

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

INITIAL EFFECTIVE DATE: October 1, 2013

SUPERSEDING REVISION:

LEAF: 251

REVISION: 1

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Issued in compliance with Order in Case 13-E-0232 dated 09/20/2013.

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**GENERAL INFORMATION****25. ENERGY COST ADJUSTMENT ("ECA") (Continued)****(B) Variable ECA**

The Variable ECA will be determined monthly and is designed to recover shortfalls and surpluses in auctions, day-ahead market congestion settlements, or any other adjustments related to Transmission Congestion Contracts ("TCCs") received by the Company from the NYISO. In addition, the Variable ECA will be used to credit to customers the Company's share of the Constellation Settlement Refund, plus any interest disbursements from NYSERDA, pursuant to the Commission's Order in Case No. 13-E-0232, issued and effective September 20, 2013.

The Variable ECA shall be equal to the cost component defined above divided by the Company's estimate of total customer kWh usage for the applicable billing month, rounded to the nearest \$0.00001 per kWh.

**(C) Reconciliation**

Each month, ECA costs applicable to the Base ECA and Variable ECA incurred by the Company shall be reconciled to Base ECA and Variable ECA recoveries and any differences shall be deferred. Interest, at the Commission-approved rate for Gas Adjustment Charge refunds, will be calculated on the average of the current and prior month's cumulative over and under collections. The annual Base ECA filing submitted by the Company will include the reconciliation of Base ECA and Variable ECA actual costs and recoveries for the prior period.

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Issued By: John McAvoy, President, Pearl River, New York