

PSC NO. 4 GAS

ORANGE AND ROCKLAND UTILITIES, INC. LEAF: 81.1  
 INITIAL EFFECTIVE DATE: November 1, 2012 REVISION: 8  
SUPERSEDING REVISION: 7

### GENERAL INFORMATION

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

##### 12.4 Merchant Function Charge (MFC)

###### (A) Applicability

Beginning November 1, 2006, customers taking service under Service Classification Nos. 1 and 2 of this Rate Schedule shall be subject to a Merchant Function Charge ("MFC"). Separate MFCs will be determined for Service Classification No. 1 and for Service Classification No. 2 of this Rate Schedule and will be applied to all gas volumes sold under such service classifications to recover the costs associated with commodity-related competitive services. Commodity-related costs include commodity procurement costs (including commodity revenue-based allocation of information resources and education and outreach costs), credit and collections costs, gas in storage working capital costs related to firm sales, and commodity-related uncollectibles.

###### (B) Fixed MFC Components

The fixed components of the MFC are as follows:

<u>Cents per Ccf</u>			
<u>Service Classification</u>	<u>Commodity Procurement, IR, and Education And Outreach</u>	<u>Credit and Collections</u>	<u>Total</u>
(1) Commencing November 1, 2009			
SC No. 1	1.038	0.596	1.634
SC No. 2	0.363	0.204	0.567
(2) Commencing November 1, 2010			
SC No. 1	1.132	0.650	1.782
SC No. 2	0.396	0.223	0.619
(3) Commencing November 1, 2011			
SC No. 1	1.181	0.678	1.859
SC No. 2	0.413	0.232	0.645

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 (Name of Officer, Title, Address)