

PSC NO: 4 GAS  
ORANGE AND ROCKLAND UTILITIES, INC.  
INITIAL EFFECTIVE DATE: 12/01/06

STATEMENT TYPE: MFC  
STATEMENT NO: 2

RECEIVED: STATUS: EFFECTIVE:

### STATEMENT OF MERCHANT FUNCTION CHARGE

Effective for Service Rendered On or After December 1, 2006  
Applicable to the Billing Under Service Classification Nos 1, 2 and 6 of  
the Schedule for Gas Service of

#### ORANGE AND ROCKLAND UTILITIES, INC.

A. Service Classification Nos. 1 and 2 (Cents/Ccf)

	<u>SC1</u>	<u>SC2</u>
Commodity Procurement	1.392	0.516
Credit and Collections	0.703	0.311
Storage Working Capital (Supply-Related)	1.485	1.485
Uncollectibles (1)	<u>0.468</u>	<u>0.095</u>
Total	4.048	2.407

B. Service Classification No. 6 (Cents/Ccf)

	<u>Rate Schedule IA</u>	<u>Rate Schedule IB and II</u>
Credit and Collections	0.703	0.311

(1) Calculation of Uncollectible Rate

	<u>SC1</u>	<u>SC2</u>
Uncollectible Percentage (UC%)	0.386%	0.079%
Gas Supply Charge (Statement No. GSC - 76)	120.653	120.653
Uncollectible Charge (GSC/(1-UC%)-GSC) (Cents/Ccf)	0.468	0.095

Issued by: John D. McMahon, President, Pearl River, NY