



June 27, 2012

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

Dear Secretary Brillling:

Orange and Rockland Utilities, Inc. ("the Company") herein submits for filing its Statement of Market Supply Charge, Statement No. MSC-4, to its Schedule for Electric Service, P.S.C. No. 3-ELECTRICITY. This Statement is issued June 27, 2012, to become effective July 1, 2012.

In compliance with the Commission's Order Adopting Terms of a Joint Proposal, With Modification, and Establishing Electric Rate Plan, issued June 15, 2012, in Case No. 11-E-0408, the following changes are reflected in O&R's July 2012 MSC:

- (a) SC No. 6 has been added to the list of applicable SCs; and
- (b) The capacity components of the MSCs for non-Mandatory Day-Ahead Hourly Pricing customers are assessed based on capacity obligations, which are based on the peak hour from the prior year during the New York Control Area ("NYCA") peak.

Also, the capacity price for Mandatory Day Ahead Hourly Pricing customers is based on the New York Independent System Operator monthly auction price for unforced capacity, assessed based on the individual customer's peak load during the peak hour for the NYCA.

This statement also includes a determination of the capacity, described above, and adder rates necessary for Day-Ahead Hourly Pricing customers pursuant to the Commission's Order issued April 24, 2006, in Case 03-E-0641.

The Company also includes a copy of the workpapers used to determine the July 2012 MSC.

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

Sincerely,

/s/

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