

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

Statement Type: GCA  
Statement No. 3

**GAS COST CALCULATION**  
Effective **July 31, 2003**  
Applicable to Service Classification No. 1 of  
PSC No. 16 – Gas  
(Issued under Authority of 16 NYCRR 270.55 and 270.57)

**Average Cost of Gas**

The average cost of gas per therm (as defined in Rule 4.H.3) determined on **July 28, 2003**, by applying rates and charges of the Company's natural gas suppliers in effect **July 15, 2003**, to quantities of gas supplied to the company during the 12 months ended **June 30, 2003** is

**Factor of Adjustment**

Total Cost of Gas	<b>1.0128</b>	
	<b>0.632400 X 1.0128</b>	factor of adjustment

**Inter-Departmental Sales Credit**

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

Pursuant to Rule 4.H.7 of PSC No. 16 – Gas, the credit per therm applicable during the period January 1, 2003 thru December 31, 2003 is	\$0.001242
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**Gas Cost Reconciliation- Interim**

Pursuant to Rule 4.H.7 of PSC No. 16 – Gas, the credit per therm applicable during the period April 1, 2003 thru August 31, 2003 is	-\$0.038128
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**Revenue Requirement Surcharge**

The surcharge per therm applicable during this period is	\$0.004005
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**Gas Cost Refund**

By reason of gas pipeline refund of overcharges, the Gas Cost Refund per therm is	-\$0.001250
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**Capacity Cost Incentive**

Pursuant to the Commission Order issued February 28, 2001 in case 98-G-1589	\$0.004736
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**Refund of Revenues Collected for PSC Transition Costs from SC#3 and SC #5**

The refund per therm applicable during the period is	-\$0.006463
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**Research and Development Surcharge**

Pursuant to the Commission Order issued April 21, 2000 in Case 99-G-1369	\$0.000470
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**Back out Credit Surcharge**

Pursuant to Rule 4.H.10 of PSC No. 16 - Gas, the surcharge per therm is	\$0.003955
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**Net Cost of Gas**

For the billing month of <b>August 2003</b> , and for each billing month thereafter, until changed, the Net Cost of Gas per therm, under Service Classification No. 1 is	<b>\$0.609013</b>
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ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York