

PSC No. 16 Gas  
Rochester Gas and Electric Corporation  
Initial Effective Date: January 1, 2015

IGSC  
Statement No.89

## 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)

### Weighted Average Cost of Gas

Per Therm

The average cost of gas per therm determined on December 29, 2014  
by applying rates and charges of the Company's natural gas suppliers  
in effect January 2015, to quantities of gas supplied to the Company during  
the 12 months ended November 30, 2014 is

Weighted Average Commodity Cost	\$0.292543
Weighted Average Demand Cost	\$0.098200
Gross Weight Average Cost of Gas	\$0.390743
Factor of Adjustment	<u>1.0100</u>
	\$0.394650
Incremental Gas Supply Cost	\$0.434115

### Adjustments to Weighted average cost of gas

Interdepartmental Sales Credit	(\$0.000024)
Annual Reconciliation of Gas Costs - January 1, 2014 to December 31, 2014	\$0.006272
Interim Gas Cost Reconciliation	\$0.000000
Pipeline Refunds	(\$0.001120)
Refund of Revenues Collected for PSC transition and Balancing Charges From SC #3, SC#5, and SC#7	(\$0.011178)
Research and Development	\$0.000600
Mendon Gate Station Heater Fuel Costs	\$0.000137

### Incremental Gas Supply Charge

For the month of January 2015, and for each month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is	\$0.428802
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### Merchant Function Charge

Residential Customers	\$0.029887
Non Residential Customers	\$0.023851

### Total Cost of Gas

Residential Customers	\$0.458689
Non Residential Customers	\$0.452653