

Valley Energy, Inc.
New York Division

P.S.C. No. 1 Gas
Leaf No. 88
Revision No. 2
Superseding Original

SERVICE CLASSIFICATION NO. 1

APPLICABLE TO:

Any residential, commercial, or industrial consumer for any purpose.

CHARACTER OF SERVICE:

Continuous natural gas 1,000 Btu or more per cubic foot. Normal pressure not more than 9" and not less than 4" water column. At the option of the Company, gas may be supplied at high pressure where such service is available.

RATE: (per month)

| <u>Rate</u> | |
|--|----------|
| First 200 cubic feet, or less | \$7.62 |
| Next 34,800 cubic feet, per 100 cubic feet | \$0.2388 |
| All over 35,000 cubic feet, per 100 cubic feet | \$0.1746 |

GAS ADJUSTMENT CLAUSE:

The charges set forth herein shall be subject to a gas adjustment charge per 100 cubic feet of gas supplied as set forth in General Information Rule 14.

The above rates and charges are subject to the monthly minimum set forth hereafter.

MINIMUM CHARGE:

\$7.62 per month

TERMS OF PAYMENT:

Customers' bills will be computed at the rates shown above and, except for State Agencies, subject to a late payment charge of 1 ¼% per monthly billing period in accordance with General Information Rule 7 A.(f). Service to State Agencies will be rendered in accordance with the provisions of Article XI-A of the State Finance Law (Chapter 153 of the Laws of 1984, effective July 1, 1984).

TERMS:

One month and thereafter until terminated by 48 hours written notice. Residential space heating customers: Not less than twelve (12) months; Customer may request discontinuance on 48 hours written notice subject to the minimum charge provided for above.

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