

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

Statement Type: GSC
Statement No. 42

GAS SUPPLY CHARGE and MERCHANT FUNCTION CHARGE

Effective **October 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 **September 27, 2006**, by applying rates and charges of the Company's natural gas suppliers in effect **October 1, 2006**, to quantities of gas supplied to the Company during the 12 months ended **August 31, 2006** is

Weighted Average Commodity Cost \$0.618810

Weighted Average Demand Cost \$0.157791

Weighted Average Cost of Gas - Gross \$0.776601

Factor of Adjustment

Weighted Average Cost of Gas including losses **1.0114**
0.776601 X 1.0114 factor of adjustment \$0.785454

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 -\$0.006570

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 **October 2006**, and for each month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is \$0.785366

Merchant Function Charge \$0.042463

Total Cost of Gas **\$0.827829**

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