



Orange and Rockland Utilities, Inc.
4 Irving Place
New York NY 10003-0987
www.oru.com

May 28, 2014

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

RE: Case No. 11-E-0408, 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 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 a Joint Proposal, With Modification, and Establishing Electric Rate Plan, issued June 15, 2012, in Case No. 11-E-0408 ("Order").¹ In the Order, the Commission established an electric rate plan governing the Company's electric service for the three-year period commencing July 1, 2012.²

The tariff leaves, set forth in Appendix A to this letter, are issued May 28, 2014, to become effective on July 1, 2014.

The purpose of this filing is to implement the delivery rate changes for Rate Year 3 as described in the Joint Proposal.

Summary of Tariff Modifications

The rates shown on the enclosed tariff leaves reflect the Rate Year 3 rate design process described in Appendix B of the Joint Proposal and in Attachment A to the Order.

Rate Year 3 delivery rates have been set in a manner to recover an incremental revenue requirement of \$13,054,000. The \$13,054,000 was then adjusted to remove New York State Gross Receipts and Franchise Tax surcharge revenues, Municipal Tax surcharge revenues and

¹ The Order adopted certain terms of a Joint Proposal dated February 24, 2012, and submitted by the Company, Staff of the New York State Department of Public Service, and the Utility Intervention Unit of the Department of State ("Joint Proposal").

² Rate Year 1 is the period July 1, 2012 through June 30, 2013, Rate Year 2 is the period July 1, 2013 through June 30, 2014, and Rate Year 3 is the period July 1, 2014 through June 30, 2015.

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Metropolitan Transportation Authority Business Tax Surcharge revenues. The result is a net delivery revenue increase of \$12,903,000.

The enclosed tariff leaves reflect the following modifications in accordance with the Order.

1. General Information Section No. 7, Metering and Billing, Subsection 7.5(B)(2), Utility Single Billing Service, has been revised to reflect an updated Purchase of Receivable ("POR") Discount Percentage based on a revised POR credit and collections component as described in Appendix B of the Joint Proposal.
2. SC Nos. 1, 2, 3, 4, 5, 6, 9, 15, 16, 19, 20, 21, 22 and 25 have been revised to reflect updated delivery charges, customer charges, and metering charges in accordance with Appendix B of the Joint Proposal.
3. In SC No. 1, the optional electric space and water heating discounts continued to be phased out by reducing the discounts by 10 percent.
4. For SC No. 2 Secondary Demand Metered Service, 10 percent of the current usage rate differentials and a corresponding portion of demand rate differentials were eliminated.

Other Changes

During Rate Year Three, O&R will recover \$2,169,000 through a temporary surcharge component of the Energy Cost Adjustment ("ECA"). The temporary surcharge will be collected through service classification-specific per kWh charges. These charges are set forth in a draft ECA statement attached as Appendix B. If new electric base delivery rates do not go into effect immediately following the end of Rate Year Three, the temporary surcharge component of the ECA will continue at a reset rate per service classification in order to collect \$1,500,000.

Conclusion and Notice

The Company will publish notice of this filing in accordance with Public Service Law §66(12)(b). 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. 11-E-0408 (via email)