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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 7
INITIAL EFFECTIVE DATE: 12/01/00 SUPERSEDING REVISION: 4
STAMPS: Issued in compliance with Order in Case 99-G-1695 dated 11/20/00.
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SERVICE CLASSIFICATION NO. 8 (Cont'd.)

RATE - SEVEN PART - MONTHLY: (Cont'd.)

(2) Over and Under-delivery Charges

If the amount of gas delivered to the Company by a customer electing interruptible transportation service varies from the amount of gas used by the customer on a daily basis, the customer will have an over-delivery or an under-delivery. If on any day the over-delivery or under-delivery is less than 10% of a customer's actual daily usage, the customer may adjust subsequent daily deliveries to the Company by an amount not to exceed 10% of any day's usage to eliminate any over- or under-deliveries by the end of the month. Any over- or under-delivery remaining at the end of each month will be cashed out. To cash out over- or under-deliveries, the customer must sell the over-delivered volumes to the Company or purchase the under-delivered volumes from the Company as specified below.

(a) Over-deliveries - Daily

If on any day a customer's over-delivery is greater than 10% of a customer's actual usage, the over-delivered volumes in excess of 10% will be purchased by the Company at a rate equal to 80% of the highest "Midpoint" rate of the "Louisiana-Onshore South", "Tennessee" receipt points for the applicable day as published in Gas Daily in the table "Daily Price Survey", plus the Company's weighted average cost of transportation (WACOT) and fuel losses calculated at 100% load factor.

(b) Over-deliveries - Monthly

If there is an over-delivery at the end of the month, the over-delivered volumes will be purchased by the Company at a rate equal to 95% of the monthly average of the highest daily "Midpoint" rates of the "Louisiana-Onshore South", "Tennessee" receipt points for the month published in Gas Daily in the table "Daily Price Survey", plus the Company's weighted average cost of transportation (WACOT) and fuel losses calculated at 100% load factor.

(c) Under-deliveries - Daily

If on any day a customer's under-delivery is greater than 10% of a customer's actual usage, the under-delivered volumes in excess of 10% will be sold to the customer by the Company at a rate equal to 120% of the highest daily "Midpoint" rate of the "Louisiana - Onshore South", "Tennessee" receipt points for the applicable day as published in Gas Daily in the table "Daily Price Survey", plus the Company's weighted average cost of transportation (WACOT) and fuel losses calculated at 100% load factor.

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