

IGSC
Statement No. 7
to P.S.C. No. 16 - Gas**ROCHESTER GAS AND ELECTRIC CORPORATION**
Rochester, New York**INCREMENTAL GAS SUPPLY CHARGE and MERCHANT FUNCTION CHARGE**
Effective May 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 April 25, 2008 by applying rates and charges of the Company's natural gas suppliers in effect May 1, 2008, to quantities of gas supplied to the Company during the 12 months ended March 31, 2008 is

Weighted Average Commodity Cost	\$1.064230
Weighted Average Demand Cost	\$0.146295
Weighted Average Cost of Gas - Gross	\$1.210525
Summer Incremental gas supply cost	\$1.331578

Factor of Adjustment

Weighted Average Cost of Gas including losses
1.331578 X 1.0135 factor of adjustment \$1.349554

Inter-Departmental Sales Credit

The inter-departmental sales credit per therm is -\$0.000048

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 -\$0.005772

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 May 2008, and for each month thereafter, until changed,
the Incremental Gas Supply Charge per therm, under Service Classification No. 1 is **\$1.344324**

Merchant Function Charge \$0.036438

Total Cost of Gas \$1.380762