

PSC NO. 4 GAS

ORANGE AND ROCKLAND UTILITIES, INC.	LEAF:	77
INITIAL EFFECTIVE DATE: June 1, 2007	REVISION:	10
	SUPERSEDING REVISION:	9

GENERAL INFORMATION

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

12.1 GAS SUPPLY CHARGE (Cont'd.)

(E) Annual Reconciliation

Actual gas cost recoveries shall be reconciled with actual gas expenses each year, and a surcharge or refund to recover Gas Supply Charge under-recoveries or refund Gas Supply Charge over-collections shall be computed as follows:

- (1) taking the cost of gas, adjusted for supplier refunds, revenues from off-system sales net of any associated gas costs; capacity-related revenues associated with Service Classification No. 10; liquefied propane consumed; Transition Surcharge revenues; and any Over- and Under-delivery Charges assessed under Service Classification Nos. 8 and 13 and the Charge for Unauthorized Use of Gas assessed under Service Classification Nos. 3 and 8; any penalty charges, cash out costs/recoveries and Winter Bundled Sales ("WBS") Service Option recoveries, excluding carrying charges on the cost of WBS gas, associated with Service Classification No. 11; and Balancing and Peak Shaving Supply Fees assessed under Service Classification No. 6 as recorded on the Company's books during the determination period, adjusting that cost to reflect a level of purchased gas commensurate with actual sales and the fixed factor of adjustment determined in accordance with the Joint Proposal adopted by the Commission by order dated October 20, 2006 in Case 05-G-1494, and subtracting therefrom an amount equal to:
 - (a) Gas Supply Charge revenues recorded during the determination period, adjusted to eliminate associated revenue tax recoveries;
 - (b) costs recorded during the determination period assignable to gas sold to customers not subject to the Gas Supply Charge; and
 - (c)
 - (i) the previous year's over-collection including interest, to the extent not refunded, or
 - (ii) adding the previous year's under-collection including interest, to the extent not recovered.

Issued By: John D. McMahon, President, Pearl River, New York
(Name of Officer, Title, Address)