

IGSC
Statement No.38
to PSC No. 16- Gas

ROCHESTER GAS AND ELECTRIC CORPORATION
Rochester, New York
INCREMENTAL GAS SUPPLY CHARGE AND MERCHANT FUNCTION CHARGE
Effective: October 1, 2010
Applicable to Service Classification No. 1 and 8 of PSC No. 16 - Gas
(Issued under Authority of 16 NYCRR 720-6.5)

Weighted Average Cost of GasPer Therm

The average cost of gas per therm determined on September 28, 2010
by applying rates and charges of the Company's natural gas suppliers
in effect October 2010, to quantities of gas supplied to the Company during
the 12 months ended August 31, 2010 is

Weighted Average Commodity Cost	\$0.441120
Weighted Average Demand Cost	<u>\$0.124332</u>
Gross Weight Average Cost of Gas	\$0.565452
Factor of Adjustment	<u>1.0136</u>
	\$0.573142
Incremental Gas Supply Cost	\$0.630456

Adjustments to Weighted average cost of gas

Interdepartmental Sales Credit	(\$0.000045)
Annual Reconciliation of Gas Costs - January 1, 2009 to December 31, 2009	\$0.021446
Interim Gas Cost Reconciliation	\$0.000000
Pipeline Refunds	\$0.000000
Refund of Revenues Collected for PSC transition and Balancing Charges From SC #3, SC#5, and SC#7	(\$0.001612)
Research and Development	\$0.000650
Mendon Gate Station Heater Fuel Costs	\$0.000253

Incremental Gas Supply Charge

For the month of October 2010, and for each month thereafter, until changed,
the Gas Supply Charge per therm, under Service Classification No. 1 is

\$0.651148

Merchant Function Charge

Residential Customers	\$0.048801
Non Residential Customers	\$0.038538

Total Cost of Gas

Residential Customers	\$0.699949
Non Residential Customers	\$0.689686