P.S.C. NO. 3 ELECTRICITY ORANGE AND ROCKLAND UTILITIES, INC. INITIAL EFFECTIVE DATE: April 1, 2012

SERVICE CLASSIFICATION NO. 25 (Continued)

DETERMINATION OF DEMAND: (Continued)

(1) <u>Contract Demand</u> (Continued)

At the customer's request or if the customer does not state its contract demand, the Company will determine, and may thereafter re-determine, the customer's contract demand in accordance with the principles set forth below. Upon receipt of the determination of the contract demand from the Company, a customer may elect to establish its own contract demand, subject to the surcharge and the other provisions applicable to customers that set their own contract demand. Where the customer accepts a Company-set contract demand, no penalties will apply if the contract demand is exceeded.

- If the customer received service from the Company under this Rate Schedule for the (a) past 24 months and is newly installing on-site generation equipment, the contract demand shall be the customer's maximum 15-minute integrated demand occurring during the previous 24 months, subject to the following reasonable adjustments (i) upward, for the effect of abnormally cool summer period weather conditions or abnormally warm winter period weather conditions on the customer's temperaturesensitive load at the time that the customer's maximum 15-minute integrated demand occurred, (ii) upward, to reflect the diversified demand imposed on the Company's delivery system by equipment on the customer's premises that was not operating, but that could have been operating, when the customer's maximum 15-minute integrated demand occurred, and (iii) upward or downward, for permanent changes to the electrical load in the customer's premises through changes in equipment subsequent to the registration of the customer's maximum 15-minute integrated demand. Such adjustments will be reasonably determined through the Company's engineering analyses and information supplied by the customer at the Company's request.
- (b) If a new customer or a customer that received service from the Company for less than 24 months is newly installing on-site generation equipment, the contract demand shall be the service capacity, expressed in kW, requested in the customer's application for service, reasonably adjusted to take into account the Company's engineering evaluation of the customer's electrical equipment and its diversity of load. Where the customer does not supply this information in an application for service, the contract demand will be reasonably determined through the Company's engineering analyses of the customer's electrical equipment and its diversity of load, premises to be served, and information supplied by the customer at the Company's request.