

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

INITIAL EFFECTIVE DATE: July 1, 2012

SUPERSEDING REVISION:

LEAF: 250

REVISION: 1

0

Issued in compliance with Order in Case 11-E-0408 dated 06/15/2012.

GENERAL INFORMATION**25. ENERGY COST ADJUSTMENT ("ECA")**

The ECA will be applied to the bills of all customers served under this Schedule. The ECA consists of a Base ECA, a Variable ECA and a Temporary Surcharge.

(A) Base ECA

The Base ECA will be determined annually and is designed to recover: (a) lost revenue resulting from the implementation of individually negotiated contracts under Service Classification No. 23, (b) implementation costs, including costs for enabling technologies, associated with Rider M and Mandatory DAHP as set forth in General Information Section No. 15 (Market Supply Charge), and (c) any prior period over/undercollection of Base ECA and Variable ECA costs.

Each year, the Company shall submit to the Commission, on not less than thirty days notice, its annual filing to establish the Base ECA to become effective on March 1. The Base ECA for all customers except those billed under Service Classification No. 25 shall be assessed on a cents per kWh basis, and shall be equal to such customers' proportionate share of the Company's projection of the cost components defined above, divided by the Company's estimate of total customer kWh usage applicable to such customers for the coming recovery period, rounded to the nearest \$0.00001 per kWh. The Base ECA for Service Classification No. 25 customers shall be assessed on a per kW of contract demand basis and shall be equal to the Service Classification No. 25 customers' proportionate share of the Company's projection of the cost components defined above, divided by the Company's estimate of total Service Classification No. 25 contract demand kW for the coming recovery period, rounded to the nearest \$0.0001 per kW. The Base ECA will remain in effect until changed as authorized by the Commission.

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