

**PSC No. 18 Electricity****Rochester Gas and Electric Corporation**

Initial Effective Date: July 01, 2012

Issued in compliance with order in Case No. 09-E-0717 dated September 21, 2010

Statement Type: MFC

Statement No. 23

**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.

	Small Customer \$ per kWh	Large Customer \$ per kWh
Monthly Electric Supply Cost	\$0.013603	\$0.027158
Uncollectible Factor	<u>1.927600%</u>	<u>0.242600%</u>
1 Uncollectible Charge ( Monthly Electric Supply Cost * Uncollectible Factor)	\$0.000262	\$0.000066
2 Working Capital - Commodity Hedges	\$0.000002	-
3 Credit & Collections and Call Center	\$0.001016	\$0.001016
4 Administrative Charge	\$0.003289	\$0.003289
5 Working Capital on Purchase Power	\$0.000160	\$0.000160
6 Prior Period Reconciliation	<u>(\$0.000092)</u>	<u>(\$0.000092)</u>
<b>Total MFC Rate per kWh</b>	<b>\$0.004637</b>	<b>\$0.004439</b>

Service Classification Nos. 1, 2, 4, and 6 will be billed the "Small Customer" MFC rate.

All Street Lighting Service Classifications ( Nos. 1, 2, and 3) will be billed the "Small Customer" MFC rate.

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

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

Issued by: James A. Lahtinen, Vice President - Rates and Regulatory Economics, Rochester, NY