

PSC NO. 4 GAS

ORANGE AND ROCKLAND UTILITIES, INC.

INITIAL EFFECTIVE DATE: November 1, 2007 SUPERSEDING REVISION: 6

Issued in compliance with Commission order in Case 07-G-0299, dated 08/30/07

LEAF: 158
REVISION: 7

SERVICE CLASSIFICATION NO. 11 (Cont'd.)

SPECIAL PROVISIONS:

- (A) Subject to the Force Majeure provisions in Special Provision C, Seller must deliver to the Company on each day of the month at specified interconnection points with the Company's distribution system, which points are determined by the Company, the ADCQ as provided to the Seller pursuant to the above Nomination Procedures.

On a day the Seller delivers a volume other than the ADCQ, the Seller will be subject to a daily cashout and/or penalty as follows:

- (1) For any underdeliveries of the Seller's ADCQ, as reflected in the table below, the Seller will be cashed out at a rate equal to the Company's ("WACOT") plus fuel losses calculated at 100% load factor, plus a gas cost equal to the highest daily "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" as follows:

<u>Percentage of ADCQ Underdelivered</u>	<u>Gas Daily Gas Cost</u>
0 to 2%	100%
2% to 5%	110%
5% or greater	120%

For any underdeliveries greater than five percent of the Seller's ADCQ on any day other than on days during a Strict Adherence Order ("SAO") period as defined below, the Seller will pay, in addition to the above gas costs, a penalty charge equal to \$10.00 per dekatherm. Upon the second occurrence of an underdelivery of five percent or more, Seller will be required to post the Security specified in "Creditworthiness". If the Seller has no additional incidents of underdeliveries exceeding 5% within a twelve-month period from when the Security was paid and otherwise satisfies the Company's credit criteria as set forth in "Creditworthiness", the Company will refund the Security to the Seller with interest. Interest on funds deposited with the Company as Security shall be calculated at the Commission specified rate for customer deposits in accordance with General Information Section 3.3.

- (2) Strict Adherence Orders:
Upon no less than eight hours notice, the Company may, on any days that it determines that its gas supply condition is critical, issue a SAO. For any underdeliveries greater than five percent of the Seller's ADCQ during a SAO period, the Seller will pay a penalty charge equal to \$25.00 per dekatherm, plus the cost of gas specified in (1) above.

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