

IGSC
Statement No.41
to PSC No. 16- Gas**ROCHESTER GAS AND ELECTRIC CORPORATION**

Rochester, New York

INCREMENTAL GAS SUPPLY CHARGE AND MERCHANT FUNCTION CHARGE**Effective: January 1, 2011**

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 December 29, 2010
by applying rates and charges of the Company's natural gas suppliers
in effect January 2011, to quantities of gas supplied to the Company during
the 12 months ended November 30, 2010 is

Weighted Average Commodity Cost	\$0.522101
Weighted Average Demand Cost	<u>\$0.127012</u>
Gross Weight Average Cost of Gas	\$0.649113
Factor of Adjustment	<u>1.0100</u>
	\$0.655604
Incremental Gas Supply Cost	\$0.819505

Adjustments to Weighted average cost of gas

Interdepartmental Sales Credit	(\$0.000045)
Annual Reconciliation of Gas Costs - January 1, 2011 to December 31, 2011	\$0.003010
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	(\$0.001662)
Research and Development	\$0.000650
Mendon Gate Station Heater Fuel Costs	\$0.000294

Incremental Gas Supply Charge

For the month of January 2011, and for each month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is	\$0.821752
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Merchant Function Charge

Residential Customers	\$0.049645
Non Residential Customers	\$0.038739

Total Cost of Gas

Residential Customers	\$0.871397
Non Residential Customers	\$0.860491