

GSC
Statement No. 65
to P.S.C. No. 16 - Gas

ROCHESTER GAS AND ELECTRIC CORPORATION
Rochester, New York

GAS SUPPLY CHARGE and MERCHANT FUNCTION CHARGE

Effective August 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 July 28, 2008 by applying rates and charges of the Company's natural gas suppliers in effect August 1, 2008, to quantities of gas supplied to the Company during the 12 months ended June 30, 2008 is

| | |
|--------------------------------------|------------|
| Weighted Average Commodity Cost | \$0.938000 |
| Weighted Average Demand Cost | \$0.149723 |
| Weighted Average Cost of Gas - Gross | \$1.087723 |

Factor of Adjustment

Weighted Average Cost of Gas including losses

1.087723 X 1.0135 factor of adjustment \$1.102407

Inter-Departmental Sales Credit

The inter-departmental sales credit per therm is -\$0.000049

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 \$0.023330

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, 2007 is \$0.000000

Gas Cost Refund

By reason of gas pipeline refund of overcharges, the Gas Cost Refund per therm is \$0.000000

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 -\$0.006064

Research and Development Surcharge

Pursuant to the Commission Order issued April 21, 2000 in Case 99-G-1369 \$0.000600

Gas Supply Charge

For the month of August 2008, and for each month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is \$1.120224

Merchant Function Charge \$0.037209

Total Cost of Gas \$1.157433