

Gas Supply Charge  
Statement No. 54  
to P.S.C. No. 16 - Gas

**ROCHESTER GAS AND ELECTRIC CORPORATION**  
Rochester, New York

**GAS SUPPLY CHARGE and MERCHANT FUNCTION CHARGE**

Effective September 1, 2007

Applicable to Service Classification No. 1 and No. 8 of

P.S.C. No. 16 - Gas

(Issued under Authority of 16 NYCRR 720-6.5)

**Weighted Average Cost of Gas**

The average cost of gas per therm (as defined in Rule 4.H.2) determined on August 29, 2007 by applying rates and charges of the Company's natural gas suppliers in effect September 1, 2007, to quantities of gas consumed during the 12 months ended July 31, 2007 is

Weighted Average Commodity Cost	\$0.659710
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Weighted Average Demand Cost	\$0.139387
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Weighted Average Cost of Gas - Gross	\$0.799097
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<b><u>Factor of Adjustment</u></b>	1.0106
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Weighted Average Cost of Gas including losses

0.799097 X 1.0106 factor of adjustment	\$0.807567
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**Inter-Departmental Sales Credit**

The inter-departmental sales credit per therm is	-\$0.000047
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**Annual Gas Cost Reconciliation**

Pursuant to Rule 4.H.5 of PSC No. 16 - Gas, the surcharge per therm applicable during the period January 1, 2007 thru December 31, 2007 is	\$0.006718
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**Gas Cost Reconciliation- Interim**

Pursuant to Rule 4.H.6 of PSC No. 16 - Gas, the credit per therm applicable during the period ending August 31, 2007 is	\$0.000000
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**Gas Cost Refund**

By reason of gas pipeline refund of overcharges, the Gas Cost Refund per therm is	\$0.000000
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**Refund of Revenues Collected for PSC Transition and Balancing Costs from SC#3, SC#5, SC#7**

The refund per therm applicable during the period is	-\$0.005907
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**Research and Development Surcharge**

Pursuant to the Commission Order issued April 21, 2000 in Case 99-G-1369	\$0.000590
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**Gas Supply Charge**

For the month of September 2007, and for each month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is	\$0.808921
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<b><u>Merchant Function Charge</u></b>	<b>\$0.036456</b>
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<b><u>Total Cost of Gas</u></b>	<b>\$0.845377</b>
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