PSC No. 16 Gas Rochester Gas and Electric Corporation Initial Effective Date: October 1, 2014 Issued in compliance with order in Case No. 09-G-0718 dated September 21, 2010 MFC Statement No.49

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 | \$ | 0.334873 | \$ | 0.334873 |
| Uncollectible Factor | | 2.0416% | | 0.4914% |
| Uncollectible Charge (Monthly Gas Supply 1 Charge * Uncollectible Factor) | | 0.006837 | | 0.001646 |
| 2 Gas Storage Inventory Carrying Charge | | 0.002353 | | 0.002353 |
| 3 Working Capital - Commodity Hedges | | 0.000105 | | 0.000105 |
| 4 Credit & Collections and Call Center | | 0.009140 | | 0.009140 |
| 5 Administrative Charge | | 0.014069 | | 0.014069 |
| 6 Prior Period Reconciliation | | (0.004802) | | (0.004802) |
| Total MFC Rate | \$ | 0.027702 | \$ | 0.022511 |