

PSC NO. 4 GAS LEAF: 133
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 13
INITIAL EFFECTIVE DATE: November 1, 2003 SUPERSEDING REVISION: 12
Issued in compliance with Order in Case No. 02-G-1553, dated 10/23/03

SERVICE CLASSIFICATION NO. 6 (Cont'd.)

RATE - THREE PART - MONTHLY: (Cont'd.)

(3) Increase in Rates and Charges (Cont'd.)

- c. The Transportation Charge set forth under this Service Classification shall be subject to adjustment each month for customers receiving, under agency agreements with their Sellers, firm interstate pipeline capacity released by the Company under Capacity Option A of Service Classification No. 11. Such capacity will be released to the Seller, acting as an agent for the customer, at the interstate pipeline's maximum firm transportation rates under its FERC gas tariff. The Seller shall be directly billed by the pipeline for such capacity and will be responsible for paying the pipeline for such charges. The Transportation Charge shall be subject to adjustment each month to the extent that maximum firm reservation rate at which the capacity is released varies from the Company's weighted average cost of firm pipeline capacity, which includes the capacity costs associated with bundled citygate purchases (for the purposes of this section "WACOC"). The WACOC will be adjusted to reduce TransCanada demand charges to the extent necessary to result in comparability between Canadian and domestic costs. If the Seller pays the pipeline for the capacity released at a reservation rate higher than the Company's WACOC, the Seller will receive a credit on the customer's behalf for the difference between the rate the Seller paid the pipeline and the Company's WACOC multiplied by the quantity of released capacity. If the Seller pays the pipeline a reservation rate that is lower than the Company's WACOC, the Seller will pay a charge on the customer's behalf for the difference between the rate the Seller paid the pipeline and the Company's WACOC multiplied by the quantity of released capacity. The Company's WACOC shall be adjusted periodically to reflect the Company's current costs of firm pipeline capacity. Such WACOC, as adjusted, is as shown on the "Statement of Rate to Qualified Sellers and Firm Transporters of Gas".
- d. All rates and charges under this Service Classification will be increased pursuant to General Information Section 15.

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