

..DID: 15650
 ..TXT: PSC NO: 4 GAS LEAF: 79
 COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 7
 INITIAL EFFECTIVE DATE: 06/28/01 SUPERSEDING REVISION: 6
 STAMPS:
 Effective date postponed to 08/01/01. See Supplement No. 18
 RECEIVED: 05/21/01 STATUS: Effective EFFECTIVE: 08/01/01

GENERAL INFORMATION

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

12.2 MONTHLY GAS ADJUSTMENT

(A) Transition Surcharge (applicable to Service Classification Nos. 1, 2 and 6)

Customers will be assessed a Transition Surcharge as set forth in the Statement of Monthly Gas Adjustment to recover the stranded costs associated with gas restructuring pursuant to Cases 93-G-0932 and 97-G-1380. Stranded costs shall include the costs of upstream pipeline capacity not utilized for service to gas sales customers and not assigned to Qualified Sellers under Service Classification No. 11 - Capacity Option A due to customer migration to gas transportation service.

The Transition Surcharge shall be calculated as follows:

$$\text{Transition Surcharge} = \frac{\$cap - \$rev}{\text{Projected Volumes}}$$

where:

$$\$cap = \frac{tcap}{ucap} * ucap\$$$

tcap = stranded capacity associated with firm transportation customers purchasing gas from Qualified Sellers under Service Classification No. 11 - Capacity Option B (dth)

ucap = the Company's allocated share of upstream pipeline capacity (dth)

ucap\$ = the Company's allocated share of upstream capacity costs

\$rev = revenues received by the Company for the resale, reassignment or release of stranded capacity (tcap)

Projected Volumes = the volumes estimated to be sold and delivered to customers under Service Classification Nos. 1, 2 and 5 plus transportation volumes estimated to be delivered to Service Classification No. 6 customers commencing service thereunder on or after October 1, 1996.

Service Classification No. 6 customers who commenced service thereunder prior to October 1, 1996 shall not be subject to this provision.

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