

Valley Energy, Inc.
New York Division

P.S.C. No. 1 Gas
Leaf No. 87.19
Revision No. 1
Superseding Revision No.

GENERAL INFORMATION

28. DISCONTINUANCE OF SERVICE: (Cont'd.)

B. Discontinuance of Service by a Marketer to an Individual Customer

- (1) A Marketer may discontinue service to individual customers in the Company's service territory at will, upon submission of a notice to those individual customers and to the Company at least fifteen (15) calendar days prior to the discontinuance date. The discontinuance date shall be the applicable switch date as set forth in Section 26 of this Schedule. The form and content to be provided in the written notice is fully set forth in the Gas Transportation Operating Procedures Manual.
- (2) If the Marketer does not give the required notice to its customers and the Company, the Marketer may be determined ineligible by the PSC and/or may be assessed a monetary penalty by the PSC.

C. Involuntary Discontinuance of a Marketer's/Direct Customer's Service Rights

- (1) The Company may initiate a process to discontinue a Marketer's/Direct Customer's rights under this Schedule:
 - (a) Where the Company determines that it is necessary or desirable for safety of system reliability reasons.
 - (b) Where the Marketer/Direct Customer fails to comply with the terms of this Schedule or other agreements with the Company;
 - (c) Where there is a continued pattern of unauthorized switching (Slamming);
 - (d) Where a court of competent jurisdiction issues an order authorizing discontinuance of the Marketer/Direct Customer;
 - (e) Where the New York State Public Service Commission has determined that the Marketer is not eligible sell natural gas to retail customers in the state as illustrated in the Gas Transportation Operating Procedures Manual; or
 - (f) Where the Marketer/Pool Operator/Aggregation Pool operator/Direct Customer fails to pay a bill for imbalances or other charges due, does not pay the bill within ten (10) calendar days after being notified of the non-receipt of payment, and the available security is or will be insufficient to cover the amount of default.
- (2) The Company may initiate the process to discontinue a Marketer by providing notice that the Marketer's ability to switch additional Customers is suspended immediately. If the cause of the issuance is not corrected within ten (10) calendar days after receipt, or such lesser time as determined by the PSC or its designee, then the Marketer's existing customers will be notified of the impending discontinuance. The discontinuance will take place no more than fifteen (15) calendar days after the ten (10) calendar day cure period, except in the case of non-payment of invoices as set forth in Section 24 of this Schedule. The discontinuance process for a Direct Customer will be similar.
- (3) The Company may suspend a Marketer/Direct Customer immediately if an imminent risk exists that compromises the safety or operational reliability of the Company's system.

Date of Issue: January 31, 2005 Date Effective: February 1, 2005
Issued by: Robert J. Crocker, President & CEO, Sayre, PA 18840
Issued in compliance with order in Case 04-G-0821 dated January 21, 2005