



Orange and Rockland Utilities, Inc.
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June 29, 2012

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

RE: Case No. 11-E-0408, Proceeding on Motion of the
Commission as to the Rates, Charges, Rules and
Regulations of Orange and Rockland Utilities, Inc. for
Electric Service

Dear Secretary Brilling:

Orange and Rockland Utilities, Inc. ("O&R" or the "Company") hereby submits for filing certain tariff leaves, Statement TSAS-3 and Statement TACS-3 reflecting revisions to its Schedule for Electric Service, P.S.C. No. 3 – ELECTRICITY ("Electric Tariff").

This filing is made 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 ("Order").¹ In the Order, the Commission established an electric rate plan governing the Company's electric service for the three-year period commencing July 1, 2012.²

The tariff leaves, set forth in Appendix A to this letter, and statements are issued June 29, 2012, to become effective on July 1, 2012.

Summary of Tariff Modifications

The enclosed tariff leaves reflect the following modifications in accordance with the Order.

1. The Table of Contents has been modified to reflect the addition of a new Service Classification ("SC") No. 6, Public Street Lighting - Customer Owned. The description of SC No. 4 has been revised to indicate that it pertains solely to Company-owned street lighting.

¹ The Order adopted certain terms of a Joint Proposal dated February 24, 2012, and submitted by the Company, Staff of the New York State Department of Public Service, and the Utility Intervention Unit of the Department of State ("Joint Proposal").

² Rate Year ("RY") 1 is the period July 1, 2012 through June 30, 2013, RY2 is the period July 1, 2013 through June 30, 2014, and RY3 is the period July 1, 2014 through June 30, 2015.

2. General Information Section No. 7, Metering and Billing, has been amended as follows:
 - a. Subsection 7.5(B)(2), Utility Single Billing Service, has been revised to reflect an updated Purchase of Receivable ("POR") Discount Percentage based on a revised POR credit and collections component as described in Appendix B to the Joint Proposal.
 - b. Subsection 7.15, Low Income Program, has been revised to reflect increases in the monthly low income bill credit from \$15.00 to \$17.40 for electric heating customers and from \$7.00 to \$8.00 effective July 1, 2013, and to \$9.00 effective July 1, 2014, for other low income customers.
3. General Information Section No. 11.14(D), Restoration of Service, has been revised to continue, beyond June 30, 2012, the current reconnection fee waiver applicable to customers enrolled in the Company's low income program.
4. General Information Section No. 13 - Riders A and I have been revised to reflect the addition of SC No. 6,
5. General Information Section No. 15 – Market Supply Charge ("MSC"), has been amended as follows:
 - a. SC No. 6 has been added to the list of applicable SCs.
 - b. Subsection No. 15.1(C) has been revised to reflect a change in the manner by which the Company assesses capacity for non-Mandatory Day-Ahead Hourly Pricing ("MDAHP") customers from the current hourly load-weighted average price calculation, based on load profiles, to capacity based on capacity obligations, which are based on the peak hour from the prior year during the New York Control Area ("NYCA") peak as described in the Joint Proposal.
 - c. Subsection 15.3(B) has been revised to reflect a change in capacity price applicable to MDAHP customers. The capacity price will be based on the New York Independent System Operator monthly auction price for unforced capacity. Capacity will be assessed to MDAHP customers based on the individual customer's peak load during the peak hour for the NYCA.
6. General Information Section No. 24, Temporary State Assessment Surcharge ("TSAS"), has been revised to indicate that voluntary time-of-use ("TOU") SCs will be consolidated with their otherwise applicable SCs for the purpose of calculating the annual TSAS.
7. General Information Section No. 25, Energy Cost Adjustment ("ECA"), has been revised to reflect that, commencing July 1, 2014, the ECA will include a temporary surcharge. Since, in the Order, the Commission selected the levelized rate increase option set forth in the Joint Proposal, the temporary surcharge is necessary in order to provide that revenues at the end of RY3 are not higher than they would have been if the revenue increases were not levelized. This section also indicates that, beyond June 30, 2015, the temporary surcharge will be determined in accordance with the Joint Proposal.
8. General Information Section No. 28, Merchant Function Charge ("MFC"), has been modified as follows:

- a. SC No. 6 has been added to the list of applicable SCs.
 - b. The MFC fixed components have been updated in accordance with Appendix B to the Joint Proposal.
9. General Information Section No. 29, Transition Adjustment for Competitive Services ("TACS"), has been modified to reflect updated revenue targets used in the determination of MFC Fixed Component Lost Revenue, and Credit and Collections Lost Revenue Associated with Retail Access in accordance with Appendix B to the Joint Proposal.
10. General Information Section No. 30, Revenue Decoupling Mechanism ("RDM"), has been amended as follows:
 - a. SC No. 6 has been added to the list of SCs to which the RDM is not applicable.
 - b. Exclusions for customers taking service under Riders G, H and J, and certain usage under Rider C have been extended beyond June 30, 2012 and until the Company's base electric rates are next reset.
 - c. A statement has been added indicating that actual delivery revenue will include revenues associated with the temporary surcharge in the ECA.
 - d. A description of the determination of annual RDM periods and filing dates has been added in lieu of specific dates.
 - e. RDM delivery revenue targets have been revised based on Appendix E, Schedule 1 of the Joint Proposal. If the Company does not file for new base delivery rates to be effective after the end of RY3, the RDM will be implemented in accordance with the methodology set forth in Appendix E to the Joint Proposal
 - f. Thresholds for Interim RDM Adjustments have been revised based on the revised delivery revenue targets.
 - g. The subsection entitled Reconciliation for Annual RDM Period July 1, 2010 – June 30, 2011 has been removed due to its expiration.
11. General Information Section No. 31, System Energy and Demand Losses, has been revised to add loss factors for SC No. 6.
12. SC Nos. 1, 2, 3, 4, 5, 9, 15, 16, 19, 20, 21, 22 and 25 have been revised to reflect increased delivery charges, customer charges, and metering charges in accordance with Appendix B of the Joint Proposal.

The following rate structure changes were made in a revenue neutral manner before applying the non-competitive delivery revenue increase excluding customer charges within each of the affected SCs:

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- a. The optional electric space and water heating discounts in SC No. 1 were reduced by 20 percent in RY1 and will be reduced by an additional 10 percent in each of RY2 and RY3.
 - b. Declining block usage rates and, where applicable, demand rate differentials in SC No. 2 Non-Demand Metered Service and SC No. 2 Primary were fully eliminated in RY1. For SC No. 2 Secondary Demand Metered Service, 10 percent of the current usage rate differentials and a corresponding portion of demand rate differentials were eliminated in RY1, and will be eliminated in RY2, and RY3.
 - c. Declining block usage rates and demand rate differentials in SC No. 3 were fully eliminated in RY1.
13. SC No. 4, Special Provision A has been amended to reflect the following changes:
- a. The Company will replace up to 2% of its street lights on a system-wide basis ("2% System Threshold") during each of RY1, RY2 and RY3 at no cost to participating municipalities in accordance with the requirements and conditions set forth in the Order.
 - b. The charge for replacement of luminaires other than pursuant to the 2% System Threshold approach in any year of the electric rate plan or beyond 2% of a municipality's street lights in any year after RY3, will change from the net book value of the facilities to be replaced to the Company's actual costs of performing the replacement.
14. SC No. 6, Public Street Lighting - Customer Owned, has been established in the Electric Tariff. Under this SC, customers will be permitted to install, own and maintain street lights for the purpose of lighting streets, highways and roadways open to public use.
15. Statement TSAS-3 has been revised to reflect the consolidation of voluntary TOU SCs with their otherwise applicable SCs for the purpose of calculating the annual TSAS.
16. Statement TACS-3 has been revised to reflect the addition of SC No. 6 to the list of SCs to which the TACS is applicable.

Conclusion and Notice

The Company will publish notice of this filing in accordance with ordering clause 4 of the Order. Questions regarding this filing can be directed to me at (212) 460-3308.

Very truly yours,

/s/

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

c: Active Parties, Case No. 11-E-0408 (via email)

Orange and Rockland Utilities, Inc.
Electric Rate Case
Proposed Tariff Leaves effective July 1, 2012

P.S.C. No. 3 Electricity

1st	Revised Leaf No.	7	1st	Revised Leaf No.	278
1st	Revised Leaf No.	89	1st	Revised Leaf No.	283
1st	Revised Leaf No.	106	1st	Revised Leaf No.	284
1st	Revised Leaf No.	139	1st	Revised Leaf No.	285
2nd	Revised Leaf No.	143	1st	Revised Leaf No.	286
1st	Revised Leaf No.	164	1st	Revised Leaf No.	290
1st	Revised Leaf No.	214	1st	Revised Leaf No.	293
1st	Revised Leaf No.	215	1st	Revised Leaf No.	294
1st	Revised Leaf No.	216	1st	Revised Leaf No.	295
1st	Revised Leaf No.	217	1st	Revised Leaf No.	296
1st	Revised Leaf No.	218	1st	Revised Leaf No.	297
1st	Revised Leaf No.	219	1st	Revised Leaf No.	298
1st	Revised Leaf No.	249	1st	Revised Leaf No.	299
1st	Revised Leaf No.	250	1st	Revised Leaf No.	300
1st	Revised Leaf No.	252	1st	Revised Leaf No.	301
1st	Revised Leaf No.	255	1st	Revised Leaf No.	302
1st	Revised Leaf No.	256	1st	Revised Leaf No.	303
1st	Revised Leaf No.	257	1st	Revised Leaf No.	304
2nd	Revised Leaf No.	259	1st	Revised Leaf No.	305
2nd	Revised Leaf No.	260	1st	Revised Leaf No.	309
1st	Revised Leaf No.	261	1st	Revised Leaf No.	310
1st	Revised Leaf No.	262	1st	Revised Leaf No.	312
1st	Revised Leaf No.	263	1st	Revised Leaf No.	321
1st	Revised Leaf No.	264	1st	Revised Leaf No.	322
1st	Revised Leaf No.	266	1st	Revised Leaf No.	331
1st	Revised Leaf No.	267	1st	Revised Leaf No.	332
1st	Revised Leaf No.	268	1st	Revised Leaf No.	333
1st	Revised Leaf No.	269	1st	Revised Leaf No.	335
1st	Revised Leaf No.	270	1st	Revised Leaf No.	336
1st	Revised Leaf No.	272	1st	Revised Leaf No.	341
1st	Revised Leaf No.	273	1st	Revised Leaf No.	343
1st	Revised Leaf No.	274	1st	Revised Leaf No.	345
1st	Revised Leaf No.	276	1st	Revised Leaf No.	347
1st	Revised Leaf No.	277	1st	Revised Leaf No.	348

Orange and Rockland Utilities, Inc.
Electric Rate Case
Proposed Tariff Leaves effective July 1, 2012

P.S.C. No. 3 Electricity

1st	Revised Leaf No.	350	1st	Revised Leaf No.	372
1st	Revised Leaf No.	352	1st	Revised Leaf No.	373
1st	Revised Leaf No.	356	1st	Revised Leaf No.	374
1st	Revised Leaf No.	358	1st	Revised Leaf No.	375
1st	Revised Leaf No.	359			