

Valley Energy, Inc.  
New York Division

Superseding \_\_\_\_\_

P.S.C. No. 1 Gas  
Original Leaf No. 1  
Revised Leaf No. 0

VALLEY ENERGY CORPORATION

New York Division

SCHEDULE

for

GAS SERVICE

Applicable in

The Village of Waverly and Town of Barton  
in the County of Tioga, New York  
&  
The Town of Chemung in the County of Chemung, New York

Date of Issue: September 1, 2003      Date Effective: November 1, 2003

Issued by:

Robert J. Crocker, President & CEO

523 S. Keystone Ave

Sayre, PA 18840

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

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SERVICE CLASSIFICATIONS

Number	Applicable To:	
1	All Purposes	88
4	Interruptible	94
5	Large Volume Transportation	102
6	Transportation Balancing Service	104

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

GENERAL INFORMATION

**1. TERRITORY TO WHICH SCHEDULE APPLIES:**

Village of Waverly and Town of Barton, County of Tioga, State of New York and Town of Chemung, Chemung County, State of New York

**2. DEFINITIONS:**

A. Residential applicant: A person who requests gas service at a dwelling for his or her use or the residential use by another person, for which the Company's effective tariff specifies a residential rate.

- (a) For the purposes of the Home Energy Fair Practices Act, a residential applicant includes any person who requests gas service at a premises to be used at his or her residence or the residence of a third party on whose behalf the person is requesting service, as defined in 16 NYCRR 11.2(a)(3).
- (b) For the purposes of the Home Energy Fair Practices Act, a residential customer or current residential customer includes any person who pursuant to an application for service made by such person or a third party on his or her behalf is supplied directly by the Company with gas service at a premise used in whole or in part as his or her residence, as defined in 16 NYCRR 11.2(a)(2).

B. Company: Valley Energy; application for gas service may be made at the office of the Company at 523 South Keystone Avenue, Sayre, Pennsylvania

C. Main: A pipeline located on a public or private right-of-way that is generally available or used to transport gas to more than one service line.

D. Service Line: The piping, including associated metering and pressure reducing appurtenances, that transports gas below grade from a main to the first accessible fitting inside the wall of a customer's building when a meter is located within the building; if a meter is located outside the building, the service line will be deemed to terminate at the outside of the building foundation wall.

E. Public right-of-way: The territorial limits of any street, avenue, road or way (other than a limited access thoroughfare) that is for any highway purposes under the jurisdiction of the State of New York or the legislative body of any county, city, town or village and is open to public use.

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GENERAL INFORMATION

2. Definitions: (Cont'd.)

F. Adjusted gas revenue: The revenue realized from the applicable service classification rates and charges, minus revenue taxes, the minimum charge and the cost of gas.

G. Non-residential:

- (a) Applicant: A person, corporation, or other entity who has requested as service as a non-residential customer.
- (b) Customer: A person, corporation, or other entity other than a residential customer as defined in 16 NYCRR Part 11 supplied by the Company with gas service under the Company's tariff and pursuant to an accepted application for service.
- (c) New customer: A customer who was not the last previous customer at the premises to be served, regardless of whether such customer previously was or is still a customer of the Company at a different location.
- (d) Seasonal customer: A customer who applies for and receives Company service periodically each year, intermittently during the year, or at other irregular intervals.
- (e) Short-term or temporary non-residential customer: A customer who requests service for a period of time up to two years.
- (f) Actual reading: One obtained by a Company employee from either the meter or a remote registration device attached thereto.
- (g) Access controller: A party known to the Company to be in control of access to the metering equipment of a non-residential customer and is known to have an active account of their own with the Company.
- (h) Payment: Considered to be made on the date when it is received by the Company or one of its authorized agents.
- (i) Late payment: Any payment made more than 20 calendar days after the payment's due date. The payment due date shall be specified by the Company on its bill, provided that such date does not occur before personal service of the bill or three calendar days after the mailing of the bill.

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GENERAL INFORMATION

2. Definitions: (Cont'd.)

G. Non-residential: (Cont'd.)

- (j) Arrears: Charges for which payment has not been made more than 20 calendar days after payment was due.
- (k) Delinquent customer: A customer who has made a late payment on two or more occasions within the previous 12-month period.
- (l) Business day: Any Monday through Friday when the Company's business offices are open.
- (m) Deferred payment agreement: A written agreement for the payment of outstanding charges over a specified period of time. It must be signed in duplicate by a Company representative and the customer and each must receive a copy before it becomes enforceable by either party.
- (n) Levelized payment plan: A billing plan designed to reduce fluctuations in a customer's bill payments due to varying but predictable patterns of consumption.
- (o) Back-bill: That portion of any bill, other than a levelized bill, which represents charges not previously billed for service that was actually delivered to the customer during a period before the current billing cycle. A bill based on an actual reading rendered after one or more bills based on estimated or customer readings (commonly called a catch-up bill) that exceeds by 50 percent or more the bill that would have been rendered under the Company's standard estimation program is presumed to be a back-bill.
- (p) Tampered equipment: Any service related equipment that has been subjected either to unauthorized interference so as to reduce the accuracy or eliminate the measurement of the Company's service or to unauthorized connection occurring after the Company has physically disconnected service.
- (q) Company deficiency: Means any action or inaction by the Company or one of its authorized agents that does not substantially conform to the rules and regulations of 16 NYCRR Part 13, the Company's tariff, or the Company's written business procedures.

H. Direct Customer: A daily-metered customer, with an annual natural gas consumption in excess of 3,500 Dth that acts on its own behalf in arranging to bring natural gas to the Company's Citygate.

I. Marketer: Any non-utility entity that is determined eligible by the PSC and the Company to provide or arrange to provide gas Supply and other services on behalf of end use customers in New York State using the Company's distribution system.

J. Uniform Business Practices or UBP's: The guidelines adopted by the Commission in Case 98-M-1343, as amended from time to time. Current UPB's applicable throughout this tariff are incorporated as an addendum hereto.

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GENERAL INFORMATION

**3. APPLICATION FOR SERVICE**

A. Application for Service - Residential:

- (a) A residential service application may be oral or written. An oral application for service shall be deemed complete when the applicant provides his or her name, address, telephone number, and address of prior account (if any) or prior account number (if any). The Company may require an applicant to complete a written application if:
- (1) there are arrears at the premises to be served and service was terminated for non-payment or is subject to a final notice of termination; or
  - (2) there is evidence of meter tampering or theft of service; or
  - (3) the meter has advanced and there is no customer of record; or
  - (4) the application is made by a third party on behalf of the person(s) who would receive service.
- (b) Whenever a written application for residential service is required, the Company shall notify the applicant as soon as practicable after the request for service is made, and in no event more than two business days after such request, and shall state the basis for requiring a written application. A written application may require the submission of information required in an oral application and reasonable proof of the applicant's identity and responsibility for service at the premises to be served. A written application containing the required information shall be deemed complete when received by the Company.

B. Former Indebtedness Paid - Residential

- (a) The Company will not be obligated to provide service to an applicant who owes the Company money for residential service provided to a prior account in his or her name unless:
- (1) the applicant makes full payment for residential service provided to any such prior account in his or her name; or
  - (2) the applicant agrees to make payments under a deferred payment plan of any amounts due for service to a prior account in his or her name; or

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GENERAL INFORMATION

3. Application for Service. (Cont'd.)

B. Former Indebtedness Paid - Residential: (Cont'd.)

- (3) the applicant has pending a billing dispute with respect to any amounts due for service to a prior account in his or her name and has paid any amounts required to be paid; or
- (4) the applicant is a recipient of or an applicant for public assistance, supplemental security income benefits or additional state payments pursuant to the Social Services Law and the Company receives from an official of the social services district in which the applicant resides, or is notified by such an official that it is entitled to receive payment for services due to a prior account in the applicant's name together with a guarantee of future payments to the extent authorized by the social services law; or
- (5) the Commission or its authorized designee directs the provision of service.
- (6) the Company shall be obligated to provide service to any applicant who meets the requirements of paragraphs A and B above within five business days of receipt of a completed oral or written application for service except as provided under 16 NYCRR 11.3.

C. Application for Service - Non-residential:

(a) Extension of Service:

- (1) The Company shall either provide or deny service to any applicant as soon as reasonably possible, but no later than 10 calendar days after receipt of a completed application for service or such late time as may be specified by the applicant, except:
  - (i) where prevented by labor strikes or other work stoppages; or
  - (ii) where precluded by consideration of public safety;

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GENERAL INFORMATION

3. Application for Service. (Cont'd.)

C. Application for Service - Non-residential: (Cont'd.)

(a)(1) Extension of Service: (Cont'd.)

(iii) where precluded by physical impediments including:

(a) adverse weather conditions;

(b) inability to gain access to premises in the possession of the applicant or others;

(c) incomplete construction of necessary facilities by the applicant or inspection and certification thereof by the appropriate authorities; or

(d) incomplete construction of necessary facilities by the Company.

(2) The Company will make reasonable efforts to eliminate condition preventing extensions of service and will pursue completion of any facilities it must construct with due diligence.

(3) As a prerequisite to accepting an applicant as a customer and providing service, the Company may require the applicant to:

(i) file a written service application containing information sufficient to establish the applicant's identity and responsibility for the premises as either the owner or occupant, the correct service classification, and who controls access to the meter(s) if not the customer;

(ii) comply with the Company's tariff, or any applicable state or local laws or ordinances; and

(iii) fulfill any applicable requirements of 16 NYCRR Part 230.

(b) Denial of Application:

(1) The Company will not deny an application for service except in a written notice either delivered personally to the applicant or sent to the applicant's current business address or any alternative mailing address provided in the application.

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GENERAL INFORMATION

3. Application for Service: (Cont'd.)

C. Application for Service - Non-residential: (Cont'd.)

(b) Denial of Application: (Cont'd.)

(2) The written notice of denial shall:

(i) state the reason(s) for the denial;

(ii) specify what the applicant must do to qualify for service; and

(iii) advise the applicant of the right to an investigation and review of the denial by the Commission or its authorized designee if the applicant considers the denial to be without justification and identify the appropriate address and telephone number of the Commission.

(3) The Company shall advise in writing and within three business days after receipt of the application, any applicant who submits an incomplete application, of the information and/or documents that must be submitted in order for the application to be considered complete. Such notice shall not itself be considered a denial of the application.

D. Former Indebtedness Paid - Non-residential:

(a) The company will not be obligated to provide service to an applicant until full payment is made for all amounts due and payable which are not either the subject of a pending billing dispute pursuant to 16 NYCRR 13.15 or of an existing deferred payment agreement that is in good standing, including:

(1) service provided and billed in accordance with 16 NYCRR 13.11 to prior account(s) in the applicant's name or for which the applicant is legally responsible;

(2) other tariff fees, charge, or penalties

(3) reasonably chargeable material and installation costs relating to temporary or permanent line or main extensions or service laterals as required by Rule 5.D and 5.F and authorized under 16 NYCRR 230, provided these costs are itemized and given to the applicant in writing;

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#### GENERAL INFORMATION

3. Application for Service: (Cont'd.)

D. Former Indebtedness - Non-residential: (Cont'd.)

(4) special services billable under this tariff, provided these costs are itemized and given to the applicant in writing; and

(5) a security deposit, if requested by the Company in accordance with Rule 4.B.

(b) The Company will provide service to any accepted applicant whose application for service was previously denied solely for failure to make full payment as provided in this rule as soon as reasonably possible, but no later than three business days, or such later time as may be specified by the applicant, after payment is made, or 10 calendar days after receipt of the original application, whichever is later, except as provided in Rule 3.C.(a)(1).

#### 4. CONSUMER DEPOSITS:

A. Consumer Deposits - Residential:

(a) Company may require a consumer deposit from new seasonal or short-term residential customers and residential customers as a condition receiving utility service if such customers are delinquent in payment of their utility bills. A current customer is delinquent for the purposes of a deposit assessment if such customer:

(1) accumulates two consecutive months of arrears without making reasonable payment, defined as one-half of the total arrears, of such charges before the time that a late payment charge would become applicable; provided that the Company requests such deposit within two months of such failure to pay; or

(2) had utility service terminated for nonpayment during the preceding six months.

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GENERAL INFORMATION

4. Consumer Deposits: (Cont'd.)

A. Consumer Deposits - Residential: (Cont'd.)

- (b) Customers included in paragraph (a) above shall be provided a written notice, at least 20 days before a deposit is assessed, that the failure to make a timely payment will permit the Company to require a deposit from such customer. If a deposit from a current residential customer who is delinquent by virtue of his or her failure to make a reasonable payment of arrears is required, the Company shall permit such customer to pay the deposit in installments over a period not to exceed 12 months.
- (c) Deposits from new or current residential customers may not exceed two times the estimated average monthly bill for a calendar year except in the case of gas space heating customers where deposits may not exceed two times the estimated average monthly bill for the heating season, to secure payment for services actually rendered, or for the rental of fixtures, instruments and facilities actually supplied.
- (d) The Company shall not require any person it knows to be a recipient of public assistance, supplemental security income, or additional state payments to post a security deposit, nor shall it require or hold a deposit from any new or current residential customer it knows is 62 years of age or older unless such customer has had service terminated by the Company for nonpayment of bills within the preceding six months.
- (e) The Company shall extend service to any new applicant for service who has initiated a complaint on a deposit requested by such Company and shall continue to supply service during the time the complaint is pending, provided that such applicant keep current on bills for service rendered and pay a reasonable amount as a deposit if the complaint challenges only the amount requested.
- (f) The Company shall allow to each such depositor simple interest at a rate per annum prescribed by the Public Service Commission on the amount deposited. Interest to residential customers shall be paid upon the return of the deposit or where the deposit has been held for a period of one year. The interest shall be credited to the customer on the first billing for utility service rendered after the end of such period. If a residential customer is not delinquent in the payment of bills during the one-year period from the payment of the deposit, the deposit shall be refunded promptly without prejudice. The Company reserves the right to require a future deposit in the event that the customer thereafter becomes delinquent.

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GENERAL INFORMATION

4. Consumer Deposits: (Cont'd.)

A. Consumer Deposits - Residential: (Cont'd.)

- (g) Each depositor, upon ceasing to be a customer, shall promptly receive a refund of such deposit and all earned interest not previously refunded or credited, upon surrendering the deposit certificate (or submitting satisfactory proof of the right to receive the deposit) and upon payment of all bills for which such deposit is security. A residential customer shall promptly receive such refund of the deposit as stated herein by reason of non-delinquency after a one-year period from the payment of the deposit. Thereafter, the Company may again require a deposit as stated herein for residential customers.

B. Consumer Deposits - Non-residential:

(a) Deposit Requirements:

- (1) The Company may only require the payment of a security deposit from:

(i) a new customer; or

(ii) an existing customer:

(a) who is delinquent;

(b) whose financial condition is such that it is likely that the customer may default in the future; provided, however, that the Company posses reliable evidence of such condition, such as reports from accepted financial reporting services or credit reporting agencies;

(c) who has filed for reorganization or bankruptcy; or

(d) who has been rendered a back-bill within the last twelve months for previously unbilled charges for service that came through tampered equipment.

- (2) The Company shall offer an existing customer, from whom a deposit is required under clauses (1) (ii) (a) or (b) of this subdivision the opportunity to pay the deposit in three installments, 50 percent down and two monthly payments of the balance.

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GENERAL INFORMATION

4. Consumer Deposits: (Cont'd.)

B. Consumer Deposits - Non-residential: (Cont'd.)

(a) Deposit Requirements: (Cont'd.)

- (3) A request for a deposit or deposit increase shall be in writing and shall advise the customer:
- (i) why the deposit is being requested;
  - (ii) how the amount of the deposit was calculated;
  - (iii) that the deposit is subject to later upward or downward revision based on the customer's subsequent billing history;
  - (iv) that the customer may request that the Company review the account in order to assure that the deposit is not excessive;
  - (v) the circumstances under which the deposit will be refunded;
  - (vi) that the customer will receive annual notice of the interest credited to the account;
  - (vii) about the available deposit alternatives; and
  - (viii) that for an existing customer from whom the deposit is being requested because of delinquency or financial condition, the deposit may be paid in three installments.
- (4) Company shall issue to every customer from whom a deposit is obtained, a receipt showing the date, the account number, the amount received, the form of payment, and shall contain a notice explaining the manner in which interest will accrue and be paid and that the receipt is neither negotiable nor transferable.

(b) Deposit Calculation:

- (1) The amount of a deposit shall not exceed the cost of twice the customer's average monthly usage, except in the case of customers whose usage varies widely such as space heating or cooling customers, or certain manufacturing and industrial processors, where the deposit shall not exceed the cost of twice the average monthly usage for the peak season.
- (2) In the case of an existing customer who has 12 months or more billing history, the amount of deposit shall be based on service used during the previous 12 month period as evidenced by billing history.

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GENERAL INFORMATION

4.Consumer Deposits: (Cont'd.)

B. Consumer Deposits - Non-residential: (Cont'd.)

(b) Deposit Calculation: (Cont'd.)

(3) In the case of a new customer or a customer with less than 12 months of billing history, the amount of the deposit shall be based on one or more of the following, as available:

(i) the billing history of the customer;

(ii) information provided in the application by the customer about the expected load and use of service;

(iii) information contained in a load study of the premises prepared by the Company; and

(iv) the billing history of the previous customer, provided there have been no significant changes in the load.

(c) Deposit Review:

(1) The Company shall, at the first anniversary of the receipt of the deposit and at least biannually thereafter, review the billing history of every customer who has a deposit with the Company to assure that the amount of the deposit conforms to the limitations contained in subdivision (b) of this section. This requirement does not limit the right of the Company to review a deposit at any time.

(i) If a deposit review shows that the deposit held falls short of the amount that the Company may lawfully require by 25 percent or more, the Company may require the payment of a corresponding additional deposit amount from the customer.

(ii) If a deposit review shows that the deposit held exceeds the amount that the Company may lawfully require by 25 percent or more, the Company shall refund the excess deposit to the customer in accordance with subdivision (f) of this section.

(2) Upon the request of a customer for a downward revision of the deposit, which request is substantiated both by the customer's billing history and by a permanent documented change in load and consumption, the Company shall refund any portion of the deposit in excess of the amount the Company may lawfully require in accordance with subdivision (f) of this section

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GENERAL INFORMATION

4. Consumer Deposits: (Cont'd.)

B. Consumer Deposits - Non-residential: (Cont'd.)

(d) Deposit Alternatives:

- (1) The Company shall accept deposit alternatives that provide level of security equivalent to cash such as irrevocable bank letters of credit and surety bonds.
- (2) The Company may, at its discretion, accept from the customer in lieu of a deposit, a written promise to pay bills on receipt and a written waiver of the customer's right not to be sent a final termination notice until 20 calendar days after payment is due.

(e) Interest:

- (1) Every cash deposit shall accrue interest at a rate prescribed at least annually by the Commission in light of the current economic conditions and current charges paid for money borrowed by such utility, taking into account the expenses incurred by the Company in obtaining, handling, returning or crediting the sum deposited.
- (2) Interest shall be paid to the customer upon the return of the deposit or where the deposit has been held for a period of one year or more. The interest shall be credited to the customer no later than the first bill rendered after the next succeeding first day of October and at the expiration of each succeeding one year period.
- (3) Interest shall be calculated on the deposit until the day it is applied as a credit to an account or the day on which a refund check is issued. If the deposit is credited in part and refunded in part, interest shall be calculated for each portion up to the day of credit and refund.

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4. Consumer Deposits: (Cont'd.)

B. Consumer Deposits - Non-residential: (Cont'd.)

(f) Deposit Return:

- (1) The Company shall return a deposit or a portion thereof plus the applicable interest in accordance with paragraphs (2) and (3) of this subdivision as soon as reasonably possible but no more than 30 calendar days after:
  - (i) the day an account is closed;
  - (ii) the issuance date of the first cycle bill rendered after a three year period during which all bills were timely paid, provided there is no other basis for the Company to request a deposit under subparagraph B.(a)(1)(ii) of this section; or
  - (iii) a review pursuant to subdivision (c) of this section where it has been determined that deposit reduction is warranted.
- (2) A deposit or portion thereof plus the applicable interest that is subject to return under paragraph (1) of this subdivision:
  - (i) shall be credited to the account it secured in the amount of any outstanding charges;
  - (ii) may be credited to the account it secured in the amount of the next projected cycle bill, if applicable; and
  - (iii) may be credited to any other account of the customer not secured by a deposit, in the amount of the arrears on that account.
- (3) If a balance remains after the Company has credited the customer's account(s) in accordance with paragraph (2) of this subdivision, a refund check shall be issued to the customer.

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## GENERAL INFORMATION

### 5. MAINS AND SERVICE LINES:

#### A. Installation Required:

When an application for gas service is made to the Company by the owner or occupant of a building situated on property abutting on or having access to any public right-of-way in which the governmental authority having jurisdiction will permit the Company to install and maintain facilities, the Company will render the service requested in accordance with the following rules.

If due to unusual circumstances the actual cost per foot of a particular installation is greater than two times the Company's average cost per foot of new installations for service for the twelve months ended September 30 of the previous year, the Company may apply to the Public Service Commission for relief from such part of these rules as it deems necessary in order to provide the service.

#### B. Applicant Requirement:

An applicant shall first have:

- (a) assured the Company that he/she will be a reasonably permanent customer;
- (b) agreed in writing to pay to the Company;
  - (1) the material and installation costs relating to any portion of the service line, service connections and appurtenant facilities located on his/her property that exceeds the portion which the Company is required to install without charge.
  - (2) any surcharge relating to the portion of the main and appurtenant facilities that exceeds the portion which the Company is required to install without charge; and
  - (3) the rates charged like customers; and
- (c) furnished reasonable security as to the performance of his/ her agreement, if required to do so by the Company.

#### C. Company Contribution:

The Company will furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested. The cost and expense that will be paid by the Company include the following:

- (a) amounts paid to governmental authorities for permits to do the work required and all paving charges that are legally imposed by any governmental authority for the repair or replacement of any street or sidewalk disturbed in the course of such installation.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

5. Mains and Service Lines: (Cont'd.)

C. Company Contribution: (Con't)

Residential Applicant - Non-Heating:

(b) The material and installation costs relating to up to 100 feet of total main and service line (service line measured from the centerline of the public right-of-way, or from the main if it is closer to the customer and development will be limited to one side of the right-of way for at least 10 years), service connections and appurtenant facilities, but not less than 100 feet of main (if necessary) plus the length of service line necessary to reach the edge of the public right-of-way.

(c) Residential Applicant – Heating: The material and installation costs relating to:

(1) up to 100 feet of main and appurtenant facilities; and

(2) up to 100 feet of service line (service line measured from the centerline of the public right-of-way, or from the main if it is closer to the customer and development will be limited to one side of the right-of-way for at least 10 years), service connections and appurtenant facilities; but not less than the length of service line necessary to reach the edge of the public right-of-way.

(d) Non-Residential Applicant: The material and installation costs relating to:

(1) up to 100 feet of main and appurtenant facilities; and

(2) any service line, service connections and appurtenant facilities located in the public right-of-way.

D. Main Extension Surcharge:

If the Company, in order to provide service to an applicant, must install mains and appurtenant facilities in addition to those required to be provided without charge under C. above the Company will impose a surcharge subject to the following provisions.

(a) The surcharge relating to mains and appurtenant facilities including return, depreciation, taxes and maintenance shall not exceed 20 percent per year of the actual reasonable cost of such facilities that exceeds the portion which the Company is required to install without charge to an applicant, if the Company lays a main of 4 inches or less in nominal diameter (in the case of low pressure distribution) or of 2 inches or less in nominal diameter (in the case of high pressure distribution). If the corporation lays a main greater than 4 inches in nominal diameter (in the case of low pressure distribution) or greater than 2 inches in normal

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Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No.	<u>1</u>	Gas
Original Leaf No.		<u>21</u>
Revised Leaf No.		<u>0</u>

GENERAL INFORMATION

5. Mains and Service Lines: (Cont'd.)

D. Main Extension Surcharge: (Cont'd.)

diameter (in the case of high pressure distribution), the surcharge shall not exceed 20 percent per year of the estimated reasonable cost of a 4-inch main (in the case of low pressure distribution), or a 2-inch main (in the case of high pressure distribution) unless the estimated consumption of the proposed customer(s) requires the installation of a larger-sized main, in which event the surcharge shall not exceed 20 per cent per year of the actual reasonable cost of such main. The surcharge shall commence when gas service is first available to the applicant \ and shall be paid ratably for each billing period.

- (b) The surcharge shall be reduced by 50 percent of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above.
- (c) Whenever more than one customer is connected to a main extension, the surcharge shall be so adjusted that the Company shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge will be reasonably allocated among the customers being served from the main extension, taking into account the portion of mains and appurtenant facilities which the Company is required to provide without charge to each customer served from such facilities.
- (d) Each surcharge shall cease:
  - (1) whenever the length of a main extension required to be provided without charge to all customers served from such extension shall equal or exceed the total length of such extension;
  - (2) whenever the total adjusted gas revenue from all customers serviced from a main extension equals or exceeds 40 percent of the cost of such extension in excess of that required to be provided without charge, in each of any two consecutive calendar years; or
  - (3) after a period of ten years following its commencement.
- (e) If the adjusted gas revenue from all customers served from a main extension exceeds the carrying cost of the entire extension, any surcharges (or contributions) paid by such customers during the preceding five years shall be refunded to such customers.
- (f) No surcharge will be imposed if the total adjusted gas revenue from all customers served from a main extension is estimated to exceed 40 percent of the actual reasonable cost of such extension in each of any two consecutive calendar years.

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Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

5. Mains and Service Lines: (Cont'd.)

E. Furnishing of Rights of Way or Agreement to Pay Costs:

- (a) Each applicant or customer shall execute and deliver to the Company, free from cost, satisfactory permanent easements or rights-of-way to permit the Company to provide service.
- (b) The Company shall not be obligated to provide service to any applicant or customer who has neither:
  - (1) delivered to the Company satisfactory permanent easements or rights-of-way; or
  - (2) requested that the Company obtain such easements or rights-of-way, agreed to pay any costs which the Company incurs in obtaining them and (if required to do so by the Company) furnished reasonable security as to the performance of his/her agreement.

F. Installation Before Service Required:

Whenever the Company installs service lines, service connections or appurtenant facilities at the request of an applicant who does not immediately desire service, the applicant shall bear the entire reasonable expense of providing, placing and constructing such facilities but shall be entitled to a refund whenever gas service is begun for such part of the expense of the Company as herein before required to assume. The refund shall be the cost of the service lines and appurtenances, less depreciation at the rate of 3 percent per year.

G. Inspection, Maintenance and Replacement of Facilities:

- (a) Company shall be solely responsible for the inspection, testing, operation, maintenance, replacement and reconstruction of all mains, service lines, service connections and appurtenant facilities which it uses to supply gas to customers.
- (b) The Company shall bear the cost of inspecting, testing and operating all facilities. It shall bear the cost of maintaining, replacing or reconstructing all main and appurtenant facilities. It shall also bear the cost of maintaining, replacing or reconstructing the service line and appurtenant facilities necessary to service each as if such customer were an applicant for service, unless an act or omission of the customer necessitates the replacement or reconstruction.
- (c) If an act or omission of any customer who had installed facilities necessitates the replacement or reconstruction of such facilities, the customer shall pay to the Company the cost of replacement or reconstruction.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 23  
Revised Leaf No. 0

GENERAL INFORMATION

**6. SERVICE CONNECTIONS:**

A. Company Property:

Any appliance or device furnished at the expense of the Company shall remain its property and may be removed by it at any time on the termination of the agreement or the discontinuance of service.

The customer shall be responsible for the safekeeping of the property of the Company on his premises and shall take all reasonable precautions against unlawful interference with such property.

The customer shall not interfere with or alter the meters, seals, or other property used in connection with rendering gas service, or permit the same to be done by other than the authorized agents or employees of the Company.

B. Access to Premises:

Any properly identified employee of the Company shall have access to the premises of the customer at all reasonable times for the purpose of reading meters, testing, inspecting, repairing, removing, or exchanging any or all equipment belonging to the Company.

C. Notice to the Company of Escape of Gas:

Customers are required to give immediate notice at the office of the Company of any escape of gas as no deduction will be made from the registration of the meter. In case of leaks the meter cock should immediately be closed and no flame taken near the escape until after full and free ventilation and repair.

D. Right to Shut Off Supply of Gas:

Should any leak in the mains, pipes, service pipes, fixtures, or connections be reported to or discovered by any employee of the Company, the Company shall have the right to shut off the supply of gas until satisfactory repairs have been made.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

**7. METERING, BILLING, COLLECTIONS AND ESTIMATED BILLS:**

A. Metering and Billing:

(a) Measurement of Gas Service:

Bills will be based upon the registration of the Company's meter except as otherwise provided.

(b) Diversion of Service:

In accordance with 16 NYCRR Sections 11.30 through 11.39, and Section 52 of the Public Service Law, when a tenant's service meter also registers utility service use outside the tenant's dwelling; the tenant is not required to pay the charges for that service. The Company will establish an account in the owner's name for all service registered on the shared meter after that date and will rebill for past service in accordance with 16 NYCRR Part 11.34. A customer may request a copy of the entire rules governing shared meters from the Company's office.

(c) Testing of Meters:

At such times as the Company may deem proper or as the Public Service Commission may require, the Company will test its meters in accordance with the standards and bases prescribed by the Public Service Commission.

(d) Meter Reading and Billing Period:

Meters will be read monthly or bi-monthly. Where meters are scheduled to be read at two-month intervals (bi-monthly), the Company may render interim estimated bills based upon the best information available. The Company will furnish, upon request, postcards for customers to report their meter readings for the intervening months.

With the exception of Section 7(h) herein, the Company will issue bills monthly. A month is defined in the respective service classifications as any period consisting of not less than 27 days or more than 33 consecutive days. A bill for any shorter or longer period will be prorated on the basis of a 30-day billing period.

(e) Bills Due:

Bills of the Company are due three days after the mailing of the bill or when rendered if personally delivered.

(f) Late Payment Charges:

(1) Except for State Agencies, the customer is in default if payment is made more than 20 days after bill is due, then the customer is required to pay late a payment charge of 1-1/4% per monthly billing period and this charge will be applied to all amounts previously billed including arrears and unpaid late payment charges applied to previous bills. When payments are mailed the postmark will be considered as date received. Payments must be made without regard to any counterclaims. Failure to receive a bill does not relieve responsibility for payment of amount due.

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005



GENERAL INFORMATION

7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

A. Metering and Billing: (Cont'd.)

(f) Late Payment Charges: (Cont'd.)

- (2) Pursuant to 16 NYCRR 13.10, the Company may impose a continuing late payment charge on the amount billed for non-residential service used that was previously unbilled because the service was being provided through tampered equipment and the Company can demonstrate either that the condition began since the customer initiated service or that the customer actually knew or reasonably should have known the original billing was incorrect. The Company may also impose a continuing late payment charge on the balance due under a deferred payment agreement offered pursuant to Rule 8.2.C.
- (3) Except as provided in 16 NYCRR 13.10, the Company may not charge any non-residential customer a late payment charge, penalty, fee, interest or other charge of any kind for any late payment or deferred payment agreement occasioned by the customer's failure to make timely payment for services.
- (4) State agencies as defined by Article XI-A of the State Finance Law (Chapter 153 of the Laws of 1984) are required to make payments pursuant to the provisions of Article XI-A of the State Finance Law.

(g) Easy Payment Plan:

- (1) Residential customers whose use of service includes complete gas house heating may make payments under any Easy Payment Plan prescribed by the Company.
- (2) Condominium associations or cooperative housing corporations may make payments under any Easy Payment Plan prescribed by the Company.

(h) Quarterly Payment Plan:

Residential customers 62 years of age or older, may make payments on a quarterly basis of charges for service rendered, provided that such customer's average annual billing is not more than \$150.

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Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

B. Estimated Bills - Residential:

- (a) Should any meter or measuring device used under an agreement for service for any reason fail to register for any period of time the full usage of service by a customer, or if the actual usage of service cannot be obtained because of inability of Company to read a meter or measuring device, the usage of service by such customer may be estimated by Company on the basis of available data and bill the customer accordingly.
- (b) Estimated bills may be routinely sent to the customer for a period of four months or two billing periods, whichever is greater.
- (c) If no actual reading is obtained after the aforementioned period, the Company shall take reasonable actions to obtain such a reading at a time other than during normal business hours; or
  - (1) making an appointment with the customer and/or such other person who controls access to the meter for the reading at a time other than during normal business hours; or
  - (2) offering the customer and/or such other person who controls access to the meter the opportunity to phone in meter readings; or
  - (3) providing to the customer and/or such other person who controls access to the meter cards on which he or she may record the reading and mail it to the Company.
- (d) Where the Company has submitted an estimated bill or bills to a residential customer that understates the actual amount of money owed by such customer for the period when estimated bills were rendered by more than 50 percent or one hundred dollars (\$100), whichever is greater, the Company shall notify the customer in writing that he or she has the right to pay the difference between the estimated charges and the actual charges in regular monthly installments over a reasonable period that shall not be less than three months.
- (e) For seasonal and/or short term customers, an actual meter reading shall be taken upon termination of service.

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

GENERAL INFORMATION

7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

C. No Access Procedures - Residential:

- (a) If no actual reading is obtained after bills representing six month or three billing periods of estimated bills, whichever is greater, have been rendered, the Company shall send a notice to the customer or to the person who controls access to the meter offering a special appointment for a meter reading both during and outside of business hours.
- (b) Where the customer resides in a multiple dwelling (as defined in the Multiple Dwelling Law or Multiple Residences Law) or in a two-family dwelling that is known by the Company to contain residential units where service is provided through a single meter or meters and the meter is not in the apartment, the notice shall be sent to the customer and such other person who controls access to the meter.
- (c) If the Company's records do not contain the address of the person who controls access to the meter, the Company shall request that the customer furnish such information.
- (d) The Company receives no response after bills representing eight months or four billing periods of estimated bills, whichever is greater, the Company may send a notice advising the customer and/or such other person who controls access to the meter that if no appointment is made a charge of twenty-five dollars (\$25) will be added to the next bill rendered to the person who controls and refuses to provide access to meter.
- (e) If the person who controls access fails to arrange an appointment in response to a second request and the Company is unable to obtain an actual meter reading, the Company may add a charge of twenty-five dollars (\$25) to the next bill of the recipient of the notice. If the Company intends to obtain a court order to gain access to the meter, it shall inform the recipient of the notice by certified or registered letter. The letter shall inform the recipient that the purpose of obtaining such a court order is to replace a meter, or, if physically feasible, to relocate the meter or install a remote reading device. The letter shall state that the court costs and the costs of the meter relocation will be paid by the person who controls access to the meter.

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GENERAL INFORMATION

7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

D. Meter Reading and Estimated Bills - Non-residential:

(a) Meter Reading - Non-residential Customers:

- (1) The Company shall make a reading attempt, to obtain an actual reading for every customer's account, on the regularly scheduled basis stated in Rule 7.A.(d).
- (2) A reading attempt requires that a meter reader visit the premises between 8:00 a.m. and 5:00 p.m. on a business day and follow any routine access instructions.
- (3) Where circumstances beyond the Company's control prevent the Company from making a regularly scheduled reading attempt and where the two previous consecutive cycle bills were not based on an actual reading the Company shall make a second similar follow-up reading attempt as soon as possible and within seven calendar days after the scheduled reading date.
- (4) Where the Company has billed a customer's account based on the readings of a remote registration device for six consecutive months, the Company shall, at the time of every subsequent reading attempt and, until successful, try to gain access to and read the meter.
- (5) Where the Company has billed a customer's account based on customer readings for six consecutive months, and did not obtain an actual reading at the time of the next regularly scheduled or follow-up reading attempt thereafter, the Company shall, within seven calendar days after the last attempt, either make another reading attempt or an appointment with the customer to read the meter.
- (6) Unless a customer does not have access to the meter or the customer will be unable to obtain a reliable meter reading, the Company shall, at the time of any unsuccessful reading attempt, leave at the premises or mail to the customer a meter reading card.

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Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

D. Meter Reading and Estimated Bills - Non-residential: (Cont'd.)

(b) Estimated Bills - Non-residential Customers:

(1) The Company may render an estimated bill for a regular cycle billing period only when:

- (i) the Company has failed to obtain access to the meter(s);
- (ii) circumstances beyond the control of the Company make obtaining an actual reading of the meter(s) extremely difficult, despite having access to the meter area; provided, however, that estimated bills for this reason may be rendered no more than twice consecutively without the Company advising the customer in writing of the specific circumstances and the customer's obligation to have the circumstances corrected;
- (iii) the Company has good cause for believing that an actual or customer reading obtained is likely to be erroneous; provided, however, that estimated bills for this reason may be rendered no more than twice consecutively without the Company initiating corrective action before the rendering of the next cycle bill;
- (iv) circumstances beyond the control of the Company prevented the meter reader from making a premises visit;
- (v) an actual reading was lost or destroyed; provided, however, that an estimated bill for this reason shall be rendered no more than once without the Company initiating corrective action before the rendering of the next cycle bill;
- (vi) an estimated reading has been prescribed or authorized by the Commission for a particular billing cycle;
- (vii) an estimated reading is the approved billing method in accordance with the Company's tariff for the billing; or
- (viii) an un-metered condition was in existence during the period.

(2) Every estimated bill shall be calculated in accordance with an established formula or methodology that shall take into account the best available relevant factors for determining the customer's usage.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

D. Meter Reading and Estimated Bills - Non-residential: (Cont'd.)

(c) No Access Procedure - Non-residential Customers:

(1) The Company shall begin providing no access notices commencing with:

- (i) the fourth consecutive bill estimated pursuant to subparagraph (b)(1)(i) or (ii); or
- (ii) the tenth consecutive bill estimated pursuant to subparagraph (b)(1)(i) or (ii) based on a remote registration device or a customer reading.

(2) The no access notices and charges described in this subdivision shall be directed only to the access controller.

In

any case here the access controller is not the customer of the subject account, a copy of these no access notices shall also be sent to the customer at the same time.

(3) The series of no access notices shall be as follows:

- (i) The first notice shall advise the access controller that unless access to the customer's meter is provided on the next meter reading date or a special appointment to read the meter is made and kept by the access controller prior to that date, a no access charge will be added to the access controller's next bill and to every bill thereafter until access to the customer's meter is provided, but that no charge will be imposed if an appointment is arranged and kept. The notice shall advise the access controller that the Company will arrange a special appointment for a reading of the customer's meter if the access controller calls a specified telephone number. Where the access controller is not the customer of the subject account, the notice shall begin by stating that the Company records indicate that the recipient is the party who controls access to the meter of the customer, specifically identified as to address, part supplied, and account number, and that the

Company

has not been provided access to the customer's meter as required.

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GENERAL INFORMATION

7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

D. Meter Reading and Estimated Bills - Non-residential: (Cont'd.)

(c) No Access Procedure - Non-residential Customers: (Cont'd.)

(ii) The second notice shall advise the access controller of the no access charge that has been added to the access controller's bill and that unless access to the customer's meter is provided on the next meter reading date or a special appointment to read the meter is made and kept by the access controller prior to that date, another charge will be added to the access controller's next bill. The notice shall further explain that if the access controller's service can be physically terminated without obtaining access, steps to terminate service will follow, and that in the event that the access controller's service cannot be physically terminated, steps to obtain a court order to gain access to the customer's meter will follow. The notice shall advise the access controller that the Company will arrange a special appointment for a reading of the customer's meter if the access controller calls a specified number.

(iii) The third and each successive notice shall advise the access controller of the no access charge that has been added to the access controller's bill and, if the access controller's service can be terminated without obtaining access, shall be accompanied by a final notice of termination for non-access. In any case where the access controller's service cannot be physically terminated without obtaining access, the notice shall advise the access controller that the Company is seeking to obtain a court order to gain access to the customer's meter.

(4) The no access charge shall not exceed \$100.

(5) No more than \$100 per building or premises shall be added to any single bill of the access controller even though more than one meter is located there.

(6) The Company may, at its discretion, suspend temporarily the issuance of no access notices and/or penalties under this subdivision if the access controller contacts the Company and provides a legitimate reason for postponing the provision of access; provided, however, that such suspension may not exceed 90 calendar days.

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GENERAL INFORMATION

7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

E. Back-Billing - Non-Residential Customers:

(a) Notice:

- (1) Every back-bill shall contain in sufficient detail a written explanation of the back-billing so as to apprise the customer of the circumstances, error or condition that caused the under-billing, and, if the back-bill covers more than a 24 month period, a statement setting forth the reason(s) the Company did not limit the back-bill under subdivision (c) of this section.
- (2) Every back-bill shall contain, or be accompanied by, all required information applicable under 16 NYCRR 13.11 - Contents of Bill.
- (3) Every back-bill covering more than a one month period, other than a catch-up back-bill, shall contain a notice that the customer may obtain upon request a detailed billing statement showing how the charges were calculated, including any late payment charges. All catch-up back-bills shall clearly indicate how the back-bill was calculated, whether as if the service were used during the current cycle, or as if redistributed back to the last actual reading.
- (3) A back-bill shall be accompanied by an offer of a deferred payment agreement in accordance with Rule 8.2.C., if applicable.

(b) Limitations on Back-bill Rendering:

- (1) The Company shall not render a back-bill more than six months after the Company actually became aware of the circumstance, error or condition that caused the under-billing, unless a court extends the time to render a back-bill.
- (2) The Company shall not upwardly revise a back-bill unless the first back-bill explicitly stated that the Company reserved the right to do so, the revised back-bill is rendered within 12 months after the Company actually became aware of the circumstance, error, or condition that caused the under-billing, and



**Valley Energy, Inc.**  
New York Division

Superseding

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Original Leaf No. 33  
Revised Leaf No. 0

## GENERAL INFORMATION

### 7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

#### E. Back-billing - Non-residential Customers: (Cont'd.)

##### (b) Limitations on Back-bill Rendering: (Cont'd)

(i) the customer knows or reasonably should have known that the original billing or the first back-bill was incorrect; or

(ii) new information shows that the first back-bill was incorrect.

(3) The Company shall render a downwardly revised back-bill as soon as reasonably possible and within two months after the Company becomes aware that the first back-bill was excessive.

(4) The Company shall not render a back-bill for any under-billing when the reason for the under-billing is apparent from the customer's service application, or could have been revealed in a service application and the Company failed to obtain and retain one.

##### (c) Limitations on Back-billing Period:

(1) When the failure to bill at an earlier time was due to utility deficiency, the Company shall not bill a customer for service rendered more than 12 months before the Company actually became aware of the circumstance, error, or condition that caused the under-billing, unless the Company can demonstrate that the customer knew or reasonably should have known that the original billing was incorrect.

(2) The Company shall not bill a customer for service rendered more than 24 months before the Company actually became aware of the circumstance, error, or condition that caused the under-billing, unless the Company can demonstrate that the customer knew or reasonably should have known that the original billing was incorrect.

#### F. Levelized Payment Plan - Non-residential Customers:

##### (a) Obligation to Offer:

The Company shall provide a written notice offering a voluntary levelized payment plan designed to reduce fluctuations in payments caused by seasonal patterns of consumption to its eligible customers at least once in each 12-month period.

**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 34  
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GENERAL INFORMATION

7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

F. Levelized Payment Plan - Non-residential Customers: (Cont'd.)

(b) Eligibility:

The Company shall offer a levelized payment plan to all non-residential customers except:

- (1) customers who have less than 12 months of billing history at the premises;
- (2) seasonal, short-term or temporary customers;
- (3) customers who have arrears;
- (4) interruptible, temperature-controlled or dual-fuel customers;
- (5) customers who, for any reason, ceased being billed on a previous levelized payment plan before the end of the plan year within the past 24 months; or
- (6) customers whose pattern of consumption is not sufficiently predictable to be estimated on an annual basis

with

any reasonable degree of certainty.

(c) Removal From Levelized Payment Plan:

(1) A customer may request that the Company remove the customer from the levelized payment plan and  
reinstate  
regular billing at any time in which case the Company may immediately render a final levelized settlement  
bill,  
and shall do so no later than by the time of the next cycle bill that is rendered more than 10 business days after  
the request.

(2) The Company may only remove a customer from the levelized payment plan if the customer becomes  
ineligible under subdivision (b) of this section and the Company has given the customer an opportunity to  
become current in payment if delinquency is the cause of the customer's ineligibility. The Company shall  
limit  
such opportunity to once in any 12-month period per customer.

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Valley Energy, Inc.  
New York Division

Superseding

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Original Leaf No. 35  
Revised Leaf No. 0

GENERAL INFORMATION

7. Metering, Billing, Collections and Estimated Bills: (Cont'd.)

G. Interest on Customer Overpayments:

The Company shall provide interest on customer overpayments in accordance with 16 NYCRR 277.

A customer overpayment is defined as payment by the customer to the Company in excess of the correct charge for gas service supplied to the customer that was caused by erroneous billing by the Company.

The rate of interest on customer overpayments shall be the greater of the unadjusted customer deposit rate specified by the Commission or the applicable late payment rate, if any, for the service classification under which the customer was billed. Interest shall be paid from the date of customer overpayment adjusted for any changes in the deposit rate or late payment rate, and compounded monthly until the date the overpayment is completely refunded.

The Company shall be required to pay interest on any customer refunds, except where customer overpayments are refunded within 30 days after such overpayment is received by the Company.

H. Contents of Bills - Non-residential Customers:

Customer bills shall state the charges for service(s) performed, materials furnished or other charges made by the Company and will be itemized on the applicable bill form unless by reason of size limitation itemization is not possible. In those cases, totals will be utilized and a separate listing of charges making up such totals will be sent with the bill. Bills shall contain information required under 16 NYCRR 13.11.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

**8.1. DISCONTINUANCE OF SERVICE - RESIDENTIAL:**

A. Notice of discontinuance - Time:

The Company may discontinue the supply of gas for nonpayment of bills rendered for service or for failure to post a lawfully required deposit at least 15 days after written notice has been served personally upon the customer or mailed to the customer. This notice may not be issued until at least 20 days have elapsed from the date payment was due.

If the person supplied above has specified to the Company in writing an alternate address for billing purposes, the notice shall be sent to such alternate address rather than to the premises where service is rendered.

B. Notice of Discontinuance - Format:

Every notice indicating discontinuance of service will

(a) clearly indicate in non-technical language:

- (1) the reason for service discontinuance;
- (2) the total amount required to be paid indicating the amount for which the customer's account is either in arrears or the required deposit, if any, which must be posted by the customer, or both;
- (3) a method whereby the customer may tender payment of the full sum due and owing including any required deposit to avoid the discontinuance of service; and
- (4) the availability of Company procedures for handling complaints prior to discontinuance, including the address and telephone number of the office of the Company which the customer may contact in reference to his or her account; and
- (5) the earliest date on which discontinuance may be attempted.

(b) have printed on the face thereof in a size type capable of attracting immediate attention, the following:

"THIS IS A FINAL TERMINATION NOTICE. PLEASE BRING THIS NOTICE TO THE ATTENTION OF THE COMPANY WHEN PAYING THIS BILL."

(c) include a summary to residential customers as prepared or approved by the Public Service Commission stating the protections available to them together with a notice that any customer eligible for such protections should contact the Company.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

8.1. Discontinuance of Service - Residential: (Cont'd)

C. Verification of Delinquent Account Prior to Discontinuance:

The Company will not discontinue service for nonpayment of bills rendered or for failure to post a required deposit unless:

- (a) it has verified that payment has not been received at any office of the Company or at any office of an authorized collection agent through the end of the required notice period; and
- (b) it has verified on the day discontinuance occurs that payment has not been posted to the customer's account as of the opening of business on that day or has complied with procedures established for rapid posting of payments.

D. Rapid Posting of Payments in Response to Notice of Discontinuance:

The Company shall take reasonable steps to establish procedures to insure that any payments made in response to notices of discontinuance, when the customer brings the fact that such a notice has been issued to the attention of the Company or its authorized collection agents, are either:

- (a) posted to the customer's account on the day payment is received; or
- (b) processed in some manner so that discontinuance will not occur.

E. Days and Time When Discontinuance of Service is Not Permitted:

- (a) The Company shall not discontinue service to any person for nonpayment of bills or for failure to post a required deposit on a Saturday, Sunday, public holiday, or day on which the main business office of the Company is not open for business. For purposes of this section, the term "public holiday" refers to those holidays enumerated in the General Construction Law.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

8.1. Discontinuance of Service - Residential: (Cont'd)

E. Days and Time When Discontinuance of Service is Not Permitted: (Cont'd.)

(b) The Company shall not discontinue service to any residential customer for nonpayment of bills or for failure to post a required deposit on a Friday, or the day immediately preceding a day on which the main business office of the Company is not scheduled to be open for business, or the day immediately preceding a public holiday, or during a two-week period encompassing Christmas and New Year's Day. Residential disconnection shall be made only between the hours of 8:00 a.m. and 4:00 p.m.

F. Voluntary Third Party Notice Prior to Discontinuance of Service:

The Company shall permit a residential consumer to designate a third party to receive a copy of every notice of discontinuance of service sent to such residential consumer, provided that such third party indicates in writing his or her willingness to receive such notices.

G. No Additional Notice Required When Payment by Check is Subsequently Dishonored:

Receipt of a subsequently dishonored negotiable instrument in response to a notice of discontinuance shall not constitute payment of a residential customer's account and the Company shall not be required to issue additional notice prior to discontinuance.

H. Discontinuance of Service to Entire Multiple Dwellings:

The Company shall not discontinue service to an entire multiple dwelling (as defined in the Multiple Dwelling Law or the Multiple Residence Law) unless the notices specified in the Public Service Law have been given, provided that where any of the notices required there under are mailed in a post-paid wrapper there shall be no discontinuance of service until at least 18 days after the mailing of such notices.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

8.1 Discontinuance of Service - Residential: (Cont'd.)

I. Discontinuance of Service to Two-Family Dwellings:

The Company shall not discontinue service to a two-family dwelling that is known by the Company to contain residential units where service is provided by a single meter, unless the notices specified in the Public Service Law have been given.

J. Multiple Dwellings – Additional Requirements:

Subsections C through G shall be applicable with respect to the discontinuances of service to entire multiple dwellings.

During the cold weather period beginning November 1 of each year and ending April 15 of the following year, the written notices required in Subsections H and I shall be provided not less than 30 days before the intended termination.

K. Emergency Disconnection:

The Company may disconnect service when an emergency may threaten the health or safety of a person, a surrounding area or the Company's distribution system. The Company shall act promptly to assure restoration of service as soon as feasible. Service will be restored before it may be terminated for any other reason.

L. Termination of Residential Service - Special Procedures:

Special emergency procedures, required by 16 NYCRR Part 11, provide special protections for specified residential customers regarding the termination and restoration of service in cases involving medical emergencies, the elderly, blind, or disabled, and terminations during cold weather.

Copies of the Company's special procedures are on file with the Commission and are available to the public upon request at Company offices where application for service may be made.

M. Complaint Procedures - Residential:

Any complaint filed with the Company regarding disputed bills, charges or deposits will be promptly investigated in accordance with the procedures and form of notice required by the Public Service Commission rules contained in 16 NYCRR 11.20 and 275.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840



GENERAL INFORMATION

8.1. Discontinuance of Service - Residential: (Cont'd.)

M. Complaint Procedures - Residential: (Cont'd.)

The Company will not discontinue service regarding a disputed bill or deposit until it has complied with said Commission rules.

Copies of the Company's complaint handling procedures and form of notice are on file with the Commission and are available to the public upon request at Company offices where application for service may be made.

N. Reconnection of Service - Residential Customers:

(a) Where a customer's service is discontinued for nonpayment of bills, the Company reserves the right to refuse to furnish service to residential customers at the same or any other location until:

(1) The Company receives the full amount of arrears for which service was terminated; or

(2) The Company and the customer reach agreement on a deferred payment plan and the payment of a down payment, if required, under that plan; or

(3) Upon the direction of the Commission or its designee; or

(4) Upon the receipt by the Company of a commitment of a direct payment or written guarantee of payment from the social services official of the social services district in which the customer resides; or

(5) Where the Company has notice that a serious impairment to health or safety is likely to result if service is not reconnected. Doubts as to whether reconnection of service is required for health or safety reasons shall be resolved in favor of reconnection.

(b) The Company shall reconnect service, unless prevented by circumstances beyond its control or where a customer requests otherwise, to any disconnected residential customer not more than 24 hours after the above conditions of

Section A of this section have been satisfied. Whenever circumstances beyond the Company's control prevent reconnecting of service within 24 hours, service shall be reconnected within 24 hours after those circumstances cease to exist.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

8.1. Discontinuance of Service - Residential: (Cont'd.)

O. Deferred Payment Agreement - Residential:

Generally the Company will offer any eligible residential customer or applicant a deferred payment agreement with specific terms as required by 16 NYCRR 11.10 which sets forth in detail the procedures summarized here. The agreement will be made in duplicate on the form set forth in Rule 20.F of this tariff.

(a) Eligibility:

All residential customers and applicants are eligible for an agreement unless the customer has broken an existing payment agreement which required payment over a period at least as long as the standard agreement described below, or the Public Service Commission determines that the customer or applicant has the resources to pay the bill.

(b) Written Offers:

A specific written offer will be made to eligible customers before the date of any threatened termination of service, where payment of outstanding charges is a requirement for reconnection or acceptance of an application for service, and when a customer has broken an agreement that was for a shorter period than the standard agreement.

(c) Negotiating Agreements:

Before making a written offer, the Company will make a reasonable effort to contact eligible customers or applicants in order to negotiate agreement terms that are fair and equitable considering the customer's financial circumstances. The Company may, at its discretion, require the customer to complete a form showing his or her assets, income and expenses and provide reasonable substantiation of such information, and if it does so, shall treat all such information confidentially. The Company may also postpone a scheduled termination for up to 10 days for the purpose of negotiating an agreement.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

8.1. Discontinuance of Service - Residential: (Cont'd.)

O. Deferred Payment Agreement - Residential: (Cont'd.)

(d) The Standard Agreement:

If the Company and the customer or applicant are unable to agree upon specific terms, the Company will offer an agreement with the following terms:

- (1) a down payment up to 15 percent of the amount covered by the payment agreement or the cost of one-half of one month's average use, whichever is greater, or if the amount covered by the agreement is less than one-half of one month's average usage, 50 percent of such amount; and
- (2) monthly installments up to the cost of one-half of one month's average use or one-tenth of the balance, whichever is greater.

(e) Entering the Agreement:

The copy of the written agreement must be signed by the customer and returned to the Company in order to be valid and enforceable. In the case of customers who are subject to a final notice of termination, the signed agreement must be returned to the Company by the day before the earliest day on which termination may occur in order to avoid termination. If the agreement is not signed and returned as required, the Company will terminate service.

(f) Renegotiating Agreements:

If a customer or applicant demonstrates that his or her financial circumstances have changed significantly because of financial circumstances beyond his or her control, the Company will amend the terms of the agreement to reflect such changes.

(g) Broken Agreements:

If a customer fails to make timely payment of installments in accordance with a payment agreement, the Company will send a reminder notice before sending a final notice of termination. If a customer fails to pay an installment by the 20th day after payment was due and has not negotiated a new agreement, the Company will demand full payment and send a final notice of termination in accordance with 16 NYCRR 11.4 and 11.10 and Rule 8.1 of this tariff.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 43  
Revised Leaf No. 0

## GENERAL INFORMATION

### 8.2. DISCONTINUANCE OF SERVICE - NON-RESIDENTIAL

#### A. Termination of Service:

##### (a) Conditions for Termination:

- (1) Except in the case of tampered equipment as provided by paragraph (2) of this rule and Rule 8.2.D., the Company will only terminate service to a customer if it provides advance final notice of the termination and fulfills all other requirements of this rule when the customer:
  - (i) fails to pay any tariff charge due on the customer's account for which a written bill itemizing the charge, in conformance with 16 NYCRR 13.11 regarding contents of bill, has been sent, except for charges that reflect service used more than six years prior to the time the bill first containing these charges was rendered, which charges must be pursued by other methods of collection;
  - (ii) fails to pay amounts due under a deferred payment agreement;
  - (iii) fails to pay a security deposit in accordance with Rule 4.B.;
  - (iv) fails to provide reasonable access to the premises for necessary or proper purposes in connection with rendering of service, including meter installation, reading or testing, or the maintenance, or removal, or securing, of the Company's property, so long as the requirements of 16 NYCRR 13.8(c) have been met and the customer has not advised the Company that the customer does not and who does have control over access; or
  - (v) fails to comply with a provision of the Company's tariff which permits the Company to refuse to supply or to terminate service.

**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 44  
Revised Leaf No. 0

## GENERAL INFORMATION

### 8.2. Discontinuance of Service - Non-residential (Cont'd.)

#### A. Termination of Service: (Cont'd.)

##### (a) Conditions for Termination: (Cont'd.)

(2) The Company may terminate service to a customer without providing advance notice of the termination and without fulfilling the other requirements of this rule when it finds service being supplied through tampered equipment provided that the Company:

(i) has evidence that the customer opened the account and used the service prior to the creation of the condition or that the customer knew, or reasonably should have known that service was not being fully billed;

(ii) has rendered a written un-metered service bill in accordance with 16 NYCRR 13.11(e);

(iii) has made reasonable efforts to provide to a person in charge of the premises;

(a) the written un-metered service bill; and

(b) oral notice of the conditions, if any, under which the utility will continue service which may include the payment by cash, certified check, or money order within two hours of some portion of the bill up to but not exceeding 50 percent; and

(iv) has not received the required payment.

##### (b) Final Notice of Termination:

(1) A final notice of termination shall state:

(i) the reason(s) for termination, including the total amount required to be paid, if any, and the manner in which termination may be avoided;

(ii) the earliest date on which termination may occur;

(iii) the address and phone number of the office of the Company that the customer may contact in reference to customer's account;

**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 45  
Revised Leaf No. 0

## GENERAL INFORMATION

### 8.2. Discontinuance of Service - Non-residential (Cont'd.)

#### A. Termination of Service: (Cont'd.)

##### (b) Final Notice of Termination: (Cont'd.)

###### (1) A final notice of termination shall state: (Cont'd.):

- (iv) that Company procedures are available for considering customer complaints prior to discontinuance;
- (v) that Commission procedures are available for considering customer complaints when a customer is not satisfied with the Company's handling of the complaint, including the address and phone number of the appropriate Commission office;
- (vi) that it is a termination notice which should be brought to the attention of the Company when the bill is paid;
- (vii) that payment of the charges with a check that is subsequently dishonored may result in immediate termination of service without further notice, if applicable; and
- (viii) that at the time the Company goes to the premises to terminate service, it may require any payment to be made with cash, certified check, or money order if the customer has, within the last 24 months, paid with a check that was dishonored.

###### (2) A final notice of termination may contain any additional information not inconsistent with this rule.

###### (3) A final notice of termination may not be issued or sent unless at least 20 calendar days have elapsed from the date payment was due, or the date given in a written notice to cure a tariff violation, or as provided in Rule 7.D.(c)(3)(iii) where the reason for the notice is the failure to provide access, except that a final notice of termination for non-payment may be issued or sent on or after the date payment was due in the following circumstances:

- (i) when any portion of the charge that the customer has failed to pay is for un-metered service that was being supplied through tampered equipment and for which an un-metered service bill in accordance with 16 NYCRR 13.11(e) has been rendered;
- (ii) when the charge that the customer has failed to pay is the installment amount due in accordance with a deferred payment agreement; or

**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 46  
Revised Leaf No. 0

## GENERAL INFORMATION

### 8.2. Discontinuance of Service - Non-residential (Cont'd.)

#### A. Termination of Service: (Cont'd.)

##### (b) Final Notice of Termination: (Cont'd.)

(iii) when the Company has accepted a written waiver of the customer's right not to be sent a termination notice

in accordance with the provisions of Rule 4.B.(d)(2).

- (4) A final notice of termination shall not be sent while a complaint is pending before the Company or the Commission for non-payment of the disputed charges or for any other reason that is the subject of the complaint as provided in 16 NYCRR 12.3. Nothing in this rule bars the Company from sending such notice for non-payment of undisputed charges or for reasons not at issue in the complaint.

##### (c) Physical Termination of Service:

- (1) The Company shall not terminate service for the reasons set forth in paragraph (a)(1) of this rule:

- (i) for five calendar days after a final notice of termination has been personally served upon the customer; or  
(ii) for eight calendar days after a final notice of termination has been mailed to the customer at the location where service is rendered or to any alternative address for mailing purposes previously provided to the Company.

- (2) The Company shall not terminate service under this rule on:

- (i) a Saturday or Sunday;  
(ii) a Public Holiday as defined in the General Construction Law;  
(iii) a day on which the business offices of the Company are closed for business; or  
(iv) a day on which the Public Service Commission is closed.

- (3) On days when termination may occur, the Company may terminate service between the hours of 8:00 a.m. to 6:00 p.m., except that on days preceding the days listed in paragraph (2) of this rule, termination may only occur after 3:00 p.m. if the customer or any person in charge of the premises is informed prior to termination in a personal contact that termination is about to occur and the Company is prepared to accept a check for any payment required to avoid termination.

Date of Issue: Sept. 1, 2003

Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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GENERAL INFORMATION

8.2. Discontinuance of Service - Non-residential (Cont'd.)

A. Termination of Service: (Cont'd.)

(c) Physical Termination of Service: (Cont'd.)

(4) The Company shall not terminate service unless it shall have verified on the day termination is scheduled that payment has not been posted to the customer's account as of the opening of business on that day or shall have complied with procedures established pursuant to (d)(2) of this rule.

(5) Consistent with this rule, the Company shall strive to physically terminate service whenever a final notice of termination is sent.

(6) The Company shall not terminate service more than 60 calendar days after issuance of the final termination notice unless it has, during that time, issued a termination reminder notice that states the current arrears due, if applicable. The Company shall not terminate service more than 90 calendar days after issuance of the final terminate notice unless it has, during that time, issued a termination reminder notice that contains all the information required in (b) of this rule.

(7) The Company shall not terminate service while a complaint is pending before the Company or the Commission

and for eight calendar days after resolution by the Company or by the Commission or its authorized designee, for non-payment of the disputed charges or for any reason that is the subject of the complaint as provided in

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NYCRR 12.3. Nothing in this rule bars the Company from termination for non-payment of undisputed charges or for reasons not at issue in the complaint.

(d) Rapid Posting of Payments:

The Company shall establish written procedures to ensure that any payments made in response to final notices of termination when the customer brings the fact that such a notice has been issued to the attention of the Company or its collection agents:

(1) are posted to the customer's account on the day payment is received; or

(2) are processed in some manner so that termination will occur.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

8.2. Discontinuance of Service - Non-residential (Cont'd.)

A. Termination of Service: (Cont'd.)

(e) Payment at the Time of Termination:

- (1) If a customer claims, at the time that termination for nonpayment is to take place, that payment has already been made and produces a written business record of payment or claims that there is a complaint pending before the Company or the Commission with regard to the charges demanded, the Company's field representative shall make a reasonable effort to verify this information with the Company office representative and shall not terminate service for nonpayment of any verified disputed amount.
- (2) If a customer offers payment of the full amount that forms the basis for a scheduled termination at the time of termination, the Company representative shall accept such payment and not terminate service.
- (3) If an eligible customer signs a deferred payment agreement in accordance with Rule 8.2.C. for the full amount that forms the basis for a scheduled termination and offers payment of the required down payment at the time of termination, the Company representative shall accept such down payment and not terminate service. If the Company allows the customer an extension of time to a business office to sign the deferred payment agreement and the customer agrees to do so and offers payment of the required down payment, the Company representative shall accept such and not terminate service; provided, however, that the Company may terminate service without further notice if the customer fails to sign the agreement within the specified time.
- (4) If a customer has, within the last 24 months, paid for service with a check that was dishonored, the Company has the right to accept only cash, certified check, or money order as payment under paragraphs (2) or (3) of this rule.
- (5) Whenever payment is made at the time of termination, the Company's field representative shall provide a customer with a receipt showing the date, the account number, the amount received, the form of the payment and either the name or identification number of the Company representative.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

8.2. Discontinuance of Service - Non-residential (Cont'd.)

A. Termination of Service: (Cont'd.)

(f) Dishonored Checks:

Receipt of a subsequently dishonored negotiable instrument in response to a notice of termination or tendered to a Company representative shall not constitute payment of a customer's account and the Company shall not be required to issue additional notice prior to termination.

(g) Applicability:

(1) Nothing in this rule shall affect the Company's right to suspend, curtail or disconnect service:

- (i) when there is no customer and service is being provided through tampered equipment;
- (ii) where there is no customer and the Company can show that the user will require service for a period of less than one week, provided that it makes a reasonable effort to advise the user before disconnection and provides the user an opportunity to apply for service;
- (iii) when there is no customer and the Company has provided advance written notice to the occupant stating its intent to disconnect service unless the responsible party applies for service and is accepted as a customer and advising the occupant of the location of the nearest Company business office where application can be made, either by posting 48 hours or by mailing at least five and no more than 30 calendar days before disconnection; or
- (iv) as permitted under Rule 8.2.D.

(2) Nothing in this rule shall affect the Company's obligation to comply with the additional requirements set forth in 16 NYCRR 11.7 and 11.8 relating to termination of service to entire multiple dwellings and two-family homes.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 50  
Revised Leaf No. 0

## GENERAL INFORMATION

### 8.2. Discontinuance of Service - Non-residential (Cont'd.)

#### B. Reconnection of Non-residential Service:

##### (a) Obligation to Reconnect:

- (1) The Company shall reconnect service that has been terminated solely for non-payment of bills for any tariff charge or a security deposit within 24 hours of the customer's request for reconnection, receipt by the Company of the lawful reconnection charge, any other charges, fees or penalties due, legal fees, costs, and disbursements, if applicable, and either:
  - (i) the full amount of arrears and/or security deposit for which service was terminated, and any other tariff charges billed after the issuance of the termination notice which are in arrears at the time reconnection is requested; or
  - (ii) the signing of a deferred payment agreement in accordance with Rule 8.2.C. for the amounts set forth in subparagraph (i) of this paragraph and the receipt of a down payment, if required under the agreement.
- (2) The Company shall reconnect service that has been terminated solely for failure to provide access within 24 hours of the customer's request for reconnection, provided the customer allows access and has made a reasonable arrangement for future access.
- (3) The Company shall reconnect service that has been terminated solely for a violation of the tariff within 24 hours of a customer's request for reconnection and, at the option of the Company, either receipt by the Company of adequate notice and documentation or a field verification by the Company, that the violation has been corrected; provided, however, that the field verification, if required, shall be arranged within two business days of the customer's request or such later time as may be specified by the customer.
- (4) The Company shall reconnect service that has been terminated for two or more independent reasons when the customer has requested reconnection and has satisfied all conditions for reconnection. The reconnection shall be accomplished within the time period applicable to the last condition satisfied under paragraph (1), (2), or (3) of this rule.

**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 51  
Revised Leaf No. 0

## GENERAL INFORMATION

### 8.2. Discontinuance of Service - Non-residential (Cont'd.)

#### B. Reconnection of Non-residential Service: (Cont'd.)

##### (a) Obligation to Reconnect: (Cont'd.)

- (5) The Company shall reconnect service that has been terminated within 24 hours after the direction by the Commission or its designee. Direction may occur only where the termination was in error, or where the customer has filed a complaint with the Commission and has either paid in full the undisputed amount established pursuant to 16 NYCRR 12.3, or has entered into a deferred payment agreement in accordance with Rule 8.2.C. for such amount and has paid the required down payment.

##### (b) Inability to Reconnect:

Whenever circumstances beyond the Company's control, as set forth in Rule 3.C.(a)(1)(i) - (iii), prevent reconnection of service within 24 hours of any of the events specified in paragraphs (a)(1) - (5) of this rule, service shall be reconnected within 24 hours after those circumstances cease to exist.

#### C. Deferred Payment Agreement - Non-residential Customers:

##### (a) Company's Obligations:

- (1) The Company shall provide a written notice offering a deferred payment agreement to an eligible non-residential customer at the following times:

- (i) non less than five calendar days before the date of a scheduled termination of service for non-payment of arrears, as indicated on a final termination notice, or eight calendar days if mailed, provided the customer has been a customer for at least six months and the arrears on which the outstanding termination notice is based exceeds two months average billing; and
- (ii) when it renders a back-bill, which exceeds the cost of twice the customer's average monthly usage or \$100, whichever is greater; provided, however, that the Company shall not be required to offer an agreement when the customer knew or reasonably should have known that the original billing was incorrect.

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**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
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Revised Leaf No. 0

## GENERAL INFORMATION

8.2. Discontinuance of Service - Non-residential (Cont'd.)

C. Deferred Payment Agreement - Non-residential Customers: (Cont'd.)

(a) Company's Obligations: (Cont'd.)

- (2) If the Company and a customer agree to terms of a deferred payment agreement in a telephone conversation, the Company shall send the customer two fully completed copies of the agreement, signed by the Company, for the customer to sign and return.

(b) Eligibility:

(1) Any non-residential customer is eligible for a deferred payment agreement except the following:

- (i) a customer who owes any amount under a prior deferred payment agreement;
- (ii) a customer who failed to make timely payments under a prior deferred payment agreement in effect during the previous 12 months;
- (iii) a customer that is a publicly held company or a subsidiary thereof;
- (iv) a seasonal, short term or temporary customer;
- (v) a customer who during the previous 12 months had a combined total consumption for all its accounts with the Company in excess of 4,000 therms;
- (vi) a customer who the Company can demonstrate has the resources to pay the bill, provided that the Company notifies the customer of its reasons and of the customer's right to contest this determination through the Commission's complaint procedures.

- (2) The Commission or its authorized designee may order the Company to offer a deferred payment agreement in accordance with this rule to a customer whom it finds this rule intended to protect, when an agreement is necessary for a fair and equitable resolution of an individual complaint.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 53  
Revised Leaf No. 0

## GENERAL INFORMATION

8.2. Discontinuance of Service - Non-residential (Cont'd.)

C. Deferred Payment Agreement - Non-residential Customers: (Cont'd.)

(c) Contents of Offer:

(1) Every offer of a deferred payment agreement shall inform the customer of the availability of a deferred payment agreement for eligible customers, set forth generally the minimum terms to which such customer is entitled, explain that more generous terms may be possible, and specify the telephone number and the times to call in order to discuss an agreement.

(2) An offer pursuant to (a)(1)(i) of this rule shall also state the date by which the customer must contact the Company in order to avoid termination and explain that the Company has the right to a larger down payment if the deferred payment agreement is not entered into until after a field visit to physically terminate service has been made.

(d) Terms of Agreement:

(1) A deferred payment agreement shall obligate the customer to make timely payments of all current charges.

(2) A deferred payment agreement offered pursuant to (a)(1)(i) of this rule may require the customer:

(i) to make a down payment of up to 30 percent of the arrears on which an outstanding termination notice is based or the cost of twice the customer's average monthly usage, whichever is greater, plus the full amount of any charges billed after the issuance of the termination notice which are in arrears at the time the agreement is entered into; or

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Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 54  
Revised Leaf No. 0

## GENERAL INFORMATION

### 8.2. Discontinuance of Service - Non-residential (Cont'd.)

#### C. Deferred Payment Agreement - Non-residential Customers: (Cont'd.)

##### (d) Terms of Agreement: (Cont'd.)

50 (ii) in the event a field visit to physically terminate service has been made, to make a down payment of up to  
percent of the arrears on which an outstanding termination notice is based or the cost of four times the  
customer's average monthly usage, whichever is greater, plus the full amount of any charges billed after  
the issuance of the termination notice which are in arrears at the time the agreement is entered into; and

one- (iii) to pay the balance in monthly installments of up to the cost of the customer's average monthly usage or  
sixth of the balance whichever is greater; and

(iv) to pay late payment charges during the period of the agreement; and

(v) to pay a security deposit in three installments of 50 percent down and two monthly payments of the  
balance, if previously requested in accordance with Rule 4.B.

(3) A deferred payment agreement offered pursuant to (a)(1)(i) of this rule may require the customer to pay the  
outstanding charges in monthly installments of up to the cost of one-half of the customer's average monthly  
usage or one twenty-fourth of such charges, whichever is greater.

of (4) A deferred payment agreement may provide for a greater or lesser down payment, a longer or shorter period  
time, and payment on any schedule or mutually agreed upon by the parties.

##### (e) Broken Agreements:

(1) The first time a customer fails to make timely payment in accordance with a deferred payment agreement, the  
Company shall give the customer a reasonable opportunity to keep the agreement in force by paying any  
amounts due under the agreement.



(2) Except as provided in (1) above, if a customer fails to comply with the terms of a deferred payment agreement, the Company may demand full payment of the total outstanding charges and send a final termination notice in accordance with Rule 8.2.A.(b)(3)(ii).

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 55  
Revised Leaf No. 0

## GENERAL INFORMATION

### 8.2. Discontinuance of Service - Non-residential (Cont'd.)

#### D. Disconnection of Non-residential Customers Without Notice:

(a) Emergency Disconnections:

The Company may only suspend, curtail or disconnect service to a building, unit or piece of equipment without the notice required under Rule 8.2.1 when:

- (1) an emergency may threaten the health or safety of a person, a surrounding area, or the Company's transportation or distribution system;
- (2) there is a need to make permanent or temporary repairs, changes or improvements in any part of the system;
- (3) there is a governmental order or directive requiring the Company to do so.

(b) Notice:

The Company shall, to the extent reasonably feasible under the circumstances, provide advance notice to those whose service will be interrupted for any of the above reasons.

(c) Restoration of Service:

The Company shall act promptly to restore service as soon as possible after disconnection under this rule; provided, however, that service need not be restored to any building, unit, or piece of equipment if, at the time restoration is to occur, the Company has the lawful right to terminate service for another reason pursuant to this rule or Rule 8.2.1.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 56  
Revised Leaf No. 0

#### GENERAL INFORMATION

#### 8.2. Discontinuance of Service - Non-residential (Cont'd.)

#### E. Complaint Handling Procedures - Non-residential Customers:

##### (a) Complaints to the Company:

- (1) Complaints to the Company shall be promptly acknowledged, fairly investigated in a reasonable period of time, and the results of such investigation promptly reported to the complainants in plain language.
- (2) The Company shall refrain from sending a final notice of termination or from terminating service after the filing of a complaint with the Company as set forth in (b)(4) and (c)(7) of Rule 8.2.A.
- (3) If the report of the investigation is made orally, the Company shall provide the customer with the report in writing upon request.
- (4) At the time the Company communicates its final response to a customer's complaint, it shall, if the complaint resolution is wholly or partially in the Company's favor, inform the customer of the Commission's complaint handling procedures including the Commission address and telephone number.

##### (b) Complaints to the Commission:

- (1) If a customer is unable to reach a satisfactory resolution of a dispute with the Company, the customer may complain, either orally or in writing, to the Commission, pursuant to 16 NYCRR Part 12.
- (2) The complaint of a customer to the Commission shall be handled in accordance with the procedures set forth in 16 NYCRR Part 12.

(c) Copies of the Company's complaint handling procedures and forms of notice are on file with the Commission and are available to the public upon request at the Company's business office.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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GENERAL INFORMATION

**9. INSPECTION AND EXAMINATION OF COMPANY APPARATUS - NON-RESIDENTIAL**

A. Right to Inspect:

A duly authorized officer or agent of the Company may enter, at all reasonable times, any building or other location supplied with service by the Company for the inspection and examination of meters, pipes, fittings, and works for supplying or regulating the supply of gas and of ascertaining the quantity of gas supplied, provided such agent exhibits a photo-identification badge and written authority as provided in Section 65(9) of the Public Service Law.

B. Duty to Inspect:

Except to the extent prevented by circumstances beyond its control, the Company shall conduct a field inspection as soon as reasonably possible and within 60 calendar days of the following:

- (a) a request contained in a service application pursuant to Rule 3.C.;
- (b) a reasonable customer request;
- (c) the issuance of a field inspection order in accordance with an automatic Company bill review program;
- (d) notification from any reasonable source that service may not be correctly metered;
- (e) a directive by the Commission or its authorized designee.

C. Penalty:

A customer who, at any time, directly or indirectly prevents or hinders a duly authorized officer or agent of the Company from entering the building or location, or from making an inspection or examination at any reasonable time may be billed a \$100 penalty charge for each such offense as provided in Section 65(9)(b) of the Public Service Law.

D. Other Rights:

Nothing contained in this rule shall be construed to impair the Company's rights as to any other person who prevents access to Company meters and/or equipment.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

**10. NOTICE REQUIREMENTS - NON-RESIDENTIAL CUSTOMERS:**

A. Annual Notice of Rights:

- (a) The Company shall, at the time of application for service and at least annually after service initiation, provide applicants and customers with a brochure containing a detailed summary of their rights and obligations under 16 NYCRR Part 13, a notice describing the commonly used non-residential service classifications and their rates, an offer of written guidelines regarding eligibility requirements for the Company's service classifications, notice that the Company's tariff is available for review in the Company's business office, and notice that some non-residential customers may be eligible for protections under 16 NYCRR Part 11.
- (b) The notice required at the time of application for service shall be provided with the service application to an applicant from whom a written application is required and by mail within 30 calendar days of the request for service to an applicant from whom a written application is not required.

B. Periodic Notices:

- (a) An accounting for the deposit held on an account showing the interest earned during the current year and either the date the deposit was obtained or the length of time that the deposit has been held shall be provided annually to every customer having a deposit with the Company.
- (b) A notice advising the customer of any change made in the customer's service classification and the reason for the change shall be provided to the customer at the time of the change.
- (c) A notice advising a customer whether the Company records show that the customer or some other party has control over access to the meter, that the customer has an obligation to tell the Company who controls access, and that if the Company records that show the customer has access are not corrected, the customer may be subject to future notices and penalties due to the Company's failure to obtain access shall be provided to every customer at the time a second consecutive estimated bill is rendered.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.

New York Division

+P.S.C. No. 1 Gas

Leaf No. 59

Revision No. 3

Superseding Revision No. 2

GENERAL INFORMATION

**11. SERVICE RE-ESTABLISHMENT CHARGE:**

If the Company discontinues gas service to a customer because of nonpayment of an overdue bill, service will not be re-established to the same person at the same location unless a re-establishment charge has been paid in advance in addition to all other charges under this schedule.

When the customer specifies service to be re-established during the hours from 8:00 a.m. to 4:00 p.m., Monday through Friday, excluding holidays, a service reconnection charge of \$55 will be assessed regardless of the time the service is actually re-established.

When the customer specifies service to be re-established during other than normal working hours a service reconnection charge of \$75 will be assessed.

At the time the customer requests service re-establishment, the Company shall advise the customer of the re-establishment charges fully explaining the charges.

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

GENERAL INFORMATION

**12. LIABILITY OF COMPANY:**

The Company will not be liable for any injury, casualty or damage resulting in any way from the supply or use of gas or from the presence or operation of the Company's structures, equipment, pipes, appliances or devices on the customer's premises, except injuries or damages resulting from the negligence of the Company.

The Company will endeavor at all times to provide a regular and uninterrupted supply of service, but in case the supply of service shall be interrupted or irregular or defective or fail from causes beyond its control or through ordinary negligence of employees, the Company will not be liable thereof.

**13. SERVICE:**

A. Gas Curtailment Plan

The Company may, pursuant to the orders of the New York Public Service Commission, conserve the supply of gas for higher priority customers, curtail or discontinue service to lower priority customers when in the Company's sole judgment it deems its gas supply to be insufficient to meet all requirements of its existing customers. The Company may curtail or discontinue gas service in accordance to the curtailment plan set forth below without incurring any liability for any subsequent loss or damage that the customer may sustain through such curtailment or discontinuance.

The Company shall implement a curtailment only as a last resort. Mutual aid, contractual and other non-curtailment supply management tools, Operational Flow Orders, interruption of contractually-interruptible load, and supply acquisition shall be utilized before a curtailment is declared.

As circumstances permit, the Company will initially seek voluntary curtailments to alleviate an emergency situation. Economic considerations shall not be the basis for a curtailment. Curtailments shall be limited in scope and duration as necessary to alleviate an emergency and shall be localized to the extent possible.

(a) Curtailment Notification:

The Company will provide periodic updates to Marketers and curtailed customers so that they can plan accordingly.

The Company will notify the Director of the Office of Electric, Gas and Water of the New York State Department of Public Service when a curtailment is declared and when the situation returns to normal.

(b) Marketer and Direct Customer Compliance:

Failure of the Company to adhere to one or more of the curtailment criteria is not a basis for Marketers or Direct Customers not to comply with requirements of the curtailment but may provide the basis for a complaint to the Commission regarding the Company's behavior.

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Date of Issue: December 5, 2007 Date Effective: December 5, 2007

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 06-G-0059 dated August 23, 2007

GENERAL INFORMATION

13. Service: (Cont'd.)

A. Gas Curtailment Plan (Cont'd.)

(b) Marketer and Direct Customer Compliance: (Cont'd.)

If, during the curtailment period, the Company is aware of Marketers or Direct Customers that are not responding to the required actions, it shall make all reasonable efforts to inform the non-responding Marketers or Direct Customers that required actions are not being taken. Lack of such notice shall not relieve any Marketer or Direct Customer of its obligations.

Upon the request of the Company, each Marketer serving transportation customers on the Company's system shall provide to the Company a plan for curtailment of its customers.

(c) Gas Requirements during a Curtailment:

During a period of curtailment, the Company will acquire gas intended for lower priority customers at the citygate. Marketers and Direct Customers whose gas is diverted by the Company will be required to continue making nominations of gas throughout the curtailment period up to their maximum delivery obligation as directed by the Company, unless qualified upstream force majeure interruptions or curtailments prevent Marketers or Direct Customers from securing or delivering such supplies.

(d) Compensation:

The Marketer will be the party compensated for the diverted gas. To the extent individual transportation customers are affected by directing the payment to the Marketer, they will enter into contractual arrangements with the Marketer that clearly spell out the resolution of compensation issues between the customer and the Marketer related to occasions when gas supplies are diverted.

Compensation for the diverted gas will be the market price of gas, defined as the Gas Daily Dominion South Point Common (mid-point) price plus DTI FT variable and fixed charges plus losses to the Company's City Gate. If it can be demonstrated by the Marketer or Direct Customer, with adequate support, that a contract calls for a higher price, the Company would reimburse the Marketer or Direct Customer at the contract price. Compensation costs will be recovered from customers via the Gas Adjustment Clause or equivalent mechanism, subject to Commission review.

(e) Order of Curtailment:

Non-core loads would be shut off first, to preserve service to higher priority customers that do not have alternatives to the use of gas. If the situation required extension of curtailments into firm service categories, all customers, whether or transportation or sales customers, would be curtailed according to the utilities tariffs where priority is identified by end use category, with essential human needs customers having the highest priority. Plant protection would continue to be a high priority. To the extent the physical operation of its

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Date of Issue: December 5, 2007 Date Effective: December 5, 2007

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840  
Issued in compliance with order in Case 06-G-0059 dated August 23, 2007



GENERAL INFORMATION

13. Service: (Cont'd.)

A. Gas Curtailment Plan (Cont'd.)

(e) Order of Curtailment: (Cont'd.)

system permits the Company shall curtail service to its customers in the following order. The Company reserves the right to curtail service out of the order of the priorities listed in order to maintain system integrity.

- (1) Interruptible service requirements.
- (2) Dual-fuel requirements for customers with full facilities to burn an alternate fuel (in lieu of gas).
- (3) Other dual-fuel requirements (excluding plant protection) but only to the extent of such capability.
- (4) Industrial and commercial space heating boiler fuel requirements, air conditioning, electric generation,  
and other non-process purposes, where the base annual requirements for an individual piece of gas equipment (boiler or other appliance) are 12,000 Mcf or larger.
- (5) Process requirements for which there are technically feasible alternate fuels and industrial and commercial requirements for space heating (other than boiler fuel use) where the base annual requirements for an individual piece of equipment are 12,000 Mcf or larger.
- (6) Industrial and commercial space heating boiler fuel requirements, air conditioning, electrical generation, and other non-process purposes where the total base annual requirements are 12,000 Mcf or larger.
- (7) Process requirements for which there are technically feasible alternative fuels and industrial and commercial requirements for space heating (other than boiler fuel use) where the total base annual requirements are 12,000 Mcf or larger.
- (8) Industrial and commercial space heating boiler fuel requirements, air conditioning, electrical generation and other non-process purposes where the total base annual requirements are between 1,200 Mcf and 11,999 Mcf inclusive.
- (9) Process requirements for which there are technically feasible alternate fuels and industrial and commercial requirements for space heating (other than boiler fuel use) where the total base annual requirements are between 1,200 Mcf and 11,999 Mcf inclusive.
- (10) Process and feedstock requirements for which there are no technically feasible alternate fuel where the total base annual requirements are 1,200 Mcf or more.
- (11) Plant protection requirements for customers curtailed in items 4 through 10 above.

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Date of Issue: December 5, 2007 Date Effective: December 5, 2007

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840  
Issued in compliance with order in Case 06-G-0059 dated August 23, 2007

Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
Leaf No 62  
Revision No. 4  
Superseding Revision No. 3

#### GENERAL INFORMATION

13. Service: (Cont'd.)

A. Gas Curtailment Plan (Cont'd.)

(e) Order of Curtailment: (Cont'd.)

(12) Industrial and commercial requirements where combined total base annual requirements are less than 1,200 Mcf.

(13) Residential requirements.

(f) Definitions:

(1) For the purpose of the above paragraph, the term "Residential Customer" shall include any building heated solely by gas where persons reside, including apartment houses, prisons, dormitories, nursing homes, hospitals, and other buildings where persons may dwell on either a permanent or temporary basis.

(2) "Plant Protection Requirements" shall mean that minimum volume of natural gas required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternative fuel. Plant protection requirements include volumes necessary for the protection of such material in process as would otherwise be destroyed, but do not include deliveries required to maintain production.

(g) Penalty:

If a Customer consumes gas after having been notified that curtailment is in place for its service classification, all such unauthorized usage shall be billed at the rate of \$25.00 per Dth.

B. Overrun Penalty Provisions (Firm Customers Only)

Unless otherwise stated herein, overruns of daily, monthly or seasonal allocations, or such period allocations as may be applicable shall be charged on the following sliding scale:

Overruns of up to 3% of a customer's allotment shall be charged at the rate of 150% of the highest rate in that customer's service classification above the initial block; the next 2% of overrun at the rate of 200% of the highest rate in that customer's service classification above the initial block; and all overruns in excess of 5% of a customer's allotment at the rate of \$10 per Mcf.

The above penalty charges shall be waived by the Company when additional supplies become available and the Company authorized consumption in excess of the customer's original allotment.

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Date of Issue: December 5, 2007 Date Effective: December 5, 2007

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 63  
Revised Leaf No. 0

GENERAL INFORMATION

13. Service: (Cont'd.)

C. New or Additional Gas Service: (Cont'd.)

The Company will not supply gas for any equipment for any premises unless application for such load was registered with the Company prior to the connection of such equipment and written approval thereof was given to the Company.

In anticipation of periods of stringency of gas supply, the Company reserves the right to defer the supply of gas to new loads in such manner as to cause the least hardship to present and prospective consumers, taking into consideration the volume of natural gas available and the capacities of local mains and facilities.

New or additional gas service will be provided to all customers under the following conditions:

- (a) The Company may attach any customer having annual requirements of less than 12,000 Mcf.
- (b) Service to any new customer or increased service to any existing customer having annual requirements of 12,000 Mcf or more will be provided only when the customer has installed dual-fuel capacity equivalent to the increment above such ceiling and will be subject to approval of the New York State Public Service Commission.

When anticipated gas supplies are not sufficient to serve all new loads applied for in one of the above categories, priority will be given in the order in which an application was registered with the Company, provided that the new equipment is connected within 90 days after notice from the Company that it may be served.

When evidence available to the Company reasonably indicates that a consumer has connected additional principal heating equipment without registering the same or takes gas in excess of the limitations established above and such taking becomes persistent or flagrant, the Company may make application to the Public Service Commission for an order authorizing the Company to terminate all service to such customer.

When additional gas supply becomes available and lifting of restrictions on attachment of new gas loads is authorized by the Public Service Commission of New York public notice will be given and connections will be authorized by the Company in the order that applications were registered.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with the Order of the Public Service Commission dated April 25, 1997, in Case No. 93-G-0932

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 64  
Revised Leaf No. 0

#### GENERAL INFORMATION

13. Service: (Cont'd.)

##### D. Transfer of Gas Service:

In the event that a customer is authorized (by the Company or by the Public Service Commission, whichever is requested in each instance) to transfer an existing gas allotment to a different location, the customer must pay for all costs associated with the installation of a new service lateral or main extension, if these facilities do not exist at the new location.

This tariff provision is to be effective only when the Company has effective tariff leaves that prohibit the utility from attaching any new or increased gas service.

Exemptions from these rules may be granted by the Public Service Commission.

Minimum Insulation standards for Residential Construction of Buildings:

Gas service will not be provided to a new dwelling or to an existing dwelling for the purpose of converting to gas space heating unless the dwelling is in compliance with Part 233 of Title 16 of the Official Code of Laws and Regulations of the State of New York - Minimum Insulation Standards for the Provision of Gas & Electric Utility Service. Copies of the minimum standards are available at the Company office.

An applicant for expanded gas service to an existing dwelling for the purpose of supplying gas heat must provide to the Company a Certificate of Compliance in one of the forms prescribed below.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with the Order of the Public Service Commission dated April 25, 1997, in Case No. 93-G-0932



Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 65  
Revised Leaf No. 0

GENERAL INFORMATION

Valley Energy  
Certificate of Compliance  
Dwelling Converting to Gas Space Heat

1. I \_\_\_\_\_ (Owner) \_\_\_\_\_ am aware that the Minimum Insulation Standards for Dwellings Converting to Gas Space Heating require my house to have storm doors, storm windows and at least R-19 (usually six inches ) roof insulation. I certify that my building at \_\_\_\_\_ (Location) \_\_\_\_\_ meets those requirements, or that I have obtained a waiver; and I understand that should my building be found not in compliance, a 25 percent surcharge on my utility bill may be imposed or gas service may be discontinued. The undersigned attests that all statements and representations contained in this certificate are true and accurate.

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Address

2. I have inspected the building at \_\_\_\_\_ (Location) \_\_\_\_\_ owned by \_\_\_\_\_ and certified that it meets the requirements of the Minimum Insulation Standards for Dwellings Converting to Gas Space Heat.

The undersigned certifies that a properly executed copy of this certificate will be delivered to the owner and further attests that all statements and representations contained in this certificate are true and accurate.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Contractor or  
Utility Representative

Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 66  
Revised Leaf No. 0

### GENERAL INFORMATION

13. Service: (Cont'd.)

E. Emergency Electric Generation:

Gas service for Emergency Electric Generation (EEG) will be provided subject to the following three requirements:

- (a) Only sufficient emergency electric generating capacity shall be installed to provide the minimum needs for safety and health.
- (b) The customer shall pay all costs associated with the installation including, if necessary, all costs for system reinforcement, mains, and service laterals.
- (c) In periods of stringency of gas supply, the customer will be penalized for excessive usage. Excessive usage will occur when the customer exceeds his existing annual limitation for other uses plus an annual EEG allotment allowing one half hour testing each week and estimated use during verifiable power outages. Usage over this new annual limitation will be billed, where appropriate, at the maximum tariff penalty for unauthorized use as specified in the Overrun Penalty Provisions of the General Information section of P.S.C. No. 1 - Gas Tariff Leaf No. 8B.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with the Order of the Public Service Commission dated April 25, 1997, in  
Case No. 93-G-0932

GENERAL INFORMATION

**14. ADJUSTMENT OF RATES IN ACCORDANCE WITH THE COST OF PURCHASED GAS:**

A. Factor of Adjustment:

The rates for gas service under Service Classifications Nos. 1 and 4 of this tariff shall be increased each month by a factor of 1.049 to reflect lost and unaccounted for gas. The factor of adjustment shall be established in the Company's rate case proceeding before the Public Service Commission.

B. Gas Supply Charge

The Gas Supply Charge is designed to collect the gas expense incurred by the Company to serve customers taking service under Service Classification Nos. 1 and 4. The Gas Supply Charge shall be equal to the Average Cost of Gas used in the retail gas operations of the Company multiplied by the factor of adjustment and rounded to the nearest 0.0001 cents per Ccf adjusted for all appropriate surcharges and refunds, including but not limited to the Annual Surcharge or Refund, Gas Supplier Refunds, and all other adjustments approved by the New York State Public Service Commission.

1. Average Cost of Gas

The Average Cost of Gas shall be computed at least once each year for the twelve months ending August 31 and it shall be computed upon any change in the rates and charges of any supplier of gas to the Company for the twelve months immediately preceding the computation date. The Average Cost of Gas shall be equal to the sum of the Average Demand Cost of Gas and the Average Commodity Cost of Gas as computed herein, multiplied by the Factor of Adjustment rounded to the nearest 0.001, adjusted for all appropriate surcharges and refunds, including but not limited to the Annual Surcharge or Refund, Gas Supplier Refunds, and all other adjustments approved by the New York State Public Service Commission.

- (a) The Average Demand Cost of Gas shall be computed by applying the fixed rates and charges the fixed rates and charges of the transporters, storage providers, and suppliers to the billing determinates associated with pipeline capacity, storage capacity, and suppliers reservation charges and dividing by the quantities of gas taken for delivery to the Company's own sales customers for the 12 calendar months immediately preceding the computation date. These costs will be further adjusted by reducing the demand costs by the weighted average cost of the capacity, peaking service, and storage services assigned to core transportation customers.

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005



GENERAL INFORMATION

14. Adjustment Of Rates In Accordance With The Cost Of Purchased Gas: (Cont'd.)

B. Gas Supply Charge (Cont'd.)

1. Average Cost of Gas (Cont'd.)

(b) The Average Commodity Cost of Gas shall be computed by applying the variable rates and charges of the transporters, storage and peaking providers, and suppliers to the billing determinants associated with the transportation, storage and/or peaking, and gas supply, for the forecasted quantities of gas to be taken for delivery to the Companies own customers during the month in which the gas adjustment will be in effect.

(c) The Average Cost of Gas in storage shall be equal to the average unit cost of gas in storage at the date of computation to the quantities of gas estimated to be withdrawn from storage for the company's customers during the month in which the Gas Supply Charge will be in effect

C. Statement of Gas Supply Charge:

The Gas Supply Charge computed as provided herein, will be applied to the total measured quantities included in bills for which meters are read or estimated on and after the first day of the billing month following the computation date. The rate of adjustment shall continue in effect until changed.

Every statement shall be filed not less than three (3) days prior to the date on which it is proposed to be effective, except that a new statement may be filed on the day's notice to become effective not more than five days after the effective date of the initial statement if the replacement of cost estimates in the initial statement with the actual figures results in a change in the average cost of gas of more than five percent. The statement shall contain the present average cost of gas, the date at which and the period for which the average was determined, and the amount of adjustment per 100 cubic feet will remain in effect, will be duly filed with the Public Service Commission apart from the Rate Schedule. Such statement will be available to the public at Company offices at which applications for service may be made.

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

GENERAL INFORMATION

14. Adjustment Of Rates In Accordance With The Cost Of Purchased Gas: (Cont'd.)

D. Refund Provision Applicable to All Service Classifications:

In the event that the rates and charges of the Company's gas supplier or suppliers are retroactively reduced, the total amount of refund, including interest, related to sales subject to the Gas Cost Adjustment, shall be credited to customers as follows:

- (a) The Company shall determine that portion of gas sales during the refund period which was related to sales under this tariff and shall calculate the portion of the refund which applies to customers served under S.C. Nos. 1 and 4.
- (b) The rate of refund shall be computed by dividing the total amount to be refunded by the corresponding estimated sales for the next successive 12 calendar months. All refunds concluding during the twelve months ending August 31 of each year will be reconciled with amounts intended to be refunded during that period with any difference applied to the Annual Surcharge or Refund Computation.
- (c) Interest shall be computed on the un-refunded balance from the date of receipt of the refund until the refund is returned to the customers, at least at the rate prescribed by the Commission for consumer deposits.
- (d) Where exceptional circumstances warrant, the utility may petition the Commission for waiver of the above refund plan.

E. Supplier Take or Pay Surcharge:

Customers taking service under S.C. Nos. 1 and 4 shall be subject through the Gas Cost Adjustment, and S.C. No. 5 through a separate Statement of Adjustments to Gas Transportation Rate, to supplier Take or Pay (TOP) contraction reformation cost adjustments calculated pursuant to Opinion 89-5 issued March 29, 1989, by the Public Service Commission and the Commission's Order Approving Settlement issued April 5, 1993, in the Case 88-G-062.

The Company shall bill its customers 90% of TOP contract reformation costs both current and heretofore deferred, plus carrying costs on the portion of deferred amounts being absorbed, over a four-year period. There shall be an annual reconciliation and true-up of actual TOP costs that are both incurred and to be recovered hereunder by the Company with actual recoveries from ratepayers.

F. Annual Surcharge or Refund:

Actual gas cost expenses shall be reconciled with the actual gas recoveries each year, and a surcharge or refund to recover Gas Supply Charge under-collections or refund gas adjustment over-collections from customers served under Service Classifications No. 1 and 4 shall be computed as follows:

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GENERAL INFORMATION

14. Adjustment Of Rates In Accordance With The Cost Of Purchased Gas: (Cont'd.)

F. Annual Surcharge or Refund: (Cont'd.)

- (a) By taking the cost of purchased gas adjusted for suppliers refunds determined by multiplying the average cost of firm gas during the period by the factor of adjustment and multiplying that result by the actual firm sales during the same period and subcontracting there from an amount equal to: (i) the Gas Supply Charge recoveries recorded during the same determination period, adjusted to eliminate associated revenue tax recoveries, (ii) costs recorded during the determination period assignable to gas sold to customers not subject to the Gas Supply Charge; and (iii) (a) the previous year's over-collection with interest to the extent not refunded, or (b) adding the previous year's under-collection with interest to the extent not recovered.
- (b) The amount derived in paragraph (1) of this subdivision shall be divided by the quantities of gas sold by the Company to its customers during the surcharge/refund period with interest, at a rate prescribed by the Commission, to determine the surcharge or refund rate.
- (c) The determination period to be used in the computation of the surcharge or refund shall be the 12 months ended August 31 of each year. The surcharge or refund computation shall be filed with the Commission on or before October 15.
- (d) The surcharge or refund shall be effective with the first December billing of each year.
- (e) Interim refunds or surcharges during the 12-month period ended August 31<sup>st</sup> will be permitted for the purpose of preventing large over-collection or under-collection balances from accruing at August 31<sup>st</sup>. The methodology used to determine the amount of over-collection or under-collection and the method of refund or surcharge shall be determined by the utility and filed with the Commission.

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 68  
Revision No. 2  
Superseding Original

RESERVED FOR FUTURE USE

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 69  
Revision No. 2  
Superseding Original

RESERVED FOR FUTURE USE

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 70  
Revision No. 2  
Superseding Original

RESERVED FOR FUTURE USE

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 71  
Revision No. 2  
Superseding Original

RESERVED FOR FUTURE USE

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 72  
Revision No. 3  
Superseding Revision No. 2

GENERAL INFORMATION

**15. RESERVED FOR FUTURE USE**

**16. REVENUE TAX SURCHARGE:**

The rates and charges under all service classifications including Gas Supply and minimum charge shall be increased to reflect the aggregate percentage rate of taxes imposed on the Company's revenues pursuant to Section 186-a and Section 210 of the New York Tax Law; Section 20-b of the General City law; Section 5-530 of the Village Tax Law. In particular, Customers residing in the Village of Waverly will be subject to Section 5-530 of the Village Tax Law and said tax shall be added to the bills of such customers.

The total of all rates and charges will be divided by a factor determined as the quantity one minus the quantity of the applicable tax rate divided by 100.

The applicable surcharge factor shall be set forth on statements filed with the Public Service Commission. Whenever a city or village levies a new tax on the Company's gross revenue, repeals such as a tax or changes the rate of such a tax, the Company will file a new statement. Every such statement shall be filed not less than fifteen (15) business days before the date on which it is proposed to be effective and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to the tax enactments that are rendered on or after the effective date of the statement; and shall be canceled not more than five business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate. Such statements will be duly filed with the Public Service Commission, apart from this rate schedule, and will be available to the public at Company offices at which applications for service may be made.

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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Valley Energy, Inc.  
New York Division

P.S.C. No.	<u>1</u>	Gas
	Original Leaf No.	<u>73</u>
Superseding Original Leaf No.		<u>0</u>

GENERAL INFORMATION

**17. RESALE OF GAS:**

Gas service will not be supplied under any Service Classification of this rate schedule for resale, re-metering, sub-metering, redistribution or other re-disposition except that any customer may furnish gas for the use of his tenants or other occupants of his premises provided that the customer shall not resell, make a specific charge for, or re-meter or sub-meter (except as provided below) or measure any of the gas so redistributed or furnished. "Landlords of industrial and commercial properties, which do not have residential tenants, may file a petition and application to the New York State Public Service Commission requesting permission to sub-meter gas usage to their tenants. Such petition and application must address the following four areas of major concern regarding the request to sub-meter: (1) safety (2) rate impact for the ultimate consumer (3) non-rate consumer protection issues, and (4) service provider and utility matters. The petition and application must also provide that the conditions preferred will be reiterated in leases

**18. RESERVED**

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 74  
Revised Leaf No. 0

GENERAL INFORMATION

**19. ECONOMIC DEVELOPMENT DISCOUNT RIDER:**

ECONOMIC DEVELOPMENT DISCOUNT RIDER

APPLICABLE TO:

Customers in Service Classification 1 and 4 who have received Economic Development Zone certification from the local Economic Development Board and can provide the Company with proof of such certification. The Company will not grant service under this Rider where the area in which service is sought cannot support additional gas service without impairing the adequacy of service to existing customers. In the event an existing customer qualifies for this Economic Development Discount only usage above base period consumption, as determined by the customer's Economic Development Zone certification, shall qualify. Additional usage must exceed the lesser of 100 Mcf per month or 5% above the equivalent month in the previous year in order to qualify.

DISCOUNT:

Service Classification No. 1

All over 200 cubic feet, per 100 cubic feet                      \$0.0906

Service Classification No. 4

All gas consumed per 1,000 cubic feet                              \$0.4897

TERMS AND CONDITIONS:

This service is to become effective on the first day of the succeeding billing cycle following qualification and continue while qualification continues for a period not to exceed ten (10) years. All other terms and conditions of this Tariff P.S.C. No. 1 - Gas shall apply.

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Date of Issue:                      Sept. 1, 2003                                      Date Effective:                      November 1, 2003

Issued by:                      Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued under authority of order of the Public Service Commission, in Case 09-M-0489

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 75  
Revised Leaf No. 0

GENERAL INFORMATION

**20.FORMS:**

A. Form of Main Extension Agreement:

MAIN EXTENSION AGREEMENT  
DISTANCE OVER 100 FEET PER CUSTOMER

THIS AGREEMENT, made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and between Valley Energy, hereinafter referred to as "Company" and hereinafter referred to as "Consumer" (or "Consumers"),

W I T N E S S E T H

WHEREAS Company has received application from Consumer for gas service at premises \_\_\_\_\_ and said service requires an extension of the nearest gas main in excess of 100 feet for each Consumer, and; WHEREAS, Consumer assures Company his service requirements will be reasonably permanent;

NOW THEREFORE, Company and Consumer agree as follows:

1. Consumer shall pay to the Company the rates and charges set forth in Rate Schedule of the Tariff P.S.C. No. 1 of Company, applicable to Waverly, New York, and to the service herein applied for; and in addition a surcharge of 20% per annum of the reasonable cost of such portion of the required main extension (excluding the cost of any service pipe and accessories) in accordance with the terms and conditions set

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

GENERAL INFORMATION

20. Forms: (Cont'd.)

A. Form of Main Extension Agreement: (Cont'd.)

forth in Section 5 of General Information of Company's Tariff, P.S.C. No. 1 on file with the Public Service Commission of the State of New York, a copy of which is attached hereto, and which by reference is made a part hereof.

2. This agreement shall become effective as of \_\_\_\_\_ or until the conditions set forth in

Rule 5.B.(c) of Company's Tariff, P.S.C. – No. 1 have been met, which ever is the longer period.

3. Consumer(s) shall each deposit with the Company a cash consumer deposit equivalent to a reasonable estimate of each Consumer(s) bills for gas service for a period of two months. No work shall be started until this agreement has been duly executed and said deposit or deposits paid.

4. If for any reason, Consumer(s) fail or refuse to accept service under the terms of this agreement after construction of the main extension is completed, Consumer(s) shall reimburse Company for the reasonable cost thereof within 90 days of written notice by Company to Consumer(s) that facilities are ready for use. Consumer deposits previously made shall be refunded upon payment by Consumer to Company for said reasonable cost of construction. The facilities constructed hereunder shall be and remain the property of Company, and if Company connects Consumers to these facilities or serves or utilizes these facilities for active service within five (5) years from the date hereof, Company shall refund any

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 77  
Revised Leaf No. 0

GENERAL INFORMATION

20. Forms: (Cont'd.)

A. Form of Main Extension Agreement: (Cont'd.)

moneys that have been paid on default of Consumer(s).

5. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

\_\_\_\_\_  
Company

\_\_\_\_\_  
By

\_\_\_\_\_  
Consumer

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 78  
Revised Leaf No. 0

GENERAL INFORMATION

20. Forms: (Cont'd.)

B. Residential Service Application Form:

VALLEY ENERGY

APPLICATION FOR RESIDENTIAL GAS SERVICE

The undersigned hereby makes application for supply of Gas at the premises shown below.

Said service to be furnished by Company and received and used by the undersigned subject to the rules and regulations of Company and to be paid for by the undersigned at the office of Company when and as per bills rendered by Company at and according to the regular published tariff known as Schedule.

Any modification or revisions officially made in said schedule applicable to other customers using gas for like purposes and under like conditions shall be applied to bills of undersigned from and after the adoption of such revisions.

Accepted for Company by: \_\_\_\_\_

Date: \_\_\_\_\_ 20 \_\_\_\_

\_\_\_\_\_  
(Signature of Applicant)

\_\_\_\_\_  
(Print name here)

This contract side of card must be completely filled in and signed.

I hereby guarantee that payment of all bills for service furnished on this application and agree to pay same when due and do further guarantee the faithful performance of all provisions of this application by applicant until notice to the contrary in writing is given by me at office of Company

Guarantor \_\_\_\_\_

Street \_\_\_\_\_

Date: \_\_\_\_\_

Witnessed: \_\_\_\_\_

Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 79  
Revised Leaf No. 0

GENERAL INFORMATION

20. Forms: (Cont'd.)

C. Form of Application for Non-residential Service:

VALLEY ENERGY

Application for Gas Service - Non-residential

General Information:

Along with this application is a brochure that describes your rights and responsibilities as a non-residential customer.

Customer Information: (To be completed by customer)

Date Filed: \_\_\_\_\_

Name of Customer \_\_\_\_\_ [ ] Owner [ ] Occupant

Service Location \_\_\_\_\_

Telephone No. \_\_\_\_\_ Alternate Telephone No. \_\_\_\_\_

Mailing Address. \_\_\_\_\_

Type of Business \_\_\_\_\_

Official in Charge: Name \_\_\_\_\_ Title \_\_\_\_\_

Person Controlling Access to Meters(s) \_\_\_\_\_

Telephone No. \_\_\_\_\_

The Company requires the submission of the following documents to substantiate the information provided in the service application:

- ( ) deed
- ( ) Lease
- ( ) business certificate\*
- ( ) other

\* \_\_\_\_\_

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

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Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 80  
Revised Leaf No. 0

GENERAL INFORMATION

20.  
Forms: (Cont'd.)

C. Form of Application for Non-residential Service: (Cont'd.)

Specific nature of business: \_\_\_\_\_  
GAS: List all equipment its rating: \_\_\_\_\_

DOES THE APPLICANT REQUEST AN INSPECTION OF THE METER(S)? [ ] Yes [ ] No

DOES THIS ACCOUNT PROVIDE SERVICE FOR ANY TIME OF RESIDENTIAL UNIT?[ ]Yes [ ]No

If yes, please explain. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rate and Applicable Charges for Service: (To be completed by Company)

Service Classification \_\_\_\_\_ Account No. \_\_\_\_\_

Amount of Deposit \$ \_\_\_\_\_ Deposit No. \_\_\_\_\_

Extension Minimum \$ \_\_\_\_\_ Percent Tax Exempt \_\_\_\_\_

Estimated Usage \_\_\_\_\_

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Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 81  
Revised Leaf No. 0

GENERAL INFORMATION

20. Forms: (Cont'd.)

C. Form of Application for Non-residential Service: (Cont'd.)

Valley Energy is hereby requested to furnish the undersigned with gas service at the above address; such service is to be supplied by the Company under its tariff rates, rules, and regulations on file with the New York State Public Service Commission, as may be revised from time to time and to be paid for by the undersigned in accordance with the applicable rate.

Response Date: \_\_\_\_\_ Date of Responsibility: \_\_\_\_\_

Company Name: \_\_\_\_\_

Company Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ Accepted by: \_\_\_\_\_

Date: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 82  
Revised Leaf No. 0

GENERAL INFORMATION

20. Forms: (Cont'd.)

D. Deferred Payment Agreement Form:

NON-RESIDENTIAL CUSTOMER PAYMENT AGREEMENT

Account Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Service Address: \_\_\_\_\_

Date: \_\_\_\_\_

PRINCIPLES OF THIS AGREEMENT

This confirms an agreement by \_\_\_\_\_ (customer) \_\_\_\_\_ to make installment payments to Valley Energy for amounts in arrears. It also confirms that Valley Energy will not discontinue service to the account at the address listed above as long as payments are received on time.

HOW MUCH IS TO BE PAID

The amounts covered by this agreement are as follows:

Charges billed for Gas Service as of \_\_\_\_\_ (month,day,year) \_\_\_\_\_ : \$ \_\_\_\_\_

Late payment charges billed: \$ \_\_\_\_\_

Miscellaneous fees:(Specify - Collection, Reconnection, Meter Recovery): \$ \_\_\_\_\_

TOTAL: \$ \_\_\_\_\_

HOW PAYMENT IS TO BE MADE

The customer agrees to pay:

A downpayment of \$ \_\_\_\_\_ by \_\_\_\_\_ (month,day,year) \_\_\_\_\_

Installments of \$ \_\_\_\_\_ by the \_\_\_\_\_ day of each month from \_\_\_\_\_ (month, year) \_\_\_\_\_ to \_\_\_\_\_ (month, year) \_\_\_\_\_. The balance of \$ \_\_\_\_\_ is to be received by \_\_\_\_\_ (month, day, year) \_\_\_\_\_

Current bills issued \_\_\_\_\_ (month, day, year) \_\_\_\_\_ after are to be paid on receipt

Note: Each payment must be in the office of the utility by the above mentioned dates.

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Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 83  
Revised Leaf No. 0

GENERAL INFORMATION

20. Forms: (Cont'd.)

D. Deferred Payment Agreement Form: (Cont'd.)

LATE PAYMENT CHARGES

\_\_\_\_\_ Late payment charges not applicable/waived

\_\_\_\_\_ This agreement is subject to late payment charges at a monthly rate of \_\_\_\_\_% and/or an annual rate \_\_\_\_\_%

The total late payment charges for the duration of this agreement are calculated to be \$\_\_\_\_\_. The total late payment charges may be greater or less than the disclosed cost if payments are received earlier or later than the agreed dates. Failure to pay current bills on time will result in additional late payment charges on the account balance. (NOTE: Fill out attached itemization form if late payment charges are not billed with the cycle bill.)

DEPOSIT TERMS

\_\_\_\_\_ Deposit not applicable or is waived.

The amount of the security deposit requested is \$\_\_\_\_\_; The customer agrees to pay 50% of the requested deposit as a down payment and the balance in two installments.

Down payment \$\_\_\_\_\_ to be paid on \_\_\_\_\_ (month, day, year) \_\_\_\_\_

First installment \$\_\_\_\_\_ to be paid on \_\_\_\_\_ (month, day, year) \_\_\_\_\_

Final installment \$\_\_\_\_\_ to be paid on \_\_\_\_\_ (month, day, year) \_\_\_\_\_

WHAT HAPPENS IF PAYMENTS ARE LATE

If installment and regular bill payments are not paid on time this agreement will be void and all amounts become due immediately. The Company will send you notice of this fact and a final termination notice; service will be disconnected within the allotted amount of time.

PUBLIC SERVICE COMMISSION ASSISTANCE

The customer may obtain the assistance of the New York State Public Service Commission to assure that this agreement complies with rules of 16 NYCRR 13.5.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

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Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 84  
Revised Leaf No. 0

GENERAL INFORMATION

20.Forms: (Cont'd.)

D. Deferred Payment Agreement Form: (Cont'd.)

ACCEPTANCE OF AGREEMENT

The terms of this agreement are accepted by:

Customer's Name \_\_\_\_\_ (Print or type)

Customer's Signature \_\_\_\_\_ Date \_\_\_\_\_

As representative of \_\_\_\_\_ (Name of company or firm)

Utility Representative \_\_\_\_\_ Title \_\_\_\_\_

Representative's Signature \_\_\_\_\_ Date \_\_\_\_\_

NOTE: If the customer has any questions during the duration of the agreement, the utility representative may be contacted at \_\_\_\_\_  
This agreement is not valid until signed by all parties and returned to Valley Energy.

LATE PAYMENT ITEMIZATION FORM

Late payment charges not billed with the cycle bill are to be paid as follows:

\$ \_\_\_\_\_ by \_\_\_\_\_  
\$ \_\_\_\_\_ by \_\_\_\_\_  
\$ \_\_\_\_\_ by \_\_\_\_\_  
\$ \_\_\_\_\_ by \_\_\_\_\_  
\$ \_\_\_\_\_ by \_\_\_\_\_  
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\$ \_\_\_\_\_ by \_\_\_\_\_  
\$ \_\_\_\_\_ by \_\_\_\_\_

Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

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Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 85  
Revised Leaf No. 0

GENERAL INFORMATION

20.Forms: (Cont'd.)

E. Deposit Alternative Notice Form:

VALLEY ENERGY

Request for Waiver of Security Deposit - Deposit Alternative

Date:

Customer's Name: \_\_\_\_\_

Service Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Account Number: \_\_\_\_\_

In consideration of Valley Energy's agreement to provide gas service to (Customer's Name) at the above service address and in lieu of a security deposit. I/we do hereby guarantee payment of all future bills for said service paid upon receipt.

I, the Customer, waive my right to be sent a Final Termination Notice normally provided after 20 days have elapsed since payment was due. I understand that my service can be terminated by Valley Energy if I/we fail to pay any bill upon receipt. The Company will send me a disconnect notice 5 days (8 days if mailed) before actual termination of my service.

Once terminated, service will not be reinstated until payment in full of the following: (1) all amounts in arrears for service rendered, (2) the entire requested deposit, (3) service reconnection fees, and (4) any other billed tariff changes.

Valley Energy

\_\_\_\_\_  
Business Name/Applicant

\_\_\_\_\_  
Signed: \_\_\_\_\_ Date

\_\_\_\_\_  
Signed: \_\_\_\_\_ Date

\_\_\_\_\_  
Approved by: \_\_\_\_\_ Title

\_\_\_\_\_  
Title of person signing

\_\_\_\_\_  
Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 86  
Revised Leaf No. 0

GENERAL INFORMATION

20.Forms: (Cont'd.)

F. Deferred Payment Agreement Form - Residential:

RESIDENTIAL CUSTOMER PAYMENT AGREEMENT

CUSTOMER'S NAME \_\_\_\_\_ DATE \_\_\_\_\_

SERVICE ADDRESS \_\_\_\_\_  
\_\_\_\_\_

ACCOUNT NO. \_\_\_\_\_ TELEPHONE \_\_\_\_\_

This is an agreement by \_\_\_\_\_ (Name of Customer) to make payments to Valley Energy for amounts owed. It is also an agreement by Valley Energy that it will not turn off your service to the address listed above as long as you make payments on time and there will be no penalty charges added to your account as long as you make payments on time. If this agreement is mailed to you, it must be returned to our office on or before \_\_\_\_\_ along with the required down payment, to avoid termination of service.

HOW MUCH IS TO BE PAID

Total amount you owe Valley Energy as of  
(month, day, year) is \$ \_\_\_\_\_.

HOW PAYMENT IS TO BE MADE

You are to pay the amount owed in the following way:

\$ \_\_\_\_\_ is to be received by \_\_\_\_\_  
\$ \_\_\_\_\_ is to be received by the (day or date) each (week or month)

from \_\_\_\_\_ to \_\_\_\_\_

Any bill we send you after \_\_\_\_\_ is due when you receive it.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 87  
Revised Leaf No. 0

GENERAL INFORMATION

20. Forms: (Cont'd.)

F. Deferred Payment Agreement Form - Residential: (Cont'd.)

PAYMENT AGREEMENT RULES

\* This agreement must be fair and must be based on your ability to pay.

\* If you are unable to pay on these terms, you should not sign this agreement. Instead, call us or come to our office.

\* If you can show financial need, alternate terms will be arranged. Depending on your circumstances, a down payment may not be required and installments may be as low as \$10.00 per month.

\* This agreement can be changed if your ability to pay changes significantly for reasons you cannot control. If a change is needed, please call us or come to our office.

\* If you are a recipient of public assistance or supplemental security income, you may be eligible for help in paying your utility bills. If so, you may wish to call or visit your local Social Services office.

PUBLIC SERVICE COMMISSION (PSC) HELP

IF YOU NEED HELP UNDERSTANDING OR MAKING THIS AGREEMENT, CALL THE PSC AT 1-800-342-3377, 8:30 A.M. TO 4:30 P.M. BUSINESS DAYS.

PUBLIC BILLING OPTION

If you are not already enrolled in our budget billing plan which allows you to pay for your service in equal monthly installments, and wish to enroll, check this box and we will start you on a plan immediately. A brochure describing the plan in more detail has been provided to you. Call 570-888-9664 or 800-998-4427 if you have any questions about the Budget Billing Plan.

Yes, I would like to enroll in the Budget Billing Plan. [ ]

I accept this agreement.

Customer's Signature \_\_\_\_\_ Date \_\_\_\_\_

NAME (TYPED OR PRINTED) \_\_\_\_\_

Company's Signature \_\_\_\_\_ Date \_\_\_\_\_

NAME (TYPED OR PRINTED) \_\_\_\_\_

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.1  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005



**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.2  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.3  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.4  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840  
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**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.5  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.6  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.7  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.8  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.9  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005



**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.10  
Revision No. 2  
Superseding Revision No. 2

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.11  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.12  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.13  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.14  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.15  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.16  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.17  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005



**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.18  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.19  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.20  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.21  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 87.22  
Revision No. 2  
Superseding Revision No. 1

RESERVED FOR FUTURE USE

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Date of Issue: March 28, 2005 Date Effective: March 29, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 88  
Revision No. 2  
Superseding Original

SERVICE CLASSIFICATION NO. 1

APPLICABLE TO:

Any residential, commercial, or industrial consumer for any purpose.

CHARACTER OF SERVICE:

Continuous natural gas 1,000 Btu or more per cubic foot. Normal pressure not more than 9" and not less than 4" water column. At the option of the Company, gas may be supplied at high pressure where such service is available.

RATE: (per month)

<u>Rate</u>	
First 200 cubic feet, or less	\$7.62
Next 34,800 cubic feet, per 100 cubic feet	\$0.2388
All over 35,000 cubic feet, per 100 cubic feet	\$0.1746

GAS ADJUSTMENT CLAUSE:

The charges set forth herein shall be subject to a gas adjustment charge per 100 cubic feet of gas supplied as set forth in General Information Rule 14.

The above rates and charges are subject to the monthly minimum set forth hereafter.

MINIMUM CHARGE:

\$7.62 per month

TERMS OF PAYMENT:

Customers' bills will be computed at the rates shown above and, except for State Agencies, subject to a late payment charge of 1 ¼% per monthly billing period in accordance with General Information Rule 7 A.(f). Service to State Agencies will be rendered in accordance with the provisions of Article XI-A of the State Finance Law (Chapter 153 of the Laws of 1984, effective July 1, 1984).

TERMS:

One month and thereafter until terminated by 48 hours written notice. Residential space heating customers: Not less than twelve (12) months; Customer may request discontinuance on 48 hours written notice subject to the minimum charge provided for above

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 89  
Revised Leaf No. 0

SERVICE CLASSIFICATION NO. 1

Increase in Rates and Charges:

The rates and charges under this Service Classification, including gas adjustment and minimum charge are increased by tax factors pursuant to General Information Rule 16.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 90  
Revised Leaf No. 0

SERVICE CLASSIFICATION NO. 2

Reserved for Future Use

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840



**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 91  
Revised Leaf No. 0

SERVICE CLASSIFICATION NO. 2

Reserved for Future Use

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 92  
Revised Leaf No. 0

SERVICE CLASSIFICATION NO. 3

Reserved for Future Use

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 93  
Revised Leaf No. 0

SERVICE CLASSIFICATION NO. 3

Reserved for Future Use

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 94  
Revision No. 2  
Superseding Original

SERVICE CLASSIFICATION NO. 4

INTERRUPTIBLE SERVICE

AVAILABILITY:

This rate is available to any consumer located along Company's distribution lines where Company's facilities and capacity are adequate to supply consumer's requirements as set forth by written contract.

Gas shall be delivered hereunder at a single point of metering and shall not be resold.

This rate is available only on a twelve month year-around contract basis and where Consumer's gas consuming capacity is at least 20 Mcf in any twenty-four (24) hour period.

This rate is not available or applicable for gas service that would replace any "Firm" service covered by another contract with Consumer.

Service will be furnished only where Consumer has installed alternate fuel burning equipment which can be placed in operation within two hours after notification has been given by Company that gas service will be interrupted. Service under this rate will be furnished in accordance with the following stipulations and also in accordance with the Company's general rules, terms and conditions or subsequent revisions thereof on file with the New York Public Service Commission, which general rules or subsequent revisions thereof are a part of this rate as if written herein.

CHARACTER OF SERVICE:

The service furnished by Company shall be natural gas, as delivered by Company's pipeline supplier, having a heat content of approximately 1,000 Btu per cu. ft. The gas service pressure shall be adequate to operate the various commercial and industrial appliances, space heating and other equipment whose capacity and operating characteristics conform to Company standards.

INTERRUPTIBILITY OF SERVICE:

Gas service covered by this rate shall be subject to interruption or discontinuance by Company whenever, as determined by Company, an inadequate supply of gas is available to service Company's "Firm" gas consumers or whenever it is necessary to limit or control Company's system peak demands. In the event that an inadequate supply of gas exists and/or it is necessary to limit Company's system peak gas demands, service will be interrupted and discontinued by Company as long as such conditions exist.

Company will endeavor to give Consumer at least two hours notice in advance of the time that gas service will be discontinued or allocation will be increased or decreased. As soon as Company's supply and peak load conditions permit, Company will advise Consumer promptly as to when service will be reestablished or a change in allocation will be made.

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 95  
Revision No. 2  
Superseding Original

SERVICE CLASSIFICATION NO. 4 (Cont'd.)

Any volume of natural gas taken by Consumer under this rate schedule in excess of the daily quantity limited by curtailment or interruption, or allocated by Company's authorized representative shall constitute unauthorized overrun volume.

RATE PER MONTH:

All gas delivered, per 1,000 cubic feet (Mcf) \$0.906

GAS ADJUSTMENT CLAUSE:

The charges set forth herein shall be subject to a gas adjustment charge per 100 cubic feet of gas supplied hereunder as set forth in General Information Rule 14.

MINIMUM MONTHLY CHARGE:

\$196.74

The minimum monthly charge for any month that the Company requires that service be interrupted shall be prorated in proportion to the number of days in which service was interrupted, as related to thirty (30) days.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification, including gas adjustment and minimum charge are increased by tax factors pursuant to General Information Rule 16.

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 96  
Revised Leaf No. 0

SERVICE CLASSIFICATION NO. 4

UNAUTHORIZED GAS USE

Unauthorized Gas Use includes, but is not limited to, any volume of gas taken by Consumer in excess of (a) Consumer's maximum daily quantity as set forth in its Service Agreement with Company, or (b) the volume of gas that Company has allowed Consumer to use on any day for any reason including as a result of curtailment or interruption notice issued by the Company in accordance with its tariff or in accordance with the directive of any governmental agency having jurisdiction. A "day" shall be a period of twenty-four (24) consecutive hours, beginning as near as practical to 8 a.m. or as otherwise agreed upon by Consumer and Company.

The Company reserves the right to physically curtail gas service to any Consumer if, in the Company's sole judgment, such action is necessary to protect the operation of its system.

If a Consumer used gas after having been notified that gas is not available under this Service Classification or uses gas in excess of its maximum daily quantity as set forth in the Service Agreement, then the following Unauthorized Gas Use charges shall apply.

All such Unauthorized Gas Usage shall be billed at the higher of \$5.00 per Ccf or a rate equal to ten times the highest price of the daily ranges for delivery in Tennessee Zone 4 / 5 which is published in Gas Daily on the table "City Gate Pooling Point Prices", plus all applicable taxes, charges and assessments applicable under this service classification.

All such Unauthorized Gas Usage for any Consumer that does not have sufficient alternate fuel inventory on November 1 of each year or that becomes non-compliant at any time during the winter period (November 1 – March 31) shall be billed at the higher of a rate equal to the highest rate published by the Journal of Commerce Group "Oil Price Daily" Daily Petroleum Price for NY Tank, car con. plus 10%, \$5.00 per Ccf or a rate equal to ten times the highest price of the daily ranges for delivery in Tennessee Zone 4 / 5 which is published in  
in Gas Daily on the table "City Gate Pooling Point Prices", plus all applicable taxes, charges and assessments applicable under this service classification.

Nothing herein shall be construed to prevent the Company from taking all lawful steps to stop the unauthorized use of gas by Consumer, including physically disconnecting Consumer's service. And

The Company may, in its sole discretion, permanently discontinue service upon a finding by the Company that the Consumer has not complied with the terms and conditions of this service classification.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued under authority of order at the Public Service Commission, in Case 00-G-0966

Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 96.1  
Revision No. 1  
Superseding Revision No.

SERVICE CLASSIFICATION NO. 4 (Cont'd.)

CUSTOMER RESPONSIBILITIES

Customers must maintain operable alternate fuel equipment, adequate fuel storage capacity at the customer's location for use in such alternate fuel equipment and fuel supply that is adequate and replenished as necessary to enable the customer to operate satisfactorily such equipment without gas whenever and so long as service under this Service Classification is interrupted.

The customer shall immediately: (i) notify the Company of any condition that would prevent the required interruption of gas service or prevent the Company from determining whether the customer is using gas during an interruption; (ii) take immediate action to correct such condition, and (iii) notify the Company when such condition has been corrected. If the customer does not correct such condition within 48 hours from when the condition should have been first reported by the customer or from when discovered by the Company with notification to the customer, whichever is earlier, the customer shall be billed an additional charge equal to the greater of (a) 130% of the cost of its alternate fuel, as established with reference to the generally accepted fuel price indices; or (b) 130% if the rates charges by the Company under this Service Classification, minus the rates paid by the customer under this Service Classification. This additional charge shall be applied to all gas consumed during the billing period, excluding and Firm Base Load volumes, in which there is non-compliance and for any subsequent billing periods during which the non-compliance continues.

The customer must comply with an annual inspection of its alternate fuel facilities, at a date and time determined by the Company, to determine whether such facilities are operable. In addition, the Company shall have the right to require a test of the customer's alternate fuel

**SPECIAL PROVISIONS - DISTILLATE FUEL CUSTOMERS:**

- A. A Distillate Fuel Customer is a Customer that uses No. 2 fuel oil, diesel or kerosene.
- B. On November 1 of each year, a Distillate Fuel Customer meeting the alternate fuel requirement, as set forth in this service classification, is required to have an adequate supply of distillate fuel on-hand. A distillate fuel supply shall be considered on-hand and adequate if the supply is either: (a) on-site and sufficient to meet a minimum of ten (10) consecutive days requirements; or (b) if Customers physical facilities are insufficient to provide for a ten (10) day supply, then the Customer must: (i) have a full distillate fuel tank(s); and (ii) provide verification, to the Company's satisfaction, of alternative fuel supplies, other than spot market purchase of distillate fuel that, in combination with (a), provides for a ten (10) day supply.
- C. The Company shall have the right at any time to inspect Customer's physical facilities to determine compliance with Special Provisions - Distillate Fuel Customers (Section B). A Customer that refuses to permit the Company to inspect its facilities shall have one (1) Business Day to allow the Company to perform its inspection. If the Customer does not allow the Company to perform its inspection in the allotted time period, the Customer will be charged a premium as set forth in the "Price" section of this service classification. The premium will be in addition to all other applicable prices and charges and will be applied until such time as the facilities are inspected and found to be compliant.

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

SERVICE CLASSIFICATION NO. 4 (Cont'd.)

SPECIAL PROVISIONS DISTILLATE FUEL CUSTOMERS (Cont'd.)

D. Customer's that fail to comply with the requirements of Special Provisions - Distillate Fuel Customers (Section B) will be assessed a premium as detailed in the "Price" section of this service classification.

A Customer will be considered in non-compliance if:

- (a) the Customer refuses to allow the Company to inspect its facilities; or
- (b) the Company inspects the Customer's facilities and determines that the Customer has failed to comply with Special Provisions - Distillate Fuel Customers (Section B); or
- (c) the Customer fails to comply when the Company provides notification that the customer ceases using gas;

E. Subject to Company's discretion, any Distillate Customer may be relieved of the obligations set forth in Special Provisions - Distillate Fuel Customers (Sections B through D) if the Customer is willing to cease operation of those facilities that are subject to a notification issued in accordance with Special Provisions - All Customers (Section A).

If a Customer under this section fails to cease operations when notified, the Customer shall immediately become subject to all the requirements otherwise applicable to Distillate Fuel Customers including, but not limited to, the failure to interrupt provisions contained in Special Provisions - All Customers (Section A) and the retroactive application of the pricing premium, as detailed in this service classification, from November 1 until such time as full compliance, as determined by the Company, is achieved.

A Customer that fails to meet the requirements set forth under Special Provisions - Distillate Fuel Customers and Special Provisions - Human Needs Customers of this service classification shall be assessed a premium equal to the greater of one hundred thirty percent (130%) of the applicable gas equivalent alternative fuel price or one hundred thirty percent (130%) of the otherwise applicable sales price in the Tariff less an estimate of the Customer's natural gas price, as determined by the Company, per therm. The premium will be applied for the billing period during which noncompliance becomes known and for each subsequent billing period until the Customer has provided sufficient evidence, as determined by the Company, that it has fully complied with the requirements set forth under Special Provisions - Distillate Fuel Customers and Special Provisions - Human Needs Customers.

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005



SERVICE CLASSIFICATION NO. 4 (Cont'd.)

**SPECIAL PROVISIONS - HUMAN NEEDS CUSTOMERS:**

- A. A Human Needs Customer is a Customer that heats all or any portion of any building, including apartment houses, prisons, dormitories, nursing homes, hospitals, hotels, and other building where persons may dwell on a permanent basis.
- B. The requirements and obligations set forth in Special Provisions - Distillate Fuel Customers (Sections B, C and D only) shall be applicable to a Human Needs Customer regardless of alternate fuel type.

A Customer that fails to meet the requirements set forth under Special Provisions - Distillate Fuel Customers and Special Provisions - Human Needs Customers of this service classification shall be assessed a premium equal to the greater of one hundred thirty percent (130%) of the applicable gas equivalent alternative fuel price or one hundred thirty percent (130%) of the otherwise applicable sales price in the Tariff less an estimate of the Customer's natural gas price, as determined by the Company, per therm. The premium will be applied for the billing period during which noncompliance becomes known and for each subsequent billing period until the Customer has provided sufficient evidence, as determined by the Company, that it has fully complied with the requirements set forth under Special Provisions - Distillate Fuel Customers and Special Provisions - Human Needs Customers.

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Date of Issue: January 31, 2005 Date Effective: February 1, 2005

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued in compliance with order in Case 04-G-0821 dated January 21, 2005

Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 97  
Revision No. 2  
Superseding Original

SERVICE CLASSIFICATION NO. 4 (Cont'd.)

MEASUREMENT OF GAS:

The sales unit of the gas delivered hereunder shall be in 1,000 cubic feet. (Mcf)

When measurement is at pressure above 4 ounces gauge the following conditions shall apply:

- (1) The unit of measurement shall be that quantity of gas which will occupy one cubic foot at a pressure of 14.73 pounds per square inch absolute at temperature based on 60 degrees F., and without adjustment for water vapor content.
- (2) The average absolute atmospheric pressure shall be assumed to be 14.4 pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.
- (3) To determine the volume of gas delivered, the true physical characteristics of the gas supplied and furnished hereunder which affect computations, as quantity of gas delivered shall be taken into consideration. In addition, factors such as those required for pressure, temperature, specific gravity and deviation from Boyle's Law shall be applied.

TERMS OF PAYMENT:

Consumer's bills will be computed at the rates shown above and, except for State Agencies, subject to a late payment charge of 1 1/4% per monthly billing period in accordance with General Information Rule 7.A.(f). Service to State Agencies will be rendered in accordance with the provisions of Article XI-A of the State Finance Law (Chapter 153 of the Laws of 1984, effective July 1, 1984).

CONTRACT PERIOD:

Service will be established for an initial period of not less than twelve months.

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Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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SERVICE CLASSIFICATION NO. 4

FORM OF SERVICE AGREEMENT

Service Classification No. 4 - Interruptible Gas Service

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\_\_\_\_\_ herein called "Consumer" requests Valley Energy, herein called "Company" to deliver gas service to Consumer at the premises known as \_\_\_\_\_, \_\_\_\_\_, New York, and occupied as a \_\_\_\_\_

In consideration of such service, Consumer agrees and contracts to accept and pay for service subject to Service Classification No. 4 hereto attached, and made a part hereof and to the following conditions.

1. Consumer estimates that the daily and hourly maximum quantity for gas for interruptible service (herein called "Interruptible Gas") required by it is \_\_\_\_\_ and \_\_\_\_\_ respectively. All gas purchased under this agreement shall be used by the Consumer in the ordinary course of business on the premises described herein, and no portion of said gas shall be resold to other Consumers.
2. The Company shall have the right to curtail or interrupt the supply of interruptible gas at any time, and notice of such interruption will be given to the Consumer as far in advance as possible. The Consumer agrees to interrupt or curtail the consumption of interruptible gas in the manner as directed by the Company. Such notice requirement in the event of any emergency may require immediate curtailment in order to prevent possible injury to persons or serious damage to property. Penalty for overrun volume shall be governed by the terms and conditions of Service Classification No.4.
3. Payment for Gas Service: In the event Consumer shall fail to pay the bill rendered for gas service, the bill will be subject to a late payment charge of 1 1/4% per monthly billing period in accordance with General Information Rule 7.A.(f).
4. Meters and Measurement: Gas delivered will be measured through one or more meters installed and maintained by Company on Consumer's property near the Consumer's property line and at a location satisfactory to the Company. Title to meters, regulators, etc., so installed shall be at all times with the Company. Company will inspect such meters from time to time. If a meter of Company is found to be inoperative or inaccurate, such equipment shall be adjusted to register correctly and accuracy shall be determined by the rules of the New York State Public Service Commission, and adjustments

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

Issued under authority of order at the Public Service Commission, in Case 00-G-0966



Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 99  
Revised Leaf No. 0

SERVICE CLASSIFICATION NO. 4

FORM OF SERVICE AGREEMENT (Cont'd.)

Service Classification No. 4 - Interruptible Gas Service

4. Meters and Measurement: (Cont'd.)

for the inaccuracy shall conform to said rules. Upon the written request of Consumer, Company will inspect such meters at any reasonable time, provided that if such meters are found to register correctly, the cost of such inspection may be charged to Consumer. Consumer agrees to indemnify Company against all costs and/or damages arising out of or caused by the theft and/or injury to pipes and/or meters, and/or other property of the Company while on said premises.

5. Gas Leakage: Immediate notice must be given to Company when any leakage of gas is discovered. No flame or lights shall be in proximity of such escaping gas and Consumer shall shut off the flow of gas immediately.

6. Point of Delivery: Liability: The point of delivery of gas furnished hereunder shall be the outgoing side of the outlet union for the meter(s) installed and maintained by Company on Consumer's property for the purpose of measuring gas delivered to Consumer. The gas delivered under this contract is delivered upon the express condition that after it passes the point of delivery it becomes the property of Consumer. Company shall not be liable for loss, damage and/or injury to any person or property whatsoever resulting directly or indirectly from the use or misuse or presence of gas on Consumer's premises after it passes the point of delivery except where such loss, damage and/or injury shall be shown to have been occasioned by negligence of Company, its agent, servants, or employees.

7. Entry by Company Agents: The authorized agents of Company shall have the right at all reasonable times of access to the premises of Consumer for the purpose of examining and inspecting regulating equipment and/or other necessary purposes. Entry of authorized agents of the Company shall be subject to such Consumer's security requirements and Government security requirements as may be in force at the time of such entry.

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Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 100  
Revised Leaf No. 0

SERVICE CLASSIFICATION NO. 4

FORM OF SERVICE AGREEMENT (Cont'd.)

Service Classification No. 4 - Interruptible Gas Service

8. Breach of Contract: Anything to the contrary herein contained notwithstanding, Company shall have at all times the right to discontinue service to Consumer hereunder, upon twenty-four hours notice if Consumer shall fail or refuse to interrupt or curtail the consumption of gas in the manner, at the time, and to the extent directed by Company from time to time as hereinabove provided in paragraph Number 2, or if Consumer shall default in payments for gas delivered; or Consumer shall breach any of the conditions set out herein. Any failure of Company to exercise the said

right to discontinue service to Consumer shall not stop Company from exercising such right in respect of any breach of the said conditions which may subsequently occur.

9. Term of Contract: The term of this contract is for a period of one year from date of commencement of gas service under said Rate Schedule and thereafter from year to year until termination by either party. Either party may terminate this contract at the end of any such year by giving the other party notice in writing at least sixty (60) days prior to the date upon which such termination is to become effective. In the absence of such notification, this Contract

shall remain in force and effect.

10. Notices: Any notice or bill except notices of curtailment or restoration of service that shall or may be given by one party to the other hereunder shall be deemed to have been fully delivered when made in writing and delivered as follows: To Company: at Sayre, Pennsylvania, and to Consumer: at the above named premises of Consumer and/or by placement thereof in a sealed envelope, postage prepaid, addressed to Consumer at said premises.

Notices with respect to curtailment or restoration of deliveries of gas shall be sufficient if given by a designated person of the Company in writing, or orally in person, or by telephone to the person or one of the persons designated from time to time by Consumer as authorized to receive such notices.

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Valley Energy, Inc.  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 101  
Revised Leaf No. 0

SERVICE CLASSIFICATION NO. 4

FORM OF SERVICE AGREEMENT (Cont'd.)

Service Classification No. 4 - Interruptible Gas Service

11. Successors and Assigns: This contract shall bind and benefit successors and assigns of the respective parties hereto.

IN TESTIMONY WHEREOF, THE parties hereto have caused this agreement to be duly signed and sealed, the day and year first above written.

Attest \_\_\_\_\_

\_\_\_\_\_  
By \_\_\_\_\_

Valley Energy

Attest \_\_\_\_\_

By \_\_\_\_\_

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 102  
Revision No. 2  
Superseding Original

SERVICE CLASSIFICATION NO. 5

APPLICABLE TO:

- (1) Large Volume Firm Transportation Service applicable to customers who qualify for S.C. No. 1 service when the Company, in its sole discretion, determines facilities and capacity are adequate to provide the requested service. Service according to this must be requested by written nomination at least ten (10) days prior to the beginning of each calendar month. Service shall be limited to customers with requirements in excess of 5,000 Mcf annually. Service shall be provided according to a contract between the Company and customer for a duration of at least one (1) year and shall be provided according to the terms of the customer's applicable service classification.
- (2) Large Volume Interruptible Transportation Service applicable to customers who qualify for S.C. No. 4 interruptible service.

CHARACTER OF SERVICE:

Natural gas delivered pursuant to this schedule shall be of pipeline quality delivered to the company's current interconnection with Tennessee Gas Pipeline at Towanda, Pennsylvania. The customer shall arrange for the delivery and shall be responsible for title and cost of all gas delivered to the Company.

RATE OF SERVICE:

- (1) The rate for firm delivery service hereunder shall be \$1.7620 per Mcf.
- (2) For firm customers who choose to retain the right to firm sales service, an additional charge equal to the Average Cost of Gas (as defined in General Information Rule 14 shall be applied to each Mcf or customer owned gas consumed.

Customers using gas under this provision shall be advised three business days prior to the effective date as to the additional amount to be charged during the following month. This amount shall be filed with the Public Service Commission on a separate statement.

- (3) The rate for interruptible delivery service shall be \$0.9188 per Mcf.

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Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 103  
Revision No. 3  
Superseding Revision No. 2

SERVICE CLASSIFICATION NO. 5 (Cont'd.)

TAKE OR PAY SURCHARGE:

The rate per Mcf as provided herein shall be subject each month to a surcharge to recover Take or Pay surcharges being directly billed to the Company pursuant to General Information Rule 15 (F). The Take or Pay surcharge shall be reflected each month in the Statement of Adjustments to Transportation Rate and shall be filed with the Commission.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification are increased by tax factors pursuant to General Information Rule 16.

ALLOWANCE FOR LOSSES:

The Company shall retain 1.5% of all gas received for fuel used and unaccounted for.

BALANCING OF DELIVERIES:

The volume of natural gas metered monthly at the customer's location shall be considered gas delivered pursuant to this schedule except that when metered volumes exceed those delivered into the Company's facilities, the excess shall be billed at \$3.00 per Ccf multiplied by the excess quantity withdrawn or the amount set forth in Rule 13 B, whichever is more. Any excess deliveries into the Company's facilities shall be the first gas consumed in the next billing cycle. The customer shall consider this excess when nominating gas for the next billing cycle and shall attempt to balance natural gas deliveries with natural gas requirements. If deliveries into the Company's facilities exceed the customer's metered volumes in any month, the Company may, at its option, terminate receipt of gas pursuant to this schedule. For customers served according to Service Classification No. 4 the Company is not obligated to deliver any daily volume of natural gas. Any volume taken in excess of that authorized by the Company shall constitute an unauthorized overrun and is subject to the overrun provisions of Service Classification No. 4.

**GENERAL TERMS AND CONDITIONS OF SERVICE:**

To the extent not inconsistent with the provisions of this service classification, service hereunder is provided in accordance with the General information Sections of this Schedule.

**SPECIAL PROVISIONS:**

- A. The quantity to be billed under this service classification is the quantity delivered to the Company less the allowance for losses in accordance with this service classification.
- B. Daily imbalances, under runs and overruns under this service classification will be calculated and reconciled as set forth below.

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Issued by: Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840

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Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
Leaf No. 103.1  
Revision No. 1  
Superseding Revision No.

SERVICE CLASSIFICATION NO. 5 (Cont'd.)

SPECIAL PROVISIONS (Cont'd.)

- C. Firm Transportation Service will be provided on a "first call" basis for the available capacity in the Company's distribution system. If other applicants desire Firm Transportation Service and there is only available capacity for the "first" applicant, the "first" applicant can reserve the required available capacity for a period of three (3) months. If deliveries are not commenced within the three-month period, the available capacity will be released for the use of the other applicants.
- D. If a customer elects an Agreement without reservation of the firm sales status, the Company is under no obligation to deliver gas to the Customer on any day in excess of the quantity of Customer-owned gas received by the Company on that day. Any such deliveries in excess of receipts by the Company of Customer-owned gas are subject to unauthorized overrun penalties or interruption in accordance with this Schedule. Similarly, for customers served according to Service Classification No. 4 the Company is not obligated to deliver any daily volume of natural gas. Any volume taken in excess of that authorized by the Company shall constitute an unauthorized overrun and is subject to the overrun provisions of Service Classification No. 4.
- E. Customers electing service under this service classification are subject to the upstream Capacity Requirements set forth herein.
- F. At the conclusion of the term of Agreement hereunder, except the initial term, the customer may pay for any deficiency in deliveries from the minimum eligible transportation quantity, at the Customer's applicable price for the last month of the term, and remain eligible for service under this service classification. Such initial term shall be one (1) year.
- G. Customers taking service under this service classification shall not be required to pay the monthly Minimum Charge for the sales service classification specified in the executed Transportation Service Agreement, except in such months where an end of month negative imbalance is cashed out in accordance with the balancing requirements of this Schedule.

TERMS OF PAYMENT:

Customers' bills will be computed at the rates shown above and are subject to a late payment charge of 1 1/4% per monthly billing period in accordance with General Information Rule 7.A.(f).

MONTHLY BILLING INFORMATION:

For the purposes of this schedule the customer's billing cycle shall be a calendar month

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SERVICE CLASSIFICATION NO. 6

TRANSPORTATION BALANCING SERVICE

**APPLICABLE TO THE USE OF SERVICE FOR:**

Transportation Customers taking service pursuant to Service classification No. 5 of this Schedule. Each Customer subject to this service classification shall be part of an Aggregation Pool managed by a Marketer/Direct Customer.

**CHARACTER OF SERVICE:**

Balancing of pipeline-quality, natural gas deliveries will be from a designated Receipt Point within the Company's service territory to which this Schedule applies to a designated Delivery Point(s). Service hereunder provides for the following:

- A. Each Customer shall have a Maximum Daily Transportation Quantity (MDTQ) for the purposes of monthly balancing. The sum of the individual Customer MDTQs within an Aggregation Pool will be the Maximum Daily Aggregation Pool Quantity (MDAPQ) for the Aggregation Pool.
- B. Daily consumption variations from the Daily Aggregated Volume (DAV) will be cashed out in accordance with the balancing provisions set forth below.

**PRICE/BALANCING (Per Month)**

The Marketer/Direct Customer for each Pool shall pay a monthly charge for balancing service during the term of service as set forth below:

The Company will balance fluctuations between Marketer/Direct Customer daily gas deliveries and their customers' Daily Gas Consumption Requirements. The Company will balance monthly fluctuations between Marketer gas deliveries and their customers' actual gas consumption by the cash settlement procedures set forth below. The Company provides balancing only for the inadvertent fluctuations between Marketer deliveries and their customers' consumption. Balancing is not intended to use for speculation as to energy prices, to borrow gas for later replacement, or to store gas for future use during periods of interruption or curtailment. The Marketer shall use its best efforts, including ongoing communication with customers, to balance its daily gas purchases, nominations, and deliveries with daily customer gas consumption requirements.

To the extent that a Marketer wishes to provide service to customers under Service Classification No. 5, a Marketer must agree to make daily deliveries of the actual gas consumed daily by customers a Marketer provides gas to.

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SERVICE CLASSIFICATION NO. 6 (Cont'd.)

The Marketer shall notify the Company dispatcher 48 hours prior to the commencement of transportation service of the transportation quantities to be delivered. For customers that are required to submit monthly nominations to the Company the Marketer or Customer may make a monthly nomination for deliveries on an equal daily basis during said month. Any deviation from the scheduled daily deliveries shall be reported to the Company 24 hours prior to said deviation.

A Marketer desiring to provide transportation service shall designate by signed affidavit a spokesperson having authority to notify the Company dispatcher of: total daily deliveries and each customer's allocation of such deliveries.

Load Balancing Charge

- a) A charge of \$0.111 per MCF shall be billed to Marketers for all gas consumed by all of its customers.

Daily Delivery Requirements

A Marketer/Direct Customer's daily gas delivery requirements shall consist of the daily delivery quantity (DDQ) for its customers served under SC 1, and the lesser of (a) the amount specified in a transportation contract; or (b) the actual gas consumed daily by customers a Market/Direct Customer provides gas for under SC 1 or SC 4. The Marketer/Direct Customer will be required to bring at least 99% of the DDQ but not greater than 105% of the DDQ on every day. The Company may reject nominations which exceed 105% of the DDQ.

Monthly Cash-Out

At the conclusion of every month, the Company will cash out imbalances between Marketer Customers' receipts and Third Party Supplier deliveries as follows:

- a) overdeliveries of between 0% and 2 ½% will be cashed out at a price equal to the Company's lowest cost supply for the month;
- b) overdeliveries of between 2 ½% and 10% will be cashed out at 90% of the price of Company's lowest cost supply during the month;
- c) overdeliveries in excess of 10% will be cashed out at 75% of the price of Company's lowest cost supply during the month;
- d) underdeliveries of between 0% and 2 ½% will be cashed out at the monthly floor price for service under Rate Schedule - Interruptible Transportation Service less any Company margin embedded in the floor price;

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Valley Energy, Inc.  
New York Division

P.S.C. No. 1 Gas  
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Revision No. 2  
Superseding Revision No. 1

SERVICE CLASSIFICATION NO. 6 (Cont'd.)

Monthly Cash Out (Cont'd.)

- e) underdeliveries of between 2 ½% and 10% will be cashed out at the greater of the monthly floor price for service under Rate Schedule - Interruptible Transportation Service less any Company margin embedded in the floor price plus two (2) cents per Ccf or the average of the month's four weekly prices published in Natural Gas Week for Zone 6 for Transcontinental Gas Pipe Line Corp. and Zone 3 (M3) for Texas Eastern Transmission Corp. plus two (2) cents per Ccf; and
- f) underdeliveries of more than 10% will be cashed out at the greater of 125% of the monthly floor price for service under Rate Schedule - Interruptible Transportation Service less any Company margin embedded in the floor price plus two (2) cents per Ccf or the month's highest weekly price published in Natural Gas Week for Zone 6 for Transcontinental Gas Pipe Line Corp. and Zone 3 (M3) for Texas Eastern Transmission Corp. plus two (2) cents per Ccf.

The offering of gas service above the 5% allowed imbalance for the month is at the sole discretion of the Company. If it determines that it cannot continue to provide such service or that it must limit such service, it will notify Third Party Suppliers. The use of service above the level allowed by the Company after notification shall constitute unauthorized use and shall be subject to the charges specified in the "Unauthorized Use" section of the appropriate Rate Schedule.

**INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:**

The prices and charges under this service classification will be increased by a surcharge pursuant to General information Section 16 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

**TERM:**

Transportation Balancing Service will be provided so long as the Customer is taking service in accordance with Service Classification No. 5 of this Schedule.

**GENERAL TERMS AND CONDITIONS OF SERVICE:**

To the extent not Inconsistent with the provisions of this service classification, service provided hereunder shall be in accordance with the general terms and conditions of service set forth In the General Information Section(s) of this Schedule.

Customers requiring transportation of gas from the Company's receipt point(s) to the Customers' facilities at a delivery point within the Company's service territory, must execute a Transportation Service Agreement with the Company for such service in accordance with the provisions of this Schedule and the applicable transportation service classification

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