

PSC NO. 4 GAS LEAF: 131
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 7
INITIAL EFFECTIVE DATE: April 1, 2004 SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 6 (Cont'd.)

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

(2) Balancing Service and Peak Shaving Supply (Cont'd.)(B) Peak Shaving Supply Fee

Customers will be assessed the Peak Shaving Supply Fee when propane is used by the Company to meet the system requirements of all firm sales and transportation customers. Customers will be assessed the Peak Shaving Supply Fee based on the customer's Ccfs of annual usage to recover the cost of any propane used by the Company. The Peak Shaving Supply Fee shall be determined by dividing the cost of propane used in any twelve-month (12) period by the quantity of gas delivered to Service Classification Nos. 1, 2, 5 and 6, during the same period, all as set forth in the determination of the Company's Monthly Gas Adjustment.

(C) Balancing Fee

If the customer's average daily usage of gas in any of the months of November through March exceeds the average daily usage during the preceding billing months of June through September ("Average Daily Summer Usage"), the volume used in such month in excess of the product of the Average Daily Summer Usage times the number of days in the billing month shall be subject to the Balancing Fee. For new customers and for customers who install additional gas-burning equipment, the Average Daily Summer Usage to be used in the above calculation shall be estimated by the Company.

The Balancing Fee, as defined below, shall be assessed on each Ccf of Balancing Service rendered pursuant to Service Classification No. 6. The Balancing Fee shall equal the sum of the Company's annualized fixed storage charges and fixed pipeline transportation charges from storage to the pipeline delivery point(s) at the boundary of the Company's service territory divided by System Balancing capability, all as set forth in the determination of the Company's monthly Gas Supply Charge.

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