

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

Statement Type: GSC
Statement No. 18

GAS SUPPLY CHARGE and MERCHANT FUNCTION CHARGE

Effective September 30, 2004
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 September 24, 2004, by applying rates and charges of the Company's natural gas suppliers in effect September 15, 2004, to quantities of gas supplied to the company during the 12 months ended August 31, 2004 is

\$0.746711

Factor of Adjustment

Weighted Average Cost of Gas including losses 1.0135
 0.746711×1.0135 factor of adjustment

\$0.756792

Inter-Departmental Sales Credit

The inter-departmental sales credit per therm is

-\$0.000048

Annual Gas Cost Reconciliation

Pursuant to Rule 4.H.5 of PSC No. 16 – Gas, the refund 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.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

\$0.004775

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

-\$0.007639

Research and Development Surcharge

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

\$0.000520

Gas Supply Charge

For the billing month of October 2004, and for each billing month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is

\$0.746356

Merchant Function Charge

\$0.049042

Total Cost of Gas (Gas Supply Charge & Merchant Function Charge)

\$0.795398

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