



Orange and Rockland Utilities, Inc.  
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November 15, 2017

Honorable Kathleen H. Burgess  
Secretary of the Commission  
State of New York Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223

RE: Case 09-M-0311, *Implementation of Chapter 59 of the Laws of 2009  
Establishing a Temporary Annual Assessment Pursuant to Public  
Service Law §18-a(6)*

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. ("O&R" or the "Company") hereby submits for filing with the New York Public Service Commission (the "Commission") an updated Statement of Temporary State Assessment Surcharge, Statement No. TSAS-12 to its Schedule for Gas Service, P.S.C. No. 4 – GAS. The statement has an effective date of December 1, 2017.

#### **Reason for Filing**

In its Order dated June 18, 2014 in the above referenced proceeding (the "June 2014 Order"), the Commission authorized the continuation of the PSL §18-a surcharges through December 31, 2017, for utilities whose estimated over collection through June 30, 2014 (excluding the March 2014 assessment payment) is less than their expected March 2015 total assessment payment. On June 16, 2017, as directed by the June 2014 Order, the Company filed revised PSL §18-a surcharges with an effective date of July 1, 2017 (TSAS – Statement No. 11). Based upon the Company's interpretation of the June 2014 Order, the revised surcharges were designed to collect: (1) one-half of the difference between the General Assessment amounts required to be collected and the amount in base rates for the State Fiscal Year 2017-2018 (April through March), inclusive of an adjustment for uncollectible expenses and working capital costs; (2) the amount calculated for State Fiscal Year 2017-2018, which was based on one-half of the Temporary State Assessment paid in Fiscal Year 2016-2017; and (3) a reconciliation amount related to the difference between past period PSL §18-a amounts required to be collected and actual amounts collected.

After conferring with Commission Staff, the Company is filing to update these surcharges effective December 1, 2017 to reflect the full difference (i.e., the remaining one-half of the difference) between the General Assessment amounts required to be collected and the amount in base rates for the State Fiscal Year 2017-2018. This difference also reflects the updated general assessment amount from October 2017. The updates are inclusive of an adjustment for uncollectible expenses and working capital costs. The Company has also included in this filing an adjustment to reconciliations from prior periods collections identified as part of a Commission Staff audit.

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**Statement**

Revised surcharges have been designed to collect the remaining difference between the updated general assessment required to be collected and the amount in base rates, inclusive of an adjustment for uncollectible expenses and working capital cost and an adjustment to reconciliations from prior periods as requested by PSC Staff. This incremental net amount is a supplement to the PSL §18-a surcharges shown on TSAS - Statement No. 11. This amount was allocated to each customer class based on their contribution to the Company's total 2016 gas revenues inclusive of gross receipts taxes. Revenues include both delivery and supply charges for all O&R gas service classes' supply charges including estimated supply charges for retail access customers.

The Statement filed herewith reflects the unit amounts to be collected over the month of December 2017. The Company will make a filing on or before December 16, 2017 to reflect the expiration of the surcharges on or after January 1, 2018.

Questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

/s/

William A. Atzl, Jr.  
Director – Rate Engineering