

PSC NO. 4 GAS LEAF: 77.1
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 0
INITIAL EFFECTIVE DATE: December 28, 2005 SUPERSEDING REVISION:

GENERAL INFORMATION

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

12.1 GAS SUPPLY CHARGE (Cont'd.)

(E) Annual Reconciliation (Cont'd.)

- (b) If the actual line loss percentage is greater than the allowed line loss percentage, the cost of gas will be adjusted by a ratio of the Factor of Adjustment and the lower of (i) a factor of adjustment based on the actual line loss percentage; or (ii) a factor of adjustment based on a line loss percentage equal to the allowed line loss percentage plus 0.5%.
- (c) In no event shall the Company retain or bear more than \$500,000 in any Rate Year, resulting from the line loss differentials computed in (a) and (b) above.
- (d) Unless and until rates are reset the provisions of (a), (b) and (c) above will continue in future Rate Years.
- (3) The amount derived in paragraph (1) of this subdivision shall be divided by the quantities of gas to be sold by the Company to its customers during the surcharge/refund period.
- (4) Surcharge or refund amounts shall bear interest, at a rate prescribed by the Commission, on unamortized balances.
- (5) The determination period to be used in the computation of the surcharge or refund shall be the 12 months ended August 31 of each year. The computation shall be filed with the Commission on or before October 15, and the resulting surcharge or refund shall be effective with the first January billing cycle date.

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