

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

LEAF: 252

REVISION: 8

INITIAL EFFECTIVE DATE: April 1, 2019

SUPERSEDING REVISION: 7

Issued in compliance with Order in Case 18-E-0067 dated 03/14/2019.

GENERAL INFORMATION**25. ENERGY COST ADJUSTMENT ("ECA") (Continued)****(D) Demonstration Project Cost Recovery**

The Company will establish the Demonstration Project Cost Recovery component of the ECA pursuant to the Commission's Order in Case No. 14-E-0493, issued and effective October 16, 2015.

The Demonstration Project Cost Recovery component of the ECA is designed to recover the incremental revenue requirement associated with Demonstration Projects undertaken by the Company pursuant to the Commission's REV Track I Order issued on February 26, 2015 in Case No. 14-M-0101.

The Demonstration Project Cost Recovery component of the ECA shall not exceed \$0.00200 per kWh in any period unless a higher Demonstration Project Cost Recovery component is authorized by the Commission.

(E) Non-Wires Alternatives ("NWA") Project Cost Recovery

The NWA Project Cost Recovery component of the ECA is designed to recover the revenue requirement associated with Commission approved NWA projects undertaken by the Company and associated incentives until such costs are included in base rates.

For purposes of NWA project cost recovery, the Company will establish the following service classification groups:

- Group 1: SC Nos. 1 and 19
- Group 2: SC No. 2 Secondary Non-Demand Billed
- Group 3: SC Nos. 2 Secondary Demand Billed, 20, and 25 – Rate I
- Group 4: SC Nos. 2 Primary, 3, 21, and 25 – Rate II
- Group 5: SC Nos. 9, 22, and 25 – Rates III and IV
- Group 6: SC Nos. 4, 5, 6, and 16

Recovery of NWA incentives earned and NWA program costs will be allocated to service classification groups based on the service classification group's percentage contribution to the non-coincident demand specific to the voltage level of the traditional infrastructure project the NWA project would defer. Amortized costs will be collected on a per kWh basis for non-demand billed service classification groups and on a per kW basis for demand-billed service classification groups. For standby customers, the costs will be collected on a per kW of Contract Demand basis.

Issued By: Robert Sanchez, President, Pearl River, New York