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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.

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GENERAL INFORMATION

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

12.3 APPLICABLE TO SERVICE CLASSIFICATION NOS. 1, 2, AND 6 (Cont'd.)

(A) <u>Weather Normalization Adjustment</u>

A Weather Normalization Adjustment shall be effective for all Service Classification No. 1 and 6 - Heating Customers and for Service Classification No. 2 - General Service Master Metered Multiple Dwellings Customers. The Weather Normalization Adjustment will be applied to total gas usage during the period October 1 through May 31 of each year.

(B) Definitions

- (1) PBR or pure base rate is the tail block rate set forth in Service Classification No. 1 and Service Classification No. 2 less the base cost of gas, increased by the factor of adjustment or the tail block rate set forth in Service Classification No. 6.
- (2) BD or billing days is the actual number of days for which service is being billed.
- (3) HDD or heating degree days are the difference between 65 degrees F. and the average outdoor dry bulb temperature for a day based on readings made every hour on the hour throughout the day. HDD are always zero when that average temperature is above 65 degrees F.
- (4) NHDD or normal heating degree days for each calendar day are based on the average of the degree days for that calendar day in each year of the historic period that was used to forecast sales in the Company's last base rate proceeding.
- (5) AHDD or actual heating degree days are the actual difference between 65 degrees F. and the average outdoor dry bulb temperature for a particular day or days based on readings made every hour on the hour throughout the day. AHDD are always zero when that average temperature is above 65 degrees F.
- (6) HDDF or heating degree day factor is the estimated number of ccf per customer needed to provide space heating for each degree of a degree day based on average usage by customers to which this adjustment applies. The HDDF shall be determined separately for each Service Classification and shall be revised annually to incorporate the temperature sensitivity reflected in the prior two heating seasons' sales. The HDDF shall be submitted to Staff on or before August 31 for inclusion in the October 1 start date of each year's Weather Normalization Adjustment.

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