

IGSC  
Statement No. 12  
to P.S.C. No. 16 - Gas**ROCHESTER GAS AND ELECTRIC CORPORATION**  
Rochester, New York**INCREMENTAL GAS SUPPLY CHARGE and MERCHANT FUNCTION CHARGE**Effective October 1, 2008  
Applicable to Service Classification No. 1 and No. 8 of  
P.S.C. 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 26, 2008 by applying rates and charges of the Company's natural gas suppliers  
in effect October 1, 2008, to quantities of gas supplied to the Company during  
the 12 months ended August 31, 2008 is

Weighted Average Commodity Cost	\$0.775530
Weighted Average Demand Cost	\$0.145800
Weighted Average Cost of Gas - Gross	\$0.921330
Summer Incremental gas supply cost	\$1.013463

**Factor of Adjustment**

Weighted Average Cost of Gas including losses	
1.013463 X 1.0135 factor of adjustment	\$1.027145

**Inter-Departmental Sales Credit**

The inter-departmental sales credit per therm is	-\$0.000049
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**Annual Gas Cost Reconciliation**

Pursuant to Rule 4.H.5 of PSC No. 16 - Gas, the surcharge per therm applicable during the period January 1, 2007 thru December 31, 2007 is	\$0.000000
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**Refund of Revenues Collected for PSC Transition and Balancing Costs from SC#3, SC#5, SC#7**

The refund per therm applicable during the period is	-\$0.006194
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**Research and Development Surcharge**

Pursuant to the Commission Order issued April 21, 2000 in Case 99-G-1369	\$0.000600
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**Incremental Gas Supply Charge**

For the month of October 2008 and for each month thereafter, until changed, the Incremental Gas Supply Charge per therm, under Service Classification No. 1 is	\$1.021502
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Merchant Function Charge	\$0.038282
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<b><u>Total Cost of Gas</u></b>	<b>\$1.059784</b>
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