

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

INITIAL EFFECTIVE DATE: December 22, 2015

SUPERSEDING REVISION:

LEAF: 250

REVISION: 4

3

Issued in compliance with Order in Case 14-E-0493 dated 10/16/2015.

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**GENERAL INFORMATION****25. ENERGY COST ADJUSTMENT ("ECA")**

The ECA will be applied to the bills of all customers served under this Schedule. The ECA consists of a Base ECA, a Variable ECA and a Demonstration Project Cost Recovery component.

**(A) Base ECA**

The Base ECA will be determined annually and is designed to recover: (a) lost revenue resulting from the implementation of individually negotiated contracts under Service Classification No. 23, (b) implementation costs, including costs for enabling technologies, associated with Rider M and Mandatory DAHP as set forth in General Information Section No. 15 (Market Supply Charge), (c) the costs of any Company-run energy efficiency programs that are approved through the energy efficiency transition implementation plan ("EE Tracker Mechanism"), and (d) any prior period over/undercollection of Base ECA and Variable ECA costs.

Each year, the Company shall submit to the Commission, on not less than thirty days notice, its annual filing to establish the Base ECA to become effective on March 1. The Base ECA for all customers except those billed under Service Classification No. 25 shall be assessed on a cents per kWh basis, and shall be equal to such customers' proportionate share of the Company's projection of the cost components defined above, divided by the Company's estimate of total customer kWh usage applicable to such customers for the coming recovery period, rounded to the nearest \$0.00001 per kWh. The Base ECA for Service Classification No. 25 customers shall be assessed on a per kW of contract demand basis and shall be equal to the Service Classification No. 25 customers' proportionate share of the Company's projection of the cost components defined above, divided by the Company's estimate of total Service Classification No. 25 contract demand kW for the coming recovery period, rounded to the nearest \$0.0001 per kW. The Base ECA will remain in effect until changed as authorized by the Commission.

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