Statement Type: MFC Statement & Date: 06/01/2017

PSC No. 19 Electricity Rochester Gas and Electric Corporation Initial Effective Date: June 01, 2017 Issued in compliance with order in Case No. 15-E-0285 dated June 15, 2016

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 (Hedged) <u>\$ per kWh</u>	Non Demand billed (Non-Hedged) <u>\$ per kWh</u>	Demand billed <u>\$ per kWh</u>
Monthly Electric Supply Cost	\$0.055260	\$0.035547	\$0.036016
Uncollectible Factor	<u>2.332900</u> %	2.332900%	<u>0.170000</u> %
1 Uncollectible Charge (Monthly Electric Supply Cost * Uncollectible Factor)	\$0.001289	\$0.000829	\$0.000061
2 Working Capital - Purchase Power	\$0.000155	\$0.000155	\$0.000155
3 Working Capital - Commodity Hedges	\$0.000495	-	-
4 Credit & Collections and Call Center	\$0.000632	\$0.000632	\$0.000632
5 Administrative Charge	\$0.001753	\$0.001753	\$0.001753
6 Prior Period Reconciliation	\$0.000573	\$0.000573	\$0.000206
Total MFC Rate per kWh	\$0.004897	\$0.003942	\$0.002807

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.