

### 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<br>(Hedged)<br>\$ per kWh | Non Demand billed<br>(Non-Hedged)<br>\$ per kWh | Demand billed<br>\$ per kWh |
|-------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------|-----------------------------|
| Monthly Electric Supply Cost                                                  | \$0.085894                                  | \$0.100027                                      | \$0.093472                  |
| Uncollectible Factor                                                          | <u>2.923700%</u>                            | <u>2.923700%</u>                                | <u>0.542600%</u>            |
| 1 Uncollectible Charge ( Monthly Electric Supply Cost * Uncollectible Factor) | \$0.002511                                  | \$0.002924                                      | \$0.000507                  |
| 2 Working Capital - Purchase Power                                            | \$0.000309                                  | \$0.000309                                      | \$0.000309                  |
| 3 Working Capital - Commodity Hedges                                          | (\$0.000094)                                | -                                               | -                           |
| 4 Credit & Collections and Call Center                                        | \$0.000376                                  | \$0.000376                                      | \$0.000376                  |
| 5 Administrative Charge                                                       | \$0.000633                                  | \$0.000633                                      | \$0.000633                  |
| 6 Prior Period Reconciliation                                                 | <u>(\$0.000336)</u>                         | <u>\$0.000079</u>                               | <u>\$0.000050</u>           |
| <b>Total MFC Rate per kWh</b>                                                 | <b>\$0.003399</b>                           | <b>\$0.004321</b>                               | <b>\$0.001875</b>           |

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.