

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

INITIAL EFFECTIVE DATE: May 1, 2022

Issued in compliance with Order in Case 21-E-0074 dated 4/14/2022.

LEAF: 221.25

REVISION: 1

SUPERSEDING REVISION:

**GENERAL INFORMATION****16. ADDITIONAL DELIVERY CHARGES AND ADJUSTMENTS (Continued)****16.9 ELECTRIC VEHICLE MAKE-READY SURCHARGE ("EVMR")**

The Electric Vehicle Make-Ready ("EVMR") Surcharge recovers costs associated with investments made by the Company and incentives paid to customers to support the infrastructure and equipment necessary to accommodate increased electricity demands associated with the deployment of Electric Vehicles, until such costs are reflected in base rates.

**(A) EVMR Costs**

The costs to be recovered, collectively referred to as "EVMR Costs", are as follows:

- (1) Company-Owned Make-Ready Work: The depreciation expense related to Company-owned make-ready costs, including costs related to future proofing utility infrastructure, and return on the average unrecovered investment net of deferred income taxes for each program year, including carrying charges at the pre-tax weighted average cost of capital, that will be recovered over a subsequent one-year period;
- (2) Customer-Owned Make-Ready Work: Incentives paid for customer-owned make-ready work, including carrying charges calculated on the net-of-tax balances at the pretax weighted average cost of capital, that will be recovered over a period of 15 years;
- (3) Make-Ready Implementation Costs: Implementation costs inclusive of the Fleet Assessment Service, including carrying charges calculated on the net-of-tax balances at the pretax weighted average cost of capital, will be recovered over a period of 5 years; and
- (4) Other Programs: This includes costs such as the Environmental Justice Community Clean Vehicles Transformation Prize, Clean Personal Mobility Prize, Clean Medium and Heavy Duty Innovation Prize, Fleet Assessment Service, and Medium and Heavy Duty Make-Ready Pilot Program. To the extent that costs in these programs are for Company-owned make-ready infrastructure, such costs will be recovered consistent with Company-owned Make-Ready Work as noted in (1) above. Other costs of these programs, including carrying charges calculated on the net-of-tax balances calculated at the pre-tax weighted average cost of capital, will be recovered over a period of 15 years.

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Issued By: Robert Sanchez, President, Pearl River, New York