



March 16, 2017

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

Re: Case 15-E-0302 – Proceeding on Motion of the Commission to Implement
 a Large-Scale Renewable Program and a Clean Energy Standard

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. (“O&R” or the “Company”) hereby submits for electronic filing with the Public Service Commission (the “Commission”) the following tariff leaves and the Statement of Clean Energy Standard Delivery Surcharge, CESD-1, reflecting revisions to its Schedule for Electric Service, P.S.C. No. 3 – Electricity (the “Electric Tariff”).

2nd	Revised Leaf No.	5	4th	Revised Leaf No.	220
1st	Revised Leaf No.	6		Original Leaf No.	220.1
1st	Revised Leaf No.	177	2nd	Revised Leaf No.	256
4th	Revised Leaf No.	215		Original Leaf No.	262.1
7th	Revised Leaf No.	219	2nd	Revised Leaf No.	263

These leaves and Statement CESD-1 are issued March 16, 2017, to become effective April 1, 2017.

Reason for Filing

The Commission, in its Order Directing Tariff Amendments, issued and effective February 22, 2017 (“Implementation Order”) directed that each utility file tariff amendments to recover Clean Energy Standard (“CES”) costs. As required by its Order Adopting a Clean Energy Standard (“CES Order”), issued August 1, 2016, all Load Serving Entities in New York must procure Renewable Energy Credits (“RECs”) and Zero Emissions Credits (“ZECs”) in a defined amount proportionate to their annual full service electricity supply sales each year and pay Alternative Compliance Payments (“ACPs”) for any shortages of RECs in its compliance account at the end of a CES compliance year. The CES Order also directed each electric utility to collect costs associated with contracts signed by the New York State Energy Research and Development Authority (“NYSERDA”) to maintain certain renewable energy facilities (“Tier 2 Maintenance Contracts”) and any funds required by NYSERDA to meet financial needs that result from its CES activities (“Backstop Charges”) from all customers.

Tariff Changes

As approved by the Implementation Order, the Company will collect costs as follows:

- Pursuant to new General Information Section No. 15.4, “Clean Energy Standard Supply Surcharge” (“CESS”), costs incurred for the purchase of RECs/ACPs and ZECs will be

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collected from all full-service customers, on a cents per kWh basis, through the Statement of Market Supply Charge ("MSC") to the Electric Tariff.

The CESS will collect the estimated costs for each component for the 12-month period beginning April 1 and the difference, excluding an uncollectible-bill expense, between the actual costs and amounts collected for that component for prior periods. The REC component on the initial Statement will also collect costs for the period January 1 through March 31, 2017.

An adjustment will be made to the total charge for each component to reflect an uncollectible-bill expense. The uncollectible-bill expense will be determined using the system Uncollectible Percentage as described in General Information Section No. 7.5(B)(2).

The MSC Statement is presented in an illustrative form, which excludes the statement number, the Forecast MSC component, the MSC Adjustment component, and the Day Ahead Hourly Pricing components. It is necessary to file the Statement in this form since these components that become effective April 1, 2017 are not yet known. A final April 2017 Statement including all components will be filed with the Commission not less than three business days prior to its effective date.

- Leaf 256 has been amended to state that the CESS is not a component in the calculation of uncollectible-bill expense included in the Merchant Function Charge.
- Leaf 177 has been amended to state that customers enrolled in Day-Ahead Hourly pricing will also be subject to the CESS.
- The existing General Information Section No. 31, "System Energy and Demand Losses" has been renamed as General Information Section No. 32. Changes were made to Leaf Nos. 6, 215, and 219 to reflect the renumbering of this General Information Section.
- General Information Section No. 31 has been renamed the "Clean Energy Standard Delivery Surcharge ("CESD")."

Pursuant to this section costs incurred for Tier 2 Maintenance Contracts and Backstop Charges, will be recovered from all delivery-service customers through a new "Clean Energy Standard Delivery Surcharge."

The Statement of CES Delivery Surcharge ("CESD") to the Electric Tariff will set forth separate charges for the two components: Tier 2 Maintenance Contracts and Backstop charges.

The charge for Tier 2 Maintenance Contracts and the charge for Backstop Charges will be separately determined. The CESD will collect for each component: (a) the portion of total estimated costs allocated for collection over the collection period¹, and (b) the difference, excluding an uncollectible-bill expense, between the actual costs and amounts recovered for prior periods. The charge for each component will be adjusted to reflect an uncollectible-bill expense, which will be determined using the system Uncollectible Percentage as described in General Information Section No. 7.5(B)(2).

¹ Costs for Tier 2 Maintenance Contracts will be estimated for each twelve-month period beginning April 1. The recovery of Backstop Charges will be set for a period of one-to-twelve months depending on the size of the costs.

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The Statement of CESD will be filed with the Commission on an annual basis, to become effective April 1, not less than 15 days before its effective date and will be posted to the Company's website on or before that date.

Conclusion and Notice

As directed by Ordering Clause 1 of the Implementation Order, the Company is filing changes to the Electric Tariff to become effective on April 1, 2017. The Company is also filing Statement CESD-1 to the Electric Tariff.

Pursuant to Ordering Clause 2 of the Implementation Order, the Commission waived the requirement for newspaper publication.

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

Sincerely,

/s/

William A. Atzl, Jr.
Director – Rate Engineering