



Orange and Rockland Utilities, Inc.  
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March 29, 2019

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

RE: Case No. 18-G-0068, Proceeding on Motion of the  
Commission as to the Rates, Charges, Rules and  
Regulations of Orange and Rockland Utilities, Inc. for Gas  
Service

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. ("O&R" or the "Company") hereby submits for filing certain tariff leaves and statements reflecting revisions to its Schedule for Gas Service, P.S.C. No. 4 – GAS ("Gas Tariff").

This filing is made in compliance with the Commission's Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans, issued March 14, 2019, in Case No. 18-G-0068 ("Rate Order").<sup>1</sup> The Rate Order provides for a three-year gas rate plan in which Rate Years ("RY") 1, 2, and 3 are the twelve-month periods commencing January 1, 2019, January 1, 2020, and January 1, 2021, respectively.

The tariff leaves and statements set forth in Appendix A to this letter are issued March 29, 2019, to become effective on April 1, 2019.

#### Summary of Tariff Modifications

The enclosed tariff leaves reflect the following modifications to the Gas Tariff in accordance with the Rate Order.

1. The Table of Contents section of the Gas Tariff has been modified to add General Information Section No. 24, Delivery Revenue Surcharge.

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<sup>1</sup> The Rate Order adopted terms of a Joint Proposal dated November 9, 2018, and submitted by the Company, Staff of the New York State Department of Public Service, the Utility Intervention Unit of the New York State Department of State's Division of Consumer Protection (as to the Gas Rate Plan only), New York Power Authority, Pace Energy and Climate Center, Environmental Defense Fund, the Municipal Coalition, New York Geothermal Energy Organization, Bob Wyman, Great Eastern Energy, LLC, Public Utility Law Project of New York, Inc., and the Department of Defense and all other Executive Agencies ("Joint Proposal").

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2. General Information Section No. 6.5(2)(B), Utility Single Billing Service, has been revised to: (1) reflect an updated Purchase of Receivables ("POR") Discount Percentage based on a revised POR Credit and Collections Component and a revised Uncollectibles Percentage as described in Appendix 18 to the Joint Proposal; (2) change the annual reset date of the Uncollectibles Percentage and Credit and Collections components of the POR Discount Percentage from November 1 to January 1 to align with the commencement of the new RY; (3) change the determination of the uncollectibles component used in the POR Discount, the Balancing Charge,<sup>2</sup> and the Merchant Function Charge ("MFC") to reflect the Company's actual uncollectibles experience applicable to all gas and electric POR-eligible customers from the 12-month period ended the previous June 30 to the 12-month period ended the previous September 30;<sup>3</sup> and (4) update the Billing Cost to \$1.30 based on the revised Billing and Payment Processing ("BPP") Charge. The BPP Charge was also updated in Service Classification ("SC") No. 6.
3. The Factor of Adjustment, as described in General Information Section No. 12.1(A), has been revised effective April 1, 2019.
4. General Information Section No. 12.1(C) was revised to: (a) include the reduction of the Winter Bundled Sales Service ("WBSS") capacity charge component revenues in the fixed cost of gas calculation; and (b) include on-line auction platform costs as recoverable supply costs included in the variable cost of gas.
5. General Information Section No. 12.1(D) was revised to reflect changes to the calculation of line loss incentive/penalty included in the annual Gas Supply Charge reconciliation.
6. General Information Section No. 12.2(B), Transition Adjustment for Competitive Services ("TACS"), has been modified to reflect updated revenue targets used in the determination of MFC Fixed Component Lost Revenue and Credit and Collections Lost Revenue Associated with Retail Access in accordance with Appendix 18 to the Joint Proposal. The TACS annual periods were revised to align with the new RY, effective January 1, 2019. In addition, language was added concerning the reconciliation of the TACS for the period November 1, 2018 to December 31, 2018. Finally, language was added to state that the TACS will be used to reconcile or surcharge revenue differences associated with the extension of the suspension period in Case 18-G-0068.
7. General Information Section No. 12.2(C), Credit/Surcharge for Sharing of Benefits, has been modified to change the annual periods relating to the base rate revenue imputation for interruptible benefits and the imputation for power generation benefits to annual periods that commence January 1, 2019 and every January 1 thereafter. The Company also added imputations for interruptible and power generation benefits for the two-month period November 1, 2018 through December 31, 2018.
8. General Information Section No. 12.2(H), has been renamed "Temporary Credit" and will refund to customers a portion of the Company's RY3 delivery revenue requirement.

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<sup>2</sup> Described in General Information Section No. 12.2(I) of the Gas Tariff.

<sup>3</sup> This change was also made in General Information Section No. 12.4 – Merchant Function Charge ("MFC").

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9. General Information Section No. 12.2(K) establishes the Revenue Adjustments Mechanism.<sup>4</sup> The Revenue Adjustments Mechanism will refund or surcharge customers for the Company's gas and customer service performance mechanisms.
10. General Information Section 12.2(L) was revised to reflect changes to the calculation of the line loss incentive/penalty included in the System Performance Adjustment Mechanism.
11. General Information Section No. 12.2(M) establishes the Consultant Cost Recovery ("CCR") Surcharge.<sup>5</sup> The CCR Surcharge will recover the costs associated with: (a) the evaluation of a potential list of renewable gas providers in the Company's service territory; and (b) development of a Gas Demand Response pilot program.
12. General Information Section No. 12.2(N) establishes the Earnings Adjustment Mechanisms ("EAM") Surcharge. The EAM Surcharge will recover, through the Monthly Gas Adjustment ("MGA"), incentives associated with gas EAMs.
13. General Information Section No. 12.2(O) establishes the Individually Negotiated Contract Credit. The Individually Negotiated Contract Credit will refund firm customers for certain distribution system related revenues associated with individually negotiated contracts.
14. General Information Section No. 12.3, Weather Normalization Adjustment, has been revised to reflect an update to the normal heating degree days used in the weather normalization adjustment calculation based on the average heating degree days for the 30 years ended December 31, 2016.
15. General Information Section No. 12.4(B), Merchant Function Charge, has been revised to reflect the Fixed MFC components for RY1, RY2, and RY3.
16. General Information Section No. 12.4(C), Determination of MFCs, has been revised to reflect the new RY.
17. Riders B and C for customers with distributed generation have been revised to reflect increased delivery charges.
18. Rider E, Excelsior Jobs Program, has been revised to add the bill credits for customers who commence service on Rider E on or after April 1, 2019.
19. General Information Section No. 23, System Benefits Charge, has been revised to delete language stating that Company-administered energy-efficiency program costs not recovered in base rates were recovered through the EE Tracker.

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<sup>4</sup> General Information Section No. 12.2(K) was formerly the Energy Efficiency Tracking Mechanism ("EE Tracker"). The EE Tracker has been removed from the Company's MGA since Company-run energy efficiency program costs have been transferred to base rates.

<sup>5</sup> General Information Section No. 12.2(M) was formerly the Reliability Surcharge Mechanism ("RSM"). The RSM has been removed from the Gas Tariff.

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20. General Information Section No. 24, Delivery Revenue Surcharge, has been established. The Delivery Revenue Surcharge will refund differences in non-competitive delivery service revenue that resulted from the extension of the Case 18-G-0068 suspension period, plus interest at the Commission's Other Customer Capital rate over nine months commencing April 1, 2019. The unit amount to be refunded to customers is shown per SC on the Statement of Delivery Revenue Surcharge ("SDR Statement") to the Gas Tariff.<sup>6</sup> Any difference between amounts required to be refunded and actual amounts refunded will be charged or credited to customers over a reasonable period in a subsequent SDR Statement that will become effective March 1, 2020.
21. General Information Section No. 25, Revenue Decoupling Mechanism ("RDM") Adjustment, has been modified as follows:
  - a. The RDM will change from a revenue per customer mechanism to a revenue per class mechanism.
  - b. The RDM annual periods were revised to end December 31 of each year. The date the Company must file its Statement of RDM Adjustments during the month following the end of each RDM period has been changed to no less than ten calendar days before February 1 of each year.
  - c. For calendar year 2019, two sets of RDM revenue targets are listed: (1) RDM revenue targets for January through March 2019; and (2) RDM revenue targets for April through December 2019, which are based on Appendix 21, Schedule 2, of the Joint Proposal. RDM delivery revenue targets have been established for RY2 and RY3 based on Appendix 21, Schedule 2, of the Joint Proposal.
  - d. A statement was added to specify that, if the Company does not file for new base delivery rates to be effective after the end of RY3, the RDM will be implemented in accordance with the methodology set forth in the Joint Proposal.
  - e. Statement RDM-12 is submitted to reconcile the period November 1, 2018, through December 31, 2018, pursuant to Appendix 21 of the Joint Proposal. The rates contained in Statement RDM-12 will be in effect for the ten-month period ending January 31, 2020.
22. SC Nos. 1, 2, and 6 have been revised to reflect delivery charges and customer charges in accordance with Appendix 18 of the Joint Proposal.
23. SC No. 8 has been revised to: (a) update the charge for the first 100 Ccf or less of monthly usage and to update the Base Charge cap; and (b) revise the provision related to the billing of the firm base load option for SC No. 8 customers.
24. SC No. 11 has been revised to add a capacity charge component to the WBSS.

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<sup>6</sup> Statement SDR-1 is submitted with this filing.

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Conclusion and Notice

The Company will publish notice of this filing in accordance with Ordering Clause 5 of the Rate Order. 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

c: Active Parties, Case No. 18-G-0068 (via email)

**Orange and Rockland Utilities, Inc.****Appendix A****Gas Rate Case No. 18-G-0068****List of Revised Tariff Leaves and Statements effective April 1, 2019****P.S.C. No. 4 - GAS**

5th	Revised Leaf No.	4.1	18th	Revised Leaf No.	82
20th	Revised Leaf No.	33.3	14th	Revised Leaf No.	94.9
14th	Revised Leaf No.	34	14th	Revised Leaf No.	94.10
20th	Revised Leaf No.	72	17th	Revised Leaf No.	94.16
22nd	Revised Leaf No.	73	5th	Revised Leaf No.	94.25
4th	Revised Leaf No.	73.1	15th	Revised Leaf No.	112
12th	Revised Leaf No.	74	9th	Revised Leaf No.	113
11th	Revised Leaf No.	76	7th	Revised Leaf No.	113.1
9th	Revised Leaf No.	79.1	8th	Revised Leaf No.	113.2
7th	Revised Leaf No.	79.2	3rd	Revised Leaf No.	113.3
16th	Revised Leaf No.	80	5th	Revised Leaf No.	113.4
18th	Original Leaf No.	80.1		Original Leaf No.	113.5
6th	Revised Leaf No.	80.3.1	27th	Revised Leaf No.	114
10th	Revised Leaf No.	80.3.2	30th	Revised Leaf No.	116
4th	Revised Leaf No.	80.3.5	27th	Revised Leaf No.	130
3rd	Revised Leaf No.	80.3.6	28th	Revised Leaf No.	133
2nd	Revised Leaf No.	80.3.8	14th	Revised Leaf No.	137.2
2nd	Revised Leaf No.	80.3.9	12th	Revised Leaf No.	139.1
9th	Revised Leaf No.	80.4	9th	Revised Leaf No.	154.1
12th	Revised Leaf No.	81.1			

Statement of Revenue Decoupling Mechanism Adjustments - RDM-12

Statement of Delivery Revenue Surcharge - SDR-1