PSC No. 16 Gas Rochester Gas and Electric Corporation Initial Effective Date: November 1, 2016 Issued in compliance with order in Case No. 15-G-0286 dated June 15, 2016 MFC Statement No.74

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 | \$ | 0.264207 | \$ | 0.264207 |
| Uncollectible Factor | | 2.2620% | | 0.4617% |
| Uncollectible Charge (Monthly Gas Supply 1 Charge * Uncollectible Factor) | | 0.005976 | | 0.001220 |
| 2 Gas Storage Inventory Carrying Charge | | 0.000744 | | 0.000744 |
| 3 Working Capital - Commodity Hedges | | 0.000971 | | 0.000971 |
| 4 Credit & Collections and Call Center | | 0.007248 | | 0.007248 |
| 5 Administrative Charge | | 0.009816 | | 0.009816 |
| 6 Prior Period Reconciliation | | (0.003894) | | (0.003894) |
| Total MFC Rate | \$ | 0.020861 | \$ | 0.016105 |