

PSC NO. 4 GAS LEAF: 79.2
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2
INITIAL EFFECTIVE DATE: December 26, 2008 SUPERSEDING REVISION: 1

GENERAL INFORMATION

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

12.2 MONTHLY GAS ADJUSTMENT (Cont'd.)

(B) Transition Adjustment for Competitive Services (Cont'd.)

(2) Definitions for Purposes of the TACS (Cont'd.)

"Prior Period Reconciliation" represents the difference between the amount to be recovered through the TACS and the actual amount recovered through the TACS. Any under-recovery or over-recovery resulting from such reconciliation, plus interest (calculated at the Other Customer Capital Rate), shall be included in the calculation of the subsequent year's TACS.

(3) Calculation of the TACS

The TACS shall be determined by dividing the sum of the MFC Fixed Component Lost Revenue, Billing and Payment Processing Lost Revenue, Credit and Collections Lost Revenue Associated with Retail Access, and the Prior Period Reconciliation by the forecasted Ccf deliveries to Service Classification Nos. 1, 2, and 6 customers for the twelve-month period for which the TACS is to be effective.

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