

Valley Energy, Inc.
New York Division

P.S.C. No. 1 Gas
Leaf No. 87.13
Revision No. 0
Superceding Revision No.

GENERAL INFORMATION

24. BILLING AND COLLECTION SERVICES AND CHARGES: (Cont'd.)

B. Terms of Payment

- (1) invoices are payable upon presentation and are subject to late payment charges.
- (2) Marketers/Direct Customers shall pay the full amount stated in the invoice, without deduction, set-off or counterclaim, no more than twenty (20) calendar days from the date of the invoice transmittal.
- (3) On the first day following the grace period, late payment charges at the rate of one and one-half percent (1.5%) per month will be applicable to all overdue billed amounts, including arrears and unpaid late payment charges.
- (4) invoices will not be suspended as a consequence of a complaint filed.
- (5) The Company and a Marketer/Direct Customer may, by mutual agreement, develop customized billing and collection arrangements.
- (6) All claims that invoices are not correct must be made in writing and postmarked no later than three (3) months after the date the disputed invoice was rendered.

C. Form of Payment

- (1) Payment for services shall be rendered to the Company by electronic funds transfer. The Company and a Marketer/Direct Customer may, by mutual agreement, establish other forms of payment. Any applicable bank fees associated with electronic funds transfers shall be assessed to the Marketer/Direct Customer.

D. Application of Payments

- (1) Unless otherwise agreed by the Company and Marketer/Direct Customer, payments will be applied to arrears first and then current charges.

E. Failure to Make Payment

- (1) Upon failure of a Marketer/Direct Customer to make any payment when due, the Company may draw down on any security that may be available, as more fully described in Section 22.G. of this Schedule.

F. Inquiries

- (1) All questions concerning invoices should be directed to:

Valley Energy Inc.
Attn: Manager - Gas Transportation & Billing
523 S. Keystone Ave., Sayre, PA 18840

- (2) Billing inquiries will be acknowledged in writing or by electronic transmission within five (5) calendar days. The Company will investigate and respond to the complainant, in writing, within twenty (20) calendar days from the Company's receipt of the inquiry.

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