

P.S.C. NO. 3 ELECTRICITY	LEAF:	260
ORANGE AND ROCKLAND UTILITIES, INC.	REVISION:	7
INITIAL EFFECTIVE DATE: April 1, 2019	SUPERSEDING REVISION:	5

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

GENERAL INFORMATION

30. REVENUE DECOUPLING MECHANISM ("RDM") ADJUSTMENT (Continued)

(B) Determination of RDM Adjustment (Continued)

For Service Classification No. 4 customer purchases of street lights from the Company resulting in the customer taking service under Service Classification No. 6 for such street lights, the applicable monthly differences between Actual Delivery Revenue and the Delivery Revenue Target shall be adjusted to account for estimates of the lower carrying cost on the net value of the assets, property taxes and depreciation realized by the Company as a result of the sale. Such adjustment shall be made only for street light purchases that were not reflected in the Delivery Revenue Targets.

Since loads served under Rider B, NYPA – Recharge New York ("RNY"), and usage above the Baseline Billing Determinants under Rider C, Excelsior Jobs Program ("EJP"), are exempt from the RDM, Delivery Revenue Targets will be revised for allocations made under RNY and deliveries under EJP. Delivery Revenue Targets will be decreased/increased as RNY and EJP customers move from/into RDM customer groups.

On a monthly basis, interest at the Commission's rate for other customer provided capital will be calculated on the average of the current and prior month's cumulative delivery revenue excess/shortfall (net of state and federal income tax benefits).

At the end of an Annual RDM Period, as defined below, total delivery revenue excess/shortfalls for each customer group will be refunded/surcharged to customers through customer group specific RDM Adjustments applicable during a corresponding RDM Adjustment Period as defined below. The RDM Adjustment for each applicable customer group shall be determined by dividing the amount to be refunded/surcharged to customers in that customer group by estimated kWh deliveries to customers in that customer group over the RDM Adjustment Period. RDM Adjustments shall be rounded to the nearest \$0.00001 per kWh.

Following each RDM Adjustment Period, any difference between amounts required to be charged or credited to customers in each customer group and amounts actually charged or credited will be charged or credited to customers in that customer group, with interest, over a subsequent RDM Adjustment period, or as determined by the Commission if no RDM is in effect. RDM targets will be adjusted, as applicable, to exclude credits applied to customer accounts pursuant to General Information Section No. 7.17(A).

The Statement of RDM Adjustments effective April 1, 2019 will be in effect 10 months and will reflect the reconciliation of the prior RDM period of November and December 2018. Thereafter, Annual RDM Periods are the 12-month periods ending December 31, of each year. The Company will file a Statement of RDM Adjustments during the month following the end of each Annual RDM Period and no less than ten calendar days' before February 1 on which the statement becomes effective for one year.

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