

PSC No. 18 Electricity

Statement Type: MFC

Rochester Gas and Electric Corporation

Statement No. 42

Initial Effective Date: February 01, 2014

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

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 <u>\$ per kWh</u>	Large Customer <u>\$ per kWh</u>
Monthly Electric Supply Cost	\$0.036620	\$0.045082
Uncollectible Factor	<u>2.193500%</u>	<u>0.283400%</u>
1 Uncollectible Charge (Monthly Electric Supply Cost * Uncollectible Factor)	\$0.000803	\$0.000128
2 Working Capital - Purchase Power	\$0.000140	\$0.000140
3 Working Capital - Commodity Hedges	\$0.000024	-
4 Credit & Collections and Call Center	\$0.001139	\$0.001139
5 Administrative Charge	\$0.003812	\$0.003812
6 Prior Period Reconciliation	<u>\$0.000037</u>	<u>\$0.000035</u>
Total MFC Rate per kWh	\$0.005955	\$0.005254

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