

Valley Energy, Inc.
New York Division

P.S.C. No. 1 Gas
Leaf No. 96.1
Revision No. 0
Superceding Revision No.

SERVICE CLASSIFICATION NO. 4

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.

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