

**PSC No. 1 Gas**  
**Valley Energy, Inc.**  
 Initial Effective Date: **May 1, 2008**

Statement Type: GAC  
**Statement No. 56**  
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**VALLEY ENERGY, INC.**  
**Statement of Gas Adjustment Charge**  
**EFFECTIVE MONTH: MAY YEAR: 2008**

Applicable to Service Classifications No. 1, 4, 5 of P.S.C. No. 1 Gas  
 Calculated on **April 26, 2008** using supplier rates forecasted to be in effect on **May 1, 2008**.  
 (Per Mcf)

	<u><b>S.C. No. 1</b></u>	<u><b>S. C. No. 4</b></u>	<u><b>S. C. No. 5</b></u>
<b><u>A.) Average Commodity Cost per Mcf</u></b>			
The average commodity cost of gas (as defined on General Information Leaf No. 8H of P.S.C. No. 1-Gas) determined on <b>April 24, 2008</b> by applying the rates and charges of the Company's gas suppliers which are or will be in effect on the date the gas cost adjustment becomes effective to the quantities of gas supplied to the Company during the 12 months ended <b>March 31, 2008</b> .			
	\$ 11.0540	\$ 11.0540	\$ 11.0540
<b><u>B.) Average Demand Cost per Mcf</u></b>			
The average demand costs determined on <b>April 24, 2008</b> by applying the rates and charges of the Company's gas suppliers which are or will be in effect on the date the <b>March 31, 2008</b> .			
	0.3337	-	0.3337
<b><u>C.) Average Cost of Gas per Mcf</u></b>	11.3877	11.0540	11.3877
Difference (average cost of gas - commodity cost of gas)			0.3337
Average Cost multiplied by the LAUF factor 1.0149	11.5574	11.2187	0.3387
<b><u>D.) Annual Surcharge Adjustment</u></b>	0.3143	0.4813	-
<b><u>E.) Gas Cost Adjustment</u></b>	11.8716	11.7000	0.3387
<b><u>F.) Merchant Function Charge</u></b>	N/A	N/A	N/A
<b><u>G.) TOTAL GAS COST PER MCF</u></b>	\$ <b>11.8716</b>	\$ <b>11.7000</b>	\$ <b>0.3387</b>

Issue Date: **April 24, 2008**

Issued By: Marjorie Johnston, Vice President & Treasurer