



Orange and Rockland Utilities, Inc.
4 Irving Place
New York NY 10003-0987
www.oru.com

June 16, 2017

Honorable Kathleen H. Burgess
Secretary of the Commission
State of New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223

RE: Case No. 09-M-0311 - Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to Public Service Law §18-a(6)

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. ("O&R" or the "Company") hereby submits for filing with the New York Public Service Commission (the "Commission") its Statement of Temporary State Assessment Surcharge, Statement No. TSAS-11 to its Schedule for Gas Service, P.S.C. No. 4 – GAS. The statement has an effective date of July 1, 2017.

Reason for Filing

The Commission's Order Implementing Revised Temporary State Assessment (the "June 2014 Order"), issued and effective June 18, 2014, in Case 09-M-0311, "Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to Public Service Law §18-a(6)," implements the revised temporary state assessment. The 2014 Order authorizes the continuation of the temporary surcharge through December 31, 2017, for utilities whose estimated over-collection through June 30, 2014 (excluding the March 2014 assessment payment) is less than their expected March 2015 total assessment payment. Any remaining balance at the end of 2017 shall remain on the books of the utility until it is disposed of through a future Commission action.

Statement

Revised surcharges have been designed to collect Public Service Law ("PSL") §18-a amounts required to be collected above the amount in base rates for the State Fiscal Year 2017-2018 (April through March) inclusive of an adjustment for uncollectible expenses and working capital costs. As directed by the June 2014 Order, the amounts calculated for State Fiscal Year 2017-2018 were based on one-half of the Temporary State Assessment paid in the Fiscal Year 2016-2017. The PSL §18-a amounts required to be collected for the 2017-2018 State Fiscal Year were allocated to each customer class based on their contribution to the Company's total 2016 gas revenues inclusive of gross receipts taxes. Revenues include both delivery and supply

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charges for all customer classes including estimated supply charges for retail access customers.¹ These amounts will be recovered during the period July 2017 through December 2017.

The surcharges also reconcile the difference between 2016-2017 PSL §18-a amounts required to be collected and actual amounts collected. The PSL §18-a surcharges that became effective for the 12 months commencing July 1, 2016, recognized over/under collections applicable to prior periods, resulting in adjusted surcharges by customer class.² In this filing, the Company is continuing to adjust the PSL §18a surcharges for past period over/under collections. Reconciliation amounts for past periods were determined by allocating the total of the actual PSL §18-a payments made by the Company for 2016-2017, including working capital and uncollectible expense adjustments based on the actual payments derived from total gas revenues inclusive of gross receipts taxes and estimated ESCO revenues for the previous calendar year. These amounts were compared with the actual class-specific amounts collected under the surcharges that were in effect during the period July 2016 through June 2017.³ Any differences have been added to the 2017-2018 State Fiscal Year amounts to determine total amounts recoverable from each customer class over the July 1, 2017 through December 31, 2017 period.

The Statement filed herewith reflects the unit amounts to be collected over 6 months commencing July 1, 2017. The Company will make a filing on or before December 15, 2017 to reflect the expiration of the unit amounts on or after January 1, 2018.⁴

Questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering

¹ As required by the June 2009 Order (p. 30), utilities are required to submit estimates of energy ESCO revenues used in determining the amount to be collected through the surcharges. The Company has estimated ESCO revenue, including gross receipts taxes, to be \$60,974,597 for calendar year 2016.

² The Commission's Order issued May 16, 2013, in Case No. 09-M-0311, approved tariff changes to allow the Company to reduce collections in the subsequent year if warranted by lower prior period revenues or a large over-collected balance.

³ June 2017 collections have been estimated. This year's surcharge reflects the true-up of June 2016 collections which were estimated last year.

⁴ Per the June 2014 Order, any reconciliation amount required at the end of 2017 will be deferred, plus working capital costs, for future disposition.