

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

Statement Type: GAC
Statement No. 57
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VALLEY ENERGY, INC.
Statement of Gas Adjustment Charge
EFFECTIVE MONTH: JUNE YEAR: 2008

Applicable to Service Classifications No. 1, 4, 5 of P.S.C. No. 1 Gas
 Calculated on **May 23, 2008** using supplier rates forecasted to be in effect on **June 1, 2008**.
 (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 May 23, 2008 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 April 30, 2008 .			
	\$ 12.0706	\$ 12.0706	\$ 12.0706
<u>B.) Average Demand Cost per Mcf</u>			
The average demand costs determined on May 23, 2008 by applying the rates and charges of the Company's gas suppliers which are or will be in effect on the date the April 30, 2008 .			
	0.3380	-	0.3380
<u>C.) Average Cost of Gas per Mcf</u>	12.4086	12.0706	12.4086
Difference (average cost of gas - commodity cost of gas)			0.3380
Average Cost multiplied by the LAUF factor 1.0149	12.5935	12.2505	0.3430
<u>D.) Annual Surcharge Adjustment</u>	0.3143	0.4813	-
<u>E.) Gas Cost Adjustment</u>	12.9078	12.7318	0.3430
<u>F.) Merchant Function Charge</u>	N/A	N/A	N/A
<u>G.) TOTAL GAS COST PER MCF</u>	\$ 12.9078	\$ 12.7318	\$ 0.3430

Issue Date: **May 23, 2008**

Issued By: Marjorie Johnston, Vice President & Treasurer