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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 0
INITIAL EFFECTIVE DATE: 10/15/97 SUPERSEDING REVISION:
STAMPS:
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SERVICE CLASSIFICATION NO. 11 (Cont'd.)**SPECIAL PROVISIONS:**

- (A) Subject to the Force Majeure provisions in Special Provision D, Seller must deliver to the Company on each day of the month at specified interconnection points with the Company's distribution system, which points are determined by the Company, the ADCQ as provided to the Seller pursuant to the above Nomination Procedures.

On any day the Seller delivers a volume other than the ADCQ, the Seller will be subject to a daily cashout and/or penalty as follows:

- (1) For any underdeliveries up to and including two percent of the Seller's ADCQ, the Seller will be cashed out at a rate equal to the Company's weighted average transportation cost including fuel losses, calculated at 100% load factor ("WACOT") plus a gas cost equal to the highest daily posting for the applicable month as published in Gas Daily in the table, "Daily Price Survey" for the Tennessee Louisiana Zone. In addition, for underdeliveries in excess of two percent and less than five percent of the Seller's ADCQ, the Seller will be cashed out at the Company's WACOT plus a gas cost equal to 110% of the highest daily posting for the applicable month as published in Gas Daily in the table, "Daily Price Survey" for the Tennessee Louisiana Zone. For any underdeliveries greater than five percent of the Seller's ADCQ on any day other than on days during a Strict Adherence Order ("SAO") period as defined below, the Seller will pay a penalty charge equal to \$10.00 per dekatherm.
- (2) Strict Adherence Orders:
Upon no less than eight hours notice, the Company may, on any days that it determines that its gas supply condition is critical, issue a SAO. For any underdeliveries greater than five percent of the Seller's ADCQ during a SAO period, the Seller will pay a penalty charge equal to \$25.00 per dekatherm.
- (3) For any overdeliveries, the Seller will be cashed out at a rate equal to the Company's monthly average commodity cost of gas. The Company, at its sole discretion, may refuse to accept any overdeliveries from a Seller.
- (4) If Seller overdelivers or underdelivers gas at any time, the cashout volume will be treated as a purchase or sale of gas supply by the Company and the customers served by the Seller will not have such overdeliveries or underdeliveries credited to their accounts.

Issued By: Larry S. Brodsky, President, Pearl River, New York
(Name of Officer, Title, Address)