



Orange and Rockland Utilities, Inc.
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August 31, 2020

Honorable Michelle L. Phillips
Secretary
New York State Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, New York 12223-1350

RE: Case 20-E-0376, In the Matter of the Amendment to the Public Authorities Law, Section, 1005 (C. 58, L. 2019), Relating to Expanded Authority for the New York Power Authority to Contribute to Existing Economic Development Customers and Serve New Governmental Entities

Dear Secretary Phillips:

Orange and Rockland Utilities, Inc. (the "Company") is filing with the Public Service Commission (the "Commission") amendments to its Schedule for Electric Service, P.S.C. No. 3 – ELECTRICITY (the "Tariff"). The Tariff amendments are issued with an effective date of January 1, 2021. The specific Tariff leaves being revised are identified in Appendix A.

Reason for Filing

This filing is made pursuant to the Commission's Notice of Tariff Filings due to Amendment of the Public Authorities Law in Case 20-E-0376 issued July 29, 2020 (the "Notice"). The Notice directed each utility to file tariff modifications as necessary to effectuate amendments made to the Public Authorities Law ("PAL") §1005. Pursuant to the amended PAL §1005, subdivision 27.(a), the New York Power Authority ("NYPA") is authorized to supply power and energy procured from competitive market sources or supply renewable power and energy procured from competitive market sources to any: (i) authority customer, (ii) public entity; or (iii) Community Choice Aggregation ("CCA") community through the supply of such products through an energy services company or other entity that is authorized by the Commission to procure and sell energy products to participants of a CCA program.

Tariff Changes

In order to effectuate the amendments to PAL §1005, subdivision 27.(a), the Company proposes to establish Rider O, NYPA Supply Service, that will allow NYPA to supply power and energy to authority customers and public entities as defined in subdivisions 27.(g) and 17.(b), respectively.¹ Rider O includes the following provisions.

¹ Because PAL §1005, subdivision 27.(a), does not authorize NYPA to act as an energy supply company or administrator for CCA programs, no tariff amendments are necessary to implement the CCA-related changes to PAL §1005.

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- Customers who take service under Rider O will have their electric power supply provided by NYPA pursuant to a customer's contract with NYPA. If a customer chooses to no longer take service under Rider O, the customer may choose to take electric power supply from the Company or from a non-Company source of electric power supply.
- With the exception of supply related charges and adjustments under General Information Section Nos. 15 and 28, customers taking service under Rider O shall be assessed all charges under the customer's applicable service classification.²
- Customers taking service under Rider O will be eligible to participate in energy efficiency programs offered by the Company and by the New York State Energy Research and Development Authority.
- Customers who have designated a portion of their electric power supply requirements to be provided by NYPA under its Recharge New York ("RNY") program, shall be permitted to select NYPA to provide the remainder of their electric power supply under Rider O.³
- NYPA shall provide at least 30 days' prior written notice to the Company for the initial delivery or termination of electric power supply service under Rider O for each customer, unless otherwise agreed upon by NYPA and the Company. Service will be initiated or terminated as of the Customer's first scheduled meter reading date on or after the end of such notice period.
- Consolidated Billing is not available to customers served under Rider O.

The Company has made changes to other sections of the Tariff as described below.

- Modifications have been made throughout the Tariff to indicate that certain references to Retail Access apply to all non-Company supply services, including supply service from NYPA.
- Certain references to the terms Retail Access and/or Full Service and customers have been revised throughout the Tariff to include other customers such as customers who take supply service from NYPA.
- Customers served under Rider O will be ineligible for Rider W since this rider is not applicable to customers taking supply from non-Company sources.
- Service by NYPA under Riders B and O was listed as an additional provider of electric power supply in General Information Section No. 15.

² General Information Section No. 15 is the Market Supply Charge ("MSC") and General Information Section No. 28 is the Merchant Function Charge ("MFC"). Changes were made in Rates – Monthly of the non-residential service classifications to state that the MSC and MFC are applicable to only Full Service customers.

³ The Company has also amended the RNY provisions to allow NYPA to provide the remainder of RNY customers' electric power supply under Rider O.

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RNY Customers and Reduced Delivery Service Rates

Customers receiving allocations of power and energy from NYPA under its RNY Program⁴ will continue to receive exemptions from certain delivery-related surcharges for their RNY allocations.⁵ Under Rider O, as proposed herein, such customers will be eligible to receive NYPA supply for the non-RNY portion of their loads. However, the delivery surcharge exemptions applicable to a customer's RNY load will not be applicable to the portion of the load service under Rider O.

The Commission should not authorize delivery surcharge exemptions to authority customers and public entities under Rider O for the following reasons:

- Unlike the RNY Program's enabling legislation, the amendments to PAL §1005 do not specify that the new supply options are to be paired with delivery charge discounts or surcharge exemptions. The RNY Program was established pursuant to Economic Development Law §188-a, which:
 - included specific criteria that must be met for customers to be granted allocations under the RNY Program;⁶ and
 - required NYPA to work cooperatively with the Department of Public Service Staff, to recommend to the Commission discounted rates for the delivery of RNY power allocations.⁷

The amendments to PAL §1005 expanding NYPA's authority to provide electric power supply to authority customers and public entities do not contain such requirements.

- The Notice does not mention any requirement for delivery surcharge exemptions.
- Authorizing delivery surcharge exemptions for authority customers and public entities under Rider O would provide NYPA with an unwarranted and unjustified competitive advantage over other energy services companies (whose customers would remain subject to these delivery surcharges). This result is particularly inappropriate given, as noted above, the amendments to PAL §1005 are silent regarding the expansion of delivery surcharge exemptions. Finally, expanded exemptions for NYPA customers would come at the direct expense of the Company's other customers, who would be required to make up the associated revenue shortfall.

⁴ The RNY Program is described in Rider B of the Electric Tariff.

⁵ Case 11-E-0176 – In the Matter of the Commission's Implementation of Certain Provisions of the Recharge New York Power Program Act, Order Directing Certain Utilities to Submit Tariff Amendments, issued September 19, 2011 (pp. 13-14). The Commission approved delivery service rates that exclude the SBC, RPS and EEPS surcharges and the RDM Adjustment for the RNY portion of customers' loads.

⁶ Economic Development Law §188-a (c).

⁷ Economic Development Law §188-a (d).

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Implementation Issues

The Company notes that the Tariff leaves are filed as directed by the Notice, and will be subject to review by Department of Public Service Staff and comment under the State Administrative Procedures Act. As such, they may be modified by the Commission based on those reviews and comments.

Any modifications to the tariff provisions described in this filing will require further analysis to determine the effort, cost, and feasibility of required changes to the Company's billing systems. Therefore, the Company requests that consideration be given in the time frame between any Commission-directed changes to the Tariff leaves filed today and the commencement of billing under Rider O. For example, while the Tariff leaves can become effective on January 1, 2021, as required by the Notice, billing under Rider O may commence at a later date due to the need for billing system modifications.

In addition, the Company plans to enter into an agreement with NYPA to govern the implementation of service under Rider O.

Conclusion and Notice

As directed by the Notice, the tariff amendments are filed by August 31, 2020, to become effective on January 1, 2021. The Company requests that the Commission waive newspaper publication in accordance with Public Service Law 66(12)(b) and 16 NYCRR 720-8.1, as this program is for a limited population of the Company's customers and presumably NYPA would contact eligible customers.

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

PSC No. 3 - ELECTRICITY: List of Revised Electric Tariff Leaves

| <u>Leaf No.</u> | <u>Revision No.</u> | <u>Superseding Revision No.</u> |
|-----------------|---------------------|-------------------------------------|
| 4 | 12 | 10 |
| 5 | 6 | 5 |
| 90 | 3 | 2 |
| 148 | 2 | 1 |
| 164 | 4 | 3 |
| 173 | 4 | 3 |
| 189.1 | 0 | |
| 189.2 | 0 | |
| 214 | 6 | 4 |
| 258 | 5 | 4 |
| 269 | 10 | 9 |
| 271 | 7 | 6 |
| 272 | 11 | 10 |
| 276 | 10 | 9 |
| 278 | 11 | 10 |
| 279 | 2 | 1 |
| 281 | 1 | 0 |
| 285 | 13 | 12 |
| 286 | 7 | 6 |
| 289 | 1 | 0 |
| 290 | 13 | 12 |
| 291 | 2 | 1 |
| 293 | 3 | 2 |
| 296 | 4 | 3 |
| 308 | 1 | 0 |
| 310 | 11 | 10 |
| 311 | 2 | 1 |
| 329 | 1 | 0 |
| 333 | 13 | 12 |
| 334 | 2 | 1 |
| 345 | 10 | 9 |
| 346 | 7 | 6 |
| 347 | 11 | 10 |
| 350 | 10 | 9 |
| 351 | 7 | 6 |
| 352 | 11 | 10 |
| 355 | 1 | 0 |
| 357 | 7 | 6 |
| 358 | 11 | 10 |
| 370 | 2 | 1 |
| 376 | 6 | 5 |
| 377 | 5 | 4 |
| 393 | 1 | 0 |