

Effective Date: 04/01/2017

PSC No: 19 - Electricity  
Rochester Gas and Electric Corporation  
Initial Effective Date: April 1, 2017  
Issued in compliance with Order in Case 15-E-0302, dated February 22, 2017.

Leaf No. 160.27  
Revision: 11  
Superseding Revision: 9

## GENERAL INFORMATION

### 12. SUPPLY SERVICE OPTIONS (Cont'd)

#### D. Merchant Function Charge (MFC):

The MFC shall be applicable to only those customers taking supply service from the Company (*i.e.*, RSS and Hourly Pricing) and is set forth in a statement at the end of this Schedule (P.S.C. No. 19 – Electricity). A separate MFC shall be calculated for Non-demand Billed (Hedged) (S.C. Nos. 1, 2, 6 and street lighting), Non-demand Billed (Non-hedged) (S.C. No. 4) and Demand Billed (S.C. Nos. 3, 7, 8, 9, 10, 11, & 14) customers. For Service Classification Nos. 10, 11, and 14, the customer's otherwise applicable service classification shall determine the applicable MFC.

1. The MFC shall include the following rate components as described in the Joint Proposal dated July 14, 2010 in Case Nos. 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718, and as further amended by the Joint Proposal dated February 19, 2016, in Cases 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286.
  - a. Commodity-related Uncollectible Costs
  - b. Commodity-related Credit and Collections and Call Center costs;
  - c. Commodity-related Administrative costs;
  - d. Cash Working Capital on Purchased Power costs and
  - e. Cash Working Capital on Commodity Hedge Margin costs.
  - f. Prior Period Reconciliation
2. The MFC components shall be updated and reconciled as stated below in accordance with the Joint Proposal dated July 14, 2010 in Case Nos. 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718, and as further amended by the Joint Proposal dated February 19, 2016, in Cases 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286.
  - a. Commodity-related Uncollectible Costs
    - The commodity related uncollectible percentage rate shall be reset annually based on the most recent available 12-month period of actual uncollectibles
    - The commodity-related uncollectible component of the MFC shall be calculated each month by multiplying the uncollectible percentage rate for each of the groups described above by the associated monthly electric supply cost.
  - b. Commodity-related Credit and Collections and Call Center costs
    - The Credit and Collections and Call Center Cost Component shall be reconciled annually for differences in actual versus design sales only. The unit rate shall be reset annually based on recent sales forecasts.
  - c. Commodity-related Administrative costs
    - The Administrative Component shall be reconciled annually for differences in actual versus design sales only. The unit rate shall be reset annually based on recent sales forecasts.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Rochester, New York