

**PSC No. 16 Gas****Rochester Gas and Electric Corporation**

Initial Effective Date: December 1, 2010

Issued in compliance with order in Case No. 09-G-0718 dated September 21, 2010

**MFC  
Statement No.3****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)

	<b>Residential Customers \$ Per Therm</b>	<b>Non Residential Customers \$ Per Therm</b>
Monthly Gas Supply Charge	\$ 0.687770	\$ 0.687770
Uncollectible Factor	2.21%	0.55%
Uncollectible Charge ( Monthly Gas Supply 1 Charge * Uncollectible Factor)	0.015200	0.003783
2 Gas Storage Inventory Carrying Charge	0.004184	0.004184
3 Working Capital - Commodity Hedges	0.006027	0.006027
4 Credit & Collections and Call Center	0.011705	0.011705
5 Administrative Charge	0.013210	0.013210
<b>Total MFC Rate</b>	<b>\$ 0.050326</b>	<b>\$ 0.038909</b>

Dated: September 28, 2010

Issued By: James A. Lahtinen, Vice President-Rates &amp; Regulatory Economics, Binghamton, New York