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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2
INITIAL EFFECTIVE DATE: 11/01/01 SUPERSEDING REVISION: 1
STAMPS:
Effective date postponed to 12/01/01. See Supplement No. 19
RECEIVED: 08/10/01 STATUS: Effective EFFECTIVE: 12/01/01

SERVICE CLASSIFICATION NO. 3 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

(E) Customer Responsibilities (Cont'd.)

The customer shall immediately: (i) notify the Company of any condition that would prevent the required interruption of gas service or prevent the Company from determining whether the customer is using gas during an interruption, (ii) take immediate action to correct such condition, and (iii) notify the Company when such condition has been corrected. If the customer does not correct such condition within 10 days from when the condition is first reported by the customer or from when first discovered by the Company with notice to the customer, whichever is earlier, the customer shall be billed an additional charge equal to the greater of a) 130% of the cost of its alternate fuel, as established with reference to appropriate fuel price indices as determined in accordance with the Company's Gas Transportation Operating Procedures or b) 130% of the rates charged by the Company under this Service Classification, minus the rates paid by the customer under this Service Classification. This additional charge shall be applied to all gas consumed during the billing period, excluding any Firm Base Load volumes, in which there is non-compliance and for any subsequent billing periods during which the non-compliance continues.

The customer must comply with an annual inspection of its alternate fuel or alternate energy facilities, at a date and time determined by the Company, to determine whether such facilities are operable. In addition, the Company shall have the right to require a test of the customer's alternate fuel or alternate energy facilities. The customer must comply with any such test.

(F) Reserve Requirements

Prior to November 1 of each year, customers are required to demonstrate to the Company that they have adequate reserves of alternate fuel based on peak winter period requirements and in accordance with the provisions below.

- (1) All Distillate Users and Human Needs Customers shall have a ten days supply of alternate fuel. If the customer does not have ten days storage capability on site, the customer must fill available on-site storage and prove, to the Company's satisfaction, that a relationship exists with an alternate fuel provider to supply the customer for the difference between its on-site supply and the ten days of required alternate fuel supply.

For the purposes of this provision, Distillate Users are those customers using No. 2 fuel oil, diesel fuel or kerosene as their alternate fuel source and Human Needs Customers are those who receive service for their own or another's residential uses and purposes whether involving temporary or permanent occupancy, which includes residential hotels, single room occupancies, prisons, dormitories, living facilities of clergy and acute care or nursing home providers housing patients or residents on an overnight basis including, nursing homes, hospitals, community residences, and shelters.

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