Received: 02/24/2004 Status: CANCELLED Effective Date: 02/27/2004

P.S.C. No. 16 - Gas Statement Type: STSR Company: Rochester Gas and Electric Corporation Statement No. 2

Small Transportation Service Rate Adjustment Statement Effective February 27, 2004

Applicable to Service Classification No. 5 (Issued under Authority of 16 NYCRR 270.55 and 270.57) (PER THERM UNLESS OTHERWISE NOTED)

	SC#5 customers
<u>Charge for City Gate Balancing Service (incl. losses)</u> (\$/therm at Customer Meter)	\$0.001010
Other Costs:	
A) Adjustment for Inter-Departmental Sales	(\$0.000049)
B) Research and Development Surcharge	\$0.000480
C) PSC Transition Costs	\$0.025688
D) FERC Order 636 Transition Cost Surcharge	\$0.001660
E) Revenue Requirement Surcharge	\$0.000000
F) Low Income Program	<u>\$0.000377</u>
Total Other Costs	\$0.028156
Weighted Average Stored Gas (\$/dt at storage)	\$5.187083
Weighted Average Cost of Storage 1 (\$/month per DT/day of assigned Maximum Daily Quantity)	\$4.13680
Weighted Average Cost of Storage 2 (\$/month per DT/day of assigned Maximum Daily Quantity)	\$5.27770
Weighted Average Cost of Storage 3 (\$/month per DT/day of assigned Maximum Daily Quantity)	\$3.38950
Weighted Average Cost of Storage 4 (\$/month per DT/day of assigned Maximum Daily Quantity)	\$0.74730
The following \$/therm charge at customer's meter applies upon termination of service on this Service Classification:	
Commodity Cost of Gas	\$0.550648
Weighted Average Cost of Gas	\$0.722335

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