

PSC NO. 4 GAS LEAF: 80.3
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 13
INITIAL EFFECTIVE DATE: November 1, 2009 SUPERSEDING REVISION: 11

GENERAL INFORMATION**12. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF GAS (Cont'd.)****12.2 MONTHLY GAS ADJUSTMENT (Cont'd.)****(F) Capacity Release Service Adjustment (applicable to Service Classification No. 6)**

The Monthly Gas Adjustment applicable to all Service Classification No. 6 customers shall be adjusted to reflect a Capacity Release Service Adjustment.

The Capacity Release Service Adjustment is a charge/credit reflecting the difference between the projected Adjusted WACOT used to bill Qualified Sellers under Service Classification No. 11 for released capacity and the actual Adjusted WACOT for each twelve-month period commencing November 1. The Capacity Release Service Adjustment shall be set annually, to become effective on November 1, based on the over or under recovery of capacity costs associated with the difference between the projected and actual Adjusted WACOT for the preceding twelve-month period commencing November 1, and estimated deliveries to Service Classification No. 6 customers.

In addition, for the twelve-month period ending October 31, 2010, the Capacity Release Service Adjustment will include a reconciliation of any remaining balance in the difference between the amount charged/credited to Service Classification No. 6 customers through the Capacity Release Service Adjustment and the actual differences between pipeline reservation rates and the Company's Adjusted WACOT as of October 31, 2009.

(G) Curtailment Cost Recovery 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 Adjustment, to recover the costs associated with payments made to Sellers in accordance with General Information Section 11.1 (E) "Curtailment of Service" of this Rate Schedule.

(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 approved by the Commission in Case No. 05-G-1494. The Temporary Surcharge shall be designed to recover \$4.5 million (\$4.46 million net of revenue taxes) and shall be assessed for service rendered from November 1, 2008 through October 31, 2009.

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