

P.S.C. NO. 3 ELECTRICITY**ORANGE AND ROCKLAND UTILITIES, INC.**

INITIAL EFFECTIVE DATE: April 1, 2012

SUPERSEDING REVISION:

LEAF: 253

REVISION: 1

0

Issued in compliance with Order in Case 10-E-0362 dated 03/20/2012.

GENERAL INFORMATION**26. SYSTEM BENEFITS CHARGE ("SBC")**

The SBC will be applied to the kWh usage on the bills of all customers served under this Schedule, excluding kWh usage delivered under Rider B, NYPA RNY Program, up to the RNY Allocation. The SBC will be determined annually and be designed to recover the costs of programs approved for SBC funding by the Commission.

The SBC rates shall be established to collect a target amount of \$4,857,964 per year, for the years 2001 through 2005. The SBC rate for the period January 1, 2006 through June 30, 2006 shall be established to collect \$2,428,982. The System Benefits Charge shall be established to collect a target amount of \$2,611,995 for the second half of 2006, \$5,223,990 for each of the four years beginning 2007, \$0 for 2011, \$2,611,995 for 2012, and \$3,620,212 for 2013, pursuant to the Commission's December 21, 2005 Order in Case 05-M-0090 and modified by its December 30, 2010 Order in Case 10-M-0457 and Case 05-M-0090. Pursuant to the Commission's June 23, 2008 Order in Case 07-M-0548, the System Benefits Charge shall be established to collect an additional \$1,718,242 for the fourth quarter of 2008, and an additional \$6,872,968 for each of the three years beginning 2009. Pursuant to the Commission's August 21, 2008 Order in Case 06-E-1433, the SBC collections amount for the fourth quarter of 2008 has been reduced by \$820,000 resulting in a net collections amount of \$898,242 (\$1,718,242 - \$820,000). Pursuant to the Commission's Orders dated October 23, 2009 and January 4, 2010 in Case 08-E-1127 et al., and Order dated June 24, 2010 in Case 07-M-0548, the System Benefits Charge is also expected to collect the following amounts: \$2,282,538, \$3,285,284, \$352,151, \$352,151, and \$142,443, in 2010, 2011, 2012, 2013, and 2014, respectively. In addition, pursuant to the Commission's Order dated August 22, 2011, in Case No. 07-M-0548 et al., SBC collections for 2011 have been reduced by \$544,829. Pursuant to the Commission's Order dated October 24, 2011 in Case 10-M-0457, and Order dated October 25, 2011 in Case 07-M-0548, the System Benefits Charge is also expected to collect the following amounts: \$7,887,035, \$11,458,630, \$16,553,350, \$17,765,683, \$10,421,864, \$7,371,673 and \$3,744,924 in 2012, 2013, 2014, 2015, 2016, 2017 and 2018, respectively.

A reconciliation of annual SBC program collection through the SBC (eleven months actual, one month forecast) will be submitted by the Company to the Commission on or before December 15 of each year. Any over- or under-collections (differences in SBC collections from the target amount) for each calendar year through 2013 will be trued up in the next year's SBC rate. Any over- or under-collections of the System Benefits Charge during 2014 also will be reconciled and credited to or collected from customers as directed by the Commission.

Not less than fifteen days prior to a proposed change in the SBC, a Statement showing the SBC and the effective date will be filed with the Commission apart from this Schedule. Such Statement will be available to the public at Company offices at which applications for service may be made. The SBC will remain in effect until changed as authorized by the Commission.

The SBC will be combined with the Renewable Portfolio Standard Charge for billing purposes.

Issued By: William Longhi, President, Pearl River, New York