

PSC NO. 4 GAS

ORANGE AND ROCKLAND UTILITIES, INC. LEAF: 185.1
INITIAL EFFECTIVE DATE: February 19, 2004 REVISION: 1
SUPERSEDING REVISION: 0
Issued in compliance with Orders of the Public Service Commission dated
December 19, 2003 in Case Nos. 98-M-1343, 99-M-0631, and 03-M-0017.

SERVICE CLASSIFICATION NO. 13 (Cont'd.)

(1) Daily Imbalance Trading (Cont'd.)

through Friday for gas days ending on a business day. Imbalance information for gas days ending on Saturday, Sunday or on a Company-observed holiday will be posted on the following business day. Sellers will have three business days from the time of the posting to contact the Company, via an internet application, with their imbalance trading results. Imbalance trading results must be authorized by both trading partners in order to be considered valid by the Company. The Company will not process any trading results that are received after the three business day period.

Daily imbalance volumes traded must be from the same gas day and delivering pipeline to the Company's system.

Any volumes not traded on a daily basis shall be subject to Over- and Under-delivery Charges in accordance with Part (1) of RATE - TWO PART - MONTHLY.

A fee of \$5.00 shall be assessed per party, per trade. If two parties engage in, and provide the Company with a single notice of, up to three daily trades during a single 72 hour notification imbalance trading period, such trades shall be considered a single trade for the purpose of assessing the \$5.00 fee.

(2) Monthly Imbalance Trading

By 4:00 p.m. on the second business day of each month, the Company will post monthly imbalance information from the previous month on its Retail Access Internet site. The posting will include a list of Sellers with telephone and e-mail information, the pipeline on which the imbalance occurred, and a + or - sign to indicate the direction of each Seller's imbalance for the prior month. The actual monthly imbalances of Sellers will not be disclosed. It will be the responsibility of the Seller to review the imbalance site and to contact Sellers with whom a monthly imbalance trade appears feasible. Sellers will have three business days from the time of the posting to contact the Company with their imbalance trading results. Imbalance trading results will be communicated back to the Company via an internet application. Imbalance trading results must be authorized by both trading partners in order to be considered valid by the Company. Trading results not received within the three business day period will not be processed by the Company.

Any volumes not traded on a monthly basis shall be subject to Over- and Under-delivery Charges in accordance with Part (1) of RATE - TWO PART - MONTHLY.

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