PSC No. 16 Gas Rochester Gas and Electric Corporation Initial Effective Date: June 1, 2016 IGSC Statement No.106

INCREMENTAL GAS SUPPLY CHARGE AND MERCHANT FUNCTION CHARGE

Applicable to Service Classification No. 1 and 8 of PSC No. 16 - Gas (Issued under Authority of 16 NYCRR 720-6.5)

<u>Weighted Average Cost of Gas</u> The average cost of gas per therm determined on May 27, 2016 by applying rates and charges of the Company's natural gas suppliers in effect June 2016, to quantities of gas supplied to the Company during the 12 months ended December 31,2016 is		<u>Per Therm</u>
Weighted Average Commodity Cost Weighted Average Demand Cost	Gross Weight Average Cost of Gas Factor of Adjustment	\$0.151010 \$0.129956 \$0.280966 <u>1.0100</u> \$0.283776
	Incremental Gas Supply Cost	\$0.312154
Adjustments to Weighted average cost of gas		
Interdepartmental Sales Credit		(\$0.000028)
Annual Reconciliation of Gas Costs - January 1, 2014 to December 31, 2014		(\$0.004656)
Interim Gas Cost Reconciliation		\$0.036919
Pipeline Refunds		\$0.000000
Refund of Revenues Collected for PSC transition and Balancing Charges From SC #3,SC#5, and SC#7		(\$0.009031)
Research and Development		\$0.000610
Mendon Gate Station Heater Fuel Costs		\$0.000043
<u>Incremental Gas Supply Charge</u> For the month of June 2016, and for each month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is		\$0.336011
<u>Merchant Function Charge</u> Residential Customers Non Residential Customers		\$0.033571 \$0.027136
<u>Total Cost of Gas</u> Residential Customers Non Residential Customers		\$0.369582 \$0.363147