

**P.S.C. NO. 3 ELECTRICITY**  
**ORANGE AND ROCKLAND UTILITIES, INC.**  
 INITIAL EFFECTIVE DATE: February 28, 2021

LEAF: 221.13  
 REVISION: 0  
 SUPERSEDING REVISION:

## GENERAL INFORMATION

### 16. ADDITIONAL DELIVERY CHARGES AND ADJUSTMENTS (Continued)

#### 16.4 TRANSITION ADJUSTMENT FOR COMPETITIVE SERVICES ("TACS")

(A) Applicability

A Transition Adjustment for Competitive Services ("TACS") will be applied, on a per kWh basis, to the bills of all customers taking service under this Rate Schedule. The TACS shall be reset annually effective January 1 of each year.

(B) Definitions for Purposes of the TACS

"Merchant Function Charge Fixed Component Lost Revenue" shall be equal to a revenue target attributable to the Merchant Function Charge ("MFC") Fixed Components consisting of a) commodity procurement costs, including purchased power working capital and a commodity revenue-based allocation of information resources and education and outreach costs; and b) credit and collections costs portions of the MFC, minus the revenues received through the MFC relating to such MFC Fixed Components. The MFC Fixed Component revenue target is \$3,229,360 for the twelve month period commencing January 1, 2022.

"Billing and Payment Processing Lost Revenue" shall be equal to the total of billing and payment processing charges avoided by retail access customers less billing service charges assessed on ESCOs participating in the Company's Electric Retail Access program and electing the Utility Single Bill Option, less the Company's avoided costs associated with ESCOs participating in the Company's Electric Retail Access Program and electing the ESCO Single Bill Option.

"Credit and Collections Lost Revenue Associated with Retail Access" shall be equal to the target level of credit and collections costs reflected in the POR Discount Percentage minus revenues received through the credit and collections component of the POR Discount Percentage for the TACS effective for the 12-month period commencing January 1, 2022. The TACS effective January 1, 2023, will no longer include the Credit and Collections Lost Revenue Associated with Retail Access component. Effective January 1, 2023, the difference between the target level of credit and collections costs reflected in the POR Discount Percentage minus revenues received through the credit and collections component of the POR Discount Percentage, and any prior period reconciliations, will be reflected in the POR Discount Percentage as described in General Information Section No. 7.5(B)(2)

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