

PSC NO. 4 GAS LEAF: 191.2  
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 0  
INITIAL EFFECTIVE DATE: March 15, 2006 SUPERSEDING REVISION:  
Issued in compliance with Order in Case 98-G-0122, dated November 23, 2005

**SERVICE CLASSIFICATION NO. 14****RATE - SIX PART - MONTHLY:** (Continued)(3) Value Added Charge ("VAC") (Continued)**Estimated Value Added Charge (\$/Dth)** (Continued)

A Monthly Total Value Added Charge shall be determined for each customer for each month of the Test Year. Such monthly amount shall be determined by (1) subtracting the Base Year Spark Spread from the Spark Spread determined for each hour in the respective month of the Test Year; (2) multiplying five percent of the difference determined in (1) by the customer's MWH Generated Output during the same Test Year hour; and (3) summing the amounts determined in (2). The amount determined in (3) is the Monthly Total Value Added Charge, unless such amount is less than or equal to zero. In such case, the Monthly Total Value Added Charge shall be zero. The customer's Annual Total Value Added Charge shall be the sum of the customer's Monthly Total Value Added Charges for the Test Year.

The Estimated Value Added Charge shall be the customer's Annual Total Value Added Charge for the Test Year, including any applicable Reconciliation Adjustment, divided by the number of Dth delivered to such customer during the Test Year. If a customer does not have twelve months of consumption data for the Test Year, that customer will be assigned a Value Added Charge equal to the average of all the customers' Value Added Charge within the applicable heat rate tier level.

For each customer taking service under this Service Classification, the Company will file by March 1 of each year the Estimated Value Added Charge applicable to such customer to become effective May 1 of that year.

(4) Over and Under-delivery Charges

If the amount of gas delivered to the boundary of the Company's service area on behalf of a customer varies from the amount of gas used by the customer on a daily basis, the customer will have an over-delivery or an under-delivery.

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