

Orange & Rockland Utilities, Inc.
Case 07-E-0949
Revenue Requirement Reconciliation
Staff Prefiled vs. Joint Proposal
Rate Year ended June 30, 2009

	Amount of Adjustment	Revenue Requirement
Staff Prefiled Electric Revenue Requirement		\$ 17,497
Staff Correction and Updates Accepted at Hearings		
Removal of two positions requested for energy management/retail access	\$ (74)	(75)
2007/2008 medical insurance expense for actual premiums	1,382	1,402
Reflect three year average of sundry uncollectible write-offs	147	149
To reflect property tax expense update related to Mirant	194	197
Update Rate Base for Prepaid Property taxes		146
Working Capital Expense Allowance for items above		17
Staff Position at Hearings		\$ 19,333
Joint Proposal's Adjustments to Staff Position		
Adjust Carrying Charge in Middletown Tap Revenues to the Company's Energy Cost Adjustment Filing effective May 1, 2008	\$ 138	140
To synchronize Power Supply Agreement and Joint Operating Agreement revenues to a 9.4% ROE	(18)	(19)
To reflect the following staffing changes:		
Add back Customer Program Analyst for energy management/retail access	35	
Add back Over head lineman	36	
Add back Electric Engineer	55	
To reflect drafting technician	18	
Total Staffing Changes	<u>144</u>	146
To reflect related fringe benefits for additional positions	24	24
To reflect impact of January 2008 Updated Actuary Study on pension and OPEB costs	1,509	1,531
Working Capital Expense Allowance for items above		19
To reflect impact of Bonus Depreciation on FIT related to the Economic Stimulus Act of 2008		(565)
To reflect ORPS changes on special franchise taxes		607
Reflect 48% Equity Ratio and a ROE of 9.4% vs. 8.9%		2,071
Joint Proposal Revenue Requirement		\$ <u>23,287</u>

Orange & Rockland Utilities, Inc.
Electric Rate Case 07-E-0949
Joint Proposal Revenue Requirement Reconciliation
Rate Years ended June 30, 2010 and 2011

Change in Revenues	Revenue Requirement	
	RY2	RY3
Sales to Public (Net of Fuel, Uncollectibles & Revenue Taxes)	\$ (2,700)	\$ (2,100)
Other Operating Revenues	(100)	(100)
Subtotal	<u>\$ (2,800)</u>	<u>\$ (2,200)</u>
 Change in Operation & Maintenance Expenses		
Direct Labor	1,400	1,200
Shared Services	200	200
Employee and Other Insurance Costs	200	200
Regulatory Costs and Amortizations	200	200
Pension and OPEBs	(1,700)	(1,800)
MGP Environmental Costs	1,500	100
Tree Trimming and Other T&D Expense	300	300
Other	500	500
Subtotal	<u>2,600</u>	<u>900</u>
 Change in Taxes Other Than Income	 <u>300</u>	 <u>300</u>
 Change in Depreciation & Amortization (Inclusive of tax effects)	 <u>2,600</u>	 <u>1,900</u>
 Change in Rate Base (Net of Interest Tax Deduction)	 <u>6,800</u>	 <u>3,200</u>
 Joint Proposal's Revenue Requirement	 <u>\$ 9,500</u>	 <u>\$ 4,100</u>