



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

October 1, 2012

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

Re: Annual Update of Uncollectibles Percentages
included in Merchant Function Charges

Dear Secretary Brillling,

Orange and Rockland Utilities, Inc. (the "Company") hereby submits for filing 2nd Revised Leaf No. 89 proposing revisions to its Schedule for Electric Service, P.S.C. No. 3 – ELECTRICITY ("Electric Tariff").

This tariff leaf is issued October 1, 2012 to become effective November 1, 2012. This filing is made pursuant to General Information Section Nos. 7.5 and 28 of the Electric Tariff.

The purpose of this filing is to:

- a. update the Uncollectibles Percentage and Risk Factor components of the Purchase of Receivables ("POR") Discount Percentage in General Information Section No. 7.5 of the Electric Tariff; and
- b. update the Uncollectibles Percentages used in the determination of the Uncollectibles Charge component of the Merchant Function Charge as described in General Information Section No. 28 of the Electric Tariff.

Effective November 1, 2012, the Uncollectibles Percentage and Risk Factor components of the POR Discount Percentage shall be set at 0.497% and 0.099%, respectively. The POR Discount Percentage shall be set at 1.487%. The Uncollectibles Percentages used in the calculation of the Merchant Function Charges are 0.782% for residential and 0.106% for non-residential customers, effective November 1, 2012.

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