



February 21, 2013

Honorable Jeffrey C. Cohen
Acting Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

RE: Case No. 09-M-0311, Temporary Annual Assessment
Pursuant to Public Service Law §18-a(6)

Dear Acting Secretary Cohen:

Orange and Rockland Utilities, Inc. ("O&R" or the "Company") hereby submits for filing 2nd Revised Leaf No. 249 to its Schedule for Electric Service, P.S.C. No. 3 – Electricity ("Electric Tariff"). The revised tariff leaf is issued February 21, 2013 to become effective May 20, 2013.

Reason for Filing

Leaf No. 249 addresses collection of the temporary surcharge under Public Service Law 18-a, which was directed by the Commission's Order Implementing Temporary State Assessment (the "Order"), issued June 19, 2009, in 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)." ¹ Leaf No. 249 indicates that the annual surcharge will collect amounts required to be collected for the State fiscal year above the amount in base rates plus uncollectible expenses and working capital costs, plus any reconciliation amount required to be collected for prior periods. Leaf No. 249 currently indicates, "To the extent the amount of the surcharge decreases in any year due to a fluctuation in annual intrastate gross operating revenues, the Company will maintain the prior year's surcharge to improve its cash flow position without increasing Customers' bills." [*underlining added for emphasis*]

The Order allows each utility to maintain the prior year's surcharge, but does not require it.² The proposed change from "will" to "may" recognizes that the Company is able to reduce collections the subsequent year if warranted by lower prior period revenues or a large over-collected balance.

¹ The Order directs collection of the temporary surcharge over 12-month periods from July 1, 2010 through June 30, 2014, to collect Section 18-a assessments to the Company above the amount reflected in base rates for the period April 1, 2009 through March 31, 2014.

² Order, p. 32.

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Conclusion and Notice

This tariff filing has a proposed effective date of May 20, 2013.

The Company requests waiver of newspaper publication, because this change will have either no effect or an insignificant effect on customers' bills when the annual surcharge is updated.³

Questions regarding this filing can be directed to me at (212) 460-3308.

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering

³ Pursuant to the Electric Tariff, the next change in the unit amount to be collected will be filed with the Commission on a revised Statement no less than 15 days prior to its July 1, 2013 effective date.