

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.

| | Non Demand billed (Hedged) \$ per kWh | Non Demand billed (Non-Hedged) \$ per kWh | Demand billed \$ per kWh |
|---|---|---|-----------------------------|
| Monthly Electric Supply Cost | \$0.037606 | \$0.029219 | \$0.029666 |
| Uncollectible Factor | <u>2.574800%</u> | <u>2.574800%</u> | <u>0.183200%</u> |
| 1 Uncollectible Charge (Monthly Electric Supply Cost * Uncollectible Factor) | \$0.000968 | \$0.000752 | \$0.000054 |
| 2 Working Capital - Purchase Power | \$0.000099 | \$0.000099 | \$0.000099 |
| 3 Working Capital - Commodity Hedges | \$0.000326 | - | - |
| 4 Credit & Collections and Call Center | \$0.000578 | \$0.000578 | \$0.000578 |
| 5 Administrative Charge | \$0.001212 | \$0.001212 | \$0.001212 |
| 6 Prior Period Reconciliation | \$0.000105 | (\$0.000151) | (\$0.000159) |
| Total MFC Rate per kWh | \$0.003288 | \$0.002490 | \$0.001784 |

Service Classification Nos. 1, 2 and 6 will be billed the "Non-Demand billed (hedged)" MFC rate.

All Street Lighting Service Classifications (Nos. 1, 2, and 3) will be billed the "Non-Demand billed (hedged)" MFC rate.

Service Classification Nos. 4 will be billed the "Non-Demand billed (non-hedged)" MFC rate.

Service Classification Nos. 3, 7, 8 and 9 will be billed the "Demand billed" MFC rate.

For Service Classification Nos. 10, 11, and 14, the customer's otherwise applicable service classification will determine the applicable MFC.