

P.S.C. No. 16 - Gas
Company: Rochester Gas and Electric Corporation

Statement Type: GSC
Statement No. 41

GAS SUPPLY CHARGE and MERCHANT FUNCTION CHARGE

Effective September 1, 2006

Applicable to Service Classification No. 1 and No. 8 of

PSC No. 16 – Gas

(Issued under Authority of 16 NYCRR 720-6.5)

Weighted Average Commodity Gas

The average cost of gas per therm (as defined in Rule 4.H.2) determined on August 29, 2006, by applying rates and charges of the Company's natural gas suppliers in effect September 1, 2006, to quantities of gas supplied to the Company during the 12 months ended July 31, 2006 is

Weighted Average Commodity Cost	\$0.747370
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Weighted Average Demand Cost	<u>\$0.157399</u>
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Weighted Average Cost of Gas - Gross	\$0.904769
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Factor of Adjustment

Weighted Average Cost of Gas including losses	1.0114	
	0.904769×1.0114	factor of adjustment
		\$0.915083

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, 2006 thru December 31, 2006 is	\$0.005931
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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, 2004 is	\$0.000000
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Gas Cost Refund

By reason of gas pipeline refund of overcharges, the Gas Cost Refund per therm 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	-\$0.006588
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Research and Development Surcharge

Pursuant to the Commission Order issued April 21, 2000 in Case 99-G-1369	<u>\$0.000600</u>
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Gas Supply Charge

For the month of September 2006, and for each month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is	\$0.914977
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Merchant Function Charge

	<u>\$0.042409</u>
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Total Cost of Gas

	<u>\$0.957386</u>
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ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York