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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 12  
INITIAL EFFECTIVE DATE: 08/01/01 SUPERSEDING REVISION: 11  
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**SERVICE CLASSIFICATION NO. 6 (Cont'd.)****RATE - THREE PART - MONTHLY: (Cont'd.)****(3) Increase in Rates and Charges (Cont'd.)**

- c. During the period October 1 through May 31 of each year, all volumes of gas used under this Service Classification shall be assessed the Weather Normalization Adjustment pursuant to General Information Section 12.3.
- d. All volumes used by customers commencing service hereunder on or after October 1, 1996 shall be assessed a Transition Surcharge for stranded costs as determined in General Information Section 12. The surcharge will be shown as a separate line item on the Statement of Monthly Gas Adjustment as filed with the Commission each month. Customers commencing service hereunder prior to October 1, 1996 shall not be subject to this provision.
- e. All volumes used under this Service Classification shall be assessed the Research and Development Surcharge in accordance with General Information Section 12. The surcharge will be shown as a separate line item on the Statement of Monthly Gas Adjustment as filed with the Commission each month.
- f. All volumes used under this Service Classification shall be assessed a charge for Gas in Storage Working Capital in accordance with General Information Section 12. This charge will be shown as a separate line item on the Statement of Monthly Gas Adjustment as filed with the Commission each month.
- g. All volumes used under this Service Classification shall be assessed an Interim Backout Credit in accordance with General Information Section 12. The Interim Backout Credit will be shown as a separate line item on the Statement of Monthly Gas Adjustment as filed with the Commission each month.
- h. 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

Issued By: Stephen B. Bram, President, Pearl River, New York  
(Name of Officer, Title, Address)