

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

INITIAL EFFECTIVE DATE: November 1, 2015

LEAF: 258
REVISION: 2
SUPERSEDING REVISION: 0Issued in compliance with Order in Case 14-E-0493 dated 10/16/2015.

GENERAL INFORMATION**29. TRANSITION ADJUSTMENT FOR COMPETITIVE SERVICES ("TACS") (Continued)****(B) Definitions for Purposes of the TACS (Continued)**

"Prior Period Reconciliation" represents the difference between the amount to be recovered through the TACS and the actual amount recovered through the TACS. Any under-recovery or over-recovery resulting from such reconciliation, plus interest (calculated at the Other Customer Capital Rate), shall be included in the calculation of the subsequent year's TACS.

(C) Calculation of the TACS

The amount to be recovered from or credited to customers through the TACS shall be equal to the sum of the MFC Fixed Component Lost Revenue, Billing and Payment Processing Lost Revenue, Metering Lost Revenue, Credit and Collections Lost Revenue Associated with Retail Access and the Prior Period Reconciliation. Half of the amount to be recovered from or credited to customers through the TACS will be assigned to Full Service Customers; the balance will be assigned to both Full Service Customers and Retail Access Customers. The amounts to be collected from or credited to customers will be divided by the estimated total annual kWh deliveries, to which the TACS will be applied, to determine the per kWh TACS, expressed to the nearest 0.001 cent per kWh. If the above calculation results in a TACS of less than 0.001 cent per kWh, the total amount to be recovered from or refunded to customers will be deferred, with interest, for later recovery or refund through application to customers' bills in a subsequently determined TACS.

Each TACS will be in effect for a twelve-month period; provided, however, that the Company may adjust the TACS for the remaining months of a twelve-month period on not less than fifteen days' notice if the total deferred debit or credit amount exceeds \$1 million. The TACS effective November 1, 2015 will reconcile the period July 1, 2015 through October 31, 2015, including any prior period balances.

The TACS will be calculated on an annual or more frequent basis, as provided herein. Not less than fifteen days prior to a proposed change in the TACS, a Statement showing the determination of the TACS and the effective date will be filed with the Commission apart from this Schedule. Such Statement shall be made available to the public at Company offices at which applications for service may be made.

Issued By: Timothy Cawley, President, Pearl River, New York