3. HOW TO OBTAIN SERVICE

3.1 APPLICATIONS

(A) An application for service may be made by any residential applicant at any office of the Company. Such an application may be made either orally or in writing. An oral application for service shall be deemed completed when the residential applicant provides his or her name, address, telephone number and address of prior account (if any) or prior account number (if any).

(B) The Company may require a residential applicant to complete a written application if:

1. there are arrears at the premises to be served and service was terminated for nonpayment or is subject to a final notice of termination; or

2. there is evidence of meter tampering or theft of service; or

3. the meter has advanced and there is no customer of record; or

4. the application is made by a third party on behalf of the person(s) who would receive service.

(C) Whenever a written application for residential service is required, the Company shall so notify the residential applicant as soon as practicable after the request for service is made, and in no event more than two business days after such request, and shall state the basis for requiring a written application. A written application may require the submission of information required in an oral application and reasonable proof of the residential applicant's identity and responsibility for service at the premises to be served. A written application containing the required information shall be deemed completed when received by the Company.
3. HOW TO OBTAIN SERVICE (Cont'd)

3.1 APPLICATIONS (Cont'd.)

(2) Non-Residential Application Procedure:

(A) An application for non-residential service may be made by any non-residential applicant at any office of the Company. The Company may require that such application be in writing on the applicable form set forth in this schedule.

(B) The Company will require a non-residential applicant to make full payment for all amounts due and payable which are neither the subject of a pending billing dispute nor an existing deferred payment arrangement that is in good standing, including:

(1) Service provided and billed to prior non-residential account(s) in the non-residential applicant's name or for which the non-residential applicant is legally responsible;

(2) other tariff fees, charges or penalties;

(3) reasonably chargeable material and installation costs;

(4) special services billable under the Company's tariff; and

(5) security deposit in accordance with the Company's tariff.

(C) The Company may require the submission of appropriate types of documents to substantiate the information provided in the application.

(D) The application shall contain a section for determining the non-residential applicant's service classification.

(E) The application shall contain a notice that the non-residential applicant may request an inspection of the meter to ensure its accuracy, provided, however, that such notice is not required if the Company has a written policy of not backbilling previously unbilled service which resulted from the faulty operation of the meter.

Issued By: Larry S. Brodsky, President, Pearl River, New York
(Name of Officer, Title, Address)
3. HOW TO OBTAIN SERVICE (Cont'd)

3.1 APPLICATIONS (Cont'd.)

(2) Non-Residential Application Procedure: (Cont'd.)

(F) The Company shall be obligated to either provide or deny service to any non-residential applicant as soon as reasonably possible, but no later than 10 calendar days after receipt of a completed application, or such later time as specified by the non-residential applicant, except as provided by 16 NYCRR §13.2.

(G) Any denial of an application shall be in writing and shall either be delivered personally to the non-residential applicant or sent to the non-residential applicant's current business address or any alternate mailing address. The written notice of denial shall: (a) state the reason(s) for denial; (b) specify what must be done to qualify for service; and (c) advise the non-residential applicant of its right to an investigation and review of the denial by the Commission.

(H) The Company shall advise any non-residential applicant, who submits an incomplete application, in writing and within three business days after receipt of the application, of the information and/or documents that must be submitted in order for the application to be considered complete.

(3) An application or agreement for service shall not be modified or affected by any promise or representation, oral or written, by any unauthorized agent or employee of the Company. Applications for service shall not be transferable or assignable.

(4) Upon acceptance by the Company of a customer's application for service and in each case upon the customer's compliance with all applicable rules, regulations, terms and conditions, as required for the availability and beginning of service under Service Classification applied for, the Company will supply service as may be required for the building or premises for which service is required.
3.2 FORMER INDEBTEDNESS

(A) If a former non-residential customer who is indebted to the Company attempts by some agency, relationship, or otherwise to obtain service, the Company reserves the right to refuse service until payment is made by such customer of all money due the Company. The Company will not be obligated to provide service to an applicant who owes the Company money for residential service provided to a prior account in his or her name unless:

(1) the applicant makes full payment for residential service provided to any such prior account in his or her name; or

(2) the applicant agrees to make payments under a deferred payment plan of any amounts due for service to a prior account in his or her name; or

(3) the applicant has pending a billing dispute with respect to any amounts due for service to a prior account in his or her name and has paid any amounts required to be paid; or

(4) the applicant is a recipient of, or an applicant for, public assistance, supplemental security income benefits or additional state payments pursuant to the Social Services Law, and the Company received from an official of the Social Services district in which the applicant resides, or is notified by such an official that it is entitled to receive, payment for services due to a prior account in the applicant's name together with a guarantee of future payments to the extent authorized by the Social Services Law; or

(5) the Commission or its authorized designee directs the provision of service.

(6) The Company shall not be obligated to provide seasonal or short-term service to an applicant who fails to post a lawfully required deposit.

(B) The Company shall be obligated to provide service to any applicant who meets the requirements of paragraphs (3.1) and (3.2) above within five business days of receipt of a completed oral or written application for service except as provided under Commission rule 11.3.

(C) Upon acceptance by the Company of a customer's application for service and in each case upon the customer's compliance with all applicable rules, regulations, terms and conditions, as required for the availability and beginning of service under Service Classification applied for, the Company will supply service as may be required for the building or premises for which service is requested.
3. HOW TO OBTAIN SERVICE (Cont'd)

3.3 DEPOSITS

(1) Residential

(A) The Company may require a cash deposit from a seasonal or short-term residential customer.

(B) The Company may require a deposit from a residential customer as a condition of receiving utility service if that customer is delinquent in payment of his utility bills. A current residential customer is delinquent for the purpose of a deposit assessment if such residential customer:

1. accumulates two consecutive months of arrears without making reasonable payment, which is defined as one-half of the total arrears of such charges, before 20 days after the second payment was due, or fails to make a reasonable payment on a bimonthly bill within 50 days after the bill is due; or

2. had utility service terminated for nonpayment during the preceding six months.

(C) The Company shall provide any residential customer, from whom it intends to require a deposit under subparagraph (B)(i), a written notice, at least 20 days before the deposit is assessed, that the failure to make timely payment will permit the Company to collect a deposit from such customer.

(D) If the Company requires a deposit from a current residential customer who is delinquent by virtue of his or her failure to make a reasonable payment of arrears, as provided in subparagraph (B)(i), the Company shall permit such customer to pay the deposit in installments over a period not to exceed 12 months.

(E) The Company shall not require a deposit from any current residential customer it knows to be a recipient of public assistance, supplemental security income, or additional state payments. The Company shall also not demand or hold a deposit from any new or current residential customer it knows is 62 years of age or older unless such customer has had service terminated by the Company for nonpayment of bills within the preceding six months.
3. HOW TO OBTAIN SERVICE (Cont'd)

3.3 DEPOSITS (Cont'd.)

(1) Residential (Cont'd.)

(F) In any case where the Company may require a deposit from a new or current residential customer, said deposit shall not be greater than two times the average monthly bill for a calendar year, except in the case of customers with space heating where deposits may not exceed two times the estimated average monthly bill for the heating season.

(G) The Company shall extend service to any new residential applicant for service who has initiated a complaint on a deposit requested by such Company and shall continue to supply service during the pendency of such complaint, provided that such applicant keep current on bills for service rendered and pay a reasonable amount as a deposit if the complaint challenges only the amount requested.

(H) The Company shall not require of its existing residential customer a new security deposit where such customer was not required to post a security deposit or has a security deposit returned pursuant to this section and such customer establishes a new residence and continues service with the Company.

(2) Non-Residential:

(A) The Company may require a deposit from:

(1) a new non-residential customer; or

(2) an existing non-residential customer (a) who is delinquent, (b) who may default in the future, provided the Company has reliable evidence, (c) who has filed for reorganization or bankruptcy, or (d) who has been rendered a backbill within the last 12 months for previously unbilled charges for service that came through tampered equipment.

(3) a current non-residential customer is delinquent for the purposes of a deposit assessment if such customer has made two or more late payments in the previous 12 months.
3. HOW TO OBTAIN SERVICE (Cont'd)

3.3 DEPOSITS (Cont'd.)

(2) Non-Residential (Cont'd.)

(B) The Company shall offer an existing customer from whom a deposit is required under paragraphs (2)(A)(2)(a)(b) above, the opportunity to pay 50 percent of the deposit initially and the balance in two monthly payments.

(C) The Company shall issue to every non-residential customer from whom a deposit is obtained, a receipt showing the date, account number, amount received, form of the payment, and an explanation of the manner in which interest will accrue and be paid, as well as a notice that the receipt is neither negotiable nor transferable.

(D) In any case where the Company may require a deposit from a non-residential customer, the deposit shall not be greater than two times the average monthly bill for a calendar year, except when customer's usage varies widely, in which case the deposit shall not exceed the cost of twice the average monthly usage for the peak season.

(E) On the first anniversary of the receipt of a full deposit and at least biennially thereafter, the Company shall review the amount of the deposit. If such review shows the deposit falls short of the amount that the Company may lawfully require by 25 percent or more, the Company may require the payment of a corresponding additional amount from the non-residential customer. If such review shows that the deposit held exceeds the amount that the Company may lawfully require by 25 percent or more, the Company shall refund the excess deposit to the customer. If a non-residential customer has requested a downward revision of the deposit, and such request is substantiated both by the customer's billing history and a permanent documented change in the customer's load and consumption, the Company shall refund any portion of the deposit in excess of the amount lawfully required.

(F) The Company shall accept, in lieu of deposits, irrevocable bank letters of credit or surety bonds. The Company may, in its discretion, also accept from a non-residential customer in lieu of deposit a written promise to pay bills on receipt and a written waiver of the customer's right not to be sent a Final Disconnect Notice until twenty days after payment is due.
3. HOW TO OBTAIN SERVICE (Cont'd)

3.3 DEPOSITS (Cont'd.)

(3) Residential Refunds

(A) The Company shall promptly refund to a residential customer the deposit plus the amount of unpaid interest accrued thereon to the date of refund, when:

(1) a residential customer has not been delinquent in the payment of bills during the one year period from payment of a full deposit; or

(2) service is discontinued.

(4) Non-Residential Refunds

(A) The Company shall promptly refund to a non-residential customer the deposit plus the amount of unpaid interest accrued thereon to the date of refund, when:

(1) a non-residential customer has not been delinquent in the payment of bills rendered for a three-year period from the payment of a full deposit; or

(2) service is discontinued; or

(3) a review pursuant to subdivision (2)(e) shows that a deposit reduction is warranted.

(B) The Company may return a non-residential customer's deposit or portion thereof plus the applicable interest by:

(1) crediting to the account it secured in the amount of any outstanding charges;

(2) crediting to the account it secured in the amount of the next projected cycle bill, if applicable; and

(3) crediting to any other account of the non-residential customer not secured by a deposit, in the amount of the arrears of that account.

Issued By:  Larry S. Brodsky, President, Pearl River, New York
(Name of Officer, Title, Address)
3. HOW TO OBTAIN SERVICE (Cont'd)

3.3 DEPOSITS (Cont'd.)

(4) Non-Residential Refunds (Cont'd.)

(C) If a balance remains after the Company has credited the customer's account(s) in accordance with paragraph (4)(A) of this subdivision, a refund check shall be issued to the non-residential customer.

(5) The Company may withhold or discontinue service for failure of the customer to pay the required deposit.

(6) Deposits shall be deemed as security for the payment of unpaid service bills or other claims of the Company against the customer upon termination of service.

(7) Interest at the rate established by the Commission from time to time will be accrued on all deposits. Such interest shall be paid to the customer upon the return of the deposit, or, for non-residential customers, will be credited on the next bill for service after October 1, and subsequently on the next bill for service after each following October 1.

3.4 COMPANY'S OBLIGATION TO PROVIDE SERVICE

When an application for gas service is made to the Company by the owner or occupant of a building situated on property abutting on or having access to any public right-of-way in which the governmental authority having jurisdiction will permit the Company to install and maintain facilities, the Company shall render the service requested in accordance with the provisions of this Section.

If, due to unusual circumstances, the actual cost per foot of a particular installation is greater than two times the Company's average cost per foot of new installations for service for the twelve months ended September 30 of the previous year, it may apply to the Commission for relief from so much of this Section as it deems necessary in order to provide the service.

3.5 TEMPORARY SERVICE

During the term of the order, dated October 26, 1971 as amended on December 14, 1971 of the Public Service Commission in Case 25766, gas will not be made available for temporary service.

Issued By: R. Lee Haney, Chief Financial Officer, Pearl River, New York
(Name of Officer, Title, Address)
3. HOW TO OBTAIN SERVICE (Cont'd)

3.6 OBLIGATIONS OF ALL APPLICANTS FOR SERVICE

An applicant shall first have:

(A) assured the Company that he/she will be a reasonably permanent customer;

(B) agreed in writing to pay to the company:

(1) the material and installation costs relating to any portion of the service line, service connections and appurtenant facilities located on his/her property that exceeds the portion which the Company is required to install without charge;

(2) any surcharge, or contribution in lieu thereof, relating to the portion of the main and appurtenant facilities that exceeds the portion which the Company is required to install without charge; and

(3) the rates charged like customers; and

(C) furnished reasonable security as to the performance of his/her agreement, if required to do so by the Company.

3.7 PROVISIONS OF GAS SERVICE

The Company shall furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render service requested by an applicant without dual fuel capability. The costs and expense which shall be paid by the Company include the amounts paid to governmental authorities for permits to do the work required and all paving charges that are legally imposed by any governmental authority for the repair or replacement of any street or sidewalk disturbed in the course of such installations, and the material and installation costs relating to:

(A) Residential Applicant -- Non-Heating

up to 100 feet of total main and service line plus service connections and appurtenant facilities, but not less than 100 feet of main (if necessary) plus the length of service line necessary to reach the edge of the public right-of-way. The service line shall be measured from the centerline of the public right-of-way (or the main if it is closer to the customer and development will be limited to one side of the right-of-way for at least 10 years);
3.7 PROVISIONS OF GAS SERVICE  (Cont'd.)

(B) Residential Applicant -- Heating

up to 200 feet, in any combination, of main, including appurtenant facilities, and service line measured from the centerline of the public right-of-way (or the main if it is closer to the customer and development will be limited to one side of the right-of-way for at least 10 years), service connections and appurtenant facilities, but not less than the length of service line necessary to reach the edge of the public right-of-way; and

(C) Non-Residential Applicant

up to 100 feet of main and appurtenant facilities, and any service line, service connections and appurtenant facilities located in the public right-of-way.

The Company will extend its facilities and provide service to non-residential customers who have installed dual fuel capability when:

(1) customer has paid to the Company the total estimated cost of all new facilities required to provide service; and

(2) customer agrees to pay to the Company any actual costs above such estimated costs (Company agrees to refund to customer the difference between actual costs and estimated costs when actual costs are lower); or

(3) customer makes other arrangements satisfactory to the Company to guarantee that the Company's investment in new facilities will be recovered, including return, depreciation, taxes and maintenance, and such arrangements are acceptable and approved by the Commission.

Issued By:  Timothy Cawley, President, Pearl River, New York
(Name of Officer, Title, Address)
GENERAL INFORMATION

3. HOW TO OBTAIN SERVICE (Cont'd)

3.7 PROVISIONS OF GAS SERVICE (Cont'd.)

(D) Aggregation of Entitlements for Multiple Applicants

The Company will allow residential heating applicants, residential non-heating applicants, and non-residential applicants to aggregate their entitlements (i.e., costs to be paid by the Company) for gas extensions on active main construction projects subject to the following rules:

(1) There must be a minimum of two customers with signed gas commitment letters to aggregate entitlements.

(2) Aggregation of entitlements can only be used in active main construction projects. Once the construction of the main extension is completed, there will no longer be aggregation allowed.

(3) The total entitlement shall be equal to the cost associated with the sum of the individual customer footage entitlements determined pursuant to General Information Sections 3.7(A), 3.7(B), and 3.7(C) above.

3.8 CHARGES FOR ADDITIONAL FACILITIES

(A) Surcharge for Additional Facilities

If, in order to provide service to an applicant, the Company must install mains and appurtenant facilities in addition to those to be provided without charge, as provided for above, the Company shall impose a surcharge subject to the following provisions:

Issued By: Timothy Cawley, President, Pearl River, New York
(Name of Officer, Title, Address)
3. HOW TO OBTAIN SERVICE (Cont'd)

3.8 CHARGES FOR ADDITIONAL FACILITIES (Cont'd.)

(A) Surcharge for Additional Facilities: (Cont'd.)

(1) The Surcharge relating to mains and appurtenant facilities, including return, depreciation, taxes and maintenance, shall not exceed 20 percent per year of the actual reasonable cost of such facilities that exceeds the portion which the Company is required to install without charge to an applicant, if the Company lays a main of 4 inches of less in nominal diameter (in the case of low pressure distribution) or of 2 inches or less in nominal diameter (in the case of high pressure distribution). If the Company lays a main greater than 4 inches in nominal diameter (in the case of low pressure distribution) or greater than 2 inches in nominal diameter (in the case of high pressure distribution), the surcharge shall not exceed 20 percent per year of the estimated reasonable cost of a 4 inch main (in the case of low pressure distribution) or of 2 inches or less in nominal diameter (in the case of high pressure distribution), unless the estimated consumption of the proposed customer(s) requires the installation of a larger-sized main, in which event the surcharge shall not exceed 20 percent per year of the actual reasonable cost of such main. The surcharge shall commence when gas service is first available to an applicant and shall be paid ratably for each billing period.

(2) The surcharge shall be reduced by 50 percent of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above.

(3) Whenever more than one customer is connected to a main extension, the surcharge shall be so adjusted that the Company shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge shall also be reasonably allocated among the customers being served from the main extension, taking into account the portion of mains and appurtenant facilities which the Company is required to provide without charge to each customer served from such facilities.

Issued By: Larry S. Brodsky, President, Pearl River, New York
(Name of Officer, Title, Address)
3. HOW TO OBTAIN SERVICE (Cont'd)

3.8 CHARGES FOR ADDITIONAL FACILITIES (Cont'd.)

(A) Surcharge for Additional Facilities: (Cont'd.)

(4) Each surcharge shall cease:

   (a) whenever the length of a main extension required to be
       provided without charge to all customers served from such
       extension shall equal or exceed the total length of such
       extension;

   (b) whenever the total adjusted gas revenue from all customers
       served from a main extension shall equal or exceed 40 percent
       of the cost of such extension in excess of that required to be
       provided without charge, in each of any two consecutive
       calendar years; or

   (c) after a period of ten years following its commencement.

(5) Should the adjusted gas revenue from all customers served from a
    main extension exceed the carrying cost of the entire extension, any
    surcharges (or contributions) paid by such customers during the
    preceding five years shall be refunded to such customers.

(6) No surcharge shall be imposed if the total adjusted gas revenue from
    all customers served from a main extension is estimated to exceed 40
    percent of the actual reasonable cost of such extension in each of
    any two consecutive calendar years.

(B) Contribution in Lieu of Surcharge:

In lieu of a surcharge as provided for above, an applicant may elect to make a
cash contribution equal to the cost of the main extension in excess of 100 feet
distance from the end of the nearest main appropriate to the service requested.

(1) Whenever more than one customer is initially connected to the extension,
    the cash contribution shall be reasonably allocated to the several
    customers served from the extension.

(2) Should additional customers be connected to said main extension during the
    initial ten year period from the date placed in service, a prorata refund
    will be made for the cost of that additional portion of main extension
    which the Company would have allowed without charge or surcharge.
3.9 FURNISHING OF RIGHTS-OF-WAY OR AGREEMENT TO PAY COSTS

(A) Each applicant or customer shall execute and deliver to the Company, free from cost, satisfactory permanent easements or rights-of-way to permit the Company to provide service.

(B) The Company shall not be obliged to provide service to any applicant or customer which has neither:

(1) delivered to the Company satisfactory permanent easements or rights-of-way; nor

(2) requested that the Company obtain such easements or rights-of-way, agreed to pay any costs which the Company incurs in obtaining them and (if required to do so by the Company) furnished reasonable security as to the performance of the agreement.