

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

INITIAL EFFECTIVE DATE: March 1, 2016

SUPERSEDING REVISION:

Issued in compliance with Order in Case 14-M-0094 et al. dated 1/21/2016.

LEAF: 253

REVISION: 3

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

A System Benefits Charge ("SBC") recovers costs associated with clean energy activities conducted by the New York State Energy Research and Development Authority ("NYSERDA"). 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.

Except for the 10-month Statement of SBC filed to become effective March 1, 2016, the Statement of SBC will be filed on an annual basis, on no less than 15 days' notice, to become effective January 1. The Statement will set forth the Clean Energy Fund ("CEF") Surcharge Rate.

Beginning March 1, 2016, the CEF Surcharge rate collects: (1) annual authorized collections associated with NYSERDA-run clean energy activities, including the Renewable Portfolio Standard, Energy Efficiency Portfolio Standard ("EEPS"), SBC IV programs, and CEF, plus or minus any under- or over-collections associated with prior years; and (2) any over- or under-collections associated with Company-run EEPS programs authorized through 2015.

The CEF surcharge rate will be calculated by dividing the necessary collection amount by the forecasted kWh deliveries for the period in which the Statement is to be in effect.

The Company-administered energy efficiency programs that are not recovered in base rates will be recovered separately in the EE Tracker Mechanism component of the Company's Base Energy Cost Adjustment ("ECA"), as described in General Information Section No. 25.

Issued By: Timothy Cawley, President, Pearl River, New York