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 COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 4
 INITIAL EFFECTIVE DATE: 01/01/02 SUPERSEDING REVISION: 3
 STAMPS: Issued in compliance with Order in Case 00-M-1556 dated 06/28/01
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GENERAL INFORMATION

15.0 INCREASE IN RATES APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED

- 15.1 **General**- The rates and charges for service under all Service Classifications of this Rate Schedule shall be increased to reflect the taxes imposed on the Company in the municipality where service is supplied pursuant to Section 186-a (Gross Receipts Tax), Section 209 (State Income Tax), and Sections 209-b and 186-c (Metropolitan Transportation Authority Business Tax Surcharge) of the New York State Tax Law, Section 20-b of the General City Law, and Section 5-530 of the Village Law.

The taxes imposed on the Company under the tax laws set forth above shall be recovered through surcharge factors. The surcharge factor is 1 minus the tax rate for the appropriate municipality.

- 15.2 **New York State Tax Law Section 209 (State Income Tax)**- The surcharge factors effective January 1 of each year shall reflect an amount to recover the estimated tax expense for the twelve months ending December 31 of that year and the amount determined by the Department of Public Service necessary to reconcile the Company's tax expense for any previous period pursuant to the order of the Commission issued June 28, 2001 in Case 00-M-1556.

The State Income Tax surcharge factors shall be applied to the Delivery Charge under Service Classification Nos. 1 and 2 and the Transportation Charge under Service Classification No. 6.

- 15.3 **New York State Tax Law Sections 209-b and 186-c (Metropolitan Transportation** Au
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A revised Statement of Increase in Rates and Charges described in Section 15.5 below will be filed for each year the Metropolitan Transportation Authority Business Tax Surcharge is applicable. The actual business tax surcharge expense shall be reconciled with the revenues produced during each twelve-month period and an adjustment will be made, if necessary, in the last two months of each twelve-month period.

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