

Valley Energy, Inc.
New York Division

P.S.C. No. 1 Gas
Leaf No. 103.1
Revision No. 0
Supceding Revision No.

SERVICE CLASSIFCATION NO. 5

- C. Firm Transportation Service will be provided on a "first call" basis for the available capacity in the Company's distribution system. If other applicants desire Firm Transportation Service and there is only available capacity for the "first" applicant, the "first" applicant can reserve the required available capacity for a period of three (3) months. If deliveries are not commenced within the three-month period, the available capacity will be released for the use of the other applicants.
- D. If a customer elects an Agreement without reservation of the firm sales status, the Company is under no obligation to deliver gas to the Customer on any day in excess of the quantity of Customer-owned gas received by the Company on that day. Any such deliveries in excess of receipts by the Company of Customer-owned gas are subject to unauthorized overrun penalties or interruption in accordance with this Schedule. Similarly, for customers served according to Service Classification No. 4 the Company is not obligated to deliver any daily volume of natural gas. Any volume taken in excess of that authorized by the Company shall constitute an unauthorized overrun and is subject to the overrun provisions of Service Classification No. 4.
- E. Customers electing service under this service classification are subject to the upstream Capacity Requirements set forth herein.
- F. At the conclusion of the term of Agreement hereunder, except the initial term, the customer may pay for any deficiency in deliveries from the minimum eligible transportation quantity, at the Customer's applicable price for the last month of the term, and remain eligible for service under this service classification. Such initial term shall be one (1) year.
- G. Customers taking service under this service classification shall not be required to pay the monthly Minimum Charge for the sales service classification specified in the executed Transportation Service Agreement, except in such months where an end of month negative imbalance is cashed out in accordance with the balancing requirements of this Schedule.

TERMS OF PAYMENT:

Customers' bills will be computed at the rates shown above and are subject to a late payment charge of 1 1/4% per monthly billing period in accordance with General Information Rule 7.A.(f).

MONTHLY BILLING INFORMATION:

For the purposes of this schedule the customer's billing cycle shall be a calendar month

Date of Issue:	<u>July 1, 2004</u>	Date Effective:	<u>November 1, 2004</u>
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Issued by:	<u>Robert J. Crocker, President & CEO, 523 S. Keystone Ave., Sayre, PA 18840</u>
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