

**Valley Energy, Inc.**  
New York Division

Superseding

P.S.C. No. 1 Gas  
Original Leaf No. 68  
Revised Leaf No. 0

#### GENERAL INFORMATION

#### 14. Gas Adjustment Clause Applicable to S.C. No. 1: (Cont'd.)

##### D. Statement of Gas Adjustment:

The gas adjustment computed herein shall become effective commencing with meter readings on and after the first day of the billing month following the computation date, provided however, that the rate of adjustment will be prorated whenever there is a change in the supplier's rates. The rate of adjustment shall continue in effect until changed.

Not less than three (3) days prior to any change in the gas adjustment resulting from this provision for adjustment of rates according to changes in the cost of gas, a statement showing the base cost of gas, the present average cost of gas, the date at which and the period for which the average was determined, and the amount of adjustment per 100 cubic feet, together with the period such rate adjustment per 100 cubic feet will remain in effect, will be duly filed with the Public Service Commission apart from the Rate Schedule. Such statement will be available to the public at Company offices at which applications for service may be made.

##### E. Annual Surcharge or Refund:

A surcharge or refund to recover gas adjustment under-collections or refund gas adjustment over-collections from customers served under Service Classification No. 1 shall be computed as follows:

- (a) By taking the cost of purchased gas adjusted for suppliers refunds and liquefied petroleum feed-stocks including enrichment products used in the manufacture of gas as recorded on its books during the determination period, and subtracting therefrom an amount equal to (i) the base cost of gas as defined in 14.B. multiplied by the quantities of gas sold by the Company as computed in "Average Cost of Gas", (ii) the Gas Adjustment revenues adjusted to eliminate the revenue tax effect, (iii) the costs assignable to gas sold under Service Classification No. 4, and (iv)(a) the previous year's over-collection with interest to the extent not refunded, or (b) adding the previous year's under-collection with interest to the extent not recovered.

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Date of Issue: Sept. 1, 2003 Date Effective: November 1, 2003

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