

Valley Energy, Inc.
New York Division

P.S.C. No. 1 Gas
Leaf No. 62
Revision No. 2
Superseding Original

GENERAL INFORMATION

13. Service: (Cont'd.)

A. Gas Curtailment Plan (Cont'd.)

(b) 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.

(c) 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.

C. New or Additional Gas Service:

In periods of stringency of gas supply, the Company will maintain a register of new loads applied for but not then being served by the Company in order to assist the Company in forecasting future peak demands for its service and in order to afford a basis of priority in supplying any additional loads to existing, new, or prospective premises. The Company shall give reasonable notice to the consumer of the existence of periods of stringency of gas supply through means of the newspapers, mails, radio, or other means deemed advisable and effective.

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