

Filed Session of October 18, 2012
Approved as Recommended
and so Ordered
By the Commission

JACLYN A. BRILLING
Secretary

Issued and Effective October 22, 2012

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

September 28, 2012

TO: THE COMMISSION

FROM: OFFICE OF ELECTRIC, GAS AND WATER
- Major Utility Rates Section

SUBJECT: CASE 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.

Orange and Rockland Utilities, Inc. tariff filing to revise its electric rates, charges, rules and regulations in compliance with the Commission Order issued June 15, 2012 in Case 11-E-0408.

RECOMMENDATION: The tariff amendments listed in the Appendix should be allowed to become effective on a permanent basis as of the date of issuance of this Order.

Summary

On June 15, 2012, the Commission issued its Order Adopting Terms of Joint Proposal, with Modification, and Establishing Electric Rate Plan, (Rate Order) in the above captioned case. As directed in the Rate Order, Orange and Rockland Utilities, Inc. (O&R or the Company) filed amendments to its electric tariff schedule, which became effective on a temporary basis on July 1, 2012, to effectuate the Rate Year 1 (July 1, 2012 through June 30, 2013) revenue requirement increase provided for in that order. On the basis of forecast data for the 12 months ending June 30, 2013, the changes are estimated to produce an increase of \$15.2 million or 5.8 percent. Staff has reviewed the

Company's filing and finds it to be in compliance with the Rate Order. Therefore, Staff recommends that the amendments be allowed to become effective on a permanent basis as of the date of issuance of this Order.

Background

In the Rate Order, the Commission adopted a three year rate plan for O&R's electric delivery service. The Rate Order adopted the Joint Proposal which established rate increases in the amounts of \$19.4 million, \$8.8 million and \$15.2 million for the three rate years, respectively.¹ To mitigate the first-year impact of the increases, the Joint Proposal provided for a phase-in in equal increments of \$15.2 million per year.

The Rate Order authorized O&R to file, on not less than one days' notice, to take effect on a temporary basis on or after July 1, 2012, such electric tariff changes as are necessary to effectuate the terms of that Order for the Rate Year. According to the Rate Order, these changes would not become effective on a permanent basis until approved by the Commission.

On June 29, 2012, O&R filed the required tariff amendments for the Rate Year and advised the Commission's Secretary that copies of the filing had been served on all parties to Case 11-E-0408. Subsequent to this filing, on July 18, 2012, O&R made further revisions of a housekeeping nature and served that filing on all parties. Pursuant to the terms of the Rate Order, the tariff amendments became effective on a temporary basis July 1 and July 19, 2012, respectively, and interested parties were given 14 days to submit comments thereon. No comments were received.

Discussion and Conclusion

Implementation of the terms and conditions of Rate Year 1 of the three year rate plan required revisions to numerous rates and provisions of the Company's electric

¹ Case 11-E-0408, Orange & Rockland Utilities, Inc., Joint Proposal (filed February 24, 2012).

tariff, P.S.C. No. 3 – Electricity. A list of the tariff amendments filed by the Company is shown in the Appendix.

Staff has reviewed the Company's filing and confirmed that the amendments properly reflect the terms and conditions of the Rate Order. The amendments include the rates, charges, rules and regulations necessary to implement the Rate Year 1 rate increase of \$15.2 million as well as the rate design and other changes described in the Rate Order. No party has objected to the changes and Staff does not believe any modifications to the amendments are needed. Accordingly, there is no impediment to adopting the amendments on a permanent basis.

It is recommended that the tariff amendments listed in the Appendix be allowed to become effective on a permanent basis as of the date of issuance of the order in this matter.

Respectfully submitted,

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Approved by:

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Office of Electric, Gas and Water

SUBJECT: Filing by ORANGE AND ROCKLAND UTILITIES, INC.

Amendments to Schedule P.S.C. No. 3 – Electricity

First Revised Leaves Nos. 7, 89, 106, 139, 143, 164, 214, 215, 216,
217, 218, 249, 250, 252, 255, 256, 257, 261, 262, 263, 264, 266,
267, 268, 269, 270, 272, 273, 274, 276, 277, 278, 283, 284, 285,
286, 290, 294, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305,
309, 310, 312, 321, 322, 331, 332, 333, 335, 336, 341, 343, 345,
347, 348, 350, 352, 356, 358, 359, 372, 373, 374, 375
Second Revised Leaves Nos. 259, 260

Statement No. 3- Transmission Adjustment Competitive Services
Statement No. 3 – Temporary State Assessment Surcharge

Issued: June 29, 2011 Effective on a temporary basis July 1, 2012

First Revised Leaf No. 220
Second Revised Leaves Nos. 219, 293, 295

Issued: July 18, 2012 Effective on a temporary basis July 19, 2012

NEWSPAPER PUBLICATION: July 8, 13, 20 and 27, 2011