



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

October 29, 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 No. 14-G-0494, Proceeding on Motion of the
Commission as to the Rates, Charges, Rules and
Regulations of Orange and Rockland Utilities, Inc. for Gas
Service

Dear Secretary Brillling:

Orange and Rockland Utilities, Inc. (the "Company") hereby submits for filing certain tariff leaves reflecting revisions to its Schedule for Gas Service, P.S.C. No. 4 – GAS ("Gas 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 October 16, 2015, in Case No. 14-G-0494 ("Rate Order").¹ In the Rate Order, the Commission approved the terms of a gas rate plan for the Company for the period November 1, 2015 through October 31, 2018 ("Gas Rate Plan")².

The tariff leaves set forth in Appendix A to this letter are issued October 29, 2015, to become effective November 1, 2015.

Summary of Tariff Modifications

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

1. The Table of Contents section of the Gas Tariff has been modified to: (1) add General Information Section No. 6.17, AMI and AMR Meter Opt Out Fees; (2) reflect the cancellation of Service Classification No. 3, Interruptible Sales; and (3) reflect the

¹ The Rate Order adopted terms of a Joint Proposal dated June 5, 2015, and submitted by the Company, Staff of the New York State Department of Public Service, the Utility Intervention Unit of the Department of State, the Sabin Center for Climate Change at Columbia Law School, the Pace Energy and Climate Center, the Retail Energy Supply Association, and the Department of Defense and all other Federal Executive Agencies ("Joint Proposal").

² Rate Year ("RY") 1 is the period November 1, 2015 through October 31, 2016, RY2 is the period November 1, 2016 through October 31, 2017, and RY3 is the period November 1, 2017 through October 31, 2018.

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cancellation of Service Classification No. 10, Firm Withdrawable Sales to Electric Generation Facilities.

2. General Information Section No. 3.7, Provisions of Gas Service, relating to gas service and main extensions has been modified to allow for: (1) 200 feet in any combination of main and service line for residential heating applicants as compared to the current allowance for up to 100 feet of main and up to 100 feet of service; and (2) the aggregation of entitlements for multiple applicants.
3. General Information Section No. 6.5, Rendering of Bills, specifically Section No. 6.5(2)(B) relating to the rendering of bills to customers participating in the Company's Gas Transportation Service Program under the Utility Single Billing Service option, has been revised to establish a Purchase of Receivables ("POR") Discount Percentage of 1.391 percent for Rate Year One.
4. General Information Section No. 6.16, Low Income Program, has been modified to establish separate bill credits for space heating and non-space heating customers. The monthly bill credit for heating customers will increase from \$11.63 to \$17.00 and the monthly bill credit for non-space heating customers will decrease from \$11.63 to \$6.00.
5. General Information Section 6.17 has been added to establish the rules for AMI and AMR Meter Opt Out Fees as follows: (1) a dual service customer opting out of AMI or AMR will pay a monthly manual meter reading fee of \$15; (2) a gas single service customer will pay a monthly meter reading fee of \$10; (3) a dual service customer opting out of AMR will pay a one-time meter change fee of \$90; and (4) a gas single service customer opting out of AMR will pay a one-time meter change fee of \$55.
6. The computation for the Factor of Adjustment ("FOA"), as contained in General Information Section No. 12.1(A), has been modified to state that the FOA will be based on the average of actual line losses for the preceding five twelve-month periods ending August 31. In RY1, the FOA has been set to 1.0159, the FOA average of actual line losses for the five-year period ended August 31, 2015.
7. General Information Section No. 12.1(D) related to the computation to determine whether the Company receives an incentive or penalty related to lost and unaccounted for gas has been modified. The determination of the incentive or penalty has been modified to include a fixed dead band for the duration of the Gas Rate Plan.
8. General Information Section No. 12.2(B), Transition Adjustment for Competitive Services ("TACS"), has been modified to: (1) revised the revenue targets used in the determination of the Merchant Function Charge ("MFC") Fixed Component Lost Revenue component of the TACS to reflect new levels of competitive supply-related and credit and collections related revenues; and (2) revise the revenue target used in the determination of the Credit and Collections Lost Revenue Associated with Retail Access component of the TACS to reflect a revised level of credit and collections costs to be recovered through the POR Discount Percentage.

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9. General Information Section No. 12.2(C), Credit/Surcharge for Sharing of Benefits, has been modified to reflect the fact that the revenue imputations for interruptible benefits³ have been reset to \$3.0 million, \$3.5 million, and \$4.0 million in RY1, RY2, and RY3, respectively. The imputation for power generation benefits will remain at its current level of \$650,000.
10. General Information Section No. 12.2(H), Temporary Surcharge, has been modified to reflect the RY3 Temporary Surcharge associated with the levelized rate increase approved by the Commission in the Rate Order.
11. General Information Section No. 12.2(K) has been added to include an Energy Efficiency ("EE") Tracker Mechanism. The EE Tracker Mechanism will recover the costs of any Company-run energy efficiency programs that are approved through the Company's Energy Efficiency Transition Implementation Plan ("ETIP").
12. General Information Section 12.2(L) has been added to establish a System Performance Adjustment ("SPA") Mechanism that will refund or surcharge customers in SC Nos. 1, 2, and 6 through the Monthly Gas Adjustment ("MGA") for differences in actual gas losses as compared to estimated gas losses based on the Factor of Adjustment within a pre-determined dead-band.
13. General Information Section No. 12.2(M) has been added to include a Reliability Surcharge Mechanism ("RSM") as a component of the MGA. The RSM will recover the costs associated with the accelerated replacement of leak prone pipe. Costs that exceed the amounts provided for in base rates in aggregate over the term of the Gas Rate Plan will be recovered through the RSM.
14. General Information Section No. 12.3, Weather Normalization Adjustment, has been revised to reflect an update to the normal heating degree days used in the weather normalization adjustment calculation based on the average heating degree days for the 10 years ended December 31, 2013.
15. General Information Section No. 12.4 (B), Merchant Function Charge, has been revised to reflect the Fixed MFC components for RY1, RY2, and RY3.
16. Riders B and C related to service for customers with distributed generation have been revised to reflect increased delivery charges.
17. Rider E, Excelsior Jobs Program ("EJP") has been modified to set an EJP discount of 13.4% for customers commencing EJP service on or after November 1, 2015.
18. General Information Section No. 23, System Benefits Charge, has been revised to remove existing targets since Company-run energy efficiency program costs will be collected through the EE Tracker Mechanism.

³ Interruptible benefits shall be defined as total interruptible (SC3), firm withdrawable (SC9) and firm dual fuel (SC5) revenues minus any associated gas costs and revenue tax surcharge revenues.

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19. General Information Section No. 25 (B), Revenue Decoupling Mechanism ("RDM") Adjustment has been modified to: (1) include unbilled revenues as a component of Actual Delivery Revenue; (2) remove the provision that Actual Delivery Revenues would be adjusted for proration; (3) revise the RPC targets in RY1, RY2, and RY3; and (4) add an RPC target effective November 1, 2018 should the Company not file for new base rates effective on that date. Such target is based on the RY3 target with the revenue associated with the Temporary Surcharge removed.
20. SC Nos. 1, 2, and 6 have been revised to reflect increased delivery charges.
21. SC No. 3 and all references to this SC in the Gas Tariff have been eliminated.
22. SC No. 7, Natural Gas for Motor Vehicle Usage, has been revised to add two rate options. Option I is for the sale of compressed natural gas ("CNG") to natural gas vehicles at Company fueling facilities in emergency situations. Option II is a negotiated rate option that allows for interruptible sales or transportation of natural gas to owners or operators of CNG fueling stations. In addition, a provision was added specifying that customers who own CNG fueling stations in the Company's service territory and requiring firm service will take service under SC No. 2 or SC No. 6 for sales or transportation service, respectively.
23. SC No. 8 has been revised to reflect a modification to the block rate structure and associated rates as follows: (1) the first usage block has been set at a flat charge for the first 100 Ccf of usage; (2) the second usage block will now be set for usage between 100 Ccf and 50,000 Ccf; (3) the third usage block will continue to be set at usage between 50,000 Ccf and 100,000 Ccf; and (4) the final usage block will be set at usage above 100,000 Ccf. The existing fifth block for usage above 200,000 Ccf has been eliminated. The Base Charge will be capped at \$0.16791, \$0.27014, and \$0.27864 per Ccf in RY1, RY1, and RY3, respectively. Finally, a provision was added to indicate that customers who begin to take service under SC No. 8 after taking firm service from the Company for less than five years will be responsible to pay all or a portion of the facility costs previously incurred by the Company.
24. The determination of charges related to daily and monthly over- and under-deliveries by marketers have been revised in SC Nos. 8, 9, 13, and 14.
25. SC No. 10 and all references to this SC in the Gas Tariff have been eliminated.
26. SC No. 11 has been modified to: (1) eliminate the rollover option which has not been available since November 1, 2011; (2) eliminate the Standard Service Option and make Winter Bundled Sales Service ("WBSS") mandatory effective April 1, 2016 (this change has also been reflected in SC No. 6); and (3) remove the references to the specific commodity costs used in determining WBSS and indicate that such detail has been moved to the Company's Gas Sales and Transportation Operating Procedures.
27. SC No. 14 has been revised to: (1) establish a monthly Variable Balancing Charge of \$0.01242 per Mcf, on all volumes delivered and burned; and (2) specify the required loss allowances for customers.

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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. 14-G-0494 (via email)