



December 7, 2015

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 14-E-0488, Continuation and  
Expansion of Standby Rate Exemptions

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. ("O&R" or the "Company") hereby submits for 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").

The revised Electric Tariff leaves, which are identified below, make changes to Service Classification ("SC") No. 25 – Standby Service. These leaves are issued December 7, 2015, to become effective on December 8, 2015.

3rd Revised Leaf No. 388  
4th Revised Leaf No. 389  
3rd Revised Leaf No. 390

### **Background**

The Commission's Order Continuing the Standby Rate Exemption (the "Exemption Order"), issued and effective April 20, 2015, in Case 09-E-0109 and Case 14-E-0488, directed continuance of the exemption from standby service rates through May 31, 2019 for customers with Designated Technologies.<sup>1</sup> The Exemption Order also granted expansion of the Designated Technologies exemption to customers with Efficient CHP<sup>2</sup> having an aggregated capacity greater than 1 MW and less than 15 MW, installed between May 31, 2015 and May 31,

---

<sup>1</sup> The Company filed tariff changes on May 30, 2015, which became effective on June 1, 2015, to continue the existing Designated Technologies exemptions. As currently tariffed, "Designated Technologies" means on-site generation facilities installed between July 29, 2003 and May 31, 2019, having the following technologies and/or fuels: (a) fuel cells, wind, solar thermal, photovoltaics, sustainably-managed biomass, tidal, geothermal, or methane waste, and (b) combined heat and power ("CHP") generation that meets efficiency eligibility criteria that were approved in the order of the New York State Public Service Commission, dated January 23, 2004, in Case 02-E-0781 and that does not exceed 1 MW of capacity in aggregate.

<sup>2</sup> Efficient CHP are systems that meet the efficiency eligibility criteria that were approved in the order of the New York State Public Service Commission, dated January 23, 2004, in Case 02-E-0781

Honorable Kathleen H. Burgess

December 7, 2015

Page 2 of 2

2019. As specified in the Exemption Order, customers who use Efficient CHP with an aggregated capacity greater than 1 MW, up to 15 MW, will be exempt from standby service rates for a period of four years from the in-service date. Once exempt, such customer may make a one-time election prior to the end of its four-year exemption period to be billed under standby service rates.

The Commission's Notice Extending Time to File (the "Notice"), issued May 29, 2015, granted a stay on the filing of tariff changes related to expansion of the Designated Technologies exemption to CHP greater than 1 MW until resolution of two petitions that were filed in Case 14-E-0488 on May 20, 2015.<sup>3</sup> The Notice directed that tariff filings be made ten days after the Commission's resolution of the petitions.

### **Reasons for the Changes**

The Commission's Order Denying Rehearing and Making Other Findings (the "CHP Order"), issued and effective November 25, 2015, in Case 14-E-0488, made determinations on the two petitions. The CHP Order denied the request of the Associated Utilities to retain the 1 MW cap on the Efficient CHP exemptions from standby service rates. However, it approved the Associated Utilities' request that all new customers with CHP facilities sized between more than 1 MW and up to 15 MW, "install, at their expense, revenue grade, interval meters that will measure generation output, and attach telemetry equipment sufficient to transmit operational information to the utility." (CHP Order, p 14)

### **Summary of Tariff Modifications**

The following tariff changes have been made pursuant to the Exemption Order and the CHP Order:

- The Company has modified SC No. 25 to expand the Designated Technologies exemption to Efficient CHP having an aggregated capacity greater than 1 MW, up to 15 MW, that is installed between May 31, 2015 and May 31, 2019. Customers who use Efficient CHP greater than 1 MW, up to 15 MW, will be exempt from standby service rates for a period of four years from the in-service date, unless they make a one-time election, in writing, prior to the end of the customer's four-year exemption period to be billed prospectively under standby service rates. The generating facility's output must be separately metered using Commission-approved, revenue grade, interval metering with telecommunications capability that the customer arranges to be furnished and installed at customer expense, and the customer, at its expense, must provide and maintain the communications service for that meter. The metering must be compatible with the Company's metering infrastructure, including compatibility with the Company's meter reading systems and meter communication systems. The Company will assess the charge specified in SC No. 25 if the customer's communications equipment is not operational and may transfer the customer to Standby Service rates for repeated failure to maintain the communications service.

---

<sup>3</sup> Petitions were filed by the Durst Organization, Inc. and the Associated Utilities (i.e., O&R, Consolidated Edison Company of New York, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric and Gas Corporation, and Rochester Gas and Electric Corporation).

Honorable Kathleen H. Burgess

December 7, 2015

Page 2 of 2

**Notice**

As directed by the Notice, the Company is making this filing ten days after issuance of the CHP Order.<sup>4</sup> Pursuant to Ordering Clause 1 of the Exemption Order, this filing is being made on no less than one day's notice, to become effective on December 8, 2015. Pursuant to Ordering Clause 2 of the Exemption Order, the Commission waived the requirement for newspaper publication of these tariff changes.

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

---

<sup>4</sup> Because Day 10 falls on a weekend, this filing is being made on the next business day.