

PSC NO. 4 GAS LEAF: 153.1  
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 0  
INITIAL EFFECTIVE DATE: May 1, 2004 SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 11 (Cont'd.)****CAPACITY OPTIONS FOR SELLERS: (Cont'd.)**

Capacity Option B - Capacity Available from Third Parties (Cont'd)

To effectuate a capacity release of and/or access to a Seller's pipeline capacity rights:

Seller, the applicable third parties providing such Seller with capacity, and the Company must execute an agency agreement, in the form set forth in the Company's Gas Transportation Operating Procedures, that irrevocably designates the Company as Seller's agent for purposes of initiating and effectuating a pre-arranged capacity release(s) of all or a portion of Seller's pipeline capacity to the Company under defined circumstances. Such designations shall expire on March 31st of the following year.

If the Seller's load increases during the winter months of November through March, and such increase will be served with capacity obtained by the Seller under this capacity option, Seller will be subject to the same documentation requirements set forth above for the incremental volumes.

If Seller does not obtain capacity meeting the requirements set forth above by August 1 of each year, the Company shall provide firm sales service, if available, to Seller's customers commencing on the following November 1 and Seller shall be prohibited from serving such customers for a period of one year.

If a Seller fails to maintain the requisite firm, non-recallable, primary delivery point capacity, as stated in its affidavit, at any time throughout the winter season (November through March), Seller shall pay the Company a charge equal to \$50.00 per dekatherm times the required daily volume of pipeline capacity that the Seller failed to maintain. The above-described charge is in addition to any charges that may be levied on Seller for its failure to deliver the required quantities of gas on any given day and any and all other remedies the Company may have in law or equity.

**DETERMINATION OF AGGREGATED DAILY CONTRACT QUANTITY:**

An Aggregated Daily Contract Quantity ("ADCQ"), stated in dekatherms (Dth's), shall be calculated monthly for each Seller taking service hereunder. The ADCQ shall be equal to the sum of the DCQs ("Daily Contract Quantity") for all Balancing Service customers and Functional Storage Service customers in the Seller's Aggregation Group. The ADCQ represents the volume of gas the Seller is required to deliver to the Company's citygate each day.

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