

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

INITIAL EFFECTIVE DATE: April 1, 2019

SUPERSEDING REVISION:

LEAF: 251

REVISION: 8

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

GENERAL INFORMATION**25. ENERGY COST ADJUSTMENT ("ECA") (Continued)****(B) Variable ECA**

The Variable ECA will be determined monthly and is designed:

- (1) to recover shortfalls and surpluses in auctions, day-ahead market congestion settlements, or any other adjustments related to Transmission Congestion Contracts ("TCCs") received by the Company from the NYISO;
- (2) to credit to customers the Company's share of the Constellation Settlement Refund, plus any interest disbursements from NYSERDA, pursuant to the Commission's Order in Case No. 13-E-0232, issued and effective September 20, 2013;
- (3) to recover costs on an as-incurred basis including, but not limited to, costs for program development, marketing, evaluation, staffing, incentives and marketing research resulting from costs incurred prior to May 1, 2018 under Riders D, E, and F;
- (4) to recover Standby Reliability Credits provided to customers served under Service Classification No. 25;
- (5) to recover customer credits provided under Service Classification No. 19 Special Provision C; and
- (6) to recover or credit customers for positive and negative revenue adjustments resulting from the Company's electric and customer service performance mechanisms.

The Variable ECA shall be equal to the cost components defined above divided by the Company's estimate of total customer kWh usage for the applicable billing month, rounded to the nearest \$0.00001 per kWh.

(C) Reconciliation

Each month, ECA costs applicable to the Base ECA, Variable ECA, and other ECA components incurred by the Company shall be reconciled to recoveries and any differences shall be deferred. Interest, at the Commission-approved rate for Gas Adjustment Charge refunds, will be calculated on the average of the current and prior month's cumulative over and under collections. The annual Base ECA filing submitted by the Company will include the reconciliation of actual ECA costs and recoveries for the prior period.

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