Received: 02/20/2017 Status: CANCELLED

PSC No. 19 Electricity Rochester Gas and Electric Corporation

Initial Effective Date: March 01, 2017

Issued in compliance with order in Case No. 15-E-0285 dated June 15, 2016

Statement Type: MFC

Statement Noive Date: 03/01/2017

Merchant Function Charge Statement

For customers taking service under the RG&E Supply Service (RSS) rate or Hourly Pricing with supply provided by RG&E, pursuant to RG&E's Supply Service Options, General Information Section 12 of Schedule PSC No. 19 - Electricity, the following Merchant Function Charge is applicable to energy supplied [all kilowatt-hours (kWhs)] under the service classifications listed below.

| | Non Demand billed | Non Demand billed | Demand billed |
|---|-------------------|-----------------------|---------------|
| | (Hedged) | (Non-Hedged) | |
| | \$ per kWh | <pre>\$ per kWh</pre> | \$ per kWh |
| Monthly Electric Supply Cost | \$0.041305 | \$0.034646 | \$0.035949 |
| Uncollectible Factor | 3.393500% | 3.393500% | 0.242000% |
| | | | |
| 1 Uncollectible Charge (Monthly Electric Supply Cost * Uncollectible Factor) | \$0.001402 | \$0.001176 | \$0.000087 |
| , | | , | , |
| 2 Working Capital - Purchase Power | \$0.000136 | \$0.000136 | \$0.000136 |
| | | | |
| 3 Working Capital - Commodity Hedges | \$0.000820 | - | - |
| | | | |
| 4 Credit & Collections and Call Center | \$0.000639 | \$0.000639 | \$0.000639 |
| | | | |
| 5 Administrative Charge | \$0.001773 | \$0.001773 | \$0.001773 |
| | | | |
| 6 Prior Period Reconciliation | \$0.000573 | \$0.000573 | \$0.000206 |
| | | | |
| Total MFC Rate per kWh | \$0.005343 | \$0.004297 | \$0.002841 |

Service Classification Nos. 1, 2 and 6 will be billed the "Non-Demand billed (hedged)" MFC rate.

All Street Lighting Service Classifications (Nos. 1, 2, and 3) will be billed the "Non-Demand billed (hedged)" MFC rate.

Service Classification Nos. 4 will be billed the "Non-Demand billed (non-hedged)" MFC rate.

Service Classification Nos. 3, 7, 8 and 9 will be billed the "Demand billed" MFC rate.

For Service Classification Nos. 10, 11, and 14, the customer's otherwise applicable service classification will determine the applicable MFC.