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..TXT: PSC NO: 4 GAS LEAF: 159
COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 1
INITIAL EFFECTIVE DATE: 10/15/97 SUPERSEDING REVISION: 0
STAMPS: Issued in Compliance with PSC Order in Case 97-G-1309 dated 10/02/97.
Cancelled by 2 Rev. Leaf No. 159 Effective 11/01/1997
RECEIVED: 10/07/97 STATUS: Cancelled EFFECTIVE: 10/15/97

SERVICE CLASSIFICATION NO. 11 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

(B) (Cont'd.)

At such time that the Seller can demonstrate to the Company's satisfaction that it meets the Company's credit criteria, the Company will refund the Seller's Security with interest. Interest on funds deposited with the Company as Security shall be calculated at the Commission specified rate for customer deposits in accordance with General Information Section 3.3.

If any Seller who has been required to post Security fails to promptly pay the Company any amounts due, the Company will draw such amounts from Seller's Security and Seller must, within five days notice from the Company, post additional Security for any such amounts. If the Security is not received, Seller is no longer eligible for service hereunder.

(C) In the event that, during any month, the sum of the month-to-date underdeliveries for non-Force Majeure reasons, for a particular Seller exceeds three times the ADCQ, the Company will immediately notify the Seller via telephone and facsimile. If underdeliveries reach five times the ADCQ, at the option of the Company, the following will occur: the Company's firm pipeline capacity, which has been released to the Seller, shall be recalled and (1) the Seller is no longer eligible for service hereunder unless and until the conditions below are satisfied, but not before the first day of the following month; and (2) the affected Seller's customers will be supplied natural gas by the Company and will be billed Emergency Interim Sales Service pursuant to Service Classification No. 6.

In order to reinstate a Seller following the occurrence of an under-delivery event as described above, the former Seller, in addition to meeting all other requirements of this Service Classification must, at the Company's option, post and maintain for a one year period, Security in an amount equal to two times that otherwise required for Sellers failing to satisfy the Company's credit criteria pursuant to Special Provision B of this Service Classification. At the conclusion of that year and assuming no additional occurrence of an under-delivery event as described above, Seller's requirement regarding maintenance of the Security will be returned to that described in Special Provision B. If an additional under-delivery event as described above occurs during that one year period, the Company may, at its sole discretion, suspend the Seller's eligibility for service hereunder for an additional one year period.

Issued By: R. Lee Haney, Chief Financial Officer, Pearl River, New York
(Name of Officer, Title, Address)