



November 28, 2018

VIA ELECTRONIC FILING

Kathleen H. Burgess, Secretary
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350

RE: Valley Energy, Inc.'s Minor Rate Filing

Dear Secretary Burgess:

Valley Energy, Inc. ("Company"), in accordance with the provisions of the New York State Public Service Law and the Public Service Commission's ("Commission") regulations, hereby submits the following revised tariff leaves: Nos. 88, 95 and 102. These tariff revisions are issued as of November 28, 2018 and are proposed to be effective on April 1, 2019. Exhibits in support of these revisions are attached herein. Under separate cover, additional workpapers and supporting documents, including interrogatory responses, are being provided to Department of Public Service Staff.

The Company proposes to increase the monthly service charge contained in S.C. No. 1 – Residential, Commercial and Industrial up to \$10.18 per month from the current level of \$7.62 per month. The filing contains provisions and rates designed to increase the monthly bill of a S.C. No. 1 customer using approximately 82 ccf of gas per month by \$8.98, from \$26.72 to \$35.71 or approximately 33.6% for Distribution; and 21.1% on a Total bill basis%. The proposed increase will produce an annual increase in revenues of \$300,000, representing an increase of approximately 33.6% for Distribution revenue and 18.9% for Total revenue.

Newspaper publications will be made in accordance with Commission's regulations on December 6, 13, 20 and 27, in the *Sayre Morning Times*.

The Company has not filed for a base rate increase since 2005. The primary reasons for this rate increase include, but are not limited to, an inflation rate of 25.51% since 2005, increases in general operating and maintenance costs, additional regulatory requirements and increased staffing needs, etc.

Valley Energy is a small natural gas distribution company serving three communities in Chemung and Tioga Counties, New York and nine communities in Bradford County, Pennsylvania, and provides natural gas to approximately 2,000 customers in New York and 7,000 customers in Pennsylvania. Valley's natural gas distribution system includes over 196 miles of main. The New York system is comprised of over 34 miles of main and 1,800 services, which are either cathodically protected steel or plastic. The New York and Pennsylvania systems are operated as an integrated system, with only one natural gas receipt point located in Pennsylvania.

Company asks that questions regarding this filing be directed to Jamie Levering, Vice President/Treasurer, Valley Energy, Inc. who may be reached at 523 S. Keystone Avenue, Sayre, PA 18840, Phone: (570) 888-9664 ext. 5232 or via e-mail at jamiel@ctenterprises.org, with copies to: i) Jeffrey Genzer, Duncan, Weinberg, Genzer & Pembroke, P.C. who may be reached at Suite 800, 1615 M Street, N.W. Washington, D.C. 20036, Phone: (202) 467-6370 or via e-mail at jcg@dwgp.com; ii) Howard Gorman, HSG Group, Inc., Great Neck, NY 11021, Phone: (516) 244-6080 or via e-mail at HGorman@HSG-Group.biz; and iii) Edward Rogers, President & CEO, Valley Energy, Inc. who may be reached at 523 S. Keystone Avenue, Sayre, PA 18840, Phone: (570) 888-9664 or via e-mail at erogers@ctenterprises.org.

Respectfully submitted,

/s/ Edward E. Rogers

Edward E. Rogers
President & CEO

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Valley Energy, Inc. (New York)

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Exhibit VENY-1

Valley Energy, Inc. (New York)
Rate of Return and Proposed Increase
For the Years Ended December 31,

Line	Description	Reference	2017	2018	2019 Present Rates	2019 With Increase
1	Revenues- Margin Billed	Exhibit VENY-3, line 171	871,190	950,514	883,809	883,809
2	Revenues- Margin Unbilled	Exhibit VENY-3, line 172	2,339	-	-	-
3	Revenues- GCR	Exhibit VENY-3, line 173	640,402	699,793	699,793	
4	Increase in Revenue	Line 33				300,000
5	Other Revenue	Exhibit VENY-3, line 174	6,805	7,827	7,827	7,827
6		Sum of above	1,520,736	1,658,133	1,591,429	1,191,636
7	Less: Gas costs	Exhibit VENY-3, line 176	(625,433)	(699,612)	(699,793)	
8	Less: Difference	Exhibit VENY-3, line 177	(14,969)	(180)	-	
9	Margin realized	Sum of above	880,334	958,340	891,636	1,191,636
10						
11	Expenses:					
12	Labor	Exhibit VENY-3, line 181	183,340	181,794	193,216	193,216
13	Transportation	Exhibit VENY-3, line 182	31,359	31,923	32,331	32,331
14	Total C&T Overhead	Exhibit VENY-3, line 183	33,011	38,455	43,839	43,839
15	Total VE Overhead	Exhibit VENY-3, line 184	158,401	175,132	196,148	196,148
16	Direct	Exhibit VENY-3, line 185	226,642	232,681	247,289	247,289
17	D&A	Exhibit VENY-3, line 186	178,261	180,762	190,265	190,265
18	TOTI	Exhibit VENY-3, line 186	109,980	110,325	110,325	110,325
19		Sum of above	920,994	951,071	1,013,412	1,013,412
20	Pretax	Line 9 - line 19	(40,660)	7,270	(121,776)	178,224
21	Tax @ 28.9%	Line 20 X line 28.89%	(11,748)	2,100	(35,184)	51,493
22	Utility Net Income	Sum of above	(28,913)	5,169	(86,592)	126,731
23						
24	Rate Base	Exhibit VENY-2, line 8			2,115,301	2,115,301
25	Return on Rate Base	Line 22 / line 24			(4.1%)	6.0%
26						
27	Target Rate of Return	Exhibit VENY-1A, line 3			7.5%	
28	Target Return	Line 24 X line 27			158,775	
29	Shortfall	Line 16 - line 28			245,368	
30	Gross-Up for Income Tax	1 / (1 + Line 39)			1.406	
31	Increase in Revenue- Computed	Line 29 X line 30			345,064	
32	Maximum Increase				300,000	
33	Increase in Revenue- Lower of Computed and Max				300,000	
34	% Increase in Margin Revenue	Line 33 / line 9			33.6%	
35	% Increase in Total Revenue	Line 33 / line 6			18.9%	
36						
37	Federal statutory rate	Statutory rate			21.00%	
38	NYS statutory rate	Statutory rate			9.99%	
39	Overall rate	Federal + State - Federal X State			28.89%	

Exhibit VENY-1A

Valley Energy, Inc. (New York)
Weighted Average Cost of Capital

Line	Capital		% of Total	Cost	Weighted Cost		
1	Debt		52.0%	5.204%	2.7%		
2	Equity		48.0%	10.000%	4.8%		
3	Rate Base		100.0%		7.5%		
4							
5							
6							
7	Long Term Debt at 12/31/2017						
8	Issue	Original Principal Balance	Coupon rate	Computed Principal Balance	Interest payment	Computed Interest	Principal Payment
9	Issue 1	\$ 1,992,524	5.050%	\$ 498,131	\$ 25,156	\$ 100,622	\$ 25,787
10	Issue 2	2,029,613	4.625%	479,976	22,199	93,870	27,104
11	Issue 3	2,016,015	5.050%	504,004	25,452	101,809	26,091
12	Issue 4	551,063	6.600%	137,766	9,093	36,370	6,348
13	Issue 5	1,411,484	6.600%	352,871	23,289	93,158	16,261
14	Issue 6	448,717	2.950%	112,179	3,309	13,237	26,526
15		<u>\$ 8,449,416</u>	<u>5.146%</u>	<u>\$ 2,084,927</u>	<u>\$ 108,498</u>	<u>\$ 439,066</u>	<u>\$ 128,118</u>
16	Weighted Average Cost of Debt				5.204%		
17							

Exhibit VENY-2

Valley Energy, Inc. (New York)
Rate Base

Line	Description	Reference	12/31/2018	12/31/2019	Average
1	Plant in Service	Exhibit VENY-2B, line 18, Exhibit VENY-2A, line 18	5,319,467	5,730,200	5,524,833
2	Accumulated Depreciation	Exhibit VENY-2B, line 18, Exhibit VENY-2A, line 18	(3,188,462)	(3,315,936)	(3,252,199)
3	Net Book Value		2,131,004	2,414,264	2,272,634
4					
5	Mat and Supplies / Prepay	2017 Balance sheet, NYS	80,073	80,073	80,073
6	CWC Allowance	Line 17	96,289	102,893	99,591
7	Customer Deposits	2017 Balance sheet, NYS	(128,597)	(128,597)	(128,597)
8	ADIT	2017 Balance sheet, NYS	(208,400)	(208,400)	(208,400)
9			1,970,369	2,260,233	2,115,301
10					
11					
12	<u>Cash Workng Capital:</u>				
13	O&M expenses	Exhibit VENY-3, line 188	951,071	1,013,412	982,241
14	Less: Depr & Amort	Exhibit VENY-3, line 186	(180,762)	(190,265)	(185,513)
15			770,309	823,147	796,728
16	45 days		1/8	1/8	1/8
17	CWC Allowance	Line 15 / line 16	96,289	102,893	99,591
18					

Exhibit VENY-2A

Valley Energy, Inc. (New York)
Utility Plant and Accumulated Depreciation
Year Ended December 31, 2019

		Acct. No.	Utility Plant				Accumulated Depreciation				
Line	Account		Cost 1/1/2019	2019 Additions	2019 Retirements	Cost 12/31/2019	January 1, 2019	Retire- ments	Cost of Removals	Balance 12/31/2019	
1	Gas Plant Acquisition Acct.	114.00	\$ 1,260,029			\$ 1,260,029	\$ 638,715	\$ -	\$0	638,715	
2	Organization	301.00	6,084			6,084	-	-	-	0	
3	Franchises & consents	302.00	30,842			30,842	-	-	-	0	
4	Land and Land Rights	374.00	353			353	(340)	-	-	(340)	
5	Structures & Improvements	375.00	1,774			1,774	1,365	-	53	1,418	
6	Steel Mains	376.10	663,805			663,805	630,562	-	19,914	650,476	
7	Plastic Mains	376.20	1,070,807	43,638		1,114,445	865,686	-	32,779	898,464	
8	Mains - Corrosion Control	376.30	22,104	-		22,104	35,293	-	663	35,956	
9	Meas. & Reg. Stat. Equip	378.00	103,836	7,932		111,768	27,463	-	3,234	30,697	
10	Steel Services	380.10	59,864	-		59,864	142,666	-	1,796	144,462	
11	Plastic Services	380.20	1,321,067	89,507	1,278	1,409,297	534,306	1,278	40,955	573,984	
12	Meters & meter installations	381.00	501,393	62,618		564,011	178,444	-	15,981	194,425	
13	Transponders - Res/Comm	381.10	119,731	-		119,731	24,792	-	3,592	28,384	
14	Meters- AMR	381.20	-	192,610		192,610	-		4,815	4,815	
15	House reg. & installations	383.00	27,594			27,594	39,788	-	828	40,615	
16	Ind. Meas. & Reg Stat. Equip.	385.00	130,183			130,183	69,722	-	3,905	73,628	
17	Other Equipment	387.00	-	15,706		15,706	-		236	236	
18			<u>\$ 5,319,467</u>	<u>\$ 412,011</u>	<u>\$ 1,278</u>	<u>\$ 5,730,200</u>	<u>\$ 3,188,462</u>	<u>\$ 1,278</u>	<u>\$ -</u>	<u>\$ 128,752</u>	<u>\$ 3,315,936</u>
19						5,730,200				<u>\$ 3,315,936</u>	
20							Add depreciation expense alloc		18,168		
21							Total Depreciation		146,920		

Exhibit VENY-2B

Valley Energy, Inc. (New York)
Utility Plant and Accumulated Depreciation
Year Ended December 31, 2018

Line	Account	Acct. No.	Utility Plant				Accumulated Depreciation			
			Cost 1/1/2018	2018 Additions	2018 Retirements	Cost 12/31/2018	January 1, 2018	Retire- ments	Cost of Removals	Balance 12/31/2018
1	Gas Plant Acquisition Acct.	114.00	\$ 1,260,029			\$ 1,260,029	\$ 638,715	\$ -	\$0	638,715
2	Organization	301.00	6,084			6,084	-	-	-	0
3	Franchises & consents	302.00	30,842			30,842	-	-	-	0
4	Land and Land Rights	374.00	353			353	(340)	-	-	(340)
5	Structures & Improvements	375.00	1,774			1,774	1,311	-	53	1,365
6	Steel Mains	376.10	663,805			663,805	610,648	-	19,914	630,562
7	Plastic Mains	376.20	1,070,807			1,070,807	833,561	-	32,124	865,686
8	Mains - Corrosion Control	376.30	22,104			22,104	34,630	-	663	35,293
9	Meas. & Reg. Stat. Equip	378.00	103,836			103,836	24,348	-	3,115	27,463
10	Steel Services	380.10	60,961		1,097	59,864	141,951	1,097	1,812	142,666
11	Plastic Services	380.20	1,242,858	79,020	811	1,321,067	496,658	811	38,459	534,306
12	Meters & meter installations	381.00	484,010	17,383		501,393	163,663	-	14,781	178,444
13	Transponders - Res/Comm	381.10	119,731			119,731	21,200	-	3,592	24,792
14	Meters- AMR	381.20				-	-		-	0
15	House reg. & installations	383.00	27,594			27,594	38,960	-	828	39,788
16	Ind. Meas. & Reg Stat. Equip.	385.00	130,183			130,183	65,817	-	3,905	69,722
17	Other Equipment	387.00				-	-		-	0
18			<u>\$ 5,224,971</u>	<u>\$ 96,403</u>	<u>\$ 1,907</u>	<u>\$ 5,319,467</u>	<u>\$ 3,071,122</u>	<u>\$ 1,907</u>	<u>\$ -</u>	<u>\$ 3,188,462</u>
19						5,319,467				<u>\$ 3,188,462</u>
20							Add depreciation expense alloc		18,169	
21							Total Depreciation		<u>137,417</u>	

Exhibit VENY-2C

Valley Energy, Inc. (New York)
Utility Plant and Accumulated Depreciation
Year Ended December 31, 2017

Line	Account	Acct. No.	Utility Plant				Accumulated Depreciation				
			Cost 1/1/2017	2017 Additions	2017 Retirements	Cost 12/31/2017	January 1, 2017	Retire- ments	Cost of Removals	Amount	Balance 12/31/2017
1	Gas Plant Acquisition Acct.	114.00	\$ 1,260,029			\$ 1,260,029	\$ 595,249	\$ -		\$43,466	638,715
2	Organization	301.00	6,084			6,084	-	-		-	0
3	Franchises & consents	302.00	30,842			30,842	-	-		-	0
4	Land and Land Rights	374.00	353			353	(340)	-		-	(340)
5	Structures & Improvements	375.00	1,774			1,774	1,258	-		53	1,311
6	Steel Mains	376.10	663,805			663,805	590,734	-		19,914	610,648
7	Plastic Mains	376.20	1,048,239	22,568		1,070,807	802,020	-		31,542	833,561
8	Mains - Corrosion Control	376.30	22,104			22,104	33,967	-		663	34,630
9	Meas. & Reg. Stat. Equip	378.00	81,401	22,435		103,836	21,850	-		2,498	24,348
10	Steel Services	380.10	61,185		224	60,961	140,453	224	113	1,834	141,951
11	Plastic Services	380.20	1,208,530	41,009	6,680	1,242,858	470,561	6,680	3,829	36,606	496,658
12	Meters & meter installations	381.00	462,273	21,929	192	484,010	149,631	192		14,224	163,663
13	Transponders - Res/Comm	381.10	119,731			119,731	17,608	-		3,592	21,200
14	Meters- AMR	381.20	-			-	-				0
15	House reg. & installations	383.00	27,594			27,594	38,132	-		828	38,960
16	Ind. Meas. & Reg Stat. Equip.	385.00	123,244	6,939		130,183	62,033	-		3,784	65,817
17	Other Equipment	387.00	-			-	-				0
18			<u>\$ 5,117,187</u>	<u>\$ 114,880</u>	<u>\$ 7,096</u>	<u>\$ 5,224,971</u>	<u>\$ 2,923,155</u>	<u>\$ 7,096</u>	<u>\$ 3,942</u>	<u>\$ 159,005</u>	<u>\$ 3,071,122</u>
19						5,224,971					<u>\$ 3,071,122</u>
20							Add depreciation expense alloc			19,257	
21							Total Depreciation			<u>178,261</u>	

Exhibit VENY-2D

Valley Energy, Inc. (New York)
Utility Plant and Accumulated Depreciation
Year Ended December 31, 2016

Line	Account	Acct. No.	Utility Plant				Accumulated Depreciation				Balance 12/31/2016
			Cost 1/1/2016	2016 Additions	2016 Retirements	Cost 12/31/2016	January 1, 2016	Retire- ments	Cost of Removals	Deprec Exp	
1	Gas Plant Acquisition Acct.	114.00	\$ 1,260,029			\$ 1,260,029	\$ 551,783	\$ -		\$43,466	595,249
2	Organization	301.00	6,084			6,084	-	-		-	0
3	Franchises & consents	302.00	30,842			30,842	-	-		-	0
4	Land and Land Rights	374.00	693		340	353	-	340		-	(340)
5	Structures & Improvements	375.00	1,774			1,774	1,205	-		53	1,258
6	Steel Mains	376.10	664,470		665	663,805	572,538	665	1,067	19,928	590,734
7	Plastic Mains	376.20	1,022,500	25,739		1,048,239	771,046	-		30,974	802,020
8	Mains - Corrosion Control	376.30	22,104			22,104	33,304	-		663	33,967
9	Meas. & Reg. Stat. Equip	378.00	81,401			81,401	19,408	-		2,442	21,850
10	Steel Services	380.10	61,446		261	61,185	139,244	261	373	1,843	140,453
11	Plastic Services	380.20	1,166,248	44,790	2,508	1,208,530	439,393	2,508	1,774	35,450	470,561
12	Meters & meter installations	381.00	436,926	25,347		462,273	136,199	-		13,432	149,631
13	Transponders - Res/Comm	381.10	119,731			119,731	14,016	-		3,592	17,608
14	Meters- AMR	381.20				-					0
15	House reg. & installations	383.00	27,594			27,594	37,304	-		828	38,132
16	Ind. Meas. & Reg Stat. Equip.	385.00	120,879	3,657	1,291	123,244	59,676	1,291	2	3,650	62,033
17	Other Equipment	387.00				-					0
18			<u>\$ 5,022,721</u>	<u>\$ 99,532</u>	<u>\$ 5,066</u>	<u>\$ 5,117,187</u>	<u>\$ 2,775,116</u>	<u>\$ 5,066</u>	<u>\$ 3,216</u>	<u>\$ 156,321</u>	<u>\$ 2,923,155</u>
19						5,117,187					<u>\$ 2,923,155</u>
20							Add depreciation expense alloc				17,803
21							Total Depreciation				<u>174,124</u>

Valley Energy, Inc. (New York)

For the Years Ended December 31,

			2015	2016	2017	6 Months 6/30/18	6 Months 12/31/18	Total 2018	Total 2019	Basis for 2019
Line	Account	Description	Total	Total	Total	YTD Total	Projected	Projected	Projected	
1	870.01	Labor Oper Supr & Eng	9,103	7,700	10,602	10,180	4,650	14,830	15,275	Inflation 3%
2	874.01	Labor Mains & Serv Exp	26,787	30,886	34,290	18,076	16,919	34,995	36,045	
3	875.01	Labor Meas & Reg Sta Exp	4,275	3,988	5,435	2,830	2,262	5,092	5,245	
4	876.01	Labor Ind/Cm Mtr/Rg Mnt Exp	2,515	3,125	3,034	2,243	1,620	3,862	3,978	
5	877.01	Labor Meas & Reg City Gate	533	334	632	328	75	403	415	
6	878.01	Labor Mtr & Hse Reg Exp	12,269	12,085	10,766	4,367	5,505	9,873	11,477	Specific
7	879.01	Labor Cust Install Exp	9,109	6,713	6,094	2,806	3,329	6,136	6,320	Inflation 3%
8	885.01	Labor Maint Supr & Eng	1,624	2,645	3,458	1,821	1,836	3,656	3,766	
9	886.01	Labor Maint Structures/Impr	1,271	908	1,064	493	713	1,206	1,242	
10	887.01	Labor Maint Main	4,199	4,897	7,645	3,692	2,327	6,019	9,184	Specific
11	889.01	Labor Maint Meas/Reg Sta	1,381	420	339	19	271	290	299	Inflation 3%
12	890.01	Labor Main Indu M&R Sta Exp	485	1,187	845	101	650	751	773	
13	891.01	Labor Maint M&R Sta-Citygate	494	345	309	77	404	480	495	
14	892.01	Labor Maint Service	3,649	3,316	4,493	751	1,166	1,917	4,958	Specific
15	893.01	Labor Mtr & Hse Reg	1,573	6,718	4,674	235	2,527	2,762	2,845	Inflation 3%
16	902.01	Labor Meter Reading	6,086	7,667	12,910	7,434	5,268	12,702	11,447	Specific
17	903.01	Labor Cust Records/Coll	20,930	26,792	29,129	16,928	14,840	31,768	32,721	Inflation 3%
18	920.01	Labor Admin/Gen Salary	38,574	42,927	46,492	20,191	23,173	43,364	44,665	
19	932.01	Labor - Maint General Plant	890	597	1,129	1,481	206	1,687	2,065	Specific
20		Total Direct Labor	145,747	163,251	183,340	94,053	87,740	181,794	193,216	
21										
22	870.02	Transp Oper Supr & Eng	1,177	1,088	960	724	465	1,189	1,225	Inflation 3%
23	874.02	Transp Mains & Serv Exp	6,054	6,338	7,808	5,123	4,364	9,488	9,772	
24	875.02	Transp Meas & Reg Sta Exp	1,004	912	1,125	743	523	1,266	1,304	
25	876.02	Transp Ind/Cm Mtr/Reg Mnt	387	431	481	417	315	732	754	
26	877.02	Transp City Gate Sta Expense	90	73	106	87	24	111	114	
27	878.02	Tranp Mtr & Hse Reg Exp	2,912	3,271	3,279	1,613	1,669	3,283	3,381	
28	879.02	Transp Cust Install Exp	1,171	791	1,198	534	569	1,103	1,136	
29	885.02	Transp Maint Supr & Eng	454	420	478	280	254	534	550	
30	886.02	Transp Maint Structure/Imp	221	171	189	103	195	298	307	
31	887.02	Transp Maint Main	1,118	1,008	2,080	1,341	704	2,045	2,106	
32	889.02	Transp Maint Meas/Reg Sta	378	92	70	5	46	51	52	
33	890.02	Trans Main Indu M&R Sta Exp	18	149	26	42	19	60	62	
34	891.02	Trans M&R Sta-Citygate	132	73	63	30	84	114	118	
35	892.02	Tranps Maint Service	1,308	1,113	1,897	261	461	722	744	
36	893.02	Transp Mtr & Hse Reg	644	1,676	2,087	70	817	887	914	
37	902.02	Transp Meter Reading	1,969	2,217	4,372	2,593	1,675	4,268	3,846	Specific
38	903.02	Transp Cust Records/Coll	371	323	493	400	229	630	648	Inflation 3%
39	920.02	Tranp Admin/Gen Salary	4,068	3,866	4,410	2,580	2,349	4,929	5,077	
40	932.02	Trans Maint General Plant	126	51	237	195	19	214	220	
41		Total Transportation	23,603	24,063	31,359	17,142	14,781	31,923	32,331	
42										

Exhibit VENY-3

Valley Energy, Inc. (New York)
Historical and Projected Statements of Operations
For the Years Ended December 31,

Line	Account	Description	2015	2016	2017	6 Months	6 Months	Total 2018	Total 2019	Basis for 2019
			Total	Total	Total	6/30/18 YTD Total	12/31/18 Projected	Projected	Projected	
43	870.03	C&T OH Oper Supr & Eng	1,708	1,647	1,910	2,011	1,044	3,055	3,483	CT OH 14%
44	874.03	C&T OH Mains & Serv Exp	4,968	5,942	6,202	3,570	3,802	7,372	8,404	
45	875.03	C&T OH Meas & Reg Sta Exp	801	772	975	566	518	1,084	1,236	
46	876.03	C&T OH Ind/Cm Mtr/Reg Mnt	478	604	543	442	375	817	931	
47	877.03	C&T OH Meas & Reg City Gate	104	65	112	67	16	83	95	
48	878.03	C&T OH Mtr & Hse Reg Exp	2,269	2,312	1,904	863	1,187	2,049	2,336	
49	879.03	C&T OH Cust Install Exp	1,678	1,302	1,109	553	700	1,253	1,429	
50	885.03	C&T OH Maint Supr & Eng	301	498	624	361	401	762	869	
51	886.03	C&T OH Maint Structures/Imp	242	168	186	97	159	256	292	
52	887.03	C&T OH Maint Mains	794	951	1,408	710	537	1,246	1,421	
53	889.03	C&T OH Maint Meas/Reg Sta	267	81	60	4	62	66	75	
54	890.03	C&T OH Main Indu. M&R Sta Exp	91	226	147	20	150	170	193	
55	891.03	C&T OH Maint M&R Sta Citygate	92	65	55	15	95	111	126	
56	892.03	C&T OH Maint Service	723	642	851	149	274	423	482	
57	893.03	C&T OH Maint Mtr & Hse Reg	283	1,288	794	46	592	639	728	
58	902.03	C&T OH Meter Reading	1,121	1,459	2,340	1,480	1,198	2,678	3,053	
59	903.03	C&T OH Cust Records/Collect	3,900	5,108	5,271	3,363	3,348	6,711	7,650	
60	920.03	C&T OH Admin/Gen Salary	7,168	8,199	8,310	4,004	5,335	9,340	10,647	
61	932.03	C&T OH General Plant	172	114	210	294	47	341	389	
62										
63		Total C&T Overhead	27,159	31,443	33,011	18,615	19,840	38,455	43,839	
64	870.05	VE OH Oper Supr & Eng	8,105	7,918	8,818	8,868	4,813	13,681	15,323	VE OH 12%
65	874.05	VE OH Mains & Serv Exp	22,772	27,935	30,211	16,195	17,497	33,692	37,735	
66	875.05	VE OH Meas & Reg Sta Exp	3,624	3,450	4,550	2,401	2,380	4,781	5,355	
67	876.05	VE OH Ind/Cm Mtr/Reg Mnt	2,176	2,725	2,572	2,026	1,719	3,745	4,194	
68	877.05	VE OH Meas & Reg City Gate	505	300	519	315	71	386	433	
69	878.05	VE OH Mtr & Hse Reg Exp	10,313	10,570	9,225	4,029	5,453	9,483	10,620	
70	879.05	VE OH Cust Install Exp	7,628	5,935	5,256	2,517	3,221	5,738	6,426	
71	885.05	VE OH Maint Supr & Eng	1,398	2,316	3,007	1,647	1,856	3,503	3,924	
72	886.05	VE OH Maint Struct/Imp	1,142	770	904	454	732	1,186	1,328	
73	887.05	VE OH Maint Mains	3,675	4,234	6,530	3,302	2,467	5,769	6,461	
74	889.05	VE OH Maint M&R Sta Equip	1,283	355	280	12	286	298	333	
75	890.05	VE OH Main Indu. M&R Sta Exp	396	1,025	691	95	687	782	876	
76	891.05	VE OH Maint M&R Sta Citygate	420	295	261	65	439	504	564	
77	892.05	VE OH Maint Service	2,756	2,985	3,873	707	1,262	1,968	2,204	
78	893.05	VE OH Maint Mtr & Hse Reg	1,209	5,992	3,888	192	2,727	2,919	3,270	
79	902.05	VE OH Meter Reading	5,087	6,824	11,112	6,699	5,504	12,203	13,668	
80	903.05	VE OH Cust Records/Coll	18,390	23,992	25,347	15,242	15,442	30,683	34,365	
81	920.05	VE OH Admin/Gen Salary	33,361	38,366	40,336	17,729	24,525	42,254	47,324	
82	932.05	VE OH General Plant	850	531	1,020	1,343	214	1,557	1,743	
83		Total VE Overhead	125,090	146,518	158,401	83,835	91,297	175,132	196,148	

Exhibit VENY-3

Valley Energy, Inc. (New York)
Historical and Projected Statements of Operations
For the Years Ended December 31,

Line	Account	Description	2015	2016	2017	6 Months	6 Months	Total 2018	Total 2019	Basis for 2019
			Total	Total	Total	6/30/18 YTD Total	12/31/18 Projected	Projected	Projected	
85	842.1	Fuel	9,680	5,530	6,574	5,231	2,327	7,559	7,785	Inflation 3%
86	870.45	Mat/Supp Oper Supr & Eng	72	65	0	0	0	0	0	
87	871.45	Distr Load Dispatching	40,820	42,270	41,717	20,296	21,707	42,003	43,263	
88	874.45	Mat/Supp Mains & Serv Exp	8,392	7,872	9,848	5,693	4,758	10,451	10,764	
89	874.5	Call Center Expense	5,261	6,141	6,323	3,206	3,269	6,476	6,670	
90	875.45	Mat/Sup Meas & Reg Sta Exp	166	163	503	463	59	521	537	
91	876.45	Mat/Supp Ind/Cm Mtr/Reg Mnt	532	556	473	446	607	1,053	1,084	
92	877.45	Mat/Sup City Gate Sta Exp	6,867	7,372	4,042	2,089	6,283	8,371	8,622	
93	878.45	Mat/Supp Mtr & Hse Reg Exp	577	907	2,522	857	196	1,053	1,085	
94	879.45	Mat/Sup Cust Install Exp	1,059	730	289	429	425	854	880	
95	880.45	Mat/Sup Oth Distr Exp	517	521	746	813	0	813	837	
96	881.45	Rents - Distr Exp	2,124	3,420	4,431	225	6,770	6,995	7,205	
97	885.45	Mat/Sup Maint Supr & Eng	162	0	135	0	0	0	0	
98	886.45	Mat/Sup Maint Struct/Imp	218	826	198	195	661	856	881	
99	887.45	Mat/Sup Maint Mains	2,664	2,183	4,932	3,305	3,096	6,401	6,593	
100	889.45	Mat/Sup M&R Reg Sta Eq	3,115	2,245	3,289	1,573	1,278	2,851	2,937	
101	890.45	Mat/Sup Maint Ind M&R Equip	110	608	660	778	0	778	802	
102	891.45	Mat/Sup Maint M&R Sta Citygate	343	99	426	43	224	267	275	
103	892.45	Mat/Sup Maint Service	1,890	2,095	3,741	1,340	175	1,515	1,561	
104	893.45	Mat/Sup Maint Mtr & Hse Reg	2,594	3,413	1,715	390	1,234	1,624	1,673	
105	902.45	Mat/Sup Meter Reading	3,235	783	2,762	131	1,220	1,351	1,391	
106	903.25	Misc Billing	23,405	23,557	30,821	16,635	13,350	29,985	30,884	
107	903.45	Mat/Sup Cust Records/Coll	15,930	13,535	12,474	4,819	5,503	10,322	10,632	
108	904.0	Uncollectible Accounts	5,633	7,036	13,837	11,603	6,760	18,363	18,914	
109	905.45	Mat/Sup Misc Cust Acct Exp	832	841	3,071	1,723	2,363	4,087	4,209	
110	909.45	Information/Instuction Exp	4,305	514	256	97	178	275	283	
111	913.45	Advertising Expenses	401	430	578	445	53	498	513	
112	920.45	Mat/Sup Admin/Gen Salary	180	61	638	50	35	85	88	
113	921.0	General Off Supply Exp	1,341	1,413	1,738	1,601	830	2,432	2,505	
114	921.4	Meals Expenses	194	435	377	501	193	694	715	
115	921.45	Travel And Training	1,785	4,050	5,480	4,239	5,085	9,324	9,603	Specific
116	921.5	Communication Equip	755	575	518	234	259	493	508	
117	923.0	Outside Services Employed	2,145	1,813	2,872	1,434	1,199	2,633	2,765	
118	923.25	Auditor Fees	4,391	8,392	8,264	6,905	1,268	8,174	8,582	Inflation 3%
119	923.45	Attorney Fees	838	701	13,317	3,445	475	3,920	4,116	
120	924.0	Property Insurance Expense	2,138	2,219	2,291	1,177	1,180	2,357	2,427	
121	925.0	Injuries And Damages	10,824	10,872	11,278	8,414	6,087	14,501	14,936	Specific
122	925.1	Insurance St. Opening Bonds	625	625	625	625	0	625	644	
123	926.45	Employee Benefits Direct Exp	231	231	490	107	26	133	137	
124	928.0	Regulatory Commission Exp	0	10,623	10,914	4,160	5,211	9,371	9,652	Inflation 3%
125		Rate Case Expense Amortization							7,333	
126	930.22	Membership Dues	1,715	1,747	2,395	389	1,468	1,857	1,912	
127	930.25	Director Expense	8,009	7,736	7,753	4,812	4,083	8,896	9,163	Specific
128	932.45	General Plant Maint	477	772	1,329	566	1,300	1,866	1,922	
129		Total Direct Expenses	176,551	185,976	226,642	121,484	111,197	232,681	247,289	

			2015	2016	2017	6 Months 6/30/18	6 Months 12/31/18	Total 2018	Total 2019	Basis for 2019
Line	Account	Description	Total	Total	Total	YTD Total	Projected	Projected	Projected	
130										
131	403.8	Depreciation Distr Plt	109,568	112,855	115,539	59,051	58,351	119,247	128,752	Exhibit VENY-2A
132	403.9	Depreciation-Gen Plt	17,280	17,803	19,257	9,458	9,367	18,169	18,168	Exhibit VENY-2A
133	406.0	Amortization Gas Plt Acq	43,466	43,466	43,466	21,673	21,672	43,345	43,345	Same as 2018
134		Total Depreciation/Amortization	170,314	174,124	178,261	90,182	89,390	180,762	190,265	
135										
136	408.1	Taxes Other Than Income	118,660	110,824	109,980	55,342	54,983	110,325	110,325	Same as 2018
137		Total Taxes Other Than Income	118,660	110,824	109,980	55,342	54,983	110,325	110,325	
138										
139	441.0	Res Unbilled Margin	4,915	13,006	1,754	0	0	0		
140	441.1	Res Non-Heat (Mar)	8,814	8,999	8,009	4,413	4,341	8,754	7,956	Exhibit VENY-4
141	441.12	Res Non-Heat (GCR)	4,192	2,477	3,047	2,108	1,859	3,967	3,967	Same as 2018
142	441.2	Res Heat (Mar)	514,517	494,403	501,466	345,364	209,158	554,521	542,501	Exhibit VENY-4
143	441.22	Res Heat (GCR)	586,728	330,144	494,100	399,315	187,756	587,071	587,071	Same as 2018
144	442.0	Comm Unbilled Margin	1,638	4,335	585	0	0	0		
145	442.1	Comm Non-Heat (Mar)	4,328	4,549	5,457	1,799	3,607	5,406		With Comm Heat
146	442.12	Comm Non-Heat (GCR)	6,604	4,540	7,041	2,127	4,648	6,775	6,775	Same as 2018
147	442.2	Comm Heat (Mar)	162,224	157,526	183,364	133,941	85,651	219,592	182,624	Exhibit VENY-4
148	442.22	Comm Heat (GCR)	265,889	155,546	271,278	218,272	110,331	328,603	328,603	Same as 2018
149	444.0	Interruptible (Mar)	21,766	14,355	0	0	0	0		
150	444.12	Interruptible (GCR)	52,797	17,000	0	0	0	0		With Transport
151	445.0	Addq Firm Transport Margin	17,875	18,895	16,345	8,818	7,008	15,826		
152	445.1	Firm Transportation Margin	138,687	136,085	156,550	85,492	60,922	146,413	150,728	Exhibit VENY-4
153	450.0	Forfeited Discounts	6,756	4,464	5,191	5,149	1,274	6,423	6,423	Same as 2018
154	451.0	Revenue-Reconnect Fees	500	750	950	350	450	800	800	Same as 2018
155	456.0	Other Revenue - Isf Fees	438	376	664	334	270	604	604	Same as 2018
156	495.1	Under/Over Recover Gas Cost	(148,101)	78,650	(135,065)	(222,020)	(4,603)	(226,623)	(226,623)	Same as 2018
157		Total Operating Revenues	1,650,568	1,446,101	1,520,736	985,461	672,672	1,658,133	1,591,429	
158	804.0	Natural Gas Purchases	554,608	950,131	941,309	614,821	238,991	853,811	853,811	Same as 2018
159	804.1	Off System Sales Credit	(231,651)	(690,503)	(623,221)	(423,702)	(59,195)	(482,897)	(482,897)	Same as 2018
160	807.0	Purchased Gas Expense	177,889	152,510	139,500	68,450	78,366	146,816	146,816	Same as 2018
161	808.1	Gas Withdrawn From Storage	262,519	162,395	167,844	140,052	41,830	181,882	181,882	Same as 2018
162		Adjust to Revenue							180	
163		Total Gas Expense	763,365	574,532	625,433	399,620	299,992	699,612	699,793	
164	409.1	Income Tax Expense	4,700	12,500	(36,900)	18,744	(14,114)	4,63		

Exhibit VENY-3

Valley Energy, Inc. (New York)
Historical and Projected Statements of Operations
For the Years Ended December 31,

Line	Account	Description	2015 Total	2016 Total	2017 Total	6 Months 6/30/18 YTD Total	6 Months 12/31/18 Projected	Total 2018 Projected	Total 2019 Projected	Basis for 2019
169		Summary of Staement of Operations								
170										
171		Revenues- Margin Billed	868,211	834,813	871,190	579,826	370,687	950,514	883,809	Exhibit VENY-4
172		Revenues- Margin Unbilled	6,553	17,341	2,339	-	-	-	-	
173		Revenues- GCR	768,110	588,357	640,402	399,802	299,991	699,793	699,793	Line 163
174		Other Revenue	7,694	5,590	6,805	5,833	1,994	7,827	7,827	Lines 153-155
175			1,650,568	1,446,101	1,520,736	985,461	672,672	1,658,133	1,591,429	
176		Less: Gas costs	(763,365)	(574,532)	(625,433)	(399,620)	(299,992)	(699,612)	(699,793)	Line 163
177		Less: Difference	(4,744)	(13,824)	(14,969)	(182)	1	(180)		
178		Margin realized	882,458	857,744	880,334	585,659	372,681	958,340	891,636	
179										
180		Expenses:								
181		Labor	145,747	163,251	183,340	94,053	87,740	181,794	193,216	Line 20
182		Transportation	23,603	24,063	31,359	17,142	14,781	31,923	32,331	Line 41
183		Total C&T Overhead	27,159	31,443	33,011	18,615	19,840	38,455	43,839	Line 63
184		Total VE Overhead (incl. VSH, Ben., PF	125,090	146,518	158,401	83,835	91,297	175,132	196,148	Line 83
185		Direct	176,551	185,976	226,642	121,484	111,197	232,681	247,289	Line 129
186		D&A	170,314	174,124	178,261	90,182	89,390	180,762	190,265	Line 134
187		TOTI	118,660	110,824	109,980	55,342	54,983	110,325	110,325	Line 137
188			787,124	836,199	920,994	480,652	469,229	951,071	1,013,412	
189		Pretax	95,334	21,546	(40,660)	105,007	(96,547)	7,270	(121,776)	
190		Tax @ 28.9%	27,544	6,225	(11,748)	30,339	(27,895)	2,100	(35,184)	
191		Utility Net Income	67,790	15,321	(28,913)	74,668	(68,653)	5,169	(86,592)	

Exhibit VENY-4

Valley Energy, Inc. (New York)
Revenues by Rate Class and MCF Sales

Line	Description	2015 Historic	2016 Historic	2017 Historic	6/30/2018 Historic	12/31/2018 Projected	12/31/2019 Present	12/31/2019 Proposed
1	Operating Revenues						Margin	Margin
2	Residential Sales	\$ 1,119,166	\$ 849,029	\$ 1,008,375	\$ 751,200	\$ 1,154,313	\$ 550,457	\$ 735,506
3	Commercial Sales	515,246	357,852	467,725	356,139	560,377	182,624	244,022
4	Transportation	156,563	154,980	172,895	94,309	162,239	150,728	201,403
5	Other Revenues	(140,407)	84,240	(128,259)	(216,187)	(218,796)		
6	Total	\$ 1,650,568	\$ 1,446,101	\$ 1,520,736	\$ 985,461	\$ 1,658,133	\$ 883,809	\$ 1,180,931
7	Check	\$ 1,650,568	\$ 1,446,101	\$ 1,520,736	\$ 985,461	\$ 1,658,133		
8								
9	MCF Sales							
10	Residential Sales	161,135	151,539	153,332	116,791	173,859	168,210	168,210
11	Commercial Sales	119,381	83,912	86,516	64,769	98,512	83,988	83,988
12	Transportation	86,381	87,110	83,225	53,085	90,249	86,328	86,328
13	Total	366,897	322,561	323,073	234,645	362,620	338,525	338,525
14	Check						3,385,254	
15								
16	Proof of Revenue and Forecast							
17	Customer-Months			Historic			Forecast	Forecast
18	Residential			19,512		59.16	20,368	20,368
19	Res NH			744			744	744
20	Commercial			2,448		228.91	2,448	2,448
21	Transportation			60		2,703.99	60	60
22								
23	Block 1	200						
24	Block 2	34,800						
25		Rates	Proof of Revenue for 2017			Present		Rates Proposed
26			CF	\$ Computed	Accounting	CF	\$	\$
27	Residential- 1st 200 CF	\$7.62	3,902,400	148,681		4,073,667	155,207	\$10.18 207,350
28	Residential- Over 200 CF	\$0.2388	145,208,500	346,758		159,881,582	381,797	\$0.3191 510,182
29	Residential- Over 35000 CF	\$0.1746	3,148,200	5,497		3,148,200	5,497	\$0.2333 7,345
30	Residential total		152,259,100	500,936	501,466	167,103,449	542,501	724,877
31								
32	ResNH- 1st 200	\$7.62	148,800	5,669		148,800	5,669	\$10.18 7,574
33	RH- Over 200	\$0.2388	924,800	2,208		957,623	2,287	\$0.3191 3,056
34	Residential NH total		1,073,600	7,878	8,009	1,106,423	7,956	10,630
35								
36	Commercial- 1st 200	\$7.62	489,600	18,654		489,600	18,654	\$10.18 24,921
37	Commercial- Over 200	\$0.2388	30,850,700	73,671		28,321,877	67,633	\$0.3191 90,375
38	Commercial- Over 35000	\$0.1746	55,176,300	96,338		55,176,300	96,338	\$0.2333 128,726
39	Commercial total		86,516,600	188,663	188,821	83,987,777	182,624	244,022
40								
41	Transport- All	\$0.1746	83,224,700	145,310	172,895	86,327,721	150,728	\$0.2333 201,403
42	Accounting entry in 2017			22,842				
43	Difference			5,561				
44			323,074,000	871,190	871,190	338,525,370	883,809	1,180,931
45	Check				871,190		883,809	1,183,809

Exhibit VENY-4A

Valley Energy, Inc. (New York)

Bill Impacts for Customer Usage Profiles

		ccf	Rate	Rate	
Customer charge	First	2	\$7.62	\$10.18	
Block 1	Next	348	\$0.2388	\$0.3191	per ccf
Block 2	Over	350	\$0.1746	\$0.2333	per ccf
GCR			\$0.1930	\$0.1930	per ccf

[illegible]