

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

INITIAL EFFECTIVE DATE: September 28, 2018

SUPERSEDING REVISION:

LEAF: 262.1

REVISION: 1

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Issued in compliance with Order in Case 18-E-0071 dated 07/12/2018.

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**GENERAL INFORMATION****31. Clean Energy Standard Delivery Surcharge ("CESD")**

The Clean Energy Standard Delivery Surcharge ("CESD") is applicable to all customers served under this Rate Schedule. The CESD recovers costs associated with contracts signed by NYSERDA to maintain certain renewable energy facilities ("Tier 2 Maintenance Contracts") and any funds required by NYSERDA to meet financial needs that result from its activities related to Clean Energy Standard and Offshore Wind Renewable Energy Credits ("ORECs") from qualifying offshore wind energy facilities ("Backstop Charges").

The Statement of CESD ("Statement") sets forth separate charges for the two components: Tier 2 Maintenance Contracts and Backstop Charges. The recovery of costs associated with Tier 2 Maintenance Contracts will be determined for each 12-month period beginning April 1. The recovery of costs associated with Backstop Charges will be set for a period of one-to-twelve months depending on the size of the costs. The charge for each component will collect the estimated costs for that component over its applicable collection period and the difference, excluding uncollectible-bill expense, between the actual costs and amounts collected for that component for prior periods. An adjustment will be made to the total charge for each component to reflect an uncollectible bill expense. The uncollectible bill expense will be determined using the system Uncollectible Percentage as described in General Information Section No. 7.5(B)(2). The unit amount to be charged for each collection period will be determined by dividing the amount to be collected by the forecasted kWh deliveries for the collection period.

The initial Statement is filed to become effective April 1, 2017. Unless otherwise directed by the Commission, any change to the unit amounts to be collected will be filed with the Commission no less than 15 days prior to the effective date. Each Statement will be posted to the Company's website prior to its effective date.

The CESD will be added to the System Benefits Charge for display on customers' bills.

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