

..DID: 10245
..TXT: PSC NO: 4 GAS LEAF: 75
COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2
INITIAL EFFECTIVE DATE: 12/01/99 SUPERSEDING REVISION: 0
STAMPS:
CANCELLED by Supplement 7 effective 12/01/99
RECEIVED: 10/15/99 STATUS: Cancelled EFFECTIVE: 12/01/99

GENERAL INFORMATION

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

12.1 APPLICABLE TO SERVICE CLASSIFICATION NOS. 1 AND 2 (Cont'd.)

(E) Interruptible and Firm Dual Fuel Sales and Transportation Service Benefits (Cont'd.)

(1) (Cont'd.)

Interruptible benefits shall be reduced by \$3,300,000 and any variation in actual net firm dual fuel revenues from the target revenues of \$1,183,600 established in the Company's last base rate proceeding. Net firm dual fuel revenue shall be defined as total revenue obtained from firm dual fuel (S.C. No. 5) sales minus gas costs, revenue tax surcharge revenues, TOP surcharge revenue, and ULIEEP surcharge revenues.

Eighty percent of the benefits so determined (whether positive or negative) shall be allocated to S.C. Nos. 1, 2, and 6 customers. Benefits allocated to S.C. No. 6 customers shall be credited (or surcharged if negative) to S.C. No. 6 customers. The rate of credit (or surcharge) shall be determined by dividing the estimated benefits available to S.C. No. 6 customers for the twelve-month period ending March 31 of each year by the S.C. No. 6 sales volumes estimated for that period. Benefits allocated to S.C. Nos. 1 and 2 customers shall be deferred for future disposition. The Company shall petition the Commission for approval of any proposals for such disposition.

The remaining twenty percent of the benefits, if any, shall be retained by the Company and shall be excluded from any determination of Company earnings in excess of the level allowed by the Public Service Commission as any of the provisions of Section 66, subsection 20 of the Public Service Law of the State of New York.

(2) The S.C. No. 6 unit rate determined in (1) will be applied to all volumes delivered under S.C. No. 6. At the end of the fiscal year, the Company will determine the actual benefits accrued and compare this amount to the benefits disbursed to (or recovered from) S.C. No. 6 customers during the fiscal year.

Any difference between the benefits accrued and the benefits disbursed (or recovered) shall be reflected in the estimated credit (or surcharge) for the next fiscal year. This procedure will continue as long as the Company is making interruptible and/or firm dual fuel sales, providing interruptible transportation service or as long as there is a residue of benefits to be disbursed (or recovered).

Issued By: Kevin Burke, President, Pearl River, New York

Received: 10/15/1999

Status: CANCELLED
Effective Date: 12/01/1999

(Name of Officer, Title, Address)