

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

Statement Type: GSC  
Statement No. 38

**GAS SUPPLY CHARGE and MERCHANT FUNCTION CHARGE**

Effective **June 1, 2006**

Applicable to Service Classification No. 1 of

PSC 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 **May 25, 2006**, by applying rates and charges of the Company's natural gas suppliers in effect **June 1, 2006**, to quantities of gas supplied to the company during the 12 months ended **April 30, 2006** is

\$0.830447

**Factor of Adjustment**

Weighted Average Cost of Gas including losses **1.0114**  
**0.830447 X 1.0114** factor of adjustment

\$0.839914

**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

**Capacity Cost Incentive**

Pursuant to the Commission Order issued February 28, 2001 in case 98-G-1589

\$0.000000

**Refund of Revenues Collected for PSC Transition Costs from SC#3 and SC #5, SC#7**

The refund per therm applicable during the period is

-\$0.006748

**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 **June 2006**, and for each month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is

\$0.839648

**Merchant Function Charge**

\$0.042320

**Total Cost of Gas**

**\$0.881968**

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