PSC No. 16 Gas Rochester Gas and Electric Corporation Initial Effective Date: May 1, 2016 Issued in compliance with order in Case No. 09-G-0718 dated September 21, 2010 MFC Statement No.68

MERCHANT FUNCTION CHARGE STATEMENT

Applicable to Service Classification No. 1, 6 and 8 of PSC No. 16 - Gas (Issued under Authority of 16 NYCRR 720-6.5)

| | Residential Customers \$ Per Therm | | Non Residential Customers \$ Per Therm | |
|--|--|------------|--|------------|
| Monthly Gas Supply Charge | \$ | 0.300672 | \$ | 0.300672 |
| Uncollectible Factor | | 2.7044% | | 0.6128% |
| Uncollectible Charge (Monthly Gas Supply 1 Charge * Uncollectible Factor) | | 0.008131 | | 0.001843 |
| 2 Gas Storage Inventory Carrying Charge | | 0.001563 | | 0.001563 |
| 3 Working Capital - Commodity Hedges | | 0.000630 | | 0.000630 |
| 4 Credit & Collections and Call Center | | 0.010677 | | 0.010677 |
| 5 Administrative Charge | | 0.013872 | | 0.013872 |
| 6 Prior Period Reconciliation | | (0.001491) | | (0.001491) |
| Total MFC Rate | \$ | 0.033382 | \$ | 0.027094 |