

**PSC NO. 4 GAS**

<b>ORANGE AND ROCKLAND UTILITIES, INC.</b>	LEAF:	80.3
INITIAL EFFECTIVE DATE: November 1, 2008	REVISION:	11
Issued in compliance with Commission order in Case 05-G-1494, dated 10/20/06	SUPERSEDING REVISION:	10

**GENERAL INFORMATION**

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

12.2 MONTHLY GAS ADJUSTMENT (Cont'd.)

(F) Capacity Release Service Adjustment (applicable to Service Classification No. 6) (Cont'd.)

The Capacity Release Service Adjustment shall be set annually based on the Company's estimate of its Adjusted WACOT for the applicable annual period, the current interstate pipeline reservation rates for the pipelines upon which the Company releases capacity, and estimated deliveries to Service Classification No. 6 customers.

Any difference between the amount charged/credited to Service Classification No. 6 customers through the Capacity Release Service Adjustment and the actual differences between pipeline reservation rates and the Company's Adjusted WACOT shall be reconciled annually and reflected in either the Capacity Release Service Adjustment or another adjustment to the Monthly Gas Adjustment billed in the second month following the annual period. The Company may apply such adjustment over a period greater than one month, if deemed necessary by the Company, to mitigate the customer bill impact of the adjustment.

(G) Curtailement Cost Recovery Charge (applicable to Service Classification Nos. 1, 2 and 6)

Customers shall be subject to a charge, stated on a cents per Ccf basis and shown separately on the Statement of Monthly Gas Adjustment, to recover the costs associated with payments made to Sellers in accordance with General Information Section 11.1 (E) "Curtailement of Service" of this Rate Schedule.

(H) Temporary Surcharge (applicable to Service Classification Nos. 1, 2 and 6)

Customers shall be assessed a Temporary Surcharge to recover a portion of the Company's Rate Year 3 delivery revenue requirement as approved by the Commission in Case No. 05-G-1494. The Temporary Surcharge shall be designed to recover \$4.5 million (\$4.46 million net of revenue taxes) and shall be assessed for service rendered from November 1, 2008 through October 31, 2009.

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