

ORANGE AND ROCKLAND UTILITIES, INC.

10th REVISED LEAF NO. 23Y  
SUPERSEDING 8th REVISED LEAF NO. 23Y  
9th REVISED LEAF NO. 23Y PENDING

**GENERAL INFORMATION**

**23. RETAIL ACCESS COST RECOVERY MECHANISMS**

**23.1 ENERGY COST ADJUSTMENT ("ECA")**

The ECA shall consist of two components, a Base ECA and a Variable ECA.

a) **Base ECA**

The Base ECA will be determined annually and is designed to recover: (a) the cost associated with the termination of power sales agreements with Non-Utility Generators ("NUG Buyout Costs"), (b) lost revenue resulting from the implementation of individually negotiated contracts under Service Classification No. 23, (c) implementation costs, including costs for enabling technologies, associated with Rider M and Mandatory DAHP as set forth in General Information Section 14 (Market Supply Charge), and (d) any prior period over/undercollection of Base ECA and Variable ECA costs.

On or before February 1 of each year, the Company shall submit to the Commission its annual filing to establish the Base ECA to become effective the following May 1. The Base ECA shall be equal to the Company's projection of the cost components defined above, divided by the Company's estimate of total customer kWh usage for the coming recovery period, rounded to the nearest \$0.00001 per kWh. The Base ECA will remain in effect until changed as authorized by the Commission.

NUG Buyout Cost Recovery

NUG Buyout Costs shall be defined as costs associated with the termination of power sales agreements with NUGs. NUG Buyout Costs must be approved by the Commission prior to recovery through the ECA. The Company's estimated NUG Buyout Costs for the coming year shall be determined and included in the annual Base ECA filing.

(Continued)

ISSUED: April 1, 2009

EFFECTIVE: May 1, 2009

ISSUED BY: William Longhi, President  
Pearl River, New York 10965

Issued in compliance with Order of the Public Service Commission dated February 12, 2009 in Case No. 07-E-0949.

ORANGE AND ROCKLAND UTILITIES, INC.

3rd REVISED LEAF NO. 23Y-1  
SUPERSEDING 1st REVISED LEAF NO. 23Y-1  
2nd REVISED LEAF NO. 23Y-1 CANCELED

**GENERAL INFORMATION**

**23. RETAIL ACCESS COST RECOVERY MECHANISMS (Continued)**

**23.1 ENERGY COST ADJUSTMENT ("ECA") (Continued)**

b) **Variable ECA**

The Variable ECA will be determined monthly and is designed to recover shortfalls and surpluses in auctions, day-ahead market congestion settlements, or any other adjustments related to Transmission Congestion Contracts ("TCCs") received by the Company from the NYISO.

The Variable ECA shall be equal to the cost component defined above divided by the Company's estimate of total customer kWh usage for the applicable billing month, rounded to the nearest \$0.00001 per kWh.

c) **Reconciliation**

Each month, ECA costs incurred by the Company shall be reconciled to ECA recoveries and any differences shall be deferred. Interest, at the Commission-approved rate for Gas Adjustment Charge refunds, will be calculated on the average of the current and prior month's cumulative over and under collections. The annual Base ECA filing submitted by the Company will include the reconciliation of actual costs and recoveries in the prior period.

d) **Applicability**

The ECA per kWh determined above will be applied to the kWh usage on the bills of all customers served under this Schedule, except for customers billed under Service Classification No. 25.

For customers billed under Service Classification No. 25, the Base ECA and Variable ECA shall be separately determined and billed. The Base ECA shall be a percentage increase applied to the applicable Service Classification No. 25 Customer Charges and Delivery Charges billed to such customers. The percentage increase shall be determined by dividing the Company's projection of costs recoverable through the Base ECA, as determined in the manner set forth above, by the applicable annual delivery service revenues. The Variable ECA shall be determined as set forth under (b) above and billed on a per kWh basis.

(Continued)

ISSUED: July 31, 2008

EFFECTIVE: August 1, 2008

ISSUED BY: John D. McMahon, President  
Pearl River, New York 10965

Issued in compliance with Order of the Public Service Commission dated July 23, 2008 in Case No. 07-E-0949.

ORANGE AND ROCKLAND UTILITIES, INC.

8th REVISED LEAF NO. 23Z  
SUPERSEDING 7th REVISED LEAF NO. 23Z

**GENERAL INFORMATION**

**23. RETAIL ACCESS COST RECOVERY MECHANISMS (Continued)**

**23.1 ENERGY COST ADJUSTMENT ("ECA") (Continued)**

e) **Statement of Energy Cost Adjustment**

A Statement of Energy Cost Adjustment showing the Base ECA, Variable ECA and effective date shall be filed with the Commission, apart from this Schedule. Such statement shall be filed February 1 of each year to establish the Base ECA to become effective the following May 1. Such statement shall also be filed not less than three business days prior to a proposed change in the Variable ECA. The Statement of Energy Cost Adjustment shall be made available to the public at Company offices where applications for service may be made.

f) **Temporary Surcharge**

Pursuant to the Commission's Order Establishing Electric Rate Plan for Orange and Rockland Utilities, Inc., issued July 23, 2008, in Case No. 07-E-0949, a temporary surcharge shall be in effect from July 1, 2010 through June 30, 2011 to collect \$9,903,000 due to the phase-in of the rate increases.

Temporary Surcharge rates by service classification (\$/kWh):

SC1	0.00324	SC16 Energy Only	0.00243
SC2	0.00251	SC19	0.00280
SC3	0.00132	SC20	0.00168
SC4	0.00730	SC21	0.00112
SC5	0.00480	SC22	0.00073
SC9	0.00105	SC25	0.00068
SC16 Dusk to Dawn	0.00619		

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ISSUED: July 31, 2008

EFFECTIVE: August 1, 2008

ISSUED BY: John D. McMahon, President  
Pearl River, New York 10965

Issued in compliance with Order of the Public  
Service Commission dated July 23, 2008 in  
Case No. 07-E-0949.

## ORANGE AND ROCKLAND UTILITIES, INC.

11th REVISED LEAF NO. 23Z-1  
SUPERSEDING 10th REVISED LEAF NO. 23Z-1**GENERAL INFORMATION****23. RETAIL ACCESS COST RECOVERY MECHANISMS (Continued)****23.2 SYSTEM BENEFITS CHARGE ("SBC")**

The SBC will be applied to the kWh usage on the bills of all customers served under this Schedule. The SBC will be determined annually and be designed to recover the costs of programs approved for SBC funding by the Commission.

The SBC rates shall be established to collect a target amount of \$4,857,964 per year, for the years 2001 through 2005. The SBC rate for the period January 1, 2006 through June 30, 2006 shall be established to collect \$2,428,982. The System Benefits Charge will continue from July 1, 2006, to December 31, 2014. The System Benefits Charge shall be established to collect a target amount of \$2,611,995 for the second half of 2006, \$5,223,990 for each of the four years beginning 2007, and \$2,611,995 for the first half of 2011, pursuant to the Commission's December 21, 2005 Order in Case 05-M-0090. Pursuant to the Commission's June 23, 2008 Order in Case 07-M-0548, the System Benefits Charge shall be established to collect an additional \$1,718,242 for the fourth quarter of 2008, and an additional \$6,872,968 for each of the three years beginning 2009. Pursuant to the Commission's August 21, 2008 Order in Case 06-E-1433, the SBC collections amount for the fourth quarter of 2008 has been reduced by \$820,000 resulting in a net collections amount of \$898,242 (\$1,718,242 - \$820,000). In addition, pursuant to the Commission's October 23, 2009 Order in Case 08-E-1127 et al., the Systems Benefits Charge is also expected to collect the following amounts for the five years beginning 2010: \$2,457,000, \$3,287,246, \$352,151, \$352,151, and \$142,443, in 2010, 2011, 2012, 2013, and 2014, respectively.

A reconciliation of annual SBC program collection through the SBC (eleven months actual, one month forecast) will be submitted by the Company to the Commission on or before December 15 of each year. Any over- or under-collections (differences in SBC collections from the target amount) for each calendar year through 2013 will be trued up in the next year's SBC rate. Any over- or under-collections of the System Benefits Charge during 2014 also will be reconciled and credited to or collected from customers as directed by the Commission.

Not less than fifteen days prior to a proposed change in the SBC, a Statement showing the SBC and the effective date will be filed with the Commission apart from this Schedule. Such Statement will be available to the public at Company offices at which applications for service may be made. The SBC will remain in effect until changed as authorized by the Commission.

The SBC will be combined with the Renewable Portfolio Standard Charge for billing purposes.

(Continued)

ISSUED: December 1, 2009

EFFECTIVE: January 1, 2010

ISSUED BY: William Longhi, President  
Pearl River, New York 10965Issued in compliance with Order of the Public  
Service Commission dated October 23, 2009 in  
Case No. 08-E-1127 et al.

**ORANGE AND ROCKLAND UTILITIES, INC.**

3rd REVISED LEAF NO. 23Z-2  
SUPERSEDING 1st REVISED LEAF NO. 23Z-2  
2nd REVISED LEAF NO. 23Z-2 CANCELED

**GENERAL INFORMATION**

**23. RETAIL ACCESS COST RECOVERY MECHANISMS (Continued)**

**23.3 RESERVED FOR FUTURE USE**

(Continued)

**ISSUED:** July 31, 2008

**EFFECTIVE:** August 1, 2008

**ISSUED BY:** John D. McMahon, President  
Pearl River, New York 10965

Issued in compliance with Order of the Public  
Service Commission dated July 23, 2008 in  
Case No. 07-E-0949.

ORANGE AND ROCKLAND UTILITIES, INC.

5th REVISED LEAF NO. 23Z-3  
SUPERSEDING 3rd REVISED LEAF NO. 23Z-3  
4th REVISED LEAF NO. 23Z-3 CANCELED

**GENERAL INFORMATION**

**23. RETAIL ACCESS COST RECOVERY MECHANISMS (Continued)**

**23.4 RENEWABLE PORTFOLIO STANDARD (“RPS”) CHARGE**

The Renewable Portfolio Standard Charge will be applied to the kWh usage on the bills of all customers subject to the System Benefits Charge. The RPS Charge will be determined annually and be designed to recover the above-market costs of renewable resources under the RPS program to be administered by the New York State Energy Research and Development Authority in accordance with the Commission’s September 24, 2004 Order in Case No. 03-E-0188. RPS collections will be in amounts and for periods as directed by the Commission. Each collection period will be for 12 months, commencing three months prior to the applicable calendar year. Any over- or under-collections of the RPS Charge will be reconciled and included in the subsequent RPS Charge. Any over- or under-collections of the RPS Charge in the final period for which the RPS Charge is applicable will also be reconciled and credited to or collected from customers in a manner to be determined by the Commission.

Not less than fifteen days prior to a proposed change in the RPS Charge, a Statement showing the RPS Charge and the effective date will be filed with the Commission apart from this Schedule. Such Statement shall be available to the public at Company offices at which applications for service may be made. The RPS Charge shall remain in effect until changed as authorized by the Commission.

The RPS Charge shall be combined with the System Benefits Charge for billing purposes.

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ORANGE AND ROCKLAND UTILITIES, INC.

1st REVISED LEAF NO. 23Z-3-1  
ORIGINAL LEAF NO. 23Z-3-1 CANCELED

**GENERAL INFORMATION**

**23. RETAIL ACCESS COST RECOVERY MECHANISMS (Continued)**

**23.5 MERCHANT FUNCTION CHARGE ("MFC")**

a) Applicability

A Merchant Function Charge ("MFC") will be applied, on a per kWh basis, to the bills of all Full Service Customers. Retail Access Customers are not subject to an MFC. The MFC shall include the following components:

- (1) a commodity procurement charge including purchased power working capital and a commodity revenue-based allocation of information resources and education and outreach costs;
- (2) a credit and collections charge; and
- (3) an uncollectibles charge.

b) MFC Fixed Components

<u>Service Classification</u>	<u>Commodity Procurement, IR, and Education and Outreach</u>	<u>Credit and Collections</u>	<u>Total</u>
(1) Applicable August 1, 2008 through June 30, 2009			
SC Nos. 1 and 19	\$0.00210	\$0.00103	\$0.00313
SC Nos. 2, 20, 4, 5 and 16	\$0.00107	\$0.00041	\$0.00148
SC Nos. 3, 9, 21, 22 and 25	\$0.00063	\$0.00015	\$0.00078
(2) Applicable July 1, 2009 through June 30, 2010			
SC Nos. 1 and 19	\$0.00214	\$0.00105	\$0.00319
SC Nos. 2, 20, 4, 5 and 16	\$0.00109	\$0.00042	\$0.00151
SC Nos. 3, 9, 21, 22 and 25	\$0.00065	\$0.00016	\$0.00081
(3) Applicable July 1, 2010 through June 30, 2011			
SC Nos. 1 and 19	\$0.00217	\$0.00106	\$0.00323
SC Nos. 2, 20, 4, 5 and 16	\$0.00111	\$0.00043	\$0.00154
SC Nos. 3, 9, 21, 22 and 25	\$0.00066	\$0.00016	\$0.00082

(Continued)

ISSUED: July 31, 2008 EFFECTIVE: August 1, 2008

ISSUED BY: John D. McMahon, President  
Pearl River, New York 10965  
Issued in compliance with Order of the Public Service Commission dated July 23, 2008 in Case No. 07-E-0949.

ORANGE AND ROCKLAND UTILITIES, INC.

1st REVISED LEAF NO. 23Z-3-2  
ORIGINAL LEAF NO. 23Z-3-2 CANCELED

**GENERAL INFORMATION**

**23. RETAIL ACCESS COST RECOVERY MECHANISMS (Continued)**

**23.5 MERCHANT FUNCTION CHARGE ("MFC") (Continued)**

c) Uncollectibles Charge

The uncollectibles charge will be determined separately each month for: (i) SC Nos. 1 and 19, (ii) SC Nos. 2, 4, 5, 16 and 20, and (iii) SC Nos. 3, 9, 21, 22 and 25. The uncollectible expense ("UC Expense") for each of these groups shall be determined monthly based on an estimate of costs recoverable through the Market Supply Charge ("MSC") and an uncollectibles percentage ("UC Percentage") applicable to each group. UC Expense for each group will then be adjusted to reflect the Company's actual overall uncollectibles experience for the thirty-six month period ended the previous June 30 applicable to all electricity and gas customers eligible for the Company's Purchase of Receivables Program.

UC Expense for each group, adjusted as set forth above, shall be divided by an estimate of corresponding full service kWh deliveries to determine the uncollectibles charge per kWh to be included in the MFC. The UC Percentages shall be reset annually effective November 1 based on the Company's actual uncollectibles experience for the thirty-six month period ended the previous June 30 applicable to all electricity and gas customers eligible for the Company's Purchase of Receivables Program

d) Reconciliation of MFC Components

Revenues associated with the MFC components shall be reconciled annually in accordance with the operation of the Transition Adjustment for Competitive Services, as set forth in General Information Section No. 23.6 of this Rate Schedule.

e) Statement of Merchant Function Charge

(1) The MFC shall be effective for service rendered on and after the first day of the calendar month following the computation date and shall continue in effect until changed. The MFC will be prorated based on the number of days each MFC is in effect in a billing period.

(2) A Statement of Merchant Function Charge shall be filed with the Commission apart from this Schedule not less than three days prior to the date on which it is proposed to be effective. Such Statement will be available to the public at Company offices at which applications for service may be made.

(Continued)

ISSUED: July 31, 2008 EFFECTIVE: August 1, 2008

ISSUED BY: John D. McMahon, President  
Pearl River, New York 10965  
Issued in compliance with Order of the Public Service Commission dated July 23, 2008 in Case No. 07-E-0949.

ORANGE AND ROCKLAND UTILITIES, INC.

1st REVISED LEAF NO. 23Z-3-3  
ORIGINAL LEAF NO. 23Z-3-3 CANCELED

**GENERAL INFORMATION**

**23. RETAIL ACCESS COST RECOVERY MECHANISMS (Continued)**

**23.6 TRANSITION ADJUSTMENT FOR COMPETITIVE SERVICES ("TACS")**

a) Applicability

A Transition Adjustment for Competitive Services ("TACS") will be applied, on a per kWh basis, to the bills of all customers taking service under this Rate Schedule. The TACS shall be reset annually effective July 1 of each year.

b) Definitions for Purposes of the TACS

"Merchant Function Charge Fixed Component Lost Revenue" shall be equal to a revenue target attributable to the Merchant Function Charge ("MFC") Fixed Components consisting of a) commodity procurement costs, including purchased power working capital and a commodity revenue-based allocation of information resources and education and outreach costs; and b) credit and collections costs portions of the MFC, minus the revenues received through the MFC relating to such MFC Fixed Components. The MFC Fixed Component revenue targets are \$5,097,293 for the period August 1, 2008 through June 30, 2009, \$5,304,421 for the period July 1, 2009 through June 30, 2010 and \$5,456,470 for the period July 1, 2010 through June 30, 2011.

"Billing and Payment Processing Lost Revenue" shall be equal to the total of billing and payment processing charges avoided by retail access customers less billing service charges assessed on ESCOs participating in the Company's Electric Retail Access program and electing the Utility Single Bill Option, less the Company's avoided costs associated with ESCOs participating in the Company's Electric Retail Access Program and electing the ESCO Single Bill Option.

"Metering Lost Revenue" shall be equal to the total of metering services charges (i.e., the total of meter ownership charges, meter service provider charges, and meter data service provider charges), avoided by customers taking competitive metering services, less the Company's avoided costs associated with customers taking competitive metering services.

"Credit and Collections Lost Revenue Associated with Retail Access" shall be equal to the target level of credit and collections costs reflected in the POR discount minus revenues received through the credits and collections component of the POR discount. The revenue targets are \$972,814 for the period August 1, 2008 through June 30, 2009, \$1,009,564 for the period July 1, 2009 through June 30, 2010 and \$1,042,580 for the period July 1, 2010 through June 30, 2011.

(Continued)

ISSUED: July 31, 2008

EFFECTIVE: August 1, 2008

ISSUED BY: John D. McMahon, President  
Pearl River, New York 10965

Issued in compliance with Order of the Public Service Commission dated July 23, 2008 in Case No. 07-E-0949.

ORANGE AND ROCKLAND UTILITIES, INC.

1st REVISED LEAF NO. 23Z-3-4  
ORIGINAL LEAF NO. 23Z-3-4 CANCELED

**GENERAL INFORMATION**

**23. RETAIL ACCESS COST RECOVERY MECHANISMS (Continued)**

**23.6 TRANSITION ADJUSTMENT FOR COMPETITIVE SERVICES ("TACS") (Continued)**

b) Definitions for Purposes of the TACS (Continued)

"Prior Period Reconciliation" represents the difference between the amount to be recovered through the TACS and the actual amount recovered through the TACS. Any under-recovery or over-recovery resulting from such reconciliation, plus interest (calculated at the Other Customer Capital Rate), shall be included in the calculation of the subsequent year's TACS.

c) Calculation of the TACS

The amount to be recovered from or credited to customers through the TACS shall be equal to the sum of the MFC Fixed Component Lost Revenue, Billing and Payment Processing Lost Revenue, Metering Lost Revenue, Credit and Collections Lost Revenue Associated with Retail Access and the Prior Period Reconciliation. Half of the amount to be recovered from or credited to customers through the TACS will be assigned to Full Service Customers; the balance will be assigned to both Full Service Customers and Retail Access Customers. The amounts to be collected from or credited to customers will be divided by the estimated total annual kWh deliveries, to which the TACS will be applied, to determine the per kWh TACS, expressed to the nearest 0.001 cent per kWh. If the above calculation results in a TACS of less than 0.001 cent per kWh, the total amount to be recovered from or refunded to customers will be deferred, with interest, for later recovery or refund through application to customers' bills in a subsequently determined TACS.

Each TACS will be in effect for a twelve-month period; provided, however, that the Company may adjust the TACS for the remaining months of a twelve-month period on not less than fifteen days' notice if the total deferred debit or credit amount exceeds \$1 million. The first annual period will commence July 1, 2009, based on a calculation of TACS charges/credits for the twelve months ending June 30, 2009.

The TACS will be calculated on an annual or more frequent basis, as provided herein. Not less than fifteen days prior to a proposed change in the TACS, a statement showing the determination of the TACS and the effective date will be filed with the Commission apart from this Schedule. Such Statement shall be made available to the public at Company offices at which applications for service may be made.

(Continued)

ISSUED: July 31, 2008

EFFECTIVE: August 1, 2008

ISSUED BY: John D. McMahon, President  
Pearl River, New York 10965

Issued in compliance with Order of the Public Service Commission dated July 23, 2008 in Case No. 07-E-0949.