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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2
INITIAL EFFECTIVE DATE: 01/04/02 SUPERSEDING REVISION: 1
STAMPS:
EFFECTIVE under authority of PSC 01-G-1864SP1 made 12/19/01
RECEIVED: 12/03/01 STATUS: Effective EFFECTIVE: 12/21/01

SERVICE CLASSIFICATION NO. 3 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

(F) Reserve Requirements (Cont'd.)

- (2) New customers commencing service under this Service Classification on and after December 1, 2001, must, in addition to meeting the other requirements above, have three days or more of on-site inventory of alternate fuel, based on the customer's peak winter requirements as determined in accordance with the Company's Gas Transportation Operating Procedures.
- (3) Other interruptible customers must maintain reserve levels acceptable to the Company.

A customer with an inadequate alternate fuel reserve that fails to interrupt gas service at any time during the first 10 days of interruption in any winter season shall be billed an additional charge equal to the greater of a) 130% of the cost of its alternate fuel, as established with reference to appropriate fuel price indices as determined in accordance with the Company's Gas Transportation Operating Procedures or b) 130% of the rates charged by the Company for service under this Service Classification, minus the rates paid by the customer under this Service Classification. Any customer with an inadequate alternate fuel reserve as of November 1 of each year will similarly be subject to the same additional charge. This additional charge shall be applied to all gas consumed during the billing period, excluding any Firm Base Load volumes, in which there is non-compliance and for any subsequent billing periods during which the non-compliance continues.

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