

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

INITIAL EFFECTIVE DATE: July 1, 2012

LEAF: 219
REVISION: 1
SUPERSEDING REVISION: 0Issued in compliance with Order in Case 11-E-0408 dated 06/15/2012.

GENERAL INFORMATION**15. MARKET SUPPLY CHARGE ("MSC") (Continued)****15.3 MANDATORY DAY-AHEAD HOURLY PRICING ("DAHP") (Continued)****(B) Charges****Energy Charges (per kWh)**

Customers shall be subject to hourly energy charges for electric power supply set each hour of each day of the year. The energy component of such hourly energy charge will be equal to the NYISO's day-ahead Locational Based Marginal Price for Zone G.

Capacity Charge (per kW of Capacity Obligation)

Customers shall be subject each month to a Capacity Charge per kilowatt of Capacity Obligation, as determined below. The Capacity Charge shall be based on the monthly auction price paid by the Company for the capacity it purchases from the NYISO for Zone G. Such capacity charge shall be shown on the "Statement of Market Supply Charge" filed each month with the Public Service Commission.

The customer's Capacity Obligation, in kilowatts, is determined by the Company no less frequently than once per year. The customer's Capacity Obligation is based on the individual share of the peak load assigned to the Company and is determined based on the individual customer's peak load during the peak hour for the New York Control Area ("NYCA"). The customer's peak load is adjusted to include demand losses by multiplying it by the applicable demand loss factor set forth in General Information Section No. 31. The customer's peak load is also adjusted for capacity related factors of the NYISO by applying the Unforced Capacity Effective percentage for the applicable capability period as posted by the NYISO.

(C) Posting of Hourly Energy Charges

The hourly energy charges for electric power supply, including the Ancillary Services/NTAC Charge, shall be posted by the Company on an internet website. All customers subject to DAHP will be responsible for obtaining price information from this website and will be billed based upon the hourly charges posted on this website.

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