

PSC No. 1 Gas**Valley Energy, Inc.**Initial Effective Date **January 7, 2005**

Statement Type: GAC

Statement No. 15

Page 1 of 1

VALLEY ENERGY, INC.
Statement of Gas Adjustment Charge
EFFECTIVE: January 7, 2005

Applicable to Service Classifications No. 1, 4, 5 of P.S.C. No. 1 Gas
 Calculated on **January 4, 2005** using supplier rates forecasted to be in effect on **January 7, 2005**
 (Per Mcf)

	<u>S.C. No. 1</u>	<u>S. C. No. 4</u>	<u>S. C. No. 5</u>
<u>Average Cost of Gas</u>			
The average cost of gas (as defined on General Information Rule 14.C of P.S.C. No. 1) determined on January 4, 2005 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 November 30, 2004.	\$7.4978		\$7.4978
<u>Commodity cost of Gas</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 4, 2005 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 November 30, 2004.		\$7.1077	\$7.1077
<u>Base Cost of Gas</u>			
The base cost of gas for determining the gas cost adjustment	\$3.0000	\$2.5000	
<u>Difference</u>	\$4.4978	\$4.6077	\$0.3901
<u>Difference</u>			
Difference multiplied by the tax factor of adjustment of 1.034	\$4.6507	\$4.7644	
Difference multiplied by the tax factor of adjustment of 1.039			\$0.4034
Annual Surcharge Adjustment	(\$1.3699)	(\$1.5302)	\$0.00
Gas Adjustment Charge:	\$3.2808	\$3.2342	\$0.4034

Issue Date: **January 4, 2005**

Issued By: Marjorie Johnston, Vice President & Treasurer