

## ORANGE AND ROCKLAND UTILITIES, INC.

2nd REVISED LEAF NO. 23Z-5  
SUPERSEDING 1st REVISED LEAF NO. 23Z-5**GENERAL INFORMATION****25. REVENUE DECOUPLING MECHANISM ("RDM") ADJUSTMENT**

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, actual delivery revenues for certain customer classes are subject to reconciliation through an RDM Adjustment. The RDM Adjustment is applicable to Service Classification Nos. 1, 2, 3, 9, 19, 20, 21 and 22, except for customers taking service under Riders G, H and J. The RDM is not applicable to (a) Service Classification Nos. 4, 5, 15, 16, 23 and 25; and (b) customers taking service under Riders G, H, and J.

a) Determination of RDM Adjustment

For each service classification subject to the RDM Adjustment, the Company will compare, on a monthly basis, the difference between Actual Delivery Revenue and corresponding Delivery Revenue Targets. Actual Delivery Revenue is defined as the sum of total revenue derived from customer charges and delivery charges, as defined in each service classification. For the twelve-month period ending June 30, 2011, Actual Delivery Revenue will also include revenues associated with the temporary surcharge in the Energy Cost Adjustment. Actual Delivery Revenue shall not include revenues derived from the RDM Adjustment.

For each service classification subject to the RDM Adjustment, the Company will, on a monthly basis, compare Actual Delivery Revenue to a Delivery Revenue Target. If the monthly Actual Delivery Revenue exceeds the Delivery Revenue Target, the delivery revenue excess will be accrued for refund to customers at the end of the Annual RDM Period as defined below. Likewise, if the monthly Actual Delivery Revenue is less than the Delivery Revenue Target, this delivery revenue shortfall will be accrued for recovery from customers at the end of the Annual RDM Period.

On a monthly basis, interest at the Commission's rate for other customer provided capital will be calculated on the average of the current and prior month's cumulative delivery revenue excess/shortfall (net of state and federal income tax benefits).

(Continued)

ISSUED: July 31, 2008

EFFECTIVE: August 1, 2008

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

ORANGE AND ROCKLAND UTILITIES, INC.

ORIGINAL LEAF NO. 23Z-5-1

GENERAL INFORMATION

25. REVENUE DECOUPLING MECHANISM ("RDM") ADJUSTMENT (Continued)

a) Determination of RDM Adjustment (Continued)

At the end of an Annual RDM Period, as defined below, total delivery revenue excess/shortfalls for each service classification will be refunded/surcharged to customers through service classification-specific RDM Adjustments applicable during a corresponding RDM Adjustment Period as defined below. The RDM Adjustment for each applicable service classification shall be determined by dividing the amount to be refunded/surcharged to customers in that service classification by estimated kWh deliveries to customers in that service classification over the RDM Adjustment Period. RDM Adjustments shall be rounded to the nearest \$0.00001 per kWh.

Following each RDM Adjustment Period, any difference between amounts required to be charged or credited to customers in each service classification and amounts actually charged or credited will be charged or credited to customers in that service classification, with interest, over a subsequent RDM Adjustment period, or as determined by the Commission if no RDM is in effect.

<u>Annual RDM Period</u>	<u>RDM Adjustment Filing Date</u>	<u>RDM Adjustment Period</u>
7/1/08 – 6/30/09	7/22/09	8/1/09 – 7/31/10
7/1/09 – 6/30/10	7/22/10	8/1/10 – 7/31/11
7/1/10 – 6/30/11	7/22/11	8/1/11 – 7/31/12

If for any reason, a service classification included in the RDM no longer has any customers, the revenue target for that discontinued service classification, plus any RDM delivery revenue excess or shortfall, will be reallocated to other remaining service classifications to provide for equitable treatment of any revenue excess or shortfall from the discontinued service classification. In the event RDM revenue is reallocated, the Company will consult with Commission Staff regarding such reallocation.

(Continued)

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## ORANGE AND ROCKLAND UTILITIES, INC.

ORIGINAL LEAF NO. 23Z-5-2

## GENERAL INFORMATION

## 25. REVENUE DECOUPLING MECHANISM ("RDM") ADJUSTMENT (Continued)

b) Delivery Revenue Targets (\$000s)

Service Classification	12-month period commencing:		
	<u>July 1, 2008</u>	<u>July 1, 2009</u>	<u>July 1, 2010</u>
1	\$102,605	\$112,037	\$122,107
2	47,039	50,589	53,948
3	10,116	11,300	12,215
9	8,400	9,187	9,921
19	5,706	6,268	6,841
20	1,417	1,523	1,643
21	2,319	2,568	2,770
22	4,988	5,477	5,909
Unbilled Revenue	<u>(587)</u>	<u>767</u>	<u>2,153</u>
Total	\$182,003	\$199,716	\$217,507

c) Interim RDM Adjustments

If at any time during an Annual RDM Period, the total of cumulative delivery revenue excess/shortfall for all of the Company's service classifications subject to the RDM Adjustment exceeds \$3 million, the Company will implement interim RDM Adjustments by service classification on no less than ten days notice. These interim RDM Adjustments are subject to reconciliation at the end of the Annual RDM Period as part of the annual RDM Adjustment process described above.

(Continued)

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## ORANGE AND ROCKLAND UTILITIES, INC.

ORIGINAL LEAF NO. 23Z-5-3

## GENERAL INFORMATION

## 25. REVENUE DECOUPLING MECHANISM ("RDM") ADJUSTMENT (Continued)

d) July 2008 Make Whole Provision

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, the Company will be made whole for the revenue shortfall, if any, for July 2008 (i.e., the difference between the Company's actual revenues and the July 2008 Delivery Revenue Targets) associated with service classifications subject to the RDM Adjustment through the RDM Adjustment over the ten-month period September 2008 through June 2009. In addition, July 2008 shortfalls for the Billing and Payment Processing Charge, Metering Charges, and Commodity-Related Uncollectibles will be calculated and added to the amounts to be recovered through the RDM Adjustment over the ten-month period September 2008 through June 2009.

e) Statement of RDM Adjustments

A Statement of RDM Adjustments, showing the RDM Adjustments by service classification and their effective date shall be filed with the Commission, apart from this Schedule. Such statement shall be filed not less than ten calendar days prior to a proposed change in RDM Adjustments. The Statement of RDM Adjustments shall be made available to the public at Company offices where applications for service may be made.

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**ORANGE AND ROCKLAND UTILITIES, INC.**

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SUPERSEDING 1st REVISED LEAF NO. 23Z-6

**GENERAL INFORMATION**

**25. RESERVED FOR FUTURE USE**

<b>ISSUED:</b>	December 23, 2002	<b>EFFECTIVE:</b>	December 31, 2002
<b>ISSUED BY:</b>	Stephen B. Bram, President Pearl River, New York 10965	Issued in compliance with Order of the Public Service Commission dated November 6, 2002 in Case No. 02-E-1282.	

ORANGE AND ROCKLAND UTILITIES, INC.

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**GENERAL INFORMATION**

**25. RESERVED FOR FUTURE USE**

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**GENERAL INFORMATION**

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**GENERAL INFORMATION**

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**GENERAL INFORMATION**

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**GENERAL INFORMATION**

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