

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

INITIAL EFFECTIVE DATE: June 1, 2016

LEAF: 157.9

REVISION: 1

SUPERSEDING REVISION: 0

Issued in compliance with Order in Cases 14-E-0423 and 15-E-0191 dated 6/18/2015.

GENERAL INFORMATION**13. SERVICE CLASSIFICATION RIDERS (Continued)****RIDER F (Continued)****DISTRIBUTION LOAD RELIEF PROGRAM****RESERVATION PAYMENT OPTION (Continued)****(E) Performance Factor**

Each Direct Participant or Aggregator has a Performance Factor for its portfolio enrolled under the Reservation Payment Option. When more than one Contingency Event, Immediate Event and/or Test Event is called during the month, the average of the Performance Factors of all events for a Direct Participant or Aggregator is the Performance Factor for that month. The Performance Factor for the month is used to calculate Reservation Payments for that month and each month thereafter until the month in which the next Load Relief Period or Test event is called by the Company during the current or subsequent year's Capability Period. The Performance Factor is rounded to two decimal places and has an upper limit of 1.00 and a lower limit of 0.00.

If, during the prior Capability Period, an Aggregator did not participate in the program or if a Direct Participant either did not participate in the program or participated in the program through an Aggregator, the Performance Factor will be set to 0.5 in the current Capability Period and will remain at that level until the first month in which a Load Relief Period or Test Event is called. The Performance Factor determined for that month will be applied retroactively, starting with the enrollment month, to true-up the Reservation Payments for the prior month(s).

An Aggregator's Performance Factor will carry forward to the start of the next Capability Period even if there is a change in the Aggregator's portfolio. For Aggregators that enrolled participants in 2015, the Aggregator's Performance Factor at the start of the 2016 Capability Period will be based on the cumulative performance and cumulative contracted Load Relief of its entire portfolio enrolled in the Reservation Payment Option during the 2015 Capability Period.

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