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Effective Date: 11/01/2003

Valley Energy, Inc. New York Division

Superseding

P.S.C. No. 1 Gas Original Leaf No. 22 Revised Leaf No. 0

GENERAL INFORMATION

5. Mains and Service Lines: (Cont'd.)

E. Furnishing of Rights of Way or Agreement to Pay Costs:

- (a) Each applicant or customer shall execute and deliver to the Company, free from cost, satisfactory permanent easements or rights-of-way to permit the Company to provide service.
- (b) The Company shall not be obligated to provide service to any applicant or customer who has neither:
 - (1) delivered to the Company satisfactory permanent easements or rights-of-way; or
 - (2) requested that the Company obtain such easements or rights-of-way, agreed to pay any costs which the Company incurs in obtaining them and (if required to do so by the Company) furnished reasonable security as to the performance of his/her agreement.

F. Installation Before Service Required:

Whenever the Company installs service lines, service connections or appurtenant facilities at the request of an applicant who does not immediately desire service, the applicant shall bear the entire reasonable expense of providing, placing and constructing such facilities but shall be entitled to a refund whenever gas service is begun for such part of the expense of the Company as herein before required to assume. The refund shall be the cost of the service lines and appurtenances, less depreciation at the rate of 3 percent per year.

G. Inspection, Maintenance and Replacement of Facilities:

- (a) Company shall be solely responsible for the inspection, testing, operation, maintenance, replacement and reconstruction of all mains, service lines, service connections and appurtenant facilities which it uses to supply gas to customers.
- (b) The Company shall bear the cost of inspecting, testing and operating all facilities. It shall bear the cost of maintaining, replacing or reconstructing all main and appurtenant facilities. It shall also bear the cost of maintaining, replacing or reconstructing the service line and appurtenant facilities necessary to service each as if such customer were an applicant for service, unless an act or omission of the customer necessitates the replacement or reconstruction.
- (c) If an act or omission of any customer who had installed facilities necessitates the replacement or reconstruction of such facilities, the customer shall pay to the Company the cost of replacement or reconstruction.

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