

PSC NO. 4 GAS LEAF: 157
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 5
INITIAL EFFECTIVE DATE: May 1, 2004 SUPERSEDING REVISION: 3
Issued under authority of Order of the Public Service Commission dated April
16, 2004 in Case No. 02-G-1553

SERVICE CLASSIFICATION NO. 11 (Cont'd.)

WINTER BUNDLED SALES SERVICE OPTION: (Cont'd)

A Seller must elect annually, by April 15th, for all customers in the Seller's Aggregation Group electing the Winter Bundled Sales Service Option either the Rollover Option or the Cash-Out Option described below. Such election shall become effective on May 1 of each year.

Rollover Option

For each month the Company will calculate the difference between the Seller's Winter Bundled Sales Service Option customer's actual usage and the ADCQ, adjusted for WBS volumes, multiplied by the number of days in the billing period, taking into consideration any adjustment from prior months, and shall adjust the ADCQ for a succeeding month by that difference divided by the total number of days in the month, provided that such adjustment will neither increase that month's adjusted ADCQ to a level greater than the Seller's MAX ADCQ for the year nor decrease that month's adjusted ADCQ to a level less than zero. The increment of any such adjustment that results in a particular month's ADCQ being greater than the MAX ADCQ or less than zero will be carried to a future month.

Cash-out Option

For each month the Company will calculate the difference between the Seller's Winter Bundled Sales Service Option customer's actual usage and the ADCQ, adjusted for WBS volumes, multiplied by the number of days in the billing period. If there is an imbalance at the end of the month, the over-delivered volumes will be purchased by the Company from the Seller and the under-delivered volumes will be sold by the Company to the Seller at a rate equal to the monthly average of the highest daily "Midpoint" rate of the "Louisiana - Onshore South", "Tennessee" receipts points for such month as published in Gas Daily in the table "Daily Price Survey", plus the Company's Adjusted WACOT for such month and fuel losses calculated at 100% load factor.

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