

PSC NO. 4 GAS LEAF: 119
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 6
INITIAL EFFECTIVE DATE: November 1, 2004 SUPERSEDING REVISION: 5

SERVICE CLASSIFICATION NO. 3 (Cont'd.)

RATE - FOUR PART - MONTHLY: (Continued)

(1) Unit Charge (Cont'd.)

The Unit Charge shall not be less than the "Average Commodity Cost of Gas".

The Unit Charge shall not be greater than the sum of (i) the lowest per unit delivery charge for service under Service Classification No. 2, plus (ii) the Gas Supply Charge and Monthly Gas Adjustment applicable to service under Service Classification No. 2.

The "Average Commodity Cost of Gas" shall be computed monthly by:

- (a) applying the commodity rates and charges of the Company's gas suppliers, which are or will be in effect on the date the gas supply charge applicable to Service Classification Nos. 1 and 2 becomes effective, to the respective quantities of purchased gas taken from each supplier during the twelve consecutive calendar months immediately preceding the date of computation.
- (b) applying the commodity rates and charges of the Company's gas suppliers, which are or will be in effect on the date the gas supply charge applicable to Service Classification Nos. 1 and 2 becomes effective for new or substantially amended gas supply contracts (substantially amended gas contracts mean changes have the effect of increasing or decreasing either the quantities of gas or the cost of the gas by more than 5 percent) under which gas has not been purchased during all of the twelve calendar months immediately preceding the computation dates, to volumes equal to the annual volumes to be taken under each such contract.
- (c) dividing the sum of items (a) and (b) by the quantity of gas purchased during such twelve months.

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