

PSC NO. 4 GAS

ORANGE AND ROCKLAND UTILITIES, INC. LEAF: 81.1
 INITIAL EFFECTIVE DATE: November 1, 2009 REVISION: 7
 SUPERSEDING REVISION: 5
 Issued in compliance with Commission order in Case 08-G-1398, dated 10/16/09

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) Applicable November 1, 2009 through October 31, 2010			
SC No. 1	1.038	0.596	1.634
SC No. 2	0.363	0.204	0.567
(2) Applicable November 1, 2010 through October 31, 2011			
SC No. 1	1.132	0.650	1.782
SC No. 2	0.396	0.223	0.619
(3) Applicable November 1, 2011 through October 31, 2012			
SC No. 1	1.181	0.678	1.859
SC No. 2	0.413	0.232	0.645

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