

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

LEAF: 252.1

REVISION: 1

INITIAL EFFECTIVE DATE: April 1, 2019

SUPERSEDING REVISION:

Issued in compliance with Order in Case 18-E-0067 dated 03/14/2019.

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**GENERAL INFORMATION****25. ENERGY COST ADJUSTMENT ("ECA") (Continued)****(F) Earnings Adjustment Mechanism ("EAM") Cost Recovery**

For the purpose of EAM cost recovery, the Company will establish the following service classification groups:

- Group 1: SC Nos. 1 and 19
- Group 2: SC No. 2 Secondary Non-Demand Billed
- Group 3: SC Nos. 2 Secondary Demand Billed, 20, and 25 – Rate I
- Group 4: SC Nos. 2 Primary, 3, 21, and 25 – Rate II
- Group 5: SC Nos. 9, 22, and 25 – Rates III and IV
- Group 6: SC Nos. 4, 5, 6, and 16

The EAM Cost Recovery component of the ECA is designed to recover incentives associated with electric EAMs. Recovery will be over twelve-month periods commencing each July 1. Recovery will be on a per kWh basis for non-demand billed service classification groups and on a kW basis for demand-billed service classification groups. For standby customers, the costs will be recovered on a per kW of Contract Demand basis. Recoveries (eleven months actual, one month forecast) will be reconciled to allocable costs for each twelve-month recovery period ending June 30, with any over or under recoveries included in the development of the succeeding EAM Cost Recovery component of the ECA. Reconciliation amounts related to the one month forecast will be included in the next subsequent rates determination.

The allocation of recoverable costs for EAM to service classification groups is set forth in the Joint Proposal adopted by the Commission in its Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans, issued March 14, 2019 in Case No. 18-E-0067.

**(G) Temporary Surcharge**

Customers shall be assessed a Temporary Surcharge to recover a portion of the Company's Rate Year 3 delivery revenue requirement as adopted by the Commission in Case No. 18-E-0067. The temporary surcharge shall be designed to recover \$5,685,000 (\$5,592,051 net of revenue taxes) and shall be assessed for service rendered from January 1, 2021 through December 31, 2021.

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