

Valley Energy, Inc.
New York Division

P.S.C. No. 1 Gas
Leaf No. 96.2
Revision No. 0
Supceding Revision No.

SERVICE CLASSIFICATION NO. 4

C. The Company shall have the right at any time to inspect Customer's physical facilities to determine compliance with Special Provisions - Distillate Fuel Customers (Section B). A Customer that refuses to permit the Company to inspect its facilities shall have one (1) Business Day to allow the Company to perform its inspection. If the Customer does not allow the Company to perform its inspection in the allotted time period, the Customer will be charged a premium as set forth in the "Price" section of this service classification. The premium will be in addition to all other applicable prices and charges and will be applied until such time as the facilities are inspected and found to be compliant.

D. Customer's that fail to comply with the requirements of Special Provisions - Distillate Fuel Customers (Section B) will be assessed a premium as detailed in the "Price" section of this service classification.

A Customer will be considered in non-compliance if:

- (a) the Customer refuses to allow the Company to inspect its facilities; or
- (b) the Company inspects the Customer's facilities and determines that the Customer has failed to comply with Special Provisions - Distillate Fuel Customers (Section B); or
- (c) the Customer fails to comply when the Company provides notification that the customer ceases using gas;

E. Subject to Company's discretion, any Distillate Customer may be relieved of the obligations set forth in Special Provisions - Distillate Fuel Customers (Sections B through D) if the Customer is willing to cease operation of those facilities that are subject to a notification issued in accordance with Special Provisions - All Customers (Section A).

If a Customer under this section fails to cease operations when notified, the Customer shall immediately become subject to all the requirements otherwise applicable to Distillate Fuel Customers including, but not limited to, the failure to interrupt provisions contained in Special Provisions - All Customers (Section A) and the retroactive application of the pricing premium, as detailed in this service classification, from November 1 until such time as full compliance, as determined by the Company, is achieved.

Date of Issue: July 1, 2004

Date Effective: November 1, 2004

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