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December 19, 2025

Matthew L. Homsher, 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. 72 to Tariff Gas – Pa. P.U.C. No. 2
(State Tax Adjustment Surcharge Recalculation); Docket No. _____**

Dear Secretary Homsher:

Attached for filing with the Pennsylvania Public Utility Commission (“Commission” or “PUC”) is Valley Energy, Inc.'s ("Valley" or the "Company") Supplement No. 72 to Tariff Gas-Pa. P.U.C. No. 2 ("Supplement No. 72"). Supplement No. 72 reflects a recalculation of the State Tax Adjustment Surcharge ("STAS"). Supplement No. 72 contains an issued date of December 19, 2025, and an effective date of January 1, 2026. This complies with the ten (10) day notice period for STAS modifications specified on page 81 of Valley's tariff.

This filing adjusts Valley's STAS to refund a prior period overcollection and to reflect changes in the Company's Corporate Net Income Tax and Utility Realty Tax. 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 1, 2026, through December 31, 2026). For completeness, a copy of proposed Supplement No. 72 is attached at Tab B. The supporting documents at Tab A demonstrate that Valley's STAS rate will decrease from a surcharge of 0.0095% to a surcredit of -0.0406%, effective January 1, 2026. See Tab A.

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

Enclosures

c: Certificate of Service
Marc Hoffer, Bureau of Technical Utility Services (via E-mail)
Lori Burger, Bureau of Audits (via E-mail)

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).

VIA E-MAIL

NazAarah Sabree
Small Business Advocate
Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
ra-sba@pa.gov

Allison C. Kaster, Esq.
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265
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Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101
ra-oca@paoca.org



Adeolu A. Bakare

Counsel to Valley Energy, Inc.

Dated this 19th day of December, 2025, in Harrisburg, Pennsylvania.

A

VALLEY ENERGY, INC.

**Computation of State Tax Adjustment Surcharge
for the Period January 1, 2026 through December 31, 2026**

	<u>Amount</u>	<u>Attachment Number</u>
1 Capital Stock Tax	\$ -	A
2 Corporate Net Income Tax	\$ (6,991)	F
3 Utility Realty Tax	\$ 880	B
4 Gross Receipts Tax	<u>\$ -</u>	
5 Total of Lines 1, 2, 3, and 4	\$ (6,111)	
6 PURTA Surcharge Rate Adjustment	\$ -	C
7 STAS reconciliation for period January 1, 2025 through December 31, 2025	<u>\$ 4,594</u>	D
8 Total of Lines 5, 6 and 7	\$ (1,517)	
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, 2024 through December 31, 2024 (Page 10)	\$ 3,733,012	E
10 Surcredit rate to be applied for the period January 1, 2026 through December 31, 2026 (Line 8 divided by Line 9)	<u><u>-0.0406%</u></u>	

Calculation of Surcharge Rate 1/1/23 - 12/31/23

****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>0.000000</u>
3	Tax Base Valley Energy - PA (Line 1 X Line 2)	\$	-
4	Tax Millage in basic rates (2011)		0.000000
5	Tax Millage effective 1/1/18		<u>0.000000</u>
6	Effective Rate Increase (Decrease) (Line 4 minus Line 5)		<u>0.000000</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 Surcharge Rate 1/1/26 - 12/31/26

1	7/30/2025 Notice of Determination Adjustments: State Tax Property Value at December 31, 2024	\$ 1,582,000
2	Pa. Public Utility Realty Tax (Based on applied rate of 23.3189 mills x Line 1)	\$ 36,890
3	7/31/2024 Notice of Determination Adjustments: State Tax Property Value at December 31, 2023	\$ 1,512,392
4	Pa. Public Utility Realty Tax (Based on applied rate of 23.7970 mills x Line 1)	<u>\$ 35,990</u>
5	2026 PURTA Adjustment (Line 2 minus Line 4)	<u><u>\$ 900</u></u>

continued on page 3A

VALLEY ENERGY, INC.

ATTACHMENT B

Public Utility Realty Tax Assessment (PURTA)

Calculation of Surcharge Rate 1/1/26 - 12/31/26

1	Continued from page 3 (Line 5)		\$	900
	7/30/2025 Notice of Determination Adjustments:			
2	<u>2020 PURTA</u>			
	Liability Adjustment	\$	(49)	\$ (49)
3	<u>2021 PURTA</u>			
	Liability Adjustment	\$	(43)	\$ (43)
4	<u>2022 PURTA</u>			
	Liability Adjustment	\$	19	\$ 19
5	<u>2023 PURTA</u>			
	Liability Adjustment	\$	53	\$ 53
7	Total 2026 PURTA Adjustment (Lines 1 through 19)		\$	880

Calculation of Surcharge Rate 1/1/26 - 12/31/26

Public Utility Realty Tax Assessment Surcharge

Tax Year Ending 2026

Projected taxable revenues for Pa. gross receipts tax
for period January 1, 2026 to December 31, 2026 (Page 11) \$ 6,570,708

PURTA surcharge rate as established by the Department
of Revenue and published in the Pennsylvania Bulletin on September 20, 2025 0.0000

2026 PURTA Surcharge \$ -

**Reconciliation of State Tax Adjustment Surcharge
for the Period ending December 31, 2025**

	<u>Amount</u>	<u>Schedule Number</u>
1 Capital Stock Tax	\$ -	1
2 Corporate Net Income Tax	\$ -	
3 Utility Realty Tax	\$ 1,957	2
4 Gross Receipts Tax	<u>\$ -</u>	
5 Total of Items 1, 2, 3, and 4	\$ 1,957	
6 PURTA Surcharge Rate Adjustment	<u>\$ -</u>	3
7 Total of Lines 5 and 6	\$ 1,957	
8 STAS reconciliation for period Jan. 1, 2024 through December 31, 2024	<u>\$ 3,059</u>	
9 Total of Lines 7 and 8	\$ 5,016	
10 STAS Revenue Collections (Page 9)	<u>\$ 422</u>	4
11 Balance to be (refunded) / collected (Line 9 minus Line 10)	<u><u>\$ 4,594</u></u>	

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

Calculation of Surcharge Rate 1/1/23 - 12/31/23

****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	0.000000	
		<hr/>	
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	0.000000	
		<hr/>	
6	Effective Rate Increase (Decrease) (Line 4 minus Line 5)	<hr/>	(0.002890)
7	Total Capital Stock/Franchise Tax Increase (Decrease) (Line 3 X Line 6)	<hr/> <hr/>	\$ -

**Reconciliation of State Tax Adjustment Surcharge
for the Period ending December 31, 2025**

Schedule 2

Public Utility Realty Tax Assessment (PURTA)

Calculation of Surcredit Rate 1/1/25 - 12/31/25

1	7/31/2024 Notice of Determination Adjustments: State Tax Property Value at December 31, 2023	\$ 1,512,392	
2	Pa. Public Utility Realty Tax (Based on applied rate of 23.7970 mills x Line 1)	\$ 35,990	
3	8/1/2023 Notice of Determination Adjustments: State Tax Property Value at December 31, 2022	\$ 1,370,012	
4	Pa. Public Utility Realty Tax (Based on applied rate of 24.8531 mills x Line 1)	<u>\$ 34,049</u>	
5	2025 PURTA Adjustment (Lines 2 minus Line 4)	\$ 1,941	
 Public Utility Realty Tax Assessment (PURTA)			
7/31/2024 Notice of Determination Adjustments:			
19	<u>2019 PURTA</u> Liability Adjustment	\$ 2	
20	<u>2020 PURTA</u> Liability Adjustment	\$ 1	
21	<u>2021 PURTA</u> Liability Adjustment	\$ 2	
22	<u>2022 PURTA</u> Liability Adjustment	\$ 11	
24	Total 2026 PURTA Adjustment (Lines 5 through 22)	<u><u>\$ 1,957</u></u>	

**Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2024**

Public Utility Realty Tax Assessment Surcharge

Tax Year Ending 2025

Projected taxable revenues for Pa. gross receipts tax for period January 1, 2025 to December 31, 2025 (Page 12)	\$ 6,245,582
PURTA surcharge rate as established by the Department of Revenue and published in the Pennsylvania Bulletin on September 21, 2024	<u>0.0000</u>
2025 PURTA Surcharge	<u><u>\$ -</u></u>

VALLEY ENERGY, INC.

For the Period January 1, 2025 through December 31, 2025

ATTACHMENT D

Schedule 4

STAS Revenue Collected / (Refunded) for period January 1, 2025 through December 31, 2025

<u>Month</u>	<u>Gas Revenue Billed</u>	<u>Amount Tax Surcharge</u>
January	\$ 871,334	\$ 79
February	\$ 926,654	\$ 85
March	\$ 814,082	\$ 74
April	\$ 593,536	\$ 40
May	\$ 441,252	\$ 18
June	\$ 355,929	\$ 12
July	\$ 274,780	\$ 9
August	\$ 292,030	\$ 10
September	\$ 292,192	\$ 10
October	\$ 313,077	\$ 11
November (estimated)	\$ 492,201	\$ 33
December (estimated)	\$ 558,871	\$ 41
Total STAS (Refunded) / Collected	<u>\$ 6,225,938</u>	<u>\$ 422</u>

OPERATING REVENUES

Revenue billed for 12 month audited period ending December 31, 2024

Residential Sales	\$	2,823,182	
Commercial & Industrial Sales	\$	870,569	
Interruptible Sales	\$	22,796	
Transportation Sales	\$	2,214,627	
Customer' Forfeited Discounts	\$	15,894	
Total Gross Gas Revenue including Tax Surcharge	\$		5,947,069
Less: Tax Surcharge collected / (refunded)	\$		(571)
Less: Transportation Sales	\$		2,214,627
Total Gas Revenue projected for application period January 1, 2026 through December 31, 2026	\$		<u>3,733,012</u>

VALLEY ENERGY, INC.

**Projected Revenues from Service Under Rates
for the Application Period January 1, 2026 to December 31, 2026**

Month	MCF's	Base Rate Revenue	Forfeited Discounts	Projected Revenues
January	261,772	\$ 767,080	\$ 2,003	\$ 769,083
February	280,381	\$ 1,040,645	\$ 3,381	\$ 1,044,026
March	280,959	\$ 1,034,633	\$ 3,784	\$ 1,038,417
April	189,721	\$ 666,111	\$ 2,353	\$ 668,464
May	136,853	\$ 439,461	\$ 2,547	\$ 442,008
June	114,108	\$ 379,063	\$ 1,123	\$ 380,186
July	81,441	\$ 257,436	\$ 823	\$ 258,259
August	83,795	\$ 233,848	\$ 575	\$ 234,423
September	89,420	\$ 272,657	\$ 426	\$ 273,083
October	96,796	\$ 299,929	\$ 484	\$ 300,413
November	140,755	\$ 474,623	\$ 539	\$ 475,162
December	200,733	\$ 686,083	\$ 1,101	\$ 687,184
Totals	1,956,734	\$ 6,551,569	\$ 19,139	\$ 6,570,708

VALLEY ENERGY, INC.

**Revenues from Service Under Rates
for the Application Period January 1, 2025 to December 31, 2025**

Month	MCF's	Base Rate Revenue	Forfeited Discounts	Total Revenues
January	268,541	\$ 871,334	\$ 2,003	\$ 873,337
February	279,263	\$ 926,654	\$ 3,381	\$ 930,035
March	248,823	\$ 814,082	\$ 3,784	\$ 817,866
April	181,330	\$ 593,536	\$ 2,353	\$ 595,889
May	138,438	\$ 441,252	\$ 2,547	\$ 443,799
June	105,395	\$ 355,929	\$ 1,123	\$ 357,052
July	80,845	\$ 274,780	\$ 823	\$ 275,603
August	92,972	\$ 292,030	\$ 575	\$ 292,605
September	88,464	\$ 292,192	\$ 426	\$ 292,618
October	95,702	\$ 313,077	\$ 496	\$ 313,573
November (estimated)	150,902	\$ 492,201	\$ 975	\$ 493,176
December (estimated)	171,715	\$ 558,871	\$ 1,158	\$ 560,029
Totals	<u>1,902,390</u>	<u>\$ 6,225,938</u>	<u>\$ 19,644</u>	<u>\$ 6,245,582</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	8.99% 41,898
		7.49% <u>34,908</u>
17	Regulatory Pennsylvania Income Tax Expense Credit	<u>(6,991)</u>
	Monthly CNIT Credit	<u><u>(583)</u></u>

B

**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

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

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Page 81:

Supplement No. 72 sets the Company's State Tax Adjustment Surcharge ("STAS") to -0.0406% effective on January 1, 2026. This recalculation is necessary to refund a prior period overcollection and to reflect changes in the Company's Corporate Net Income Tax and Utility Realty Tax.

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(C) Indicates Change

Issued: December 19, 2025

Effective: January 1, 2026

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

Schedule of Rates (Continued):

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.....	64 Third Revised	
.....	65 Third Revised	
.....	66 Third Revised	
.....	67 Third Revised	
.....	68 Fifth Revised	
.....	69 Fifth Revised	
.....	70 Third Revised	
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(C) Indicates Change

Issued: December 19, 2025

Effective: January 1, 2026

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

RIDER "B" - STATE TAX SURCHARGE

In addition to the charges provided in this tariff, a surcredit of -0.0406% will apply to all bills for sales service rendered on or after January 1, 2026.

(C) (D)
(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

(D) Indicates Decrease

Issued: December 19, 2025

Effective: January 1, 2026

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