

Valley Energy, Inc.
New York Division

P.S.C. No. 1 Gas
Leaf No. 87.20
Revision No. 1
Superseding Revision No.

GENERAL INFORMATION

28. DISCONTINUANCE OF SERVICE: (Cont'd.)

C. Involuntary Discontinuance of a Marketer's/Direct Customer's Service Rights (Cont'd.)

- (4) If a more expeditious discontinuance process is determined to be necessary for a specific situation, the Company may request such expedited treatment upon a showing of need to the PSC or its designee. The PSC or its designee may also, for good cause, initiate an expedited discontinuance process.
- (5) A Marketer may contest any suspension or proposed discontinuance by timely use of the Dispute Resolution Process set forth in Section 29 of this Schedule.
- (6) Upon discontinuance, a Marketer/ Direct Customer Shall remain responsible for payment of all sums owed under this Schedule or other agreement with the Company.
- (7) Switch requests received subsequent to the discontinuance notice will be verified in accordance with Section 27 of this Schedule..
- (8) Sample copies of the form of the notices to customers under this process shall be provided to the Department of Public Service for review at least five (5) calendar days before the letters are sent to customers.

D. Discontinuance of a Direct Customer

- (1) A Direct Customer may voluntarily discontinue securing its own energy supplies by notifying the Company of its intent to discontinue acting as a Direct Customer and to switch to a Marketer or to return to the Company's service in accordance with the Switching Requirements set forth in this Schedule. A Direct Customer may be involuntarily discontinued as set forth above.

E. Assignment of Marketer Contracts

- (1) A Marketer may assign customer contracts to other eligible marketers, and transfer the rights to serve those customers. The assignment and transfer may be initiated upon submission of a notice to the Company, the PSC, and the Marketer's customers not less than fifteen (15) calendar days prior to the transfer date. The notice to the Company and the PSC shall include a copy of the assignment document(s) executed by the officers of all Marketers involved and a copy of the notice being sent to the customers.
- (2) Switch requests received subsequent to the discontinuance notice will be verified in accordance with Section 27.A. of this Schedule, if applicable.

Date of Issue: January 31, 2005 Date Effective: February 1, 2005
Issued by: Robert J. Crocker, President & CEO, Sayre, PA 18840
Issued in compliance with order in Case 04-G-0821 dated January 21, 2005