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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 5  
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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### GENERAL INFORMATION

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

##### 12.1 GAS SUPPLY CHARGE (Cont'd.)

###### (C) Average Cost of Gas (Cont'd.)

###### (3) Variable Cost (Cont'd.)

- (b) The Company's share of the variable cost shall be increased by the replacement cost of fuel established as compensation, under Section 11.1(E)(1) of this Schedule, to customers resulting from the diversion of gas from non-core customers to core customers.

The Company's share of the variable cost, adjusted as described above, shall be divided by the forecasted weather normalized quantities of gas to be taken for delivery to the Company's firm sales customers during the month in which the gas supply charge will be in effect.

###### (4) Average Cost of Gas

The Average Cost of Gas is the sum of the unit amounts determined in (1) fixed cost, (2) balancing cost and (3) variable cost.

###### (5) Mcf Conversion

The Average Cost of Gas shall be multiplied by the Conversion Factor in (B) to convert the cost per Dth to a cost per Mcf.

###### (D) Alternate Gas Supply Charge Rate

- (1) When the Company must curtail the use of natural gas, the Company will implement its Alternate Fuel Payback Plan as a means of reducing gas consumption. Customers utilizing dual-fuel facilities will be paid the difference between the alternate fuel costs and the equivalent Btu volume of gas priced at their present Service Classification rate including the Gas Supply Charge in accordance with the guidelines set forth below:

- (a) Customers currently having dual-fuel facilities which were installed prior to October 26, 1971, or dual fuel facilities which were voluntarily installed after October 26, 1971 and on or before March 11, 1977 will be paid the difference between the cost of the alternate fuel and the equivalent Btu volume of gas priced at their present Service Classification rate including the Gas Supply Charge.

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