



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

September 30, 2016

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

RE: Case No. 14-E-0493, 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 Joint Proposal and Establishing Electric and Gas Rate Plans, issued October 16, 2015, in Case No. 14-E-0493 ("Rate Order").¹ In the Rate Order, the Commission established an electric rate plan governing the Company's electric service for the two-year period commencing November 1, 2015.

The tariff leaves, set forth in Appendix A to this letter, are issued September 30, 2016, to become effective on November 1, 2016

The purpose of this filing is to implement the delivery rate changes for Rate Year 2 ("RY2")² as described in the Joint Proposal.

Summary of Tariff Modifications

The rates shown on the enclosed tariff leaves reflect the Rate Year 2 rate design process described in Appendix 18 of the Joint Proposal.

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 RY2 is the period November 1, 2016 through October 31, 2017.

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Rate Year 2 delivery rates have been set in a manner to recover an incremental revenue requirement of \$8,794,637. The \$8,794,637 was then adjusted to remove New York State Gross Receipts Tax and Franchise Tax surcharge revenues, Municipal Tax surcharge revenues, and Metropolitan Transportation Authority Business Tax surcharge revenues. The result is a net delivery revenue increase of \$8,637,637.

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

1. General Information Section No. 7, Metering and Billing, Subsection 7.5(B)(2), Utility Single Billing Service, has been revised to establish a Purchase of Receivables ("POR") Discount Percentage of 1.094% for RY2.³
2. SC Nos. 1, 2, 3, 4, 5, 6, 9, 15, 16, 19, 20, 21, 22 and 25 have been revised to reflect increased delivery charges and metering charges in accordance with Appendix 18 of the Joint Proposal.
3. In SC No. 1, the optional electric space and water heating discounts were reduced by one-third.
4. For SC No. 2 Secondary Demand Metered service, ten percent of the first block usage revenues were reallocated to demand rates. SC No. 2 Primary service summer and winter usage revenues were reduced by 20 percent and the resulting seasonal changes in revenue were reallocated to demand revenue by increasing the demand charges.
5. SC Nos. 3, 9, and 22 usage revenues were reduced by 20 percent and the resulting change in revenue was reallocated to demand revenue by increasing the demand charges on an equal percentage basis.

Conclusion and Notice

The Company will publish notice of this filing in accordance with Public Service Law § 66(12)(b). Please direct any questions regarding this filing to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering

c: Active Parties, Case No. 14-E-0493 (via email)

³ The change in the POR Discount Percentage is the result of: (a) an update to reflect the RY2 level of credit and collections costs; (b) a revised uncollectibles percentage based on the Company's actual uncollectibles experience applicable to all gas and electric POR-eligible customers for the twelve-month period ended June 30, 2016; and (c) a revised risk factor set at 20 percent of the revised uncollectibles percentage.

**Orange and Rockland Utilities, Inc.
Electric Rate Case
Proposed Tariff Leaves effective November 1, 2016**

P.S.C. No. 3 Electricity

9th	Revised Leaf No.	89	6th	Revised Leaf No.	321
6th	Revised Leaf No.	264	6th	Revised Leaf No.	322
6th	Revised Leaf No.	267	6th	Revised Leaf No.	331
6th	Revised Leaf No.	268	6th	Revised Leaf No.	332
6th	Revised Leaf No.	269	7th	Revised Leaf No.	333
6th	Revised Leaf No.	270	6th	Revised Leaf No.	336
6th	Revised Leaf No.	272	6th	Revised Leaf No.	341
6th	Revised Leaf No.	274	6th	Revised Leaf No.	345
6th	Revised Leaf No.	276	6th	Revised Leaf No.	347
6th	Revised Leaf No.	278	6th	Revised Leaf No.	350
7th	Revised Leaf No.	283	6th	Revised Leaf No.	352
6th	Revised Leaf No.	284	6th	Revised Leaf No.	356
7th	Revised Leaf No.	285	6th	Revised Leaf No.	358
7th	Revised Leaf No.	290	6th	Revised Leaf No.	359
8th	Revised Leaf No.	295	6th	Revised Leaf No.	372
7th	Revised Leaf No.	309	6th	Revised Leaf No.	373
6th	Revised Leaf No.	310	6th	Revised Leaf No.	374
6th	Revised Leaf No.	312	6th	Revised Leaf No.	375