

PSC NO. 4 GAS LEAF: 137.2
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 5
INITIAL EFFECTIVE DATE: November 1, 2006 SUPERSEDING REVISION: 3
Issued in compliance with Commission order in Case 05-G-1494, dated 10/20/06

SERVICE CLASSIFICATION NO. 8 (Cont'd.)

RATE - FOUR PART - MONTHLY: (Cont'd)

(1) Transportation Charge (Cont'd)

The Base Charge per 100 cubic feet (Ccf) shall be established each month at the Company's discretion, not less than three working days prior to the first day of the billing period for which such Base Charge is to be effective.

The Base Charge shall not be less than \$0.010 per Ccf.

The Base Charge shall not be greater than (i) the lowest per unit delivery charge for service under Service Classification No. 6 of this Schedule minus (ii) 5.0 cents per Ccf.

Notwithstanding the foregoing, the base charge shall not exceed \$0.050 per Ccf for the 12 months ending October 31, 2007, \$0.053 per Ccf for the 12 months ending October 31, 2008, and \$0.059 per Ccf for the 12 months ending October 31, 2009.

(2) Over and Under-delivery Charges

If the amount of gas delivered to the Company by a customer electing interruptible transportation service varies from the amount of gas used by the customer on a daily basis, (adjusted for losses as defined in Special Provision D "Loss Adjusted Usage"), the customer will have an over-delivery or an under-delivery. If on any day the over-delivery or under-delivery is less than 10% of a customer's actual daily Loss Adjusted Usage, the customer may adjust subsequent daily deliveries to the Company by an amount not to exceed 10% of any day's Loss Adjusted Usage to eliminate any over- or under-deliveries by the end of the month. Any over- or under-delivery remaining at the end of each month will be cashed out. To cash out over- or under-deliveries, the customer must sell the over-delivered volumes to the Company or purchase the under-delivered volumes from the Company as specified below.

(a) Over-deliveries - Daily

If on any day a customer's over-delivery is greater than 10% of a customer's actual Loss Adjusted Usage, the over-delivered volumes in excess of 10% will be purchased by the Company at the rates set forth below. The Index Price used to determine the applicable rate shall be equal to the highest "Midpoint" rate of the "Louisiana-Onshore South", "Tennessee" receipt points for the applicable day as published in Gas Daily in the table "Daily Price Survey", plus the Company's weighted average cost of transportation (WACOT) and fuel losses calculated at 100% load factor.

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