



100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166
Tel: 717.232.8000 • Fax: 717.237.5300

Adeolu A. Bakare
Direct Dial: 717.237.5290
Direct Fax: 717.260.1744
abakare@mcneeslaw.com

April 30, 2020

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

RE: Pennsylvania Public Utility Commission v. Valley Energy, Inc.;
Supplement No. 54 to Tariff Gas – Pa. P.U.C. No. 2 (Compliance Filing)
Docket No. R-2019-3008209

Dear Secretary Chiavetta:

Attached under Tab A for filing with the Pennsylvania Public Utility Commission is Valley Energy, Inc.'s ("Valley" or "Company"), Supplement No. 54 to Tariff Gas PA. P.U.C. No. 2 ("Supplement No. 54"). Valley is filing Supplement No. 54 in compliance with the Commission's Order entered on April 27, 2020, at Docket No. R-2019-3008209. Consistent with Ordering Paragraph No. 8, Valley is filing Supplement No. 54 on one day's notice, with issued and effective dates of April 30, 2020, and May 1, 2020, respectively.

Supplement No. 54 increases the Company's distribution rates and implements other tariff changes in accordance with the Commission's Order in the above-referenced docket. Consistent with Ordering Paragraph No. 11, the filing includes supporting calculations detailing the tariff adjustments in Tab B. This filing also adjusts Valley's State Tax Adjustment Surcharge ("STAS") to a surcharge of 0.2694%, to reflect the roll-in of state taxes into distribution rates. Please note that the state taxes rolled into distribution rates reflect the 2018 levels, which did not include the adjustment implemented as of January 1, 2020, to the Company's Public Utility Reality Tax Assessment ("PURTA") and the PURTA Surcharge established by the Department of Revenue. The Company's recalculation is set forth in Tab C, Attachments A, B, C, D, E, and F (computation of STAS for period May 1, 2020, through December 31, 2020, with roll-in). The supporting documentation was submitted with Valley's filing on December 20, 2019, at Docket No. R-2019-3015090.

As shown by the attached Certificate of Service and per the Commission's March 20, 2020, Emergency Order, all parties to this proceeding are being duly served via email only due to the current COVID-19 pandemic. We are also filing these documents electronically. Upon lifting of the aforementioned Emergency Order, we can provide parties with a hard copy of this pleading upon request.

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If you have any questions regarding the documents, please feel free to contact the undersigned.
Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 

Adeolu A. Bakare

Counsel to Valley Energy, Inc.

AAB/leh

Enclosures

c: Certificate of Service
Erin Laudenslager, Bureau of Technical Utility Services (via E-mail)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL

Sharon E. Webb, Esq.
Daniel G. Asmus, Esq.
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
swebb@pa.gov
dasmus@pa.gov

Brian Kalcic
Excel Consulting
225 South Meramec Avenue, Suite 720
St. Louis, MO 63105
Excel.consulting@sbcglobal.net
OSBA Consultant

Christy M. Appleby, Esq.
Aron J. Beatty, Esq.
Darryl A. Lawrence, Esq.
Santo G. Spataro, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place - 5th Floor
Harrisburg, PA 17101-1921
CAappleby@paoca.org
ABeatty@paoca.org
DLawrence@paoca.org
SSpataro@paoca.org

John Coogan, Esq.
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120
jcoogan@pa.gov

Jonathan P. Foster, Sr., Esq.
Foster Law Office
303 South Keystone Avenue
Sayre, PA 18840
Jonathan.Sr@fosterslawfirm.com
Solicitor for South Waverly Borough
Solicitor for Borough of Athens

Larry E. Cole
74 E. Laurel Street
Bradford, PA 18832
Larryc41@frontier.com



Adeolu A. Bakare
Counsel to Valley Energy, Inc.

Dated this 30th day of April, 2020, at Harrisburg, Pennsylvania.

A

**VALLEY ENERGY, INC. -
PENNSYLVANIA DIVISION**

Rates and Rules
Governing and Furnishing of
Gas Service
in the

Boroughs of Athens, Monroe, Sayre, South Waverly
and Towanda; and the Townships of Asylum, Athens,
Monroe, North Towanda, Towanda, Ulster and Wysox
all in the County of Bradford

Filed in compliance with the Commission's
Order entered on April 27, 2020, at Docket
No. R-2019-3008209.

**THIS TARIFF MAKES $\{\{\text{CHANGES}\}\}$ TO EXISTING RATES,
RULES AND REGULATIONS
See Page No. 2**

LIST OF CHANGES MADE BY THIS SUPPLEMENT

- Pages 11, 12 and 13: Added definitions of "Daily Quantity" and "System Maintenance Order;" updated definitions of "Point of Delivery" and "Service Pipe;" alphabetized all definitions.
- Pages 18, 18A, 19, 19A, 20, 21, and 23: For "Rule 2 – Natural Gas Shortage and Emergency Conditions," added an explanation of Natural Gas Emergency and System Maintenance Order; deleted "Base Period Volumes;" revised "Gas Shortage Process" to "Curtailment Process," including definitions of "Reservation of Company Right to Curtail," "Pre-Curtailment Procedures," "Curtailment Directive," "Curtailment Sequence," "Customer Notification," and "Natural Gas Emergency Plan;" added a section on unauthorized use of natural gas; updated the threshold for when penalties must be assessed on overrun volumes of natural gas; deleted "Emergency Curtailment" section.
- Pages 27 and 27A: For "Rule 4 – Equipment and Facilities," added a "General" section under "Facilities Expansion Policy;" updated "Company Investment" section; updated "Customer Investment" section; added a new section titled "Tax Accounting of CIAC."
- Page 36: For "Rate "C" – Commercial Rate," increased the monthly distribution and monthly minimum charges.
- Pages 38 and 39: For "Rate "I" – Large Industrial Service-Firm," increased the monthly distribution charges and updated the definition of "Automatic Meter Reading Equipment."
- Pages 43 and 44: For "Rate "IS" – Industrial Interruptible Service," updated the definition of "Automatic Meter Reading Equipment" and increased the monthly distribution and monthly minimum charges.
- Page 49: For "Rate "SI" – Small Industrial," increased the monthly distribution and monthly minimum charges.
- Page 50: For "Rate "R" – Residential Rate," increased the monthly distribution and monthly minimum charges; decreased the Gas Cost Rate.
- Page 53: Changed "Priority 1" to "Category 1"
- Page 58: For "Rate Schedule "T" – Transportation Service," decreased the Gas Cost Rate and updated the definition of "Automatic Meter Reading Equipment."
- Page 60: Changed "Priority 1" to "Category 1"
- Page 78: For "Rider "A" – Gas Cost Rate," decreased the Gas Cost Rate and added definition of "S."
- Page 81: For "Rider "B" – State Tax Surcharge," increased the STAS to 0.2694%.

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By: Edward E. Rogers, President & Chief Executive Officer
 523 S. Keystone Ave.
 Sayre, PA 18840-0340
 (570) 888-9664

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 523 S. Keystone Ave.
 Sayre, PA 18840-0340
 (570) 888-9664

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 523 S. Keystone Ave.
 Sayre, PA 18840-0340
 (570) 888-9664

DEFINITIONS (Continued)

COMPANY

VALLEY ENERGY, INC.

CONNECTED LOAD

Connected Load is the combined rated capacity of all of Customer's gas consuming devices.

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CUSTOMER

Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the ratepayer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. A Customer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under this Tariff. For residential accounts, Customer includes a natural person in whose name the account is listed and any adult occupant whose name appears on the mortgage, deed or lease of the property.

CUSTOMER CHARGE

A monthly charge to cover such Company costs as maintaining the gas lines, meter reading and billing.

CUSTOMER'S INSTALLATION

All pipes, fixtures, valves, shut-off cocks, appliances and apparatus of every kind and nature used in connection with or forming a part of an installation for utilizing gas for any purpose, ordinarily located on the Customer's side of the Point of Delivery and including the Service Extension, whether such installation is owned outright by Customer or used by Customer under lease or otherwise.

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DAILY QUANTITY

The quantity of gas used in a twenty-four (24)-hour period beginning at 10:00 a.m., Eastern Standard Time or Daylight Savings Time, whichever is in common use, or as subsequently defined by natural gas industry standards promulgated by FERC.

DEMAND

Demand is the minimum amount of gas which the Company is under contract to furnish to Customer and Customer is obliged to take and pay for, whether it is expressed in therms, cubic feet or any other unit of measurement. Initially, it is the minimum amount specified in the application or contract, or as shown by test.

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Sayre, PA 18840-0340
(570) 888-9664

(C)

DEFINITIONS (Continued)

DISTRIBUTION CHARGES

Charges to recover the costs the Company incurs to provide the services necessary to deliver natural gas to a customer from the point of receipt into the Company's distribution system.

Dth (Dekatherm)

A measure of the heat content value of gas equal to one million BTUs. Gas usage is determined by multiplying the Mcf used by the heat (BTU) content value of the gas per Mcf.

GAS SUPPLY CHARGE

Charges by an NGS or Supplier of Last Resort to recover the cost of procuring natural gas and delivering it to the Company's facilities for redelivery to Customers.

Mcf

1,000 cubic feet of gas. This is a volume measure of gas usage.

NATURAL GAS SUPPLIER (NGS)

Any person, corporation or other entity that has received a license from the Commission determining that it is eligible and licensed to supply natural gas supply services to Customers in the Company's service territory under and pursuant to the Act and that has met the additional criteria established by the Company to permit it to provide natural gas supply service to Customers.

POINT OF DELIVERY

That point at which the Customer's facilities are connected to the Company's facilities which is the first fitting after the outlet side of the meter connection point.

SERVICE

The furnishing of service or the delivery of gas referred to in these Rules and Regulations and in contracts with Customers shall be construed to mean readiness and ability on the part of Company to supply the Customer at the time Company is obligated to supply, whether or not Customer makes any use thereof.

SERVICE EXTENSION

The portion of Customer's Installation to which Company connects its Service Pipe.

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(570) 888-9664

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DEFINITIONS (Continued)

SERVICE PIPE

The pipe extending from the Company's supply main to a metered Point of Delivery.

SUPPLIER OF LAST RESORT

The Company or another entity that provides natural gas supply services to customers that do not elect another supplier or choose to be served by the supplier of last resort, customers that are refused service from an NGS, or customers whose NGS fails to deliver the required gas supplies. Currently, the Company is the supplier of last resort for all residential, small commercial, small industrial, and essential human needs customers under the terms of this tariff. Each customer may only have one (1) supplier of last resort.

SYSTEM MAINTENANCE ORDER ("SMO")

Operational directive issued by the Company, in its sole discretion, to protect the operational integrity of its systems in terms of line pressure and adequacy of supply. Such orders directly affect the quantity of gas to be delivered on the same gas day or other near-term gas days and may require a Customer or class of Customers, or a Customer's natural gas supplier or agent, to maintain, decrease or increase the quantity of natural gas delivered to the Company's system.

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(570) 888-9664

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RULE 2—NATURAL GAS SHORTAGE AND EMERGENCY CONDITIONS (Continued)

The definitions for terms used in the priority of service categories are as follows:

1. Commercial Use: Gas usage by Customers engaged primarily in the sale of goods or services including, but not limited to, consumption by office buildings, institutions and governmental agencies. Commercial use shall not include use of gas for manufacturing or electric power generation.

2. Critical Uses: Gas usage where natural gas, propane or other gaseous fuel is the only feasible form of energy due to its combustion characteristics, controllability or chemical properties.

3. Essential Human Needs Use: Gas usage by Customers for service to any buildings where persons normally dwell including, but not limited to, apartment houses, residential dwellings, schools, day care centers, dormitories, hotels, hospitals and nursing homes as well as the use of natural gas by sewage plants.

4. Firm Service: Service pursuant to schedules or contracts under which the Company is explicitly or implicitly obligated to deliver specific volumes within a given time period or which anticipate no interruptions, but which may permit unexpected interruptions in case service to higher priority Customers is threatened. The Company shall be deemed to be implicitly obligated to deliver specific volumes where it has by any means previously or presently established periodic allocations for its Customers.

5. Industrial Use: Gas usage by Customers engaged primarily in a process that creates or changes raw or unfinished materials into another form or product including the generation of electric power.

6. Interruptible Service: Service pursuant to schedules or contracts under which the Company explicitly or implicitly reserves the option to interrupt or curtail deliveries.

7. Natural Gas Emergency: Whenever the aggregate demand of firm service customers on the Company’s system or portion of the Company’s system, for any reason, exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company’s system operating integrity or the ability of the Company to satisfy the demand requirements of its Category 1 Customers (including when continued delivery of gas to Customers would prevent the Company from arranging for the injection of gas into underground storage pools necessary for the protection of winter season supply requirements).

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8. Non-Critical Use: Gas usage where natural gas, propane or other gaseous fuel is not the only feasible form of energy, i.e., where the user has alternate fuel capability.

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Sayre, PA 18840-0340
(570) 888-9664

(C)

RULE 2—NATURAL GAS SHORTAGE AND EMERGENCY CONDITIONS (Continued)

9. Plant Protection Use: Minimum volumes of natural gas required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternative fuel. Plant protection requirements include volumes necessary for the protection of such material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

10. Residential Use: Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes.

11. System Maintenance Order ("SMO"): As defined in the Definitions section of this Tariff.

RULE 2—NATURAL GAS SHORTAGE AND EMERGENCY CONDITIONS (Continued)

B. CURTAILMENT PROCESS

1. Reservation of Company Right to Curtail: The Company reserves the right to reduce or eliminate the availability of firm natural gas service to Customers during a natural gas emergency, on a system-wide or localized basis ("curtailment"), when, in the Company's sole judgment, curtailment of natural gas service is necessary to protect the integrity of service to Category 1 Customers and/or the Company's gas distribution system assets. When necessary, the Company may curtail service to Category 1 Customers.

2. Pre-Curtailment Procedures: To avoid curtailment of service, the Company will use reasonable business and operational efforts to interrupt all Category 6 services, issue appropriate system maintenance orders (SMO) to Rate Schedule T and ST Customers and their Natural Gas Suppliers or other agents, and/or request customers to institute voluntary usage reductions.

3. Curtailment Directive: In the event that Pre-Curtailment Procedures are not practicable or fail to protect the integrity of service to Category 1 customers and/or the Company's gas distribution system assets, the Company may issue a Curtailment Directive. The Curtailment Directive should be reasonably well-tailored by the Company to require Customers of lower priority services to reduce usage by an amount calculated by the Company, as necessary to minimize the potential threat to public health and safety and to minimize the effect of a natural gas emergency on the integrity of service to Category 1 customers and/or the Company's gas distribution system assets, but may be issued without regard to priorities of service. During the period specified by the curtailment directive, Customers directed to curtail usage must comply with the directive or face physical shut-off by the Company and/or the assessment of penalties elsewhere set forth in this Rule 2.

4. Curtailment Sequence: Curtailment of a customer class of a higher category shall not be initiated until all Customers falling into the lower classifications have been completely curtailed. Where only partial curtailment of any one classification is required, Customer usage should be reduced *pro rata* to the extent reasonably possible. As applied to Transportation Customers served under Rate Schedule T, *pro rata* reductions will be based on a percentage of the Customer's Transportation Contract Quantity unless the Customer has alternative fuel capability.

If the Customer has alternative fuel capability, a *pro rata* reduction shall be based on a percentage of the Customer's Transportation Contract Quantity less the daily alternative fuel capability.

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RULE 2—NATURAL GAS SHORTAGE AND EMERGENCY CONDITIONS (Continued)

5. Customer Notification: The Company shall provide maximum notice possible of a Curtailment Directive or of a change in curtailment amount or category level set forth in a Curtailment Directive. In the Curtailment Directive, the Company shall specify the authorized consumption for a specified period or until further notice. The Company reserves the right to provide notice by any reasonable means, including by telephone, pager, e-mail, facsimile or personal contact. If such notice is by telephone, then it will be followed by a written notice to the Customer, specifying the Customer's curtailment percentage and resulting peak day, daily, monthly, seasonal or annual authorized entitlement, as the case may be. An emergency curtailment may be made after oral notice to the Customer, effective when so given, but such oral notice will be confirmed in writing within 48 hours.

6. Natural Gas Emergency Plan: This Rule 2 is supplemented by Company procedures referenced in the Company's Natural Gas Emergency Plan filed by the Company in compliance with Commission Regulations at 52 Pa. Code §§ 59.63 and 59.71 *et seq.*, and such procedures may be modified from time to time.

7. The Company may curtail or discontinue gas service in accordance with this Rule without thereby incurring any liability for any loss or expense that may be sustained by the Customer.

RULE 2—NATURAL GAS SHORTAGE AND EMERGENCY CONDITIONS (Continued)

1. PENALTY PROVISION FOR OVERRUN VOLUMES OR UNAUTHORIZED USE (C)

The provision of this or any other penalty sections do not serve to reduce any charge, assessments or penalties otherwise payable or applicable under provisions of any effective rate schedule or contract.

A Customer determined to have used natural gas in violation of a SMO issued pursuant to Rule 2.B(3) or a Curtailment Directive issued by the Company (“unauthorized use”) shall pay the Company a penalty charge based on the following: (C)
 | (C)

Penalties shall be assessed on overrun volumes (a) in excess of 103% of the authorized entitlement when the period concerned is daily, monthly, or seasonal as described below and (b) in excess of 103% of the authorized entitlement when the period concerned is twelve months and the Company invokes an annual as well as a daily, monthly or seasonal penalty. (C)

a. Winter Penalty Clause

If at the end of the five month period ending with the March billing period a Customer has exceeded the sum of its monthly authorized entitlement for such a period, that Customer shall pay on demand a penalty according to the following schedule:

<u>Actual Usage as Percentage of Total Monthly Authorized Entitlements</u>	<u>Penalty for Overrun Volumes</u>
Greater than 103% but not in excess of 110%	\$1/Ccf
Greater than 110% but not in excess of 125%	\$2/Ccf
Greater than 125%	\$5/Ccf

There shall be excluded from the volumes subject to penalty under this provision, volumes for which the buyer has previously been penalized pursuant to overruns of emergency curtailment (See Section entitled "Emergency Curtailment").

b. Summer Penalty Clause

If at the end of the seven month period ending with the October billing month, a Customer has exceeded the sum of its monthly authorized entitlements for such period, that Customer shall pay on demand a penalty according to the following schedule:

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 (570) 888-9664

(C)

RULE 2—NATURAL GAS SHORTAGE AND EMERGENCY CONDITIONS (Continued)

<u>Actual Usage as Percentage of Total Monthly Authorized Entitlements</u>	<u>Penalty for Overrun Volumes</u>
Greater than 103% but not in excess of 110%	\$1/Ccf
Greater than 110% but not in excess of 125%	\$2/Ccf
Greater than 125%	\$3/Ccf

(C)
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 (C)

Likewise, there shall be excluded from the volumes subject to penalty hereunder, volumes for which the buyer has previously been penalized pursuant to overruns of emergency curtailment.

c. Yearly Penalty Clause

If at the end of the twelve month period ending with the October billing month, a Customer has exceeded the sum of its monthly authorized entitlements for such twelve month period, that Customer shall pay on demand a penalty according to the following schedule:

<u>Actual Usage as Percentage of Total Authorized Entitlements</u>	<u>Penalty for Overrun Volumes Monthly</u>
Greater than 103% but not in excess of 110%	\$1/Ccf
Greater than 110% but not in excess of 125%	\$3/Ccf
Greater than 125%	\$5/Ccf

There shall be excluded from the volume subject to penalty under this section, volumes for which the buyer has previously been penalized during such twelve-month period pursuant to winter or summer overruns or emergency curtailments.

d. Availability of Excess Gas

If in the Company's judgment, sufficient gas supply is available to permit deliveries in addition to the monthly authorized entitlement in any month, the Company will provide all buyers with as much advance notice as possible of the amount of such additional gas anticipated to be available. Such gas shall be apportioned by the Company to all Customers of the highest priority being curtailed on the basis of the total of the base period volumes for all buyers in that priority for that month.

To the extent that a Customer has exceeded the sum of its authorized entitlements for any period, penalties shall not be assessed for any excess volumes authorized pursuant to the provisions of this section.

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By: Edward E. Rogers, President & Chief Executive Officer
 523 S. Keystone Ave.
 Sayre, PA 18840-0340
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(C)

[RESERVED FOR FUTURE USE]

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* * *

(C)

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523 S. Keystone Ave.
Sayre, PA 18840-0340
(570) 888-9664

(C)

RULE 4—EQUIPMENT AND FACILITIES (Continued)

I. FACILITIES EXPANSION POLICY

1. General.

(a) Estimates and Non-Standard Costs. Cost estimates used by the Company may be based on construction and installation conditions anticipated for the extension, including, but not limited to, the cost of installation and construction, non-street surface restoration, such as replacement or repair of sidewalks, driveways, landscaping or sod, street opening and restoration terms and fees, and any other local government fees required for the installation. The Company may determine cost estimates based on average experienced unit costs.

(b) Surface Restoration. The Company will restore the street surface in accordance with applicable local government regulations and provide rough backfilling of the installation trench from the curb to the meter. The Extension Applicant will be responsible for the cost of all non-street surface restoration for the service line.

(c) Standard conditions of construction in a residential development, commercial park, or industrial park include trenching provided by the developer.

2. Company Investment. The Company will make a net capital investment in new or upgraded facilities based upon an investment allowance for each dollar of additional annual revenue as follows:

(a) Residential Customers shall receive (i) an investment allowance not to exceed \$6.00 per each additional dollar of annual revenue or (ii) up to the cost of 200 feet of service and/or main extension or (iii) up to the Company's average cost of 200 feet of service and/or main extension of new installations for the 12 months ended September 30 of the previous year.

(b) Commercial and Industrial Customers shall receive (i) an investment allowance not to exceed \$4.50 per additional dollar of annual revenue or (ii) up to the cost of 200 feet of service and/or main extension or (iii) up to the Company's average cost of 200 feet of service and/or main extension of new installations for the 12 months ended September 30 of the previous year.

Additional annual revenues shall be calculated at pricing of base rates in the gas tariff, but will exclude fuel cost component included in base rates, gas cost rate and state tax adjustment surcharges. Consumption estimates will be based upon individual design data.

The Company reserves the right to request an advance or guaranteed revenue contract for any construction expenditures when, in the Company's determination, the term of usage or the volume and associated revenue is speculative.

(C) Indicates Change

Issued: April 30, 2020

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3. Customer Investment. The Customer shall make a payment for costs exceeding the investment allowance in Company Investment, Section 2 above. Upon receipt of a written request by a Customer or developer made no earlier than the end of the third year following the date of an agreement for new gas service, the Company will: (a) review its records to determine if a refund is due to the Customer or the developer for additional customers beyond those used to calculate the Company and Customer Investment, as determined above that attached to the facilities paid for by the customer or the developer within three (3) years after the execution date of the agreement for new gas service, and (b) within sixty (60) days of receipt of such request, (i) make payment to the customer or developer of any refund due and (ii) provide the Customer or developer with documentation substantiating the refund calculations and identifying the attached loads for which the developer was credited. Customer or developer contributions may be refunded if, within three years of the date of the service agreement, new loads are added to facilities paid for by the contributing Customer or developer. Revenue and cost computations shall simulate that the original and new loads were installed at the same time. Refunds will be paid only to the contributing Customer or developer, and the original contribution shall be the maximum refund.

4. Tax Accounting of CIAC. Any contribution in aid of construction (CIAC), Customer advance or other like amounts received from the Customer which shall constitute taxable income as defined by the Internal Revenue Service will have the income taxes segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with a CIAC or Customer advance will not be charged to the specific contributor of the capital.

RATE "C" - COMMERCIAL RATE

AVAILABILITY

This rate is applicable to natural and manufactured gas service for all commercial purposes. Service will be supplied only where the Company's facilities and available quantity of gas are suitable to the service desired.

MONTHLY DISTRIBUTION RATE

Customer charge per month	\$20.21	(I)
All gas purchased per month	\$0.22553 per Ccf	(I)

GAS SUPPLY SERVICE

Any customer receiving service under this classification who has not contracted with a Natural Gas Supplier (NGS) to receive their natural gas commodity will receive Gas Supply Service as per Rider A of this Tariff.

OTHER RATE PROVISIONS

This schedule is subject to adjustment application of a State Tax Surcharge, Rider "B".

MONTHLY MINIMUM CHARGE

The minimum monthly charge is \$20.21. (I)

If service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same premises within twelve months unless it shall receive an amount equal to the minimum charge for each month of the intervening period.

The minimum charge provision in this Rate will be waived only in the event the premises have been completely vacated, and only so long as the same are unoccupied and not used.

NET PAYMENT PERIOD

Customer's bills will be computed at the net rates shown above, and this amount will be due twenty-one (21) days from the date of this bill and after twenty-six (26) days, 1-1/4% will be added per month to a maximum of 15% per annum.

(I) Indicates Increase (C) Indicates Change

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 (570) 888-9664

(C)

RATE "I" - LARGE INDUSTRIAL SERVICE - FIRM**AVAILABILITY**

This Industrial Gas Service Rate is an optional rate, covering the furnishing of "Firm" gas service. Available to any Industrial customer located immediately adjacent to Company's existing distribution lines, and where Company's facilities and the available quantity of gas are adequate and suitable for Customer's requirements. Service under this rate shall be furnished only under a special negotiated contract. Available to any Industrial Customer using 10,000 Ccf or more per day.

CHARACTER OF SERVICE

The service furnished by Company shall be natural gas having a heat content of approximately 1,000 Btu per cu. ft. The gas service pressure shall be adequate to operate the various commercial and industrial appliances, space heating and other equipment whose capacity and operating characteristics conform to Company standards.

DISTRIBUTION RATE PER SERVICE PER MONTH

The total maximum monthly base distribution rate shall be the sum of the following demand (1) and commodity (2) charges applied to the monthly billing demand and the total quantity of gas used in Ccf (100 cu. ft.), and as referred to elsewhere in this rate:

(1) <u>Demand Charges Per Month</u>			
First 1,000 Mcf of billing demand	@ \$1.288650 per Mcf		(I)
Each additional Mcf of billing demand	@ \$0.668730 per Mcf		(I)
(2) <u>Commodity Charges per Month</u>			
First 80,000 Ccf of gas used per month	@ \$0.117380 per Ccf		(I)
Next 140,000 Ccf of gas used per month	@ \$0.072100 per Ccf		(I)
Over 220,000 Ccf of gas used per month	@ \$0.047230 per Ccf		(I)

GAS SUPPLY SERVICE

Any customer receiving service under this classification who has not contracted with a Natural Gas Supplier (NGS) to receive their natural gas commodity will receive Gas Supply Service at a rate negotiated between Company and Customer, which shall not be less than the cost for Company to obtain such supplies and transportation of the same to the Company's system.

(I) Indicates Increase (C) Indicates Change

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523 S. Keystone Ave.
Sayre, PA 18840-0340
(570) 888-9664

(C)

RATE I - LARGE INDUSTRIAL SERVICE — FIRM (Continued)

OTHER RATE PROVISIONS

This schedule is subject to adjustment application of a State Tax Surcharge, Rider "B".

AUTOMATIC METER READING EQUIPMENT

In order to utilize this service, automatic meter reading equipment is required. Customer shall pay for all costs incurred by the Company to install automatic meter reading equipment as required by the Company and provide access for such equipment. The cost of installing automatic meter reading equipment plus all costs associated with dedicated telephone lines, ethernet connections and/or wireless communication devices and associated plans, and telemetering equipment shall be at the expense of the Customer. The equipment and labor cost may be paid by Customer over a two (2) year or some lesser period by means of a monthly surcharge designed to recover the cost of the equipment plus interest equal to the Company's overall rate of return as authorized from time to time by the Pennsylvania Public Utility Commission. All maintenance performed by the Company at the request of the Customer on automatic meter reading equipment will be paid by the Customer. Such charges shall also include battery costs, when a battery must be replaced and wireless communication subscription plans. The meter and associated telemetering equipment shall be the property of the Company.

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MONTHLY MINIMUM CHARGE

Unless another methodology or charge is specified in the Customer's contract, the monthly minimum charge under this rate shall be the highest demand charge established during the twelve month period ending with the billing month under consideration, but not less than \$2,067.37.

(C) Indicates Change

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By: Edward E. Rogers, President & Chief Executive Officer (C)
523 S. Keystone Ave.
Sayre, PA 18840-0340
(570) 888-9664

RATE "IS" – INDUSTRIAL INTERRUPTIBLE SERVICE (Continued)

INTERRUPTIBILITY OF SERVICE (Continued)

Company will endeavor to give Customer at least two hours advance notice of the time that gas service will be discontinued, or allocation will be increased or decreased. As soon as Company's supply and peak load conditions permit, Company will advise Customer promptly as to when service will be reestablished, or a change in allocation will be made.

Any volume of natural gas taken by Customer under this rate schedule in excess of the daily quantity limited by curtailment or interruption, or allocated by Company's authorized representative shall constitute unauthorized overrun volume.

When the unauthorized overrun volume on any day exceeds the quantity limited by curtailment, or interruption, or allocated to Customer, the Customer shall pay for such unauthorized overrun volume at a rate of five dollars (\$5.00) per Ccf in addition to the charges otherwise payable by Customer under this rate schedule. However, the Company shall have the right, without obligation, to waive any payment for unauthorized overrun volume if on the day the overrun was incurred deliveries to Company from its supplier did not exceed Company's then established daily maximum demand volume.

DISTRIBUTION RATE PER MONTH

Customer charge per month	\$75.23	(I)
Per 100 cu. ft. (Ccf) for all gas billed	\$0.07180 per Ccf	(I)

GAS SUPPLY SERVICE

Any customer receiving service under this classification who has not contracted with a Natural Gas Supplier (NGS) to receive their natural gas commodity will receive Gas Supply Service as per Rider A of this Tariff.

OTHER RATE PROVISIONS

This schedule is subject to adjustment application of a State Tax Surcharge, Rider "B".

(I) Indicates Increase (C) Indicates Change

Issued: April 30, 2020

Effective: May 1, 2020

By: Edward E. Rogers, President & Chief Executive Officer (C)
 523 S. Keystone Ave.
 Sayre, PA 18840-0340
 (570) 888-9664

RATE "IS" - INDUSTRIAL INTERRUPTIBLE SERVICE (Continued)

AUTOMATIC METER READING EQUIPMENT

In order to utilize this service, automatic meter reading equipment is required. Customer shall pay for all costs incurred by the Company to install automatic meter reading equipment as required by the Company and provide access for such equipment. The cost of installing automatic meter reading equipment plus all costs associated with dedicated telephone lines, ethernet connections and/or wireless communication devices and associated plans, and telemetering equipment shall be at the expense of the Customer. The equipment and labor cost may be paid by Customer over a two (2) year or some lesser period by means of a monthly surcharge designed to recover the cost of the equipment plus interest equal to the Company's overall rate of return as authorized from time to time by the Pennsylvania Public Utility Commission. All maintenance performed by the Company at the request of the Customer on automatic meter reading equipment will be paid by the Customer. Such charges shall also include battery costs, when a battery must be replaced and wireless communication subscription plans. The meter and associated telemetering equipment shall be the property of the Company.

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MONTHLY MINIMUM CHARGE

The monthly minimum charge under this rate shall be \$75.23. (I)

The monthly minimum charge for any month that the Company requires that service be interrupted shall be prorated in proportion to the number of days in which service was interrupted, as related to thirty (30) days.

(C) Indicates Change (I) Indicates Increase

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By: Edward E. Rogers, President & Chief Executive Officer (C)
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(570) 888-9664

RATE "SI" – SMALL INDUSTRIAL

AVAILABILITY

Available to any Industrial customer using less than 1,000 Mcf per day.

CHARACTER OF SERVICE

Continuous natural gas of 1,000 or more Btu per cubic foot. Normal pressure not more than 9" nor less than 4" water column.

MONTHLY DISTRIBUTION RATE

Customer charge per month	\$75.23	(I)
All gas purchased per month	\$0.15440 per Ccf	(I)

GAS SUPPLY SERVICE

Any customer receiving service under this classification who has not contracted with a Natural Gas Supplier (NGS) to receive their natural gas commodity will receive Gas Supply Service as per Rider A of this Tariff.

OTHER RATE PROVISIONS

This Schedule is subject to adjustment application of State Tax Surcharge, Rider "B".

MONTHLY MINIMUM CHARGE

The net minimum monthly charge is \$75.23. (I)

If service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same premises within twelve months unless it shall receive an amount equal to the minimum charge for each month of the intervening period.

The minimum charge provision in this rate will be waived only in the event the premises have been completely vacated, and only so long as the same are unoccupied and not used.

(I) Indicates Increase (C) Indicates Change

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523 S. Keystone Ave.
Sayre, PA 18840-0340
(570) 888-9664

RATE "R" - RESIDENTIAL RATE

AVAILABILITY

Available to any residential customer using gas for any purpose.

CHARACTER OF SERVICE

Continuous natural gas 1,000 or more Btu per cubic foot. Normal pressure not more than 9" nor less than 4" water column.

MONTHLY DISTRIBUTION RATE

Customer charge per month	\$11.79	(I)
All gas purchased per month	\$0.28723 per Ccf	(I)

GAS SUPPLY SERVICE

Any Customer receiving service under this classification who has not contracted with a Natural Gas Supplier (NGS) to receive their natural gas commodity will receive Gas Supply Service as per Rider A of this Tariff. The total gas cost rate is \$0.30572 per Ccf. (D)

OTHER RATE PROVISIONS

This schedule is subject to adjustment application of State Tax Surcharge, Rider "B".

MONTHLY MINIMUM CHARGE

The net minimum monthly charge is \$11.79. (I)

If service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same premises within twelve months unless it shall receive an amount equal to the minimum charge for each month of the intervening period.

The minimum charge provision in this rate will be waived only in the event the premises have been completely vacated, and only so long as the same are unoccupied and not used.

NET PAYMENT PERIOD

Customer's bills will be computed at the net rates shown above, and this amount will be due twenty-one (21) days from the date of the bill and after twenty-six (26) days, 1-1/4% will be added per month to a maximum of 15% per annum.

(I) Indicates Increase (D) Indicates Decrease (C) Indicates Change

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 523 S. Keystone Ave.
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 (570) 888-9664

RATE SCHEDULE "ST" – SMALL TRANSPORTATION SERVICE

AVAILABILITY

This service is available to any customer(s) eligible for service under the schedule of Rates of Gas-Pa. P.U.C. No. 2, Rate Schedule R, Rate Schedule C or Rate Schedule SI (below 5,000 Mcf annual volumes). Customers on Rate Schedule SI may be required to switch from Rate Schedule ST to Rate Schedule T if their usage patterns change and the Company determines, in its reasonable judgment, that the revised usage characteristics will cause the Customer to exceed 5,000 Mcf in annual volumes.

CHARACTER AND CONDITIONS OF SERVICE

1. Service under this rate schedule shall consist of delivery to Customer of a daily quantity of gas received by the Company from a Natural Gas Supplier (NGS).

2. The Company shall not be required to commence service under this schedule until notice is received from the Customer's NGS as outlined in the Company's Supplier Tariff, Enrollment of Customers under Rate Schedules "R", "C", and "SI".

3. The location of entry points necessary for the introduction of customer-owned gas into the Company's facilities shall be determined by the Company.

4. Any customer classified as a Category 1 (residential and firm critical commercial essential human needs) customer under Title 52, Section 69.21(a)(1) of the Pennsylvania Code or group of customers containing such a customer(s) shall be required to purchase standby service unless the customer(s) can demonstrate that adequate installed alternate fuel capability is available at the facility for which transportation service is requested. (C)

5. No special communications or meter device is required.

6. The daily transportation quantity requested to be delivered into the Company's facilities shall include an allowance for fuel used and unaccounted for volumes of 2.5%.

7. Natural Gas Suppliers (NGSs) serving customers under this rate schedule are subject to the terms and conditions of the Company's Supplier Tariff, including the Small Customer Balancing requirements.

RATE FOR SERVICE

Any customer(s) desiring transportation service under this schedule shall be obliged to receive and pay for such service at the Distribution Rate specified in Rate R, C or SI, as applicable. In addition, all other terms and conditions of the applicable rate schedules shall apply.

(C) Indicates Change

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Sayre, PA 18840-0340
(570) 888-9664

(C)

RATE SCHEDULE "T" - TRANSPORTATION SERVICE (Continued)

RATE FOR SERVICE (Continued)

5. Overrun Penalties - Any unauthorized withdrawals from the Company's facilities in excess of a customer's contract for Standby Service or any unauthorized withdrawals from the Company's facilities, for a customer not selecting Standby Service, in excess of that customer's delivery for that day shall be considered overrun gas subject to a penalty of the market value of gas (if consumed but not delivered by an NGS) plus \$3.00 per Ccf multiplied by any excess quantity withdrawn; provided, however, no penalty charge shall be imposed if the Company has an adequate supply of gas available.

6. Transportation Storage Service - The Company shall notify all customers receiving service under Rate Schedule "T" of any available storage capacity prior to April 30 of each year. Available capacity shall be allocated on a pro-rata basis according to requests received. The customer(s) electing this service shall be required to have a balance of zero (0) by March 31 of the succeeding year at which time the Company will determine available capacity for the next twelve months and notify customers pursuant to the notification provisions above.

Delivery of natural gas withdrawn from storage shall be on an interruptible basis.

The charge for this service shall be in addition to other transportation fees and shall be the Company's monthly cost for storage service and the related transportation to the Company's facilities. The current cost for storage service is as follows:

- a. A demand charge of \$98 per Mcf of annual storage capacity.
- b. A fee for interruptible delivery of \$0.01393 per Ccf transported.

Any customer(s) purchasing natural gas pursuant to an applicable retail rate schedule (including the current Gas Cost Rate) who has selected the interruptible Transportation Storage Service option shall receive a credit for retail purchases equivalent to that portion of gas costs related to storage fees. The present storage cost component of the currently effective Gas Cost Rate is \$0.30572 per Ccf purchased. (D)

7. Automatic Meter Reading Equipment - In order to utilize this service, automatic meter reading equipment is required. Customer shall pay for all costs incurred by the Company to install automatic meter reading equipment as required by the Company and provide access for such equipment. The cost of installing automatic meter reading equipment plus all costs associated with dedicated telephone lines, ethernet connections and/or wireless communication devices and associated plans, and telemetering equipment shall be at the expense of the Customer. The equipment and labor cost shall be paid by the customer prior to commencement of service. A dedicated telephone line must be provided by the customer, and the customer shall be responsible for maintaining the line. All maintenance performed by the Company at the request of the customer on automatic meter reading equipment will be paid by the Customer. Such charges shall also include battery costs, when a battery must be replaced and wireless communication subscription plans. The meter and associated telemetering equipment shall be the property of the Company. (C)
(C)
(C)

(D) Indicates Decrease (C) Indicates Change

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(C)

RATE SCHEDULE "T" - TRANSPORTATION SERVICE (Continued)

QUALITY (Continued)

If the gas fails to meet the foregoing standards, either party may suspend the delivery or receipt thereof immediately, but shall provide notice to the other party of such suspension as soon as practicable.

LIMITATIONS ON THE AVAILABILITY OF TRANSPORTATION SERVICE

Customers who are defined as "Essential Human Needs Use" under the definition in Rule 2 of the General Rules and Regulations of this Tariff are not eligible for Firm Transportation Service unless such Customers agree to contract and pay for Standby Service in a quantity sufficient to meet their daily demand.

LIMITATION OF LIABILITY

The Company may curtail or interrupt gas service whenever the integrity of the Company's system or supply is threatened by conditions on its system. Such action shall not constitute default nor shall the Company be held liable in any respect. The Company makes no guarantee against and assumes no liability for interruption caused by any third party.

POSSESSION OF GAS

The Company shall be deemed to be in control and possession of the natural gas transported pursuant to this schedule upon receipt of such gas at the interconnection with Company's facilities as specified in the executed agreement for service and until delivery to Customer(s) facilities. The Customer(s) shall be deemed to be in control of such gas prior to the Company's receipt and after delivery to the Customer's(s) facilities. During periods of gas supply shortages when service is threatened to Customers classified as Category 1, Customer must agree to sell its supply of gas within the Company's distribution system to the Company at a rate equal to the higher of the Company's weighted average cost of gas or the Customer's total acquisition cost of gas (including pipeline transportation charges). In the event of a supply shortage which causes the Company to purchase Customer(s) gas the customer shall make available a copy of its contract for natural gas supply upon request or, in lieu thereof, the Customer shall supply a sworn affidavit specifying Customers total acquisition cost of natural gas. (C)

WARRANTY OF TITLE

The Customer(s) served under this schedule warrants that upon delivery of gas to Company for transportation the Customer will have good title to all gas delivered free of any lien or claim. The Company shall be deemed harmless from all suits and costs associated with any adverse claims of any party.

(C) Indicates Change

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(C)

RIDER "A" - GAS COST RATE**PROVISION FOR GAS COST RATE**

The gas cost rate shall be applied to each Mcf (1,000 cubic feet) of gas supplied under Rate Schedules R, RC, C, SI, IS, I of this Tariff.

Gas Cost Rate	\$3.0572 per Mcf	(D)
	\$0.30572 per Ccf	(D)

COMPUTATION AND APPLICATION OF GAS COST RATE

The gas cost rate shall be computed to the nearest one hundredth of a cent (\$0.0001) per Mcf in accordance with the formula set forth below:

$$\text{GCR} = \frac{\text{C} - \text{E}}{\text{S}}$$

Each gas cost rate so computed shall be applied to customers' bills for twelve (12) monthly billing period commencing with November; provided, however, that such rate may be revised on an interim basis subject to approval of the Pennsylvania Utility Commission upon determination that the effective rate will result in material over or under collections if not revised. Such interim revised rate shall become effective ten (10) days from the date of filing unless otherwise denied or modified by the Commission.

DEFINITIONS

"GCR" -- gas cost rate determined to the nearest one-hundredth of a cent (\$0.0001) to be applied to each Mcf of gas supplied under Rate Schedules R, RC, C, SI, IS, I of this Tariff.

"C" -- the current cost of gas, determined as follows: (a) for all types of purchased gas, project the gas costs as defined by 66 Pa.C.S. §1307(h), including, but not limited to, any fees or costs incurred for gas acquisition and management, including credit costs, and any costs for risk management (e.g., calls, straddles, options, collars, etc.), for the computation year (adjusted for net current gas stored); plus (b) the arithmetical sum of (1) the projected book value of noncurrent gas at the beginning of the computation year, minus (2) the projected book value of noncurrent gas at the end of the computation year, adjusted (3) for any forecasted credits, including Standby Credits, profit margins and costs of Off-system Sales, and gas costs related to Alternate Fuel Delivery customers.

"E" -- experienced net over collection (or under collection) of the cost of purchased gas for twelve (12) month period ending with the August billing period, including interest.

"S" – projected Mcf of gas to be billed to customers during the computation year. (C)

Interest shall be computed monthly at the prime rate for commercial borrowing from the month the over or under collection occurs to the effective month such over collection is refunded or such under collection is recouped.

(D) Indicates Increase (C) Indicates Change

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RIDER "B" - STATE TAX SURCHARGE

In addition to the charges provided in this tariff, a surcharge of 0.2694% will apply to all bills for sales service rendered on or after May 1, 2020.

(C)(I)
(C)

The above surcharge will be recomputed, using the elements prescribed by the Commission:

1. Whenever any of the tax rates used in calculation of the surcharge are changed.
2. Whenever the utility makes effective increased or decreased rates.
3. And on March 31, 1992, and each year thereafter.

The above recalculation will be submitted to the Commission within ten days after the occurrence of the event or date which occasions such recomputation. If the recomputed surcharge is less than the one in effect the utility will, and if the recomputed surcharge is more than the one then in effect the utility may submit with such recomputation a tariff or supplement to reflect.

(C) Indicates Change (I) Indicates Increase

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By: Edward E. Rogers, President & Chief Executive Officer
523 S. Keystone Ave.
Sayre, PA 18840-0340
(570) 888-9664

B

Valley Energy Company (PA)
Rate Case with Fully Projected Future Test Year 2020 (Order)

Net Operating Income And Rates of Return
Years Ended 12/31/2018, 12/31/2019 and 12/31/2020
Answer to 52 Pa. Code 53.52 c[1]

Line	Description	Historic Year December 31, 2018		Future Test Year	PRESENT RATES	PROPOSED RATES
		Per Books	Distribution Only	December 31, 2019	Fully Projected Future Test Year December 31, 2020	Fully Projected Future Test Year December 31, 2020
1	<u>REVENUE</u>					
2	Residential	\$4,634,028	\$2,312,839	\$2,223,177	\$2,244,657	2,517,388
3	Commercial and industrial	2,371,653	849,525	716,103	717,758	805,022
4	Transportation	2,602,478	2,121,242	2,060,232	2,074,472	2,183,514
5	Operating revenue	9,608,159	5,283,606	4,999,512	5,036,887	5,505,924
6	Other revenue, net	22,483	22,483	22,483	22,483	22,483
7	Total Revenue	9,630,642	5,306,089	5,021,995	5,059,370	5,528,407
8	<i>ccf</i>	28,757,694		26,508,654		26,569,046
9	<u>EXPENSES</u>					
10	Purchased gas	3,349,457				
11	Distribution	1,349,824	1,349,824	1,444,764	1,517,354	1,517,354
12	Customer accounting & collection expenses	640,292	640,292	723,546	632,941	635,849
13	Uncollectible costs to recover in GCR				(14,056)	(14,056)
14	Administrative & general expenses	811,119	811,119	885,303	855,906	855,906
15	Total Operating expenses	6,150,692	2,801,234	3,053,613	2,992,145	2,995,053
16						
17	Depreciation expense	832,784	832,784	902,784	970,394	970,394
18	Taxes other than income	32,930	32,930	34,296	34,296	34,296
19	Rate case expense amortization				90,333	90,333
20	Total Expenses	7,016,406	3,666,949	3,990,694	4,087,168	4,090,076
21						
22	Net operating income before income taxes	2,614,236	1,639,141	1,031,302	972,202	1,438,331
23						
24	Income tax expense	560,313	240,680	98,656	56,608	191,302
25						
26	NET UTILITY OPERATING INCOME (LOSS)	\$2,053,923	\$1,398,461	\$932,646	\$915,594	\$1,247,028
27						
28	RATE BASE (B)	\$15,134,429	\$15,134,429	\$15,134,429	\$17,159,915	\$17,159,915
29	RATE OF RETURN ON RATE BASE (A / B)	13.57%	9.24%	6.16%	5.34%	7.27%
30						

-1 (Ord

Valley Energy Company (PA)
Rate Case with Fully Projected Future Test Year 2020 (Order)

Billing Units, Rates And Revenue At PRESENT Rates
Fully Projected Future Test Year December 31, 2020

Line	Description	Rate R- Residential	Rate C- Commercial	Rate I- Large Industrial Firm	Rate IS- Interruptible Service	Rate SI- Small Industrial	Transport. Firm	Transport. Firm- Contract	Transport. Firm- DDQ	Transport. Interruptible	Total
1		BILLING UNITS									
2	ccf Sales	5,675,968	2,452,210	0	540,070	72,313	2,477,467	8,877,735	860,473	5,612,809	26,569,046
3											
4	Number of Bills	75,240	9,684	0	36	48	132	36	634	60	85,870
5	Average Monthly Bills	6,270	807	0	3	4	11	3	53	5	7,156
6											
7		RATES AND CHARGES									
8		Tariff Rates									
9	Customer Charge	\$10.50	\$18.00	\$0.00	\$67.00	\$67.00	\$67.00	\$0.00	\$18.00	\$67.00	
10											
11	Commodity Block 1	\$0.256280	\$0.201160	\$0.104664	\$0.064020	\$0.137680	\$0.137680	\$0.04700	\$0.201160	\$0.064020	
12	Commodity Block 2			\$0.064289				\$0.04700			
13	Commodity Block 3			\$0.042116				9.31% Dec %			
14	Commodity Block 4										
15											
16	Demand Block 1			\$1.149023							
17	Demand Block 2			\$0.596273							
18	Fixed Monthly #1							25,000			
19	Fixed Monthly #2 Jan-Sep							38,000	38,860	3.303%	
20	Fixed Monthly #2 Oct-Dec							39,140			
21		COMPUTATION OF REVENUE									
22	Fixed Charge Revenue	790,020	174,312	0	2,412	3,216	8,844	759,420	11,412	4,020	1,753,656
23	Volumetric Revenue	1,454,637	493,287		34,575	9,956	341,098	417,254	173,093	359,332	3,283,231
24	Total Distribution Revenue	\$2,244,657	\$667,599	\$0	\$36,987	\$13,172	\$349,942	\$1,176,674	\$184,505	\$363,352	\$5,036,887
25											
26		BILLING UNITS- DETAIL									
27	ccf Sales	5,675,968	2,452,210		540,070	72,313	2,477,467	8,877,735	860,473	5,612,809	26,569,046
28	Customers	6,270	807		3	4	11	3	53	5	7,156
29							21.82% Firm / (Firm+Contract)				

Valley Energy Company (PA)
Rate Case with Fully Projected Future Test Year 2020 (Order)

Billing Units, Rates And Revenue At PROPOSED Rates
Fully Projected Future Test Year December 31, 2020

Line	Description	Rate R- Residential	Rate C- Commercial	Rate I- Large Industrial Firm	Rate IS- Interruptible Service	Rate SI- Small Industrial	Transport. Firm	Transport. Firm- Contract	Transport. Firm- DDQ	Transport. Interruptible	Total
BILLING UNITS											
1											
2	ccf Sales	5,675,968	2,452,210	0	540,070	72,313	2,477,467	8,877,735	860,473	5,612,809	26,569,046
3											
4	Number of Bills	75,240	9,684	0	36	48	132	36	634	60	85,870
5	Average Monthly Bills	6,270	807	0	3	4	11	3	53	5	7,156
6											
RATES AND CHARGES											
Tariff Rates											
9	Customer Charge Input rates	\$11.79	\$20.21	\$0.00	\$75.23	\$75.23	\$75.23	\$0.00	\$20.21	\$75.23	
10											
11	Commodity Block 1	\$0.28723	\$0.22553	\$0.11738	\$0.07180	\$0.15440	\$0.15440	\$0.04700	\$0.22553	\$0.07180	
12	Commodity Block 2			\$0.07210				\$0.04700			
13	Commodity Block 3			\$0.04723				9.31% Dec %			
14	Commodity Block 4										
15											
16	Demand Block 1			\$1.28865				Block 1= Jan-Nov rate			
17	Demand Block 2			\$0.66873				Block 2= Dec rate			
18	Fixed Monthly #1							\$0.05182			
19	Fixed Monthly #2 Jan-Sep							25,000			
20	Fixed Monthly #2 Oct-Dec							38,000			
								39,140			
COMPUTATION OF REVENUE											
22	Fixed Charge Revenue	887,080	195,714	0	2,708	3,611	9,930	759,420	12,813	4,514	1,875,790
23	Volumetric Revenue	1,630,308	553,047		38,777	11,165	382,521	417,254	194,063	403,000	3,630,134
24	Total Distribution Revenue	\$2,517,388	\$748,761	\$0	\$41,485	\$14,776	\$392,451	\$1,176,674	\$206,876	\$407,513	\$5,505,924
25	Target	2,517,414	748,721		41,482	14,773	392,464	1,176,674	206,925	407,504	5,505,956
BILLING UNITS- DETAIL											
27	Block 1 ccf Sales	5,675,968	2,452,210	0	540,070	72,313	2,477,467	8,877,735	860,473	5,612,809	26,569,046
28											
29	Proposed Customer charges	\$12.79	\$21.93	\$0.00	\$81.64	\$81.64	\$81.64	\$0.00	\$21.93	\$81.64	
30	Current Customer charges	\$10.50	\$18.00	\$0.00	\$67.00	\$67.00	\$67.00	\$0.00	\$18.00	\$67.00	
31	Proposed increase in Cust Charge	\$2.29	\$3.93	\$0.00	\$14.64	\$14.64	\$14.64	\$0.00	\$3.93	\$14.64	
32											
33	Proposed increase	21.618%									
34	Increase per Order	12.151%									
35	Order / Proposed	56.210%	56.210%	56.210%	56.210%	56.210%	56.210%	56.210%	56.210%	56.210%	
36	Apply to Cust Charge increase	\$1.29	\$2.21	\$0.00	\$8.23	\$8.23	\$8.23	\$0.00	\$2.21	\$8.23	
37	Cust Charge per Order	\$11.79	\$20.21	\$0.00	\$75.23	\$75.23	\$75.23	\$0.00	\$20.21	\$75.23	

**Summary Of Present And Proposed Tariff Rates
Historic Year December 31, 2018 and Fully Projected Future Test Year December 31, 2020**

Line	Present Rates (excluding GCR)	GCR Current	Present Rates (including GCR)	Proposed Rates (excluding GCR)	GCR Current	Proposed Rates (including GCR)	Proposed Increase (excluding GCR)	Proposed Increase (including GCR)
Rate R- Residential								
1								
2	Customer Charge per Bill	\$10.50	\$10.50	\$11.79		\$11.79	12.29%	12.29%
3								
4	<u>Commodity charge per ccf</u>							
5	All usage	\$0.256280	\$0.296500	\$0.55278	\$0.287230	\$0.305720	\$0.59295	12.08% 7.27%
6	Rate C- Commercial							
7	Customer Charge per Bill	\$18.00	\$18.00	\$20.21		\$20.21	12.28%	12.28%
8								
9	<u>Commodity charge per ccf</u>							
10	All usage	\$0.201160	\$0.296500	\$0.49766	\$0.225530	\$0.305720	\$0.53125	12.11% 6.75%
11	Rate I- Large Industrial Firm							
12	Customer Charge per Bill	\$0.00	\$0.00	\$0.00		\$0.00		
13								
14	<u>Commodity charge per ccf</u>							
15	Block 1	\$0.104664	\$0.296500	\$0.40116	\$0.117380	\$0.305720	\$0.42310	12.15% 5.47%
16	Block 2	\$0.064289	\$0.296500	\$0.36079	\$0.072100	\$0.305720	\$0.37782	12.15% 4.72%
17	Block 3	\$0.042116	\$0.296500	\$0.33862	\$0.047230	\$0.305720	\$0.35295	12.14% 4.23%
18								
19	<u>Demand charge per mcf</u>							
20	Block 1	\$1.149023		\$1.14902	\$1.288650		\$1.28865	12.15% 12.15%
21	Block 2	\$0.596273		\$0.59627	\$0.668730		\$0.66873	12.15% 12.15%
22	Rate IS- Interruptible Service							
23	Customer Charge per Bill	\$67.00	\$67.00	\$75.23		\$75.23	12.28%	12.28%
24								
25	<u>Transport charge per ccf</u>							
26	All usage	\$0.064020	\$0.06402	\$0.071800		\$0.07180	12.15%	12.15%
27	Rate SI- Small Industrial							
28	Customer Charge per Bill	\$67.00	\$67.00	\$75.23		\$75.23	12.28%	12.28%
29								
30	<u>Demand charge per mcf</u>							
31	All usage	\$0.137680	\$0.296500	\$0.43418	\$0.154400	\$0.305720	\$0.46012	12.14% 5.97%
32	Transport. Firm							
33	Customer Charge per Bill	\$67.00	\$67.00	\$75.23		\$75.23	12.28%	
34								
35	<u>Transport charge per ccf</u>							
36	All usage	\$0.137680	\$0.137680	\$0.154400		\$0.154400	12.14%	12.14%
37	Transport. Firm- DDQ							
38	Customer Charge per Bill	\$18.00	\$18.00	\$20.21		\$20.21	12.28%	12.28%
39								
40	<u>Transport charge per ccf</u>							
41	All usage	\$0.201160	\$0.201160	\$0.225530		\$0.225530	12.11%	12.11%
42	Transport. Interruptible							
43	Customer Charge per Bill	\$67.00	\$67.00	\$75.23		\$75.23	12.28%	
44								
45	<u>Transport charge per ccf</u>							
46	All usage	\$0.064020	\$0.064020	\$0.071800		\$0.071800	12.15%	12.15%

-1 (Ord

**Valley Energy Company (PA)
Rate Case with Fully Projected Future Test Year 2020 (Order)**

**Bill Comparisons (including GCR)
Fully Projected Future Test Year December 31, 2020
Rate R- Residential**

Line	Average	Sales (ccf)	Present Rates		Proposed Rates		Increase	
			Monthly Bill	Cost per ccf	Monthly Bill	Cost per ccf	\$ per Monthly	%
1		Minimum	\$10.50		\$11.79		\$1.29	12.29%
2		10	16.03	\$1.60278	17.72	\$1.77195	1.69	10.55%
3		20	21.56	1.07778	23.65	1.18245	2.09	9.71%
4	All Residential, Apr-Sep	36	30.40	0.84445	33.14	0.92045	2.74	9.00%
5		50	38.14	0.76278	41.44	0.82875	3.30	8.65%
6	All Residential, Annual	71	49.75	0.70067	53.89	0.75901	4.14	8.33%
7	All Residential, Oct-Mar	106	69.09	0.65184	74.64	0.70418	5.55	8.03%
8		150	93.42	0.62278	100.73	0.67155	7.32	7.83%
9		200	121.06	0.60528	130.38	0.65190	9.32	7.70%
10		250	148.70	0.59478	160.03	0.64011	11.33	7.62%

Rate C- Commercial

Line	Average	Sales (ccf)	Present Rates		Proposed Rates		Increase	
			Monthly Bill	Cost per ccf	Monthly Bill	Cost per ccf	\$ per Monthly	%
16		Minimum	\$18.00		\$20.21		\$2.21	12.28%
17		25	30.44	\$1.21766	33.49	\$1.33965	3.05	10.02%
18		50	42.88	0.85766	46.77	0.93545	3.89	9.07%
19		100	67.77	0.67766	73.34	0.73335	5.57	8.22%
20		200	117.53	0.58766	126.46	0.63230	8.93	7.60%
21	All Commercial, Annual	247	140.92	0.57053	151.43	0.61307	10.51	7.46%
22		300	167.30	0.55766	179.59	0.59862	12.29	7.34%
23		400	217.06	0.54266	232.71	0.58178	15.65	7.21%
24		500	266.83	0.53366	285.84	0.57167	19.01	7.12%
25		750	391.25	0.52166	418.65	0.55820	27.40	7.00%
26		1,000	515.66	0.51566	551.46	0.55146	35.80	6.94%

-1 (Ord

Valley Energy Company (PA)
Rate Case with Fully Projected Future Test Year 2020 (Order)

Bill Comparisons (including GCR)
Fully Projected Future Test Year December 31, 2020
Rate SI- Small Industrial

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Average	Sales (ccf)	Present Rates		Proposed Rates		Increase	
		Monthly Bill	Cost per ccf	Monthly Bill	Cost per ccf	\$ per Monthly	%
	Minimum	\$67.00		\$75.23		\$8.23	12.28%
	2,000	935.36	\$0.46768	995.47	\$0.49774	60.11	6.43%
	4,000	1,803.72	0.45093	1,915.71	0.47893	111.99	6.21%
	6,000	2,672.08	0.44535	2,835.95	0.47266	163.87	6.13%
	8,000	3,540.44	0.44256	3,756.19	0.46952	215.75	6.09%
	10,000	4,408.80	0.44088	4,676.43	0.46764	267.63	6.07%
	12,000	5,277.16	0.43976	5,596.67	0.46639	319.51	6.05%
	14,000	6,145.52	0.43897	6,516.91	0.46549	371.39	6.04%
	16,000	7,013.88	0.43837	7,437.15	0.46482	423.27	6.03%
	18,000	7,882.24	0.43790	8,357.39	0.46430	475.15	6.03%
	20,000	8,750.60	0.43753	9,277.63	0.46388	527.03	6.02%

C

VALLEY ENERGY, INC.

**Computation of State Tax Adjustment Surcredit
for the Period May 1, 2020 through December 31, 2020**

	<u>Amount</u>	<u>Attachment Number</u>
1 Capital Stock Tax	\$ -	A
2 Corporate Net Income Tax	\$ -	
3 Utility Realty Tax	\$ 21,130	B
4 Gross Receipts Tax	<u>\$ -</u>	
5 Total of Lines 1, 2, 3, and 4	\$ 21,130	
6 PURTA Surcharge Rate Adjustment	\$ -	C
7 STAS reconciliation for period January 1, 2018 through December 31, 2018	<u>\$ (12,520)</u>	D
8 Total of Lines 5, 6 and 7	\$ 8,610	
9 Gross Intrastate Operating Revenues derived from service under rates subject to the jurisdiction of the Pa. Public Utility Commission for the period January 1, 2017 through December 31, 2017 (Page 10)	\$ 3,195,447	E
10 Surcharge rate to be applied for the period May 1, 2019 through December 31, 2019 (Line 8 divided by Line 9)	<u><u>0.2694%</u></u>	

Calculation of Surcredit Rate 1/1/20 - 12/31/20

****Corporate Stock Tax Phased out 2016****

Capital Stock Tax @ .00 mills effective 1/1/19

1	Tax Base -- year 2016 (see attached page 2 of 2016 PA Corporate Tax Report)	\$	-
2	Jurisdictional Apportionment Proportion	<u>0.853219</u>	
3	Tax Base Valley Energy - PA (Line 1 X Line 2)	\$	-
4	Tax Millage in basic rates (2011)	0.002890	
5	Tax Millage effective 1/1/18	<u>0.000000</u>	
6	Effective Rate Increase (Decrease) (Line 4 minus Line 5)	<u>(0.002890)</u>	
7	Total Capital Stock/Franchise Tax Increase (Decrease) (Line 3 X Line 6)	<u><u>\$</u></u>	<u>-</u>

VALLEY ENERGY, INC.

ATTACHMENT B

Public Utility Realty Tax Assessment (PURTA)

Calculation of Surcredit Rate 5/1/20 - 12/31/20

1	8/5/2019 Notice of Determination Adjustments: State Tax Property Value at December 31, 2018	\$ 980,840	
2	Pa. Public Utility Realty Tax (Based on applied rate of 30.1894 mills x Line 1)		\$ 29,611
3	8/01/18 Notice of Determination Adjustments: State Tax Property Value at December 31, 2017	\$ 923,076	
4	Pa. Public Utility Realty Tax (Based on applied rate of 30.4009 mills x Line 1)		<u>\$ 28,062</u>
5	2020 PURTA Adjustment (Line 2 minus Line 4)		<u><u>\$ 1,549</u></u>

continued on page 3A

VALLEY ENERGY, INC.

ATTACHMENT B

Public Utility Realty Tax Assessment (PURTA)

Calculation of Surcredit Rate 5/1/20 - 12/31/20

1	Continued from page 3 (Line 5)		\$	1,549
	8/5/2019 Notice of Determination Adjustments:			
2	<u>1998 PURTA</u>			
	Liability Adjustment	\$	137	\$ 137
3	<u>1999 PURTA</u>			
	Liability Adjustment	\$	(10)	\$ (10)
4	<u>2000 PURTA</u>			
	Liability Adjustment	\$	(12)	\$ (12)
5	<u>2001 PURTA</u>			
	Liability Adjustment	\$	(15)	\$ (15)
6	<u>2002 PURTA</u>			
	Liability Adjustment	\$	(17)	\$ (17)
7	<u>2003 PURTA</u>			
	Liability Adjustment	\$	(10)	\$ (10)
8	<u>2004 PURTA</u>			
	Liability Adjustment	\$	(13)	\$ (13)
9	<u>2005 PURTA</u>			
	Liability Adjustment	\$	(13)	\$ (13)
10	<u>2006 PURTA</u>			
	Liability Adjustment	\$	(12)	\$ (12)
11	<u>2007 PURTA</u>			
	Liability Adjustment	\$	(12)	\$ (12)
12	<u>2008 PURTA</u>			
	Liability Adjustment	\$	(2)	\$ (2)
13	<u>2009 PURTA</u>			
	Liability Adjustment	\$	(9)	\$ (9)
14	<u>2010 PURTA</u>			
	Liability Adjustment	\$	(9)	\$ (9)
15	<u>2011 PURTA</u>			
	Liability Adjustment	\$	3	\$ 3
16	<u>2012 PURTA</u>			
	Liability Adjustment	\$	(5)	\$ (5)
17	<u>2013 PURTA</u>			
	Liability Adjustment	\$	(8)	\$ (8)
18	<u>2014 PURTA</u>			
	Liability Adjustment	\$	(12)	\$ (12)
19	<u>2015 PURTA</u>			
	Liability Adjustment	\$	(11)	\$ (11)
20	Total 2020 PURTA Adjustment (Lines 1 through 19)		\$	1,519
21	Rolled into base rates May 1, 2020	-	\$	10,000
			\$	(8,481)
22	Pa. Public Utility Realty Tax (Based on applied rate of 30.1894 mills x Line 1)	+	\$	29,611
23	Balance		\$	<u>21,130</u>

Calculation of Surcredit Rate 5/1/20 - 12/31/20

Public Utility Realty Tax Assessment Surcharge

Tax Year Ending 2020

Projected taxable revenues for Pa. gross receipts tax for period January 1, 2020 to December 31, 2020 (Page 11)	\$ 3,912,006
PURTA surcharge rate as established by the Department of Revenue and published in the Pennsylvania Bulletin on September 14, 2019	<u>0.0000</u>
2020 PURTA Surcharge	<u><u>\$ -</u></u>

**Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2019**

	<u>Amount</u>	<u>Schedule Number</u>
1 Capital Stock Tax	\$ -	1
2 Corporate Net Income Tax	\$ -	
3 Utility Realty Tax	\$ 1,422	2
4 Gross Receipts Tax	<u>\$ -</u>	
5 Total of Items 1, 2, 3, and 4	\$ 1,422	
6 PURTA Surcharge Rate Adjustment	<u>\$ -</u>	3
7 Total of Lines 5 and 6	\$ 1,422	
8 STAS reconciliation for period Jan. 1, 2018 through December 31, 2018	<u>\$ 35,949</u>	
9 Total of Lines 7 and 8	\$ 37,371	
10 STAS Revenue Collections (Page 9)	<u>\$ 49,891</u>	4
11 Balance to be (refunded) / collected (Line 9 minus Line 10)	<u><u>\$ (12,520)</u></u>	

**Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2017**

Calculation of Surcredit Rate 1/1/19 - 12/31/19

****Corporate Stock Tax Phased out 2016****

Capital Stock Tax @ .00 mills effective 1/1/17

1	Tax Base -- year 2016 (see attached page 2 of 2015 PA Corporate Tax Report)	\$ -
2	Jurisdictional Apportionment Proportion	<u>0.853219</u>
3	Tax Base Valley Energy - PA (Line 1 X Line 2)	\$ -
4	Tax Millage in basic rates (2011)	0.002890
5	Tax Millage effective 1/1/18	<u>0.000000</u>
6	Effective Rate Increase (Decrease) (Line 4 minus Line 5)	<u>(0.002890)</u>
7	Total Capital Stock/Franchise Tax Increase (Decrease) (Line 3 X Line 6)	<u><u>\$ -</u></u>

**Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2018**

Schedule 2

Public Utility Realty Tax Assessment (PURTA)

Calculation of Surcredit Rate 1/1/19 - 12/31/19

1	8/01/18 Notice of Determination Adjustments: State Tax Property Value at December 31, 2017	\$	923,076
2	Pa. Public Utility Realty Tax (Based on applied rate of 30.4009 mills x Line 1)	\$	28,062
3	8/01/17 Notice of Determination Adjustments: State Tax Property Value at December 31, 2016	\$	899,100
4	Pa. Public Utility Realty Tax (Based on applied rate of 30.5763 mills x Line 1)	\$	27,491
5	2019 PURTA Adjustment (Lines 2 minus Line 4)	\$	571

Public Utility Realty Tax Assessment (PURTA)

8/01/18 Notice of Determination Adjustments:

6	<u>1998 PURTA</u> Liability Adjustment	\$	21
7	<u>1999 PURTA</u> Liability Adjustment	\$	(1)
8	<u>2000 PURTA</u> Liability Adjustment	\$	-
9	<u>2001 PURTA</u> Liability Adjustment	\$	2
10	<u>2002 PURTA</u> Liability Adjustment	\$	2
11	<u>2003 PURTA</u> Liability Adjustment	\$	2
12	<u>2004 PURTA</u> Liability Adjustment	\$	2
13	<u>2005 PURTA</u> Liability Adjustment	\$	1
14	<u>2006 PURTA</u> Liability Adjustment	\$	2
15	<u>2007 PURTA</u> Liability Adjustment	\$	1
16	<u>2008 PURTA</u> Liability Adjustment	\$	1
17	<u>2009 PURTA</u> Liability Adjustment	\$	2
18	<u>2010 PURTA</u> Liability Adjustment	\$	-
19	<u>2011 PURTA</u> Liability Adjustment	\$	9
20	<u>2012 PURTA</u> Liability Adjustment	\$	10
21	<u>2013 PURTA</u> Liability Adjustment	\$	(17)
22	<u>2014 PURTA</u> Liability Adjustment	\$	437
23	<u>2015 PURTA</u> Liability Adjustment	\$	377
24	Total 2018 PURTA Adjustment (Lines 5 through 22)	\$	1,422

**Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2019**

Public Utility Realty Tax Assessment Surcharge

Tax Year Ending 2019

Projected taxable revenues for Pa. gross receipts tax
for period January 1, 2019 to December 31, 2019 (Page 12) \$ 3,894,402

PURTA surcharge rate as established by the Department
of Revenue and published in the Pennsylvania Bulletin on September 8, 2018 0.0000

2019 PURTA Surcharge \$ -

VALLEY ENERGY, INC.

For the Period January 1, 2019 through December 31, 2019

ATTACHMENT D

Schedule 4

STAS Revenue Collected / (Refunded) for period January 1, 2019 through December 31, 2019

<u>Month</u>	<u>Gas Revenue Billed</u>	<u>Amount Tax Surcharge</u>
January	\$ 516,522	\$ 6,624
February	\$ 601,544	\$ 7,703
March	\$ 541,263	\$ 6,932
April	\$ 419,541	\$ 5,377
May	\$ 277,262	\$ 3,569
June	\$ 209,185	\$ 2,708
July	\$ 172,383	\$ 2,241
August	\$ 171,922	\$ 2,220
September	\$ 176,097	\$ 2,286
October	\$ 198,154	\$ 2,575
November (estimated)	\$ 296,924	\$ 3,828
December (estimated)	<u>\$ 296,924</u>	<u>\$ 3,828</u>
Total STAS (Refunded) / Collected	<u><u>\$ 3,877,721</u></u>	<u><u>\$ 49,891</u></u>

OPERATING REVENUES

Revenue billed for 12 month audited period ending December 31, 2018

Residential Sales	\$	2,295,406	
Commercial & Industrial Sales	\$	812,507	
Interruptible Sales	\$	36,940	
Transportation Sales	\$	1,803,278	
Customer' Forfeited Discounts	\$	19,054	
			<hr/>
Total Gross Gas Revenue including Tax Surcharge	\$	4,967,185	
Less: Tax Surcharge collected / (refunded)	\$	(31,540)	
Less: Transportation Sales	\$	1,803,278	<hr/>
Total Gas Revenue projected for application period January 1, 2019 through December 31, 2020	\$	3,195,447	<hr/> <hr/>

VALLEY ENERGY, INC.

Projected Revenues from Service Under Rates
for the Application Period January 1, 2020 to December 31, 2020

<u>Month</u>	<u>MCF's</u>	<u>Base Rate Revenue</u>	<u>Forfeited Discounts</u>	<u>Projected Revenues</u>
January	180,973	\$ 469,677	\$ 1,352	\$ 471,029
February	220,630	\$ 568,142	\$ 1,975	\$ 570,117
March	189,430	\$ 494,719	\$ 2,121	\$ 496,840
April	141,466	\$ 390,731	\$ 1,903	\$ 392,634
May	93,113	\$ 255,673	\$ 1,611	\$ 257,284
June	63,013	\$ 184,265	\$ 1,294	\$ 185,559
July	50,997	\$ 152,608	\$ 863	\$ 153,471
August	48,437	\$ 148,451	\$ 579	\$ 149,030
September	55,968	\$ 156,109	\$ 470	\$ 156,579
October	113,201	\$ 206,006	\$ 458	\$ 206,464
November	171,366	\$ 330,452	\$ 524	\$ 330,976
December	258,407	\$ 541,173	\$ 850	\$ 542,023
Totals	<u>1,587,001</u>	<u>\$ 3,898,006</u>	<u>\$ 14,000</u>	<u>\$ 3,912,006</u>

VALLEY ENERGY, INC.Revenues from Service Under Rates
for the Application Period January 1, 2019 to December 31, 2019

<u>Month</u>	<u>2019 MCF's</u>	<u>2019 Base Rate Revenue</u>	<u>2019 Forfeited Discounts</u>	<u>2019 Total Revenues</u>
January	179,048	\$ 516,522	\$ 1,888	\$ 518,410
February	216,275	\$ 601,544	\$ 2,203	\$ 603,747
March	189,334	\$ 541,263	\$ 2,830	\$ 544,093
April	136,647	\$ 419,541	\$ 2,011	\$ 421,552
May	89,981	\$ 277,262	\$ 1,817	\$ 279,079
June	62,323	\$ 209,185	\$ 1,345	\$ 210,530
July	50,435	\$ 172,383	\$ 1,024	\$ 173,407
August	47,449	\$ 171,922	\$ 670	\$ 172,592
September	54,921	\$ 176,097	\$ 489	\$ 176,586
October (estimated)	103,919	\$ 198,154	\$ 492	\$ 198,646
November (estimated)	112,629	\$ 296,924	\$ 956	\$ 297,880
December (estimated)	112,629	\$ 296,924	\$ 956	\$ 297,880
Totals	<u>1,355,590</u>	<u>\$ 3,877,721</u>	<u>\$ 16,681</u>	<u>\$ 3,894,402</u>