

PSC No. 1 Gas
Valley Energy, Inc.
 Initial Effective Date **February 1, 2007**

Statement Type: GAC
Statement No. 41
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VALLEY ENERGY, INC.
Statement of Gas Adjustment Charge
EFFECTIVE MONTH: FEBRUARY YEAR: 2007

Applicable to Service Classifications No. 1, 4, 5 of P.S.C. No. 1 Gas
 Calculated on **January 25, 2007** using supplier rates forecasted to be in effect on **February 1, 2007**.
 (Per Mcf)

	<u>S.C. No. 1</u>	<u>S. C. No. 4</u>	<u>S. C. No. 5</u>
<u>A.) Average Commodity Cost per Mcf</u>			
The average commodity cost of gas (as defined on General Information Leaf No. 8H of P.S.C. No. 1-Gas) determined on January 25, 2007 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 December 31, 2006 .			
	\$ 7.1615	\$ 7.1615	\$ 7.1615
<u>B.) Average Demand Cost per Mcf</u>			
The average demand costs determined on January 25, 2007 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, except that for service on an interruptible basis, to the Company during the 12 month ended December 31, 2006 .			
	0.3453	-	0.3453
<u>C.) Average Cost of Gas per Mcf</u>	7.5068	7.1615	7.5068
Difference (average cost of gas - commodity cost of gas)			0.3453
Average Cost multiplied by the LAUF factor 1.0149	7.6187	7.2682	0.3504
<u>D.) Annual Surcharge Adjustment</u>	0.0229	0.0477	-
<u>E.) Gas Cost Adjustment</u>	7.6416	7.3159	0.3504
<u>F.) Merchant Function Charge</u>	N/A	N/A	N/A
<u>G.) TOTAL GAS COST PER MCF</u>	\$ 7.6416	\$ 7.3159	\$ 0.3504

Issue Date: **January 25, 2007**

Issued By: Marjorie Johnston, Vice President & Treasurer