

P.S.C. NO. 3 ELECTRICITY**ORANGE AND ROCKLAND UTILITIES, INC.**

INITIAL EFFECTIVE DATE: December 22, 2015

Issued in compliance with Order in Case 14-E-0493 dated 10/16/2015.

LEAF: 252

REVISION: 4

SUPERSEDING REVISION: 3

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) Statement of Energy Cost Adjustment

A Statement of Energy Cost Adjustment showing the Base ECA, Variable ECA, the Demonstration Project Cost Recovery component of the ECA, if applicable, and effective date shall be filed with the Commission, apart from this Schedule. Such Statement shall be filed each year, on not less than thirty days' notice, to establish the Base ECA to become effective on March 1. Such Statement shall also be filed not less than three business days prior to a proposed change in the Variable ECA or the Demonstration Project Cost Recovery component of the ECA. The Statement of Energy Cost Adjustment shall be made available to the public at Company offices where applications for service may be made.

Issued By: Timothy Cawley, President, Pearl River, New York