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Effective Date: 11/01/2003

Valley Energy, Inc. New York Division

P.S.C. No. <u>1</u> Gas Original Leaf No. 95 Revised Leaf No. 0

Superseding

SERVICE CLASSIFICATION NO. 4

On November 1 of each year, a Consumer that uses gas sold by the Company under this service classification whose alternate fuel is used for home heating or that serves essential use end users must have on site either a ten (10) day supply of alternate fuel or provide the Company with verification of the Consumer's ability to obtain such alternate fuel supply on demand.

In lieu of the foregoing, Consumer shall have the option to discontinue operations during periods of gas supply interruption. Should Consumer use gas during periods of interruption, all provisions of this service classification shall apply with respect to such usage.

Any volume of natural gas taken by Consumer under this rate schedule in excess of the daily quantity limited by curtailment or interruption, or allocated by Company's authorized representative shall constitute unauthorized overrun volume.

RATE PER MONTH:

All gas consumed, per 1,000 cubic feet (Mcf)

\$3.4058

Any Consumer that does not have sufficient alternate fuel inventory on November 1 of each year or that becomes noncompliant at any time during the winter period (November 1 - March 31) shall be charged a rate equal to the highest rate published by the Journal of Commerce Group "Oil Price Daily" Daily Petroleum Price for NY Tank, car con. plus 10%, plus all applicable taxes, charges and assessments in lieu of the rate stated above retroactive to November 1 and until such time as the Consumer has provided the Company with satisfactory verification of full compliance. Any revenues derived from the above charges will be credited to the Gas Adjustment Clause.

GAS ADJUSTMENT CLAUSE:

The charges set forth herein shall be subject to a gas adjustment per 100 cubic feet of gas supplied hereunder when changes from the base cost of 25.000 cents per 100 cubic feet of gas occur (as explained in General Information Rule 15).

MINIMUM MONTHLY CHARGE:

\$114.41

The minimum monthly charge for any month that the Company requires that service be interrupted shall be prorated in proportion to the number of days in which service was interrupted, as related to thirty (30) days.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification, including gas adjustment and minimum charge are increased by tax factors pursuant to General Information Rule 16.

Date of Issue: Date Effective: November 1, 2003 Sept. 1, 2003

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

Issued under authority of order at the Public Service Commission, in Case 00-G-0966