



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

May 10, 2012

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

Re: Village of Chester
One Percent Tax on Gross Income

Dear Secretary Brilling:

Orange and Rockland Utilities, Inc. (the "Company") hereby submits for electronic filing its Statement of Increase in Rates and Charges No. RTS-2 to its Schedule for Electric Service, P.S.C. No. 3 – ELECTRICITY ("Electric Tariff").

The Statement is issued May 10, 2012 to become effective June 1, 2012. General Information Section 19.(E) of the Electric Tariff provides for the filing, on not less than fifteen business days notice, of a new Statement whenever there is a change in the rate of tax imposed on the Company or the amount to be collected or reconciled.

By letter dated February 23, 2012, the Village of Chester (the "Village") informed the Company that Local Law #2 of 2011, Gross Utilities Tax Law of the Village of Chester went into effect on or about December 21, 2011, thereby imposing a one percent tax on the Company's revenue obtained from doing business in the Village. A copy of that law is enclosed.

By this filing the Company, pursuant to the provisions of the Electric Tariff, proposes to add the Village of Chester to the list of cities and villages in which the Company recovers the additional revenue taxes imposed on it.

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

Very truly yours,

/s/

William A. Atzl, Jr.
Director – O&R Rates