giving effect to the over-subscription privilege?

A. Any rights not exercised after giving effect to the over-subscription privilege will expire.

Q. After I exercise my rights, can I change my mind and cancel my purchase?

A. No. Once you send in your rights certificate and payment you cannot revoke the exercise of your rights, even if you later learn information about us that you consider to be unfavorable and even if the market price of our common stock is below the \$18.00 per share subscription price. You should not exercise your subscription rights unless you are certain that you wish to purchase shares of our common stock at a price of \$18.00 per share. See "The Rights Offering - No Revocation" at page *.

Q. What are the federal income tax consequences of exercising my subscription rights as a holder of common stock?

A. A holder of our common stock will not recognize income or loss for United States federal income tax purposes upon receipt or exercise of subscription rights in the rights offering. However, you should consult with your own financial or tax advisor. See "United States Federal Income Tax Consequences," beginning at page *.

Q. When will I receive my new shares?

A. If you purchase shares of our common stock through this rights offering, you will receive certificates representing the shares as soon as practicable after the expiration of the rights offering and after all pro-rata allocations and adjustments have been completed. We will not be able to calculate the number of shares to be issued to each exercising holder until 5:00 p.m., New York City time, on the third business day after the expiration date of this rights offering, which is the latest time by which subscription rights certificates may be delivered to the subscription agent under the guaranteed delivery procedures described under "The Rights Offering - Guaranteed Delivery Procedures." Subject to applicable state securities laws and regulations, we have the discretion to delay allocation and distribution of any shares you may elect to purchase by exercise of your basic or over-subscription privilege in order to comply with applicable state securities laws.

Q. Will the new shares initially trade over-the-counter and be treated like other shares?

A. Yes. Our common stock is traded over-the-counter and sales are reported on the OTC Bulletin Board[®] under the symbol "CNIG." On _____, 2010, the last reported sales price of our common stock was \$_____ per share. You should note that prices quoted on the OTC Bulletin Board[®], which may reflect inter-dealer prices without retail mark-up or mark-down or commission and may not necessarily represent actual transactions.

Q. Will Corning complete the rights offering if shareholders do not subscribe for a minimum number of shares of common stock?

A. We may complete this offering even if we do not receive subscriptions for any specific number of shares of our common stock. We are not obligated, prior to the completion of the rights offering, to inform you how many shares have been subscribed for, and we do not expect to announce publicly the results of the rights offering until after its completion.

Q. Are there any conditions to the rights offering?

A. We may terminate this rights offering, in whole or in part, if at any time before completion of this rights offering if there is any investigation, claim, litigation, petition, judgment, order, decree, injunction, statute, law or regulation entered, enacted, amended or held to be applicable to this rights offering that in the sole judgment of our board of directors would or might make this rights offering or its completion, whether in whole or in part, illegal or otherwise restrict or prohibit completion of this rights offering. In addition, this offering is contingent upon various regulatory notices, petitions or approvals. We may waive this and choose to proceed with this rights offering even if these events occur. If we terminate this rights offering, in whole or in part, all affected subscription rights will expire without value and all subscription payments received by the subscription agent will be returned promptly, without interest or deduction.

Q. Can Corning cancel this rights offering?

A. Yes. We may cancel this rights offering, in whole or in part, in our sole discretion at any time prior to the time this rights offering expires for any reason (including a change in the market price of our common stock). If we cancel this rights offering, any money received from subscribing shareholders will be refunded promptly, without interest or deduction. The completion of this offering is contingent on various regulatory notices or approvals.

Q. If the rights offering is not completed, will my subscription payment be refunded to me?

A. Yes. The subscription agent will hold all funds it receives in escrow until completion of the rights offering. If the rights offering is not completed, the subscription agent will return promptly, without interest or deduction, all subscription payments.

Q. What should I do if I have other questions?

A. If you have questions or need assistance, please contact Registrar and Transfer Company, the subscription agent, at 1-800-368-5948. For a more complete description of the rights offering, see "The Rights Offering," beginning at page .

Q. Corning and Energy, Inc. separately issued Form 8-Ks on February 24, 2010, regarding discussions between the two companies, possibly including an acquisition of Corning. What is the status of these discussions?

A. On March 1, 2010, the Company's directors received a non-binding proposal from Energy, Inc., to purchase all the common shares of the Company for \$25 per share in cash and Energy, Inc. common stock. The proposal set forth in the letter would total approximately \$28 million assuming conversion of all the Company's outstanding warrants and options and a value of \$10.04 per share for the Energy, Inc. common stock. The proposal contemplates Corning's shareholders receiving either Energy, Inc. common stock (ratio 2.49:1) or \$25.00 cash per share, up to \$7.5 million in maximum aggregate cash consideration. The proposal also contained a provision to adjust the price if the Company issues new equity which is dilutive.

Q. Are there other aspects of the Proposal of interest to the Corning Shareholders?

A. Yes. The letter also proposes that three current directors of Corning be added to the Energy, Inc. Board of Directors to increase it to nine members. Corning's chief executive officer, Michael German, would be one of the three board members from Corning and would be named President and Co-Chief Executive Officer of Energy, Inc. The other current Corning board members affiliated with Energy, Inc. or its Chairman Richard Osborne would not be among Corning's nominees (Messrs. Smith, Rigo and Osborne). No economic terms were proposed for Mr. German's employment but certain powers and responsibilities were enumerated.

Q. Are there other relationships between Energy, inc. and Corning?

A. Yes. Three current members of the Corning Board of Directors (Messrs. Smith, Rigo and Osborne) are officers and/or directors of Energy, Inc. or John D. Oil and Gas Company, another company controlled by Richard M. Osborne, the Chairman, Chief Executive Officer and controlling shareholder of Energy, Inc.

Q. Has the Corning Board responded to the Energy, Inc. Proposal?

A. At its regularly scheduled meeting on March 9, 2010, Corning's Board of Directors voted to form an independent special committee to evaluate the offer and make recommendations to the full Board and/or the Company's shareholders. We cannot predict whether the special committee will recommend that we engage in further discussions with Energy, Inc., or, if it does, the result of those discussions. Any such transaction would be subject to approval of our board of directors (other than those directors with conflicting interests), approval by shareholders holding 2/3rds of our outstanding common stock, approval by the New York Public Service Commission and other regulatory approvals. Even if the special committee were to negotiate and recommend a transaction to the board, we can provide no assurance whether required approvals would be obtained or the length of time obtaining the approvals would take.

RISK FACTORS

An investment in our common stock through exercise of any subscription rights involves significant risk. You should consider carefully, in addition to the other information contained in this prospectus, in our annual report on Form 10-K for the fiscal year ended September 30, 2009, and our other reports filed with the Securities and Exchange Commission, the following risk factors before making any decision.

Risks Related to Corning

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

We do not generate sufficient cash flows from operations to meet all of our cash needs. As part of our 2009 rate order set by the NYPSC, we are required to make substantial capital expenditures to upgrade our distribution system. We also continue to have debt retirement obligations of approximately \$1.5 million per year. In addition, we have made contractual commitments for additional capital expenditures related to the transport of gas from the Marcellus shale deposits and other commitments.

If an insufficient number of the subscription rights offered pursuant to this offering are exercised, we may not have sufficient funds to meet our cash needs and our inability to do so would have a material adverse effect on our business and results of operations.

We may require additional financing.

In order to fund our extraordinary capital expenditures, even if the subscription rights offered hereby are fully exercised, we may need to obtain additional equity or debt financing. We are currently in negotiations with institutional lenders to obtain debt financing to supplement the proceeds of this offering on a 60/40 debt to equity raised ratio. 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 may have unacceptable terms or may not be available at all. If we cannot raise additional capital on acceptable terms, we may not be able to finance the expansion and upgrading of our distribution system, take advantage of future opportunities or respond to competitive pressures or unanticipated capital requirements.

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

Prices for natural gas are subject to volatile fluctuations in response to changes in supply and other market conditions. While these costs are usually passed on to customers pursuant to natural gas adjustment clauses and therefore do not pose a direct risk to earnings, we are unable to predict what effect a sharp increase in natural gas 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 typically we are required to pay for our natural gas prior to receiving payments for the natural gas from our customers.

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

Our ability to provide natural gas and to fully utilize our pipelines and storage capacities depends both on our own operations and facilities and that of third parties, including local gas producers and natural gas pipeline operators from whom we receive our natural gas supply. 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 have regulatory agreements that provide for the recovery of losses for such incidents, our losses may not be fully recoverable through insurance or customer rates.

Significantly warmer than normal weather conditions may affect the sale of natural gas and adversely impact our financial position and the results of our operations.

The demand for natural gas is directly affected by weather conditions in the Northeast. Significantly warmer than normal weather conditions in our service areas could greatly reduce our earnings and cash flows as a result of lower gas sales levels. Although we mitigate the risk of warmer winter weather through the weather normalization and revenue decoupling clauses in our tariffs, we may not always be able to fully recover all lost revenues.

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

There are inherent hazards and operation risks in gas distribution activities, such as leaks, accidental explosions and mechanical problems that could cause substantial financial losses. 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 to us. The location of pipelines and storage facilities 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 against us. 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.

Our 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.

Many of our commercial and industrial 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. 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.

Our operations are subject to the jurisdiction of the New York Public Service Commission ("NYPSC"). The NYPSC approves 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 from the NYPSC, particularly when necessary to cover increased costs, including costs that may be incurred in connection with mandated infrastructure improvements, our earnings may 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, Mr. German and other significant employees who have not entered into employment agreements 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.

Our five largest shareholders own approximately 70% of the Company. This concentration of ownership could be disadvantageous to other shareholders with differing interests from these shareholders.

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

We are 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.

Our profitability and cash flow may be negatively impacted by offers to acquire the Company.

Offers made to acquire the Company would divert management attention and could be costly to respond to. For example, an unsolicited tender offer for the Company's common stock could negatively effect our relationship with our institutional lenders as well as our relations with the NYSPSC and other agencies. On March 1, 2010, the Company's directors received a non-binding proposal from Energy, Inc., to purchase all the common shares of the Company for \$25 per share in cash and Energy, Inc. common stock. The proposal set forth in the letter would total approximately \$28 million assuming conversion of all the Company's outstanding warrants and options. Analyzing and responding to the proposal may be time consuming and require the Company to engage lawyers and accountants. See "About Corning Natural Gas Corporation - Recent Discussions with Energy, Inc." below for more details on the proposal.

Risks Related to the Rights Offering

The subscription price determined for this offering is not an indication of our determination of the value of our common stock or of the Company as a whole.

The subscription price was set by our board of directors at \$18.00 per share of common stock. Our board of directors considered a number of factors in establishing the subscription price, including the historic and current market price of the common stock, our business prospects, our recent and anticipated operating results, general conditions in the securities markets, our need for capital, alternatives available to us for raising capital, the amount of proceeds desired, the pricing of similar transactions, the liquidity of our common stock and the level of risk to our investors.

The subscription price does not necessarily bear any relationship to the results of our past operations, cash flows, net income, or financial condition, the book value of our assets, or any other established criteria for value, nor does the trading history of our common stock accurately predict its future market performance. Because of the manner in which we have established the subscription price, the trading price of our common stock may be below the subscription price even at the closing of the rights offering. On _____, 2010, the last reported sales price for our common stock on the OTC Bulletin Board(r) was \$_____ per share, which may reflect inter-dealer prices without retail mark-up or mark-down or commission and may not necessarily represent actual transactions. You should not consider the subscription price to be an indication of our value or any assurance of future value.

Once you exercise your subscription rights, you may not revoke the exercise even if you no longer desire to invest in us, and you could be committed to buying shares above the current market price, even if we decide to extend the expiration date of the subscription period.

Even if circumstances arise after you have exercised your subscription rights that eliminate your interest in purchasing shares of our common stock, including a decline in the public trading market price of our common stock before the subscription rights expire, you will be required to purchase the shares for which you subscribed.

We may, in our discretion, extend the expiration date of the subscription period. If you exercise your subscription rights and, afterwards, the public trading market price of our common stock decreases below the subscription price - including during any potential extension of time - you may suffer a loss on your investment upon the exercise of rights to acquire the shares.

You may have to wait to resell the shares you purchase in the rights offering.

Until certificates are delivered, you may not be able to sell the shares of common stock that you have purchased in the rights offering. This means that you may have to wait until you (or your broker or other nominee) have received stock certificates. We will endeavor to prepare and issue the appropriate certificates as soon as practicable after the expiration of the offering. However, we cannot assure you that the market price of our common stock purchased pursuant to the exercise of rights will not decline below the subscription price before we are able to deliver your certificates. For shares purchased pursuant to the over-subscription privilege, delivery of certificates will occur as soon as practicable after all prorations and adjustments contemplated by the terms of the offering have been effected.

If you pay the subscription price by personal check, your check may not clear in sufficient time to enable you to purchase common stock in this rights offering.

Any personal check used to pay for shares of common stock to be issued in this rights offering must clear prior to the expiration date of the offering, and the clearing process may require five or more business days. If you exercise your subscription rights, in whole or in part, and choose to pay by personal check and your check has not cleared prior to the expiration date of this rights offering, you will not have satisfied the conditions to exercise your subscription rights, you will not receive the shares you attempted to purchase, and you will lose the value of your subscription rights.

You will not receive interest on subscription funds, including any funds ultimately returned to you.

You will not earn any interest on your subscription funds while they are being held by the subscription agent pending the closing of this rights offering. In addition, if we cancel the rights offering, or if you exercise your oversubscription privilege and are not allocated all of the shares of common stock for which you over-subscribe, neither we nor the subscription agent will have any obligation with respect to the subscription rights except to return, without interest, any subscription payments to you.

ABOUT CORNING NATURAL GAS CORPORATION

Overview

Incorporated in 1904, we are a public utility company headquartered in Corning, New York. Our primary business is a regulated natural gas distribution business with operations in New York.

We purchase, transport, distribute and sell natural gas to approximately 14,500 customers in the Corning, Hammondsport and Virgil, New York areas. We have approximately 400 miles of gas distribution and transmission pipelines in our service areas with a population of approximately 50,000. Our customer base includes residential, commercial, industrial and municipal customers in the Corning area and a gas utility that services the Bath area.

At December 31, 2009, we provided service to approximately 10,790 residential customers, 770 small and large commercial customers and 2,960 aggregation customers. Our largest customers are Corning Incorporated, New York State Electric & Gas and Bath Electric, Gas & Water Systems.

Our natural gas supply comes from third-party providers and from natural gas held in storage. We have entered into an asset management agreement for our natural gas supply with Atmos Energy Marketing through March 2011.

Our business is highly seasonal because a material portion of our total sales and delivery volumes is to customers whose usage varies depending upon temperature. Our present rate structure, however, includes weather normalization and revenue decoupling clauses, which are designed to mitigate the effect of departures from normal temperatures on both our earnings and cost to our customers.

Our utility operations are subject to regulation by the New York Public Service Commission, or the NYPSC, as to rates, service area, adequacy of service and safety standards.

Recent Industry Trends

Since 2000 domestic energy markets have experienced significant price volatility. Natural gas markets have been particularly volatile, principally due to weather and changes in supply availability. Rising natural gas prices have resulted in a surge in supply-related investment that has increased domestic production. Increasing supplies and price induced conservation have favorably impacted natural gas prices. Given the current environment, we expect that natural gas will maintain a favorable competitive position compared to other fossil fuels. Given natural gas's clean burning attributes, we believe environmental regulations may enhance this competitive outlook.

Our Operating and Growth Strategy

We intend to enhance shareholder value through revenue growth and reduction of our operating costs. As a gas utility, our earnings are primarily determined by a rate of return set by the NYPSC on the investments in our facilities and equipment (*i.e.*, our rate base) to ensure service to our customers. Over the next several years, we intend to make

significant capital investments to ensure the safety and reliability of our gas network. Based on these capital investments, we anticipate that we will increase our rate base. In addition, we have identified growth opportunities that we believe will contribute to our revenues, earnings and rate base, including growth in our existing service territory, expansion into new areas and increased connections with local production sources.

Experienced Management Team

Our executive management team and board of directors have over 130 years of collective experience in the utility industry.

Our principal executive offices are located at 330 West William Street, Corning, New York 14830, and our telephone number is 607-936-3755. Our web site is www.corninggas.com. The information available on our web site is not part of this prospectus or any other reports filed by us with the SEC.

Recent Discussions with Energy, Inc.

On February 24, 2010, we filed a Current Report on Form 8-K describing certain preliminary discussions between senior officers of Energy, Inc. (a holding company that owns Energy West, Incorporated) and Michael I. German, our Chief Executive Officer, regarding a range of potential strategic transactions, including but not limited to the potential acquisition of Corning by Energy, Inc.

On March 1, 2010, the Company's directors received a non-binding proposal from Energy, Inc., to purchase all the common shares of the Company for \$25 per share in a combination of cash and Energy, Inc. common stock. The proposal set forth in the letter would total approximately \$28 million assuming conversion of all the Company's outstanding warrants and options and a value of \$10.04 for the Energy, Inc. stock. Energy, Inc.'s common stock trades on the Nasdaq Global Stock Market under the trading symbol "EGAS". The proposal also contained a provision to adjust the price if the Company issues new equity which is dilutive.

The letter also proposes that three current directors of Corning be added to the Energy, Inc. Board of Directors to increase it to nine members. Corning's chief executive officer, Michael German, would be one of the three board members from Corning and would be named President and Co-Chief Executive Officer of Energy, Inc. The other current Corning board members affiliated with Energy, Inc. or its Chairman Richard Osborne would not be among Corning's nominees. No economic terms were proposed for Mr. German's employment but certain powers and responsibilities were enumerated.

Three current members of the Corning Board of Directors (Messrs. Smith, Rigo and Osborne) work for either Energy, Inc. or another company controlled by Richard M. Osborne, the Chairman, Chief Executive Officer and controlling shareholder of Energy, Inc. Mr. Smith is a Director of Corning and John D. Oil and Gas Company, a publicly held company, of which Richard M. Osborne is also Chairman, Chief Executive Officer and a controlling shareholder, and Chief Executive Officer of Energy, Inc. Mr. Rigo is President of Lake Shore Gas Storage, Inc., an Ohio non-regulated natural gas storage company owned by Mr. Osborne and Gregory Osborne, Richard M. Osborne's son, a director of Corning, and Energy, Inc. and a director, President and Chief Operating Officer of John D. Oil and Gas Company.

At its regularly scheduled meeting on March 9, 2010, Corning's Board of Directors voted to form an independent committee to evaluate the offer and make recommendations to the full Board and/or the Company's shareholders. We cannot predict whether the special committee will recommend that we engage in further discussions with Energy, Inc., or, if it does, the result of those discussions. Any such transaction would be subject to approval of our board of directors (other than those directors with conflicting interests), approval by shareholders holding 2/3^{rds} of our outstanding common stock, approval by the New York Public Service Commission and other regulatory approvals. Even if the special committee were to negotiate and recommend a transaction to the board, we can provide no assurance whether required approvals would be obtained or the length of time obtaining the approvals would take.

USE OF PROCEEDS

If all of the subscription rights offered pursuant to this offering are exercised in full, we will receive total gross proceeds of approximately \$1.8 million. After related offering expenses, which we estimate will approximate \$75,000, we expect that our net proceeds will be approximately \$1,798,800. We intend to use the net proceeds from this offering for general business purposes including, in combination with additional bank debt, to fund: (i) upgrades to existing infrastructure to meet regulatory requirements; (ii) capital expenditures and other costs of future growth in our existing service territory, expansion into new areas and increased connections with local production sources proposed new projects to expand our business, and (iii) reductions in our outstanding borrowings under our lines of credit. In the short term, proceeds may be used to pay down lines of credit which may then be re-borrowed as capital costs are incurred. The following table illustrates our estimated sources and uses of funds in connection with this offering as of _____, 2010.

<u>Sources of Funds</u>	<u>Uses of Funds</u>
Shares of Common Stock Offered \$1,873,800	Capital Expenditures \$ 998,800
	Retirement of Debt \$ 800,000
—	Offering Expenses <u>\$05,000</u>
Total Source of Funds <u>\$1,873,800</u>	Total Uses of Funds <u>\$1,873,800</u>

In light of management's view of the growth opportunities available to the Company, we are in negotiations with institutional lenders to obtain debt financing to supplement the proceeds of this offering on a 60/40 debt to equity raised ratio. We cannot assure that the financing will be available.

DETERMINATION OF OFFERING PRICE

Our board of directors determined the price for the shares of common stock based on the information available to the board regarding our capital and other cash needs, the lack of an active trading market our common stock, the proposal letter from Energy, Inc., and other matters. Our board of directors considered a number of factors in establishing the subscription price, including the historic and then current market price of our common stock, our business prospects, our recent and anticipated operating results, general conditions in the securities markets, our need for capital, alternatives available to us for raising capital, the amount of proceeds desired, the pricing of similar transactions, the liquidity of our common stock and the level of risk to our investors. Our board of directors makes no recommendation to you about whether you should exercise any of your subscription rights.

The subscription price does not necessarily bear any relationship to the results of our past operations, cash flows, net income, or financial condition, the book value of our assets, or any other established criteria for value, nor does the trading history of our common stock accurately predict its future market performance. Because of the manner in which we have established the subscription price, the trading price of our common stock may be below the subscription price even at the closing of this rights offering.

We did not seek or obtain any opinion of financial advisors or investment bankers in establishing the subscription price of the offering. On _____, 2010, the last reported sales price for our common stock on the OTC Bulletin Board® was \$____ per share. You should not consider the subscription price to be an indication of our value or any assurance of future value.

THE RIGHTS OFFERING

Background of the Rights Offering

In approving this rights offering, our board of directors carefully evaluated our need for additional capital and financial flexibility. The board also considered alternative capital raising methods that are available to us and analyzed, among other things, the costs and expenses associated with such methods. In conducting its analysis, the board also considered the effect on the ownership percentage of the current holders of our common stock caused by the rights offering, the pro-rata nature of a rights offering to our shareholders, the market price of our common stock, and general conditions of the securities markets.

After weighing the factors discussed above and the effect of the rights offering of generating approximately \$1.8 million in gross proceeds as additional capital for us, we believe that the rights offering is the best alternative to raise capital and in the best interests of Corning and our shareholders. We believe that the rights offering will strengthen our financial condition through generating additional cash, reducing our debt, and increasing our shareholders' equity. However, our board of directors is not making any recommendation as to whether you should exercise your subscription rights.

We will distribute to each holder of record of our common stock on the record date, at no charge, one transferable subscription right for each ten shares of our common stock owned. The record date for this rights offering is 5:00 p.m., New York City time, on _____, 2010. We will distribute approximately _____ subscription rights, or one right for each ten shares of the common stock held. The exact number will vary depending on rounding up of fractional amounts. The subscription rights will be evidenced by rights certificates. Each subscription right will allow you to purchase one share of our common stock at a subscription price of \$18.00 per share. If you elect to exercise your basic subscription privilege in full, you may also subscribe, at the subscription price, for additional shares of our common stock pursuant to your over-subscription privilege to the extent that other rights holders do not exercise their basic subscription privileges in full. If a sufficient number of shares of common stock are unavailable to fully satisfy the over-subscription privilege requests, the available shares will be sold pro rata among the holders of subscription rights who exercised their over-subscription privilege based on the number of shares each subscription rights holder subscribed for under the basic subscription privilege.

If you hold your shares in a brokerage account or through a dealer or other nominee, please see the information included below the heading "- Instructions to Beneficial Owners" at page *.

No Fractional Rights

We will not issue fractional subscription rights or cash in lieu of fractional subscription rights. You may request that the subscription agent divide your subscription rights certificate into transferable parts, for instance, if you are the record holder for a number of beneficial holders of our common stock. However, the subscription agent will not divide your subscription rights certificate so that you would receive any fractional subscription rights. The subscription agent will only facilitate subdivisions or transfers of subscription rights certificates until 5:00 p.m., New York City time, on _____, 2010, three business days prior to the expiration date.

Expiration of the Rights Offering, Extensions and Amendments

You may exercise your subscription rights at any time before 5:00 p.m., New York City time, on _____, 2010, the expiration date for this rights offering. We may, in our sole discretion, extend the time for exercising the subscription rights.

We will extend the duration of this rights offering as required by applicable law, and we may choose to extend it if we decide to give investors more time to exercise their subscription rights in this rights offering. We may extend the expiration date of this rights offering by giving oral or written notice to the subscription agent on or before the scheduled expiration date. If we elect to extend the expiration of this rights offering, we will issue a press release

announcing such extension no later than 9:00 a.m., New York City time, on the next business day after the most recently announced expiration date.

We reserve the right, in our sole discretion, to amend or modify the terms of this rights offering. If we make an amendment that we consider significant, we will mail notice of the amendment to all shareholders of record as of the record date and extend the expiration date by at least ten days. The extension of the expiration date will not, in and of itself, be treated as a significant amendment for these purposes.

If you do not exercise your subscription rights before the expiration date of this rights offering, your unexercised subscription rights will be null and void and will have no value. We will not be obligated to honor your exercise of subscription rights if the subscription agent receives the documents relating to your exercise after this rights offering expires, regardless of when you transmitted the documents, except if you have timely transmitted the documents under the guaranteed delivery procedures described below.

Subscription Privileges

Your subscription rights entitle you to a basic subscription privilege and an over-subscription privilege.

Basic Subscription Privilege

With your basic subscription privilege, you may purchase one share of our common stock per subscription right, upon delivery of the required documents and payment of the subscription price of \$18.00 per share of common stock, before the expiration of the rights offering. You are not required to exercise all of your subscription rights unless you wish to purchase shares under your over-subscription privilege. We will deliver certificates representing shares of common stock purchased with the basic subscription privilege as soon as practicable after this rights offering has expired.

Over-Subscription Privilege

In addition to your basic subscription privilege, you may also subscribe for additional share of common stock, upon delivery of the required documents and payment of the subscription price of \$18.00 per share of common stock, before the expiration of this rights offering. You may only exercise your over-subscription privilege if you exercise your basic subscription privilege in full. If you wish to exercise your over-subscription privilege, you must submit payment in full for the number of shares of common stock you purchase with your basic subscription privilege and the number of shares you wish to purchase with your over-subscription privilege.

The number of shares of common stock that will be available for sale pursuant to the over-subscription privilege will be equal to the number of shares for which holders have not exercised their basic subscription privileges:

* If the number of shares of common stock requested by all holders exercising the over-subscription privilege is less than the total number of shares available, then each person exercising the over-subscription privilege will receive the total number of shares requested.

* If there are not enough shares of common stock to satisfy all subscriptions made under the over-subscription privilege, we will allocate the available shares pro rata among the over-subscribing rights holders. "Pro rata" means in proportion to the number of shares of common stock that you and the other holders of subscription rights have subscribed for exercising the over-subscription privileges.

You may exercise your over-subscription privilege only if you exercise your basic subscription privilege in full. To determine if you have fully exercised your basic subscription privilege, we will consider only the basic subscription

privileges held by you in the same capacity. For example, suppose that you were granted subscription rights for shares of our common stock that you own individually and shares of our common stock that you own collectively with your spouse. If you wish to exercise your over-subscription privilege with respect to the subscription rights you own individually, but not with respect to the subscription rights you own collectively with your spouse, you only need to exercise fully your basic subscription privilege with respect to the subscription rights you own individually, and you do not have to subscribe for any shares of our common stock under the basic subscription privilege owned with your spouse to exercise your individual over-subscription privilege. When you complete the portion of your subscription rights certificate to exercise your over-subscription privilege, you will be representing and certifying that you have fully exercised your subscription privileges as to shares of our common stock that you hold in that capacity. You must exercise your over-subscription privilege at the same time you exercise your basic subscription privilege in full.

If you exercise your over-subscription privilege and are allocated less than all of the shares of common stock for which you wish to subscribe, your excess payment for shares that are not allocated to you will be returned to you by mail, without interest or deduction, as soon as practicable after the expiration date of this rights offering. We will deliver certificates representing shares of common stock purchased with the over-subscription privilege as soon as practicable after this rights offering has expired and after all pro rata allocations and adjustments have been completed.

Conditions to this Rights Offering

We may terminate this rights offering, in whole or in part, if at any time before completion of the offering there is any investigation, claim, litigation, petition, judgment, order, decree, injunction, statute, law or regulation entered, enacted, amended or held to be applicable to this rights offering that in the sole judgment of our board of directors would or might make the offering or its completion, whether in whole or in part, illegal or otherwise restrict or prohibit completion of this offering. In addition, this offering is contingent upon various regulatory notices, petitions or approvals. We may waive this condition and choose to proceed with the offering even if these events occur. If we terminate the offering, in whole or in part, all affected subscription rights will expire without value and all subscription payments received by the subscription agent will be returned promptly, without interest or deduction. See also "- Cancellation Rights" at page *.

Method of Subscription; Exercise of Rights

You may exercise your subscription rights by delivering the following to the subscription agent, at or prior to 5:00 p.m., New York City time, on _____, 2010, the expiration date of this rights offering:

- * your properly completed and executed subscription rights certificate with any required signature guarantees or other supplemental documentation, and

- * your full subscription price payment for each share of common stock subscribed for under your subscription privileges, including each share subscribed for under both your basic subscription privilege and your over-subscription privilege.

If you are a beneficial owner of shares of our common stock whose shares are registered in the name of a broker, custodian bank or other nominee, you should instruct your broker, custodian bank or other nominee to exercise your rights and deliver all documents and payment on your behalf prior to 5:00 p.m. New York City time on _____, 2010, the expiration date of this rights offering.

Your subscription rights will not be considered exercised unless the subscription agent receives from you, your broker, custodian or nominee, as the case may be, all of the required documents and your full subscription price payment prior to the expiration of this rights offering.

Method of Payment

Your payment of the subscription price must be made in U.S. dollars for the full number of shares of common stock for which you are subscribing by personal check drawn upon a U.S. bank payable to the subscription agent or wire transfer of immediately available funds, to the subscription account maintained by the subscription agent at Wachovia Bank, N.A., ABA No. 031-201-467, Account No. xxx-xxx-xxx-9168.

Receipt of Payment

Your payment will be considered received by the subscription agent only upon:

- * clearance of any personal check, or
- * receipt of collected funds in the subscription account designated above.

Clearance of Personal Checks

If you are paying by personal check, please note that personal checks may take at least five business days to clear. If you wish to pay the subscription price by personal check, we urge you to make payment sufficiently in advance of the time this rights offering expires to ensure that your payment is received by the subscription agent and clears by the expiration date of the rights offering. If you elect to exercise your subscription rights, we urge you to consider using a wire transfer of funds to ensure that the subscription agent receives your funds prior to the expiration date.

Delivery of Subscription Materials and Payment

You should deliver your subscription rights certificate and payment of the subscription price or, if applicable, notices of guaranteed delivery, to the subscription agent by one of the methods described below.

- * By mail to: Registrar and Transfer Company, 10 Commerce Dr., Cranford, NJ 07016.
- * You may call the subscription agent at 1-800-368-5948.

Your delivery to another address or by any method other than as set forth above will not constitute valid delivery.

Errors in Exercise; Incorrect Subscription Payment Amount

If you do not indicate the number of subscription rights being exercised, if you do not forward full payment of the total subscription price payment for the number of rights that you indicate are being exercised, or if your aggregate subscription price payment is greater than the amount you owe for your subscription, the subscription agent will attempt to contact you to correct the discrepancy. However, if the subscription agent is unable to contact you, or you do not provide the requested information, you will be deemed not to have exercised your basic subscription privilege. Neither we nor the subscription agent will be liable for failure to contact you.

Your Funds Will Be Held by the Subscription Agent Until Shares of Our Common Stock Are Issued

The subscription agent will hold your payment of the subscription price in a segregated account with other payments received from other holders of subscription rights until we issue shares of our common stock to you upon consummation of this rights offering.

Medallion Guarantee May Be Required

Your signature on each subscription rights certificate must be guaranteed by an eligible institution, such as a member firm of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States, subject to standards and procedures adopted by the subscription agent, unless:

- * your subscription rights certificate provides that shares are to be delivered to you as record holder of those subscription rights, or
- * you are an eligible institution.

Instructions to Nominee Holders

If you are a broker, a trustee or a depository for securities who holds shares of our common stock for the account of others on _____, 2010, the record date for this rights offering, you should notify the respective beneficial owners of those shares of this rights offering as soon as possible to find out their intentions with respect to their subscription rights. You should obtain instructions from the beneficial owners with respect to their subscription rights, as set forth in the form entitled "Beneficial Owner Election Form" we have provided to you for your distribution to beneficial owners. If the beneficial owners so instruct, you should complete the appropriate subscription rights certificates and submit them to the subscription agent with the proper payment. If you hold shares of our common stock for the account(s) of more than one beneficial owner, you may exercise the number of subscription rights to which all such beneficial owners in the aggregate otherwise would have been entitled had they been direct record holders of our common stock on the rights offering record date, provided that you, as a nominee record holder, make a proper showing to the subscription agent by submitting the form entitled "Nominee Holder Certification" that we are providing to you with your rights offering materials. If you did not receive this form, you should contact the subscription agent to request a copy.

Instructions to Beneficial Owners

If you are a beneficial owner of shares of our common stock or will receive your subscription rights through a broker, custodian bank or other nominee, we are asking your broker, custodian bank or other nominee to notify you of this rights offering. If you wish to exercise or sell your subscription rights, you will need to have your broker, custodian bank or other nominee act for you. If you hold certificates of our common stock directly and would prefer to have your broker, custodian bank or other nominee act for you, you should contact your nominee and request it to effect the transactions for you. To indicate your decision with respect to your subscription rights, you should complete and return to your nominee the form entitled "Beneficial Owners Election Form." You should receive this form from your broker, custodian bank or other nominee with the other rights offering materials. If you wish to obtain a separate subscription rights certificate, you should contact your nominee as soon as possible and request that a separate subscription rights certificate be issued to you. You should contact your broker, custodian bank or other nominee if you do not receive this form but you believe you are entitled to participate in this rights offering. We are not responsible if you do not receive the form from your broker, custodian bank or nominee or if you receive it without sufficient time to respond.

Instructions for Completing Your Subscription Rights Certificate

You should read and follow the instructions accompanying the subscription rights certificates carefully.

You are responsible for the method of delivery of your subscription rights certificate(s) with your subscription price payment to the subscription agent. If you send your subscription rights certificate(s) and subscription price payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested. You should allow a sufficient number of days to ensure delivery to the subscription agent prior to the time this rights offering expires. Because uncertified personal checks may take at least five business days to clear, you are strongly

urged to pay, or arrange for payment, by means of a certified or cashier's check, money order or wire transfer of funds.

Determinations Regarding the Exercise of Your Subscription Rights

We will decide all questions concerning the timeliness, validity, form and eligibility of the exercise of your subscription rights and any such determinations by us will be final and binding. We, in our sole discretion, may waive, in any particular instance, any defect or irregularity, or permit, in any particular instance, a defect or irregularity to be corrected within such time as we may determine. We will not be required to make uniform determinations in all cases. We may reject the exercise of any of your subscription rights because of any defect or irregularity. We will not accept any exercise of subscription rights until all irregularities have been waived by us or cured by you within such time as we decide, in our sole discretion.

The subscription agent will attempt to notify you of any defect or irregularity in connection with your submission of subscription rights certificates; however, neither we nor the subscription agent will be liable for failure to so notify you. We reserve the right to reject your exercise of subscription rights if your exercise is not in accordance with the terms of this rights offering or in proper form. We will also not accept the exercise of your subscription rights if our issuance of shares of our common stock to you could be deemed unlawful under applicable law.

Regulatory Limitations

The exercise of your subscription rights may increase your ownership interest in our common stock. Pursuant to the regulations of the NYPSC, if you own more than 1% of our common stock, you may be disclosed in our reports filed with the NYPSC. If you own more than 5% of our common stock, you may be prohibited from engaging in certain transactions with us without the approval of the NYPSC. In addition, if you own more than 5% of our common stock, you are required to make certain filings with the SEC. Finally, if you own more than 20% of our common stock, you are prohibited from engaging in certain transactions with us without the approval of our board of directors or shareholders pursuant to the New York Business Corporation Law, or the NYBCL.

We will not be required to issue to you shares of our common stock in this rights offering if, in our opinion, you would be required to obtain prior clearance or approval from any state or federal regulatory authorities to own or control the shares if, at the time this rights offering expires, you have not obtained the required clearance or approval.

Guaranteed Delivery Procedures

If you wish to exercise your subscription rights, but you do not have sufficient time to deliver the subscription rights certificate evidencing your subscription rights to the subscription agent on or before the time this rights offering expires, you may exercise your subscription rights by the following guaranteed delivery procedure:

- * deliver to the subscription agent on or prior to the expiration date for this rights offering your subscription price payment in full for each share of our common stock you subscribed for under your subscription privileges in the manner set forth above in "- Method of Payment,"
- * deliver to the subscription agent on or prior to the expiration date the form entitled "Notice of Guaranteed Delivery," substantially in the form provided with the "Instructions as to Use of Corning Natural Gas Corporation Rights Certificates" distributed with your subscription rights certificates, and
- * deliver the properly completed subscription rights certificate evidencing your subscription rights being exercised and the related nominee holder certification, if applicable, with any required signature guarantee, to the subscription agent within three business days following the date of your Notice of Guaranteed Delivery.

Your Notice of Guaranteed Delivery must be delivered in substantially the same form provided with the Instructions as to the Use of Corning Natural Gas Corporation Subscription Rights Certificates, which will be distributed to you with your subscription rights certificate. Your Notice of Guaranteed Delivery must come from an eligible institution, or other eligible guarantee institutions that are members of, or participants in, a signature guarantee program acceptable to the subscription agent.

In your Notice of Guaranteed Delivery, you must state:

- * your name,
- * the number of subscription rights represented by your subscription rights certificates, the number of shares of our common stock for which you are subscribing under your basic subscription privilege and the number of shares of our common stock for which you are subscribing under your over-subscription privilege, if any, and
- * your guarantee that you will deliver to the subscription agent any subscription rights certificates evidencing the subscription rights you are exercising within three business days following the date the subscription agent receives your Notice of Guaranteed Delivery.

You may deliver your Notice of Guaranteed Delivery to the subscription agent in the same manner as your subscription rights certificates at the address set forth above under "- Delivery of Subscription Materials and Payment" at page *. Alternatively, you may transmit your Notice of Guaranteed Delivery to the subscription agent by facsimile at (908) 497-2311. To confirm facsimile deliveries, you may call 1-800-368-5948. The subscription agent will send you additional copies of the form of Notice of Guaranteed Delivery if you request them. Please call 1-800-368-5948 to request any copies of the form of Notice of Guaranteed Delivery.

Questions About Exercising Subscription Rights

If you have any questions or require assistance regarding the method of exercising your subscription rights or requests for additional copies of this prospectus, the Instructions as to the Use of Corning Natural Gas Corporation Subscription Rights Certificates or the Notice of Guaranteed Delivery, you should contact the subscription agent at the address and telephone number set forth above.

Subscription Agent; No Underwriter

We have appointed Registrar and Transfer Company to act as subscription agent for this rights offering. We will pay all fees and expenses of the subscription agent related to this rights offering and have also agreed to indemnify the subscription agent from liabilities that they may incur in connection with this rights offering. We have not engaged an underwriter in connection with this rights offering.

No Revocation

Once you have exercised your subscription privileges, you may not revoke your exercise, even if we extend the expiration date. Subscription rights not exercised prior to the expiration date of this rights offering will expire and will have no value.

Procedures for DTC Participants

We expect that the exercise of your basic subscription privilege and your over-subscription privilege may be made through the facilities of the Depository Trust Company, or DTC. If your subscription rights are held of record through DTC, you may exercise your basic subscription privilege and your over-subscription privilege by instructing DTC to transfer your subscription rights from your account to the account of the subscription agent, together with certification

as to the aggregate number of subscription rights you are exercising and the number of shares of common stock you are subscribing for under your basic subscription privilege and your over-subscription privilege, if any, and your subscription price payment for each share that you subscribed for pursuant to your basic subscription privilege and your over-subscription privilege.

Subscription Price

The subscription price is \$18.00 per share of our common stock. For more information with respect to how the subscription price was determined, see "Questions and Answers About the Rights Offering" at page *.

Foreign and Other Shareholders

The subscription agent will mail rights certificates to you if you are a rights holder whose address is outside the United States or if you have an Army Post Office or a Fleet Post Office address. To exercise your rights, you must notify the subscription agent on or prior to the expiration date for the rights offering, and take all other steps which are necessary to exercise your rights, on or prior to that time. If you do not follow these procedures prior to the expiration of the rights offering, your rights will expire.

Methods for Transferring and Selling Subscription Rights

You may sell your subscription rights by contacting your broker or the institution through which you hold your securities. However, we will not take any steps to facilitate trading, and do not expect a market to develop in the trading of the subscription rights. Furthermore, we do not expect any transfers of subscription rights to be quoted on any inter-dealer quotation system or other national securities exchange. There has been no prior public market for the subscription rights, and we do not expect a trading market for the subscription rights to develop or, if a market develops, that the market will remain available throughout the subscription period. The rights will not be registered under any state securities laws, so you may not be able to transfer the rights in some states unless an exemption to such laws applies. You should consult your own counsel if you intend to sell or transfer your subscription rights.

If you do not exercise or sell your subscription rights, you will lose any value inherent in the subscription rights. See "- General Considerations Regarding the Partial Exercise, Transfer or Sale of Subscription Rights" at page *.

Transfer of Subscription Rights

You may transfer subscription rights in whole by endorsing the subscription rights certificate for transfer. Please follow the instructions for transfer included in the information sent to you with your subscription rights certificate. If you wish to transfer only a portion of the subscription rights, you should deliver your properly endorsed subscription rights certificate to the subscription agent. With your subscription rights certificate, you should include instructions to register the portion of the subscription rights you wish to transfer in the name of the transferee (and to issue a new subscription rights certificate to the transferee evidencing the transferred subscription rights). You may only transfer whole subscription rights and not fractions of a subscription right. If there is sufficient time before the expiration of this rights offering, the subscription agent will send you a new subscription rights certificate evidencing the balance of your subscription rights that you did not transfer to the transferee. You may also instruct the subscription agent to send the subscription rights certificate to one or more additional transferees. If you wish to sell your remaining subscription rights, you may request that the subscription agent send you certificates representing your remaining (whole) subscription rights so that you may sell them through your broker or dealer.

If you wish to transfer all or a portion of your subscription rights, you should allow a sufficient amount of time prior to the time the subscription rights expire for the subscription agent to:

* receive and process your transfer instructions, and

* issue and transmit a new subscription rights certificate to your transferee or transferees with respect to transferred subscription rights, and to you with respect to any subscription rights you retained.

If you wish to transfer your subscription rights to any person other than a bank or broker, the signatures on your subscription rights certificate must be guaranteed by an eligible institution.

General Considerations Regarding the Partial Exercise, Transfer or Sale of Subscription Rights

The amount of time needed by your transferee to exercise or sell its subscription rights depends upon the method by which you, as the transferor, deliver the subscription rights certificates, the method of payment made by your transferee, and the number of transactions that the holder instructs the subscription agent to effect. You should also allow up to ten business days for your transferee to exercise or sell the subscription rights that you transferred to it. Neither we nor the subscription agent will be liable to a transferee or transferor of subscription rights if subscription rights certificates or any other required documents are not received in time for exercise or sale prior to the expiration time.

You will receive a new subscription rights certificate upon a partial exercise, transfer or sale of subscription rights only if the subscription agent receives your properly endorsed subscription rights certificate no later than 5:00 p.m., New York City time, on _____, 2010, three business days before the expiration date. The subscription agent will not issue a new subscription rights certificate if your subscription rights certificate is received after that time and date. If your instructions and subscription rights certificates are received by the subscription agent after that time and date, you will not receive a new subscription rights certificate and, therefore, will not be able to sell or exercise your remaining subscription rights.

You are responsible for all commissions, fees and other expenses (including brokerage commissions and transfer taxes) incurred in connection with the purchase, sale or exercise of your subscription rights, except that we will pay any fees of the subscription agent associated with this rights offering. Any amounts you owe will be deducted from your account.

If you do not exercise or sell your subscription rights before the expiration date, your subscription rights will expire without value and will no longer be exercisable.

Cancellation of the Rights Offering

Our board of directors may cancel this rights offering, in whole or in part, in its sole discretion at any time prior to the time this rights offering expires for any reason (including a change in the market price of our common stock). If we cancel this rights offering, any funds you paid to the subscription agent will be promptly refunded, without interest or deduction.

No Board Recommendation

An investment in shares of our common stock must be made according to each investor's evaluation of its own best interests and after considering all of the information in this prospectus, including the "Risk Factors" section of this prospectus beginning at page *. Neither we nor our board of directors makes any recommendation to subscription rights holders regarding whether they should exercise or sell, any or all of, their rights.

Shares of Common Stock and Warrants Outstanding after the Rights Offering

As of _____, 2010, there were _____ shares of our common stock outstanding. If all of the rights being issued are exercised, we will issue a total of _____ additional shares of common stock at an exercise price of \$18.00 per share. Accordingly, assuming all of the shares of common stock offered in this rights offering are issued,

there will be _____ shares of our common stock outstanding and 37,266 warrants to purchase 26,086 shares of our common stock outstanding immediately after the rights offering. The warrants were issued in connection with our 2007 rights offering and each warrant gives the holder the right to purchase 0.7 shares of our common stock within four years of the date of its issuance. The number of shares of our common stock outstanding is subject to any increases that may occur after the date of this prospectus as a result of the exercise, conversion or exchange of outstanding stock options or warrants.

Interests of Officers and Directors in the Rights Offering

The officers and directors of Corning who hold shares of our common stock as of the record date will receive the same rights as other shareholders.

DESCRIPTION OF SECURITIES TO BE REGISTERED

Capital Stock

The following description of our capital stock and provisions of our Restated Certificate of Incorporation (our "Charter") and our Second Amended and Restated By-laws (our "By-Laws") are summaries and are qualified by reference to our Charter and By-laws. For more detail about our Charter and By-laws you should refer to the Charter and By-laws, which have been filed as exhibits to other reports incorporated by reference into this prospectus.

General Background

Our authorized capital stock consists of 3.5 million shares of common stock, par value \$5.00 per share, and 500,000 shares of preferred stock, par value \$5.00 per share. As of _____, 2010, there were _____ shares of common stock outstanding and no shares of preferred stock outstanding. Our Charter does not prohibit us from issuing non-voting equity securities nor does it contain any redemption or sinking fund provisions.

Common Stock

All of our outstanding shares of common stock are validly issued, fully paid and non-assessable. The holders of our common stock are entitled to such dividends (whether payable in cash, property or capital stock) as may be declared from time to time by our board of directors from legally available funds, property or stock and will be entitled after payment of all prior claims, to receive all of our assets upon the liquidation, dissolution or winding up of our company. Generally, holders of our common stock have no redemption, conversion or preemptive rights to purchase or subscribe for our securities.

The holders of common stock are entitled to vote on all matters as a single class, and each holder of common stock is entitled to one vote for each share of common stock owned. Holders of our common stock do not have cumulative voting rights. Our common stock is not currently traded on any securities exchange. Shares of our common stock are traded over-the-counter and sales are reported on the OTC Bulletin Board® under the symbol "CNIG."

Preferred Stock

Our board of directors is authorized, subject to certain limitations prescribed by law, to issue up to 500,000 shares of preferred stock in one or more classes or series and to fix the shares' designations, powers, preferences and relative participation, option or other special rights and qualifications, limitation or restrictions, including the dividend rate, conversion or exchange rights, redemption price and liquidation preference of any such series. The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire a majority of our outstanding voting stock. Also, the issuance of preferred stock with voting and conversion rights could materially and adversely

affect the voting power of the holders of our common stock and may have the effect of delaying, deferring or preventing a change in control of Corning. We have no current plans to issue any preferred stock.

Indemnification of Directors and Officers

The NYBCL permits a corporation to indemnify its current and former directors and officers against expenses, judgments, fines and amounts paid in connection with a legal proceeding. To be indemnified, the person must have acted in good faith and in a manner the person reasonably believed to be in, and not opposed to, the best interests of the corporation. With respect to any criminal action or proceeding, the person must not have had reasonable cause to believe the conduct was unlawful.

Our Charter and By-laws provide that, to the fullest extent permitted by the NYBCL, we will indemnify our present and future directors and officers against all expenses actually and reasonably incurred by them as a result of their being threatened with or otherwise involved in any action, suit or proceeding (other than an action commenced on our own behalf) by virtue of the fact that they are or were one of our officers or directors.

Our by-laws also provide that we may purchase and maintain insurance to indemnify Corning for any obligation we incur as a result of the indemnification of directors and officers, or to indemnify directors and officers, pursuant to our by-laws and in accordance with the NYBCL.

In addition to the provisions of our Charter and By-laws providing for indemnification of directors and officers, we have entered into an employment agreement with Michael I. German, our president and chief executive officer, which provides for us to indemnify Mr. German against all expenses actually and reasonably incurred by him as a result of his being threatened with or otherwise involved in any action, suit or proceeding by virtue of the fact that he is or was one of our officers.

SUMMARY OF UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of the material United States federal income tax consequences of the rights offering to holders of our common stock. This discussion addresses only the federal income tax consequences to holders of common stock that hold their shares as capital assets and does not address all of the income tax consequences that may be relevant to particular holders of shares of common stock in light of their individual circumstances. This discussion does not address the tax consequences to holders of common stock who are subject to special rules, including, without limitation, financial institutions, tax-exempt organizations, insurance companies, broker-dealers, dealers in securities or foreign currencies, foreign holders, persons who hold their shares as or in a hedge against currency risk, persons who hold their shares as a result of a constructive sale or as part of a conversion transaction or holders who acquired their shares of common stock pursuant to the exercise of employee stock options or otherwise as compensation. In addition, this discussion does not address the tax consequences to holders of common stock under any state, local or foreign tax laws or the alternative minimum tax provisions of the Internal Revenue Code.

This discussion is not binding on the Internal Revenue Service or any court. It is based on the Internal Revenue Code of 1986, as amended, laws, regulations, rulings and decisions in effect on the date of this prospectus, all of which are subject to change, possibly with retroactive effect, and to varying interpretations, that could result in United States federal income tax consequences different from those described below. As a result, we cannot assure you that the tax consequences described in this discussion will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. No ruling has been or will be sought from the IRS, and no opinion of counsel has been or will be rendered, as to the income tax consequences of the rights offering to holders of common stock.

Holders of common stock are urged to consult their own tax advisors as to the specific tax consequences of the rights offering to them, including the applicable federal, state, local and foreign tax consequences of the rights offering to

them and the effect of possible changes in tax laws.

Tax Consequences of the Rights Offering

The following discussion summarizes the United States federal income tax consequences to a holder of our common stock upon the holder's initial receipt of the subscription rights and upon the subsequent exercise, expiration or sale of such rights.

Receipt of Subscription Rights

A holder of common stock will not recognize taxable income for federal income tax purposes upon the receipt of subscription rights in the rights offering.

Assuming that the distribution is not currently taxable, a holder's tax basis in the subscription rights will depend on the fair market value of the subscription rights and the fair market value of our common stock at the time of the distribution.

* If the total fair market value of the subscription rights being distributed in this offering represents 15 percent or more of the total fair market value of our common stock at the time of the distribution, a holder must allocate the basis of the holder's shares of common stock (with respect to which the subscriptions rights were distributed) between such stock and the subscription rights received by such holder. This allocation is made in proportion to the fair market value of the common stock and the fair market value of the subscription rights at the date of distribution.

* If the total fair market value of the subscription rights being distributed in this offering is less than 15 percent of the total fair market value of our common stock at the time of the distribution, the basis of such subscription rights will be zero unless the holder elects to allocate part of the basis of the holder's shares of common stock (with respect to which the subscriptions rights were distributed) to the subscription rights. A holder makes such an election by attaching a statement to the holder's tax return for the year in which the subscription rights are received. This election, once made, will be irrevocable with respect to those rights. Any holder that makes such election should retain a copy of the election and of the tax return with which it was filed in order to substantiate the use of an allocated basis upon a subsequent disposition of the stock acquired by exercise. If the basis of a holder's subscription rights is deemed to be zero because the fair market value of the subscription rights at the time of distribution is less than 15 percent of the fair market value of our common stock and because the holder does not make the election described above, the holder's basis in the shares of common stock with respect to which such rights are received will not change.

The holding period for the subscriptions rights received by a holder of common stock in this rights offering will include the holder's holding period for the common stock with respect to which the subscriptions rights were received.

Exercise of Subscription Rights

A holder of common stock will not recognize any gain or loss upon the exercise of subscription rights received in the rights offering.

The tax basis of the common stock acquired through exercise of the subscription rights will equal the sum of (a) the exercise price and (b) the holder's tax basis, if any, in the subscription rights (determined as described above). The holding period for the common stock acquired through exercise of the subscription rights will begin on the date the subscriptions rights are exercised.

Expiration of Subscription Rights

A holder who allows the subscription rights to expire will not recognize any gain or loss, and no portion of the tax basis of the common stock owned by such holder with respect to which such subscription rights were received will be allocated to the unexercised subscription rights.

Sale of Subscription Rights

A holder that sells the subscription rights to another person will recognize taxable gain or loss, if any, in an amount equal to the difference between (a) the proceeds from the sale and (b) the holder's tax basis in the subscription rights being sold (determined as described above). Such gain or loss will be a capital gain or loss if the subscription right is a capital asset in the hands of the seller.

PLAN OF DISTRIBUTION

We intend to distribute rights certificates and copies of this prospectus to those persons who were holders of our common stock on _____, 2010, the record date for this offering, promptly following the effective date of the registration statement of which this prospectus forms a part. In the event that the offering is not fully subscribed, holders of rights who exercise all of their rights in the rights offering will have the opportunity to subscribe for unsubscribed rights pursuant to an oversubscription right. See "The Rights Offering" at page

*. We have not agreed to enter into any standby or other arrangements to purchase or sell any rights or any shares of common stock except as otherwise disclosed in this prospectus. In addition, we have not entered into any agreements regarding stabilization activities with respect to our securities.

We have agreed to pay the subscription agent a fee plus certain expenses, which we estimate will total approximately \$16,000. We estimate that our total expenses in connection with the rights offering will be approximately \$75,000

LEGAL MATTERS

Certain legal matters with respect to the validity of the shares of common stock offered by this prospectus will be passed upon for us by Nixon Peabody LLP.

EXPERTS

The financial statements incorporated by reference in this prospectus have been audited by EFP Rotenberg, LLP, an independent registered public accounting firm and successor to Rotenberg & Co., LLP, to the extent and for the periods set forth in its report incorporated herein by reference, and are incorporated by reference in reliance upon such reports given upon the authority of said firm as experts in auditing and accounting.

OTHER INFORMATION WITH RESPECT TO THE COMPANY

Additional information regarding our business, properties, legal proceedings, equity compensation plans, changes in and disagreements with our accountants on accounting and financial disclosure, quantitative and qualitative disclosures about market risk, and our "Management's Discussion and Analysis of Financial Condition and Results of Operations" is incorporated in this prospectus by reference to our Annual Report on Form 10-K for the fiscal year ended September 30, 2009, filed with the SEC on December 18, 2009, as amended by Amendment No. 1 on Form 10-K/A filed with the SEC on February 22, 2010, and our Quarterly Report on Form 10-Q for the period ended December 31, 2009, filed with the SEC on February 4, 2010.

Additional information regarding our directors and executive officers, executive compensation, certain corporate governance matters, security ownership of certain beneficial owners and management, and certain relationships and related transactions is incorporated in this prospectus by reference to our Annual Report on Form 10-K for the fiscal year ended September 30, 2009, filed with the SEC on December 18, 2009, as amended by Amendment No. 1 on Form 10-K/A filed with the SEC on February 22, 2010, and our definitive Proxy Statement dated March 10, 2010, and filed with the SEC on March 19, 2010.

MATERIAL CHANGES

There have been no material changes in our affairs that have occurred since December 31, 2009, that have not been described in a Form 8-K filed under the Exchange Act.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Accordingly, we file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 upon payment of the prescribed fees. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy information statements and other materials that are filed through the SEC's Electronic Data Gathering, Analysis, and Retrieval, or EDGAR, system. You can access this web site at www.sec.gov or through a link on our website at www.corninggas.com. Information contained on our website is not included in the disclosures made in this prospectus.

We have filed a registration statement on Form S-1 with the SEC with respect to this rights offering. This prospectus is a part of the registration statement, but does not contain all of the information included in the registration statement. You may wish to inspect the registration statement and the exhibits to that registration statement for further information with respect to us and the securities offered in this prospectus. Copies of our registration statement and the exhibits to the registration statement are on file at the offices of the SEC and may be obtained without charge on the websites noted above or upon payment of the prescribed fee or may be examined without charge at the public reference facilities of the SEC described above. Statements contained in this prospectus concerning the provisions of documents are necessarily summaries of the material provisions of the documents, and each statement is qualified in our entirety by reference to the copy of the applicable document filed with the SEC.

We have elected to incorporate by reference into this prospectus some of the information we file with the SEC under the Exchange Act. This means that we are disclosing important information to you by referring you to those filings. The information we incorporate by reference is considered a part of this prospectus, and any subsequent information that we file with the SEC will automatically update and supersede this information. Any information that we subsequently modify or supersede will not constitute a part of this prospectus, except as so modified or superseded. Specifically, we incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act until we terminate the offering:

- * our Annual Report on Form 10-K for the fiscal year ended September 30, 2009, filed with the SEC on December 18, 2009, as amended by Amendment No. 1 on Form 10-K/A filed with the SEC on February 22, 2010;
- * our definitive Proxy Statement dated March 10, 2010, and filed with the SEC on March 19, 2010, in connection with our Annual Meeting of Shareholders to be held on April 20, 2010;
- * our Quarterly Report on Form 10-Q for the period ended December 31, 2009, filed with the SEC on February 4, 2010; and

* our Current Reports on Form 8-K filed with the SEC on February 11, 2010; February 24, 2010; and March 9, 2010.

You may request a copy of the information that we have incorporated by reference, at no cost, by writing or telephoning us at the following address:

Corning Natural Gas
330 West William St.
Corning, New York 14830
Attn: Stanley G. Sleva
Telephone: (607) 936-3755

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors and officers, we have been advised that, although the validity and scope of the governing statute have not been tested in court, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In addition, indemnification may be limited by state securities laws.

Appendix A

[Form of Subscription Rights Certificate]

[Face]

Certificate No. No. of Rights

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS DATED _____, 2010 (THE "PROSPECTUS") AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM REGISTRAR AND TRANSFER COMPANY, THE SUBSCRIPTION AGENT.

CORNING NATURAL GAS CORPORATION

(Incorporated under the laws of the State of New York)

SUBSCRIPTION RIGHTS CERTIFICATE

Evidencing Subscription Rights, each to Purchase One Share of Common Stock of

Corning Natural Gas Corporation

Subscription Price: \$18.00 per Share of Common Stock

THE SUBSCRIPTION RIGHTS WILL EXPIRE IF NOT EXERCISED ON OR BEFORE 5:00 P.M.,

NEW YORK CITY TIME, ON _____, 2010, UNLESS EXTENDED BY THE COMPANY.

THIS CERTIFIES THAT the registered owner whose name is inscribed hereon is the owner of the number of subscription rights ("Rights") set forth on the face of this certificate. Each whole Right entitles the holder thereof, or its assigns, to subscribe for and purchase one share of common stock (the "Share"), with a par value of \$5.00 per share, of Corning Natural Gas Corporation, a New York corporation, at a subscription price of \$18.00 per Share (the "Basic Subscription Privilege"), pursuant to a rights offering (the "Rights Offering"), on the terms and subject to the conditions set forth in the Prospectus and the "Instructions as to the Use of Subscription Rights Certificates" accompanying this Subscription Rights Certificate. If any Shares available for purchase in the Rights Offering are not purchased by other holders of Rights pursuant to the exercise of their Basic Subscription Privilege (the "Excess Shares"), any Rights holder that exercises its Basic Subscription Privilege in full may subscribe for a number of Excess Shares pursuant to the terms and conditions of the Rights Offering, subject to proration, as described in the Prospectus (the "Over-Subscription Privilege"). The Rights represented by this Subscription Rights Certificate may be exercised by completing the Form of Election to Purchase on the reverse side hereof and by returning the full payment of the subscription price for each Share in accordance with the "Instructions as to the Use of Subscription Rights Certificates" that accompanies this Subscription Rights Certificate. The Rights evidenced by this Subscription Rights Certificate may also be transferred or sold by completing the Assignment Form on the reverse side hereof in accordance with the "Instructions as to the Use of Subscription Rights Certificates" that accompanies this Subscription Rights Certificate.

Transferable on the books of Corning Natural Gas Corporation in person or by duly authorized attorney upon surrender of this Subscription Rights Certificate properly endorsed. This Subscription Rights Certificate is not valid unless countersigned by the transfer agent and registered by the registrar.

WITNESS the facsimile signatures of two duly authorized officers of Corning Natural Gas Corporation.

CORNING NATURAL GAS CORPORATION COUNTERSIGNED AND REGISTERED:

REGISTRAR AND TRANSFER COMPANY

BY: _____ as TRANSFER AGENT AND REGISTRAR

[Name], [Title]

BY: _____ BY: _____

[Name], [Title] [Name], [Title]

DATED: _____, 2010

[Form of Subscription Rights Certificate]

[Reverse]

CORNING NATURAL GAS CORPORATION

RIGHTS CUSIP: 219381 XXX

This Rights Certificate must be received by the Subscription Agent, together with payment in full, by 5:00 p.m., New York City time, on _____, 2010, as it may be extended from time to time. Failure to submit this Rights Certificate to the Subscription Agent by that time or to comply with the guaranteed delivery procedures described in

the Prospectus will result in a forfeiture of your Rights. Any subscription for Shares in this rights offering is irrevocable.

Complete the Form of Election to Purchase or the Assignment Form, as applicable. Any improperly completed or unexecuted rights certificate for Shares may cause the Subscription Agent in its sole discretion to reject such rights certificate. If you have any questions, contact the Subscription Agent at 1-800-368-5948.

REGISTRAR AND TRANSFER COMPANY,

Subscription Agent

By Mail, Hand or Overnight Courier

Registrar and Transfer Company

10 Commerce Drive

Cranford, NJ 07016

Attn: Reorganization Department

Delivery other than in the manner or to the addresses listed above will not constitute valid delivery.

ASSIGNMENT FORM

(To be executed by the registered holder if such holder desires to sell or transfer to designated transferee through bank or broker)

FOR VALUE RECEIVED, _____ hereby sells, assigns, and transfers unto:

SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF

ASSIGNEE: _____

Name: _____

Address: _____

the Rights evidenced hereby, and does hereby irrevocably constitute and appoint _____ attorney to transfer those Rights on the books of the Company, with full power of substitution in the premises.

Dated: _____, 2010

NOTICE

: The signatures to this assignment must correspond to the names as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signatures Guaranteed:

By: _____

The signature(s) should be guaranteed by an eligible guarantor institution (bank, stock broker, savings and loan association or credit union) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15.

FORM OF ELECTION TO PURCHASE

PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY. The registered holder of this Rights Certificate is entitled to exercise the number of Rights shown in the upper right hand corner of the Subscription Rights Certificate and may subscribe for additional Shares upon the terms and conditions specified in the Prospectus.

The undersigned hereby notifies the Subscription Agent of its irrevocable election to subscribe for Shares in the following amounts:

To subscribe for Shares pursuant to your Basic Subscription Privilege, please complete lines (a) and (c) and sign below. To subscribe for Shares pursuant to your Over-Subscription Privilege, please also complete line (b).

(a) EXERCISE OF BASIC SUBSCRIPTION PRIVILEGE:

I subscribe for _____ (No. of Shares) x \$18.00 (Subscription Price) = \$ _____
(Payment)

(b) EXERCISE OF OVER-SUBSCRIPTION PRIVILEGE:

If you have exercised your Basic Subscription Privilege in full and wish to subscribe for additional Shares pursuant to your Over-Subscription Privilege:

I subscribe for _____ (No. of Shares) x \$18.00 (Subscription Price) = \$ _____
(Payment)

(c) Total Amount of Payment Enclosed \$ _____

METHOD OF PAYMENT
(CHECK ONE):

Check drawn on a U.S. bank, or postal, telegraphic or express money order payable to "Registrar

DELIVERY TO DIFFERENT ADDRESS

If you wish for the Shares underlying your subscription right or a certificate representing unexercised subscription rights to be delivered to an address different from that shown on the face of this

and Transfer Company as
Subscription Agent." Funds paid
by an personal check may take at
least five business days to clear.

Subscription Rights Certificate, please enter the
alternate address below.

Wire transfer of immediately
available funds directly to the
account maintained by Registrar
and Transfer Company, as
Subscription Agent for purposes of
accepting subscriptions in this
Rights Offering at:

Wachovia Bank, N.A.

A/C #xxx-xxx-xxx-9168

ABA #031-201-467

REF: Corning Natural Gas
Corporation

Subscription offer

TO SUBSCRIBE: I acknowledge that I have received the Prospectus for this Rights Offering and I hereby irrevocably
subscribe for the number of Shares indicated above on the terms and conditions specified in the Prospectus.

Signature of subscriber

FOR INSTRUCTIONS ON THE USE OF CORNING NATURAL GAS CORPORATION SUBSCRIPTION
RIGHTS CERTIFICATES, CONSULT REGISTRAR AND TRANSFER COMPANY, THE SUBSCRIPTION
AGENT, AT 1-800-368-5948

Appendix B

CORNING NATURAL GAS CORPORATION
INSTRUCTIONS AS TO THE USE OF SUBSCRIPTION RIGHTS CERTIFICATES
CONSULT THE SUBSCRIPTION AGENT, YOUR BANK
OR BROKER AS TO ANY QUESTIONS

NOTICE: Initial Expiration Date _____, 2010, 5:00 p.m. New York City time.

Rights not properly exercised by the Expiration Date will expire.

The following instructions relate to a rights offering (the "Rights Offering") by Corning Natural Gas Corporation, a New York corporation ("Corning"), to the holders of record (the "Recordholders") of its common stock, par value \$5.00 per share (the "Common Stock"), as described in Corning's Prospectus, dated April __, 2010 (the "Prospectus"). Recordholders of Common Stock at the close of business on _____, 2010 (the "Record Date"), are receiving transferable subscription rights (the "Rights") to subscribe for and purchase shares of Common Stock ("Shares"). An aggregate of _____ Shares are being offered by the Prospectus. Each Recordholder will receive one Right for each ten (10) shares of Common Stock owned of record as of the close of business on the Record Date. The Rights will expire, if not exercised, at 5:00 p.m., New York City time, on _____, 2010, unless extended in the sole discretion of Corning (as it may be extended, the "Expiration Date"). After the Expiration Date, unexercised Rights will be null and void. Corning will not be obligated to honor any purported exercise of Rights received by Registrar and Transfer Company (the "Subscription Agent") after 5:00 p.m., New York City time, on the Expiration Date, regardless of when the documents relating to such exercise were sent, except pursuant to the Guaranteed Delivery Procedures described below. Corning may extend the Expiration Date by giving oral or written notice to the Subscription Agent on or before the Expiration Date, followed by a press release no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. The Rights will be evidenced by transferable Rights certificates (the "Subscription Rights Certificates").

Each Right allows the holder thereof to subscribe for one Share (the "Basic Subscription Privilege") at the cash price of \$18.00 per Share (the "Subscription Price").

In addition, each holder of Rights who exercises their Basic Subscription Privilege in full will be eligible to subscribe (the "Over-Subscription Privilege") at the same cash price of \$18.00 per Share for Shares that are not purchased pursuant to the exercise of Rights by other holders of Rights under the Basic Subscription Privilege (the "Excess Shares"), subject to availability and pro rata as described below. Each holder of Rights may only exercise their Over-Subscription Privilege if they exercised their Basic Subscription Privilege in full and other holders of Rights do not exercise their Basic Subscription Privilege in full. If there are not enough Excess Shares to satisfy all subscriptions made under the Over-Subscription Privilege, Corning will allocate the remaining Excess Shares pro rata among those holders of Rights who exercised their Over-Subscription Privileges. "Pro rata" means in proportion to the number of Shares that each holder of Rights has purchased by exercising their Over-Subscription Privilege. The Subscription Agent will return any excess payments by mail without interest or deduction promptly after the expiration of the Rights Offering. See "The Rights Offering - Subscription Privileges" in the Prospectus.

The number of Rights to which you are entitled is printed on the face of your Subscription Rights Certificate. You should indicate your wishes with regard to the exercise or transfer of your Rights by completing the appropriate portions of your Subscription Rights Certificate and returning the certificate to the Subscription Agent in the envelope provided pursuant to the procedures described in the Prospectus.

Your Subscription Rights Certificate or notice of guaranteed delivery, and subscription price payment, including final clearance of any checks, must be received by the Subscription Agent, on or before 5:00 p.m., New York City time, on the Expiration Date. Once a holder of Rights has exercised the Basic Subscription Privilege or the Over-Subscription Privilege, such exercise may not be revoked. Rights not exercised prior to the Expiration Date of the Rights Offering will expire without value.

1. Method of Subscription - Exercise of Rights.

To exercise your Rights, complete the Subscription Rights Certificate and send the properly completed and executed Subscription Rights Certificate evidencing your Rights with any signatures required to be guaranteed so guaranteed, together with payment in full of the Subscription Price for each Share subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege, to the Subscription Agent, on or prior to 5:00 p.m., New York City time, on the Expiration Date. Payment of the Subscription Price will be held in a segregated account to be maintained by the Subscription Agent. All payments must be made in U.S. dollars for the full number of Shares being

subscribed for (a) by personal check drawn upon a U.S. bank or (b) by wire transfer of immediately available funds, to the account maintained by the Subscription Agent for purposes of accepting subscriptions in the Rights Offering at:

Wachovia Bank, N.A.

ABA No. 031-201-467

Account #xxx-xxx-xxx-9168

(such account, the "Subscription Account"). Any wire transfer should clearly indicate the identity of the subscriber who is paying the Subscription Price by the wire transfer. Subscribers who elect to submit payment by wire transfer must notify the Subscription Agent prior to initiating the wire transfer via email at corningrights@rtco.com or facsimile at (908) 497-2311. Payments will be deemed to have been received by the Subscription Agent only upon (i) clearance of any uncertified check, or (ii) receipt of collected funds in the Subscription Account designated above. If paying by check, bank draft or money order, please reference your Subscription Rights Certificate number on your check, bank draft or money order. If paying by personal check, please note that the funds paid thereby may take at least five business days to clear. Accordingly, Rights holders who wish to pay the Subscription Price by means of personal check are urged to make payment sufficiently in advance of the Expiration Date to ensure that such payment is received and clears by such date and are urged to consider payment by means of wire transfer of funds.

The Subscription Rights Certificate and payment of the Subscription Price, or, if applicable, Notices of Guaranteed Delivery (as defined below) must be delivered to the Subscription Agent by one of the methods described below:

By Mail/Hand Delivery/Overnight Courier

Registrar and Transfer Company

10 Commerce Drive

Cranford, NJ 07016

Attn: Reorganization Department

Telephone Number for Confirmation: (800) 368-5948

Delivery to any address or by a method other than those set forth above does not constitute valid delivery. If you have any questions or require additional copies of relevant documents please contact the Subscription Agent.

By making arrangements with your bank or broker for the delivery of funds on your behalf you may also request such bank or broker to exercise the Subscription Rights Certificate on your behalf. Alternatively, you may cause a written guarantee substantially in the form described in these instructions (the "Notice of Guaranteed Delivery"), from a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or from a commercial bank or trust company having an office or correspondent in the United States or from a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program, pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended (each, an "Eligible Institution"), to be received by the Subscription Agent on or prior to the Expiration Date together with payment in full of the applicable Subscription Price. Such Notice of Guaranteed Delivery must state your name, the number of Rights represented by the Subscription Rights Certificate or Subscription Rights Certificates held by you, the number of Shares being subscribed for pursuant to your Basic Subscription Privilege and the number of Shares, if any, being subscribed for pursuant to the Over-Subscription Privilege, and that you will guarantee the delivery to the Subscription Agent of any properly completed and executed Subscription Rights Certificate or Subscription Rights

Certificates evidencing such Rights within three business days following the date of the Notice of Guaranteed Delivery. If this procedure is followed, the properly completed Subscription Rights Certificate or Subscription Rights Certificates evidencing the Rights being exercised, with any signatures required to be guaranteed so guaranteed, must be received by the Subscription Agent within three business days following the date of the Notice of Guaranteed Delivery. The Notice of Guaranteed Delivery may be delivered to the Subscription Agent in the same manner as Subscription Rights Certificates at the address set forth above, or may be transmitted to the Subscription Agent by facsimile transmission (Facsimile No.: (908) 497-2311). Additional copies of the Notice of Guaranteed Delivery may be obtained upon request from the Subscription Agent at the address, or by calling the telephone number, set forth above.

Banks, brokers and other nominee holders of Rights who exercise the Basic Subscription Privilege and the Over-Subscription Privilege on behalf of beneficial owners of Rights will be required to certify to the Subscription Agent and Corning, in connection with the exercise of the Over-Subscription Privilege, as to the aggregate number of Rights that have been exercised and the number of Shares that are being subscribed for pursuant to the Over-Subscription Privilege, by each beneficial owner of Rights (including such nominee itself) on whose behalf such nominee holder is acting. If more Excess Shares are subscribed for pursuant to the Over-Subscription Privilege than are available for sale, the Excess Shares will be allocated, as described above, among beneficial owners exercising the Over-Subscription Privilege.

If you exercise less than all of the Rights evidenced by your Subscription Rights Certificate by so indicating in the Form of Election to Purchase on the reverse side of your Subscription Rights Certificate, the Subscription Agent, (i) if you so request, will either issue to you a new Subscription Rights Certificate evidencing the unexercised Rights or (ii) if you so indicate in the Assignment Form on the reverse side of your Subscription Rights Certificate, will transfer the unexercised Rights in accordance with your instructions. A new Subscription Rights Certificate will be issued to you or transferred according to your instructions upon the partial exercise of Rights only if the Subscription Agent receives a properly endorsed Subscription Rights Certificate no later than 5:00 p.m., New York City time, on _____, 2010, the third business day prior to the initial Expiration Date. After such date no new Subscription Rights Certificates will be issued. Accordingly, after such date if you exercise less than all of your Rights, you will lose the power to exercise your remaining Rights. All deliveries of newly issued Subscription Rights Certificates will be at your own risk.

If you do not indicate the number of Subscription Rights being exercised, if you do not forward full payment of the total Subscription Price payment for the number of Rights that you indicate are being exercised, or if your aggregate Subscription Price payment is greater than the amount you owe for your subscription, the Subscription Agent will attempt to contact you to correct the discrepancy. However, if the Subscription Agent is unable to contact you, or you do not provide the requested information, you will be deemed not to have exercised your Basic Subscription Privilege. Neither the Subscription Agent nor the Company will be liable for failure to contact you.

2. Issuance of Shares of Common Stock.

The following deliveries and payments will be made to the address shown on the face of your Subscription Rights Certificate unless you provide instructions to the contrary on the reverse side of your Subscription Rights Certificate under the heading "Delivery to a Different Address."

a. *Basic Subscription Privilege.* As soon as practicable after the Expiration Date and the valid exercise of Rights, the Subscription Agent will mail to each exercising Rights holder certificates representing shares of Common Stock underlying the Shares purchased pursuant to the Basic Subscription Privilege. See "The Rights Offering - Subscription Privileges - Basic Subscription Privilege" in the Prospectus.

b. *Over-Subscription Privilege.* As soon as practicable after the Expiration Date and after all pro rations and adjustments contemplated by the terms of the Rights Offering have been effected, the Subscription Agent will mail to

each Rights holder who validly exercises the Over-Subscription Privilege certificates representing the number of shares of Common Stock underlying the Shares, if any, allocated to such Rights holder pursuant to the Over-Subscription Privilege. See "The Rights Offering - Subscription Privileges - Over-Subscription Privilege" in the Prospectus.

c. *Excess Cash Payments.* As soon as practicable after the Expiration Date and after all pro rations and adjustments contemplated by the terms of the Rights Offering have been effected, the Subscription Agent will mail to each Rights holder who exercises the Over-Subscription Privilege any excess amount, without interest or deduction, received in payment of the Subscription Price for Excess Shares that are subscribed for by such Rights holder but not allocated to such Rights holder pursuant to the Over-Subscription Privilege.

3. Sale or Transfer of Rights.

a. *Sale of Rights through a Bank or Broker.* To sell all Rights evidenced by a Subscription Rights Certificate through your bank or broker, sign the Assignment Form on the reverse side of your Subscription Rights Certificate leaving the rest of the form blank (your broker will add the buyer's name later). You must have your signature on the Assignment Form guaranteed by an Eligible Institution and deliver your Subscription Rights Certificate and the accompanying envelope to your bank or broker. Your Subscription Rights Certificate should be delivered to your bank or broker in ample time for it to be exercised. If the Assignment Form is completed without designating a transferee, the Subscription Agent may thereafter treat the bearer of the Subscription Rights Certificate as the absolute owner of all of the Rights evidenced by such Subscription Rights Certificate for all purposes, and the Subscription Agent shall not be affected by any notice to the contrary. Because your bank or broker cannot issue Subscription Rights Certificates, if you wish to sell less than all of the Rights evidenced by a Subscription Rights Certificate, either you or your bank or broker must instruct the Subscription Agent as to the action to be taken with respect to the Rights not sold, or you or your bank or broker must first have your Subscription Rights Certificate divided into Subscription Rights Certificates of appropriate denominations by following the instructions in Section 4 of these instructions. The Subscription Rights Certificates evidencing the number of Rights you intend to sell can then be transferred by your bank or broker in accordance with the instructions in this Section 3(a).

b. *Transfer of Rights to a Designated Transferee.* To transfer all of your Rights to a transferee other than a bank or broker, you must complete the Assignment Form in its entirety, execute the Subscription Rights Certificate and have your signature guaranteed by an Eligible Institution. A Subscription Rights Certificate that has been properly transferred in its entirety may be exercised by a new holder without having a new Subscription Rights Certificate issued. In order to exercise, or otherwise take action with respect to, such a transferred Subscription Rights Certificate, the new holder should deliver the Subscription Rights Certificate, together with payment of the applicable Subscription Price (with respect to the exercise of both the Basic Subscription Privilege and the Over-Subscription Privilege) and complete separate instructions signed by the new holder, to the Subscription Agent in ample time to permit the Subscription Agent to take the desired action. Because only the Subscription Agent can issue Subscription Rights Certificates, if you wish to transfer less than all of the Rights evidenced by your Subscription Rights Certificate to a designated transferee, you must instruct the Subscription Agent as to the action to be taken with respect to the Rights not sold or transferred, or you must divide your Subscription Rights Certificate into Subscription Rights Certificates of appropriate smaller denominations by following the instructions in Section 4 below. The Subscription Rights Certificate evidencing the number of Rights you intend to transfer can then be transferred by following the instructions in this Section 3(b).

c. *Transfer of Rights.* Rights holders wishing to transfer a portion of their Rights (but not fractional Rights) should allow a sufficient amount of time prior to the Expiration Date for: (i) the transfer instructions to be received and processed by the Subscription Agent; (ii) a new Subscription Rights Certificate to be issued and transmitted to the transferee or transferees with respect to transferred Rights and to the transferor with respect to retained Rights, if any; and (iii) the Rights evidenced by such new Subscription Rights Certificates to be exercised or sold by the recipients thereof. The Subscription Agent will facilitate transfers of Subscription Rights Certificates only until 5:00 p.m., New

York City time, on _____, 2010, the third business day before the initial Expiration Date.

d. *Liability.* Neither Corning nor the Subscription Agent shall have any liability to a transferee or transferor of Rights if Subscription Rights Certificates are not received in time for exercise or sale prior to the Expiration Date.

e. *Commissions, Fees, and Expenses.* Corning will pay all fees and expenses of the Subscription Agent and has also agreed to indemnify the Subscription Agent from certain liabilities that they may incur in connection with the Rights Offering. All commissions, fees, and other expenses (including brokerage commissions and transfer taxes) incurred in connection with the purchase, sale or exercise of Rights will be for the account of the transferor of the Rights, and none of such commissions, fees or expenses will be paid by Corning or the Subscription Agent.

4. *Division of Subscription Rights Certificate into Smaller Denominations.*

To have a Subscription Rights Certificate divided into smaller denominations, send your Subscription Rights Certificate, together with complete separate instructions (including specification of the denominations into which you wish your Rights to be divided) signed by you, to the Subscription Agent, allowing a sufficient amount of time for new Subscription Rights Certificates to be issued and returned so that they can be used prior to the Expiration Date. Alternatively, you may ask a bank or broker to effect such actions on your behalf. The Subscription Agent will facilitate subdivisions of Subscription Rights Certificates only until 5:00 p.m., New York City time, on _____, 2010, three business days prior to the initial Expiration Date. Your signature must be guaranteed by an Eligible Institution if any of the new Subscription Rights Certificates are to be issued in a name other than that in which the old Subscription Rights Certificate was issued. Subscription Rights Certificates may not be divided into fractional Rights, and any instruction to do so will be rejected. As a result of delays in the mail, the time of the transmittal, the necessary processing time and other factors, you or your transferee may not receive the new Subscription Rights Certificates in time to enable the Rights holder to complete a sale or exercise by the Expiration Date. Neither Corning nor the Subscription Agent will be liable to either a transferor or transferee for any delays.

5. *Execution.*

a. *Execution by Registered Holder.* The signature on the Subscription Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Subscription Rights Certificate without any alteration, enlargement or change whatsoever. Persons who sign the Subscription Rights Certificate in a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority to so act.

b. *Execution by Person Other than Registered Holder.* If the Subscription Rights Certificate is executed by a person other than the holder named on the face of the Subscription Rights Certificate, proper evidence of authority of the person executing the Subscription Rights Certificate must accompany the same unless, for good cause, the Subscription Agent dispenses with proof of authority.

c. *Signature Guarantees.* Your signature must be guaranteed by an Eligible Institution if you specify special payment instructions.

6. *Method of Delivery to Subscription Agent.*

The method of delivery of Subscription Rights Certificates and payment of the Subscription Price to the Subscription Agent will be at the election and risk of the Rights holder, but, if sent by mail, it is recommended that you send your certificates and payments by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the Subscription Agent and the clearance of payment prior to 5:00 p.m., New York City time, on the Expiration Date. Because uncertified personal checks may take at least five business

days to clear, you are strongly urged to pay, or arrange for payment, by means of certified or cashier's check, money order or wire transfer of funds.

7. Special Provisions Relating to the Delivery of Rights through the Depository Trust Company.

In the case of Rights that are held of record through the Depository Trust Company (the "Book-Entry Transfer Facility"), exercises of the Basic Subscription Privilege and of the Over-Subscription Privilege may be effected by instructing the Book-Entry Transfer Facility to transfer Rights from the Book-Entry Transfer Facility account of such holder to the Book-Entry Transfer Facility account of the Subscription Agent, together with certification as to the aggregate number of Rights exercised and the number of Shares thereby subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege by each beneficial owner of Rights on whose behalf such nominee is acting, and payment of the Subscription Price for each Share subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the fees and expenses to be incurred in connection with the registration of the securities being registered hereby, all of which will be borne by us. Except for the SEC registration fee, all amounts are estimates.

<u>Description</u>	<u>Amount</u>
SEC registration fee	\$133.60
Accounting fees and expenses*	1,500.00
Legal fees and expenses*	20,000.00
Printing fees and expenses*	16,000.00
Miscellaneous expenses*	10,000.00
Total expenses*	\$75,000.00

* Estimated solely for purposes of this table

Item 14. Indemnification of Directors and Officers.

The NYBCL permits a corporation to indemnify its current and former directors and officers against expenses, judgments, fines and amounts paid in connection with a legal proceeding. To be indemnified, the person must have acted in good faith and in a manner the person reasonably believed to be in, and not opposed to, the best interests of the corporation. With respect to any criminal action or proceeding, the person must not have had reasonable cause to believe the conduct was unlawful.

The NYBCL permits a present or former director or officer of a corporation to be indemnified against certain expenses if the person has been successful, on the merit or otherwise, in defense of any proceeding brought against such person

by virtue of the fact that the person is or was an officer or director of the corporation. In addition, the NYBCL permits the advancement of expenses relating to the defense of any proceeding to directors and officers contingent upon the person's commitment to repay advances for expenses in the case he or she is ultimately found not to be entitled to be indemnified.

The NYBCL provides that the indemnification provisions contained in the NYBCL are not exclusive of any other right that a person seeking indemnification may have or later acquire under any provision of a corporation's certification of incorporation or by-laws, or, when authorized by the corporation's certificate of incorporation or by-laws, by any agreement, by any vote of shareholders or disinterested directors or otherwise. The NYBCL also provides that a corporation may maintain insurance, at its expense, to protect its directors and officers in instances in which they may not otherwise be indemnified by the corporation under the provisions of the NYBCL provided the contract of insurance covering the directors and officers provides, in a manner acceptable to the New York superintendent of insurance, for a retention amount and for co-insurance.

Our Charter and By-laws provide that, to the fullest extent permitted by the NYBCL, we will indemnify our present and future directors and officers against all expenses actually and reasonably incurred by them as a result of their being threatened with or otherwise involved in any action, suit or proceeding (other than an action commenced on our own behalf) by virtue of the fact that they are or were one of our officers or directors.

Our by-laws also provide that we may purchase and maintain insurance to indemnify Corning for any obligation we incur as a result of the indemnification of directors and officers, or to indemnify directors and officers, pursuant to our by-laws and in accordance with the NYBCL.

In addition to the provisions of our Charter and By-laws providing for indemnification of directors and officers, we have entered into an employment agreement with Michael I. German, our president and chief executive officer, which provides for us to indemnify Mr. German against all expenses actually and reasonably incurred by him as a result of his being threatened with or otherwise involved in any action, suit or proceeding by virtue of the fact that he is or was one of our officers.

Item 15. Recent Sales of Unregistered Securities.

None.

Item 16. Exhibits and Financial Statement Schedules.

Except as otherwise indicated, the exhibits listed below are filed as part of this registration statement. References to exhibits or other filings under the caption "Location" indicate that that exhibit or other filing has been filed, that the indexed exhibit and the exhibit referred to are the same, and that the exhibit referred to is incorporated by reference.

Exhibit

<u>Number</u>	<u>Exhibit</u>	<u>Location</u>
3.1	The Company's Restated Certificate of Incorporation	Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K dated September 26, 2007
3.2	Second Amended and Restated By-Laws of the Company	

		Incorporated by reference to Annex D to the Company's Definitive Proxy Statement filed on April 24, 2007 with the SEC
4.1	The Company's Stock Plan	Incorporated by reference to Annex A to the Company's Definitive Proxy Statement filed on April 24, 2007 with the SEC
4.2	Form of Subscription Rights Certificate	Filed herewith
5.1	Opinion of Nixon Peabody LLP as to legality of the Securities being Registered	Filed herewith
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	Consulting, Confidentiality, and Non-Competition Agreement dated November 30, 2006, between the Company and Thomas K. Barry	Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated November 30, 2006
10.3	Amended and Restated Severance Agreement effective August 18, 2006 between the company and Thomas K. Barry	Incorporated by reference to Exhibit 10.17 of the Company's Current Report on Form 8-K dated August 14, 2006
10.4	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
10.5	Agreement between the Company and Local 139, dated September 1, 1998	Incorporated by reference to the Company's Form 10-KSB for December 31, 1998
10.6	Service Agreement with CNG Transmission Corporation	Incorporated by reference to the Corporation's Form 10-KSB for December 31, 1993

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10.7	Sales Agreement with Bath Electric, Gas and Water	Incorporated by reference to the Company's Form 10-KSB for December 31, 1989
10.8	Transportation Agreement between the Company and New York State Electric and Gas Corporation	Incorporated by reference to the Company's Form 10-KSB for December 31, 1992
10.9	Transportation Agreement between the Company and Corning Incorporated	Incorporated by reference to Company's Form 10-KSB for December 31, 1992
10.10	Service Agreement with Columbia Gas Transmission Co.	Incorporated by reference to the Company's Form 10-KSB for December 31, 1993
10.11	Collateral Assignment made by the Company to Community Bank, N.A., dated November 28, 2005	Incorporated by reference to Exhibit 10.6 of the Company's Current Report on Form 8-K dated December 6, 2005
10.12	First Amendment to Promissory Note/Agreement between the Company and Community Bank, N.A., dated November 28, 2005	Incorporated by reference to Exhibit 10.7 of the Company's Current Report on Form 8-K dated December 6, 2005
10.13	Collateral Security Spreader Agreement between the Company and Community Bank, N.A., dated November 28, 2005	Incorporated by reference to Exhibit 10.8 of the Company's Current Report on Form 8-K dated December 6, 2005
10.14	Collateral Assignment of Membership Interest, made by the Company to Community Bank, N.A., dated November 28, 2005	Incorporated by reference to Exhibit 10.9 of the Company's Current Report on Form 8-K dated December 6, 2005
10.15	Collateral Assignment of moneys Due or to Become Due Under Promissory Note, made the Company to Community Bank, N.A. dated November 28, 2005	Incorporated by reference to Exhibit 10.10 of the Company's Current Report on Form 8-K dated December 6, 2005
10.16	Security Agreement made by the Company to Community	Incorporated by reference to

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	Bank, N.A., dated November 28, 2005 with respect to a purchase money security interest in certain natural gas supplies	Exhibit 10.11 of the Company's Current Report on Form 8-K dated December 6, 2005
10.17	Security Agreement made by the Company to Community Bank, N.A., dated November 28, 2005 with respect to Collateral Assignment	Incorporated by reference to Exhibit 10.12 of the Company's Current Report on Form 8-K dated December 6, 2005
10.18	Security Agreement made by the Company to Community Bank, N.A., dated November 28, 2005 with respect to Collateral Assignment of Membership Interest	Incorporated by reference to Exhibit 10.13 of the Company's Current Report on Form 8-K dated December 6, 2005
10.19	Commercial Line of Credit Agreement made by the Company to Community Bank N.A. dated March 19, 2008	Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated March 20, 2008
10.20	Commercial Line of Credit Agreement and Note made by the Company to Community Bank N.A. dated March 19, 2008	Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated March 20, 2008
10.21	Change in Terms Agreements made by the Company to Community Bank N.A. dated October 22, 2007	Incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K dated March 20, 2008
10.22	Change in Terms Agreements made by the Company to Community Bank N.A. dated March 19, 2008	Incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K dated March 20, 2008
10.23	Credit Agreement made by the Company to Manufacturers and Traders Trust Company dated May 7, 2008	Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated May 7, 2008
10.24	LIBOR Term Note made by the Company in favor of Manufacturers and Traders Trust Company dated May 7, 2008	Incorporated by reference to Exhibit 10.2 of the Company's Current Report

on Form 8-K dated May 7, 2008

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|-------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 10.25 | Specific Security Agreement made by the Company and Manufacturers and Traders Trust Company dated May 7, 2008 | Incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K dated May 7, 2008 |
| 10.26 | General Security Agreement made by the Company and Manufacturers and Traders Trust Company dated May 7, 2008 | Incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K dated May 7, 2008 |
| 10.27 | Mortgage between the Company and Manufacturers and Traders Trust Company dated May 7, 2008 | Incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K dated May 7, 2008 |
| 10.28 | Credit Agreement made by the Company to Manufacturers and Traders Trust Company dated October 16, 2008 | Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated October 16, 2008 |
| 10.29 | Replacement Term Note of the Company in favor of Manufacturers and Traders Trust company dated October 16, 2008 | Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated October 16, 2008 |
| 10.30 | Demand Note made by the Company in favor of Manufacturers and Traders Trust Company dated October 27, 2008 | Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated October 27, 2008 |
| 10.31 | Base Contract for Sale and Purchase of Natural Gas between the Company and Atmos Energy Marketing, LLC dated July 1, 2008 | Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 10-Q/A dated May 12, 2009 |
| 10.32 | Line of Credit Agreement between the Company and Community Bank, N.A. dated June 5, 2009 | Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated June 5, 2009 |

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10.33	Commercial Line of Credit Agreement and Note between the Company and Community Bank, N.A. dated June 5, 2009	Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated June 5, 2009
10.34	Amended Warrant Agreement dated July 1, 2009	Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated July 1, 2009
10.35	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 Quarterly Report on Form 10-Q dated August 12, 2009
10.36	Amended and Restated 2007 Stock Plan	Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q dated August 12, 2009
10.37	Line of Credit Agreement between the Company and Community Bank, N.A. dated September 30, 2009	Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated September 30, 2009
21	Subsidiary of the Company	Incorporated by reference to Exhibit 21 to the Company's Annual Report of Form 10-K to the year ended September 31, 2009
23.1	Consent of Nixon Peabody LLP	Included as part of Exhibit 5.1
23.2	Consent of EFP Rotenberg LLP	Filed herewith
24	Power of Attorney	Filed herewith
99.1	Instructions as to Use of Corning Subscription Rights Certificate	Filed herewith

Item 17. Undertakings

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or any decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low end or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities to be offered therein, and the offering of such securities at that time shall be deemed to be an initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which shall remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser:

(i) If the registrant is relying on Rule 430B (Section 230.430B of this chapter):

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing information required by section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of

the registration statement or made in any such document immediately prior to such effective date.

(ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

That, for the purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Corning, State of New York, on April 9, 2010.

CORNING NATURAL GAS
CORPORATION

By: /s/ Michael I. German

Michael I. German

President and Chief Executive
Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Dated: April 9, 2010

/s/ Michael I. German

Michael I. German, President and Chief Executive Officer and
Director

(Principal Executive Officer)

Dated: April 9, 2010

/s/ Firouzeh Sarhangi

Firouzeh Sarhangi, Chief Financial Officer and Treasurer

(Principal Financial and Accounting Officer)

Dated: March 22, 2010

/s/ Henry B. Cook

Henry B. Cook, Chairman of the Board of Directors

Dated: March 22, 2010

/s/ Ted W. Gibson

Ted. W. Gibson, Director

Dated: April 12, 2010

/s/ Gregory J. Osborne

Gregory J. Osborne, Director

Dated: March 22, 2010

/s/ Stephen G. Rigo

Stephen G. Rigo, Director

Dated: March 22, 2010

/s/ Thomas J. Smith

Thomas J. Smith, Director

Dated: March 22, 2010

/s/ George J. Welch

George J. Welch, Director