

Cases 21-G-0073, 21-E-0074

Accounting Panel

Update/Correction Testimony & Exhibits

March 31, 2021

ORANGE AND ROCKLAND UTILITIES, INC.

ACCOUNTING PANEL
UPDATE/CORRECTION TESTIMONY

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1 **I. PURPOSE OF TESTIMONY**

2 Q. Please state your names.

3 A. Kelly McLaughlin-Martini, Ann Cedrone, and Wenqi Wang.

4 Q. Have you previously submitted testimony in this proceeding?

5 A. **(Cedrone and Wang)** Yes. We submitted testimony as the Accounting Panel
6 (“Panel”) as part of the Company’s January 2021 initial filing.

7 **(McLaughlin-Martini)** No. I recently became the Assistant Controller,
8 Corporate Accounting for Consolidated Edison Company of New York, Inc.
9 (“Con Edison” or the “Company”) and am replacing John de la Bastide on the
10 Panel.

11 Q. Ms. McLaughlin-Martini, please explain your educational background, work
12 experience and current general responsibilities.

13 A. **(McLaughlin-Martini)** I graduated from Fordham University in 1997 with a
14 Bachelor of Science Degree in Accounting and Finance and received my Master
15 of Business Administration, also from Fordham University, in 2004. I am a
16 Certified Public Accountant. After five years working predominately as an auditor
17 and accountant, I joined Con Edison in 2003 as an Accountant in the Corporate
18 Accounting department. I assumed positions of increasing responsibility over the
19 years, including Senior Accountant and Department Manager in Corporate
20 Accounting, Financial Accounting & Reporting. In September 2014, I assumed
21 the position of Department Manager O&R Financial Services and in November

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1 2016, I was promoted to Director, Corporate Financial Planning and Analysis. I
2 am assuming the position of Assistant Controller, Corporate Accounting effective
3 April 1, 2021. In my new role as Assistant Controller, I will have oversight of
4 regulatory and accounting operations.

5 Q. Ms. McLaughlin-Martini, have you previously testified before the New York
6 Public Service Commission (“Commission”)?

7 A. **(McLaughlin-Martini)** No.

8 Q. What is the purpose of the Panel’s update testimony?

9 A. Our testimony addresses the following areas:

10 First, our testimony discusses the Company’s updates to the revenue requirement
11 for the twelve-months ending December 31, 2022 (“Rate Year”). Our testimony
12 discusses the change in the proposed revenue requirement for the Rate Year from
13 the Company’s January 2021 initial filing to this Update (“Update”).

14 Second, we present updated information for RY2 and RY3 (the twelve-month
15 periods ending December 31, 2023 and December 31, 2024, respectively) to
16 facilitate the development of a multi-year rate plan via settlement discussions.

17 Q. Are you sponsoring any exhibits for this Update?

18 A. Yes, the Accounting Panel sponsors updates to Exhibits AP-2, AP-3, and AP-5
19 and submits new Exhibit AP-7, which is a collection of interrogatories referenced
20 in this Update testimony. All of these exhibits are marked “Update” and were

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1 prepared under our supervision and direction but rely on input from other
2 Company witnesses.

3 **II. REVENUE REQUIREMENT UPDATE**

4 Q. Is the Company proposing revenue requirement changes with this Update?

5 A. Yes. With this Update, the electric revenue requirement increases by
6 approximately \$3.4 million, to a total revenue requirement increase of \$27.8
7 million. The gas revenue requirement decreases by approximately \$8.6 million,
8 to a total revenue requirement increase of \$1.2 million. These changes are
9 explained in detail below.

10 **A. SUMMARY OF UPDATES TO THE REVENUE REQUIREMENT**

11 Q. Are you sponsoring an exhibit summarizing the changes to the revenue
12 requirement from the initial January 2021 filing to this Update filing?

13 A. Yes. Exhibit AP-3 shows the updated electric revenue requirement increase to be
14 \$27.8 million, and the updated gas revenue requirement increase to be \$1.2
15 million.

16 Q. What are the major updates from the January 2021 filing?

17 A. The table below summarizes the major items driving the changes in the electric
18 and gas revenue requirements from the January 2021 filing to this Update:

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	Electric (\$ in millions)	Gas (\$ in millions)
Sales Revenues	\$ (5.5)	\$ (13.0)
Other Operating Revenues	1.6	0.5
O&M Expenses	4.6	1.1
Deferred Costs	3.9	1.8
Depreciation Expense	(1.2)	0.2
Income Taxes and Other	(1.4)	(0.1)
Rate Base – Carrying Charge	1.4	0.9
Total Update vs. Original Filing	\$ 3.4	\$ (8.6)

1 **1. Sales Revenue**

2 This Update produces electric and gas sales revenues that are approximately \$5.5
3 million and \$13.0 million higher, respectively, than the level included in the
4 Company’s initial filing. The primary driver of the increased revenues is more
5 favorable forecasts of economic variables than those used in projecting revenues
6 in the initial filing. See Section II.B.3 of this testimony for further discussion
7 regarding the Company’s level of confidence in these updates in light of the
8 ongoing COVID-19 pandemic.

9 **2. Other Operating Revenues**

10 This Update produces other operating revenues that are approximately \$1.6
11 million and \$0.5 million lower, respectively, than the level included in the
12 Company’s initial filing. The driver of the decreased revenues is almost entirely
13 the result of the Company reducing the Rate Year projection of late payment

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1 charges to zero given the ongoing uncertainty surrounding the COVID-19
2 pandemic and the Company's related inability to reasonably project late payment
3 charges during the Rate Year. As discussed further in section II.B.10 of this
4 testimony, the Company is proposing to sur-credit customers to reconcile the
5 revenue requirement impact of all late payment fees collected.

6 **3. O&M**

7 This Update produces electric operation and maintenance ("O&M") expenses that
8 are approximately \$4.6 million higher than the level included in the Company's
9 initial filing. The primary contributing factors are the inclusion of contractor
10 retainer costs associated with additional storm restoration resources (\$2.8 million)
11 and increases to pension /OPEB costs (\$1.4 million).

12 This Update produces gas O&M expenses that are approximately \$1.1 million
13 higher than the level included in the Company's initial filing. The primary
14 contributing factors are increases to pensions / OPEB costs (\$0.7 million).

15 **4. Amortization of Deferred Cost**

16 Various changes to deferrals are increasing the electric revenue requirement by
17 \$3.9 million. The major changes are increases to deferred storm cost
18 amortizations (\$2.9 million), recovery of waived late payment charges (\$1.7
19 million) and increases in pension/OPEB deferrals (\$1.6 million), partially offset
20 by reductions in environmental remediation deferrals (\$1.3 million). Various
21 changes to deferrals are increasing the gas revenue requirement by \$1.8 million.

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1 The major changes are increases in environmental remediation deferrals (\$1.0
2 million), increases in pension/OPEB deferrals (\$0.8 million), and recovery of
3 waived late payment charges (\$0.5 million), partially offset by reductions in low
4 income deferrals (\$0.4 million).

5 **5. Depreciation**

6 The Company's electric and gas depreciation expense forecasts were updated to
7 reflect actual capital expenditures closing to plant, as well as updates to the
8 Company's plant forecast and projected in-service date. These updates decrease
9 the electric revenue requirement by \$1.2 million and increase the gas revenue
10 requirement by \$0.2 million.

11 **6. Income Taxes and Other**

12 The electric revenue and gas revenue requirements decreased by \$1.4 million and
13 \$0.1 million, respectively. The primary driver of the electric change was a
14 decrease in federal income tax expense.

15 **7. Rate Base – Carrying Charge**

16 Electric rate base for the Rate Year is projected to be approximately \$14 million
17 higher than reflected in the Company's initial filing. As a result, the carrying cost
18 on rate base additions increased by \$1.4 million. The primary drivers of the
19 increased rate base are increases in non-interest bearing CWIP and net regulatory
20 deferrals, partially offset by a decrease in net plant. Gas rate base for the Rate
21 Year is projected to be approximately \$9 million higher than reflected in the

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1 Company's initial filing. As a result, the carrying cost on gas rate base additions
2 increased by \$0.9 million. The primary drivers of the increased rate base are
3 increases in net plant and non-interest bearing CWIP.

4 **B. COMPANY UPDATES TO REVENUE REQUIREMENT**

5 Q. Have you prepared an update of the AP-2 and AP-3 exhibits showing the updated
6 Rate Year rate base and revenue requirements?

7 A. Yes. The purpose of the updated AP-2 and AP-3 exhibits is to show the
8 development of rate base and the revenue requirements since the Company's
9 January 2021 filing. The exhibits consist of the following schedules (note that
10 certain schedule numbers are not used in this filing in order to maintain naming
11 convention consistency with the January 2021 filing):

12 **AP-2 Schedules**

- 13 • Page 1 compares rate base in the Company's January 2021 filing to this
14 Update.
- 15 • Page 2 compares average net plant in the Company's January 2021 filing to
16 this Update.
- 17 • Page 3 compares working capital in the Company's January 2021 filing to this
18 Update.
- 19 • Page 4 compares regulatory deferrals net of FIT in the Company's January
20 2021 filing to this Update.

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- 1 • Page 5 compares accumulated deferred tax in the Company's January 2021
2 filing to this Update.

3 **AP-3 Schedules**

- 4 • Schedule 2, Page 1 compares the Company's January 2021 filing to this
5 Update.
- 6 • Schedule 2, Page 2 summarizes the Company's revised revenue requirement
7 calculations.
- 8 • Schedule 3 updates sales revenues.
- 9 • Schedule 4 updates regulatory deferrals and amortizations.
- 10 • Schedule 5 updates other operating revenues.
- 11 • Schedule 6 updates O&M expenses.
- 12 • Schedule 7.1 updates depreciation expenses at current rates.
- 13 • Schedule 7.2 updates depreciation expenses at proposed rates.
- 14 • Schedule 8 updates taxes other than income taxes.
- 15 • Schedules 9 and 10 update state and federal income taxes, respectively.
- 16 • Schedule 11 updates the interest deduction.
- 17 • Schedule 14 updates general inflation factors.
- 18 • Schedule 15 provides a listing of all changes made within the exhibit.
- 19 • Schedule 16 provides an updated listing of labor-related program changes to
20 align with what was requested in testimony in the initial filing.

21 Q. What results are shown on the Summary Schedule of the updated AP-3 exhibits?

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1 A. In the Company's initial filing, the rate of return on average rate base during the
2 Rate Year was projected to be 5.31 percent for electric and 5.78 percent for gas
3 before any rate relief. With the revisions made to the data, as reflected in
4 Schedule 2, page 2, the Company's projected rate of return is 5.10 percent for
5 electric and 6.88 percent for gas before any rate relief.

6 **1. Rate Base Adjustments and Updates (AP-E2/G2)**

7 Q. Please describe the adjustments to Rate Base as shown within the updated AP-2
8 Exhibits and incorporated into the AP-3 Schedule 2 Exhibits.

9 A. The Company's RY1 electric rate base increased by approximately \$14 million
10 from the initial filing to this Update. The Company's RY1 gas rate base increased
11 by approximately \$9 million from the initial filing to this Update. Components of
12 those changes include the following (note that line references correlate to electric
13 exhibit AP-E2 Page 1; gas has similar line items within exhibit AP-G2 Page 1) :

14 **Line 2 – Electric/Gas Plant in Service:** The Electric/Gas Plant in Service
15 forecast was updated to reflect actual capital expenditures closing to plant
16 between the end of the historic test year (*i.e.*, September 30, 2020) and December
17 31, 2020, as well as updates to the Company's plant forecast and projected in-
18 service dates. Also, as discussed in the Update testimony of the Company's Gas
19 Infrastructure and Operations Panel, the gas plant forecast in this Update corrects
20 the projected capital expenditures associated with the LocusView initiative.

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1 **Line 4 – Common Utility Plant (Electric/Gas Allocation):** The Common
2 Utility Plant forecast was updated to reflect actual capital expenditures closing to
3 plant between the end of the historic test year (*i.e.*, September 30, 2020) and
4 December 31, 2020, as well as updates to the Company’s common plant forecast
5 and projected in-service dates.

6 **Lines 7 and 8 – Accumulated Reserve for Depreciation:** The Accumulated
7 Reserve for Depreciation forecast was updated to reflect actual capital
8 expenditures closing to plant between the end of the historic test year (*i.e.*,
9 September 30, 2020) and December 31, 2020, as well as updates to the
10 Company’s plant forecast and projected in-service date.

11 **Line 11 – Non-Interest Bearing CWIP:** Non-interest bearing CWIP was
12 updated to reflect actual capital expenditures closing to plant between the end of
13 the historic test year (*i.e.*, September 30, 2020) and December 31, 2020, as well as
14 updates to the Company’s plant forecast and projected in-service date.

15 **Line 12 - Working Capital – Materials/Supplies, Prepayment and Cash**

16 **Working Capital:** The working capital calculation has been updated to reflect the
17 latest working capital forecasts, including GDP escalation factor, and the latest
18 projected level of O&M expenses.

19 **Line 13 – Unamortized Premium and Discount:** Unamortized Debt
20 Premium/Discount was updated to reflect the impact of updated financings.

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1 **Line 15 – Net Deferrals / Credits from Reconciliation Mechanisms:**

2 Regulatory deferrals were updated to reflect actual balances as of December 2020
3 and the Company’s latest forecast of net regulatory deferral balances.

4 Additionally, gas deferrals were adjusted in this Update to account for the
5 inadvertent exclusion of accrued liabilities associated with unbilled revenues as
6 identified in the Company’s response to interrogatory DPS-14-405.

7 **Lines 17 and 18 – Accumulated Deferred State and Federal Income Taxes:**

8 Deferred taxes were updated to reflect actual balances as of December 2020 and
9 the latest changes in forecasted plant balances.

10 **2. Depreciation Adjustments and Updates (AP-E3/G3 Schedule**
11 **7.2)**

12 Q. Please describe the adjustments to Depreciation as shown within the updated AP-
13 3 Schedule 7.2 Exhibits.

14 A. The adjustments are the result of the changes in plant in service discussed in the
15 rate base section of testimony. In addition, please note that the filed version of
16 Exhibit DP-E4 was missing explanatory header information. A corrected version
17 has been provided as part of the Company’s Corrections/Update testimony.

18 **3. Sales Revenue Updates (AP-E3/G3 Schedule 3)**

19 Q. Please describe the adjustments to Sales Revenue as shown within the updated
20 AP-3 Schedule 3 Exhibits.

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1 A. As detailed in the Update testimony of the Company’s Electric and Gas
2 Forecasting Panels, the Company updated its sales revenue forecasts to account
3 for additional historical data and updated forecasts of economic variables that
4 became available since the time of the Company’s initial filing. As also discussed
5 in the Update testimony of the Company’s Electric and Gas Forecasting Panels,
6 given the continuing impacts of the ongoing COVID-19 pandemic, there remains
7 significant economic uncertainty clouding future projections. It is not clear that
8 traditional forecasting assumptions, such as the relationship between employment
9 and electric usage, are valid under the current anomalous conditions. Therefore,
10 the Company’s level of confidence in its gas and electric forecasting updates is
11 much lower than would typically be the case under more “normal” circumstances.
12 The Company will continue to monitor and analyze available information in order
13 to test and validate its forecasts. The Company reserves its rights under
14 Commission rules and applicable orders/rulings to make further updates.

15 **4. Regulatory Deferrals and Amortizations Adjustments and**
16 **Updates (AP-E3/G3 Schedule 4)**

17 Q. Please describe the Company’s adjustments to Regulatory Deferrals and
18 Amortizations as detailed on Schedule 4 of the updated AP-3 exhibits.

19 A. In the January 2021 filing, the Company projected its deferred balances and
20 related amortizations starting with actual balances at the end of the historic year
21 (*i.e.*, the twelve months ended September 30, 2020). The amortization of

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1 regulatory deferrals in this Update reflects the impact of updating the actual
2 deferred balances at December 31, 2020 and updates to projected activity over the
3 remainder of the linking period (*i.e.*, through December 31, 2021). In addition,
4 the Company notes the following updates:

5 **Line 2 (Electric – Initial Filing), Competitive Unbundling – Customer**

6 **Information:** As identified in the Company’s response to interrogatory DPS-12-
7 359, this item was included in the initial filing in error and was removed from the
8 revenue requirement calculation in this Update.

9 **Line 7 (Electric) Line 8 (Gas) MGP Sites:** The MGP environmental remediation
10 site deferral balances were reallocated between electric and gas to reflect the
11 Company’s current common allocation split, resulting in a shift in deferral
12 balances and associated amortizations from electric to gas.

13 **Line 10 and Line 12 (Electric) and Line 11 and Line 13 (Gas),**

14 **OPEBs/Pensions:** OPEBs and Pensions were updated to reflect the impact of the
15 latest actuarial study. Also see the O&M section of this testimony for discussion
16 on cost drivers of the study.

17 **Line 11 (Electric and Gas – initial filing), Negative Revenue Adjustments:** In
18 this Update, the Company removed these line items from the revenue requirement
19 calculation. Under the terms of the Company’s current rate plans, any
20 collection/refund of positive or negative revenue adjustments that occur during

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1 this rate plan are to be recovered from or credited to customers through the
2 ECA/MGA surcharge mechanism.

3 **Line 14 (Gas), Plant Reconciliation (Including AMI):** In this Update, the
4 Company recorded a regulatory asset related to gas AMI carrying charges on
5 account of AMI balances being above net plant targets while staying below the
6 cap on overall AMI spending. This is consistent with the terms of the Company's
7 current gas rate plan whereby the Company is to defer for the benefit of customers
8 or the Company, the revenue requirement impact of the amount by which the
9 Company's actual capital expenditures for AMI results in average net plant that is
10 different from the amount included in the Average AMI Plant In Service Target
11 Balances.

12 **Line 14 (Electric) and Line 15 (Gas), Property Taxes:** Property tax deferrals
13 were updated to reflect additional information related to the Company's 2021
14 county and town property tax assessment.

15 **Line 21 (Gas – initial filing), R&D Reconciliation:** As noted in the initial filing,
16 the Company included this line item in error and removed it from the revenue
17 requirement calculation in this Update.

18 **Line 21 (Gas), Covid-19 Deferrals- Uncollectible Balance ("UB"):** This item
19 represents the amount to be recovered from customers related to the incremental
20 costs incurred due to the COVID-19 pandemic. The Company's basis for
21 deferring such incremental costs was discussed in its initial filing, but the filing

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1 only included a deferral of uncollectible costs for electric. In this Update, the
2 Company is correcting its request to show that incremental uncollectible costs for
3 gas also exceeded the deferral threshold. Note that as with the electric deferral,
4 the gas deferral was netted against the amount that actual uncollectible write-offs
5 have underrun the levels in rates since the onset of the pandemic.

6 **Line 22 (Electric), Storm Deferral:** The storm deferral regulatory asset
7 increased from the initial filing on account of additional storms and storm
8 mobilizations that met the threshold for deferral under the terms of the current
9 rate plan.

10 **Line 33 (Electric) and Line 22 (Gas), Late Payment Charges:** The Company
11 added this line item representing waived late payment charges resulting from the
12 COVID-19 pandemic. The Company's current rate plans allow the Company to
13 make deferrals resulting from a change in laws (under the Legislative, Regulatory
14 and Related Actions provision of the rate plans), if the Company exceeds 10 basis
15 points of the return on equity specified in the current rate plans. The March 2020
16 New York on PAUSE Order, and related executive Orders, and the Parker Mosley
17 Act enacted in June 2020 meet the criteria for the change in laws provision. These
18 laws impose requirements on the Company, are the basis for Commission and
19 DPS guidance given to the Company, and have a substantial impact on the
20 economy within the O&R service territory.

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1 The Company is proposing a three-year amortization of this deferral.¹ The
2 amount deferred for 2020 is the variance between actual late payment charges and
3 the levels established in rates. For 2021, the Company forecasts no collection of
4 late payment charges and deferred the entire amount established in current rates.
5 In the event late payment fees are collected in 2021, the Company will reconcile
6 via sur-credit/surcharge through a mechanism like the ECA or MGA. This will
7 have the impact of passing through any annual net collections to customers in
8 2022.

9 **5. Other Operating Revenues Adjustments and Updates (AP-**
10 **E3/G3 Schedule 5)**

11 Q. Please continue by explaining the adjustments and updates to Other Operating
12 Revenues on Schedule 5 of the updated AP-3 exhibits.

13 A. Please refer to Schedule 5 of the updated AP-3 exhibits for a reflection of the
14 below changes and Schedule 15 of the updated AP-3 exhibits for a listing of the
15 changes reflected by the Company:

16 **Line 2 (Gas) - Customer Reconnect Fees:** As discussed in the Company's
17 response to interrogatory DPS-12-381, the Company inadvertently based its RY
18 forecast on the Historic Test Year rather than an annual average over the 3 year

¹ Surcharge recovery would be appropriate because deferred revenue related to alternative revenue programs may not be recorded for GAAP reporting until the collection is determined to be within 24 months from the end of the annual period in which they are recognized. Given the timing of this rate case, however, the Company has proposed a three-year amortization to both provide the Company with recognition of a material portion of the revenue and moderate customer bill impacts.

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1 period ending September 2019. The Company corrected for the oversight in this
2 Update.

3 **Line 3 (Electric/Gas) - Late Payment Charges:** In this Update, the Company
4 reduced the Rate Year projection of late payment charges to zero given the
5 ongoing uncertainty surrounding the COVID-19 pandemic and the Company's
6 related inability to reasonably project late payment charges during the Rate Year.
7 As discussed further in section II.B.10 of this testimony, the Company is
8 proposing full, symmetrical reconciliation against this target, through a
9 mechanism like the ECA or MGA.

10 **Line 6 (Gas) and Line 7 (Gas) – Access Fees and R&D Ventures:** The
11 Company inadvertently transposed the revenue amounts for access fees and R&D
12 ventures in the initial filing and has been corrected in this filing. The error was
13 identified and discussed in the Company's response to interrogatory DPS-19-466.

14 **Line 14 (Electric) and Line 15 (Electric) - Pole Attachment and Parity**
15 **Billings and Other Rents:** As noted in the Company's response to interrogatory
16 DPS-12-356, the Company inadvertently included pole attachment and parity
17 billings received for New Jersey in projecting revenue in the initial filing. The
18 adjustments in this Update adjust and reclassify the revenue forecasts to correct
19 for the error.

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1 **6. Operation and Maintenance Expense Adjustments and**
2 **Updates (AP-E3/G3 Schedule 6)**

3 Q. Please continue by explaining the adjustments and updates to O&M expenses on
4 Schedule 6 of the updated AP-3 exhibits.

5 A. Please refer to Schedule 6 of the updated AP-3 exhibits for a reflection of the
6 below changes and Schedule 15 of the updated AP-3 exhibits for a listing of the
7 changes reflected by the Company:

8 **General Escalation Rate:** In this Update, which relied on actual data through
9 December 31, 2020 and Blue Chip forecasts through February 2021, the general
10 escalation rate from the Test Year to RY1 increased from 3.49% to 4.28%.
11 Thereafter, the rate increased from 1.60% to 1.92% for RY2 and RY3. Refer to
12 Schedule 14 of the updated AP-3 exhibits for the relevant calculations.

13 **Labor Escalation Rate:** In this Update, the Company updated its labor
14 escalation calculation. As a result, the electric labor escalation rate from the Test
15 Year to RY1 increased from 6.38% to 6.49%. Thereafter, the rate increased from
16 2.98% to 3.12% for RY2 and 3.39% to 3.53% in RY3. For gas, the labor
17 escalation rate from the Test Year to RY1 increased from 6.38% to 6.47%.
18 Thereafter, the rate increased from 2.98% to 3.00% for RY2 and 3.39% to 3.40%
19 in RY3.

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1 **Line 1 (Electric & Gas) Fuel and Purchased Power:** In this Update, fuel and
2 purchased power forecasts were updated in conjunction with the Company's
3 updated revenue and volume forecasts.

4 **Line 2 (Gas) A&G Health Insurance and Capital Overhead:** This Update
5 corrects for an error identified in DPS-14-400 related to the calculation of
6 normalized costs associated with COVID-19.

7 **Line 6 (Electric) and Line 7 (Electric and Gas), Company Labor – Electric**
8 **Ops and Company Labor - Engineering:** This Update revises selected labor-
9 related program changes to align with what was requested in testimony in the
10 initial filing. Included in the electric adjustments is the error identified in DPS-
11 16-435 related to the ADMS engineer cost allocation. The accompanying
12 workpapers have also been corrected to address the error identified in DPS-18-
13 457.

14 **Line 15 (Electric & Gas) Injuries and Damages/Workers' Compensation:**
15 This Update reflects applying the corrected common allocation split for the
16 Company's injuries and damages budget as identified in the Company's response
17 to interrogatory DPS-4-267.

18 **Line 22 (Electric), Corporate & Shared Services:** This Update reflects a
19 correction in the electric filing to remove costs associated with Rockland Electric
20 that were inadvertently normalized in the Company's initial filing as identified in
21 the Company's response to interrogatory DPS-18-460.

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1 **Line 23 (Electric and Gas), Customer Operations:** This Update reflects
2 additional costs within electric and gas to fund the Customer Engagement
3 Marketplace Platform (“CEMP”) and Mandatory Virtual Audit Software. The
4 discussion supporting the CEMP request can be found in the direct testimony (p.
5 19) of the Company’s Customer Service Panel within the Company’s initial filing.
6 As noted in that testimony, the Company inadvertently excluded funding for the
7 program from the revenue requirement in the initial filing. The Company is also
8 including corrected costs for the Mandatory Virtual Audit Software project.

9 **Line 24 (Electric), Electric Operations:** In this Update, the Company added
10 contractor retainer costs associated with additional storm restoration resources.
11 Details of this request are further discussed in the Update testimony of the
12 Company’s EIOP Panel.

13 **Line 28 (Electric & Gas), Pension/OPEB:** In this Update, employee
14 pension/OPEB costs were increased for electric and gas to reflect the impact of
15 the latest actuarial study, which reflected higher pension/OPEB costs primarily
16 due to lower projected discount rates than the actuarial report used for the initial
17 filing.

18 **Line 39 (Electric and Gas) Bargaining Unit Contract Costs:** The electric and
19 gas Updates include projected collective bargaining and strike contingency costs
20 as discussed in the Company’s response to interrogatory DPS-14-411.

ORANGE AND ROCKLAND UTILITIES, INC.

ACCOUNTING PANEL
UPDATE/CORRECTION TESTIMONY

1 **7. Taxes Other Than Income Taxes Adjustments and Updates**
2 **(AP-E3/G3 Schedule 8)**

3
4 Q. Please describe your adjustments to Taxes Other than Income Taxes.

5 A. Revenue taxes were adjusted for electric and gas as a result of the updates in sales
6 revenues discussed above. Property taxes were adjusted for electric and gas to
7 reflect actual 2021 county and town taxes. Payroll taxes were updated to
8 accompany the aforementioned changes to labor-related O&M.

9 **8. Income Tax Adjustments and Updates (AP E3/G3 Schedules 9**
10 **and 10)**

11 Q. Please describe your adjustments to Income Taxes.

12 A. State and federal income tax calculations were adjusted to track the impact of
13 updates to the Company's plant forecast.

14 **9. Capital Structure Adjustments and Updates (AP-5)**

15 Q. Were updates made to the cost of capital schedules used in determining the
16 electric and gas revenue requirements in this Update?

17 A. Exhibit AP-5 has been updated to reflect the latest interest rates and amounts for
18 new bond issuances. The equity forecast and dividend forecast do not reflect
19 material changes and therefore were not updated. As a result of the updates, the
20 cost rate for debt has decreased to 4.60%, 4.55%, and 4.54% for RY1, RY2, and
21 RY3, respectively. The Company's initial rate filing contained rates of 4.62%,

ORANGE AND ROCKLAND UTILITIES, INC.

ACCOUNTING PANEL
UPDATE/CORRECTION TESTIMONY

1 4.57%, and 4.58%. The rate of return for RY1, RY2, and RY3 has decreased
2 from 7.04%, 7.02%, and 7.02% in the Company's initial filing to 7.03%, 7.01%,
3 and 7.01% in this update.

4 **10. Reconciliations and Deferred Accounting**

5 Q. Is the Company proposing any reconciliation or deferral mechanisms that were
6 not addressed in this Panel's Direct Testimony?

7 A. Yes. The Company proposes full reconciliation of costs associated with four
8 anticipated laws and regulations.²

9 First, the New York State Legislature is evaluating bills (e.g., S.2509-B
10 and A.3009-B) that, among other things, raise various taxes on utilities. If passed,
11 the bills are expected to become effective prior to the Rate Year. As details of the
12 law have not been finalized, the Company is unable to reasonably forecast costs
13 and tax impacts. When the Tax Cuts and Jobs Act of 2017 was passed, the benefit
14 of the current portion of the tax change was passed to many utility customers via
15 sur-credit in Case 17-M-0815. The Company thus proposes surcharge recovery
16 of the current costs and tax impacts incurred as a result of these bills or related
17 bills. The Company proposes to defer for recovery any impact on deferred
18 income taxes.

²To the extent legislation is passed/Orders are issued prior to Hearing, the Company reserves its rights under Commission rules and applicable orders/rulings to make further updates to its requested rates.

ORANGE AND ROCKLAND UTILITIES, INC.

ACCOUNTING PANEL
UPDATE/CORRECTION TESTIMONY

1 Second, the Biden administration is expected to propose an increase to the
2 U.S. corporate income tax rate. If passed, the new rate is expected to become
3 effective prior to commencement of the Rate Year. As details of the law have not
4 been finalized, the Company is unable to reasonably forecast costs and tax
5 impacts. When the Tax Cuts and Jobs Act of 2017 was passed, the benefit of the
6 current portion of the tax change was passed to many utility customers via sur-
7 credit in Case 17-M-0815. The Company thus proposes surcharge recovery of
8 the current costs and tax impacts incurred as a result of the new tax laws. The
9 Company proposes to defer for recovery any impact on deferred income taxes.

10 Third, Staff of the Department of Public Service Commission has released
11 a report in Case 20-M-0266 recommending that “residential and commercial late
12 payment fees should continue to be waived for the two-year time period starting
13 on the expiration of the moratorium.” Any Commission Order on the waiver of
14 late payment fees due to the COVID-19 pandemic is expected to become effective
15 prior to the Rate Year. As details have not been finalized, the Company is unable
16 to reasonably forecast the impact of this Order.³ The Company thus proposes full,
17 symmetric reconciliation of late payment fees via sur-credit/surcharge through a
18 mechanism like the ECA or MGA.⁴

³ Please note that Staff’s report also recommends changes to utility low income programs. To the extent these are addressed by a Commission Order prior to Hearing, the Company intends to update its proposed rates to reflect such changes.

⁴ Deferred revenue related to alternative revenue programs may not be recorded for GAAP reporting until the collection is determined to be within 24 months from the end of the annual period in

ORANGE AND ROCKLAND UTILITIES, INC.

ACCOUNTING PANEL
UPDATE/CORRECTION TESTIMONY

1 Fourth, there is pending legislation in New York State that could extend
2 the moratorium on terminations for residential and certain commercial customers
3 and bar the imposition of late payment fees on certain customers until as late as
4 July 2022. The law is expected to become effective prior to the Rate Year. As
5 amendments are being considered and the law has not been finalized, the
6 Company is unable to reasonably forecast the impact of this law. The Company
7 thus proposes full, symmetric reconciliation of late payment fees via sur-
8 credit/surcharge through a mechanism like the ECA or MGA.

9 Q. Are each of the circumstances above covered by the “new laws and regulations”
10 provision you propose continue?

11 A. Yes. However, application of the new laws provision would subject these
12 expenditures to a dollar threshold. While a dollar threshold has been applied for
13 unanticipated costs resulting from a change in law or regulations not anticipated at
14 the time rates are set, a threshold should not apply when the potential
15 circumstance is known at the time rates are set, although the details of
16 implementation are not.

17 Q. Is there precedent for the Commission permitting reconciliation of costs incurred
18 as a result of anticipated laws?

which they are recognized. Thus, to be consistent with GAAP rules, sur-credit/surcharge mechanisms should be utilized for revenues like late payment fees unless recovery through a deferral is imminent.

ORANGE AND ROCKLAND UTILITIES, INC.

ACCOUNTING PANEL
UPDATE/CORRECTION TESTIMONY

1 A. Yes. In various rate cases (e.g., Cases 13-E-0030, *et al.*, 16-E-0060, *et al.*, 18-E-
2 0068, 19-E-0065, *et al.*), the Commission has adopted provisions for full
3 reconciliation of costs associated with specific anticipated changes in law. In the
4 most recent O&R gas rate case, the Commission adopted such a provision for
5 anticipated costs associated with Pipeline Safety Act of 2011. In the most recent
6 Con Edison electric and gas rate cases, the Commission adopted provisions for
7 anticipated costs associated with a State Congestion Tolling Program and a State
8 Prevailing Wage Law.

9 **III. MULTI-YEAR RATE PLAN**

10 Q. Does the Company have any updates to its forecasted financial information for
11 RY2 and RY3?

12 A. Yes. As in the Company's initial filing, the Company's Update includes, for
13 illustrative purposes only, financial information for the Rate Year, as well as RY2
14 and RY3, to reflect developments in those periods as addressed by various
15 Company witnesses in their update testimony. Updated Exhibits AP-2 and AP-3
16 reflect the impact of those changes.

17 Q. Does this conclude your update testimony?

18 A. Yes, it does.

ORANGE AND ROCKLAND UTILITIES, INC.

Index of Schedules

March 31, 2021 Update

Electric Rate Base

For The Twelve Months Ended December 31, 2022, 2023 and 2024

SCHEDULE TITLE OF SCHEDULE

- 1 Rate Base
- 2 Net Plant
- 3 Working Capital
- 4 Regulatory Deferral
- 5 Accumulated Deferred Tax

ORANGE AND ROCKLAND UTILITIES, INC.

March 31, 2021 Update

Rate Base - Electric

Case 21-E-0074

For The Twelve Months Ended December 31, 2022, 2023 and 2024

(\$000's)

<u>Line</u> <u>No.</u>	RY 1			RY 2		RY 3		<u>Lin</u> <u>e</u> <u>No.</u>
	Initially Filed	Preliminary Update	As Updated	Rate Year Adjustments	Rate Year as Adjusted	Rate Year Adjustments	Rate Year as Adjusted	
1	Utility Plant							1
2	\$ 1,656,375	\$ (20,165)	\$ 1,636,210	\$ 69,970	\$ 1,706,180	\$ 161,601	\$ 1,867,781	2
3	8,102	-	8,102	-	8,102	-	8,102	3
4	224,468	4,352	228,820	22,215	251,034	25,145	276,180	4
5	<u>1,888,945</u>	<u>(15,813)</u>	<u>1,873,132</u>	<u>92,184</u>	<u>1,965,316</u>	<u>186,746</u>	<u>2,152,063</u>	5
6	Utility Plant Reserves:							6
7	(585,062)	8,177	(576,885)	(47,740)	(624,624)	(51,516)	(676,140)	7
8	(117,550)	(405)	(117,955)	(10,768)	(128,723)	(10,094)	(138,817)	8
9	<u>(702,612)</u>	<u>7,772</u>	<u>(694,840)</u>	<u>(58,508)</u>	<u>(753,348)</u>	<u>(61,610)</u>	<u>(814,957)</u>	9
10	<u>1,186,333</u>	<u>(8,041)</u>	<u>1,178,292</u>	<u>33,677</u>	<u>1,211,969</u>	<u>125,137</u>	<u>1,337,105</u>	10
11	32,602	13,251	45,853	3,081	48,934	(4,336)	44,598	11
12	59,974	565	60,539	1,278	61,817	1,195	63,013	12
13	5,895	3	5,898	132	6,030	(30)	6,000	13
14	(13,251)	-	(13,251)	-	(13,251)	-	(13,251)	14
15	71,176	5,975	77,151	7,204	84,354	(938)	83,416	15
16	Accumulated Deferred Income Taxes							16
17	(205,987)	1,724	(204,263)	1,740	(202,522)	(2,215)	(204,737)	17
18	(42,342)	488	(41,853)	(2,660)	(44,513)	(3,546)	(48,059)	18
19	<u>(248,329)</u>	<u>2,213</u>	<u>(246,116)</u>	<u>(920)</u>	<u>(247,036)</u>	<u>(5,761)</u>	<u>(252,796)</u>	19
20	<u>1,094,400</u>	<u>13,966</u>	<u>1,108,366</u>	<u>44,451</u>	<u>1,152,817</u>	<u>115,268</u>	<u>1,268,085</u>	20
21	(66,434)		(66,434)	-	(66,434)	-	(66,434)	21
22	<u>\$ 1,027,966</u>	<u>\$ 13,966</u>	<u>\$ 1,041,932</u>	<u>\$ 44,451</u>	<u>\$ 1,086,383</u>	<u>\$ 115,268</u>	<u>\$ 1,201,651</u>	22

ORANGE AND ROCKLAND UTILITIES, INC.
 March 31, 2021 Update
 Average Electric Net Plant Summary
 Case 21-E-0074
 For The Twelve Months Ended December 31, 2022, 2023 and 2024
 (\$000's)

<u>Line</u> <u>No.</u>	<u>Description</u>	RY 1		RY 2		RY 3		<u>Line</u> <u>No.</u>	
		Initially Filed	Preliminary Update	As Updated	Rate Year Adjustment s	Rate Year as Adjusted	Rate Year Adjustments		Rate Year as Adjusted
1	<u>Utility Plant</u>							1	
2	Electric Plant In Service	\$ 1,656,375	\$ (20,165)	\$ 1,636,210	\$ 69,970	\$ 1,706,180	\$ 161,601	\$1,867,781	2
3	Electric Plant Held For Future Use	8,102	-	8,102	-	8,102	-	8,102	3
4	Common Utility Plant (Electric Allocation)	224,468	4,352	228,820	22,215	251,034	25,145	276,180	4
5	Total	1,888,945	(15,813)	1,873,132	92,184	1,965,316	186,746	2,152,063	5
6									6
7	<u>Utility Plant Reserves:</u>								7
8	Accumulated Reserve for Depreciation - Plant in Service	(585,062)	8,177	(576,885)	(47,740)	(624,624)	(51,516)	(676,140)	8
9	Accumulated Reserve for Depreciation - Common Plant (Electric Allocation)	(117,550)	(405)	(117,955)	(10,768)	(128,723)	(10,094)	(138,817)	9
10	Total	(702,612)	7,772	(694,840)	(58,508)	(753,348)	(61,610)	(814,957)	10
11									11
12	Net Plant	1,186,333	(8,041)	1,178,292	33,677	1,211,969	125,137	1,337,105	12
13									13
14	Non-Interest Bearing CWIP	32,602	13,251	45,853	3,081	48,934	(4,336)	44,598	14

ORANGE AND ROCKLAND UTILITIES, INC.

March 31, 2021 Update
Working Capital - Electric
Case 21-E-0074

For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

<u>Line</u> <u>No.</u>		RY 1			RY 2		RY 3		<u>Line</u> <u>No.</u>
		Initially Filed	Preliminary Update	As Updated	Rate Year Adjustments	Rate Year as Adjusted	Rate Year Adjustments	Rate Year as Adjusted	
1	Material and Supplies	13,501	103	13,604	261	13,865	266	14,131	1
2	<u>Prepayment</u>					-			2
3	Local Property Taxes	15,081	(65)	15,016	916	15,933	673	16,605	3
4	Remarket / Liquidity	1,012	8	1,020	20	1,039	20	1,059	4
5	Computer Licence	1,021	8	1,029	20	1,048	20	1,069	5
6	Insurance	280	2	282	5	287	6	293	6
7	NYPSC Assessment	571	4	575	11	586	11	597	7
8	NYS GRT	695	5	700	13	714	14	727	8
9	xxx	-	-	-	-	-	-	-	9
10	Total	18,660	(37)	18,622	986	19,608	743	20,351	10
11	<u>Cash Working Capital</u>								11
12	Total Operation & Maintenance Expenses	279,277	3,748	283,025	(421)	282,605	(1,731)	280,873	12
13	Less:								13
14	Fuel and Purchased Power	101,094	(761)	100,333	(1,073)	99,260	(5,535)	93,725	14
15	Purchased Power-Base Rate	-	-	-	-	-	-	-	15
16	Uncollectible Reserve - Customer	2,211	-	2,211	124	2,334	46	2,380	16
17	Uncollectible Reserve - Sundry	770	-	770	-	770	-	770	17
18	Low Income	-	-	-	-	-	-	-	18
19	System Benefit Charge	13,274	-	13,274	(285)	12,989	(927)	12,062	19
20	Renewable Portfolio Charges	7,099	-	7,099	(153)	6,946	(495)	6,451	20
21	xxx	-	-	-	-	-	-	-	21
22	O&M Working Capital Requirements	154,829	4,510	159,339	967	160,306	5,180	165,485	22
23	Cash Working Capital @ 1/8	19,354	564	19,917	121	20,038	647	20,686	23
24	Working Capital Related To Purchased Power	8,460	(63)	8,396	(89)	8,307	(462)	7,845	24
25									25
26	Unamortized Debt Discount/Premium Expense	5,895	3	5,898	132	6,030	(30)	6,000	26
27									27
28	Customer Advances for Construction	(13,251)	-	(13,251)		(13,251)		(13,251)	28
29	Total	\$ 52,618	\$ 569	\$ 53,187	\$ 1,410	\$ 54,597	\$ 1,165	\$ 55,762	29

ORANGE AND ROCKLAND UTILITIES, INC.
 March 31, 2021 Update
 Regulatory Deferrals - Electric
 Case 21-E-0074
 For The Twelve Months Ended December 31, 2022, 2023 and 2024
 (\$000's)

Line No.	RY 1			RY 2		RY 3		Line No.
	Initially Filed	Preliminary Update	As Updated	Rate Year Adjustments	Rate Year as Adjusted	Rate Year Adjustments	Rate Year as Adjusted	
1	\$ (10)	\$ -	\$ (10)	\$ 3	\$ (7)	\$ 4	\$ (3)	1
2	(10)	10	-	-	-	-	-	2
3	(909)	(178)	(1,087)	435	(652)	435	(217)	3
4	5,040	-	5,040	9,829	14,869	8,971	23,840	4
5	(171)	(64)	(235)	94	(141)	94	(47)	5
6	(125)	(31)	(156)	62	(94)	62	(32)	6
7	(6,386)	(111)	(6,496)	2,598	(3,898)	2,599	(1,299)	7
8	(3,108)	(2,437)	(5,544)	2,217	(3,327)	2,217	(1,110)	8
9	(846)	(159)	(1,005)	402	(603)	402	(201)	9
10	(185)	185	-	-	-	-	-	10
11	26	-	26	(10)	16	(10)	-	11
12	(8,228)	1,576	(6,652)	2,661	(3,991)	2,661	(1,330)	12
13	221	27	247	(99)	148	(99)	49	13
14	14,277	1,265	15,542	(6,217)	9,325	(6,216)	3,109	14
15	(865)	(316)	(1,181)	472	(709)	472	(237)	15
16	(2,212)	(1,208)	(3,421)	1,368	(2,053)	1,368	(685)	16
17	(279)	(246)	(525)	210	(315)	210	(105)	17
18	329	-	329	(132)	197	(132)	65	18
19	141	53	194	(77)	117	(78)	39	19
20	(41)	-	(41)	17	(24)	17	(7)	20
21	(44)	-	(44)	18	(26)	18	(8)	21
22	(4)	-	(4)	2	(2)	1	(1)	22
23	55	18	73	(29)	44	(29)	15	23
24	43,606	9,427	53,034	(11,786)	41,248	(11,785)	29,463	24
25	631	155	786	(315)	471	(315)	156	25
26	(1,047)	-	(1,047)	419	(628)	419	(209)	26
27	572	232	804	(322)	482	(321)	161	27
28	(81)	-	(81)	33	(48)	33	(15)	28
29	(537)	3	(534)	213	(321)	213	(108)	29
30	19,006	(5,552)	13,454	(1,170)	12,284	(1,170)	11,114	30
31	5,950	(151)	5,798	6,300	12,098	(340)	11,758	31
32	3,667	473	4,141	(304)	3,837	(318)	3,519	32
33	2,575	31	2,606	703	3,309	71	3,380	33
34	(1,996)	(58)	(2,054)	821	(1,233)	821	(412)	34
35	-	3,031	3,031	(1,212)	1,819	(1,213)	606	35
36	-	-	-	-	-	-	-	36
37	-	-	-	-	-	-	-	37
38	-	-	-	-	-	-	-	38
39	69,013	5,975	74,988	7,204	82,192	(938)	81,254	39
40	Add:							40
41	5,979		5,979		5,979		5,979	41
42	(3,817)		(3,817)		(3,817)		(3,817)	42
43								43
44	-		-		-		-	44
45	71,176	5,975	77,151	7,204	84,354	(938)	83,416	45

ORANGE AND ROCKLAND UTILITIES, INC.

Index of Schedules
March 31, 2021 Update
Electric Operating Income
For The Twelve Months Ended December 31, 2022, 2023 and 2024

<u>SCHEDULE</u>	<u>TITLE OF SCHEDULE</u>
2	Revenue Requirement
3	Sales Delivery at Current Rates - Electric
4	Amortization of Regulatory Deferrals - Electric
5	Other Operating Revenues - Electric
6	Electric Operation and Maintenance Expenses
7.1	Plant Depreciation Expense Current - Electric
7.2	Plant Depreciation Expense Proposed Rates - Electric
8	Taxes Other Than Income Taxes - Electric
9	State Income Tax - Electric
10	Federal Income Tax - Electric
11	Interest Expense - Electric
12	Fund Requirements and Sources - Electric
13	Interest Coverage Ratios - Electric
14	General Inflation Factors
15	Adjustment Summary
16	Labor-Related Program Changes

ORANGE AND ROCKLAND UTILITIES, INC.

Revenue Requirement
March 31, 2021 Update

Computation of Electric Revenue Requirement
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

	RY1		RY2	RY3
	Initially Filed	Preliminary Update		
Electric Rate Base	\$ 1,027,965	\$ 1,041,932	\$ 1,086,383	\$ 1,201,651
Rate of Return	7.04%	7.03%	7.01%	7.01%
Required Return	72,369	73,248	76,155	84,236
Income Available for Return	54,573	53,147	64,565	62,278
Deficiency	17,796	20,101	11,591	21,957
Retention Factor*	72.73%	72.23%	72.23%	72.23%
Additional Revenue Requirement	\$ 24,468	\$ 27,829	\$ 16,047	\$ 30,399

* Calculation of Retention Factor:

Additional Revenue	100.00%	\$ 24,468	\$ 27,829	\$ 16,047	\$ 30,399
Less: Revenue Taxes	1.71%	423	477	275	521
Late Payment Charges Revenue	0.00%	(169)	-	-	-
Uncollectibles	0.50%	122	139	80	152
Subtotal	97.79%	24,092	27,213	15,692	29,726
Less: SIT on above @ 6.5%	6.36%	1,566	1,769	1,020	1,932
FIT on above @ 21%	19.20%	4,730	5,343	3,081	5,837
Retention Factor	72.23%	\$ 17,796	\$ 20,101	\$ 11,591	\$ 21,957

ORANGE AND ROCKLAND UTILITIES, INC.
Revenue Requirement
March 31, 2021 Update
Electric Operating Income, Rate Base & Rate of Return
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

	Ref	RY 1					RY 2				RY 3			
		Initially Filed	Preliminary Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase
Operating Revenues														
Sales & Deliveries to Public	Sch 3	\$ 442,109	\$ 4,656	\$ 446,766	\$ 27,829	\$ 474,595	\$ (3,068)	\$ 471,527	\$ 16,047	\$ 487,574	\$ (6,743)	\$ 480,831	\$ 30,399	\$ 511,230
Sales for Resale	Sch 3	15,451	28	15,479		15,479	552	16,031		16,031	65	16,096		16,096
Sales Revenues		457,560	4,684	462,245	27,829	490,074	(2,515)	487,558	16,047	503,605	(6,678)	496,927	30,399	527,326
Other Operating Revenues	Sch 5	12,163	(1,374)	10,789	-	10,789	51	10,840	-	10,840	51	10,891	-	10,891
Total Operating Revenues		469,723	3,310	473,033	27,829	500,862	(2,464)	498,398	16,047	514,445	(6,627)	507,818	30,399	538,217
Operating Expenses														
Purchased Power	Sch 6	101,094	(761)	100,333		100,333	(1,073)	99,260		99,260	(5,535)	93,725		93,725
Operations & Maintenance Expense	Sch 6	178,180	4,514	182,693	139	182,832	513	183,346	80	183,426	3,724	187,149	152	187,301
Depreciation	Sch 7.2	65,382	(1,179)	64,203		64,203	4,419	68,623		68,623	10,349	78,972		78,972
Regulatory Amortization	Sch 4	13,214	3,836	17,050		17,050	1,898	18,948		18,948	1,820	20,768		20,768
Taxes Other Than Income Taxes	Sch 8	55,130	(122)	55,008	477	55,485	2,684	58,169	275	58,444	2,110	60,554	521	61,075
Total Operating Expenses		413,000	6,288	419,287	616	419,903	8,441	428,345	355	428,700	12,468	441,168	673	441,841
Operating Income Before Income Taxes		56,723	(2,977)	53,746	27,213	80,959	(10,906)	70,053	15,692	85,745	(19,095)	66,650	29,726	96,376
Income Taxes														
New York State Income Taxes	Sch 9	2,029	(201)	1,827	1,769	3,596	(848)	2,749	1,020	3,769	(1,353)	2,416	1,932	4,348
Federal Income Taxes	Sch 10	122	(1,350)	(1,229)	5,343	4,115	(1,375)	2,740	3,081	5,821	(3,865)	1,956	5,837	7,793
Total Income Taxes		2,151	(1,552)	599	7,112	7,711	(2,222)	5,489	4,101	9,590	(5,218)	4,372	7,769	12,141
Operating Income		\$ 54,573	\$ (1,426)	\$ 53,147	\$ 20,101	\$ 73,248	\$ (8,683)	\$ 64,565	\$ 11,591	\$ 76,155	\$ (13,877)	\$ 62,278	\$ 21,957	\$ 84,235
Electric Rate Base	Rate Base #1	\$ 1,027,965	\$ 13,967	\$ 1,041,932	\$ 1,041,932	\$ 1,041,932	\$ 44,451	\$ 1,086,383	\$ 1,086,383	\$ 1,086,383	\$ 115,268	\$ 1,201,651	\$ 1,201,651	\$ 1,201,651
Rate Of Return		5.31%		5.10%		7.03%				7.01%				7.01%

Exhibit AP-E3
Schedule 3

ORANGE AND ROCKLAND UTILITIES, INC.
Sales Delivery at Current Rates - Electric
March 31, 2021 Update
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

	RY 1			RY 2		RY 3	
	Initially Filed	Preliminary Update	As Updated	Rate Year Adjustments	Rate Year as Adjusted	Rate Year Adjustments	Rate Year as Adjusted
Sales & Deliveries to Public	\$ 442,109	\$ 4,656	\$ 446,766	\$ (3,068)	\$ 443,698	\$ (6,743)	\$ 436,955
Sale for Resale	15,451	28	15,479	552	16,031	65	16,096
Total Sales Revenues	<u>\$ 457,560</u>	<u>\$ 4,684</u>	<u>\$ 462,245</u>	<u>\$ (2,515)</u>	<u>\$ 459,729</u>	<u>\$ (6,678)</u>	<u>\$ 453,051</u>

ORANGE AND ROCKLAND UTILITIES, INC.
 Amortization of Regulatory Deferrals - Electric
 March 31, 2021 Update
 (\$000's)

Line No.	Regulatory Assets and Liabilities	Account	Balance @ 12/31/2020	Projected Deferrals 01/01/2021-12/31/2021	Allowance - 01/01/2021-12/31/2021	Amortization 01/01/2021-12/31/2021	Projected Balance 12/31/2021	RY1 Deferral	RY 2 Deferral	RY 3 Deferral	RY1 Amortization	RY2 Amortization	RY3 Amortization	Amortization Period	RY1 Avg Deferral Bal	RY2 Avg Deferral Bal	RY3 Avg Deferral Bal	Line No.
1	18A Assessment	15051/ 15052/ 24469	(93)			77	(16)				5	5	5	3	(10)	(7)	(3)	1
2	Deferred Tax Liabilities Carrying Charge	24462	(4,142)	(231)		2,606	(1,767)				589	589	589	3	(1,087)	(652)	(217)	2
3	Energy Efficiency Programs							15,162	16,092	16,056	(1,516)	(3,125)	(4,731)	10	5,040	14,869	23,840	3
4	Environmental Carrying Charge	24485/ 15136	(281)			(101)	(382)				127	127	127	3	(235)	(141)	(47)	4
5	Excess FIT	24525	(5,006)	(26)		4,779	(253)				84	84	84	3	(156)	(94)	(32)	5
6	Low Income	24386/ 15244	(8,243)	10,163	(10,163)	(2,311)	(10,554)				3,518	3,518	3,518	3	(6,496)	(3,898)	(1,299)	6
7	MGP Sites	14605/ 22301	(3,284)	1,531	(5,200)	(2,054)	(9,007)				3,002	3,002	3,002	3	(5,544)	(3,327)	(1,110)	7
8	Non Officer Management Variable Pay	24514	(1,706)	2,969	(2,969)	73	(1,633)				544	544	544	3	(1,005)	(603)	(201)	8
9	NYSIT Rate Change	24393/ 15232	195			(153)	42				(14)	(14)	(14)	3	26	16	6	9
10	OPEB	14402/ 24366	(8,165)	1,171	(3,058)	(754)	(10,806)				3,602	3,602	3,602	3	(6,652)	(3,991)	(1,330)	10
11	Other Environmental Sites	14601	459	13		(70)	402				(134)	(134)	(134)	3	247	148	49	11
12	Pension	14401/ 24483	6,738	21,888	(6,189)	2,812	25,249				(8,416)	(8,416)	(8,416)	3	15,542	9,325	3,109	12
13	Plant Reconciliation	24399	(2,001)	(473)		556	(1,918)				639	639	639	3	(1,181)	(709)	(237)	13
14	Property Taxes	14757	(1,168)	(2,860)		(1,528)	(5,557)				1,852	1,852	1,852	3	(3,421)	(2,053)	(685)	14
15	R&D	24408	(463)		(576)	186	(853)				284	284	284	3	(525)	(315)	(105)	15
16	Rate Case Costs	15171	940	177		(581)	536				(179)	(179)	(179)	3	329	197	65	16
17	Credit Card Fees	24310/ 15232	253	306	(245)		315				(105)	(105)	(105)	3	194	117	39	17
18	18A General Assessment Refund 2017 to 2018	24537	(67)	(1)		-	(68)				23	23	23	3	(41)	(24)	(7)	18
19	Property Tax Refunds	24407	(62)	-		(9)	(71)				24	24	24	3	(44)	(26)	(8)	19
20	Reactive Power	24510/ 15211	(198)	-		192	(6)				2	2	2	3	(4)	(2)	(1)	20
21	Sale of Warwick	24414	69			49	118				(39)	(39)	(39)	3	73	44	15	21
22	Storm Deferral	15186	90,001	6,124	(6,124)	(10,225)	79,776				(15,955)	(15,955)	(15,955)	5	53,034	41,248	29,463	22
23	Covid-19 Deferrals- UB	15276	1,277			-	1,277				(426)	(426)	(426)	3	786	471	156	23
24	Customer Portfolio Shared Earnings	24463	(3,564)			1,864	(1,700)				567	567	567	3	(1,047)	(628)	(209)	24
25	Interest on Storm Reserve	15200	793	471		42	1,306				(435)	(435)	(435)	3	804	482	161	25
26	Exchange of Easement with Premium Outlets	24488	(129)	(2)		-	(131)				44	44	44	3	(81)	(48)	(15)	26
27	Settlement of Storms Riley and Quinn	24538	(856)	(11)		-	(868)				289	289	289	3	(534)	(321)	(108)	27
28	Legacy meters					-	19,006				(1,584)	(1,584)	(1,584)	12	13,454	12,284	11,114	28
29	Monsey NWA Program	15105/ 24496	(2,186)	2,990		(1,674)	(970)	19,281	1,621	1,626	(1,841)	(2,003)	(2,166)	10	5,798	12,098	11,758	29
30	Pomona DER	15251	-	6,829		(1,022)	5,807	200	200	200	(601)	(621)	(641)	10	4,141	3,837	3,519	30
31	Rev Demo Projects	15250	1,711	2,048		(938)	2,822	1,883	1,068	310	(470)	(577)	(608)	10	2,606	3,309	3,380	31
32	Rev Demo Carrying Charges	24517	(2,068)	(1,269)		-	(3,337)				1,112	1,112	1,112	3	(2,054)	(1,233)	(412)	32
33	Late Payment Charges		2,152		2,773		4,925				(1,642)	(1,642)	(1,642)	3	3,031	1,819	606	33
34																		34
35																		35
36																		36
37																		37
Do Not Add Rows Beyond This Point																		
Total			\$ 60,907	\$ 51,807	\$ (31,751)	\$ (8,183)	\$ 91,786	\$ 36,526	\$ 18,981	\$ 18,192	\$ (17,050)	\$ (18,948)	\$ (20,768)		\$ 74,991	\$ 82,196	\$ 81,257	

ORANGE AND ROCKLAND UTILITIES, INC

Other Operating Revenues - Electric

March 31, 2021 Update

For The Twelve Months Ended December 31, 2022, 2023 and 2024

(\$000's)

Lin e No.	RY1					RY 2				RY 3				Lin e No.
	Initially Filed	Preliminary Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for	
					Proposed Rate Increase				Proposed Rate Increase				Proposed Rate Increase	
Miscellaneous Service & Other Revenues														
1	145		145		145		145		145		145		145	1
2	141		141		141		141		141		141		141	2
3	1,387	(1,387)	0	-	0	-	0	-	0	-	0	-	0	3
4	979		979		979		979		979		979		979	4
5	-		-		-		-		-		-		-	5
6	1		1		1		1		1		1		1	6
7	-		-		-		-		-		-		-	7
8	77		77		77		77		77		77		77	8
9	61		61		61		61		61		61		61	9
10	2		2		2		2		2		2		2	10
11	91		91		91		91		91.0		91		91	11
12	2		2		2		2		2.0		2		2	12
	Total	(1,387)	1,499	-	1,499	-	1,499	-	1,499.0	-	1,499	-	1,499	
Rents														
13	6,088		6,088		6,088		6,088		6,087.7		6,088		6,088	13
14	3,097	(497)	2,600		2,600	51	2,651		2,651.0	51	2,702		2,702	14
15	92	510	602		602		602		602.0		602		602	15
	Total	13	9,290	-	9,290	51	9,341	-	9,340.7	51	9,392	-	9,392	
Revenues Offset in Sales, Energy Clauses or O&M:														
16	-	-	-		-		-		-		-		-	16
17	-	-	-		-		-		-		-		-	17
18	-	-	-		-		-		-		-		-	18
19	-	-	-		-		-		-		-		-	19
20	-	-	-		-		-		-		-		-	20
21	-	-	-		-		-		-		-		-	21
	Total	-	-	-	-	-	-	-	-	-	-	-	-	
Regulatory Accounting (Reconciliations / Amortizations):														
22	-	-	-		-		-		-		-		-	22
23	-	-	-		-		-		-		-		-	23
24	-	-	-		-		-		-		-		-	24
25	-	-	-		-		-		-		-		-	25
26	-	-	-		-		-		-		-		-	26
27	-	-	-		-		-		-		-		-	27
28	-	-	-		-		-		-		-		-	28
29	-	-	-		-		-		-		-		-	29
30	-	-	-		-		-		-		-		-	30
31	-	-	-		-		-		-		-		-	31
32	-	-	-		-		-		-		-		-	32
33	-	-	-		-		-		-		-		-	33
34	-	-	-		-		-		-		-		-	34
35	-	-	-		-		-		-		-		-	35
36	-	-	-		-		-		-		-		-	36
37	-	-	-		-		-		-		-		-	37
	Total	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Other Operating Revenues	\$ (1,374)	\$ 10,789	\$ -	\$ 10,789	\$ 51	\$ 10,840	\$ -	\$ 10,840	\$ 51	\$ 10,891	\$ -	\$ 10,891	

ORANGE AND ROCKLAND UTILITIES, INC.
 Electric Operation and Maintenance Expenses
 March 31, 2021 Update
 For The Twelve Months Ended December 31, 2022, 2023 and 2024
 (\$000's)

Line No.	RY1							RY2				RY3				1.92%	3.12%	RY2	
	Initially Filed	4.28%		6.49%		Rate Year as Adjusted for		Rate Year Adjustments	Escalation	Proposed Rate Increase	Rate Year as Adjusted for		Rate Year Adjustments	Escalation	Proposed Rate Increase	Proposed Rate Increase	Line No.	General Escalation	Labor Escalation
		Preliminary Update	Incremental Change in General Escalation	Incremental Change in Labor Escalation	As Updated	Proposed Rate Increase	Proposed Rate Increase				Rate Year as Adjusted for	Proposed Rate Increase							
1	Fuel and Purchased Power	\$ 101,094	\$ (761)	\$ -	\$ -	\$ 100,333	\$ 100,333	\$ (1,073)	\$ -	\$ -	\$ 99,260	\$ (5,535)	\$ -	\$ 93,725	1	N	N		
2	A & G Health Insurance and Capital Overhead	(967)	-	(1)	(968)	(968)	(968)	(30)	(998)	(35)	(1,033)	2	N	Y					
3	Bond Administration & Bank Fees	331	3	-	333	333	333	6	340	7	346	3	Y	N					
4	Company Labor - Corporate & Shared Services	7,252	-	7	7,259	7,259	71	229	7,559	10	267	7,836	4	N	Y				
5	Company Labor - Customer Operations	15,639	-	16	15,655	15,655	238	496	16,389	148	584	17,121	5	N	Y				
6	Company Labor - Electric Ops	32,011	\$ (122)	-	25	31,914	31,914	802	1,021	33,737	666	1,214	35,617	6	N	Y			
7	Company Labor - Engineering	4,571	\$ (21)	-	3	4,553	4,553	(106)	139	4,586	(127)	157	4,616	7	N	Y			
8	Company Labor - Substation Operations	4,498	-	-	5	4,502	4,502	94	143	4,740	5	167	4,912	8	N	Y			
9	Customer Billing Postage	1,307	-	10	-	1,317	1,317	-	25	1,342	-	26	1,368	9	Y	N			
10	Employee Welfare Expense	9,484	-	-	-	9,484	9,484	863	-	10,346	1,301	-	11,647	10	N	N			
11	Executive Variable Pay	-	-	-	-	-	-	-	-	-	-	-	-	11	N	N			
12	Facilities	1,366	10	-	1,376	1,376	1,402	26	1,429	27	1,429	12	Y	N					
13	Information Technology	5,719	44	-	5,762	5,762	797	126	6,685	448	137	7,270	13	Y	N				
14	Informational Advertising	316	2	-	319	319	319	6	325	331	14	Y	N						
15	Injuries & Damages/ Workers Compensation	250	(22)	-	-	228	228	(3)	-	225	18	-	243	15	N	N			
16	Institutional Dues & Subscription	149	1	-	150	150	150	3	153	3	156	16	Y	N					
17	Insurance Premium	916	7	-	923	923	923	18	941	18	959	17	Y	N					
18	Intercompany Shared Services	14,877	113	-	14,990	14,990	(47)	287	15,229	154	295	15,678	18	Y	N				
19	Legal and Other Professional Services	422	3	-	425	425	425	8	433	8	441	19	Y	N					
20	Load Dispatching	500	4	-	504	504	504	10	513	10	523	20	Y	N					
21	Low Income	-	-	-	-	-	-	-	-	-	-	-	-	21	N	N			
22	Ops - Corporate & Shared Services	6,874	(202)	44	-	6,716	6,716	92	131	6,939	32	134	7,104	22	Y	N			
23	Ops - Customer Operations	5,283	253	51	-	5,587	5,587	445	116	6,148	117	120	6,386	23	Y	N			
24	Ops - Electric Operations	23,196	2,496	283	-	25,975	25,975	482	508	26,965	190	521	27,676	24	Y	N			
25	Ops - Engineering	1,517	-	12	-	1,529	1,529	642	42	2,213	4	43	2,259	25	Y	N			
26	Ops - Substation Operations	1,841	-	14	-	1,855	1,855	2	36	1,892	2	36	1,931	26	Y	N			
27	Other Compensation	325	-	-	-	325	325	1	-	326	0	-	327	27	N	N			
28	Pension and OPEB Costs	1,136	1,345	-	-	2,481	2,481	-	-	2,481	-	-	2,481	28	N	N			
29	Site Investigation & Remediation	6,470	-	-	-	6,470	6,470	(5,948)	-	522	(33)	-	489	29	N	N			
30	Regulatory Commission Expense - General and R&D	2,273	-	17	-	2,290	2,290	44	-	2,334	45	-	2,379	30	Y	N			
31	Renewable Portfolio Charges	7,099	-	-	-	7,099	7,099	(153)	-	6,946	(495)	-	6,451	31	N	N			
32	Rent	2,336	-	-	-	2,336	2,336	53	-	2,389	43	-	2,432	32	N	N			
33	Research and Development	673	5	-	-	678	678	13	-	691	13	-	704	33	Y	N			
34	Storm Allowance	6,175	47	-	-	6,222	6,222	119	-	6,342	122	-	6,463	34	Y	N			
35	System Benefit Charge	13,274	-	-	-	13,274	13,274	(285)	-	12,989	(927)	-	12,062	35	N	N			
36	Uncollectible Reserve - Customer	2,211	-	-	-	2,211	139	2,350	(15)	-	80	2,414	(34)	-	152	2,532	36	N	N
37	Uncollectible Reserve - Sundry	770	-	-	-	770	770	-	-	770	-	-	770	37	N	N			
38	Worker's Comp NYS Assessment	141	-	1	-	142	142	-	3	144	-	3	147	38	Y	N			
39	Bargaining Unit Contract Cost	11	79	-	-	90	90	-	-	90	-	-	90	39	N	N			
40	Environmental Affairs	188	-	-	-	188	188	-	-	188	-	-	188	40	N	N			
41	External Audit Services	415	3	-	-	419	419	8	-	427	8	-	435	41	Y	N			
42	Finance & Accounting Operations	7	0	-	-	7	7	0	-	7	0	-	7	42	Y	N			
43	All Other	55	-	-	-	55	55	3	-	58	(1)	-	57	43	N	N			
44	Business Cost Optimization	(2,964)	-	-	-	(2,964)	(2,964)	(1,230)	-	(4,194)	(1,857)	-	(6,051)	44	-	-			
45	Company Labor - Fringe Benefit Adjustment	235	(23)	1	-	213	213	177	7	397	113	10	520	45	Y	N			
Do Not Add Rows Beyond This Point																			
Total Operation & Maintenance Expenses		\$ 279,274	\$ 3,021	\$ 675	\$ 56	\$ 283,026	\$ 139	\$ 283,165	\$ (4,099)	\$ 3,540	\$ 80	\$ 282,685	\$ (5,759)	\$ 3,947	\$ 152	\$ 281,026			

ORANGE AND ROCKLAND UTILITIES, INC.
 Plant Depreciation Expense Current - Electric
 For The Twelve Months Ended December 31, 2022, 2023 and 2024
 (\$000's)

	RY1					RY2				RY3			
	Initially Filed	Preliminary Update	As Update	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Proposed Rate Increase
Depreciation Expense	\$ 67,092	\$ (1,294)	\$ 65,798		\$ 65,798	\$ 4,601	\$ 70,400		\$ 70,400	\$ 10,380			\$ 80,780
Less Clearing Accounts: Vehicle Reserve Deficiency	(3,920)	133	(3,787)		(3,787)	(279)	(4,066)		(4,066)	(240)			(4,307)
Total Depreciation Expense	\$ 63,172	\$ (1,161)	\$ 62,011	\$ -	\$ 62,011	\$ 4,322	\$ 66,333	\$ -	\$ 66,333	\$ 10,140	\$ -	\$ -	\$ 76,473

ORANGE AND ROCKLAND UTILITIES, INC.
 Plant Depreciation Expense Proposed Rates - Electric
 March 31, 2021 Update
 For The Twelve Months Ended December 31, 2022, 2023 and 2024
 (\$000's)

	RY1					RY2				RY3			
	Initially Filed	Preliminary Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for
					Proposed Rate Increase				Proposed Rate Increase				Proposed Rate Increase
Depreciation Expense	\$ 68,992	\$ (1,302)	\$ 67,690		\$ 67,690	\$ 4,679	\$ 72,368		\$ 72,368	\$ 10,573	\$ 82,941		\$ 82,941
Less Clearing Accounts: Vehicle Reserve Deficiency	(3,610)	123	(3,486)		(3,486)	(259)	(3,746)		(3,746)	(224)	(3,970)		(3,970)
Total Depreciation Expense	\$ 65,382	\$ (1,179)	\$ 64,203	\$ -	\$ 64,203	\$ 4,419	\$ 68,623	\$ -	\$ 68,623	\$ 10,349	\$ 78,972	\$ -	\$ 78,972

ORANGE AND ROCKLAND UTILITIES, INC.
Taxes Other Than Income Taxes - Electric
March 31, 2021 Update
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

	RY 1					RY 2				RY 3			
	Initially Filed	Preliminary Update	As Updated	Proposed Rate	Rate Year as	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate	Rate Year as	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate	Rate Year as
				Increase	Adjusted for Proposed Rate Increase			Increase	Adjusted for Proposed Rate Increase			Increase	Adjusted for Proposed Rate Increase
Property Taxes													
State, County & Town	\$ 13,147	\$ (141)	\$ 13,006	\$ -	\$ 13,006	\$ 1,178	\$ 14,184	\$ -	\$ 14,184	\$ 393	\$ 14,577	\$ -	\$ 14,577
Village	2,102		2,102	-	2,102	56	2,158	-	2,158	53	2,212	-	2,212
School	27,605		27,605		27,605	1,260	28,866		28,866	1,510	30,376		30,376
	42,854	(141)	42,713	-	42,713	2,495	45,208	-	45,208	1,956	47,164	-	47,164
Property Tax Over/ (Under) Collections													
State, County & Town	-		-		-								-
Village	-		-		-								-
School	-		-		-								-
	-		-		-								-
Total Property Taxes	42,854	(141)	42,713	-	42,713	2,495	45,208	-	45,208	1,956	47,164	-	47,164
Payroll Taxes	4,598	(8)	4,591		4,591	277	4,867		4,867	274	5,141		5,141
Revenue Taxes	7,629	27	7,656	477	8,133	(89)	8,044	275	8,319	(121)	8,198	521	8,719
Other Taxes													
Sales and Use Tax	3		3		3	-	3		3	-	3		3
Other Taxes	46		46		46	1	47		47	1	48		48
	49	-	49	-	49	1	50	-	50	1	51	-	51
Total Taxes Other than Income Taxes	55,130	(122)	55,008	477	55,485	2,684	58,169	275	58,444	2,110	60,554	521	61,075
Total Taxes Other than Income Taxes, Excluding Revenue Taxes	\$ 47,501	\$ (149)	\$ 47,352	\$ -	\$ 47,352	\$ 2,773	\$ 50,125	\$ -	\$ 50,125	\$ 2,231	\$ 52,356	\$ -	\$ 52,356

ORANGE AND ROCKLAND UTILITIES, INC.

State Income Tax - Electric

March 31, 2021 Update

For The Twelve Months Ended December 31, 2022, 2023 and 2024

(\$000's)

	RY1					RY2				RY3			
	Initially Filed	Preliminary Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for
					Proposed Rate Increase				Proposed Rate Increase				Proposed Rate Increase
Operating Income Before Income Tax	\$ 56,723	\$ (2,977)	\$ 53,746	\$ 27,213	\$ 80,959	\$ (10,906)	\$ 70,053	\$ 15,692	\$ 85,745	\$ (19,095)	\$ 66,650	\$ 29,726	\$ 96,376
Interest Expense	(25,647)	(128)	(25,775)		(25,775)	(2,115)	(27,889)		(27,889)	(1,689)	(29,579)		(29,579)
Operating Income Before Federal Income Tax	31,076	(3,105)	27,971	27,213	55,184	(13,020)	42,164	15,692	57,856	(20,784)	37,071	29,726	66,797
<u>Normalized Items</u>													
Lien Date Property Tax	(604)		(604)		(604)	(24)	(628)		(628)	(25)	(653)		(653)
Tax Depreciation	(71,716)	(1,840)	(73,556)		(73,556)	147	(73,410)		(73,410)	(7,632)	(81,042)		(81,042)
Tax Gain/(Loss)	(2,410)	(69)	(2,479)		(2,479)	(266)	(2,744)		(2,744)	(136)	(2,880)		(2,880)
Book Depreciation	43,127	18,613	61,739		61,739	(17,415)	44,325		44,325	3,194	47,518		47,518
Computer Software	13,167	(930)	12,237		12,237	2,172	14,408		14,408	6,347	20,755		20,755
Book Depreciation on Cost of Removal	12,400	14	12,414		12,414	809	13,224		13,224	846	14,069		14,069
Cost of Removal Expense	(5,020)	-	(5,020)		(5,020)	-	(5,020)		(5,020)	-	(5,020)		(5,020)
Management Benefits	(4,143)	-	(4,143)		(4,143)	324	(3,818)		(3,818)	(835)	(4,653)		(4,653)
Materials and Supplies	(5,830)	-	(5,830)		(5,830)	-	(5,830)		(5,830)	-	(5,830)		(5,830)
MSC	(3,293)	-	(3,293)		(3,293)	-	(3,293)		(3,293)	-	(3,293)		(3,293)
Repair Tax Expense	(16,829)	629	(16,200)		(16,200)	(19,102)	(35,302)		(35,302)	4,246	(31,055)		(31,055)
Total Normalized Items	(41,151)	16,416	(24,735)	-	(24,735)	(33,354)	(58,088)	-	(58,088)	6,005	(52,084)	-	(52,084)
NYS Taxable Income	(10,074)	13,311	3,236	27,213	30,449	(46,374)	(15,925)	15,692	(233)	(14,780)	(15,012)	29,726	14,714
<u>Tax Computation</u>													
Current NYS Income Tax	(655)	865	210	1,769	1,979	(3,014)	(1,035)	1,020	(15)	(961)	(976)	1,932	956
Deferred NYS Income Tax - non-plant items	39	-	39	-	39	2	41	-	41	2	42	-	42
Deferred NYS Income Tax - plant items	2,644	(1,067)	1,578		1,578	2,165	3,743		3,743	(394)	3,349		3,349
Total New York State Income Tax	\$ 2,029	\$ (201)	\$ 1,827	\$ 1,769	\$ 3,596	\$ (848)	\$ 2,749	\$ 1,020	\$ 3,769	\$ (1,353)	\$ 2,416	\$ 1,932	\$ 4,348

ORANGE AND ROCKLAND UTILITIES, INC.

Federal Income Tax - Electric

March 31, 2021 Update

For The Twelve Months Ended December 31, 2022, 2023 and 2024

(\$000's)

	RY1					RY2				RY3			
	Initially Filed	Preliminary Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase
					80,959				85,745				96,376
Operating Income Before Income Tax	\$ 56,723	\$ (2,977)	\$ 53,746	\$ 27,213	\$ 80,959	\$ (10,906)	\$ 70,053	\$ 15,692	\$ 85,745	\$ (19,095)	\$ 66,650	\$ 29,726	\$ 96,376
Interest Expense	(25,647)	(128)	(25,775)	(25,775)	(25,775)	(2,115)	(27,889)	(27,889)	(27,889)	(1,689)	(29,579)	(29,579)	(29,579)
Operating Income Before Federal Income Tax	31,076	(3,105)	27,971	27,213	55,184	(13,020)	42,164	15,692	57,856	(20,784)	37,071	29,726	66,797
Flow Through Items													
Lien Date Property Tax	(604)		(604)		(604)	(24)	(628)		(628)	(25)	(653)		(653)
Book Depreciation on Cost of Removal	12,400	14	12,414		12,414	809	13,224		13,224	846	14,069		14,069
Removal Costs	(5,020)	-	(5,020)		(5,020)	-	(5,020)		(5,020)	-	(5,020)		(5,020)
Total Flow-Through Items	6,776	14	6,790	-	6,790	785	7,576	-	7,576	820	8,396	-	8,396
Normalized Items													
Tax Depreciation	(53,780)	(1,882)	(55,662)		(55,662)	(1,180)	(56,843)		(56,843)	(8,331)	(65,173)		(65,173)
Tax Gain/(Loss) on Disposition of Assets	(1,675)	(73)	(1,747)		(1,747)	(366)	(2,113)		(2,113)	(259)	(2,372)		(2,372)
Book Depreciation	43,127	18,613	61,739		61,739	(17,415)	44,325		44,325	3,194	47,518		47,518
Computer Software	13,167	(930)	12,237		12,237	2,172	14,408		14,408	6,347	20,755		20,755
Management Benefits	(4,143)	-	(4,143)		(4,143)	324	(3,818)		(3,818)	(835)	(4,653)		(4,653)
Materials and Supplies	(5,830)	-	(5,830)		(5,830)	-	(5,830)		(5,830)	-	(5,830)		(5,830)
MSC	(3,293)	-	(3,293)		(3,293)	-	(3,293)		(3,293)	-	(3,293)		(3,293)
Repair Tax Expense	(16,829)	629	(16,200)		(16,200)	(19,102)	(35,302)		(35,302)	4,246	(31,055)		(31,055)
Total Normalized Items	(29,257)	16,357	(12,900)	-	(12,900)	(35,566)	(48,466)	-	(48,466)	4,362	(44,104)	-	(44,104)
Total Adjustments to Income	(22,480)	16,371	(6,110)	-	(6,110)	(34,781)	(40,891)	-	(40,891)	5,183	(35,708)	-	(35,708)
Taxable Income Before Current State Tax Deduction	8,597	13,266	21,861	27,213	49,074	(47,802)	1,273	15,692	16,965	(15,601)	1,363	29,726	31,089
Less: Current State Tax	655	(865)	(210)	(1,769)	(1,979)	3,014	1,035	(1,020)	15	961	976	(1,932)	(956)
Federal Taxable Income	9,251	12,400	21,651	25,444	47,095	(44,787)	2,308	14,672	16,980	(14,641)	2,339	27,794	30,133
Tax Computation													
Current Federal Income Tax	1,943	2,604	4,547	5,343	9,890	(9,405)	485	3,081	3,566	(3,075)	491	5,837	6,328
Deferred Federal Income Tax	5,552	(3,213)	2,339		2,339	7,007	9,346		9,346	(838)	8,509		8,509
Excess Deferred Federal Income Tax - Protected	(1,845)	(741)	(2,586)		(2,586)	1,023	(1,563)		(1,563)	47	(1,516)		(1,516)
Excess Deferred Federal Income Tax - Unprotected	(2,105)	(0)	(2,105)		(2,105)	0	(2,105)		(2,105)	(0)	(2,105)		(2,105)
Excess Deferred Federal Income Tax - Unprotected - Accelerated	(6,315)		(6,315)		(6,315)	-	(6,315)		(6,315)	-	(6,315)		(6,315)
Excess Deferred Federal Income Tax - Non-Plant	807		807		807	-	807		807	-	807		807
Excess Deferred Federal Income Tax - Non-Plant - Accelerated	2,420		2,420		2,420	-	2,420		2,420	-	2,420		2,420
R&D Tax Credit	(335)		(335)		(335)		(335)		(335)		(335)		(335)
Total Federal Income Tax	\$ 122	\$ (1,350)	\$ (1,229)	\$ 5,343	\$ 4,115	\$ (1,375)	\$ 2,740	\$ 3,081	\$ 5,821	\$ (3,865)	\$ 1,956	\$ 5,837	\$ 7,793

ORANGE AND ROCKLAND UTILITIES, INC.

Interest Expense - Electric
March 31, 2021 Update
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

	RY1		RY2	RY3
	Initially Filed	Preliminary		
Rate Base	\$ 1,027,965	\$ 1,041,932	\$ 1,086,383	\$ 1,201,651
Interest Bearing CWIP	98,023	94,730	154,129	113,949
Dividends Declared	(6,024)	(6,191)	(6,470)	(6,805)
Total	1,119,964	1,130,471	1,234,042	1,308,796
Interest Cost Factor (Debt + Customer Deposits)	2.29%	2.28%	2.26%	2.26%
Allowable Interest Deduction	\$ 25,647	\$ 25,775	\$ 27,889	\$ 29,579

ORANGE AND ROCKLAND UTILITIES, INC.

General Inflation Factors

March 31, 2021 Update

GDP Deflator 2012=100

Forecast Prepared February 2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Forecast			
											2021	2022	2023	2024
Mar. 31	97.28	99.32	101.14	102.94	104.03	104.87	107.01	109.24	111.42	113.42	115.00	117.20	119.45	121.74
Jun. 30	97.92	99.71	101.43	103.51	104.60	105.59	107.34	110.18	112.14	112.82	115.60	117.80	120.06	122.37
Sep. 30	98.55	100.23	101.92	103.96	104.93	105.95	107.87	110.61	112.53	113.84	116.20	118.40	120.67	122.99
Dec. 31	98.70	100.74	102.52	104.12	104.94	106.47	108.60	111.14	112.95	114.37	116.70	119.00	121.29	123.61
Average	98.1	100.0	101.8	103.6	104.6	105.7	107.7	110.3	112.3	113.6	115.9	118.1	120.4	122.7
Annual Average														
Year-over- year % change	2.1%	1.9%	1.8%	1.8%	1.0%	1.0%	1.9%	2.4%	1.8%	1.2%	2.0%	1.9%	1.9%	1.9%

Average 12 months Ended September 30, 2020	(Test Year)	113.2555
Average 12 months Ending December 31, 2022	(Forecast)	118.1000
Average 12 months Ending December 31, 2023	(Forecast)	120.3677
Average 12 months Ending December 31, 2024	(Forecast)	122.6790

Escalation rate for the 12 Months Ending 9/30/2020 to the 12 Months Ending 12/31/22 - Rate Year 1	1.0428 4.28%
Rate Year 2 (increase over Rate Year 1)	1.0192 1.92%
Rate Year 3 (increase over Rate Year 2)	1.0192 1.92%

Notes: Actual GDP Deflator from BEA.

Quarterly Forecasts for 2020 through 2021 from Blue Chip dated Feb 2021.

Annual Forecasts for 2022 on are from 2021 Forecast in Blue Chip dated Feb 2021.

The quarterly values for 2022 on are extrapolated by applying the year-over-year rate to the prior year's corresponding quarter.

ORANGE AND ROCKLAND UTILITIES, INC.
March 31, 2021 Update
Adjustment Summary
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(9000's)

A	Panel Reference	Normalization Adjustment	Initial Adjustment	Preliminary	RY1			RY2			RY3		
					Accounting / Forecasting	Total RY1	Initial	Preliminary	Total RY2	Initial	Preliminary	Total RY3	
1			(5,797)	4,656	(1,141)	(2,834)	(233)	(3,068)	(6,654)	(89)	\$	(6,743)	
2			149	28	177	549	3	552	71	(5)		65	
			(5,648)	4,684	(864)	(2,285)	(230)	(2,515)	(6,584)	(94)		(6,678)	
B													
1			78		78								
2			90		90								
3			(40)	(1,387)	(1,427)								
4													
5													
6			10		10								
7													
8			(289)		(289)								
9			20		20								
10			27		27								
11													
12													
13													
14			6		6								
15			202	(497)	(295)	55	(4)	51	57	(6)		51	
16				510									
17													
18			(1,848)		(1,848)								
19			(762)		(762)								
20			(181)		(181)								
21			(359)		(359)								
22			(84)		(84)								
23			65		65								
24			597		597								
25			(2,418)		(2,418)								
26			271		271								
27			231		231								
28			204		204								
29			1,700		1,700								
30			661		661								
31			84		84								
32			536		536								
33			(71)		(71)								
34			1,706		1,706								
35			2,216		2,216								
36			(10)		(10)								
37			1,376		1,376								
38			1,397		1,397								
39			(2,645)		(2,645)								
				(1,374)		55	(4)	51	57	(6)		51	
C													
1			7,770		7,770								
2			175	(761)	(586)	(1,019)	(54)	(1,073)	(5,565)	30		(5,535)	
3													
4			(185)	191	6	71		71	10			10	
a)			(26)		(26)								
b)			(159)		(159)								
c)													
5			191		191	71		71	10			10	
6			231		231	238		238	148			148	
7			801	(122)	679	802	(186)	602	666	(210)		666	
8			129	(21)	108	80		(106)	83			(127)	
9			60		60	94		94	5			5	
10			615	423	1,038	863		863	1,301			1,301	
11			(642)		(642)								
12													
13			(503)	1,069	566	797		797	448			448	
14													
15			(613)	(22)	(635)	(3)		(3)	18			18	
16													
17			294		294								
18			803		803	(47)		(47)	154			154	
19			7		7								
20													
21			(10,056)		(10,056)								
22			283	(202)	81	92		92	32			32	
a)			(364)		(364)								
b)			(655)	(202)	(857)								
c)			(952)		(952)								
d)			(2,124)		(2,124)								
e)			154		154								
f)													
23			464	253	717	522	(77)	445	56	61		117	
24			3,585	2,496	6,081	482		482	190			190	
25			96		96	642		642	4			4	
26			97		97	2		2	2			2	
27			(1,020)		(923)	1		1	0			0	
28			2,835	(15,931)	13,455	(11,750)		(9,925)					
29			1,361		1,361	(5,948)		(4,587)	(33)			(33)	
30			126		126								
31			(439)		(439)	(153)		(153)	(495)			(495)	
32			259		259	53		53	43			43	
33			174		174								
34													
35			(821)		(821)	(285)		(285)	(927)			(927)	
36			(257)		(257)	(15)		(15)	(34)			(34)	
37			(530)		(530)								
38				79	79								
39													
40													
41													
42													
43													
44			(1,216)	(27)	(1,243)	3		3	(1)			(1)	
45			(2,964)	(23)	(2,987)	(1,230)		(1,230)	(1,857)	(34)		(1,891)	
			227		227	207	(30)	177	147	(34)		113	
			(13,784)	(3,266)	(3,021)	(14,028)	(3,753)	(4,999)	(5,606)	(152)		(5,758)	
D													
1													
2			13,716	(1,302)	12,414	4,679		4,679	10,573			10,573	
			(3,610)	(123)	(3,733)	(259)		(259)	(224)			(224)	
			10,106	(1,179)	8,927	4,419		4,419	10,349			10,349	
E													
1													
2			627	(141)	486	1,181	(3)	1,178	396	(3)		393	
3			153		153	56		56	53			53	
4			1,262		1,262	1,260		1,260	1,510			1,510	
5													
6			631	448	1,080	286		286	285			285	
7			1,220	27	1,247	(83)	(6)	(89)	(120)	(1)		(121)	
8													
9													
10													
11			2		2	1		1				1	
			(753)	(114)	(867)	2,845	(9)	2,836	2,125	(4)		2,121	

ORANGE AND ROCKLAND UTILITIES, INC.

Labor-Related Program Changes
Proposed New Employees - Electric

	Responsible Panel	Number of Positions	Proposed Hire Date	Annual Salary Per person	O&R Electric O&M Exp	
Rate Year 1						
<u>Weekly Positions</u>						
	Sr. Service Layout Technician	Electric Infrastructure and Operations	1	Jan-22	\$123,000	\$56,597
	Additional Troubleshooters	Electric Infrastructure and Operations	4	Apr-22	\$123,725	\$286,114
	Additional Line Technicians	Electric Infrastructure and Operations	2	Apr-22	\$133,100	\$92,338
	Subtotal Weekly		7			\$435,049
<u>Monthly Positions</u>						
	Electric Portfolio Management - Section Manager	Electric Infrastructure and Operations	1	Jan-22	\$140,000	\$107,366
	Electric Portfolio Management - Project Specialist	Electric Infrastructure and Operations	1	Jan-22	\$120,000	\$92,028
	ADMS Engineer	Electric Infrastructure and Operations	1	Jan-22	\$110,000	\$84,359
	Senior Systems Analyst	Electric Infrastructure and Operations	1	Jan-22	\$110,000	\$21,090
	Electrician Supervisor	Electric Infrastructure and Operations	1	Jan-22	\$120,000	\$59,818
	UG Inspector/Technician	Electric Infrastructure and Operations	1	Jan-22	\$90,000	\$9,000
	Chief Construction Inspector - Hazard Tree Removal	Electric Infrastructure and Operations	1	Jan-22	\$100,000	\$100,000
	Major Account Engineer	Customer Service	1	Jan-22	\$127,000	\$97,396
	Billing Oversight and Implementation	Customer Service	2	Jan-22	\$120,000	\$133,656
	Cybersecurity	Information Technology	1	Jan-22	\$122,676	\$68,318
	Digital Factory	Information Technology	1	Jan-22	\$110,000	\$61,259
	Subtotal Monthly		12			\$834,291
	Rate Year 1 Total		19			\$1,269,340
Rate Year 2						
<u>Weekly Positions</u>						
	Additional Troubleshooters	Electric Infrastructure and Operations	4	Apr-23	\$123,725	\$284,654
	Additional Line Technicians	Electric Infrastructure and Operations	2	Apr-23	\$133,100	\$91,867
	Subtotal Weekly		6			\$376,521
<u>Monthly Positions</u>						
	Distribution System Operator	Electric Infrastructure and Operations	1	Jan-23	\$165,000	\$126,539
	Senior Specialist Compliance	Electric Infrastructure and Operations	1	Jan-23	\$120,000	\$92,028
	Dist. Planner/Forecaster (CLCPA/DSIP)	Electric Infrastructure and Operations	1	Jan-23	\$100,000	\$76,690
	Electric Portfolio Management (Marketing EPM)	Electric Infrastructure and Operations	1	Jan-23	\$120,000	\$92,028
	Operating Supervisor for Line Technicians	Electric Infrastructure and Operations	1	Apr-23	\$125,000	\$43,138
	Data Analytics Positions	Customer Service	2	Jan-23	\$120,000	\$133,656
	Major Account Engineer	Customer Service	1	Jan-23	\$127,000	\$97,396
	Digital Factory	Information Technology	1	Jan-23	\$110,000	\$61,259
	Subtotal Monthly		9			\$722,734
	Rate Year 2 Total		15			\$1,099,255
Rate Year 3						
<u>Weekly Positions</u>						
	Additional Troubleshooters	Electric Infrastructure and Operations	3	Apr-24	\$123,725	\$213,491
	Additional Line Technicians	Electric Infrastructure and Operations	3	Apr-24	\$133,100	\$137,800
	Subtotal Weekly		6			\$351,291
<u>Monthly Positions</u>						
	Systems Specialist CIP Protection	Electric Infrastructure and Operations	1	Jan-24	\$127,300	\$97,626
	T&S Engineering Standards Engineer	Electric Infrastructure and Operations	1	Jan-24	\$100,000	\$76,690
	Operating Supervisor for Line Technicians	Electric Infrastructure and Operations	1	Apr-24	\$125,000	\$43,138
	Journey Mapping Position	Customer Service Panel	1	Jan-24	\$120,000	\$66,828
	Data Analytics Position	Customer Service Panel	1	Jan-24	\$120,000	\$66,828
	Subtotal Monthly		5			\$351,110
	Rate Year 3 Total		11			\$702,402
	Total Proposed Positions		45			\$3,070,996

ORANGE AND ROCKLAND UTILITIES, INC.

INDEX OF SCHEDULES

Electric and Common Plant Forecast

<u>SCHEDULE</u>	<u>TITLE OF SCHEDULE</u>	<u>WITNESS</u>
1	Electric Capital Expenditures by Project O&R Forecast October 2022 to December 2024	Accounting Panel
2	Electric Plant Additions by Project O&R Forecast October 2022 to December 2024	"
3	Common Capital Expenditures by Project O&R Forecast October 2022 to December 2024	"
4	Common Plant Additions by Project O&R Forecast October 2022 to December 2024	"

Orange and Rockland Utilities, Inc.
Electric Rate Case
Electric Capital Expenditures by Project
O&R Forecast January 2021 to December 2024
(\$000s)

<u>Project Description</u>	<u>In Service Date</u>	<u>Jan-21 to Dec-21</u>	<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
			<u>Jan-22 to Dec-22</u>	<u>Jan-23 to Dec-23</u>	<u>Jan-24 to Dec-24</u>
Electric Capital Expenditures:					
Blankets	Various	\$ 42,119.1	\$ 48,899.5	\$ 48,333.6	\$ 48,769.6
Regular Projects Under \$1 Million	Various	12,666.9	10,913.5	8,672.2	12,589.8
Regular Projects Over \$1 Million					
Community DG/Value of Distributed Energy Resources	Mar 2021	9.3	-	-	-
Monroe 61-2-13 New Station (6,000 Ft)	Jun 2021	451.2	-	-	-
Burns Breaker Replacements	Dec 2021	1,044.6	-	-	-
CSX West Shorelines Structures 190, 197, 211	Dec 2021	1,403.1	-	-	-
Port Jervis Subst 2-35MVA Bank, CKT Exits & 69kV Intrastation Tie	Dec 2021	16,469.4	-	-	-
Vayoel Moshe Gardens	Dec 2021	1,451.2	-	-	-
West Nyack - Rt 59 - Urd - 3500'	Dec 2021	2,390.3	-	-	-
Glen Spey - Mohican Lake Road - 2 Miles Hendrix	Mar 2022	-	1,395.1	-	-
Monsey UG Circuit Exit Upgrades	Jun 2022	1,800.0	1,190.0	-	-
Line 31 Reconductor	Dec 2022	522.9	517.9	-	-
OMS Enhancements	Dec 2022	1,154.3	2,185.5	-	-
Blooming Grove Banks, UG Ckt Exits, Transm Ext	May 2023	878.0	10,652.3	12,307.8	918.3
O&R REV/DER/EEDM Forecasting Tool	May 2023	-	1,261.7	338.3	-
Silver Lake, Upgrade Bank 2113 to 35MVA	Jun 2023	510.6	2,620.0	840.0	-
Burns - 19-12-13 - 4,000 Ft	Dec 2023	-	100.0	2,290.3	-
Ladentown Four - 345kV Breaker Purchase	Dec 2023	779.0	1,066.7	598.2	-
Line 51 Upgrade	Dec 2023	50.1	2,000.0	3,975.1	-
Lovett 345kV Station, Remote Relaying and Transmission	Dec 2023	10,285.9	17,015.3	16,518.1	-
NYSERDA PON 4074 Westtown Dist Automation	Dec 2023	820.0	1,015.0	153.3	-
Old Nyack Turnpike UG Ckt 21-16-13	Dec 2023	50.0	250.0	894.9	-
Pascack Rd UG Ckt 19-13-13	Dec 2023	50.0	250.0	895.1	-
Rio - 5-3-34 URD Dip	Dec 2023	-	800.0	400.0	-
U/G Storm Hardening - Blue Lake Ckt Exit	Dec 2023	-	2,000.0	1,400.0	-
U/G Storm Hardening - Congers Ave, Congers	Dec 2023	-	2,000.0	1,500.0	-
Woodbury Batteries	Dec 2023	500.0	6,002.0	3,501.9	-
Wurtsboro Sub Upgrade 34kV	Dec 2023	50.0	250.0	994.8	-
ADMS Software System	Jan 2024	4,651.4	6,939.9	4,842.5	29.2
Little Tor Substation, Transm Tap and UG Circuit Exits	Jun 2024	1,152.5	3,883.3	9,553.5	3,882.3
Lines 11/14 Pole 68	Dec 2024	-	-	3,900.0	5,959.3
Little Tor Substation - Rt 45 (S Mtn to Rt 202) - 3.800 Ft - Urd Dip	Dec 2024	-	-	200.0	2,190.2
U/G Storm Hardening - Gilchrest Rd, Congers	Dec 2024	-	-	200.0	1,700.0
U/G Storm Hardening - Thiells Mt Ivy Rd, Thiells	Dec 2024	-	200.0	1,800.0	3,500.0
West Haverstraw - Rt 202 to Rt 9w - 6400ft	Dec 2024	-	200.0	2,000.0	2,500.0
Burns 3rd Bank Addition	Jun 2025	-	-	500.0	4,000.0
Burns UG Circuits	Jun 2025	-	-	100.0	2,000.0
Dean Substation Upgrade Design and Construction	Jun 2025	304.2	221.1	1,004.7	1,338.3
Upgrade of Trans. Lines 841, 851, 853 to 69kV	Jun 2025	2,428.0	1,762.8	2,031.0	16,699.3
Wilson Gate Joint Substation	Jun 2025	303.7	220.6	1,004.1	1,337.6
ADMS Phase 2-DERMS	Dec 2025	-	-	3,850.0	1,500.0
DA RTU Replacement	Dec 2025	80.0	560.0	800.0	1,200.0
GRID Mod 4G-5G	Dec 2025	1,479.6	1,233.0	1,233.0	1,469.9
New Woodbury Substation, UG Transmission and UG Exits	Dec 2025	-	634.6	2,500.0	6,700.0
Line 96 Double Circuit Rebuild	Dec 2026	-	300.0	300.0	1,000.0
New Line 705 Underground	Dec 2026	1,242.2	1,004.8	1,518.0	5,532.0
5kV Banks Replacements	Dec 2027	11.7	12.3	657.9	2,592.7
Transmission Refiguration for Shoemaker 69/138kV Yards	Dec 2027	-	-	250.0	3,000.0
Upgrade of Transmission Lines 12 & 13/131	Dec 2027	-	800.0	2,000.0	5,000.1
		52,323.2	70,543.9	86,852.5	74,049.2
Total Electric Capital Expenditures		\$ 107,109.2	\$ 130,356.9	\$ 143,858.3	\$ 135,408.6

Orange and Rockland Utilities, Inc.
Electric Rate Case
Electric Plant Additions by Project
O&R Forecast January 2021 to December 2024
(\$000s)

<u>Project Description</u>	<u>In Service Date</u>	<u>Jan-21 to Dec-21</u>	<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
			<u>Jan-22 to Dec-22</u>	<u>Jan-23 to Dec-23</u>	<u>Jan-24 to Dec-24</u>
<u>Electric Plant Additions:</u>					
Blankets	Various	\$ 40,576.5	\$ 47,248.9	\$ 46,672.0	\$ 47,063.2
Regular Projects Under \$1 Million	Various	12,410.4	9,981.4	8,488.6	9,725.5
Regular Projects Over \$1 Million					
Community DG/Value of Distributed Energy Resources	Mar 2021	1,105.2	-	-	-
Monroe 61-2-13 New Station (6,000 Ft)	Jun 2021	3,393.1	-	-	-
Burns Breaker Replacements	Dec 2021	2,066.1	-	-	-
CSX West Shorelines Structures 190, 197, 211	Dec 2021	1,587.3	-	-	-
2021 OMS Enhancements	Dec 2021	1,154.3	-	-	-
Port Jervis Subst 2-35MVA Bank, CKt Exits & 69kV Intrastation Tie	Dec 2021	36,444.3	-	-	-
Vayoel Moshe Gardens	Dec 2021	1,451.2	-	-	-
West Haverstraw Banks - 194E/W 138kV UG Replacement	Dec 2021	1,968.4	-	-	-
West Nyack - Rt 59 - Urd - 3500'	Dec 2021	2,390.3	-	-	-
Glen Spey - Mohican Lake Road - 2 Miles Hendrix	Mar 2022	-	1,395.1	-	-
Monsey UG Circuit Exit Upgrades	Jun 2022	-	2,990.0	-	-
2022 OMS Enhancements	Dec 2022	-	2,185.5	-	-
Line 31 Reconductor	Dec 2022	-	1,481.3	-	-
Blooming Grove Banks, UG Ckt Exits, Transm Ext	May 2023	-	-	6,916.8	17,883.9
O&R REV/DER/EEDM Forecasting Tool	May 2023	-	-	1,600.0	-
Lovett 345kV Station, Remote Relaying and Transmission	Jun 2023	3,303.5	4,918.4	43,017.6	-
Silver Lake, Upgrade Bank 2113 to 35MVA	Jun 2023	-	-	3,970.6	-
Burns - 19-12-13 - 4,000 Ft	Dec 2023	-	-	2,390.3	-
Ladentown Four - 345kV Breaker Purchase	Dec 2023	-	-	2,443.9	-
Line 51 Upgrade	Dec 2023	-	-	6,025.2	-
NYSERDA PON 4074 Westtown Dist Automation	Dec 2023	-	-	1,988.3	-
Old Nyack Turnpike UG Ckt 21-16-13	Dec 2023	-	-	1,194.9	-
Pascack Rd UG Ckt 19-13-13	Dec 2023	-	-	1,195.1	-
Rio 5-3-34 URD Dip	Dec 2023	-	-	1,200.0	-
UG Storm Hardening - Blue Lake Ckt Exit	Dec 2023	-	-	3,400.0	-
UG Storm Hardening - Congers Ave, Congers	Dec 2023	-	-	3,500.0	-
Woodbury Batteries	Dec 2023	-	-	10,003.8	-
Wurtsboro Sub Upgrade 34kV	Dec 2023	-	-	1,294.7	-
ADMS Software System	Jan 2024	-	-	-	19,375.0
Little Tor Substation, Transm Tap and UG Circuit Exits	Jun 2024	-	-	-	28,123.8
Lines 11/14 Pole 68	Dec 2024	-	-	-	9,859.3
Little Tor Substation - Rt 45 (S Mtn to Rt 202) - 3.800 Ft - Urd Dip	Dec 2024	-	-	-	2,390.2
UG Storm Hardening - Gilchrest Rd, Congers	Dec 2024	-	-	-	1,900.0
UG Storm Hardening - Thiells Mt Ivy Rd, Thiells	Dec 2024	-	-	-	5,500.0
West Haverstraw Rt 202 to Rt 9w - 6400ft	Dec 2024	-	-	-	4,700.0
		54,863.7	12,970.3	90,141.2	89,732.2
Total Electric Plant Additions		\$ 107,850.6	\$ 70,200.6	\$ 145,301.8	\$ 146,520.9

Orange and Rockland Utilities, Inc.
Electric Rate Case
Common Capital Expenditures by Project
O&R Forecast January 2021 to December 2024
(\$000s)

<u>Project Description</u>	<u>In Service Date</u>	<u>Jan-21 to Dec-21</u>	<u>Rate Year 1</u> <u>Jan-22 to Dec-22</u>	<u>Rate Year 2</u> <u>Jan-23 to Dec-23</u>	<u>Rate Year 3</u> <u>Jan-24 to Dec-24</u>
<u>Common Capital Expenditures:</u>					
Blankets	Various	\$ 10,260.7	\$ 14,865.3	\$ 13,946.9	\$ 13,418.5
Regular Projects Under \$500k	Various	1,180.5	1,124.1	785.3	300.0
Regular Projects Over \$500k					
AMI Program	Jan 2021	9,531.9	-	-	-
Willow Brook Dam Enhancements	Sep 2021	5,000.8	-	-	-
Communications HUB Sites - Highland Falls	Dec 2021	539.4	-	-	-
Blooming Grove Building Maintenance System	Apr 2022	263.9	251.5	-	-
Spring Valley Fuel Station Canopy	Sep 2022	-	647.8	-	-
AMI ORU/CECONY Synch Work	Dec 2022	1,000.0	892.1	-	-
Enterprise Scheduling System	Dec 2022	300.0	200.0	-	-
Port Jervis Exterior and Window Replacement	Apr 2023	-	449.0	247.9	-
Project Management Software	May 2023	115.3	225.6	150.4	-
Customer Information System	Jul 2023	7,800.0	10,110.7	4,926.2	-
Real Estate Space Optimization	Sep 2023	796.4	2,986.9	2,975.7	-
Budget System Software Enhancements	Dec 2023	62.2	75.5	75.5	-
Oracle HCM Cloud Implementation	Dec 2023	1,850.0	1,822.4	1,532.0	-
Oracle EBS Cloud Migration	Sep 2024	-	403.0	3,607.0	223.0
O365 E5 Renewal	Oct 2024	-	-	-	1,863.1
Artificial Intelligence	Dec 2024	-	-	-	500.0
CRM System	Dec 2024	-	1,000.0	1,000.0	2,979.4
Main Frame Elimination	Dec 2024	513.4	532.8	1,114.8	776.3
Oracle Analytical Systems Platform	Dec 2024	-	500.0	1,000.0	500.0
CC&B Enhancements	Dec 2025	-	-	-	500.0
REV Settlement and Regulatory Requirements	Dec 2025	1,250.0	1,250.0	1,000.0	500.0
WMS Replacement Project	Dec 2027	-	-	-	10,000.3
		29,023.3	21,347.3	17,629.5	17,842.1
Total Common Capital Expenditures		\$ 40,464.5	\$ 37,336.7	\$ 32,361.7	\$ 31,560.6

Orange and Rockland Utilities, Inc.
Electric Rate Case
Common Plant Additions by Project
O&R Forecast January 2021 to December 2024
(\$000s)

<u>Project Description</u>	<u>In Service Date</u>	<u>Jan-21 to Dec-21</u>	<u>Rate Year 1 Jan-22 to Dec-22</u>	<u>Rate Year 2 Jan-23 to Dec-23</u>	<u>Rate Year 3 Jan-24 to Dec-24</u>
<u>Common Plant Additions:</u>					
Blankets	Various	\$ 10,423.7	\$ 15,016.1	\$ 14,097.7	\$ 13,581.5
Regular Projects Under \$500k	Various	1,454.9	1,515.7	849.0	-
Regular Projects Over \$500k					
AMI Program	Jan 2021	9,531.9	-	-	-
Willow Brook Dam Enhancements	Sep 2021	5,554.6	-	-	-
Communications HUB Sites - Highland Falls	Dec 2021	539.4	-	-	-
Blooming Grove Building Maintenance System	Apr 2022	-	728.0	-	-
Spring Valley Fuel Station Canopy	Sep 2022	-	647.8	-	-
AMI ORU/CECONY Synch Work	Dec 2022	-	1,892.1	-	-
Enterprise Scheduling System	Dec 2022	-	500.0	-	-
Port Jervis Exterior and Window Replacement	Apr 2023	-	-	653.0	-
Project Management Software	May 2023	-	-	1,089.0	-
Customer Information System	Jul 2023	-	-	28,967.2	-
Real Estate Space Optimization	Sep 2023	-	-	6,456.3	-
Budget System Software Enhancements	Dec 2023	-	-	732.3	-
Oracle HCM Cloud Implementation	Dec 2023	-	-	5,488.0	-
Oracle EBS Cloud Migration	Sep 2024	-	-	-	4,430.2
O365 E5 Renewal	Oct 2024	-	-	-	1,863.1
Artificial Intelligence	Dec 2024	-	-	-	500.0
CRM System	Dec 2024	-	-	-	4,979.4
Main Frame Elimination	Dec 2024	-	-	-	2,937.3
Oracle Analytical Systems Platform	Dec 2024	-	-	-	2,000.0
		15,625.9	3,767.9	43,385.8	16,710.0
Total Common Plant Additions		\$ 27,504.5	\$ 20,299.7	\$ 58,332.5	\$ 30,291.5

ORANGE AND ROCKLAND UTILITIES, INC.

Index of Schedules

March 31, 2021 Update

Gas Rate Base

For The Twelve Months Ended December 31, 2022, 2023 and 2024

SCHEDULE TITLE OF SCHEDULE

- | | |
|---|---------------------------------|
| 1 | <u>Rate Base</u> |
| 2 | <u>Net Plant</u> |
| 3 | <u>Working Capital</u> |
| 4 | <u>Regulatory Deferral</u> |
| 5 | <u>Accumulated Deferred Tax</u> |

ORANGE AND ROCKLAND UTILITIES, INC.

March 31, 2021 Update

Average Gas Net Plant Summary

Case 21-G-0073

For The Twelve Months Ended December 31, 2022, 2023 and 2024

(\$000's)

<u>Line</u> <u>No.</u>	<u>Description</u>	RY 1		RY 2		RY 3		<u>Line</u> <u>No.</u>	
		Initially Filed	Preliminary Update	As Updated	Rate Year Adjustments	Rate Year as Adjusted	Rate Year Adjustments		Rate Year as Adjusted
1	<u>Utility Plant</u>							1	
2	Gas Plant In Service	\$ 986,665	\$ 4,987	\$ 991,653	\$ 65,351	\$ 1,057,003	\$ 66,300	\$ 1,123,303	2
3	Gas Plant Held For Future Use	-	-	-	-	-	-	-	3
4	Common Utility Plant (Gas Allocation)	100,117	1,597	101,713	9,531	111,244	10,315	121,559	4
5	Total	1,086,782	6,584	1,093,366	74,882	1,168,248	76,614	1,244,862	5
6									6
7	<u>Utility Plant Reserves:</u>								7
8	Accumulated Reserve for Depreciation - Plant in Service	(320,255)	401	(319,854)	(24,972)	(344,826)	(29,451)	(374,277)	8
9	Accumulated Reserve for Depreciation - Common Plant (Gas Allocation)	(50,284)	(183)	(50,467)	(4,684)	(55,151)	(4,064)	(59,215)	9
10	Total	(370,539)	218	(370,321)	(29,656)	(399,977)	(33,515)	(433,492)	10
11									11
12	Net Plant	716,243	6,802	723,045	45,226	768,271	43,100	811,370	12
13									13
14	Non-Interest Bearing CWIP	16,125	2,226	18,350	641	18,992	(1,165)	17,827	14

ORANGE AND ROCKLAND UTILITIES, INC.

March 31, 2021 Update

Working Capital - Gas

Case 21-G-0073

For The Twelve Months Ended December 31, 2022, 2023 and 2024

(\$000's)

<u>Line</u> <u>No.</u>		RY 1		RY 2		RY 3		<u>Line</u> <u>No.</u>	
		Initially Filed	Preliminary Update	As Updated	Rate Year Adjustments	Rate Year as Adjusted	Rate Year Adjustments		Rate Year as Adjusted
1	Material and Supplies	6,911	53	6,964	134	7,097	136	7,234	1
2	<u>Prepayment</u>					-			2
3	Local Property Taxes	9,001	37	9,038	181	9,218	186	9,404	3
4	Remarket / Liquidity	500	4	504	10	514	10	523	4
5	Computer Licence	505	4	509	10	519	10	529	5
6	Insurance	139	1	140	3	142	3	145	6
7	NYPSC Assessment	283	2	285	5	290	6	296	7
8	NYS GRT	344	3	346	7	353	7	360	8
9	xxx	-		-					9
10	Total	10,770	51	10,821	215	11,036	221	11,257	10
11	<u>Cash Working Capital</u>								11
12	Total Operation & Maintenance Expenses	139,154	1,066	140,220	7,792	148,012	2,311	150,323	12
13	Less:								13
14	Fuel and Purchased Power	70,764	7	70,771	8,427	79,198	194	79,392	14
15	Purchased Gas-Base Rate	-	-	-	-	-	-	-	15
16	Uncollectible Reserve - Customer	1,162	-	1,162	71	1,233	31	1,264	16
17	Uncollectible Reserve - Sundry	1,023	-	1,023	-	1,023	-	1,023	17
18	Low Income	-	-	-	-	-	-	-	18
19	System Benefit Charge	0	-	0	-	0	-	0	19
20	xxx	-		-		-		-	20
21	O&M Working Capital Requirements	66,205	1,059	67,264	(705)	66,558	2,086	68,644	21
22	Cash Working Capital @ 1/8	8,276	132	8,408	(88)	8,320	261	8,581	22
23									23
24	Unamortized Debt Discount/Premium Expense	2,913	(23)	2,889	(26)	2,863	(106)	2,757	24
25									25
26	Customer Advances for Construction	(1,868)	-	(1,868)		(1,868)		(1,868)	26
27	Total	\$ 27,002	\$ 212	\$ 27,214	\$ 234	\$ 27,449	\$ 512	\$ 27,960	27

ORANGE AND ROCKLAND UTILITIES, INC.
 March 31, 2021 Update
 Regulatory Deferrals - Gas
 Case 21-G-0073
 For The Twelve Months Ended December 31, 2022, 2023 and 2024
 (\$000's)

Line No.	RY 1				RY 2				RY 3				Line No.
	Initially Update	Preliminary Update	As Updated	Formal Update	As Updated	Settlement	As Updated	Rate Year Adjustment s	Rate Year as Adjusted	Rate Year Adjustment s	Rate Year as Adjusted		
1	18A Assessment	\$ (4)	\$ -	\$ (4)	\$ -	\$ (4)	\$ -	\$ (4)	\$ 1	\$ (3)	\$ 1	\$ (2)	1
2	Case 05-G-1594 interest on revenue deferral	1	-	1	-	1	-	1	(0)	1	(1)	-	2
3	Deferred Tax Liabilities Carrying Charge	(597)	(167)	(764)	-	(764)	-	(764)	305	(459)	305	(154)	3
4	Energy Efficiency Programs	906	-	906	-	906	-	906	1,995	2,901	2,127	5,028	4
5	Environmental Carrying Charge	(66)	(72)	(139)	-	(139)	-	(139)	56	(83)	55	(28)	5
6	Excess FIT	(118)	(18)	(136)	-	(136)	-	(136)	55	(81)	55	(26)	6
7	Low Income	(2,313)	(746)	(3,059)	-	(3,059)	-	(3,059)	1,223	(1,836)	1,224	(612)	7
8	MGP Sites	(2,750)	1,791	(959)	-	(959)	-	(959)	384	(575)	383	(192)	8
9	Non Officer Management Variable Pay	(169)	(42)	(211)	-	(211)	-	(211)	84	(127)	84	(43)	9
10	NYSIT Rate Change	(24)	(1)	(25)	-	(25)	-	(25)	9	(16)	10	(6)	10
11	Negative Revenue Adjustments	(225)	225	0	-	0	-	0	0	0	0	0	11
12	OPEB	(4,153)	779	(3,374)	-	(3,374)	-	(3,374)	1,349	(2,025)	1,350	(675)	12
13	Other Environmental Sites	171	(97)	75	-	75	-	75	(30)	45	(30)	15	13
14	Pension	6,030	625	6,654	-	6,654	-	6,654	(2,661)	3,993	(2,661)	1,332	14
15	Plant Reconciliation	269	473	742	-	742	-	742	(297)	445	(297)	148	15
16	Property Taxes	(1,109)	(595)	(1,703)	-	(1,703)	-	(1,703)	681	(1,022)	682	(340)	16
17	R&D	(8)	29	21	-	21	-	21	(8)	13	(8)	5	17
18	Rate Case Costs	(58)	-	(58)	-	(58)	-	(58)	23	(35)	23	(12)	18
19	Credit Card Fees	97	25	122	-	122	-	122	(49)	73	(49)	24	19
20	18A General Assessment Refund 2017 to 2018	(16)	-	(16)	-	(16)	-	(16)	6	(10)	6	(4)	20
21	R&D Reconciliation	266	(266)	-	-	-	-	-	-	-	-	-	21
22	Pension Phase-in	1,070	-	1,070	-	1,070	-	1,070	(428)	642	(428)	214	22
23	Covid-19 Deferrals- UB	-	369	369	-	369	-	369	(147)	222	(148)	74	23
24	Late Payment Charges	-	954	954	-	954	-	954	(382)	572	(382)	190	24
25		-	-	-	-	-	-	-	-	-	-	-	25
26		-	-	-	-	-	-	-	-	-	-	-	26
27	0	0	0	-	-	-	-	-	-	-	-	-	27
28	Subtotal Deferred Balance	(2,801)	3,267	466	-	466	-	466	2,170	2,635	2,301	4,936	28
29	Add:												29
30	Unbilled Revenue (11401/24330)	10,629	(1,771)	8,858	-	8,858	-	8,858		8,858		8,858	30
31	Underground Gas Storage (11751/11752)	4,336		4,336	-	4,336	-	4,336		4,336		4,336	31
32													32
33	Total Deferred Balance	12,164	1,496	13,660	-	13,660	-	13,660	2,170	15,830	2,301	18,131	33

ORANGE AND ROCKLAND UTILITIES, INC.

March 31, 2021 Update

Accumulated Deferred Tax - Gas

Case 21-G-0073

For The Twelve Months Ended December 31, 2022, 2023 and 2024

(\$000's)

Line No.	RY 1			RY 2		RY 3		Line No.
	Initially Filed	Preliminary Update	As Updated	Rate Year Adjustments	Rate Year as Adjusted	Rate Year Adjustments	Rate Year as Adjusted	
1	<u>Accumulated Deferred Federal Income Taxes</u>							1
2	(122,062)	(323)	(122,385)	(1,086)	(123,471)	(911)	(124,382)	2
3	(4,345)	(8)	(4,353)	107	(4,246)	120	(4,126)	3
4	(10,353)	(301)	(10,654)	289	(10,366)	325	(10,041)	4
5	120	(1)	119	(79)	39	(92)	(52)	5
6	(1,688)	(326)	(2,014)	44	(1,970)	50	(1,920)	6
7	(7,438)	0	(7,438)	2,932	(4,506)	2,932	(1,574)	7
8	2,145		2,145	(846)	1,300	(846)	454	8
9	(5)		(5)	40	35	31	65	9
10	-		-		-		-	10
11	\$ (143,627)	\$ (960)	\$ (144,587)	\$ 1,401	\$ (143,185)	\$ 1,609	\$ (141,576)	11
12	<u>Accumulated Deferred State Income Taxes</u>							12
13	(16,692)	(94)	(16,786)	(1,526)	(18,312)	(1,474)	(19,787)	13
14	(1,438)	(3)	(1,441)	36	(1,405)	40	(1,365)	14
15	(3,425)	(100)	(3,525)	96	(3,428)	108	(3,321)	15
16	(558)	4	(554)	382	(172)	437	265	16
17	(558)	(108)	(666)	15	(651)	16	(635)	17
18	-		-		-		-	18
19	\$ (22,671)	\$ (302)	\$ (22,972)	\$ (997)	\$ (23,969)	\$ (874)	\$ (24,842)	19
20								20
21	\$ (166,298)	\$ (1,261)	\$ (167,559)	\$ 405	\$ (167,154)	\$ 736	\$ (166,419)	21

ORANGE AND ROCKLAND UTILITIES, INC.

Index of Schedules
March 31, 2021 Update
Gas Operating Income
For The Twelve Months Ended December 31, 2022, 2023 and 2024

<u>SCHEDULE</u>	<u>TITLE OF SCHEDULE</u>
2	Revenue Requirement
3	Sales Delivery at Current Rates - Gas
4	Amortization of Regulatory Deferrals - Gas
5	Other Operating Revenues - Gas
6	Gas Operation and Maintenance Expenses
7.1	Plant Depreciation Expense Current - Gas
7.2	Plant Depreciation Expense Proposed Rates - Gas
8	Taxes Other Than Income Taxes - Gas
9	State Income Tax - Gas
10	Federal Income Tax - Gas
11	Interest Expense - Gas
14	General Inflation Factors
15	Adjustment Summary
16	Labor-Related Program Changes

ORANGE AND ROCKLAND UTILITIES, INC.

Revenue Requirement
March 31, 2021 Update
Computation of Gas Revenue Requirement
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

	RY1		RY2	RY3
	Initially Filed	Preliminary Update		
Gas Rate Base	\$ 564,973	\$ 574,449	\$ 623,125	\$ 668,607
Rate of Return	7.04%	7.03%	7.01%	7.01%
Required Return	39,774	40,384	43,681	46,869
Income Available for Return	32,651	39,506	39,448	39,673
Deficiency	7,123	878	4,233	7,196
Retention Factor*	72.55%	72.25%	72.25%	72.25%
Additional Revenue Requirement	\$ 9,818	\$ 1,215	\$ 5,858	\$ 9,961

* Calculation of Retention Factor:

Additional Revenue	100.00%	\$ 9,818	\$ 1,215	\$ 5,858	\$ 9,961
Less: Revenue Taxes	1.68%	165	20	99	168
Late Payment Charges Revenue	0.00%	(38)	-	-	-
Uncollectibles	0.50%	49	6	29	50
Subtotal	97.82%	9,642	1,189	5,730	9,743
Less: SIT on above @ 6.5%	6.36%	627	77	372	633
FIT on above @ 21%	19.21%	1,893	233	1,125	1,913
Retention Factor	72.25%	\$ 7,122	\$ 879	\$ 4,233	\$ 7,197

ORANGE AND ROCKLAND UTILITIES, INC.
Revenue Requirement
March 31, 2021 Update
Gas Operating Income, Rate Base & Rate of Return
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

	Ref	RY 1					RY 2				RY 3			
		Initially Filed	Preliminary Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase
Operating Revenues														
Sales & Deliveries to Public	Sch 3	\$ 232,427	\$ 13,010	\$ 245,437	\$ 1,215	\$ 246,652	\$ 13,792	\$ 260,444	\$ 5,858	\$ 266,302	\$ 2,056	\$ 268,359	\$ 9,961	\$ 278,320
Sales for Resale	Sch 3	-	-	-	-	-	-	-	-	-	-	-	-	
Sales Revenues		232,427	13,010	245,437	1,215	246,652	13,792	260,444	5,858	266,302	2,056	268,359	9,961	278,320
Other Operating Revenues	Sch 5	1,768	(449)	1,319	-	1,319	-	1,319	-	1,319	-	1,319	-	1,319
Total Operating Revenues		234,195	12,561	246,756	1,215	247,971	13,792	261,763	5,858	267,621	2,056	269,678	9,961	279,639
Operating Expenses														
Purchased Gas	Sch 6	70,764	7	70,771		70,771	8,427	79,198		79,198	194	79,392		79,392
Operations & Maintenance Expense	Sch 6	68,390	1,059	69,449	6	69,455	(641)	68,814	29	68,843	2,088	70,931	50	70,981
Depreciation	Sch 7.2	28,415	208	28,623		28,623	5,921	34,544		34,544	4,709	39,253		39,253
Regulatory Amortization	Sch 4	(1,734)	1,769	35		35	358	393		393	383	776		776
Taxes Other Than Income Taxes	Sch 8	31,822	315	32,137	20	32,157	1,145	33,302	99	33,401	655	34,056	168	34,224
Total Operating Expenses		197,658	3,357	201,015	26	201,041	15,210	216,251	128	216,379	8,029	224,408	218	224,626
Operating Income Before Income Taxes		36,537	9,204	45,741	1,189	46,930	(1,418)	45,512	5,730	51,242	(5,973)	45,269	9,743	55,012
Income Taxes														
New York State Income Taxes	Sch 9	1,520	592	2,111	77	2,189	(157)	2,032	372	2,405	(449)	1,956	633	2,589
Federal Income Taxes	Sch 10	2,367	1,758	4,124	233	4,358	(326)	4,032	1,125	5,157	(1,516)	3,641	1,913	5,554
Total Income Taxes		3,886	2,350	6,236	311	6,546	(483)	6,064	1,498	7,561	(1,965)	5,596	2,546	8,143
Operating Income		\$ 32,651	\$ 6,855	\$ 39,506	\$ 878	\$ 40,384	\$ (936)	\$ 39,448	\$ 4,232	\$ 43,681	\$ (4,008)	\$ 39,673	\$ 7,197	\$ 46,870
Gas Rate Base	Rate Base #1	\$ 564,975	\$ 9,474	\$ 574,449		\$ 574,449	\$ 48,675	\$ 623,125		\$ 623,125	\$ 45,483	\$ 668,607		\$ 668,607
Rate Of Return		5.78%		6.88%		7.03%				7.01%				7.01%

ORANGE AND ROCKLAND UTILITIES, INC.
Sales Delivery at Current Rates - Gas
March 31, 2021 Update
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

	RY 1			RY 2		RY 3	
	Initially Filed	Preliminary Update	As Updated	Rate Year Adjustments	Rate Year as Adjusted	Rate Year Adjustments	Rate Year as Adjusted
Sales Revenues	\$ 232,427	\$ 13,010	\$ 245,437	\$ 13,792	\$ 259,229	\$ 2,056	\$ 261,286
Sales for Resale	-	-	-	-	-	-	-
Total Sale Revneus	\$ 232,427	\$ 13,010	245,437	\$ 13,792	\$ 259,229	\$ 2,056	\$ 261,286

ORANGE AND ROCKLAND UTILITIES, INC.

Amortization of Regulatory Deferrals - Gas
March 31, 2021 Update
(\$000's)

Line No.	Regulatory Assets and Liabilities	Account	Balance @ 12/31/2020	Projected Deferrals 01/01/2021-12/31/2021	Allowance 01/01/2021-12/31/2021	Amortization 01/01/2021-12/31/2021	Projected Balance 12/31/2021	RY1 Deferral	RY 2 Deferral	RY 3 Deferral	RY1 Amortization	RY2 Amortization	RY3 Amortization	Amortization Period	Line No.
1	18A Assessment	24469	(80)			73	(7)				2	2	2	3	1
2	Case 05-G-1594 interest on reven	15125	1			1	2				(1)	(1)	(1)	3	2
3	Deferred Tax Liabilities Carrying Cl	24462	(2,680)	(217)		1,657	(1,240)				413	413	413	3	3
4	Energy Efficiency Programs							2,723	3,581	3,821	(272)	(630)	(1,013)	10	4
5	Environmental Carrying Charge	24485	(140)	(80)		(6)	(226)				75	75	75	3	5
6	Excess FIT	24525	(2,928)	(15)		2,722	(221)				74	74	74	3	6
7	Low Income	24386/ 15244	(4,448)	3,714	(3,714)	(523)	(4,971)				1,657	1,657	1,657	3	7
8	MGP Sites	14605/ 22301	(30)	757	(2,525)	240	(1,558)				519	519	519	3	8
9	Non Officer Management Variable	24514	(373)	1,228	(1,228)	30	(343)				114	114	114	3	9
10	NYSIT Rate Change	24393/ 15232	79			(119)	(40)				13	13	13	3	10
11	OPEB	14402/ 24366	(4,279)	579	(1,511)	(270)	(5,481)				1,827	1,827	1,827	3	11
12	Other Environmental Sites	14601	201	7		(87)	121				(40)	(40)	(40)	3	12
13	Pension	14401/ 24483	3,034	10,812	(3,033)	(3)	10,810				(3,603)	(3,603)	(3,603)	3	13
14	Plant Reconciliation	24399	407	768		30	1,205				(402)	(402)	(402)	3	14
15	Property Taxes	14757	2,139	(1,455)		(3,452)	(2,768)				923	923	923	3	15
16	R&D	24408	(20)	-	(12)	66	34				(11)	(11)	(11)	3	16
17	Rate Case Costs	15171	(21)	346		(419)	(94)				31	31	31	3	17
18	Credit Card Fees	24310/ 15232	148	151	(101)	-	198				(66)	(66)	(66)	3	18
19	18A General Assessment Refund 2	24537	(25)	(0)			(25)				8	8	8	3	19
20	Pension Phase-in UB	14407	496	662		579	1,737				(579)	(579)	(579)	3	20
21	Covid-19 Deferrals- UB	15276		600			600				(200)	(200)	(200)	3	21
22	Late Payment Charges		648		902		1,550				(517)	(517)	(517)	3	22
38	Do Not Add Rows Beyond This Point														
	Total		\$ (7,870)	\$ 17,856	\$ (11,222)	\$ 519	\$ (717)	\$ 2,723	\$ 3,581	\$ 3,821	\$ (35)	\$ (393)	\$ (776)		

ORANGE AND ROCKLAND UTILITIES, INC.

Other Operating Revenues - Gas
 March 31, 2021 Update
 For The Twelve Months Ended December 31, 2022, 2023 and 2024
 (\$000's)

Line No.	RY1				RY 2				RY 3				Line No.	
	Initially Filed	Preliminary Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase		Rate Year as Adjusted for Proposed Rate Increase
<u>Miscellaneous Service & Other Revenues</u>														
1	44		44		44		44		44		44		44	1
2	2	10	12		12		12		12		12		12	2
3	459	(459)	0	-	0		0		0		0		0	3
4	541		541		541		541		541		541		541	4
5	(3)		(3)		(3)		(3)		(3)		(3)		(3)	5
6	2	62	64		64		64		64		64		64	6
7	64	(62)	2		2		2		2		2		2	7
	Total	(449)	661	-	661	-	661	-	661.2	-	661	-	661	
<u>Rents</u>														
8	658		658		658		658		658.0		658		658	8
	Total	-	658	-	658	-	658	-	658.0	-	658	-	658	
<u>Revenues Offset in Sales, Energy Clauses or O&M:</u>														
9	-	-	-		-		-		-		-		-	9
10	-	-	-		-		-		-		-		-	10
11	-	-	-		-		-		-		-		-	11
12	-	-	-		-		-		-		-		-	12
13	-	-	-		-		-		-		-		-	13
14	-	-	-		-		-		-		-		-	14
15	-	-	-		-		-		-		-		-	15
16	-	-	-		-		-		-		-		-	16
17	-	-	-		-		-		-		-		-	17
	Total	-	-	-	-	-	-	-	-	-	-	-	-	
<u>Regulatory Accounting (Reconciliations / Amortizations):</u>														
18	-	-	-		-		-		-		-		-	18
19	-	-	-		-		-		-		-		-	19
20	-	-	-		-		-		-		-		-	20
21	-	-	-		-		-		-		-		-	21
22	-	-	-		-		-		-		-		-	22
23	-	-	-		-		-		-		-		-	23
24	-	-	-		-		-		-		-		-	24
25	-	-	-		-		-		-		-		-	25
26	-	-	-		-		-		-		-		-	26
27	-	-	-		-		-		-		-		-	27
28	-	-	-		-		-		-		-		-	28
29	-	-	-		-		-		-		-		-	29
30	-	-	-		-		-		-		-		-	30
31	-	-	-		-		-		-		-		-	31
32	-	-	-		-		-		-		-		-	32
33	-	-	-		-		-		-		-		-	33
34	-	-	-		-		-		-		-		-	34
35	-	-	-		-		-		-		-		-	35
36	-	-	-		-		-		-		-		-	36
37	-	-	-		-		-		-		-		-	37
	Total	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Other Operating Revenues	\$ 1,768	\$ (449)	\$ 1,319	\$ -	\$ 1,319	\$ -	\$ 1,319	\$ -	\$ 1,319	\$ -	\$ 1,319	\$ -	\$ 1,319

ORANGE AND ROCKLAND UTILITIES, INC.
Gas Operation and Maintenance Expenses
March 31, 2021 Update
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

1.92% 3.00% **RY2**
1.92% 3.40% **RY3**

Line No.	RY1					RY2					RY3					Line No.	General Escalation	Labor Escalation
	Initially Filed	Preliminary Update	Incremental Change in General Escalation	Incremental Change in Labor Escalation	As Updated	Proposed Rate Increase	Rate Year Adjustments	Escalation	Proposed Rate Increase	Rate Year Adjustments	Escalation	Proposed Rate Increase	Rate Year Adjustments	Escalation	Proposed Rate Increase			
1	Fuel and Purchased Power	\$ 70,764	\$ 7	\$ -	\$ -	\$ 70,771	\$ 70,771	\$ 6,427	\$ -	\$ -	\$ 79,198	\$ 194	\$ -	\$ 79,392	1	N	N	
2	A & G Health Insurance and Capital Overhead	(519)	38	-	2	(479)	(479)	-	(14)	(493)	-	(17)	(510)	2	N	Y		
3	Bond Administration & Bank Fees	76	-	1	-	77	77	-	1	78	-	2	80	3	Y	N		
4	Company Labor - Corporate & Shared Services	3,961	-	-	3	3,965	3,965	35	120	4,120	5	140	4,265	4	N	Y		
5	Company Labor - Customer Operations	5,700	-	-	5	5,705	5,705	68	173	5,946	70	205	6,221	5	N	Y		
6	Company Labor - Gas Ops	18,838	-	-	16	18,854	18,854	5	566	19,424	115	664	20,204	6	N	Y		
7	Company Labor - Engineering	1,851	(30)	-	(0)	1,821	1,821	113	58	1,992	111	71	2,174	7	N	Y		
8	Company Labor - Substation Operations	-	-	-	-	-	-	-	-	-	-	-	-	8	N	Y		
9	Customer Billing Postage	651	-	5	-	656	656	-	13	669	-	13	681	9	Y	N		
10	Employee Welfare Expense	4,685	-	-	-	4,685	4,685	426	-	5,111	643	-	5,753	10	N	N		
11	Executive Variable Pay	-	-	-	-	-	-	-	-	-	-	-	-	11	N	N		
12	Facilities	675	-	5	-	680	680	-	13	693	-	13	706	12	Y	N		
13	Information Technology	2,694	-	21	-	2,715	2,715	394	60	3,168	85	62	3,315	13	Y	N		
14	Informational Advertising	152	-	1	-	153	153	-	3	156	-	3	159	14	Y	N		
15	Injuries & Damages/ Workers Compensation	91	22	-	-	114	114	(2)	-	112	9	-	121	15	N	N		
16	Institutional Dues & Subscription	156	-	1	-	157	157	-	3	160	-	3	163	16	Y	N		
17	Insurance Premium	453	-	3	-	456	456	-	9	465	-	9	474	17	Y	N		
18	Intercompany Shared Services	7,329	-	56	-	7,385	7,385	-	142	7,527	-	145	7,671	18	Y	N		
19	Legal and Other Professional Services	193	-	1	-	195	195	-	4	198	-	4	202	19	Y	N		
20	Load Dispatching	-	-	-	-	-	-	-	-	-	-	-	-	20	Y	N		
21	Low Income	-	-	-	-	-	-	-	-	-	-	-	-	21	N	N		
22	Ops - Corporate & Shared Services	2,209	-	17	-	2,226	2,226	45	44	2,315	16	45	2,376	22	Y	N		
23	Ops - Customer Operations	2,194	77	20	-	2,291	2,291	235	49	2,574	57	51	2,682	23	Y	N		
24	Ops - Gas Operations	8,647	-	66	-	8,713	8,713	-	167	8,880	60	172	9,112	24	Y	N		
25	Ops - Engineering	1,663	-	13	-	1,676	1,676	8	32	1,716	148	36	1,900	25	Y	N		
26	Ops - Substation Operations	2	-	0	-	2	2	-	0	2	-	0	3	26	Y	N		
27	Other Compensation	161	-	-	-	161	161	0	-	161	-	-	161	27	N	N		
28	Pension and OPEB Costs	561	665	-	-	1,226	1,226	-	-	1,226	-	-	1,226	28	N	N		
29	Site Investigation & Remediation	3,197	-	-	-	3,197	3,197	(2,939)	-	258	(17)	-	241	29	N	N		
30	Regulatory Commission Expense - General and R&D	1,194	-	9	-	1,203	1,203	-	23	1,226	-	24	1,250	30	Y	N		
31	Renewable Portfolio Charges	-	-	-	-	-	-	-	-	-	-	-	-	31	N	N		
32	Rent	278	-	-	-	278	278	6	-	284	1	-	285	32	N	N		
33	Research and Development	12	-	0	-	12	12	-	0	12	-	0	13	33	Y	N		
34	Storm Allowance	-	-	-	-	-	-	-	-	-	-	-	-	34	Y	N		
35	System Benefit Charge	0	-	-	-	0	0	-	-	0	-	-	0	35	N	N		
36	Uncollectible Reserve - Customer	1,162	-	-	-	1,162	1,168	65	-	1,262	2	-	1,314	36	N	N		
37	Uncollectible Reserve - Sundry	1,023	-	-	-	1,023	1,023	-	-	1,023	-	-	1,023	37	N	N		
38	Worker's Comp NYS Assessment	69	-	1	-	70	70	-	1	71	-	1	73	38	Y	N		
39	Bargaining Unit Contract Cost	37	45	-	-	82	82	-	-	82	-	-	82	39	N	N		
40	Environmental Affairs	102	-	-	-	102	102	-	-	102	-	-	102	40	N	N		
41	External Audit Services	205	-	2	-	207	207	-	4	211	-	4	215	41	Y	N		
42	Finance & Accounting Operations	3	0	-	-	3	3	-	0	3	-	0	3	42	Y	N		
43	All Other	28	-	-	-	28	28	1	-	29	-	-	29	43	N	N		
44	Business Cost Optimization	(1,424)	-	-	-	(1,424)	(1,424)	(608)	-	(2,032)	(917)	-	(2,949)	44	Y	N		
45	Company Labor - Fringe Benefit Adjustment	79	(5)	0	-	75	75	36	2	113	48	3	164	45	Y	N		
	Total Operation & Maintenance Expenses	\$ 139,154	\$ 819	\$ 221	\$ 26	\$ 140,220	\$ 6	\$ 140,226	\$ 6,314	\$ 1,472	\$ 29	\$ 148,041	\$ 630	\$ 1,652	\$ 90	\$ 150,373		

ORANGE AND ROCKLAND UTILITIES, INC.

Plant Depreciation Expense Current - Gas
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

	RY1					RY2				RY3			
	Initially Filed	Preliminary Update	As Update	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Proposed Rate Increase
Depreciation Expense	\$ 29,934	\$ 286	\$ 30,220		\$ 30,220	\$ 2,839	\$ 33,059		\$ 33,059	\$ 2,688			\$ 35,747
Less Clearing Accounts: Vehicle Reserve Deficiency	(1,518)	(11)	(1,530)		(1,530)	(174)	(1,704)		(1,704)	(155)			(1,859)
Total Depreciation Expense	<u>\$ 28,415</u>	<u>\$ 275</u>	<u>\$ 28,690</u>	<u>\$ -</u>	<u>\$ 28,690</u>	<u>\$ 2,665</u>	<u>\$ 31,356</u>	<u>\$ -</u>	<u>\$ 31,356</u>	<u>\$ 2,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,888</u>

ORANGE AND ROCKLAND UTILITIES, INC.
 Plant Depreciation Expense Proposed Rates - Gas
 March 31, 2021 Update
 For The Twelve Months Ended December 31, 2022, 2023 and 2024
 (\$000's)

	RY1					RY2				RY3			
	Initially Filed	Preliminary	As Updated	Proposed Rate	Rate Year as	Rate Year Adjustments	Rate Year As	Proposed Rate	Rate Year as	Rate Year Adjustments	Rate Year As	Proposed Rate	Rate Year as
		Update		Increase	Adjusted for Proposed Rate Increase		Adjusted		Increase		Adjusted for Proposed Rate Increase		Adjusted
Depreciation Expense	\$ 29,934	\$ 175	\$ 30,109		\$ 30,109	\$ 6,005	\$ 36,115		\$ 36,115	\$ 2,882	\$ 38,996		\$ 38,996
Less Clearing Accounts: Vehicle Reserve Deficiency	(1,518)	32	(1,486)		(1,486)	(84)	(1,571)		(1,571)	(31)	(1,601)		(1,601)
	-		-		-		-		-	1,858	1,858		1,858
Total Depreciation Expense	\$ 28,415	\$ 208	\$ 28,623	\$ -	\$ 28,623	\$ 5,921	\$ 34,544	\$ -	\$ 34,544	\$ 4,709	\$ 39,253	\$ -	\$ 39,253

ORANGE AND ROCKLAND UTILITIES, INC.

Taxes Other Than Income Taxes - Gas
 March 31, 2021 Update
 For The Twelve Months Ended December 31, 2022, 2023 and 2024
 (\$000's)

	RY 1					RY 2				RY 3			
	Initially Filed	Preliminary Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for
					Proposed Rate Increase				Proposed Rate Increase				Proposed Rate Increase
Property Taxes													
State, County & Town	\$ 7,879	\$ 81	\$ 7,960	\$ -	\$ 7,960	\$ 159	\$ 8,119	\$ -	\$ 8,119	\$ 162	\$ 8,281	\$ -	\$ 8,281
Village	1,370		1,370	-	1,370	27	1,397	-	1,397	28	1,425	-	1,425
School	16,293		16,293		16,293	326	16,619		16,619	337	16,956		16,956
	25,541	81	25,622	-	25,622	512	26,134	-	26,134	527	26,662	-	26,662
Property Tax Over/ (Under) Collections													
State, County & Town	-		-		-				-				-
Village	-		-		-				-				-
School	-		-		-				-				-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Property Taxes	25,541	81	25,622	-	25,622	512	26,134	-	26,134	527	26,662	-	26,662
Payroll Taxes	2,257	(1)	2,257		2,257	101	2,357		2,357	122	2,480		2,480
Revenue Taxes	3,898	234	4,132	20	4,152	530	4,682	99	4,781	4	4,785	168	4,953
Other Taxes													
Sales and Use Tax	-		-		-				-				-
Other Taxes	126		126		126	2	128		128	2	130		130
	126	-	126	-	126	2	128	-	128	2	130	-	130
Total Taxes Other than Income Taxes	31,822	315	32,137	20	32,157	1,145	33,302	99	33,401	655	34,056	168	34,224
Total Taxes Other than Income Taxes, Excluding Revenue Taxes	\$ 27,924	\$ 80	\$ 28,005	\$ -	\$ 28,005	\$ 615	\$ 28,620	\$ -	\$ 28,620	\$ 651	\$ 29,271	\$ -	\$ 29,271

ORANGE AND ROCKLAND UTILITIES, INC.

State Income Tax - Gas

March 31, 2021 Update

For The Twelve Months Ended December 31, 2022, 2023 and 2024

(\$000's)

	RY1					RY2				RY3			
	Initially Filed	Preliminary Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for
					Proposed Rate Increase				Proposed Rate Increase				Proposed Rate Increase
Operating Income Before Income Tax	\$ 36,537	\$ 9,204	\$ 45,741	\$ 1,189	\$ 46,930	\$ (1,418)	\$ 45,512	\$ 5,730	\$ 51,242	\$ (5,973)	\$ 45,269	\$ 9,743	\$ 55,012
Interest Expense	(13,178)	(99)	(13,277)		(13,277)	(991)	(14,268)		(14,268)	(932)	(15,201)		(15,201)
Operating Income Before Federal Income Tax	23,359	9,105	32,464	1,189	33,653	(2,410)	31,244	5,730	36,974	(6,905)	30,069	9,743	39,812
<u>Normalized Items</u>													
Lien Date Property Tax	(359)		(359)		(359)	(14)	(374)		(374)	(15)	(389)		(389)
Tax Depreciation	(43,622)	(938)	(44,560)		(44,560)	(3,987)	(48,547)		(48,547)	(3,020)	(51,567)		(51,567)
Tax Gain/(Loss)	(780)	(25)	(805)		(805)	(164)	(970)		(970)	(4)	(974)		(974)
Book Depreciation	23,020	(2,238)	20,782		20,782	5,212	25,994		25,994	1,594	27,588		27,588
Computer Software	3,826	76	3,902		3,902	1,372	5,274		5,274	1,337	6,611		6,611
Book Depreciation on Cost of Removal	6,344	(559)	5,784		5,784	1,872	7,656		7,656	(202)	7,455		7,455
Cost of Removal Expense	(839)	-	(839)		(839)	-	(839)		(839)	-	(839)		(839)
Management Benefits	(1,792)	-	(1,792)		(1,792)	130	(1,663)		(1,663)	(350)	(2,012)		(2,012)
Materials and Supplies	-	-	-		-	-	-		-	-	-		-
MSC	-	-	-		-	-	-		-	-	-		-
Repair Tax Expense	-	-	-		-	-	-		-	-	-		-
Total Normalized Items	(14,203)	(3,684)	(17,887)	-	(17,887)	4,419	(13,468)	-	(13,468)	(660)	(14,128)	-	(14,128)
NYS Taxable Income	9,156	5,421	14,577	1,189	15,766	2,009	17,776	5,730	23,506	(7,565)	15,941	9,743	25,684
<u>Tax Computation</u>													
Current NYS Income Tax	595	352	948	77	1,025	131	1,155	372	1,528	(492)	1,036	633	1,669
Deferred NYS Income Tax - non-plant items	23		23		23	1	24	-	24	1	25	-	25
Deferred NYS Income Tax - plant items	901	239	1,141		1,141	(288)	852		852	42	895		895
Total New York State Income Tax	\$ 1,520	\$ 592	\$ 2,111	\$ 77	\$ 2,189	\$ (157)	\$ 2,032	\$ 372	\$ 2,405	\$ (449)	\$ 1,956	\$ 633	\$ 2,589

ORANGE AND ROCKLAND UTILITIES, INC.

Federal Income Tax - Gas

March 31, 2021 Update

For The Twelve Months Ended December 31, 2022, 2023 and 2024

(\$000's)

	RY1					RY2					RY3				
	Initially Filed	Preliminary Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase		
Operating Income Before Income Tax	\$ 36,537	\$ 9,204	\$ 45,741	\$ 1,189	\$ 46,930	\$ (1,418)	\$ 45,512	\$ 5,730	\$ 51,242	\$ (5,973)	\$ 45,269	\$ 9,743	\$ 55,012		
Interest Expense	(13,178)	(99)	(13,277)		(13,277)	(991)	(14,268)		(14,268)	(932)	(15,201)		(15,201)		
Operating Income Before Federal Income Tax	23,359	9,105	32,464	1,189	33,653	(2,410)	31,244	5,730	36,974	(6,905)	30,069	9,743	39,812		
Flow Through Items															
Lien Date Property Tax	(359)		(359)		(359)	(14)	(374)		(374)	(15)	(389)		(389)		
Book Depreciation on Cost of Removal	6,344	(559)	5,784		5,784	1,872	7,656		7,656	(202)	7,455		7,455		
Removal Costs	(839)	-	(839)		(839)	-	(839)		(839)	-	(839)		(839)		
Total Flow-Through Items	5,145	(559)	4,586	-	4,586	1,857	6,444	-	6,444	(217)	6,227	-	6,227		
Normalized Items															
Tax Depreciation	(31,722)	(935)	(32,658)		(32,658)	(4,841)	(37,499)		(37,499)	(3,855)	(41,354)		(41,354)		
Tax Gain/(Loss) on Disposition of Assets	(578)	(27)	(606)		(606)	(193)	(799)		(799)	(37)	(835)		(835)		
Book Depreciation	23,020	(2,238)	20,782		20,782	5,212	25,994		25,994	1,594	27,588		27,588		
Computer Software	3,826	76	3,902		3,902	1,372	5,274		5,274	1,337	6,611		6,611		
Management Benefits	(1,792)	-	(1,792)		(1,792)	130	(1,663)		(1,663)	(350)	(2,012)		(2,012)		
Materials and Supplies	-	-	-		-	-	-		-	-	-		-		
MSC	-	-	-		-	-	-		-	-	-		-		
Repair Tax Expense	-	-	-		-	-	-		-	-	-		-		
Total Normalized Items	(7,248)	(3,124)	(10,372)	-	(10,372)	1,678	(8,693)	-	(8,693)	(1,310)	(10,003)	-	(10,003)		
Total Adjustments to Income	(2,102)	(3,683)	(5,785)	-	(5,785)	3,536	(2,249)	-	(2,249)	(1,527)	(3,776)	-	(3,776)		
Taxable Income Before Current State Tax Deduction	21,257	5,422	26,679	1,189	27,868	1,126	28,994	5,730	34,724	(8,432)	26,293	9,743	36,036		
Less: Current State Tax	(595)	(352)	(948)	(77)	(1,025)	(131)	(1,155)	(372)	(1,528)	492	(1,036)	(633)	(1,669)		
Federal Taxable Income	20,662	5,070	25,732	1,112	26,843	996	27,839	5,358	33,196	(7,940)	25,257	9,110	34,366		
Tax Computation															
Current Federal Income Tax	4,339	1,065	5,404	233	5,637	209	5,846	1,125	6,971	(1,667)	5,304	1,913	7,217		
Deferred Federal Income Tax	1,392	590	1,982		1,982	(325)	1,657		1,657	220	1,876		1,876		
Excess Deferred Federal Income Tax - Protected	(1,112)	104	(1,009)		(1,009)	(210)	(1,218)		(1,218)	(69)	(1,287)		(1,287)		
Excess Deferred Federal Income Tax - Unprotected	(733)	(0)	(733)		(733)	(0)	(733)		(733)	0	(733)		(733)		
Excess Deferred Federal Income Tax - Unprotected - Proposed Increments	(2,199)		(2,199)		(2,199)	-	(2,199)		(2,199)	-	(2,199)		(2,199)		
Excess Deferred Federal Income Tax - Non-Plant	211		211		211	-	211		211	-	211		211		
Excess Deferred Federal Income Tax - Non-Plant - Proposed Incremental	634		634		634	-	634		634	-	634		634		
R&D Tax Credit	(166)		(166)		(166)		(166)		(166)		(166)		(166)		
Total Federal Income Tax	\$ 2,367	\$ 1,758	\$ 4,124	\$ 233	\$ 4,358	\$ (326)	\$ 4,032	\$ 1,125	\$ 5,157	\$ (1,516)	\$ 3,641	\$ 1,913	\$ 5,554		

ORANGE AND ROCKLAND UTILITIES, INC.

Interest Expense - Gas
March 31, 2021 Update
For The Twelve Months Ended December 31, 2022, 2023 and 2024
(\$000's)

	RY1		RY2		RY3			
	Initially Filed		Preliminary					
Rate Base	\$	564,973	\$	574,449	\$	623,125	\$	668,607
Interest Bearing CWIP		13,450		10,935		11,417		7,346
Dividends Declared		(2,976)		(3,059)		(3,197)		(3,362)
Total		575,446		582,325		631,345		672,591
Interest Cost Factor (Debt + Customer Deposits)		2.29%		2.28%		2.26%		2.26%
Allowable Interest Deduction	\$	13,178	\$	13,277	\$	14,268	\$	15,201

ORANGE AND ROCKLAND UTILITIES, INC.

General Inflation Factors
March 31, 2021 Update
GDP Deflator 2012=100
Forecast Prepared February 2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Forecast			
											2021	2022	2023	2024
Mar. 31	97.28	99.32	101.14	102.94	104.03	104.87	107.01	109.24	111.42	113.42	115.00	117.20	119.45	121.74
Jun. 30	97.92	99.71	101.43	103.51	104.60	105.59	107.34	110.18	112.14	112.82	115.60	117.80	120.06	122.37
Sep. 30	98.55	100.23	101.92	103.96	104.93	105.95	107.87	110.61	112.53	113.84	116.20	118.40	120.67	122.99
Dec. 31	98.70	100.74	102.52	104.12	104.94	106.47	108.60	111.14	112.95	114.37	116.70	119.00	121.29	123.61
Average	98.1	100.0	101.8	103.6	104.6	105.7	107.7	110.3	112.3	113.6	115.9	118.1	120.4	122.7
Annual Average														
Year-over-														
year % change		1.9%	1.8%	1.8%	1.0%	1.0%	1.9%	2.4%	1.8%	1.2%	2.0%	1.9%	1.9%	1.9%

Average 12 months Ended September 30, 2020	(Test Year)	113.3
Average 12 months Ending December 31, 2022	(Forecast)	118.1
Average 12 months Ending December 31, 2023	(Forecast)	120.4
Average 12 months Ending December 31, 2024	(Forecast)	122.7

Escalation rate for the 12 Months Ended 9/30/2020 to the 12 Months Ending 12/31/22 - Rate Year 1	1.0428 4.28%
Rate Year 2 (increase over Rate Year 1)	1.0192 1.92%
Rate Year 3 (increase over Rate Year 2)	1.0192 1.92%

Notes: Actual GDP Deflator from BEA.

Quarterly Forecasts for 2020 through 2021 from Blue Chip dated Feb 2021.

Annual Forecasts for 2022 on are from 2021 Forecast in Blue Chip dated Feb 2021.

The quarterly values for 2022 on are extrapolated by applying the year-over-year rate to the prior year's corresponding quarter.

ORANGE AND ROCKLAND UTILITIES, INC.
Labor-Related Program Changes
Proposed New Employees - Gas

	Responsible Panel	Number of Positions	Proposed Hire Date	Annual Salary Per person	O&R Gas O&M Exp
<u>Rate Year 1</u>					
<u>Monthly Positions</u>					
Gas Engineer - PSMS and Integrity Management	Gas Infrastructure and Operations	1	Jan-22	\$150,000	\$150,000
Contract Administration Group Specialist	Gas Infrastructure and Operations	1	Jan-22	\$80,000	\$16,000
Billing Oversight and Implementation	Customer Service	2	Jan-22	\$120,000	\$66,024
Cybersecurity	Information Technology	1	Jan-22	\$122,676	\$33,748
Digital Factory	Information Technology	1	Jan-22	\$110,000	\$30,261
Emergency Preparedness Support Services	Accounting	1	Jan-22	\$150,000	\$150,000
	Rate Year 1 Total	7			\$446,033
<u>Rate Year 2</u>					
<u>Monthly Positions</u>					
Gas Engineer - Technology Support	Gas Infrastructure and Operations	1	Jan-23	\$125,000	\$125,000
Data Analytics Positions	Customer Service Panel	2	Jan-23	120,000	\$66,024
Digital Factory	Information Technology	1	Jan-23	110,000	\$30,261
	Rate Year 2 Total	4			\$221,285
<u>Rate Year 3</u>					
<u>Monthly Positions</u>					
Night Shift Gas Operations Supervisor	Gas Infrastructure and Operations	1	Jan-24	\$110,000	\$110,000
Gas Control - Trainer/Compliance	Gas Infrastructure and Operations	1	Jan-24	\$125,000	\$125,000
Journey Mapping Position	Customer Service	1	Jan-24	\$120,000	\$33,012
Data Analytics Positions	Customer Service	1	Jan-24	\$120,000	\$33,012
	Rate Year 3 Total	4			\$301,024
	Total Proposed Positions	15			\$968,342

ORANGE AND ROCKLAND UTILITIES, INC.

INDEX OF SCHEDULES

Gas and Common Plant Forecast

<u>SCHEDULE</u>	<u>TITLE OF SCHEDULE</u>	<u>WITNESS</u>
1	Gas Capital Expenditures by Project O&R Forecast October 2022 to December 2024	Accounting Panel
2	Gas Plant Additions by Project O&R Forecast October 2022 to December 2024	"
3	Common Capital Expenditures by Project O&R Forecast October 2022 to December 2024	"
4	Common Plant Additions by Project O&R Forecast October 2022 to December 2024	"

Orange and Rockland Utilities, Inc.
Gas Rate Case
Gas Capital Expenditures by Project
O&R Forecast January 2021 to December 2024

<u>Project Description</u>	<u>In Service Date</u>	<u>Jan-21 to Dec-21</u>	<u>Rate Year 1</u> <u>Jan-22 to Dec-22</u>	<u>Rate Year 2</u> <u>Jan-23 to Dec-23</u>	<u>Rate Year 3</u> <u>Jan-24 to Dec-24</u>
<u>Gas Capital Expenditures:</u>					
Blankets	Various	\$ 48,036.2	\$ 64,209.9	\$ 63,329.7	\$ 63,173.9
All Other Projects					
Pipeline Integrity Gate Station Upgrades	Jun 2020	250.0	500.0	750.0	750.0
Tuxedo Farms Development	Jun 2020	50.0	50.0	-	-
Gas Transaction System Replacement Upgrade	Sep 2021	139.3	-	-	-
Middletown ROV Various	Feb 2022	500.0	200.0	-	-
Upgrade Heater at Buena Vista Gate Station	Mar 2022	120.0	50.0	-	-
Monroe Regulator Station Upgrade	May 2022	269.9	100.0	-	-
ORU Gas Mobile Dispatch Replacement (Software)	Jun 2022	1,676.6	1,300.0	-	-
Upgrade Dassori Rd Regulator Station	Oct 2022	117.9	100.1	-	-
Upgrade Filter Separator at Sloatsburg Gate Station	Oct 2022	-	218.1	-	-
Upgrade Crooked Hill Reg Station	Aug 2023	253.0	402.5	200.0	-
Upgrade South Mountain Rd Reg Station	Sep 2023	-	-	100.2	-
Monroe/Kiryas Joel	Dec 2023	-	1,169.7	1,169.9	-
MR BS Orangeburg Upgrade	Dec 2023	-	200.1	450.1	-
MU Congers Road New City	Dec 2023	-	250.0	449.9	-
Install New CP Rectifier at Eckerson Lane	May 2024	-	-	-	100.0
Upgrade Middletown Plant Yard Reg Station	Sep 2024	-	-	-	400.0
Gas Control SCADA Upgrade and Display Upgrade	Dec 2024	-	-	-	1,000.3
Gas OMS	Dec 2024	-	1,000.0	1,000.1	1,000.1
Warwick District Reg Station Upgrade	Dec 2024	-	-	-	397.9
Vayoel Moshe Gardens Development	Dec 2025	675.0	675.0	675.0	675.0
		4,051.7	6,215.5	4,795.2	4,323.3
Total Gas Capital Expenditures		\$ 52,087.9	\$ 70,425.4	\$ 68,124.9	\$ 67,497.2

Orange and Rockland Utilities, Inc.
Gas Rate Case
Gas Plant Additions by Project
O&R Forecast January 2021 to December 2024

<u>Project Description</u>	<u>In Service Date</u>	<u>Jan-21 to Dec-21</u>	<u>Rate Year 1 Jan-22 to Dec-22</u>	<u>Rate Year 2 Jan-23 to Dec-23</u>	<u>Rate Year 3 Jan-24 to Dec-24</u>
<u>Gas Plant Additions:</u>					
Blankets	Various	\$ 48,036.2	\$ 64,370.3	\$ 63,329.7	\$ 63,173.8
All Other Projects					
Pipeline Integrity Gate Station Upgrades	Jun 2020	250.0	500.0	750.0	750.0
Tuxedo Farms Development	Jun 2020	50.0	50.0	-	-
Gas Transaction System Replacement Upgrade	Sep 2021	603.5	-	-	-
Middletown ROV Various	Feb 2022	-	700.0	-	-
Upgrade Heater at Buena Vista Gate Station	Mar 2022	-	306.2	-	-
Monroe Regulator Station Upgrade	May 2022	-	391.7	-	-
ORU Gas Mobile Dispatch Replacement (Software)	Jun 2022	-	3,883.1	-	-
Upgrade Dassori Rd Regulator Station	Oct 2022	-	218.1	-	-
Upgrade Filter Separator at Sloatsburg Gate Station	Oct 2022	-	218.1	-	-
Upgrade Crooked Hill Reg Station	Aug 2023	-	-	856.9	-
Upgrade South Mountain Rd Reg Station	Sep 2023	-	-	365.0	-
Monroe/Kiryas Joel	Dec 2023	-	-	2,339.6	-
MR BS Orangeburg Upgrade	Dec 2023	-	-	650.2	-
MU Congers Road New City	Dec 2023	-	-	892.4	-
Install New CP Rectifier at Eckerson Lane	May 2024	-	-	-	100.0
Upgrade Middletown Plant Yard Reg Station	Sep 2024	-	-	-	765.9
Gas Control SCADA Upgrade and Display Upgrade	Dec 2024	-	-	-	1,000.3
Gas OMS	Dec 2024	-	-	-	3,000.2
Warwick District Reg Station Upgrade	Dec 2024	-	-	-	397.9
		903.5	6,267.2	5,854.1	6,014.3
Total Gas Plant Additions		\$ 48,939.7	\$ 70,637.5	\$ 69,183.8	\$ 69,188.1

Orange and Rockland Utilities, Inc.
Electric Rate Case
Common Capital Expenditures by Project
O&R Forecast January 2021 to December 2024
(\$000s)

<u>Project Description</u>	<u>In Service Date</u>	<u>Jan-21 to Dec-21</u>	<u>Rate Year 1 Jan-22 to Dec-22</u>	<u>Rate Year 2 Jan-23 to Dec-23</u>	<u>Rate Year 3 Jan-24 to Dec-24</u>
<u>Common Capital Expenditures:</u>					
Blankets	Various	\$ 10,260.7	\$ 14,865.3	\$ 13,946.9	\$ 13,418.5
Regular Projects Under \$500k	Various	1,180.5	1,124.1	785.3	300.0
Regular Projects Over \$500k					
AMI Program	Jan 2021	9,531.9	-	-	-
Willow Brook Dam Enhancements	Sep 2021	5,000.8	-	-	-
Communications HUB Sites - Highland Falls	Dec 2021	539.4	-	-	-
Blooming Grove Building Maintenance System	Apr 2022	263.9	251.5	-	-
Spring Valley Fuel Station Canopy	Sep 2022	-	647.8	-	-
AMI ORU/CECONY Synch Work	Dec 2022	1,000.0	892.1	-	-
Enterprise Scheduling System	Dec 2022	300.0	200.0	-	-
Port Jervis Exterior and Window Replacement	Apr 2023	-	449.0	247.9	-
Project Management Software	May 2023	115.3	225.6	150.4	-
Customer Information System	Jul 2023	7,800.0	10,110.7	4,926.2	-
Real Estate Space Optimization	Sep 2023	796.4	2,986.9	2,975.7	-
Budget System Software Enhancements	Dec 2023	62.2	75.5	75.5	-
Oracle HCM Cloud Implementation	Dec 2023	1,850.0	1,822.4	1,532.0	-
Oracle EBS Cloud Migration	Sep 2024	-	403.0	3,607.0	-
O365 E5 Renewal	Oct 2024	-	-	-	1,863.1
Artificial Intelligence	Dec 2024	-	-	-	500.0
CRM System	Dec 2024	-	1,000.0	1,000.0	2,979.4
Main Frame Elimination	Dec 2024	513.4	532.8	1,114.8	776.3
Oracle Analytical Systems Platform	Dec 2024	-	500.0	1,000.0	500.0
CC&B Enhancements	Dec 2025	-	-	-	500.0
REV Settlement and Regulatory Requirements	Dec 2025	1,250.0	1,250.0	1,000.0	500.0
WMS Replacement Project	Dec 2027	-	-	-	10,000.3
		29,023.3	21,347.3	17,629.5	17,842.1
Total Common Capital Expenditures		\$ 40,464.5	\$ 37,336.7	\$ 32,361.7	\$ 31,560.6

Orange and Rockland Utilities, Inc.
Electric Rate Case
Common Plant Additions by Project
O&R Forecast January 2021 to December 2024
(\$000s)

<u>Project Description</u>	<u>In Service Date</u>	<u>Jan-21 to Dec-21</u>	<u>Rate Year 1 Jan-22 to Dec-22</u>	<u>Rate Year 2 Jan-23 to Dec-23</u>	<u>Rate Year 3 Jan-24 to Dec-24</u>
<u>Common Plant Additions:</u>					
Blankets	Various	\$ 10,423.7	\$ 15,016.1	\$ 14,097.7	\$ 13,581.5
Regular Projects Under \$500k	Various	1,454.9	1,515.7	849.0	-
Regular Projects Over \$500k					
AMI Program	Jan 2021	9,531.9	-	-	-
Willow Brook Dam Enhancements	Sep 2021	5,554.6	-	-	-
Communications HUB Sites - Highland Falls	Dec 2021	539.4	-	-	-
Blooming Grove Building Maintenance System	Apr 2022	-	728.0	-	-
Spring Valley Fuel Station Canopy	Sep 2022	-	647.8	-	-
AMI ORU/CECONY Synch Work	Dec 2022	-	1,892.1	-	-
Enterprise Scheduling System	Dec 2022	-	500.0	-	-
Port Jervis Exterior and Window Replacement	Apr 2023	-	-	653.0	-
Project Management Software	May 2023	-	-	1,089.0	-
Customer Information System	Jul 2023	-	-	28,967.2	-
Real Estate Space Optimization	Sep 2023	-	-	6,456.3	-
Budget System Software Enhancements	Dec 2023	-	-	732.3	-
Oracle HCM Cloud Implementation	Dec 2023	-	-	5,488.0	-
Oracle EBS Cloud Migration	Sep 2024	-	-	-	4,430.2
O365 E5 Renewal	Oct 2024	-	-	-	1,863.1
Artificial Intelligence	Dec 2024	-	-	-	500.0
CRM System	Dec 2024	-	-	-	4,979.4
Main Frame Elimination	Dec 2024	-	-	-	2,937.3
Oracle Analytical Systems Platform	Dec 2024	-	-	-	2,000.0
		15,625.9	3,767.9	43,385.8	16,710.0
Total Common Plant Additions		\$ 27,504.5	\$ 20,299.7	\$ 58,332.5	\$ 30,291.5

ORANGE AND ROCKLAND UTILITIES, INC.

INDEX OF SCHEDULES

Cost of Capital

<u>EXHIBIT</u>	<u>TITLE OF SCHEDULE</u>	<u>WITNESS</u>
AP-5	Rate of Return Required / Capitalization	Y. Saegusa
	Schedule 1 - Rate of Return Required / Capitalization for December 31, 2022	
	Schedule 2 - Rate of Return Required / Capitalization for December 31, 2023	
	Schedule 3 - Rate of Return Required / Capitalization for December 31, 2024	
	Schedule 4 - Cost of Long-term Debt at December 31,2022	
	Schedule 5 - Cost of Long-term Debt at December 31,2023	
	Schedule 6 - Cost of Long-term Debt at December 31,2024	

ORANGE AND ROCKLAND UTILITIES, INC. & SUBSIDIARIES
 RATE OF RETURN REQUIRED FOR THE RATE YEAR
 Thirteen Month Average Ending December 31, 2022

	Forecasted 13 Month Average December 31, 2022	Ratio	Adjusted % (Capped at 50% Common Equity)	Cost Rate	Weighted Cost
Long-Term Debt					
ORU	1,008,333,333				
RECO	0				
Total	<u>1,008,333,333</u>	52.21%	49.34%	4.60%	2.27%
Customer Deposits					
ORU	10,555,021				
RECO	<u>2,926,378</u>				
Total	<u>13,481,399</u>	0.70%	0.66%	1.26%	0.01%
Common Equity					
Par	5,000				
Premium	478,684,333				
Expense	(196,000)				
Retained Earnings	<u>431,142,608</u>				
Total	<u>909,635,941</u>	47.10%	50.00%	9.50%	4.75%
Total Capitalization	<u><u>1,931,450,674</u></u>	100.00%	100.00%		<u><u>7.03%</u></u>

ORANGE AND ROCKLAND UTILITIES, INC. & SUBSIDIARIES
 RATE OF RETURN REQUIRED FOR THE RATE YEAR
 Thirteen Month Average Ending December 31, 2023

	Forecasted 13 Month Average December 31, 2023	Ratio	Adjusted % (Capped at 50% Common Equity)	Cost Rate	Weighted Cost
Long-Term Debt					
ORU	1,091,666,667				
RECO	<u>0</u>				
Total	<u>1,091,666,667</u>	52.04%	49.39%	4.55%	2.25%
Customer Deposits					
ORU	10,555,021				
RECO	<u>2,926,378</u>				
Total	<u>13,481,399</u>	0.64%	0.61%	1.26%	0.01%
Common Equity					
Par	5,000				
Premium	528,684,333				
Expense	(196,000)				
Retained Earnings	<u>464,172,491</u>				
Total	<u>992,665,824</u>	47.32%	50.00%	9.50%	4.75%
Total Capitalization	<u><u>2,097,813,890</u></u>	<u>100.00%</u>	<u>100.00%</u>		<u><u>7.01%</u></u>

ORANGE AND ROCKLAND UTILITIES, INC. & SUBSIDIARIES
RATE OF RETURN REQUIRED FOR THE RATE YEAR
Thirteen Month Average Ending December 31, 2024

	Forecasted 13 Month Average December 31, 2024	Ratio	Adjusted % (Capped at 50% Common Equity)	Cost Rate	Weighted Cost
Long-Term Debt					
ORU	1,141,666,667				
RECO	0				
Total	<u>1,141,666,667</u>	51.53%	49.42%	4.54%	2.25%
Customer Deposits					
ORU	10,555,021				
RECO	<u>2,926,378</u>				
Total	<u>13,481,399</u>	0.61%	0.58%	1.26%	0.01%
Common Equity					
Par	5,000				
Premium	558,892,667				
Expense	(196,000)				
Retained Earnings	<u>501,848,975</u>				
Total	<u>1,060,550,641</u>	47.87%	50.00%	9.50%	4.75%
Total Capitalization	<u><u>2,215,698,707</u></u>	100.00%	100.00%		<u><u>7.01%</u></u>

ORANGE AND ROCKLAND UTILITIES, INC. AND SUBSIDIARIES

Long-Term Debt

At December 31, 2022 (Forecast)

	Issue Date	Maturity Date	Amount Outstanding	Original Issue Amount	Premium or Discount	Expense of Issuance	Net Proceeds	Actual Cost of Money	Effective Annual Cost
<u>Orange and Rockland Utilities</u>									
Debentures:									
Series E/F 6.50% due 12/01/27	12/18/97	12/1/27	80,000,000	80,000,000	0	(905,000)	79,095,000	6.50%	5,200,000
Ser. B 2009, 6.00%, due 12/1/39	12/10/09	12/1/39	60,000,000	60,000,000	0	(616,117)	59,383,883	6.00%	3,600,000
Ser. B 2010, 5.50%, due 8/10/40	8/9/10	8/15/40	115,000,000	115,000,000	(218,500)	(1,156,872)	113,624,628	5.50%	6,325,000
Ser. A 2015, 4.95%, due 7/1/45	6/18/15	7/1/45	120,000,000	120,000,000	(727,200)	(1,440,515)	117,832,285	4.95%	5,940,000
Ser. B 2015, 4.69%, due 12/1/45	12/7/15	12/1/45	100,000,000	100,000,000	0	(1,126,771)	98,873,229	4.69%	4,690,000
Ser. A 2016, 3.88%, due 12/1/46	12/14/16	12/1/46	75,000,000	75,000,000	0	(593,412)	74,406,588	3.88%	2,910,000
Ser. A 2018, 4.35%, due 9/1/48	8/28/18	9/1/48	125,000,000	125,000,000	0	(716,055)	124,283,945	4.35%	5,437,500
Ser. B 2018, 4.35%, due 9/1/48	12/20/18	9/1/48	25,000,000	25,000,000	0	(151,075)	24,848,925	4.35%	1,087,500
Ser. A 2019, 3.73%, due 12/1/49	11/21/19	12/1/49	43,000,000	43,000,000	0	(312,301)	42,687,699	3.73%	1,603,900
Ser. B 2019, 2.94%, due 12/1/29	12/19/19	12/1/29	44,000,000	44,000,000	0	(317,391)	43,682,609	2.94%	1,293,600
Ser. C 2019, 3.46%, due 12/1/39	12/19/19	12/1/39	38,000,000	38,000,000	0	(279,028)	37,720,972	3.46%	1,314,800
Ser. A 2020, 2.02%, due 10/1/30	9/30/20	10/1/30	35,000,000	35,000,000	0	(267,411)	34,732,589	2.02%	707,000
Ser. B 2020, 3.24%, due 10/1/50	9/30/20	10/1/50	40,000,000	40,000,000	0	(299,911)	39,700,089	3.24%	1,296,000
Ser. A 2021, 3.65%, due 9/1/51	9/1/21	9/1/51	75,000,000	75,000,000	0	(771,250)	74,228,750	3.65%	2,737,500
Ser. A 2022, 3.85%, due 9/1/52	9/1/22	9/1/52	33,333,333	100,000,000	0	(990,000)	99,010,000	3.85%	1,283,333
Sub Total ORU Debt			<u>1,008,333,333</u>					<u>4.51%</u>	<u>45,426,133</u>
Unamortized Discount			(673,083)						31,523
Unamortized Debt Expenses			(7,273,140)						353,074
Unamortized Loss on Required Debt			(1,081,695)						175,416
Total ORU			<u>999,305,416</u>					<u>4.60%</u>	<u>45,986,147</u>
Total Consolidated			<u>\$ 999,305,416</u>					<u>4.60%</u>	<u>\$ 45,986,147</u>

ORANGE AND ROCKLAND UTILITIES, INC. AND SUBSIDIARIES

Long-Term Debt

At December 31, 2023 (Forecast)

	Issue Date	Maturity Date	Amount Outstanding	Original Issue Amount	Premium or Discount	Expense of Issuance	Net Proceeds	Actual Cost of Money	Effective Annual Cost
<u>Orange and Rockland Utilities</u>									
Debentures:									
Series E/F 6.50% due 12/01/27	12/18/97	12/1/27	80,000,000	80,000,000	0	(905,000)	79,095,000	6.50%	5,200,000
Ser. B 2009, 6.00%, due 12/1/39	12/10/09	12/1/39	60,000,000	60,000,000	0	(616,117)	59,383,883	6.00%	3,600,000
Ser. B 2010, 5.50%, due 8/10/40	8/9/10	8/15/40	115,000,000	115,000,000	(218,500)	(1,156,872)	113,624,628	5.50%	6,325,000
Ser. A 2015, 4.95%, due 7/1/45	6/18/15	7/1/45	120,000,000	120,000,000	(727,200)	(1,440,515)	117,832,285	4.95%	5,940,000
Ser. B 2015, 4.69%, due 12/1/45	12/7/15	12/1/45	100,000,000	100,000,000	0	(1,126,771)	98,873,229	4.69%	4,690,000
Ser. A 2016, 3.88%, due 12/1/46	12/14/16	12/1/46	75,000,000	75,000,000	0	(593,412)	74,406,588	3.88%	2,910,000
Ser. A 2018, 4.35%, due 9/1/48	8/28/18	9/1/48	125,000,000	125,000,000	0	(716,055)	124,283,945	4.35%	5,437,500
Ser. B 2018, 4.35%, due 9/1/48	12/20/18	9/1/48	25,000,000	25,000,000	0	(151,075)	24,848,925	4.35%	1,087,500
Ser. A 2019, 3.73%, due 12/1/49	11/21/19	12/1/49	43,000,000	43,000,000	0	(312,301)	42,687,699	3.73%	1,603,900
Ser. B 2019, 2.94%, due 12/1/29	12/19/19	12/1/29	44,000,000	44,000,000	0	(317,391)	43,682,609	2.94%	1,293,600
Ser. C 2019, 3.46%, due 12/1/39	12/19/19	12/1/39	38,000,000	38,000,000	0	(279,028)	37,720,972	3.46%	1,314,800
Ser. A 2020, 2.02%, due 10/1/30	9/30/20	10/1/30	35,000,000	35,000,000	0	(267,411)	34,732,589	2.02%	707,000
Ser. B 2020, 3.24%, due 10/1/50	9/30/20	10/1/50	40,000,000	40,000,000	0	(299,911)	39,700,089	3.24%	1,296,000
Ser. A 2021, 3.65%, due 9/1/51	9/1/21	9/1/51	75,000,000	75,000,000	0	(771,250)	74,228,750	3.65%	2,737,500
Ser. A 2022, 3.85%, due 9/1/52	9/1/22	9/1/52	100,000,000	100,000,000	0	(990,000)	99,010,000	3.85%	3,850,000
Ser. A 2023, 4.20%, due 9/1/53	9/1/23	9/1/53	16,666,667	50,000,000	0	(552,500)	49,447,500	4.20%	700,000
Sub Total ORU Debt			<u>1,091,666,667</u>					<u>4.46%</u>	<u>48,692,800</u>
Unamortized Discount			(641,559)						31,523
Unamortized Debt Expenses			(7,444,427)						381,213
Unamortized Loss on Reaquired Debt			(906,279)						175,416
Total ORU			<u>1,082,674,402</u>					<u>4.55%</u>	<u>49,280,952</u>
Total Consolidated			<u>\$ 1,082,674,402</u>					<u>4.55%</u>	<u>\$ 49,280,952</u>

ORANGE AND ROCKLAND UTILITIES, INC. AND SUBSIDIARIES

Long-Term Debt

At December 31, 2024 (Forecast)

	Issue Date	Maturity Date	Amount Outstanding	Original Issue Amount	Premium or Discount	Expense of Issuance	Net Proceeds	Actual Cost of Money	Effective Annual Cost
<u>Orange and Rockland Utilities</u>									
Debentures:									
Series E/F 6.50% due 12/01/27	12/18/97	12/1/27	80,000,000	80,000,000	0	(905,000)	79,095,000	6.50%	5,200,000
Ser. B 2009, 6.00%, due 12/1/39	12/10/09	12/1/39	60,000,000	60,000,000	0	(616,117)	59,383,883	6.00%	3,600,000
Ser. B 2010, 5.50%, due 8/10/40	8/9/10	8/15/40	115,000,000	115,000,000	(218,500)	(1,156,872)	113,624,628	5.50%	6,325,000
Ser. A 2015, 4.95%, due 7/1/45	6/18/15	7/1/45	120,000,000	120,000,000	(727,200)	(1,440,515)	117,832,285	4.95%	5,940,000
Ser. B 2015, 4.69%, due 12/1/45	12/7/15	12/1/45	100,000,000	100,000,000	0	(1,126,771)	98,873,229	4.69%	4,690,000
Ser. A 2016, 3.88%, due 12/1/46	12/14/16	12/1/46	75,000,000	75,000,000	0	(593,412)	74,406,588	3.88%	2,910,000
Ser. A 2018, 4.35%, due 9/1/48	8/28/18	9/1/48	125,000,000	125,000,000	0	(716,055)	124,283,945	4.35%	5,437,500
Ser. B 2018, 4.35%, due 9/1/48	12/20/18	9/1/48	25,000,000	25,000,000	0	(151,075)	24,848,925	4.35%	1,087,500
Ser. A 2019, 3.73%, due 12/1/49	11/21/19	12/1/49	43,000,000	43,000,000	0	(312,301)	42,687,699	3.73%	1,603,900
Ser. B 2019, 2.94%, due 12/1/29	12/19/19	12/1/29	44,000,000	44,000,000	0	(317,391)	43,682,609	2.94%	1,293,600
Ser. C 2019, 3.46%, due 12/1/39	12/19/19	12/1/39	38,000,000	38,000,000	0	(279,028)	37,720,972	3.46%	1,314,800
Ser. A 2020, 2.02%, due 10/1/30	9/30/20	10/1/30	35,000,000	35,000,000	0	(267,411)	34,732,589	2.02%	707,000
Ser. B 2020, 3.24%, due 10/1/50	9/30/20	10/1/50	40,000,000	40,000,000	0	(299,911)	39,700,089	3.24%	1,296,000
Ser. A 2021, 3.65%, due 9/1/51	9/1/21	9/1/51	75,000,000	75,000,000	0	(771,250)	74,228,750	3.65%	2,737,500
Ser. A 2022, 3.85%, due 9/1/52	9/1/22	9/1/52	100,000,000	100,000,000	0	(990,000)	99,010,000	3.85%	3,850,000
Ser. A 2023, 4.20%, due 9/1/53	9/1/23	9/1/53	50,000,000	50,000,000	0	(552,500)	49,447,500	4.20%	2,100,000
Ser. A 2024, 4.60%, due 9/1/54	9/1/24	9/1/54	16,666,667	50,000,000	0	(552,500)	49,447,500	4.60%	766,667
Sub Total ORU Debt			<u>1,141,666,667</u>					<u>4.45%</u>	<u>50,859,467</u>
Unamortized Discount			(610,036)						31,523
Unamortized Debt Expenses			(7,597,297)						399,630
Unamortized Loss on Reaquired Debt			(730,863)						175,416
Total ORU			<u>1,132,728,471</u>					<u>4.54%</u>	<u>51,466,036</u>
Total Consolidated			<u>\$ 1,132,728,471</u>					<u>4.54%</u>	<u>\$ 51,466,036</u>

List of IR Responses for O&R Update filing

- DPS-4-267
- DPS-9-329
- DPS-12-359
- DPS-12-356
- DPS-13-381
- DPS-14-411
- DPS-14-400
- DPS-14-405
- DPS-18-435
- DPS-18-460
- DPS-18-457
- DPS-19-466
- DPS-18-457

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-4
Date of Response: 2/26/2021
Responding Witness: Accounting Panel

Question No. : 267

Subject: O&M Expense: Injuries & Damages / Workers Comp

Referring to the attached Company’s Excel workpapers “Injuries Damages Workers Compensation”:

1. The “Program Changes” Tab shows that the RY1 program changes total (\$613,046) and (\$335,140) for electric and gas, respectively. These amounts are supported by the amounts included in Column F “Total Projects FY22 Year Total” of Tab “Projections from O&R”. Provide all workpapers, supporting documentation and a detailed explanation supporting each of the highlighted amounts included in Column F “Total Projects FY22 Year Total” of Tab “Projections from O&R”.
2. For the Historic Test Year, provide a breakdown of the actual electric and gas expenses by the actual assessments paid to the New York State Workers’ Compensation Board, the amount accrued to the workers’ compensation reserve, actual claims paid out of the workers’ compensation reserve, and any applicable adjustments made during the period.

Response

1. The table below identifies the applicable attachments that include the workpapers for the highlighted amounts referred to in the question.

	Total Projects	
	FY22	
	YearTotal	
AC545524 - Reserve Liability - Public Claims	171,172.08	Attachment A
AC545525 - Workers' Compensation - Capitalized	(388,623.93)	Attachment B
AC545517 - Injuries & Damages - Workers Comp Claims Paid	1,002,420.00	Attachment C
AC545518 - Injuries & Damages - Workers Comp Recoveries	(612,590.00)	Attachment C
AC545520 - Injuries & Damages - Workers Comp Admin	77,966.00	Attachment D
AC545521 - Injuries & Damages - Assessment Fee	128,087.00	Attachment E
AC545524 - Reserve Liability - Public Claims	52,027.92	Attachment A
AC545525 - Workers' Compensation - Capitalized	(191,974.22)	Attachment B
AC545517 - Injuries & Damages - Workers Comp Claims Paid	495,180.00	Attachment C
AC545518 - Injuries & Damages - Workers Comp Recoveries	(302,610.00)	Attachment C
AC545520 - Injuries & Damages - Workers Comp Admin	38,514.00	Attachment D
AC545521 - Injuries & Damages - Assessment Fee	63,273.00	Attachment E

For the *reserve liability* budget, the Company used a five-year average of claims (normalizing out any large, one-time payout exclusions) to calculate the budget amount. During this review, the Company realized that it had inadvertently applied the E0 split to the total O&R budget instead of the C0 split. The Company will make a correcting adjustment in the Preliminary Update.

For the *workers' compensation capitalized* budget, the Company applied the 2022 workers' compensation fringe rate to the 2022 capital labor base budget. The Company then applied the A0 split to this total to determine the split between companies (*i.e.*, O&R and RECO) and service (*i.e.*, electric and gas).

For the *workers' comp claims paid* budget, the Company annualized the June 2020 YTD claims paid. After comparing this annualized amount for consistency/reasonableness with historic years, the Company applied the A0 split.

For the *workers' comp recoveries* budget, the Company averaged the 2017 through 2020 forecasted annual recoveries. After comparing this annualized amount for consistency/reasonableness with historic years, the Company applied the A0 split.

For the *workers' comp admin fees*, the Company analyzed the historic actuals since 2017 and developed the 2022 budget by applying an annual increase of approximately 2.5% to the amounts from 2021. As shown in DPS-4-267, Attachment 4, this increase is consistent with the actual year over year increase in fees since 2017. The Company then applied the A0 split.

For the *workers' comp assessment fee* budget, the Company averaged the 2017 through 2020 forecasted annual assessments were averaged and then applied the A0 split.

2. See below for a summary of the actual electric and gas expenses by the actual assessments paid to the New York State Workers' Compensation Board during the historic test year. Note that a portion of the total assessments are allocated to RECO using the A0 split.

Type	Total Assessment	O&R Electric	O&R Gas
Single Assessment	\$ 185,292.73	\$ 103,044.62	\$ 50,904.08
50-5 Assessment	22,331.48	12,436.40	6,143.39
	\$ 207,624.21	\$ 115,481.02	\$ 57,047.47

Below is a summary of the amounts accrued to the workers' compensation reserve, actual claims paid out of the workers' compensation reserve, and the net adjustments made to the reserve during the historic test year, for electric and gas.

	Electric	Gas
Reserve Accruals	1,001,551.65	494,760.81
Actual Claims Paid	1,368,534.79	676,190.73
Net Reserve Adjustments	444,920.95	219,834.70

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-9
Date of Response: 3/5/2021
Responding Witness: Depreciation Panel

Question No. : 329

Subject: Depreciation

1. Provide Excel versions of Exhibits DP-E2, DP-G2, DP-E3 and DP-G3 with full access rights and all formulas intact.
2. Referring to Exhibit__DP-E2, the existing depreciation annual accrual for common account 392.10 Passenger Cars is \$288,804. However, the annual accrual is given as \$288,688 in Exhibit__DP-G2. Clarify the correct amount, and if both Exhibits are correct, explain the discrepancy.
3. Clarify if gas account 397.50 Communication Equipment – NG Detector is deliberately not included in Exhibit__DP-G3. If yes, explain why. If not, provide the theoretical reserve under both existing and proposed depreciation rates for gas account 397.50.
4. The Direct Testimony of the Depreciation Panel states on page 10 that “the Company is proposing to decrease the service lives for the longer-lived gas accounts by five years”. Identify exactly which gas accounts are proposed to have the five-year reduction in service life. Additionally, provide the annual accrual and theoretical reserve for each account identified that would not be identical to existing rates without the five-year reduction, i.e. for all accounts identified for which the Company is proposing changes other than the five-year reduction.
5. The Direct Testimony of the Depreciation Panel states on page 11 that “the Company also proposes to match the service lives of existing pipe to be replaced under its pipe replacement program ... to the duration of the program.” Identify exactly which gas accounts are included in the proposal.

Response

1. Please see the attached for Excel version of DP-E2, DP-G2, DP-E3 and DP-G3.
2. The discrepancy is due to rounding in the calculation of depreciation. No change in the depreciation rate is proposed for Account 392.10, and so the \$288,688 amount that is equal to the proposed accrual is most accurate.
3. This account was deliberately excluded from Exhibit__DP-G3. There is currently no original cost balance for the account and, as a result, both the book reserve and theoretical reserve are zero.

4. The Accounts for which shorter service lives are recommended for the reasons discussed on pages 10 through 11 and 28 through 30 of the Depreciation Panel's testimony are Accounts 367.00, 367.10, 375.00, 376.00, 376.10, 380.00, 380.10, 382.00, 382.40 and 384.00. Please see "DPS-9-329-Attachment 1" for the requested information for each of these accounts.
5. The investment included in this proposal is a portion of the assets in Accounts 367, 376 and 380. Please refer to Table 1 of the Depreciation Study, on page 56 of Exhibit__DP-G1, for the amounts and accounts included in this proposal.

The Company also notes that, while preparing this response, we discovered that the filed version of Exhibit DP-E4 inadvertently removed heading information from the document. A corrected version with the header information replaced is being provided here and will be included in the Company's Corrections/Update testimony.

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-12
Date of Response: 3/15/2021
Responding Witness: Accounting Panel

Question No. : 359

Subject: Competitive Unbundling – Customer Information

Refer to Appendix 3, page 1 of 12, of the Joint Proposal in Cases 18-E-0067 and 18-G-0068 which shows, for electric, a total Regulatory Asset for Competitive Unbundling – Customer Information of \$15,000 to be amortized over the three-year rate plan for an annual credit to customers of \$5,000.

1. Row 252 of tab “GL Account Balance – Sep 2020” of Company work papers “ORU Amortization of Electric and Gas Regulatory Deferrals” (Deferral Work Papers) shows that the regulatory asset balance totaling \$15,202.16 was classified as “Common”. Explain why the Company classified this balance as “Common” rather than “Electric”.
2. Under the rate plan approved in Case 18-E-0067, the regulatory asset balance for Competitive Unbundling – Customer Information of \$15,000 should be fully amortized by December 31, 2021, and should not reflect a projected regulatory liability balance of (\$15,000) as shown on row 10 of tab “Elec 2022” of the Company’s Deferral Work Papers. Explain why there is such change and provide all supporting work papers and documentation.

Response

This item was included in the filing in error. We will remove it in the Update and Corrections filing.

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-12
Date of Response: 3/18/2021
Responding Witness: Accounting Panel

Question No. : 356

Subject: Pole Attachment and Parity Billings – Other Revenues

Pages 35 through 36 of the Company’s Accounting Panel testimony discusses the Pole Attachment and Parity Billings line item which was forecasted based on a 1% increase in pole attachment and parity billings from the historic period and any new known contract increases.

1. Provide the basis, supporting documentation and supporting calculations for the 1% increase. Specifically identify where and how the 1% increase was reflected in tab “Pole Attachment from O&R” of the Company’s work papers “Exhibit AP-E3, Schedule 5, Other Operating Revenues”.
2. Provide documentation, such as contracts, supporting the “new known contract increases” reflected in the Company’s forecast. Specifically identify where and how these increases were reflected in tab “Pole Attachment from O&R” of the Company’s work papers “Exhibit AP-E3, Schedule 5, Other Operating Revenues”.
3. Refer to Tab “Rate Year Forecasts” of Company work papers “Exhibit AP-E3, Schedule 5, Other Operating Revenues”. Row 20 shows historical “Other rents” including Pole Attachment and Parity Billings of (\$2,597,975), (\$988,652), (\$2,374,477), and (\$2,986,971) for the 12-months ending September 31, 2017, 2018, 2019, and 2020, respectively.
 - a. Other rents for the 12-months ending September 31, 2018 of (\$988,652) were approximately 62% and 58% lower than the 12-months ending September 31, 2017 and 2019, respectively. Explain in detail the reasoning for the low level of other rents for the 12-months ending September 31, 2018. In its explanation, the Company should differentiate between the variance and reasons behind those variances related to Pole Attachment and Parity Billings versus other rents.
 - b. Provide a breakdown of “Other rents” for the 12-months ending September 31, 2017, 2018 and 2019 by NY Pole Attachments, NY Parity Billing, NJ Pole Attachments, NJ Parity Billing and Other Rents.
4. The Company’s rate year forecast for Pole Attachment and Parity Billings totals \$3,097,416. Tab “Pole Attachment from O&R” shows that the total forecast is made up of \$2,600,318 for NY Sub-Total and \$497,098 for NJ Sub-Total. Explain why it is appropriate to include the NJ pole attachment and parity billings in the RY forecast.
5. Page 4 of Appendix 1 of the Commission approved Joint Proposal in Cases 18-E-0067 and 18-G-0068 shows a RY2 Pole Attachment and Parity Billings Revenue of \$1,847,000 for electric. The HTY revenues in the current case, in comparison, are \$2,895,009 or 57% more.

Provide a detailed explanation for the variance between the actual expenses incurred and the RY2 forecasts. Include in your response a list of events or activities that caused the variance, the reason for each event or activity, and the amount of the variance caused by each event or activity.

Response

- 1) See tab “Forecast” in “DPS-12-356 Attachment 1.” The forecast of 1 percent annual increase is reflected in parity billing, the pole attachment billing increase is forecasted to be a 2% increase per year. These percentages were used historically for prior rate cases and budget.
- 2) There are no new known contracts at the time of the filing.
- 3)
 - a) There was a one-time adjustment made in November 2017 for OWIP reconciliation in the amount of \$1.3 million that decreased the revenue for the 12 months ended September 2018. See tab “One time adjustment” in “DPS-12-356 Attachment 1.”
 - b) See tab “Summary” in “DPS-12-356 Attachment 1” for the total other rents for the 12-months ended September 31, 2017, 2018, 2019, and 2020. Tab “Actuals” shows the breakdown of the revenues for NY pole attachments and parity billing.
- 4) The Company inadvertently included pole attachment and parity billings received for New Jersey in its HTY of 12 months ended September 2020, as well as its forecasts from RY1 to RY3. To exclude these New Jersey rents, the Company will make the following adjustments in its Update filing (in Exhibit AP-E3, Schedule 5 for a net increase of \$13,000, \$9,000, and \$3,000 for RY1, RY2, and RY3, respectively). See “DPS-12-356 Attachment 1” and its supporting tabs for the calculation.
 - Line 14, Pole Attachment and Parity Billing will be decreased by \$497,000 in RY1, and increased by \$9,000 and \$3,000 for RY2 and RY3, respectively.
 - Line 15, Other Rents will be increased by \$510,000 in RY1.
- 5) As stated in our response to part 4 above, the company inadvertently included pole attachment and parity billings received for New Jersey, which resulted in an overstatement of the HTY level. The correct HTY level for such revenues is \$2.3 million. The increase from the period of 12 months ended September 2019 to 2020 was due primarily to the rate used to determine the annual pole attachment charge being raised per PSC order effective 11/29/2019 to \$20.03 per attachment. The prior rate of \$17.47 was in effect since February 1, 2010.

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-13
Date of Response: 3/12/2021
Responding Witness: Accounting Panel

Question No. : 381

Subject: Reconnect Fees – Other Revenues

Page 33 of the Accounting Panel’s initial testimony states that Reconnect Fees were forecasted using a three-year average from October 2016 to September 2019 because the HTY did not reflect a normal level due to the impact of COVID-19.

1. For both gas and electric, provide the monthly reconnect fee revenues for the period October 1, 2020 to date.
2. Explain how the reconnect fees charged to customers are calculated by the Company. Provide all supporting documentation.
3. Provide the Company’s policies and accounting procedures on customer reconnections and reconnection fees applicable before and during COVID-19.
4. Quantify the amount of lost revenue associated with Reconnect Fees due to the impact of COVID-19.
5. Refer to tab “Rate Year Forecast” of Company workpapers “Exhibit AP-E3, Schedule 5, Other Operating Revenues” which shows electric reconnect fee revenues of (\$157,647), (\$116,532), (\$150,764) and (\$51,294) for the 12-months ended September 31, 2017, 2018, 2019, and 2020, respectively.

Electric reconnect fee revenues for the 12-months ended September 31, 2018 of (\$116,532) were approximately 26% and 23% lower than the 12-months ended September 31, 2017 and 2019, respectively. Explain the reason for the low level of reconnect fees for the 12-months ending September 31, 2018.

6. Refer to tab “Rate Year Forecast” of Company workpapers “Exhibit AP-G3, Schedule 5, Other Operating Revenues.”
 - a. The Company’s workpapers show gas reconnect fee revenues of (\$15,819), (\$10,259), (\$8,949) and (\$2,213) for the 12-months ended September 31, 2017, 2018, 2019, and 2020, respectively. Explain the reason for the decreasing trend in gas reconnect fees from the 12-months ended September 31, 2017 through the 12-months ended September 31, 2019. Does the Company expect the trend will continue into the Rate Year? Explain why or why not.
 - b. Row 4 of the Company’s workpapers show that the Rate Year forecast was based upon the HTY reconnect fee revenues and totaled (\$2,212.90). The Company’s testimony stated that the RY was forecasted using a three-year average from October

2016 to September 2019. Reconcile this difference and provide the correct RY forecast for gas reconnect fees.

Response

1. From October 2020 to February 2021, the Company recorded electric reconnection revenues of \$270 in January 2021 and recorded \$0 for gas.
2. The reconnect fee is a function of the hourly fully loaded wage rate for the 3rd Class Meter Technicians and Customer Field Technicians who perform the act of termination of service for non-payment and reconnection of service. There are no associated work papers for this charge. The forecasted charges were based on historical data.
3. There are no accounting procedures for reconnection fees. The Company's policy on reconnection fees is described in tariff leaf 139, which states that if a Company employee is required to reconnect service after the receipt of payment the customer will be charged a reconnection fee. This policy was in effect prior to the COVID-19 pandemic and continues to be during the ongoing COVID-19 pandemic. Because collections activity as it relates to termination of service for non-payment has been suspended during the COVID-19 pandemic, so has the application of the reconnection fee.
4. The Company cannot quantify the amount of lost revenue associated with reconnection fees as a result of the moratorium on terminations of service for non-payment due to the COVID-19 pandemic.
5. Post Winter Storm Riley and Quinn, the Company had a moratorium on terminations of service for non-payment.
6.
 - a. It is very likely that when a customer falls behind in their monthly utility bill, the arrears is a result of both gas and electric services combined. Whenever possible the Company will disconnect the electric service not both gas and electric. The electric service disconnect and following reconnect is less disruptive to the premise. The Company would suggest that with a significant number of dual service accounts, this practice would account for the decrease through 2019. The 2020 decrease is additionally and more dramatically attributable to the COVID-19 pandemic and the suspension of terminations of service for non-payment. The Company has provided a forecast and expects the forecast to represent the trend.
 - b. The Company inadvertently forecasted the gas reconnect fees using the RY level, we will adjust the forecast in its update by increasing the forecast by \$10,000, using a three-year average from October 2016 to September 2019.

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-14
Date of Response: 3/16/2021
Responding Witness: Accounting Panel

Question No. : 411

Subject: Bargaining Unit Contract Costs – O&M

Page 58 of the Company’s Accounting Panel testimony states that Bargaining Unit Contract Costs represents costs associated with negotiation and strike contingency efforts which were forecasted based on the Historic Year level.

1. Explain in detail the nature of this item, including the Company’s activities, and the timing of those activities, related to negotiation and strike contingency efforts.
2. How often does the Company incur costs for negotiation and strike contingency efforts?
3. If applicable, provide the time period and costs incurred for each of the Company’s last three strike contingency efforts.
4. Page 5 of Appendices 1 and 2 of the Joint Proposal in Cases 18-E-0067 and 18-G-0068 does not include a separate line item for Bargaining Unit Contract Costs. If these expenses were included within a different line item in the Joint Proposal, show where. If these expenses were not included within a different line item, explain in detail why the Company believes it will incur these costs in the rate year and how these costs benefit ratepayers.
5. Based on Exhibit AP-E3 Schedule 6 and Attachment “DPS-1-45 Att-1E (Electric)” provided in response to DPS-1-45, Bargaining Unit Contract Costs totaled \$0, \$107,000, and \$11,000 for the 12-months ending September 30, 2018, 2019, and 2020 (HTY).
 - a. Provide all invoices, or other documentation, supporting the HTY Bargaining Unit Contract Costs expense for electric.
 - b. For electric, the Bargaining Unit Contract Costs for the 12-month ending September 30, 2019 were \$107,000 and \$96,000 more than the costs incurred for the same period in 2018 and 2020, respectively. Explain in detail the reasoning for the high level of Bargaining Unit Contract Costs for electric for the 12-months ending September 31, 2019.
 - c. For electric, explain in detail why the HTY Bargaining Unit Contract Costs expense is an appropriate forecast for the RY.
6. Based on Exhibit AP-G3 Schedule 6 and Attachment “DPS-1-45 Att-1G (Gas)” provided in response to DPS-1-45, Bargaining Unit Contract Costs totaled \$0, \$28,000, and \$37,000 for the 12-months ending September 30, 2018, 2019, and 2020.
 - a. Provide invoices, or other documentation, supporting the HTY Bargaining Unit Contract Costs expense for gas.

- b. For gas, explain in detail the reasoning behind the increasing trend in Bargaining Unit Contract Costs from the 12-months ending September 31, 2018 through the HTY.
- c. For gas, explain in detail why the HTY Bargaining Unit Contract Costs expense is an appropriate forecast for the RY.

Response

1. The types of expenditures related to negotiation and strike contingency efforts include two general types of expenses—those related to contract negotiations and those related to contingency planning in the event a contract with the union cannot be settled before the expiration of the current contract and/or of a union strike. Expenses related to contract negotiations can include the costs of actuarial consultants to provide the Company with various projections on proposed contract term modifications (generally relating to pension and health expenses) and the cost of a hotel or other facility used to hold the negotiation meetings. Examples of contingency planning and strike preparation expenses are costs to provide the necessary training, safety equipment, and licenses needed for management employees to perform union job functions, as well as payments to retain vendors in the event of a union work stoppage.
2. The Company incurs negotiation and strike contingency costs as it approaches the end of a union contract. The last several contracts the Company has entered into with Local 503 have had a term of between 2–5 years (see below).

<u>Event</u>	<u>Effective Dates</u>
Contract Negotiations	June 1, 2009 – May 31, 2014
Contract Negotiations	June 1, 2014 – May 31, 2017
Contract Extension	June 1, 2017 – May 31, 2019
Contract Negotiations	June 1, 2019 – May 31, 2023

3. See below for a summary of the costs incurred by the Company in its last three contract negotiations/extension and strike contingency efforts.

2014 Contract Negotiations	\$ 651,545
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2017 Contract Extension	\$ 13,164*
2019 Contract Negotiations	\$ 383,946

*Note that the 2017 contract extension was signed prior to the commencement of any significant strike contingency efforts.

4. The Bargaining Unit Contract Costs were included in the line item “Ops – Corporate & Shared Services” on page 5 of Appendices 1 and 2 of the Joint Proposal adopted by the Commission in the Company’s most recent base rate cases (Cases 18-E-0067 and 18-G-0068).

5. Non-labor negotiation costs are included in The Bargaining Unit Contract Costs line item in Exhibit Ap-E3 Schedule 6. Non-labor contingency costs are included in the line item “Ops – Corporate & Shared Services.” Labor-related costs for negotiation and contingency are spread amongst the various labor line items. The total electric negotiation and strike contingency costs for the 12-months ended September 30, 2018, 2019, and 2020 were \$0, \$221,592, and \$32,323, respectively.
 - a. See Attachments A through B for all invoices greater than \$1,500 associated with the 12-months ended September 30, 2020 (HTY). The invoices total to the amounts below and represent over 93% of the total electric expenses in the HTY.

Vendor	Total Invoice Amount	Allocation Type ¹	Electric	Attachment
Buck Global	\$ 50,350.00	A0	\$ 27,893.90	A
Commercial Driver Training	\$ 4,200.00	A0	\$ 2,326.80	B

¹ The allocation type "A0" indicates that the expense is allocated to both Orange and Rockland Utilities, both electric and gas, as well as Rockland Electric Company. In 2019, the A0 split allocated 55.40% to Orange and Rockland electric.

- b. The costs for the 12-months ended September 30, 2019 were higher than those incurred for the same period in 2018 and 2020 due to the timing of the Local 503 negotiations. As noted in the Company’s response to subpart 2 above, a contract was due to expire on May 31, 2019, so negotiations and strike contingency costs were much higher around that time.

- c. The HTY expense was incorrectly used to forecast negotiation and contingency costs for the RY. The costs should have been based on an average of the costs incurred for the 2014 and 2019 contract negotiations and strike contingency efforts. The current Local 503

contract expires in 2023 (see below), but the Company proposes to recover the costs evenly over Rate Years 1 through 3. The Company will reflect the corrected electric and gas program changes in its March update and corrections filing.

	<u>Electric</u>
2014 Negotiations	\$ 290,502
2019 Negotiations	<u>253,193</u>
2014 / 2019 Average	\$ 271,848
Less: Amount Already Included in RY	<u>(11,445)</u>
Program Change*	<u>\$ 260,403</u>

6. See the Company’s response to subpart 5 above. The total gas negotiation and strike contingency costs for the 12-months ended September 30, 2018, 2019, and 2020 were \$0, \$81,106, and \$50,005, respectively.
- a. See Attachments A through D for all invoices greater than \$1,500 associated with the HTY expenses shown in the table below. The invoices provided below represent over 97% of the total electric expenses in the HTY.

Vendor	Total Invoice Amount	Allocation Type ¹	Gas	Attachment
Buck Global	\$ 50,350.00	A0	\$ 13,780.80	A
Commercial Driver Training	\$ 4,200.00	A0	\$ 1,149.54	B
Precision Pipeline Solutions	\$ 12,125.36	G0	\$ 12,125.36	C
Southern Cross	\$ 20,123.04	G0	\$ 20,123.04	D
Southern Cross ²	\$ 1,685.32	G0	\$ 1,685.32	D

¹ The allocation type "A0" indicates that the expense is allocated to both Orange and Rockland Utilities, both electric and gas, as well as Rockland Electric Company. In 2019, the A0 split allocated 27.37% to Orange and Rockland gas. The “G0” allocation type indicates that the expense is allocated to Orange and Rockland gas only.

² This charge represents the sales tax of 8.375% applied to the invoice amount of \$20,123.04.

- b. See the Company's response to subpart 5.b. above.
- c. See the Company's response to subpart 5.c. above. The program change for gas will be \$208,953, as reflected below.

	<u>Gas</u>
2014 Negotiations	\$ 361,042
2019 Negotiations	<u>130,754</u>
2014 / 2019 Average	\$ 245,898
Less: Amount Already Included in RY	<u>(36,945)</u>
Program Change*	<u><u>\$ 208,953</u></u>

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-14
Date of Response: 3/18/2021
Responding Witness: Accounting Panel

Question No. : 400

Subject: O&M Expense: A&G Health Insurance and Capital Overhead

Referring to the Company's Exhibit AP-E3 RevReq 2021 Initial Filing 20210129 PSC File and Company's Exhibit AP-G3 RevReq 2021 Initial Filing 20210129 PSC File

1. Provide a detailed explanation for the normalization amounts related to the A&G Health Insurance and Capital Overhead Rate Year 1 of \$175,000 and \$48,000 for electric and gas respectively. Provide all documentation supporting the calculation of these normalized amounts.

Response

The normalization amounts related to the A&G Health Insurance and Capital Overhead Rate Year 1 of \$170,000 and \$48,000 for electric and gas, respectively, were due to capitalized COVID-19 costs (primarily materials and supplies and janitorial supplies) in the HTY.

Please see attached DPS-14-400-Attachment 1 for documentation supporting the calculation of these normalized amounts.

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-14
Date of Response: 3/18/2021
Responding Witness: Accounting Panel

Question No. : 405

Subject: Rate Base - Unbilled Revenues

On page 18 of the Accounting Panel's testimony, the Panel states that unbilled revenues represent the accrual of unmetered revenues that have not been billed to customers. The Historic Year levels of unbilled revenues were carried forward to the Rate Year.

- a. Explain why it is reasonable to use the HTY level for rate year forecast.
- b. Explain why gas unbilled revenue is significantly higher than electric.
- c. Provide the supporting documentation for HTY's level of \$5,979,000 and \$10,629,000 for electric and gas, respectively in Exhibit AP E-3 & G-3 schedule regulatory deferral #4.
- d. Provide the monthly unbilled revenues balances for the past three years (9/2017-9/2020).

Response

- a. This balance represents unbilled revenue for the difference between actual electric usage and billed usage (due to a difference between the billing cycle and the accounting revenue month). The Company cannot forecast unbilled revenues deferral activities and so no change from the HTY level was justified.
- b. Gas unbilled revenue was missing the accrued liability amount. The HTY amount for gas unbilled revenue should be \$8.8M. This will be corrected in Update.
- c. Please see attached DPS-14-405-Attachment 1 file.
- d. Please see attached DPS-14-405-Attachment 1 file.

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-16
Date of Response: 3/23/2021
Responding Witness: Accounting Panel

Question No. : 435

Subject: Company Labor – Program Changes – O&M

1. Refer to pages 16 of Exhibit__(EIOP-5) regarding “Electric Operations Manpower Additions”. The “Summary of Financial Benefits and Costs” shows an estimate for “Electric Line Technician per FTE” of \$114,067. Exhibit AP-E3, Schedule 16, however, shows an annual salary per person for “Additional Line Technicians” of \$133,100. Reconcile this difference and explain which per person salary is correct. Provide all supporting documentation.
2. Refer to page 180 of the Electric Infrastructure and Operations Panel (EIOP) testimony which states “[t]he cost for this ADMS Engineer will be \$110,000 starting in RY1, which cost will be allocated 75 percent capital and 25 percent O&M.” Cell FZ23 of tab “Monthly Base” of Company work papers “Rate Case 2020 – Electric Labor Workpapers 1.27.21”, however, shows 75% to O&M. Reconcile this difference and explain which capitalization percentage is correct. Provide all supporting documentation.
3. Refer to page 204 of the EIOP testimony which states “[t]he annual cost for [the Systems Specialist CIP Protection] position will be \$127,300 in RY3 and will be allocated 100 percent to O&M. Exhibit AP-E3, Schedule 16, however, shows an annual salary per person for “Systems Specialist CIP Protection” of \$120,000. Reconcile this difference and explain which per person salary is correct. Provide all supporting documentation.
4. Refer to pages 62 through 63 of the Gas Infrastructure and Operations Panel testimony which states “[t]he estimated expenditure [for the Night Shift Gas Operations Supervisor] is \$110,000 beginning in RY3, 8% of which would be capitalized. Cell DJ23 of tab “Monthly Base” of Company work papers “Rate Case 2020 – Gas Labor Workpapers”, however, shows 100% to O&M. Reconcile this difference and explain which capitalization percentage is correct. Provide all supporting documentation.

Response

1. The Electric Operations Manpower Additions portion of Exhibit_(EIOP-5) will be updated to reflect an annual salary of \$133,100 per year for each additional line technician. There will be no change to the Electric Labor Workpapers.

2. As discussed in the Electric Infrastructure and Operations Panel's direct testimony, the ADMS Engineer should be allocated 75 percent capital and 25 percent O&M. The Electric Labor workpapers will be updated to reflect the correct O&M allocation in the March 31, 2021 O&R Corrections/Updates to Testimony/Exhibits filing.

3. O&M. Exhibit AP-E3, Schedule 16 was incorrect and will be updated in the March 31, 2021 O&R Corrections/Updates to Testimony/Exhibits filing. The classification of the Systems Specialist CIP Protection in the Electric Labor Workpapers was correct and there will be no change to the revenue requirement for this update.

4. The Gas Infrastructure and Operations Panel's direct testimony will be updated in the March 31, 2021 O&R Corrections/Updates to Testimony/Exhibits filing to reflect an allocation of 100% to O&M. There will be no change to the Gas Labor Workpapers.

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-18
Date of Response: 3/22/2021
Responding Witness: Accounting Panel

Question No. : 460

Subject: Corporate & Shared Services – COVID-19 Response – O&M

Refer to Company work papers “Normalization for Corporate and Shared Services Ops (2) COVID Response Costs”.

1. Tab “Sheet5” shows that the normalization adjustment to labor was based on the COVID-19 response costs incurred from March 2020 through August 2020. Explain, with supporting documentation, why the Company did not incur COVID-19 Response labor costs in September 2020.
2. Refer to the attached Excel spreadsheet, “DPS-18-460 Attachment - COVID-19 Response”, which is Staff’s excerpted file based on the General ledger information provided by the Company on tab “Sheet2”.
 - a. The two rows highlighted in blue have the GL Company Name “Rockland Electric Company”. Explain in detail why it is appropriate to include these expenses for Rockland Electric Company in the normalization adjustments for O&R. Provide all supporting documentation.
 - b. For each of the rows highlighted in yellow, provide the invoices or other documentation supporting the transaction amounts.
 - c. The row highlighted in red shows a GL Effective Date of “44012”. Explain what “44012” represents, why an actual GL effective date was not detailed, and what the GL effective date of the transaction was. Provide all supporting documentation.

Response

1. Approximately 90% of the COVID-19 labor costs that were normalized were from the Company’s control centers and stores facilities (see below). The costs incurred by the control center were based on real-time circumstances, including the need to sequester personnel in the spring to provide continuous and adequate coverage. In addition, during this time the control centers had two employees out on Matilda’s Law, which necessitated

overtime to cover their shifts. These situations did not occur in September, which is why there were no costs. In regard to the stores facilities, early on in the pandemic, the Company adopted a modified schedule to protect the health and safety of its employees. The shift changes resulted in overtime which is reflected below. However, with the disclosure of more information about COVID-19, and the stores department identified more efficient ways to work safely, the modified schedules and overtime were no longer necessary.

Section	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Total
DCC	-	30,905	82,100	11,514	17,908	2,172	144,600
Stores	1	34,946	25,220	9,186	(381)	-	68,972
ECC	-	-	-	-	2,363	-	2,363
Facilities	-	1,342	1,133	2,490	-	-	4,965
Gas Dispatch	-	-	-	3,134	1,045	-	4,179
Gas Ops	-	2,908	4,022	3,343	-	-	10,273
Human Resources	-	2,454	-	-	-	-	2,454
Grand Total	1	72,555	112,476	29,667	20,935	2,172	237,806

2. a. The two rows with the GL Company Name of Rockland Electric Company were incorrectly included in the normalization adjustment. The Company will remove these two items from the normalization adjustment and reflect these changes in its March update and corrections filing.

- b. See DPS-18-460 Attachments 1 through 9 for invoices and supporting documentation of the rows highlighted in yellow of DPS-18-460 Attachment A. Please note that several items selected were either accruals or the reversal of a prior month's accrual as noted below.

1	Fiscal Period	Transaction Amount	GL Effective Date	
2	5/20/2020	281,000.00	5/31/2020	Attachment 1
3	6/20/2020	129,562.50	6/30/2020	Attachment 2
4	9/20/2020	126,587.39	9/30/2020	Attachment 3
5	5/20/2020	108,500.00	5/31/2020	
6	7/20/2020	106,000.00	7/31/2020	Attachment 4
7	7/20/2020	79,323.72	7/31/2020	
8	9/20/2020	66,750.00	9/30/2020	Attachment 5
9	9/20/2020	53,301.33	9/30/2020	Attachment 6
10	9/20/2020	44,103.59	9/30/2020	Attachment 7
11	8/20/2020	44,092.05	8/31/2020	
12	7/20/2020	39,661.86	7/31/2020	
13	6/20/2020	37,725.00	6/30/2020	Attachment 8
14	5/20/2020	36,087.25	5/31/2020	Attachment 9
16	6/20/2020	31,189.93	6/30/2020	
437	7/20/2020	(31,189.93)	7/31/2020	Reversal of Accrual on Row 16
438	8/20/2020	(39,661.86)	8/31/2020	Reversal of Accrual on Row 12
439	9/20/2020	(44,092.05)	9/30/2020	Reversal of Accrual on Row 11
441	7/20/2020	(79,323.72)	7/31/2020	Reversal of Accrual on Row 13
442	6/20/2020	(108,500.00)	6/30/2020	Reversal of Accrual on Row 5

c. For the row highlighted in red, the actual GL effective date was 6/30/2020.

That particular cell was incorrectly not set with a “date” format, causing it to appear as “44012.”

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-18
Date of Response: 3/23/2021
Responding Witness: Accounting Panel

Question No. : 457

Subject: Company Labor – ADMS

Refer to page 11 of Exhibit__(EIOP-3) which shows an allocation type of E0 (O&R Electric and RECO) for the funding of one ADMS Engineer and one Sr. Systems Analyst. Cell E26 of tab “O&M--Nov.Updates” of Company work papers “Company Labor and Non Labor for Ops”, however, shows an allocation type of A0 (O&R Electric, O&R Gas and RECO) for ADMS / Operations Support. Reconcile this difference and explain which allocation type is correct. Provide all supporting documentation.

Response

The two positions should have an EO split. Although the “O&M—Nov.Updates” has a mislabeled allocation split, it does not impact the revenue requirement, which is based on the labor workpapers. When the Company submits the March 31, 2021 O&R Corrections/Updates to Testimony/Exhibits, both positions will reflect an EO allocation in the revenue requirement and the supporting labor workpapers.

Company Name: O and R Utilities
Case Description: Orange and Rockland 2021 Gas and Electric Rate Cases
Case: 21-G-0073, 21-E-0074

Response to DPS Interrogatories – Set DPS-19
Date of Response: 3/29/2021
Responding Witness: Accounting Panel

Question No. : 466

Subject: Other Operating Revenue: R&D Ventures and Access Fee

The Company's Gas Revenue Requirement Model "Exhibit AP-G3 RevReq 2021 Initial Filing PSC File" shows the Rate Year (RY) forecasts for R&D Ventures and Access Fees are \$64,000 and \$2,000, respectively. The Company's workpaper "Exhibit AP-G3, Schedule 5, Other Operating Revenues," tab "Rate Year Forecasts" shows RY forecasts of \$64,000 for Access Fees and \$2,000 for R&D Ventures.

1. Provide the correct RY forecasts for R&D Ventures and Access Fees.
2. Page 36 of the Company's Accounting Panel testimony states that the R&D revenue is "royalties received from a joint R&D venture with other gas utilities." Explain the nature of the joint venture, and how the royalty revenue to O&R is derived. Provide all supporting documentation, including agreements between O&R and the other gas utilities regarding the Joint Venture.
3. Explain why there were no R&D Venture revenues in 2018 and 2019.
4. Explain why there are no R&D Venture revenues for electric operations.

Response

1. The HTY level for R&D Ventures and Access Fees were inadvertently switched and the correct HTY should have been \$2,000 and \$64,000, respectively. The Company will make the adjustment in its Update. The RY forecasts for these two items are the same as the HTY, therefore, there will be no change in the revenue requirement for this adjustment.
2. The Company entered into an agreement with NYSEARCH Robotics, LLC in 2011. These revenues represent the Company's portion of the payment NYSEARCH distributes to its member companies that fund the Explorer robotics system project. The Company has not been able to locate an electronic version of the agreement. The agreement with

NYSEARCH Robotics, LLC was executed a decade ago and Company office personnel are largely remote due to the pandemic—the Company will supplement this response with a copy of the agreement as soon as practicable.

3. The Company recorded approximately \$2,000 in June 2020 and it was for 2019 revenue, the Company has yet to receive such revenue for 2020. The Company expects this revenue to be \$2,000 per year in the RY forecasts.
4. The Company did not enter into an agreement of this kind for Electric Operations.