



June 14, 2013

Honorable Jeffrey C. Cohen  
Acting Secretary  
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 Acting Secretary Cohen:

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-4, to become effective on July 1, 2013.

### **Reason for Filing**

This Statement is being filed pursuant to the Commission's June 19, 2009 Order in the above-referenced case ("June 2009 Order") and the provision entitled "Temporary State Assessment Surcharge ('TSAS')", in General Information Section 24 the Company's Schedule for Electric Service - PSC No. 3 – Electric (the "Tariff"). The June 2009 Order and this provision requires that the Company file a statement no less than fifteen days before the start of the period that the PSL §18-a surcharges are to be in effect. In accordance with this tariff provision, revised surcharges have been designed to collect PSL §18-a amounts required to be collected above the amount in base rates for the State Fiscal Year 2013-2014 (April through March) inclusive of an adjustment for uncollectible expenses and working capital costs, plus a reconciliation of the difference between past period PSL §18-a amounts required to be collected and actual amounts collected. Pursuant to the Commission's Order issued May 16, 2013, in Case No. 09-M-0311, which approved tariff changes to allow for reduced collections in subsequent years, if warranted, the Company is recognizing, in this filing, over/under collections of past periods and adjusting the surcharges by customer class.

The PSL §18-a amount required to be collected for the 2013-2014 State Fiscal Year, which begins July 1, 2013, was allocated to each customer class based on the Company's total 2012 electric revenues inclusive of gross receipts taxes. Revenues include both delivery and supply charges for all O&R customer classes (including estimated supply charges for retail access customers)<sup>1</sup>.

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<sup>1</sup> 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 \$139,366,601 for calendar year 2012.

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Reconciliation amounts for past periods were determined by allocating the total of the actual PSL §18-a payments made by the Company for each State Fiscal Year, including working capital and uncollectible expense adjustments based on the actual payments, to customer classes based on total electric revenues inclusive of gross receipts taxes and estimated ESCO revenues for the previous calendar year. These amounts were compared with the actual customer class-specific amounts collected under the surcharges that were in effect.<sup>2</sup> Any differences have been added to the 2013-2014 State Fiscal Year amounts to determine total amounts recoverable from each customer class during the July 1, 2013 through June 30, 2014 period. Surcharge amounts will be collected from each O&R customer class on a per kWh basis.

Statement TSAS-4 filed herewith reflects the unit amounts to be collected over the 12 months commencing July 1, 2013.

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

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<sup>2</sup> June 2013 collections have been estimated and will be trued up in next year's Temporary Annual Assessment surcharge. This year's surcharge reflects the true-up of June 2012 collections which were estimated last year.