



September 15, 2014

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

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. (the "Company") hereby submits for electronic filing with the Public Service Commission (the "Commission") the following tariff leaves reflecting revisions to its Schedule for Electric Service, P.S.C. No. 3 – Electricity (the "Electric Tariff").

3rd Revised Leaf No. 216
4th Revised Leaf No. 219

These leaves are issued September 15, 2014, to become effective December 14, 2014.

Background

The existing Market Supply Charge ("MSC") provisions contained in General Information Section No. 15 of the Electric Tariff indicate that full service customers not subject to Mandatory Day Ahead Hourly Pricing ("MDAHP") will be subject to capacity charges determined based on the pre-capability period strip auction price paid by the Company for the capacity it purchases from the NYISO for Zone G. General Information Section No. 15 also indicates that full service customers subject to MDAHP will be charged for capacity based on the monthly auction price paid by the Company for the capacity it purchases from the NYISO for Zone G.

Effective May 1, 2014, the NYISO established a new capacity zone that covers the area currently designated as Zones G, H, I and J ("G-J Locality").¹ Under NYISO rules, the Company is required to procure a percentage of its capacity requirement from suppliers electrically located within the G-J Locality. The Locational Minimum Installed Capacity Requirement that the Company must obtain from the G-J Locality is established annually by the NYISO.

In light of these changes and in order to avoid any misinterpretation, on April 23, 2014, the Company filed with the Commission Leaf 216, Revision 2, and Leaf 219, Revision 3 proposing housekeeping changes to the Electric Tariff to remove the specific references to Zone G with respect to the Company's capacity purchases. The tariff leaves were filed to become effective August 19, 2014.

¹ The Company's service area is entirely contained in Zone G (Hudson Valley).

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After discussions with PSC Staff, on July 29, 2014 the Company filed Supplement No. 3 canceling Leaf 216, Revision 2 and Leaf 219, Revision 3. The Company agreed to refile the changes at a later date after consultation with PSC Staff.

Summary of Tariff Changes

The tariff leaves submitted today are revised to reflect the Company's capacity purchases prior to start of each summer and winter capability period due to the establishment of the G-J Locality.

Leaf No. 216 has been revised to state that the capacity component of the Forecast Market Supply Charge Component shall be determined in part, based on the weighted NYISO strip auction prices in the G-J Locality and Rest of State capacity zones prior to the start of each summer and winter capability period.

Leaf No. 219 has been revised to remove the reference to Zone G in the description of the capacity charge applicable to MDAHP customers.

Conclusion and Notice

This filing is proposed to become effective on December 14, 2014. The Company will provide for public notice of the tariff changes in this filing by means of newspaper publication once a week for four consecutive weeks prior to the effective date of the proposed tariff changes. Enclosed is a proposed form of Notice of Proposed Rule Making for publication in the State Register pursuant to the State Administrative Procedures Act.

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

Sincerely,

/s/

William A. Atzl, Jr.
Director – Rate Engineering