

PSC NO. 4 GAS
ORANGE AND ROCKLAND UTILITIES, INC.
INITIAL EFFECTIVE DATE: May 1, 2004

LEAF: 165.1
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 11 (Cont'd.)

DISCONTINUANCE OF SERVICE BY A SELLER: (Cont'd.)

Involuntary Discontinuance of Seller's Right to Provide Service Cont'd.)

Company. The Seller shall also remain obligated to customers to the extent provided for in any contracts with them. The Seller shall also remain responsible for all outstanding upstream pipeline charges.

Upon the Company's discontinuance of a Seller's right to provide service pursuant to the provisions of this section, the Company may exercise its assignment/designation rights described in Capacity Option B of the Capacity Options For Sellers section of this Service Classification.

Discontinuance by a Direct Customer

A Direct Customer may voluntarily discontinue securing its own gas supply by notifying the Company of its intent to discontinue acting as a Direct Customer and to switch to another supplier or to return to the Company for its gas supply. A Direct Customer may be discontinued involuntarily for the same reasons, and in the same manner, as a Seller would be discontinued, except that notices to customers are not required where the Direct Customer is a single customer.

If a Direct Customer discontinues securing its own gas supply, either voluntarily or involuntarily, the Company may exercise its assignment/designation rights described in Capacity Option B of the Capacity Options For Sellers section of this Service Classification. The Company must exercise its assignment/designation rights within three business days after being notified that the Direct Customer is voluntarily discontinuing securing its own gas supply or after the Company notified the Direct Customer that it has discontinued the Direct Customer's right to secure its own gas supply.

Assignment of Seller Contracts

A Seller may assign customer contracts to other eligible Sellers, and transfer the rights to serve those customers, provided that the Seller's contracts and disclosure statements clearly state that such assignments and transfers may occur. The assignment and transfer may be initiated upon submission of a notice to the Company, the Commission and the Seller's customers at least 15 calendar days prior to the transfer date.

The notice to the Company and the Commission shall include a copy of the assignment documents executed by officers of all involved Sellers indicating which party will be responsible for payment of any and all sums owed the Company under this Service Classification and/or any other agreement between the Company and the Sellers. The Commission and the Company shall be provided a copy of the notice sent to customers. The notice to customers shall inform them:

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