

PSC No. 16 Gas
Rochester Gas and Electric Corporation
Initial Effective Date: February 1, 2014

IGSC
Statement No.78

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 January 20, 2014
by applying rates and charges of the Company's natural gas suppliers
in effect February 2014, to quantities of gas supplied to the Company during
the 12 months ended December 31, 2013 is

Weighted Average Commodity Cost	\$0.443536
Weighted Average Demand Cost	<u>\$0.106856</u>
Gross Weight Average Cost of Gas	\$0.550392
Factor of Adjustment	<u>1.0100</u>
	\$0.555896
Incremental Gas Supply Cost	\$0.694870

Adjustments to Weighted average cost of gas

Interdepartmental Sales Credit	(\$0.000045)
Annual Reconciliation of Gas Costs - January 1, 2014 to December 31, 2014	(\$0.002285)
Interim Gas Cost Reconciliation	\$0.000000
Pipeline Refunds	\$0.000000
Refund of Revenues Collected for PSC transition and Balancing Charges From SC #3, SC#5, and SC#7	(\$0.001496)
Research and Development	\$0.000610
Mendon Gate Station Heater Fuel Costs	\$0.000219

Incremental Gas Supply Charge

For the month of February 2014, and for each month thereafter, until changed, the Gas Supply Charge per therm, under Service Classification No. 1 is	\$0.691873
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Merchant Function Charge

Residential Customers	\$0.035742
Non Residential Customers	\$0.026940

Total Cost of Gas

Residential Customers	\$0.727615
Non Residential Customers	\$0.718813