

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

INITIAL EFFECTIVE DATE: April 1, 2017

SUPERSEDING REVISION:

LEAF: 215

REVISION: 4

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Issued in compliance with Order in Case 15-E-0302 dated 2/22/2017.

GENERAL INFORMATION**15. MARKET SUPPLY CHARGE ("MSC") (Continued)****15.1 FORECAST MSC COMPONENT (Continued)**

- Substation Service – Substation service customers under Service Classification No. 9, Service Classification No. 22, and Service Classification No. 25, Rates 3 and 4 who are exempt from Mandatory Day-Ahead Hourly Pricing;
- Transmission Service – Transmission service customers under Service Classification No. 9, Service Classification No. 22, and Service Classification No. 25, Rates 3 and 4 who are exempt from Mandatory Day-Ahead Hourly Pricing;
- Lighting – Service Classification Nos. 4, 6 and 16; and
- Traffic Lighting – Service Classification No. 5.

The Forecast MSC Component shall be comprised of: (a) a load shape weighted average of forecast peak and off-peak energy charges; ancillary services charges; NYPA Transmission Adjustment Charges ("NTAC"); NYISO charges allocated to the Company resulting from transmission projects approved through FERC, NYISO, and other Commission processes ("NYISO Transmission Charges"); (b) capacity charges; and (c) an estimate of hedging gains/losses. The charges listed in (a) and (b) above will be adjusted for losses using the loss factors set forth in General Information Section No. 32. Estimated hedging gains/losses will be applied through a Hedging Adjustment on a per kWh basis. The resulting class-specific Forecast MSC Component will be applied to all kWh usage during the billing month. For Service Classification Nos. 19, 20 and 21, separate peak and off-peak Forecast MSC Components will be determined based on the time periods defined in each service classification.

(A) Energy

The energy component of the Forecast MSC Component will be based upon the Company's forecast of peak and off-peak energy prices for NYISO Zone G.

(B) Ancillary Services Charge, NYPA Transmission Adjustment Charge, and NYISO Transmission Charges ("Ancillary Services/NTAC/NYISO Transmission Charges")

The Ancillary Services/NTAC/NYISO Transmission Charges component of the Forecast MSC Component shall be based on an estimate of the cost per kWh for such components for the billing month.

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