

P.S.C. NO. 3 ELECTRICITY
ORANGE AND ROCKLAND UTILITIES, INC.
INITIAL EFFECTIVE DATE: February 25, 2018

LEAF: 252
REVISION: 6
SUPERSEDING REVISION: 5

GENERAL INFORMATION

25. ENERGY COST ADJUSTMENT ("ECA") (Continued)

(D) Demonstration Project Cost Recovery

The Company will establish the Demonstration Project Cost Recovery component of the ECA pursuant to the Commission's Order in Case No. 14-E-0493, issued and effective October 16, 2015.

The Demonstration Project Cost Recovery component of the ECA is designed to recover the incremental revenue requirement associated with Demonstration Projects undertaken by the Company pursuant to the Commission's REV Track I Order issued on February 26, 2015 in Case No. 14-M-0101.

The Demonstration Project Cost Recovery component of the ECA shall not exceed \$0.00200 per kWh in any period unless a higher Demonstration Project Cost Recovery component is authorized by the Commission.

(E) Non-Wires Alternatives ("NWA") Project Cost Recovery

The NWA Project Cost Recovery component of the ECA is designed to recover the revenue requirement associated with Commission approved NWA projects undertaken by the Company and associated incentives until such costs are included in base rates.

For purposes of NWA project cost recovery, the Company will establish the following service classification groups:

- Group 1: SC Nos. 1 and 19
- Group 2: SC Nos. 2 Secondary, 20, and 25 – Rate I
- Group 3: SC Nos. 2 Primary, 3, 21, and 25 – Rate II
- Group 4: SC Nos. 9, 22, and 25 – Rates III and IV
- Group 5: SC Nos. 4, 5, 6, and 16

The NWA project revenue requirement will be allocated to the service classification groups based on each service classification group's percentage contribution to the system peak, as used to develop the embedded cost-of-service study in the Company's most recently approved electric rate plan. The allocated revenue requirement will be recovered on a per kW basis for demand billed service classification groups (for Standby Service customers, the credit will be collected on a per kW of Contract Demand basis) and on a per kWh basis for non-demand billed service classification groups.

Issued By: Robert Sanchez, President, Pearl River, New York