

Effective Date: 07/21/2016

PSC No: 19 - Electricity
 Rochester Gas and Electric Corporation
 Initial Effective Date: June 19, 2015

Leaf No. 160.27
 Revision: 6
 Superseding Revision: 5

GENERAL INFORMATION
12. SUPPLY SERVICE OPTIONS (Cont'd)

2. Non-Hourly Pricing Demand Metered Customers:
S.C. Nos. 3, 7, 8, 9 (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 small (S.C. Nos. 1, 2, 4, and 6 and street lighting) and large (S.C. Nos. 3, 7, 8 & 9) 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.
 - 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, if the New York Independent System Operator moves to weekly billing and
 - e) Cash Working Capital on Commodity Hedge Margin costs.
- 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.
 - a) Commodity-related Uncollectible Costs
 - The commodity related uncollectible percentage rate shall be reset annually based on the most recent available twelve-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 component will be reconciled annually for differences in actual versus forecast sales only. The unit rate shall be reset annually based on recent MFC and POR sales forecasts.
 - c) Commodity-related Administrative costs
 - The Administrative Component shall be reconciled annually for differences in actual versus forecast sales only. The unit rate shall be reset annually based on recent sales forecasts.

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