

IGSC
Statement No. 3
to P.S.C. No. 16 - Gas**ROCHESTER GAS AND ELECTRIC CORPORATION**
Rochester, New York**INCREMENTAL GAS SUPPLY CHARGE and MERCHANT FUNCTION CHARGE**Effective January 1, 2008
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
December 28, 2007 by applying rates and charges of the Company's natural gas suppliers
in effect January 1, 2008, to quantities of gas supplied to the Company during
the 12 months ended November 30, 2007 is

Weighted Average Commodity Cost	\$0.803860
Weighted Average Demand Cost	\$0.142521
Weighted Average Cost of Gas - Gross	\$0.946381
Winter Incremental gas supply cost	\$1.182976

Factor of Adjustment

Weighted Average Cost of Gas including losses	
1.182976 X 1.0135 factor of adjustment	\$1.198946

Inter-Departmental Sales Credit

The inter-departmental sales credit per therm is	-\$0.000046
--	-------------

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	\$0.000000
---	------------

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	-\$0.005701
--	-------------

Research and Development Surcharge

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

Incremental Gas Supply Charge

For the month of January 2008, and for each month thereafter, until changed, the Incremental Gas Supply Charge per therm, under Service Classification No. 1 is	\$1.193789
--	------------

Merchant Function Charge	\$0.036212
--------------------------	------------

<u>Total Cost of Gas</u>	\$1.230001
---------------------------------	-------------------