

PSC NO. 4 GAS

ORANGE AND ROCKLAND UTILITIES, INC. LEAF: 80.3.1  
INITIAL EFFECTIVE DATE: November 1, 2009 REVISION: 2  
Issued in compliance with Commission order in Case 08-G-1398, dated 10/16/09 SUPERSEDING REVISION: 0

**GENERAL INFORMATION**

12. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF GAS (Cont'd.)

12.2 MONTHLY GAS ADJUSTMENT (Cont'd.)

(H) Temporary Surcharge (applicable to Service Classification Nos. 1, 2 and 6)

Customers shall be assessed a Temporary Surcharge to recover a portion of the Company's Rate Year 3 delivery revenue requirement as adopted by the Commission in Case No. 08-G-1398. The Temporary Surcharge shall be designed to recover \$4.338 million (\$4.293 million net of revenue taxes) and shall be assessed for service rendered from November 1, 2011 through October 31, 2012.

(I) Balancing Charge (applicable to Service Classification Nos. 1, 2 and 6)

Customers shall be subject to a charge, stated on a cents per Ccf basis and shown separately on the Statement of Monthly Gas Adjustments, to recover balancing costs.

Gas is purchased under a common supply arrangement for both Consolidated Edison Company of New York and Orange and Rockland Utilities ("Companies") as described in General Information Section No. 12.1(C). Balancing ("load following") costs shall be equal to the sum of the Companies' annualized fixed storage charges and fixed pipeline transportation charges from storage to the pipeline delivery point(s) at the boundary of the Companies' service territories utilized for balancing purposes.

The balancing cost shall be allocated to each company using fixed percentages. The fixed percentages are based on ratios of each Company's forecasted balancing requirement to the total forecasted balancing requirement of the Companies. The fixed percentages shall be revised at least annually to become effective each November 1. The Company shall be permitted to make interim revisions to the fixed percentages, if necessary, to reflect a significant shift in balancing requirements between the Companies. The Company shall advise Commission Staff on or before October 1 of each year of any changes to the fixed percentages to be implemented the following November 1.

Issued By: William Longhi, President, Pearl River, New York  
(Name of Officer, Title, Address)