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 ..TXT: PSC NO: 4 GAS LEAF: 156
 COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 1
 INITIAL EFFECTIVE DATE: 11/01/97 SUPERSEDING REVISION: 0
 STAMPS: Issued in Compliance with PSC Order in Case 97-G-1441 dated 10/24/97.
 Cancelled by 2 Rev. Leaf No. 156 Effective 11/30/2000
 RECEIVED: 10/28/97 STATUS: Cancelled EFFECTIVE: 11/01/97

SERVICE CLASSIFICATION NO. 11 (Cont'd.)

FUNCTIONAL STORAGE SERVICE OPTION: (Cont'd.)

The interstate pipeline capacity used to serve the ADSU and AHLR determined in accordance with the above paragraph is the MAX ADCQ. The MAX ADCQ is the amount of firm pipeline capacity released by the Company to Seller for its Functional Storage Service customers each month.

The interstate pipeline capacity allocation percentages and the cost of the Functional Storage Service Option are shown in the Statement of Gas Adjustments to Firm Transportation Service Rates, Service Classification No. 11, filed with the Commission each month.

Monthly, a Seller will be obligated to deliver the ADCQ specified by the Company for customers that elect the Functional Storage Service Option. The ADCQ specified each month will be sufficient to serve the customers' average daily use during the month, based on the prior year weather-normalized usage for the same month, plus a daily amount of gas to be delivered for storage service. The storage gas each month shall be the first gas through the meter. The storage gas shall be delivered to the Company at fairly uniform monthly rates through October 31 of each year. The storage gas to be delivered each month shall be approximately one-seventh of the allocated FASC.

A Seller that has or elects the Functional Storage Service Option in April shall deliver storage gas between April and October equal to the allocated volume of FASC.

For Sellers electing the Functional Storage Service Option after April of each year the Seller shall be required to purchase from the Company a proportionate share of the Company's gas in storage on the date Functional Storage Service commences. The gas in storage to be purchased will be determined as follows:

<u>Purchase Month Beginning</u>	<u>Volume to be Purchased Stated as a Percentage of FASC</u>
April 1	0.00%
May 1	14.29
June 1	28.57
July 1	42.86
August 1	57.14
September 1	71.43
October 1	85.71
November 1	100.00
December 1	90.00
January 1	70.00
February 1	45.00
March 1	20.00

Issued By: **R. Lee Haney, Chief Financial Officer, Pearl River, New York**

(Name of Officer, Title, Address)