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PSC NO. 4 GAS LEAF: 81
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 7
INITIAL EFFECTIVE DATE: November 1, 2003 SUPERSEDING REVISION: 5

Issued in compliance with Order in Case No. 02-G-1553, dated 10/23/03

GENERAL INFORMATION

12. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF GAS (Cont'd.)

12.3 <u>WEATHER NORMALIZATION ADJUSTMENT</u> (Cont'd)

- (A) <u>Definitions</u> (Cont'd)
 - (7) BL or base load per billing day is the estimated number of ccf per customer used per day for non-heating purposes based on average usage by customers to which this adjustment applies. BL shall be determined separately for each customer rate classification and shall be redetermined annually using the prior two heating seasons' sales.
- (B) Determination of the Weather Normalization Adjustment

The Weather Normalization Adjustment shall be calculated for each billing cycle and shall be calculated separately for each customer rate classification. The Weather Normalization Adjustment for a billing cycle shall be zero unless the actual heating degree days (AHDD) for the billing cycle are lower than 97.8 percent or higher than 102.2 percent of the normal heating degree days (NHDD) for the billing cycle. The Weather Normalization Adjustment shall be calculated using the following formula rounding to the nearest 0.001 cents per 100 cubic feet:

Note: (NHDD * 2.2%) will be added to NHDD when the AHDD is greater than NHDD and (NHDD * 2.2%) will be subtracted from NHDD when the AHDD is less than NHDD.

(C) Operation of the Weather Normalization Adjustment

The Weather Normalization Adjustment as determined above, shall be included in the Monthly Gas Adjustment, which is provided for in Section 12.2 of this Schedule. The Company shall submit a schedule of all Weather Normalization Adjustments to Staff within seven working days following the end of each billing month.