

Valley Energy, Inc.
New York Division

P.S.C. No. 1 Gas
Leaf No. 60
Revision No. 2
Superseding Original

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.

(a) Order of Curtailment

To the extent the physical operation of its 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.

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