

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

Statement Type: GCA  
Statement No. 10

GAS COST CALCULATION  
Effective January 28, 2004  
Applicable to Service Classification No. 1 of  
PSC No. 16 – Gas  
(Issued under Authority of 16 NYCRR 270.55 and 270.57)

**Average Cost of Gas**

The average cost of gas per therm (as defined in Rule 4.H.3) determined on **January 26, 2004**, by applying rates and charges of the Company's natural gas suppliers in effect **January 15, 2004**, to quantities of gas supplied to the company during the 12 months ended **December 31, 2003** is

\$0.741884

**Factor of Adjustment**

Total Cost of Gas      **1.0128**

**0.741884 X 1.0128** factor of adjustment

\$0.751380

**Inter-Departmental Sales Credit**

The inter-departmental sales credit per therm is

-\$0.000049

**Gas Cost Reconciliation**

Pursuant to Rule 4.H.7 of PSC No. 16 – Gas, the credit per therm applicable during the period January 1, 2004 thru December 31, 2004 is

-\$0.008044

**Gas Cost Reconciliation - Interim**

Pursuant to Rule 4.H.7 of PSC No. 16 – Gas, the credit per therm applicable during the period April 1, 2003 thru August 31, 2003 is

\$0.000000

**Revenue Requirement Surcharge**

The surcharge per therm applicable during this period 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

\$0.004736

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

The refund per therm applicable during the period is

-\$0.008183

**Research and Development Surcharge**

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

\$0.000480

**Back out Credit Surcharge**

Pursuant to Rule 4.H.10 of PSC No. 16 - Gas, the surcharge per therm is

\$0.003820

**Net Cost of Gas**

For the billing month of **February 2004**, and for each billing month thereafter, until changed, the Net Cost of Gas per therm, under Service Classification No. 1 is

**\$0.744140**

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