

P.S.C. No. 16 - Gas  
Company: Rochester Gas and Electric Corporation

Statement Type: GSC  
Statement No. 41

**GAS SUPPLY CHARGE and MERCHANT FUNCTION CHARGE**

Effective **September 1, 2006**

Applicable to Service Classification No. 1 and No. 8 of  
PSC No. 16 – Gas

(Issued under Authority of 16 NYCRR 720-6.5)

**Weighted Average Commodity Gas**

The average cost of gas per therm (as defined in Rule 4.H.2) determined on **August 29, 2006**, by applying rates and charges of the Company's natural gas suppliers in effect **September 1, 2006**, to quantities of gas supplied to the Company during the 12 months ended **July 31, 2006** is

Weighted Average Commodity Cost \$0.747370

Weighted Average Demand Cost \$0.157399

Weighted Average Cost of Gas - Gross \$0.904769

**Factor of Adjustment**

Weighted Average Cost of Gas including losses 1.0114  
**0.904769 X 1.0114** factor of adjustment \$0.915083

**Inter-Departmental Sales Credit**

The inter-departmental sales credit per therm is -\$0.000049

**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, 2006 thru December 31, 2006 is \$0.005931

**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, 2004 is \$0.000000

**Gas Cost Refund**

By reason of gas pipeline refund of overcharges, the Gas Cost Refund per therm 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 -\$0.006588

**Research and Development Surcharge**

Pursuant to the Commission Order issued April 21, 2000 in Case 99-G-1369 \$0.000600

**Gas Supply Charge**

For the month of **September 2006**, and for each month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is \$0.914977

**Merchant Function Charge**

\$0.042409

**Total Cost of Gas**

**\$0.957386**

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York