



**Orange and Rockland Utilities, Inc.
Proposed Rate Increase**

Case 18-E-0067 & 18-G-0068

In January 2018, Orange and Rockland Utilities, Inc. (O&R) requested that the New York State Public Service Commission approve a proposed increase in its electric and gas delivery service rates. O&R serves over 300,000 customers in Rockland County and parts of Orange and Sullivan counties.

The Company's filing included the utility's proposed new rates and the supporting documentation to justify its proposal. Once the filing was received, formal rate case proceedings were initiated. Department of Public Service (DPS) staff began an analysis of the company's request to evaluate whether – or to what extent – a rate increase is justified. DPS staff represents the public interest in rate proceedings and evaluates such requests with the goal of ensuring safe and reliable service at just and reasonable rates.

On November 9, 2018 DPS, O&R and other parties to the proceedings entered into a Joint Proposal (JP) that sets forth the terms for electric and gas rate plans for a three-year period from January 1, 2019 through December 31, 2021. Under New York State Law, the Commission must consider a utility's proposal and may adopt or reject it in whole or in part, or modify it by adopting changes proposed by participating parties, the general public or the Commission.

SUMMARY OF THE RATE CASE

O&R's new electric and gas delivery rates would be effective January 1, 2019. According to the filing, the company's proposal will enable O&R to continue to provide safe and reliable electric and gas service.

Proposed Rates:

An electric or gas bill consists of two parts: delivery and supply. The *delivery* charge is the cost to transport the electricity or gas to customers throughout the utility's system. This charge is regulated by the Commission. The *supply* charge is the cost of the electricity or gas itself. This cost is determined by the competitive marketplace and is not controlled by the Commission or the utility.

Electric Rates: The JP proposes the following delivery service increases over the three-year rate plan: approximately \$8.61 million in the first rate year (RY1), \$12.06 million in the second rate year (RY2) and \$12.17 million in the third rate year (RY3). In each year of the rate plan, this electric delivery revenue increase results in an average monthly bill increase of approximately \$3 (2.4% increase on the total bill) for a residential customer using 600 kWh per month. Low income customers discount levels will range from \$35-\$76 based on the implementation of the Affordability Policy under Case 14-M-0565.

Gas Rates: The JP proposes a delivery revenue decrease of approximately \$5.92 million in RY1 and increases of \$0.99 million in each of the remaining rate years (RY2 and RY3). These gas delivery revenue changes will result in an average monthly bill decrease of \$1. Low income customers discount levels will range from \$3 -\$39 based on the implementation of the Affordability Policy under Case 14-M-0565.

Rate Case Components:

- **Electric Transmission and Distribution System Improvements:** The JP proposes several new or enhanced programs to increase the reliability, safety and resiliency of the electric transmission and distribution systems.
- **Gas Safety Programs and Operations:** Under the terms of the JP, the company will continue to replace 20 miles of Leak Prone Pipe during the calendar year as well as enhancing the safety and reliability of its gas infrastructure.
- **Energy Efficiency (EE) Programs:** The JP recommends increasing funding for O&R's energy efficiency programs. The proposal establishes a program to efficiently reduce carbon emissions through environmentally beneficial electric technologies such as electric vehicles and air and ground-source heat pumps.
- **Customer Service Programs:** The JP includes several customer service initiatives including the elimination of fees associated with credit/debit card payments. O&R will continue to invest in enhancements to its customer-facing digital platforms, such as the company website and its mobile app. The company will also upgrade its Green Button Connect program which assists customers with sharing their usage information with energy efficiency program developers.
- **Advanced Metering Infrastructure (AMI):** O&R will continue to roll out electric smart meters and gas AMI modules in its service territory. The program will enhance customer experience by enabling the company to provide electric and gas customers with timely feedback regarding their energy consumption.

The full text of the rate case may be viewed online at DPS's www.dps.ny.gov website. From the homepage, click on "Search," and enter the case number (18-E-0067 and 18-G-0068) in the "Search by Case Number" field.

PUBLIC INVOLVEMENT

The Commission strongly believes that obtaining public input is a critical component of the rate-setting process. Stakeholders such as consumers, government agencies and officials, public interest and environmental groups, and industry representatives are invited to participate in the process, review the proposal, and submit comments.

An Administrative Law Judge is presiding over the gathering of public comments and all evidence relating to the JP. The JP and formal record, including public comments, will be presented to the Commission for consideration. The Commission may adopt or reject the JP in whole or in part. An Administrative Law Judge (ALJ) will preside over the gathering of public comments and all evidence relating to the rate request.

There are several ways to provide comments on the Joint Proposal.

- **Via Public Statement Hearings:** The Commission will hold hearings in multiple locations in O&R's service territory in December 2018. Interested members of the public are invited to attend the public statement hearings and provide comments regarding the proposal. Prior to the hearings an Administrative Law Judge will explain the rate case process and how individuals can participate. It is not necessary to make an appointment in advance or present written material in order to speak at the hearings.
- **Via the Department's Website:** Comments may also be entered directly into the case via the www.dps.ny.gov website. Enter the associated case numbers (18-E-0067 or 18-G-0068) in the "Search by Case Number" field on the homepage of the website. After clicking to open the case, enter comments in the "Post Comments" section located at the top of the page.
- **Via Mail/E-Mail:** Submit comments electronically to Kathleen H. Burgess, Secretary, at secretary@dps.ny.gov or by mail or delivery to Secretary Burgess at the Department of Public Service, Three Empire State Plaza, Albany, New York 12223-1350. Comments delivered in these manners should reference "Orange and Rockland Rate Case" (18-E-0067 or 18-G-0068).
- **Via Toll-Free Opinion Line:** Individuals may choose to comment by calling the Commission's Opinion Line at 1-800-335-2120. This line is set up to receive in-state calls 24-hours a day. Callers should leave comments about Cases 18-E-0067 and 18-G-0068 "Orange and Rockland Rate Case." Comments received via the Opinion Line are not transcribed, but a summary is provided to the ALJs and to the Commission for its consideration.

Comments received by the Department will become part of the record considered by the Commission. Comments will be accepted at any point while these proceedings are pending, but are requested by **January 11, 2019**.