

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

Initial Effective Date: February 01, 2012

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

Statement Type: MFC

Statement No. 18

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	\$0.051475	\$0.045871
Uncollectible Factor	<u>1.927600%</u>	<u>0.242600%</u>
1 Uncollectible Charge (Monthly Electric Supply Cost * Uncollectible Factor)	\$0.000992	\$0.000111
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>
Total MFC Rate per kWh	\$0.005367	\$0.004484

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