

PSC NO. 4 GAS LEAF: 68
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2
INITIAL EFFECTIVE DATE: November 1, 2007 SUPERSEDING REVISION: 1
Issued in compliance with Commission order in Case 06-G-0059, dated 8/23/07

GENERAL INFORMATION

11. GAS RESTRICTIONS AND LIMITATIONS (Cont'd.)

11.1 RESTRICTIONS ON ATTACHMENTS OF NEW GAS CUSTOMERS AND SUPPLYING OF GAS TO EXISTING CUSTOMERS (Cont'd.)

(E) Curtailment of Service (Cont'd.)

(2) Order of Curtailment (Cont'd.)

Category 7 unless efforts to reduce load through voluntary reductions in gas usage have failed.

Curtailments shall be of limited scope and duration and to the extent possible shall be localized.

Nothing within these curtailment procedures shall impact the Company's right to take any and all actions necessary in conformance with Service Classification No. 11 to assure reliable service by Qualified Sellers, including, but not limited to, termination of qualification as a Seller.

(3) Seller Compensation

Sellers whose gas has been diverted to meet the needs of higher priority customers shall be compensated by the Company for the volume of gas diverted by the Company during the period of curtailment. Such compensation shall be at the market price of gas at the time the gas is diverted. The market price of gas is defined as the arithmetic average of the daily "Midpoint" gas prices for (1) Transco, zone 6 - N.Y. and (2) Texas Eastern, M3 for the applicable diverted gas flow day as published by Platts in The Gas Daily Price Guide. If the Seller can demonstrate to the Company's satisfaction that (a) its contract calls for a higher price and (b) the contract price is reasonable, the Company will reimburse the Seller at the contract price. The Seller shall be responsible for providing the Company with adequate support of the higher contract price. Payments to compensate Sellers for gas that has been diverted to serve the needs of the Company's highest priority customers shall be recovered through the Monthly Gas Adjustment (see General Information Section 12.2 (G) of this Rate Schedule). Customers of Sellers who are affected by a curtailment must seek compensation from their Seller.

(4) Distribution Curtailments

In most circumstances, the nature of a capacity constraint will dictate the necessary curtailment action. When a capacity constraint occurs on the Company's distribution

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