

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

LEAF: 217  
REVISION: 0  
SUPERSEDING REVISION:

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## GENERAL INFORMATION

### 15. MARKET SUPPLY CHARGE ("MSC") (Continued)

#### 15.2 MSC ADJUSTMENT (Continued)

##### Actual Monthly Total MSC Costs

The Actual Monthly Total MSC Cost will include all costs associated with purchasing energy, capacity, and ancillary services incurred by the Company in providing electric power supply including costs associated with Non-Utility Generator ("NUG") contracts and costs/benefits associated with hedging instruments. The Actual Monthly Total MSC cost will also include the lost delivery service revenue associated with Rider K and Rider M. The Actual Monthly Total MSC Cost shall be reduced by any penalty amounts received from customers under Rider K, in excess of penalty amounts paid by the Company to the NYISO under the NYISO's Day Ahead Demand Reduction Program.

#### 15.3 MANDATORY DAY-AHEAD HOURLY PRICING ("DAHP")

##### (A) Applicability

Mandatory DAHP is applicable to customers receiving power supply from the Company under Service Classifications Nos. 9, 22, and 25 (Rates 3 and 4).

Mandatory DAHP is also applicable, commencing each May 1, to the following customers:

##### (1) Customers' bills having a "from" date from May 1, 2010 through April 30, 2013

A customer receiving power supply from the Company under Service Classification Nos. 2, 3, 20, 21 or 25 (Rates 1 and 2), who maintains a demand in excess of 500 kW in any two months of the previous 12-month period ending September 30 is subject to Mandatory DAHP. Once on Mandatory DAHP, a customer whose demand does not exceed 300 kW for 12 consecutive months during the period ending September 30, shall be transferred out of Mandatory DAHP effective with its bill having a "from" date on or after the following May 1 unless the customer elects to remain on DAHP service on a voluntary basis.

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Issued By: William Longhi, President, Pearl River, New York