

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

INITIAL EFFECTIVE DATE: July 1, 2012

SUPERSEDING REVISION:

LEAF: 261

REVISION: 1

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

GENERAL INFORMATION**30. REVENUE DECOUPLING MECHANISM ("RDM") ADJUSTMENT (Continued)**(C) Delivery Revenue Targets (\$000s)

12-month period commencing:

<u>Customer Group</u>	<u>7/1/12</u>	<u>7/1/13</u>	<u>7/1/14</u>
A	\$140,546	\$150,312	\$160,509
B	55,214	57,349	61,204
C	16,889	17,910	18,926
D	11,076	11,738	12,501
E	6,108	6,463	6,884
Unbilled Revenue	<u>411</u>	<u>789</u>	<u>1,686</u>
Total	\$230,244	\$244,561	\$261,710

If the Company does not file for new base delivery rates to be effective after June 30, 2015, the RDM will be implemented in accordance with the methodology set forth in Appendix E to the Joint Proposal adopted by the Commission in its Order Adopting Terms of a Joint Proposal, With Modification, and Establishing Electric Rate Plan, issued June 15, 2012 in Case No. 11-E-0408.

(D) Interim RDM Adjustments

If at any time during an Annual RDM Period, the total of cumulative delivery revenue excess/shortfall for all of the Company's service classifications subject to the RDM Adjustment exceeds \$3.5 million, \$3.7 million, and \$3.9 million for the annual RDM periods commencing July 1, 2012, July 1, 2013, and July 1, 2014, respectively, which are 1.5 percent of the total of the Delivery Revenue Targets for each of the Annual RDM Periods, the Company may implement interim RDM Adjustments by customer group on no less than ten days notice.

Such interim RDM Adjustments shall normally be determined by customer group by dividing the portion of the cumulative delivery revenue excess/shortfall for each customer group by the projected kWh deliveries associated with each customer group for the subsequent twelve-month period.

The Company may implement an interim RDM adjustment for a time period other than the normal time period after consultation with Commission Staff.

These interim RDM Adjustments are subject to reconciliation at the end of the Annual RDM Period as part of the annual RDM Adjustment process described above.

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