

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.

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