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..TXT: PSC NO: 4 GAS LEAF: 81
COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 3
INITIAL EFFECTIVE DATE: 12/01/99 SUPERSEDING REVISION: 1
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.)

12.2 APPLICABLE TO ALL SERVICE CLASSIFICATIONS

(A) Supplier Refund Provision

In the event that the rates and charges of a gas supplier are retroactively reduced and the Company receives a refund of excess charges paid to the supplier during the period to which the retroactive reduction is applicable, the Company will allocate the refund, including Company interest, to its various customer classes by months, based on the volumes sold to those customer classes during the months that the supplier's rates subject to refund were in effect. The demand portion of the refund will be allocated to Firm Customers, Service Classification Nos. 1 and 2, and to Wholesale Customers and Company Use. The commodity portion will be allocated to Firm Customers, Service Classification Nos. 1 and 2, to Wholesale Customers and to Company Use. Such refunds will be treated as follows:

- (1) A lump sum distribution of the refund allocations will be made to Wholesale Customers and Company Use.
- (2) The refund allocations applicable to Service Classification 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.
- (3) Simple interest will be accrued commencing one day after the receipt of the refund at an interest rate not less than the interest rate as determined by the Commission from time to time. It will be accrued up to the date of refund or other disposition as approved by the Commission.
- (4) Where exceptional circumstances warrant, the Company may petition the Public Service Commission for waiver of the above refund provision.

Issued By: Kevin Burke, President, Pearl River, New York
(Name of Officer, Title, Address)