

**PSC No. 1 Gas**  
**Valley Energy, Inc.**  
 Initial Effective Date **May 1, 2006**

Statement Type: GAC  
**Statement No. 32**  
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**VALLEY ENERGY, INC.**  
**Statement of Gas Adjustment Charge**  
**EFFECTIVE: May 1, 2006**

Applicable to Service Classifications No. 1, 4, 5 of P.S.C. No. 1 Gas  
 Calculated on **April 26, 2006** using supplier rates forecasted to be in effect on **May 1, 2006**  
 (Per Mcf)

	<u>S.C. No. 1</u>	<u>S. C. No. 4</u>	<u>S. C. No. 5</u>
<b><u>Average Cost of Gas</u></b>			
The average cost of gas (as defined on General Information Rule 14.C of P.S.C. No. 1 determined on <b>April 26, 2006</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, except that for service on an interruptible basis, to the Company during the 12 months ended <b>March 31, 2006</b> .	\$7.7078		\$7.7078
<b><u>Commodity cost of Gas</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 26, 2006</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, 2006</b> .		\$7.3407	\$7.3407
<b><u>Cost of Gas</u></b>	\$7.7078	\$7.3407	
<b><u>Difference (average cost of gas - commodity cost of gas)</u></b>			\$0.3671
<b><u>Difference</u></b>			
Difference multiplied by the LAUF factor 1.0149	\$7.8226	\$7.4501	\$0.3726
Annual Surcharge Adjustment	\$0.2882	\$0.7108	
<b>Gas Adjustment Charge:</b>	<b>\$8.1108</b>	<b>\$8.1609</b>	<b>\$0.3726</b>

Issue Date: **April 26, 2006**  
 Issued By: Marjorie Johnston, Vice President & Treasurer