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January 27, 2023

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

VIA ELECTRONIC FILING

**RE: Valley Energy, Inc. – Supplement No. 63 to Tariff Gas – Pa. P.U.C. No. 2 (Compliance Filing);
Valley Energy, Inc. – Supplement No. 4 to Tariff Gas – Pa. P.U.C. No. 1S (Compliance Filing);
Docket No. R-2022-3032300**

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission are Valley Energy, Inc.'s ("Valley" or "Company"), Supplement No. 63 to Tariff Gas Pa. P.U.C. No. 2 ("Supplement No. 63") and Supplement No. 4 to Tariff Gas – Pa. P.U.C. No. 1S ("Supplement No. 4"). Valley is filing Supplement No. 63 and Supplement No. 4 in compliance with the Commission's Order entered on December 8, 2022, at Docket No. R-2022-3032300 ("December 8 Order"). Consistent with Ordering Paragraph No. 3, Valley is filing Supplement No. 63 and Supplement No. 4 on at least one day's notice, with issued and effective dates of January 27, 2023, and January 29, 2023, respectively.

Supplement No. 63 also recalculates Valley's STAS to incorporate the Corporate Net Income Tax and Public Utility Realty Tax Assessment roll-in reflected in the distribution rates approved in the December 8 Order. The documents supporting the Company's recalculation are set forth in Tab A, Attachments A, B, C, D, E and F (computation of STAS for period January 29, 2023, through December 31, 2023). The supporting documents at Tab A demonstrate that the Company's STAS rate will increase from a surcredit of -0.1213% to a surcredit of -0.0742%, effective January 29, 2023. See Tab A to Supplement No. 63.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of these documents. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', written over a white background.

Adeolu A. Bakare
MCNEES WALLACE & NURICK LLC

Counsel to Valley Energy, Inc.

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

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

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Adeolu A. Bakare

Counsel to Valley Energy, Inc.

Dated this 27th day of January, 2023, in Harrisburg, Pennsylvania.

**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 December 8, 2022, at
Docket No. R-2022-3032300.

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

Issued: January 27, 2023

Effective: January 29, 2023

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

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Supplement No. 63 implements a distribution rate increase. Specifically, Supplement No. 63:

- Page 11: Revised the definition of “Demand.”
- Page 12: Added the definition of “Main.”
- Page 34: For “Rule 7 – Suspension of Discontinuance of Service,” increased the disconnection and reconnection fees.
- Page 35: For “Rule 8 – Temporary, Short Term, Seasonal or Special Service,” increased the disconnection and reconnection fees.
- Pages 35A-35G: Added “Rule 9 – Gas Quality.”
- Page 36: For “Rate “C” – Commercial Rate,” increased the “Monthly Distribution Rate,” revised the definition of “Monthly Minimum Charge” and added the definition of “Minimum Bill Provisions.”
- Page 38: For “Rate “I” – Large Industrial Service-Firm,” increased the “Distribution Rate Per Service Per Month.”
- Page 39: For “Rate “I” – Large Industrial Service-Firm,” increased the “Monthly Minimum Charge.”
- Page 40: For “Rate “I” – Large Industrial Service-Firm,” revised the “Terms of Payment” section.
- Page 41: For “Rate “I” – Large Industrial Service-Firm,” revised the “Measurement of Gas” section.
- Page 43: For “Rate “IS” – Industrial Interruptible Service,” revised the “Interruptibility of Service” section.
- Page 44: For “Rate “IS” – Industrial Interruptible Service,” increased the “Distribution Rate Per Month” and the “Monthly Minimum Charge.”
- Page 45: For “Rate “IS” – Industrial Interruptible Service,” revised the “Measurement of Gas” and “Terms of Payment” sections.
- Page 48: For “Rate Schedule “AFD” – Alternative Fuel Displacement Rate,” revised the “Terms of Payment” section.
- Page 49: For “Rate “SI” – Small Industrial,” increased the “Monthly Distribution Rate” and Monthly Minimum Charge.”
- Page 50: For “Rate “R” – Residential Rate,” revised the “Availability” section, increased the “Monthly Distribution Rate” and revised the “Monthly Minimum Charge.”
- Page 58: For “Rate Schedule “T” – Transportation Service,” increased the “Overrun Penalties.”
- Page 59: For “Rate Schedule “T” – Transportation Service,” increased the “Unauthorized Use” rate and updated the gas “Quality” section.
- Page 81: For “Rider “B” – State Tax Surcharge,” increased the surcharge to -0.0742%.

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DEFINITIONS (Continued)

COMPANY

VALLEY ENERGY, INC.

CONNECTED LOAD

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

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.

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 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. It is the amount specified in the application or contract, or as shown by test. (C)

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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.

MAIN:

Shall mean a pipeline located on a public or private right-of-way which is generally available or used to transport gas to more than one service line.

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.

(C)
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(C)

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RULE 7—SUSPENSION OR DISCONTINUANCE OF SERVICE

A. DISCONTINUANCE BY CUSTOMER

1. All residential Customers shall give at least seven days notice to Company and to any occupant specifying the date service is to be discontinued. In the absence of such notice, the ratepayer shall be responsible for all services rendered. The ratepayer also shall be responsible for bills, if the residence is either multi-family or other than the ratepayer's residence and the ratepayer has not stated in writing on the appropriate form provided by Company that the premises are unoccupied. If the premises are occupied, and the ratepayer is terminating service, then Company requires written consent from the occupants to the disconnection of service.

2. Discontinuance of service for Non-Residential Customers shall be in accordance with the terms of the contract and/or applicable Rate Schedule.

B. SHUT-DOWN FOR REPAIRS

For the purpose of making necessary repairs upon the mains or other parts of its system, Company may suspend service for such period in such manner as in its judgment be necessary, but Customer shall be given at least three hours advance notice of any such suspension, except in cases of emergency where such notice is impracticable.

C. COMPANY'S RIGHT TO TERMINATE CONTRACT OR SUSPEND SERVICE

Company may disconnect service and remove its meter and other property from the premises of Customer upon any violation by the latter of any of these rules and regulations or of any of the terms and conditions of the contract between Company and Customer and in accordance with the Rules and Regulations of the Pennsylvania Public Utility Commission and Chapter 14 of the Public Utility Code, 66 Pa.C.S. Chapter 14. In the event of such disconnection, service will not be reconnected until the expense of disconnecting and reconnection is paid. The usual charge of making a disconnection and reconnection shall be thirty dollars (\$30.00) if the reconnection is made during normal working hours, otherwise the charge will be forty dollars (\$40.00), and shall be due upon reconnection of service.

(C) (I)

(C) (I)

(C) Indicates Change (I) Indicates Increase

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RULE 8—TEMPORARY, SHORT TERM, SEASONAL OR SPECIAL SERVICE

1. Temporary, short term or special service will be supplied only under the terms of schedules covering such service and when Company has capacity and equipment available for the service desired. Company may, however, at its option, supply service for periods of less than one year under any standard schedule for purposes of tests and as an aid in securing business.

2. Seasonal service for annually recurring periods of less than one year and for which no specific schedule is provided will be supplied under the general service schedule plus a charge covering all costs of connection and disconnection. Unless it is specified to the contrary in the schedule the minimum charge for making a disconnection and reconnection shall be thirty dollars (\$30.00) if the reconnection is during normal working hours, otherwise the charge will be forty dollars (\$40.00).

(C) (I)
(C) (I)

3. Unless it is specified to the contrary in the schedule, the schedules contained in this tariff do not apply to standby and/or breakdown service and no other source of supply of gas shall be introduced or used by Customer in conjunction with Company's service without the written consent of Company.

4. Where gas service is requested by any applicant for standby or supplemental purposes, such as but not limited to gas for electric power generation in the event of failure of the normal electric power supply, and where the business in prospect does not warrant the expenditure required to render service, the Company will determine, from the circumstances of each case, what guarantees of revenue, or what financing shall be required of the Customer.

5. Customer contracting for service for not more than one year and discontinuing the use thereof before the expiration of such contract shall pay for the service already received at the rates provided in the short term schedule applicable thereto. The final bill shall be an amount equal to the sum of the monthly bills based on the short term schedule less the sum of the payments already made by the Customer.

(C) Indicates Change (I) Indicates Increase

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RULE 9—GAS QUALITY

A. INTERSTATE PIPELINE

1. Gas delivered by or on behalf of Customer to Company at point(s) of receipt with an interstate pipeline shall conform to the interstate pipeline's gas quality standards.

B. AT OTHER RECEIPT POINT(S)

1. Gas delivered by or on behalf of Customer to Company at point(s) of receipt other than an interstate pipeline shall be commercially free from oil, water, air, salt, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause to or interference with proper operation of the lines, regulators, meters, and other equipment of Company or its customers.
2. Customer will indemnify and hold Company harmless from any suits, actions, debts, accounts, damages, costs, losses and expenses, including but not limited to, attorneys' fees and expenses, arising from personal injury, death, or damage to Company's equipment or facilities or arising from personal injuries, death, or damage to the facilities, products, or equipment of Company's other customers or third parties, or arising from additional hours worked by Company or its other customers or third parties, caused as a result of Customer's gas failing to meet the quality specifications set forth herein.
3. To assure that the gas delivered by Customer to Company conforms to the quality specifications of this Section, Customer's gas shall be analyzed at the point(s) of receipt from time-to-time as Company deems necessary. The gas delivered shall conform to the following gas quality specifications:

RULE 9—GAS QUALITY (continued)**GAS QUALITY SPECIFICATIONS¹**

CONSTITUENT	UNITS	LOW	HIGH
HIGH HEAT VALUE (HHV) ²	BTU/SCF	967	1110
WOBBE INDEX	BTU/SCF	1267	1400
WATER CONTENT	LBS/MMCF		< 7.0
TEMPERATURE	°F		< 120
CARBON DIOXIDE	VOL%		2.0
OXYGEN	VOL%		0.4
TOTAL INERTS (CO ₂ +O ₂ +N ₂)	VOL%		5.0
HYDROCARBON DEW POINT (CHDP)	°F		15
LIQUIDS AND HYDROCARBONS	NA		NONE
HYDROGEN SULFIDE	PPM		5.0
TOTAL SULFUR	GRAINS/100 SCF		2.0
TOTAL MERCAPTANS	PPM		8.0
ALDEHYDES/KETONES		Aldehydes/Ketones must be at a level that does not unreasonably interfere with odorization of Company's gas	
AMMONIA	PPM		10
HYDROGEN	VOL%		0.1
P-DICHLOROBENZENE	PPM		24
ETHYLBENZENE	PPM		150
VINYL CHLORIDE	PPM		8.3
TOLUENE	PPM		240
N-NITROSO-DIN-PROPYLAMINE	PPM		0.15
METHACROLEIN	PPM		18
TOTAL SILOXANES	MG SI/M3		< 0.5
MERCURY	PPB	Comm Free (< 1.0)	
ARSENIC	PPM		0.2
PCBs/PESTICIDES	PPB	Comm Free (< 1.0)	

1. For purposes of this Tariff, "Commercially Free" is defined as "Not Detectable" relative to typical pipeline gas flowing at the interconnect location that results in RNG, or "Renewable Natural Gas," being compositionally equivalent to flowing supplies. The analytical method, associated detection threshold, and testing facility shall be determined by the Company. Periodic testing will be required where potential Constituents of Concern are reasonably expected.

2. Higher Heating Value is dry, @ 14.73 psia 60° F.

As used in this Rule, RNG means gas, consistently primarily of methane, which: (1) is derived from biogas produced by landfills, animal farms, wastewater treatment plans, or other sources; and (2) is subsequently processed by removing carbon dioxide, nitrogen, and other constituents in order to convert the biogas into pipeline-compatible gaseous fuel.

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RULE 9—GAS QUALITY (continued)

4. The Total Heating Value of the gas shall be determined by taking samples of the gas at the point(s) of receipt at such reasonable times as may be designated by Company. The Btu content per cubic foot shall be determined by an accepted type of calorimeter or other suitable instrument for a cubic foot of gas at a temperature of sixty (60) degrees Fahrenheit when saturated with water vapor and at a pressure of 14.73 psia. The Btu determination designated by Company shall be made by Company at its expense. Any additional Btu determinations requested by Customer shall be at Customer's expense.
5. Company may, on a not-unduly discriminatory basis, accept volumes of gas, including renewable natural gas, that fail to meet the quality specifications set forth in this tariff section, if Company determines that it can do so without adversely affecting (1) system operations; (2) the operation of the Company's equipment; (3) the operation of gas-burning equipment of Company's other customers; or (4) the quality of public utility service provided by Company. In deciding whether to accept such volumes of gas, the Company shall consider, without limitation, (1) which specifications are not being met; (2) the sensitivity of customer equipment and potential impact on such equipment; (3) Customer's plan to improve gas quality; (4) the effect on system supply; (5) interchangeability; (6) the anticipated duration of the quality deviation; and (7) the blending ratio between geological natural gas and RNG in the area of Company's distribution system where RNG is being injected.
6. Company shall not be obligated to accept gas which it reasonably believes may adversely affect the standard of public utility service offered by Company, or gas which it reasonably believes may adversely affect the operation of its equipment or the gas-burning equipment of its customers. If any gas delivered hereunder fails to meet the quality specifications set forth herein, Company may, at any time, elect to refuse to accept all or any portions of such gas until Customer brings the gas into conformity with such specifications.

RULE 9—GAS QUALITY (continued)**C. GAS QUALITY TESTING**

1. Gas delivered to Company must be continuously monitored, at Customer's expense, to ensure it meets the quality specifications set forth in Section B of this Rule. Constituents that are not continuously monitored using currently-available technology must be tested in a laboratory once per year at Company's expense. If the quality of the gas, based on a laboratory test, does not meet the standards in Section B of this Rule, the gas must be tested in a laboratory monthly, at the Customer's expense, until the gas meets the standards in Section B of this Rule for three consecutive months or the Customer otherwise demonstrates to the Company, in the Company's reasonable discretion, that it has remediated the constituent deficiency.
2. Such tests shall include only the test method or methods that tests for the specific standard or standards that were not met, but Company may consider any results provided by such test method(s). Company will provide Customer with at least three (3) business days' notice of the tests described in this Section C, and Customer will be given the opportunity to be present and observe such tests. Company may, at its option, require Customer to install automatic shutoff devices, at Customer's expense, to prevent gas that fails to meet the quality specifications set forth in Section B of this Rule from entering Company's pipeline system.
3. The scope of all gas testing shall follow the parameters below based on the origin of the gas. The parameters for each origin of gas are based on the source of gas and likelihood of a constituent being present in the source gas. The Company has the discretion to test for additional constituents on the list below, notwithstanding the origin of the gas, if the Company reasonably believes those constituents may be present.

RULE 9—GAS QUALITY (continued)**GAS TESTING PARAMETERS¹**

CONSTITUENT	TESTING TYPE ²	ORIGIN OF GAS		
		GEOLOGICAL	DIGESTER	LANDFILL/WWTP
HIGH HEAT VALUE (HHV)	IN-FIELD	X	X	X
WOBBE INDEX	IN-FIELD	X	X	X
WATER CONTENT	IN-FIELD	X	X	X
TEMPERATURE	IN-FIELD	X	X	X
CARBON DIOXIDE	IN-FIELD	X	X	X
OXYGEN	IN-FIELD	X	X	X
TOTAL INERTS (CO ₂ +O ₂ +N ₂)	IN-FIELD	X	X	X
HYDROCARBON DEW POINT (CHDP)	IN-FIELD	X	X	X
LIQUIDS AND HYDROCARBONS	IN-FIELD	X	X	X
HYDROGEN SULFIDE	IN-FIELD	X	X	X
TOTAL SULFUR	LAB	X	X	X
TOTAL MERCAPTANS	LAB	X		X
ALDEHYDES/KETONES	LAB			X
AMMONIA	LAB			X
HYDROGEN	LAB		X	X
P-DICHLOROBENZENE	LAB		X	X
ETHYLBENZENE	LAB		X	X
VINYL CHLORIDE	LAB		X	X
TOLUENE	LAB		X	X
N-NITROSO-DIN-PROPYLAMINE	LAB		X	X
METHACROLEIN	LAB		X	X
TOTAL SILOXANES	LAB			X
MERCURY	LAB			X
ARSENIC	LAB			X
PCBs/PESTICIDES	LAB			X

1. Constituents to be tested for each category of gas are indicated with an “X.”

2. Testing method is defined as “In-Field” or “Lab.” “In-Field” testing requires the Customer’s use of readily available, continuously testing, industry-standard equipment, which has been reviewed and approved by Company. “Lab” testing requires the Customer and the Company to coordinate the sampling of gas and sending it to a laboratory for testing and analysis.

RULE 9—GAS QUALITY (continued)**C. MEASUREMENT**

1. For all gas delivered by Customer to Company, the volumetric measurement base shall be one (1) cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a temperature base of sixty (60) degrees Fahrenheit. The average absolute atmospheric (barometric) pressure shall be fourteen and four tenths (14.4) pounds per square inch. The flowing temperature shall be sixty (60) degrees Fahrenheit and may be adjusted to actual flowing conditions by Company if deemed necessary by Company. All said gas shall be measured by orifice or displacement type meter or any other approved measuring device of equal accuracy. Orifice meters shall be installed and operated, and gas volumes computed in accordance with Report No. 3 of the Gas Measurement Committee of the American Gas Association, including any revisions applying thereto.
2. Customer shall install, or cause to be installed, at no expense to Company, measuring equipment necessary in Company's judgment to accomplish accurate measurement of the gas. Company shall operate and maintain said measuring equipment. The measuring equipment will be installed, operated, and maintained in accordance with the specifications of the Gas Measurement Committee of the Natural Gas Department of the American Gas Association, as amended from time to time, or by any other mutually acceptable method commonly used in the industry. Such measuring equipment shall conform to the specifications provided by Company; shall be calibrated, as Company deems necessary, by Company; shall be inspected by Company; and must be approved by Company prior to any deliveries hereunder.
3. Customer recognizes that it may be necessary for Company's employees, agents, or representatives, to enter the property on which said measuring equipment is located to perform such functions upon said measuring equipment as may be necessary to effectuate the provisions of a Service Agreement, and Customer hereby expressly grants Company permission to perform such functions on said measuring equipment. Customer, to the extent it is within Customer's power to do so, will grant Company such easements as may be necessary for Company's employees to enter the property on which said measuring equipment is located. In the event that easements from other parties are necessary for Company's employees, agents, or representatives to enter the property on which said measuring equipment is located, Customer will acquire such easements, and agrees that the Service Agreement will not become effective until and unless such easements are acquired.

RULE 9—GAS QUALITY (continued)

4. Company will read the meter(s) measuring the consumption at Customer's facility at the conclusion of each billing month. Measurement shall be governed by any applicable provisions of Company's tariff, and any applicable regulations of the Pennsylvania Public Utility Commission. The pressure base shall be fourteen and sixty-five hundredths (14.65) pounds per square inch absolute. No volumetric adjustments shall be made to compensate for the difference between this pressure base and the pressure base identified in Paragraph C(1) above.
5. Each party shall have constant access to the meters and access, upon reasonable notice and during business hours, to meter charts and records.
6. Measurement of production gas at receipt meters shall be calculated following the recommendations of the ANSI/API 2530 "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids" (A.G.A. Report No. 3) including the A.G.A. Manual for Determination of Supercompressibility Factors of Natural Gas or the A.G.A. Transmission Measurement Committee Report No. 8 "Compressibility and Supercompressibility for Natural Gas and Other Hydrocarbon Gases" or the ANSI B109.3 "Standard for Rotary Meters" and "Measurement by Turbine Meters - Volumetric Flow Measurement" (A.G.A. Report No. 7), as appropriate to the type of measurement installed at the receipt facility, including any revisions applying thereto. If the receipt facility gas flow characteristics are such that calculations cannot be performed consistent with the above-mentioned recommendations due to a decline in production or other operational matters, the Company shall have the right to turn off a meter until a replacement meter meeting the above specifications is installed.

D. WARRANTY OF TITLE

1. Customer warrants the title to all gas delivered to Company from Customer or on behalf of Customer and shall indemnify and save harmless Company from all suits, actions, accounts, costs, losses, and expenses (including attorney's fees) arising from or connected with the adverse claim of any person or persons to the gas received, transported, or delivered. Customer assumes all responsibility for all royalties, licenses, taxes, and charges to which the gas transported, or the transportation service, may be subject.

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	\$21.95	(I)
All gas purchased per month	\$0.27929 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

Customer Charge as set forth above. (C)

MINIMUM BILL PROVISIONS

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

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

Issued: January 27, 2023

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

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	@ \$1.55432 per Mcf		(I)
Each additional Mcf of billing demand	@ \$0.80660 per Mcf		(I)
(2) <u>Commodity Charges per Month</u>			
First 80,000 Ccf of gas used per month	@ \$0.14158 per Ccf		(I)
Next 140,000 Ccf of gas used per month	@ \$0.08696 per Ccf		(I)
Over 220,000 Ccf of gas used per month	@ \$0.05697 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

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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.

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 \$3,030.202. (I)

(I) Indicates Increase

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RATE I - LARGE INDUSTRIAL SERVICE - FIRM (Continued)

BILLING DEMAND

Unless otherwise specified in Customer's contract, the billing demand for each Point of Delivery shall be equal to the greatest number of Mcf delivered by Company to Customer in any one day at said Point of Delivery during the twelve month period ending with the last day of the month for which the monthly bill is being rendered.

TERMS OF PAYMENT

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 up to a maximum of 15% per annum. (C)
|
(C)

(C) Indicates Change

Issued: January 27, 2023

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RATE I - LARGE INDUSTRIAL SERVICE - FIRM (Continued)

MEASUREMENT OF GAS

1. The sales unit of the gas delivered hereunder shall be in 100 cu. ft. (Ccf).
2. The unit of measurement shall be that quantity of gas which will occupy one cubic foot at a pressure base of 14.73 pounds per square inch absolute at temperature base of 60 degrees F., and without adjustment for water vapor content.
3. The average absolute atmospheric pressure shall be assumed to be 14.4 pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.

* * *

(C)
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(C)

CONTRACT PERIOD

Service will be established for an initial period of not less than twelve months.

(C) Indicates Change

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(C)

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. The notice will be provided to the individual designated by the Customer to receive such notice. The Customer is required to provide the Company with the name and phone number of the individual the Company should contact to inform the Customer of an interruption of service. 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.

(C)

(C)

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 a Curtailment Violation Charge for the 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 or reduce any payment for Curtailment Violation Charges 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.

(C)

(C)

Prior to November 15 of each year, the Company will institute an annual announced system curtailment to confirm the Company's ability to rely on Rate IS for system emergency planning contingencies. Customers will be notified by registered mail that the Company will be conducting a system curtailment. The notification letter will also request information concerning the Customer's alternate fuel supply and arrangements for deliveries during actual curtailment periods and will request verification and/or update of customer contact information. Customers must reply to the request for information within thirty (30) days of receipt. Failure to reply will subject the Customer to the Company's Curtailment Violation Charge. In addition, if for any reason the Customer is not able to curtail usage during the annual system curtailment, the Customer will be subject to the Company's Curtailment Violation Charge for all gas consumed by the Customer until the Customer is able to meet the requirements of a curtailment.

(C)

If the Customer experiences unanticipated problems when attempting to curtail usage during either an actual curtailment, the annual announced system curtailment or an unannounced curtailment test, the Company, at its sole discretion, may waive or reduce the Curtailment Violation Charge for a period up to four (4) hours as a result of equipment failure as long as the Customer provides the Company with supporting documentation. The Curtailment Violation Charge and other penalties will not be waived for Customers that fail to meet the minimum fuel requirements.

(C)

(C) Indicates Change

Issued: January 27, 2023

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By: Edward E. Rogers, President & Chief Executive Officer
523 S. Keystone Ave.
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RATE "IS" - INDUSTRIAL INTERRUPTIBLE SERVICE (Continued)

DISTRIBUTION RATE PER MONTH

Customer charge per month	\$82.00	(C)
Per 100 cu. ft. (Ccf) for all gas billed	\$0.08672 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".

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.

MONTHLY MINIMUM CHARGE

The monthly minimum charge under this rate shall be \$82.00.

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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RATE IS - INDUSTRIAL INTERRUPTIBLE SERVICE (Continued)

MEASUREMENT OF GAS

1. The sales unit of the gas delivered hereunder shall be in 100 cu. ft. (Ccf).
2. The unit of measurement shall be that quantity of gas which will occupy one cubic foot at a pressure base of 14.73 pounds per square inch absolute at temperature base of 60 degrees F., and without adjustment for water vapor content.
3. The average absolute atmospheric pressure shall be assumed to be 14.4 pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.

* * *

TERMS OF PAYMENT

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.

CONTRACT PERIOD

Service will be established for an initial period of not less than twelve months.

(C)
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(C)

(C)
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(C)

(C) Indicates Change

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RATE SCHEDULE "AFD" – ALTERNATE FUEL DISPLACEMENT RATE (Continued)

TERMS OF PAYMENT

The Company will notify the Customer prior to the first day of the billing month of the rate to be charged for gas consumed during that month under this rate schedule. All other Rules and Regulations of this tariff are a part of this rate schedule.

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.

(C)
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(C)

REPORTING REQUIREMENTS

If a Customer(s) purchases services on this Schedule, then the Company will file a report with the Pennsylvania Public Utility Commission each month.

OTHER RATE PROVISIONS

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

(C) Indicates Change

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(C)

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	\$82.00	(I)
All gas purchased per month	\$0.1869 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 \$82.00. (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

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RATE "R" - RESIDENTIAL RATE

AVAILABILITY

This rate applies to all Residential Customers in the entire gas service territory of the Company and available at one location, for the total requirements of any Residential Customer. Residential Customers are customers receiving the Company’s gas service to a single-family dwelling or building, or through one meter to four or fewer units in a multi-family dwelling or premises used as a single family. (C)

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. (C)

MONTHLY DISTRIBUTION RATE

Customer charge per month	\$12.35	(I)
All gas purchased per month	\$0.37095 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 \$0.41748 per Ccf.

OTHER RATE PROVISIONS

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

MONTHLY MINIMUM CHARGE

Customer Charge as set forth above. (C)

If service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premises within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of 12 months of the intervening period. (C)

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. (C)

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.

(C) Indicates Change (I) Indicates Increase

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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 \$5.00 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. (I)

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.

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.

(I) Indicates Increase

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RATE SCHEDULE "T" - TRANSPORTATION SERVICE (Continued)

RATE FOR SERVICE (Continued)

8. **Facilities Surcharge** - The cost of any modification to existing facilities or of any new facilities required exclusively to provide transportation service under this rate schedule shall be paid by the Customer. All modifications and new facilities shall be agreed to and specified by contract.

TERMS OF PAYMENT

Bills for transportation service under this schedule shall be rendered monthly. Bills are due and payable fifteen (15) days after rendition. A late payment penalty of five percent (5%) shall be applied to the first fifty dollars (\$50) and two percent (2%) shall be applied to all remaining balances after the fifteen (15) day due date.

TAXES AND ASSESSMENTS

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

UNAUTHORIZED USE

If Customer uses gas, after having been notified that gas is not available under this rate schedule, uses gas in excess of the maximum daily quantity as established in the Service Agreement, or fails to comply with a Critical Day Flow Order (CDFO), all such unauthorized usage shall be billed at the rate of \$5.00 per Ccf. Nothing herein shall be construed to prevent the Company from taking all lawful steps to stop the unauthorized use of gas by Customer, including disconnecting Customer's service. In addition, if Customer fails to comply with a CDFO, Company reserves the right, in its discretion, to suspend the Customer's ability to purchase transportation service for a period of one year or to require the Customer to purchase Standby Service.

(I)

GAS SUPPLY OBLIGATION

The Company shall have no obligation to provide natural gas supplies to Customers that contract for Firm Transportation Service without also contracting for Standby Service. In the event that a Firm Transportation Service Customer that does not contract for Standby Service seeks to purchase natural gas supplies from the Company, such sales may be made by the Company in its sole discretion.

BALANCING

Natural Gas Suppliers (NGSs) serving customers under Rate Schedule T are subject to the terms and conditions of Company's Supplier Tariff, including the Large Customer Balancing requirements.

QUALITY

The gas sold hereunder shall be of pipeline quality sufficient to meet the quality standards of the Company as set forth in Rule 9 of this Tariff and the Company's Supplier Tariff.

(C)

* * *

(C)

(I) Indicates Increase

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(C)

RIDER "B" - STATE TAX SURCHARGE

In addition to the charges provided in this tariff, a surcredit of -0.0742% will apply to all bills for sales service rendered on or after January 29, 2023.

(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.

(I) Indicates Increase (C) Indicates Change

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A

VALLEY ENERGY, INC.

**Computation of State Tax Adjustment Surcredit
for the Period January 29, 2023 through December 31, 2023**

	<u>Amount</u>	<u>Attachment Number</u>
1 Capital Stock Tax	\$ -	A
2 Corporate Net Income Tax	\$ -	F
3 Utility Realty Tax	\$ (322)	B
4 Gross Receipts Tax	<u>\$ -</u>	
5 Total of Lines 1, 2, 3, and 4	\$ (322)	
6 PURTA Surcharge Rate Adjustment	\$ -	C
7 STAS reconciliation for period January 1, 2022 through December 31, 2022	<u>\$ (2,162)</u>	D
8 Total of Lines 5, 6 and 7	\$ (2,484)	
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, 2021 through December 31, 2021 (Page 10)	\$ 3,346,426	E
10 Surcredit rate to be applied for the period January 29, 2023 through December 31, 2023 (Line 8 divided by Line 9)	<u><u>-0.0742%</u></u>	

Calculation of Surcredit Rate 1/29/22 - 12/31/22

****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>

Public Utility Realty Tax Assessment (PURTA)

Calculation of Surcredit Rate 1/29/23 - 12/31/23

1	8/1/2022 Notice of Determination Adjustments: State Tax Property Value at December 31, 2021	\$ 1,202,320
2	Pa. Public Utility Realty Tax (Based on applied rate of 27.1851 mills x Line 1)	\$ 32,685
3	8/1/2021 Notice of Determination Adjustments: State Tax Property Value at December 31, 2020	\$ 1,221,304
4	Pa. Public Utility Realty Tax (Based on applied rate of 27.9975 mills x Line 1)	<u>\$ 34,193</u>
5	2022 PURTA Adjustment (Line 2 minus Line 4)	<u><u>\$ (1,508)</u></u>

continued on page 3A

VALLEY ENERGY, INC.

ATTACHMENT B

Public Utility Realty Tax Assessment (PURTA)

Calculation of Surcredit Rate 1/29/23 - 12/31/23

1	Continued from page 3 (Line 5)		\$ (1,508)
	8/1/2022 Notice of Determination Adjustments:		
2	<u>2017 PURTA</u>		
	Liability Adjustment	\$ -	\$ -
3	<u>2018 PURTA</u>		
	Liability Adjustment	\$ (1)	\$ (1)
4	<u>2019 PURTA</u>		
	Liability Adjustment	\$ -	\$ -
5	<u>2020 PURTA</u>		
	Liability Adjustment	\$ (1)	\$ (1)
6	<u>2021 PURTA</u>		
	Liability Adjustment	\$ -	\$ -
7	Total 2023 PURTA Adjustment (Lines 1 through 19)		\$ (1,510)
8	Rolled into base rates 1/29/2023	-	\$ <u>31,497</u>
9	Pa. Public Utility Realty Tax (Based on applied rate of 27.185 mills x Line 1)		\$ <u>32,685</u>
10	Balance		\$ <u><u>(322)</u></u>

Calculation of Surcredit Rate 1/29/23 - 12/31/23

Public Utility Realty Tax Assessment Surcharge

Tax Year Ending 2023

Projected taxable revenues for Pa. gross receipts tax for period January 1, 2023 to December 31, 2023 (Page 11)	\$ 5,363,684
PURTA surcharge rate as established by the Department of Revenue and published in the Pennsylvania Bulletin on October 1, 2022	<u>0.0000</u>
2023 PURTA Surcharge	<u><u>\$ -</u></u>

**Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2022**

	<u>Amount</u>	<u>Schedule Number</u>
1 Capital Stock Tax	\$ -	1
2 Corporate Net Income Tax	\$ -	
3 Utility Realty Tax	\$ 5,310	2
4 Gross Receipts Tax	<u>\$ -</u>	
5 Total of Items 1, 2, 3, and 4	\$ 5,310	
6 PURTA Surcharge Rate Adjustment	<u>\$ -</u>	3
7 Total of Lines 5 and 6	\$ 5,310	
8 STAS reconciliation for period Jan. 1, 2021 through December 31, 2021	<u>\$ 1,901</u>	
9 Total of Lines 7 and 8	\$ 7,211	
10 STAS Revenue Collections (Page 9)	<u>\$ 9,373</u>	4
11 Balance to be (refunded) / collected (Line 9 minus Line 10)	<u><u>\$ (2,162)</u></u>	

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

Calculation of Surcredit Rate 1/1/21 - 12/31/21

****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, 2022**

Schedule 2

Public Utility Realty Tax Assessment (PURTA)

Calculation of Surcredit Rate 1/1/22 - 12/31/22

1	8/1/2021 Notice of Determination Adjustments: State Tax Property Value at December 31, 2020	\$ 1,221,304
2	Pa. Public Utility Realty Tax (Based on applied rate of 27.9975 mills x Line 1)	\$ 34,193
3	8/01/2020 Notice of Determination Adjustments: State Tax Property Value at December 31, 2019	\$ 1,009,316
4	Pa. Public Utility Realty Tax (Based on applied rate of 28.6091 mills x Line 1)	<u>\$ 28,876</u>
5	2022 PURTA Adjustment (Lines 2 minus Line 4)	\$ 5,318
Public Utility Realty Tax Assessment (PURTA)		
8/01/2021 Notice of Determination Adjustments:		
6	<u>1998 PURTA</u> Liability Adjustment	\$ -
7	<u>1999 PURTA</u> Liability Adjustment	\$ -
8	<u>2000 PURTA</u> Liability Adjustment	\$ -
9	<u>2001 PURTA</u> Liability Adjustment	\$ -
10	<u>2002 PURTA</u> Liability Adjustment	\$ -
11	<u>2003 PURTA</u> Liability Adjustment	\$ (1)
12	<u>2004 PURTA</u> Liability Adjustment	\$ -
13	<u>2005 PURTA</u> Liability Adjustment	\$ (1)
14	<u>2006 PURTA</u> Liability Adjustment	\$ -
15	<u>2007 PURTA</u> Liability Adjustment	\$ -
16	<u>2008 PURTA</u> Liability Adjustment	\$ -
17	<u>2009 PURTA</u> Liability Adjustment	\$ (1)
18	<u>2010 PURTA</u> Liability Adjustment	\$ (1)
19	<u>2011 PURTA</u> Liability Adjustment	\$ -
20	<u>2012 PURTA</u> Liability Adjustment	\$ (1)
21	<u>2013 PURTA</u> Liability Adjustment	\$ (1)
22	<u>2014 PURTA</u> Liability Adjustment	\$ (1)
23	<u>2015 PURTA</u> Liability Adjustment	<u>\$ (1)</u>
24	Total 2022 PURTA Adjustment (Lines 5 through 22)	<u>\$ 5,310</u>

**Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2022**

Public Utility Realty Tax Assessment Surcharge

Tax Year Ending 2022

Projected taxable revenues for Pa. gross receipts tax for period January 1, 2022 to December 31, 2022 (Page 12)	\$ 4,296,503
PURTA surcharge rate as established by the Department of Revenue and published in the Pennsylvania Bulletin on September 11, 2021	<u>0.0000</u>
2022 PURTA Surcharge	<u><u>\$ -</u></u>

VALLEY ENERGY, INC.

For the Period January 1, 2022 through December 31, 2022

ATTACHMENT D

Schedule 4

STAS Revenue Collected / (Refunded) for period January 1, 2022 through December 31, 2022

<u>Month</u>	<u>Gas Revenue Billed</u>	<u>Amount Tax Surcharge</u>
January	\$ 556,303	\$ 1,307
February	\$ 717,625	\$ 1,685
March	\$ 560,973	\$ 1,317
April	\$ 459,031	\$ 1,078
May	\$ 323,966	\$ 761
June	\$ 212,618	\$ 501
July	\$ 196,486	\$ 465
August	\$ 196,708	\$ 465
September	\$ 182,556	\$ 432
October	\$ 229,204	\$ 122
November (estimated)	\$ 322,688	\$ 620
December (estimated)	\$ 322,688	\$ 620
Total STAS (Refunded) / Collected	<u>\$ 4,280,846</u>	<u>\$ 9,373</u>

OPERATING REVENUES

Revenue billed for 12 month audited period ending December 31, 2021

Residential Sales	\$	2,497,876	
Commercial & Industrial Sales	\$	778,302	
Interruptible Sales	\$	52,956	
Transportation Sales	\$	1,896,187	
Customer' Forfeited Discounts	\$	14,197	
			<hr/>
Total Gross Gas Revenue including Tax Surcharge	\$		5,239,518
Less: Tax Surcharge collected / (refunded)	\$		(3,095)
Less: Transportation Sales	\$		1,896,187
			<hr/>
Total Gas Revenue projected for application period January 1, 2023 through December 31, 2023	\$		<u><u>3,346,426</u></u>

VALLEY ENERGY, INC.

Projected Revenues from Service Under Rates
for the Application Period January 29, 2023 to December 31, 2023

<u>Month</u>	<u>MCF's</u>	<u>Base Rate Revenue</u>	<u>Forfeited Discounts</u>	<u>Projected Revenues</u>
January	231,941	\$ 554,273	\$ 1,858	\$ 556,131
February	292,255	\$ 898,077	\$ 1,223	\$ 899,300
March	235,645	\$ 706,047	\$ 1,535	\$ 707,582
April	186,631	\$ 567,062	\$ 1,339	\$ 568,401
May	135,659	\$ 402,388	\$ 2,525	\$ 404,913
June	89,090	\$ 246,417	\$ 2,072	\$ 248,489
July	85,408	\$ 228,162	\$ 1,663	\$ 229,825
August	90,861	\$ 229,570	\$ 1,516	\$ 231,086
September	73,023	\$ 210,618	\$ 1,184	\$ 211,802
October	100,219	\$ 258,931	\$ 1,161	\$ 260,092
November	139,776	\$ 371,982	\$ 589	\$ 372,571
December	223,159	\$ 672,972	\$ 520	\$ 673,492
Totals	<u>1,883,667</u>	<u>\$ 5,346,499</u>	<u>\$ 17,185</u>	<u>\$ 5,363,684</u>

VALLEY ENERGY, INC.Revenues from Service Under Rates
for the Application Period January 01, 2022 to December 31, 2022

<u>Month</u>	<u>2022 MCF's</u>	<u>2022 Base Rate Revenue</u>	<u>2022 Forfeited Discounts</u>	<u>2022 Total Revenues</u>
January	232,878	\$ 556,303	\$ 1,635	\$ 557,938
February	289,242	\$ 717,625	\$ 2,182	\$ 719,807
March	230,528	\$ 560,973	\$ 3,104	\$ 564,077
April	184,509	\$ 459,031	\$ 1,841	\$ 460,872
May	131,624	\$ 323,966	\$ 1,610	\$ 325,576
June	89,041	\$ 212,618	\$ 1,128	\$ 213,746
July	84,950	\$ 196,486	\$ 606	\$ 197,092
August	89,730	\$ 196,708	\$ 533	\$ 197,241
September	72,884	\$ 182,556	\$ 570	\$ 183,126
October	94,815	\$ 229,204	\$ 587	\$ 229,791
November	120,882	\$ 322,688	\$ 931	\$ 323,619
December (estimated)	<u>120,882</u>	<u>\$ 322,688</u>	<u>\$ 931</u>	<u>\$ 323,619</u>
Totals	<u><u>1,741,965</u></u>	<u><u>\$ 4,280,846</u></u>	<u><u>\$ 15,657</u></u>	<u><u>\$ 4,296,503</u></u>

VALLEY ENERGY, INC

Pursuant to the Pennsylvania Utility Commission's State Tax Adjustment Surcharge (STAS) Procedures.

		<u>Distribution Only</u>
1	Net Operating Income Excluding Income Taxes	\$1,438,331
2		
3	<u>Synchronized interest expense:</u>	
4	Rate base	1,715,915
5	Less: CWIP	<u>0</u>
6	Rate base for interest computation	17,159,915
7	Weighted Cost of debt	<u>2.154%</u>
8	Synchronized interest expense	<u>369,664</u>
9	Taxable income before depreciation tax adjustments	<u>1,068,667</u>
10		
11	<u>Pennsylvania depreciation adjustment:</u>	
12	Tax depreciation (using DDB method)	(1,573,006)
13	Book depreciation	<u>970,394</u>
14	Pennsylvania depreciation adjustment	<u>(602,612)</u>
15	Pennsylvania taxable income	<u>466,055</u>
16	Regulatory Pennsylvania income tax expense	9.99% 46,559
		8.99% <u>41,898</u>
17	Regulatory Pennsylvania Income Tax Expense Credit	<u>(4,661)</u>
	Monthly CNIT Credit	<u><u>(388)</u></u>

The results of the Company's recent base rate case will take effect on January 29, 2023. The rates established in that case assume the reduction of the CNIT to 8.99% for 2023. As a result, the Company has excluded this credit.

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

NATURAL GAS SUPPLIER COORDINATION TARIFF

Filed in compliance with the Commission's
Order entered on December 8, 2022, at
Docket No. R-2022-3032300.

(C) Indicates Change

Issued: January 27, 2023

Effective January 29, 2023

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

(C)

LIST OF CHANGES MADE BY THIS TARIFF

Supplement No. 4 makes the following changes:

- Page 4: Revised the definition of “Demand” to remove references to “minimum.”
- Pages 16-22: Added a new “Gas Quality” provision.

(C) Indicates Change

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(C)

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(C) Indicates Change

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Sayre, PA 18840-0340
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DEFINITIONS

BUREAU OF CONSUMER SERVICES

The Bureau of the Commission responsible for handling informal Customer complaints.

CHAPTER 56

The Commission regulations that govern metering, billing and collections for residential gas and electricity service.

COMMISSION OR PUC

The Pennsylvania Public Utility Commission or any lawful successor thereto.

COMPANY

Valley Energy, Inc.

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.

DEMAND

Demand is the amount of gas which 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. It is the amount specified in the application or contract or as shown by test. (C)

(C) Indicates Change

Issued: January 27, 2023

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RATE SCHEDULE NGS - NGS SERVICE (continued)

GAS QUALITY

A. INTERSTATE PIPELINE

1. Gas delivered by or on behalf of Customer to Company at point(s) of receipt with an interstate pipeline shall conform to the interstate pipeline's gas quality standards.

B. AT OTHER RECEIPT POINT(S)

1. Gas delivered by or on behalf of Customer to Company at point(s) of receipt other than an interstate pipeline shall be commercially free from oil, water, air, salt, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause to or interference with proper operation of the lines, regulators, meters, and other equipment of Company or its customers.
2. Customer will indemnify and hold Company harmless from any suits, actions, debts, accounts, damages, costs, losses and expenses, including but not limited to, attorneys' fees and expenses, arising from personal injury, death, or damage to Company's equipment or facilities or arising from personal injuries, death, or damage to the facilities, products, or equipment of Company's other customers or third parties, or arising from additional hours worked by Company or its other customers or third parties, caused as a result of Customer's gas failing to meet the quality specifications set forth herein.
3. To assure that the gas delivered by Customer to Company conforms to the quality specifications of this Section, Customer's gas shall be analyzed at the point(s) of receipt from time-to-time as Company deems necessary. The gas delivered shall conform to the following gas quality specifications:

RATE SCHEDULE NGS - NGS SERVICE (continued)GAS QUALITY (continued)**GAS QUALITY SPECIFICATIONS¹**

CONSTITUENT	UNITS	LOW	HIGH
HIGH HEAT VALUE (HHV) ²	BTU/SCF	967	1110
WOBBE INDEX	BTU/SCF	1267	1400
WATER CONTENT	LBS/MMCF		< 7.0
TEMPERATURE	°F		< 120
CARBON DIOXIDE	VOL%		2.0
OXYGEN	VOL%		0.4
TOTAL INERTS (CO ₂ +O ₂ +N ₂)	VOL%		5.0
HYDROCARBON DEW POINT (CHDP)	°F		15
LIQUIDS AND HYDROCARBONS	NA		NONE
HYDROGEN SULFIDE	PPM		5.0
TOTAL SULFUR	GRAINS/100 SCF		2.0
TOTAL MERCAPTANS	PPM		8.0
ALDEHYDES/KETONES		Aldehydes/Ketones must be at a level that does not unreasonably interfere with odorization of Company's gas	
AMMONIA	PPM		10
HYDROGEN	VOL%		0.1
P-DICHLOROBENZENE	PPM		24
ETHYLBENZENE	PPM		150
VINYL CHLORIDE	PPM		8.3
TOLUENE	PPM		240
N-NITROSO-DIN-PROPYLAMINE	PPM		0.15
METHACROLEIN	PPM		18
TOTAL SILOXANES	MG SI/M3		< 0.5
MERCURY	PPB	Comm Free (< 1.0)	
ARSENIC	PPM		0.2
PCBs/PESTICIDES	PPB	Comm Free (< 1.0)	

1. For purposes of this Tariff, "Commercially Free" is defined as "Not Detectable" relative to typical pipeline gas flowing at the interconnect location that results in RNG, or "Renewable Natural Gas," being compositionally equivalent to flowing supplies. The analytical method, associated detection threshold, and testing facility shall be determined by the Company. Periodic testing will be required where potential Constituents of Concern are reasonably expected.

2. Higher Heating Value is dry, @ 14.73 psia 60° F.

As used in this Rule, RNG means gas, consistently primarily of methane, which: (1) is derived from biogas produced by landfills, animal farms, wastewater treatment plants, or other sources; and (2) is subsequently processed by removing carbon dioxide, nitrogen, and other constituents in order to convert the biogas into pipeline-compatible gaseous fuel.

Issued: January 27, 2023

Effective January 29, 2023

By: Edward E. Rogers, President & Chief Executive Officer
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RATE SCHEDULE NGS - NGS SERVICE (continued)**GAS QUALITY (continued)**

4. The Total Heating Value of the gas shall be determined by taking samples of the gas at the point(s) of receipt at such reasonable times as may be designated by Company. The Btu content per cubic foot shall be determined by an accepted type of calorimeter or other suitable instrument for a cubic foot of gas at a temperature of sixty (60) degrees Fahrenheit when saturated with water vapor and at a pressure of 14.73 psia. The Btu determination designated by Company shall be made by Company at its expense. Any additional Btu determinations requested by Customer shall be at Customer's expense.
5. Company may, on a not-unduly discriminatory basis, accept volumes of gas, including renewable natural gas, that fail to meet the quality specifications set forth in this tariff section, if Company determines that it can do so without adversely affecting (1) system operations; (2) the operation of the Company's equipment; (3) the operation of gas-burning equipment of Company's other customers; or (4) the quality of public utility service provided by Company. In deciding whether to accept such volumes of gas, the Company shall consider, without limitation, (1) which specifications are not being met; (2) the sensitivity of customer equipment and potential impact on such equipment; (3) Customer's plan to improve gas quality; (4) the effect on system supply; (5) interchangeability; (6) the anticipated duration of the quality deviation; and (7) the blending ratio between geological natural gas and RNG in the area of Company's distribution system where RNG is being injected.
6. Company shall not be obligated to accept gas which it reasonably believes may adversely affect the standard of public utility service offered by Company, or gas which it reasonably believes may adversely affect the operation of its equipment or the gas-burning equipment of its customers. If any gas delivered hereunder fails to meet the quality specifications set forth herein, Company may, at any time, elect to refuse to accept all or any portions of such gas until Customer brings the gas into conformity with such specifications.

RATE SCHEDULE NGS - NGS SERVICE (continued)

GAS QUALITY (continued)

C. GAS QUALITY TESTING

1. Gas delivered to Company must be continuously monitored, at Customer's expense, to ensure it meets the quality specifications set forth in Section B of this Rule. Constituents that are not continuously monitored using currently-available technology must be tested in a laboratory once per year at Company's expense. If the quality of the gas, based on a laboratory test, does not meet the standards in Section B of this Rule, the gas must be tested in a laboratory monthly, at the Customer's expense, until the gas meets the standards in Section B of this Rule for three consecutive months or the Customer otherwise demonstrates to the Company, in the Company's reasonable discretion, that it has remediated the constituent deficiency.
2. Such tests shall include only the test method or methods that tests for the specific standard or standards that were not met, but Company may consider any results provided by such test method(s). Company will provide Customer with at least three (3) business days' notice of the tests described in this Section C, and Customer will be given the opportunity to be present and observe such tests. Company may, at its option, require Customer to install automatic shutoff devices, at Customer's expense, to prevent gas that fails to meet the quality specifications set forth in Section B of this Rule from entering Company's pipeline system.
3. The scope of all gas testing shall follow the parameters below based on the origin of the gas. The parameters for each origin of gas are based on the source of gas and likelihood of a constituent being present in the source gas. The Company has the discretion to test for additional constituents on the list below, notwithstanding the origin of the gas, if the Company reasonably believes those constituents may be present.

RATE SCHEDULE NGS - NGS SERVICE (continued)**GAS QUALITY (continued)****GAS TESTING PARAMETERS¹**

CONSTITUENT	TESTING TYPE ²	ORIGIN OF GAS		
		GEOLOGICAL	DIGESTER	LANDFILL/WWTP
HIGH HEAT VALUE (HHV)	IN-FIELD	X	X	X
WOBBE INDEX	IN-FIELD	X	X	X
WATER CONTENT	IN-FIELD	X	X	X
TEMPERATURE	IN-FIELD	X	X	X
CARBON DIOXIDE	IN-FIELD	X	X	X
OXYGEN	IN-FIELD	X	X	X
TOTAL INERTS (CO ₂ +O ₂ +N ₂)	IN-FIELD	X	X	X
HYDROCARBON DEW POINT (CHDP)	IN-FIELD	X	X	X
LIQUIDS AND HYDROCARBONS	IN-FIELD	X	X	X
HYDROGEN SULFIDE	IN-FIELD	X	X	X
TOTAL SULFUR	LAB	X	X	X
TOTAL MERCAPTANS	LAB	X		X
ALDEHYDES/KETONES	LAB			X
AMMONIA	LAB			X
HYDROGEN	LAB		X	X
P-DICHLOROBENZENE	LAB		X	X
ETHYLBENZENE	LAB		X	X
VINYL CHLORIDE	LAB		X	X
TOLUENE	LAB		X	X
N-NITROSO-DIN-PROPYLAMINE	LAB		X	X
METHACROLEIN	LAB		X	X
TOTAL SILOXANES	LAB			X
MERCURY	LAB			X
ARSENIC	LAB			X
PCBs/PESTICIDES	LAB			X

1. Constituents to be tested for each category of gas are indicated with an "X."

2. Testing method is defined as "In-Field" or "Lab." "In-Field" testing requires the Customer's use of readily available, continuously testing, industry-standard equipment, which has been reviewed and approved by Company. "Lab" testing requires the Customer and the Company to coordinate the sampling of gas and sending it to a laboratory for testing and analysis.

RATE SCHEDULE NGS - NGS SERVICE (continued)**GAS QUALITY (continued)****C. MEASUREMENT**

1. For all gas delivered by Customer to Company, the volumetric measurement base shall be one (1) cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a temperature base of sixty (60) degrees Fahrenheit. The average absolute atmospheric (barometric) pressure shall be fourteen and four tenths (14.4) pounds per square inch. The flowing temperature shall be sixty (60) degrees Fahrenheit and may be adjusted to actual flowing conditions by Company if deemed necessary by Company. All said gas shall be measured by orifice or displacement type meter or any other approved measuring device of equal accuracy. Orifice meters shall be installed and operated, and gas volumes computed in accordance with Report No. 3 of the Gas Measurement Committee of the American Gas Association, including any revisions applying thereto.
2. Customer shall install, or cause to be installed, at no expense to Company, measuring equipment necessary in Company's judgment to accomplish accurate measurement of the gas. Company shall operate and maintain said measuring equipment. The measuring equipment will be installed, operated, and maintained in accordance with the specifications of the Gas Measurement Committee of the Natural Gas Department of the American Gas Association, as amended from time to time, or by any other mutually acceptable method commonly used in the industry. Such measuring equipment shall conform to the specifications provided by Company; shall be calibrated, as Company deems necessary, by Company; shall be inspected by Company; and must be approved by Company prior to any deliveries hereunder.
3. Customer recognizes that it may be necessary for Company's employees, agents, or representatives, to enter the property on which said measuring equipment is located to perform such functions upon said measuring equipment as may be necessary to effectuate the provisions of a Service Agreement, and Customer hereby expressly grants Company permission to perform such functions on said measuring equipment. Customer, to the extent it is within Customer's power to do so, will grant Company such easements as may be necessary for Company's employees to enter the property on which said measuring equipment is located. In the event that easements from other parties are necessary for Company's employees, agents, or representatives to enter the property on which said measuring equipment is located, Customer will acquire such easements, and agrees that the Service Agreement will not become effective until and unless such easements are acquired.

RATE SCHEDULE NGS - NGS SERVICE (continued)**GAS QUALITY (continued)**

4. Company will read the meter(s) measuring the consumption at Customer's facility at the conclusion of each billing month. Measurement shall be governed by any applicable provisions of Company's tariff, and any applicable regulations of the Pennsylvania Public Utility Commission. The pressure base shall be fourteen and sixty-five hundredths (14.65) pounds per square inch absolute. No volumetric adjustments shall be made to compensate for the difference between this pressure base and the pressure base identified in Paragraph C(1) above.
5. Each party shall have constant access to the meters and access, upon reasonable notice and during business hours, to meter charts and records.
6. Measurement of production gas at receipt meters shall be calculated following the recommendations of the ANSI/API 2530 "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids" (A.G.A. Report No. 3) including the A.G.A. Manual for Determination of Supercompressibility Factors of Natural Gas or the A.G.A. Transmission Measurement Committee Report No. 8 "Compressibility and Supercompressibility for Natural Gas and Other Hydrocarbon Gases" or the ANSI B109.3 "Standard for Rotary Meters" and "Measurement by Turbine Meters - Volumetric Flow Measurement" (A.G.A. Report No. 7), as appropriate to the type of measurement installed at the receipt facility, including any revisions applying thereto. If the receipt facility gas flow characteristics are such that calculations cannot be performed consistent with the above-mentioned recommendations due to a decline in production or other operational matters, the Company shall have the right to turn off a meter until a replacement meter meeting the above specifications is installed.

D. WARRANTY OF TITLE

1. Customer warrants the title to all gas delivered to Company from Customer or on behalf of Customer and shall indemnify and save harmless Company from all suits, actions, accounts, costs, losses, and expenses (including attorney's fees) arising from or connected with the adverse claim of any person or persons to the gas received, transported, or delivered. Customer assumes all responsibility for all royalties, licenses, taxes, and charges to which the gas transported, or the transportation service, may be subject.