



Orange and Rockland Utilities, Inc.
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March 29, 2019

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

RE: Case No. 18-E-0067, Proceeding on Motion of the
Commission as to the Rates, Charges, Rules and
Regulations of Orange and Rockland Utilities, Inc. for
Electric Service

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. ("O&R" or the "Company") hereby submits for filing certain tariff leaves and statements reflecting revisions to its Schedule for Electric Service, P.S.C. No. 3 – ELECTRICITY ("Electric Tariff").

This filing is made in compliance with the Commission's Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans, issued March 14, 2019, in Case No. 18-E-0067 ("Rate Order").¹ The Rate Order provides for a three-year electric rate plan in which Rate Years ("RY") 1, 2, and 3 are the twelve-month periods commencing January 1, 2019, January 1, 2020, and January 1, 2021, respectively.

The tariff leaves and statements set forth in Appendix A to this letter are issued March 29, 2019, to become effective on April 1, 2019.

Summary of Tariff Modifications

The enclosed tariff leaves reflect the following modifications to the Electric Tariff in accordance with the Rate Order.

1. The Table of Contents section of the Electric Tariff has been modified to add General Information Section No. 33, Delivery Revenue Surcharge.

¹ The Rate Order adopted terms of a Joint Proposal dated November 9, 2018, and submitted by the Company, Staff of the New York State Department of Public Service, the Utility Intervention Unit of the New York State Department of State's Division of Consumer Protection (as to the Gas Rate Plan only), New York Power Authority, Pace Energy and Climate Center, Environmental Defense Fund, the Municipal Coalition, New York Geothermal Energy Organization, Bob Wyman, Great Eastern Energy, LLC, Public Utility Law Project of New York, Inc., and the Department of Defense and all other Executive Agencies ("Joint Proposal").

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2. General Information Section No. 7.5(B)(2), Utility Single Billing Service, has been revised to: (1) reflect an updated Purchase of Receivables ("POR") Discount Percentage based on a revised POR Credit and Collections component and a revised Uncollectibles Percentage as described in Appendix 17 to the Joint Proposal; (2) change the annual reset date of the Uncollectibles Percentage and Credit and Collections components of the POR Discount Percentage from November 1 to January 1 to align with the commencement of the new rate year; (3) change the determination of the uncollectibles component used in the POR Discount and the Merchant Function Charge ("MFC") to reflect the Company's actual uncollectibles experience applicable to all gas and electric POR-eligible customers from the 12-month period ended the previous June 30 to the 12-month period ended the previous September 30;² and (4) update the ESCO Billing Cost to \$1.30 based on the revised Billing and Payment Processing ("BPP") Charge. The BPP Charge was also updated in General Information Section No. 7.5(C).
3. General Information Section No. 11.14(D), Restoration of Service, has been modified to align the time period for which the Company will waive the reconnection charge for customers enrolled in the Company's low income program with the commencement of the new rate year, effective January 1, 2019.
4. General Information Section No. 13, Service Classification Riders, has been modified as follows:
 - a. Rider B – Recharge New York (RNY) Program Rider has been revised to add a \$/kWh bill credit for RNY usage due to the transfer of energy efficiency costs to base rates.
 - b. Rider C – Excelsior Jobs Program has been revised to add the bill credits for customers who commence service on Rider C on or after April 1, 2019.
 - c. Rider J – Smart Home Rate has been revised to update the customer charge and the demand delivery rates.
5. General Information Section No. 15 – Market Supply Charge ("MSC"), has been modified to: (1) include on-line auction platform costs as recoverable electric supply costs under the MSC; and (2) clarify how the Company calculates the capacity component for the Forecast MSC and the capacity price for the customers subject to Mandatory Day-Ahead Hourly Pricing.
6. General Information Section No. 25 - Energy Cost Adjustment ("ECA"), has been modified as follows:
 - a. The Energy Efficiency Tracking Mechanism ("EE Tracker") has been removed from the Company's Base ECA Charge since Company-run energy efficiency program costs have been transferred to base rates.
 - b. Provisions were added to allow for the recovery or refund of the following items: (1) Non-Wires Alternative projects not included in base rates; (2) Earnings Adjustment

² This change was also made in General Information Section No. 28 – Merchant Function Charge ("MFC").

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Mechanism incentives; (3) positive and negative revenue adjustments resulting from the Company's electric and customer service performance mechanisms; and (4) the price guarantee for residences with plug-in electric vehicles ("PEVs") taking service under Service Classification ("SC") No. 19.

- c. Provisions were added for the RY3 Temporary Surcharge.
7. General Information Section No. 26, System Benefits Charge ("SBC"), has been revised to delete language stating that Company-administered energy-efficiency program costs not recovered in base rates were recovered through the EE Tracker.
8. General Information Section No. 28, Merchant Function Charge, has been modified to update the MFC fixed components in accordance with Appendix 17 to the Joint Proposal.
9. General Information Section No. 29, Transition Adjustment for Competitive Services ("TACS"), has been modified to reflect updated revenue targets used in the determination of MFC Fixed Component Lost Revenue and Credit and Collections Lost Revenue Associated with Retail Access in accordance with Appendix 17 to the Joint Proposal. The TACS annual periods were revised to align with the new Rate Year, effective January 1, 2019. In addition, language was added concerning the reconciliation of the TACS for the period November 1, 2018 to December 31, 2018.³ Finally, language was added to state that the TACS will be used to reconcile or surcharge revenue differences associated with the extension of the suspension period in Case 18-E-0067.⁴
10. General Information Section No. 30, Revenue Decoupling Mechanism ("RDM"), has been modified as follows:
 - a. The RDM annual periods were revised to end December 31 of each year. The date the Company must file its Statement of RDM Adjustments during the month following the end of each RDM period has been changed to no less than ten calendar days before February 1 of each year.
 - b. For calendar year 2019, two sets of RDM revenue targets are listed: (1) RDM revenue targets for January through March 2019, which are based on the monthly targets listed for January through March 2016 as shown in Appendix 18, Schedule 5, of the Joint Proposal adopted by the Commission in the Company's base rate filing in Case 14-E-0408; and (2) RDM revenue targets for April through December 2019, which are based on Appendix 21, Schedule 1, of the Joint Proposal. RDM delivery revenue targets have been established for RY2 and RY3 based on Appendix 21, Schedule 1, of the Joint Proposal.

³ Statement TACS-11 is submitted to reconcile the period November 1, 2018, through December 31, 2018, pursuant to Appendix 17 of the Joint Proposal. The rates contained in TACS-11 will be in effect for the nine-month period ending December 31, 2019.

⁴ Pursuant to the Joint Proposal, the Company is allowed a make-whole provision that will reconcile the revenue differences between allowing rates to become effective April 1, 2019 as compared to January 1, 2019.

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- c. A statement was added to specify that, if the Company does not file for new base delivery rates to be effective after the end of RY3, the RDM will be implemented in accordance with the methodology set forth in the Joint Proposal.
 - d. SC Nos. 4 and 6 were added as Group F to the RDM.⁵
 - e. Language was added stating that, should an SC No. 4 customer purchase its street lights from the Company resulting in the customer taking service under SC No. 6, then the difference between Actual Delivery Revenue and the Delivery Revenue Target will be adjusted to account for estimates of the lower carrying cost on the net value of the assets, lower property taxes, and lower depreciation realized by the Company as a result of the sale.⁶
 - f. Statement RDM-11 is submitted to reconcile the period November 1, 2018, through December 31, 2018, pursuant to Appendix 21 of the Joint Proposal. The rates contained in Statement RDM-11 will be in effect for the ten-month period ending January 31, 2020.
11. General Information Section No. 33, Delivery Revenue Surcharge, has been established. The Delivery Revenue Surcharge will collect shortfalls in non-competitive delivery service revenue that resulted from the extension of the Case 18-E-0067 suspension period, plus interest at the Commission's Other Customer Capital rate over nine months commencing April 1, 2019. The unit amount to be collected from customers is shown per SC on the Statement of Delivery Revenue Surcharge ("SDR Statement") to the Electric Tariff.⁷ Any difference between amounts required to be collected and actual amounts collected will be charged or credited to customers in a subsequent SDR Statement that will become effective March 1, 2020. The Delivery Revenue Surcharge was also added to the list of Rates – Monthly in each SC.
12. Changes in SC Nos. 1, 2, 3, 4, 5, 6, 9, 15, 16, 19, 20, 21, 22 and 25 have been made to reflect delivery charges, customer charges, and metering charges in accordance with Appendix 17 of the Joint Proposal.
13. The following additional changes were made to SC No. 1:
- a. Removal of the optional electric space and water heating discount language due to the elimination of the discounts in RY1.
 - b. Addition of an annual Geothermal Rate Impact Credit of \$52 that will be made available to customers who: (a) install equipment meeting the requirements of the Geothermal Rebate Program offered by the New York State Energy Research and Development Authority; (b) submit proof of such installation to the Company; and (c) cannot take service under a voluntary three-part residential rate⁸ because either the

⁵ The RDM was also added to the Rates – Monthly list of SC Nos. 4 and 6.

⁶ This will only apply to street light purchases that had not already been reflected in the Delivery Revenue Targets.

⁷ Statement SDR-1 is submitted with this filing.

⁸ A three-part rate is a rate that includes a customer charge, a usage charge, and a demand charge.

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rate had not been approved by the Commission or such rate is available to the customer, but AML metering has not yet been installed at the customer's premises.

14. Language was added to SC No. 2 to clarify that non-demand billed rates are for secondary service only.
15. The Company has moved certain luminaires in SC Nos. 4 and 16 to the list of luminaires that will no longer be installed.
16. Language was added to SC No. 19 to add a one-year price guarantee for customers taking service under SC No. 19 for residences that include PEVs and register such PEVs with the Company.⁹
17. SC No. 25, Standby Service has been modified to: (a) exempt Electric Energy Storage Systems up to 1 MW of inverter capability from standby rates; (b) decrease maximum NOx emissions for combined heat and power facilities in order to qualify for technology-based exemption from standby rates; and (c) clarify that SC No. 25 customers will be assessed metering charges applicable to "Customers Eligible for Mandatory DAHP" of their otherwise applicable SC.

Conclusion and Notice

The Company will publish notice of this filing in accordance with Ordering Clause 5 of the Rate Order. 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

c: Active Parties, Case No. 18-E-0067 (via email)

⁹ The Company has also included under SC No. 19 other tariff changes related to PEVs that were filed in compliance with the Commission's November 15, 2018 Order in Case 18-E-0206, *Tariff filings to Effectuate the Provisions of Public Service Law Section 66-o (Residential Electric Vehicle Charging Tariff)* that will also become effective on April 1, 2019.

Orange and Rockland Utilities, Inc.**Appendix A****Electric Rate Case No. 18-E-0067****List of Revised Tariff Leaves and Statements effective April 1, 2019****P.S.C. No. 3 - ELECTRICITY**

2nd Revised Leaf No.	6	6th Revised Leaf No.	277
13th Revised Leaf No.	89	9th Revised Leaf No.	278
2nd Revised Leaf No.	90	10th Revised Leaf No.	283
5th Revised Leaf No.	139	9th Revised Leaf No.	284
2nd Revised Leaf No.	148.1	11th Revised Leaf No.	285
6th Revised Leaf No.	155	11th Revised Leaf No.	290
5th Revised Leaf No.	168	12th Revised Leaf No.	295
5th Revised Leaf No.	169	10th Revised Leaf No.	309
2nd Revised Leaf No.	169.1	9th Revised Leaf No.	310
4th Revised Leaf No.	214	8th Revised Leaf No.	312
5th Revised Leaf No.	216	8th Revised Leaf No.	321
9th Revised Leaf No.	219	8th Revised Leaf No.	322
6th Revised Leaf No.	250	8th Revised Leaf No.	331
8th Revised Leaf No.	251	8th Revised Leaf No.	332
8th Revised Leaf No.	252	11th Revised Leaf No.	333
1st Revised Leaf No.	252.1	8th Revised Leaf No.	336
Original Leaf No.	252.2	9th Revised Leaf No.	341
5th Revised Leaf No.	253	4th Revised Leaf No.	342
5th Revised Leaf No.	255	3rd Revised Leaf No.	344
Original Leaf No.	255.1	2nd Original Leaf No.	344.1
4th Revised Leaf No.	256	8th Revised Leaf No.	345
5th Revised Leaf No.	257	6th Revised Leaf No.	346
4th Revised Leaf No.	258	9th Revised Leaf No.	347
6th Revised Leaf No.	259	8th Revised Leaf No.	350
7th Revised Leaf No.	260	6th Revised Leaf No.	351
5th Revised Leaf No.	261	9th Revised Leaf No.	352
5th Revised Leaf No.	262	8th Revised Leaf No.	356
Original Leaf No.	263.1	6th Revised Leaf No.	357
8th Revised Leaf No.	264	9th Revised Leaf No.	358
4th Revised Leaf No.	265	8th Revised Leaf No.	359
7th Revised Leaf No.	266	9th Revised Leaf No.	372
8th Revised Leaf No.	267	8th Revised Leaf No.	373
8th Revised Leaf No.	268	8th Revised Leaf No.	374
8th Revised Leaf No.	269	8th Revised Leaf No.	375
8th Revised Leaf No.	270	4th Revised Leaf No.	376
6th Revised Leaf No.	271	3rd Revised Leaf No.	377
9th Revised Leaf No.	272	4th Revised Leaf No.	388
9th Revised Leaf No.	274	5th Revised Leaf No.	389
8th Revised Leaf No.	276		

Statement of Revenue Decoupling Mechanism - RDM-11

Statement of Delivery Revenue Surcharge - SDR-1

Statement of Transition Adjustment for Competitive Services - TACS-11