



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

December 14, 2012

Honorable Jaclyn A. Brilling
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Annual System Benefits Charge Filing

Dear Secretary Brilling,

Orange and Rockland Utilities, Inc. (the "Company") herein submits for filing its Statement of System Benefits Charge, Statement No. SBC – 2 to its Schedule for Electric Service, P.S.C. No. 3 – ELECTRICITY. This Statement is issued December 14, 2012, to become effective with service rendered on or after January 1, 2013.

This filing is in accordance with General Information Section 26 of the Company's Schedule for Electric Service requiring an annual SBC filing in accordance with the Commission's October 23, 2009 Order in Case 08-E-1128 ("October 2009 Order"), December 30, 2010 Order in Case 10-M-0457 ("December 2010 Order"), October 24, 2011 Order in Case 10-M-0457 ("October 24, 2011 Order") and October 25, 2011 Order in Case 07-M-0548 ("October 25, 2011 Order").

The proposed SBC rate is based on an SBC collection target of \$15,430,993 for the period January 1, 2013 through December 31, 2013 as shown below.

<u>Order</u>	<u>2013 Collection Target</u>
October 2009	\$352,151
December 2010	3,620,212
October 24, 2011	2,756,832
October 25, 2011	<u>8,701,798</u>
Total	\$15,430,993

The determination of the proposed SBC rate also includes (1) the refund of the estimated interest of \$126,266 on SBC/EEPS monies held for calendar year 2012 prior to being expended by the Company or transferred to NYSERDA, and (2) the reconciliation of SBC recoveries for the period January through December 2012, and the SBC collection target for the

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same period. The amount under-collected for the reconciliation period is \$131,305. The resulting SBC rate is 0.395 cents per kWh.

In addition to resetting the SBC, the Company has added a footnote to its Statement of System Benefits Charge clarifying that the SBC is not applicable to kWh delivered under Rider B, Recharge New York ("RNY") Program, up to the RNY Allocation.

Any questions regarding this filing can be directed to me at (212) 460-3308.

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering