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..TXT: PSC NO: 4 GAS LEAF: 131
COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2
INITIAL EFFECTIVE DATE: 11/01/97 SUPERSEDING REVISION: 1
STAMPS: Issued in Compliance with PSC Order in Case 97-G-1441 dated 10/24/97.
Cancelled by 5 Rev. Leaf No. 131 Effective 12/01/2000
RECEIVED: 10/28/97 STATUS: Cancelled EFFECTIVE: 11/01/97

SERVICE CLASSIFICATION NO. 6 (Cont'd.)**RATE - FOUR PART - MONTHLY: (Cont'd.)****(2) Balancing Service Option or Functional Storage Service Option (Cont'd.)****(B) Functional Storage Service Option**

The Functional Storage Service Option provides for a Seller to deliver gas to the Company on behalf of its customer in excess of the Customer's average daily usage or actual needs from April through October, with the Company redelivering that excess gas from November through March, along with additional gas delivered by Seller during those months. As set forth in Service Classification No. 11, the customer's Seller shall pay the Functional Storage Service Option Fees for each customer electing such service and shall purchase gas in inventory from the Company for any customer electing the Functional Storage Service Option after April 1.

- (C) Customers that elect either the Balancing Service Option or the Functional Storage Service Option will be assessed the Peak Shaving Supply Fee when propane is used by the Company to meet the system requirements of all firm sales and transportation customers. Customers will be assessed the Peak Shaving Supply Fee based on the customer's Ccfs of annual usage to recover the cost of any propane used by the Company. The Peak Shaving Supply Fee shall be determined by dividing the cost of propane used in any twelve-month (12) period by the quantity of gas delivered to Service Classification Nos. 1, 2, 5 and 6, during the same period, all as set forth in the determination of the Company's Monthly Gas Adjustment Charge.

(D) Balancing Fee

For customers opting for the Balancing Service, if the customer's average daily usage of gas in any of the months of November through March exceeds the average daily usage during the preceding billing months of June through September ("Average Daily Summer Usage"), the volume used in such month in excess of the product of the Average Daily Summer Usage times the number of days in the billing month shall be subject to the Balancing Fee. For new customers and for customers who install additional gas-burning equipment, the Average Daily Summer Usage to be used in the above calculation shall be estimated by the Company.

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

(Name of Officer, Title, Address)