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..TXT: PSC NO: 4 GAS LEAF: 80.1
COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with Order in Case 93-G-0932 dated 11/03/98
Cancelled by 3 Rev. Leaf No. 80.1 Effective 05/01/1999
Effective date postponed to 05/01/99. See Supplement No. 3
RECEIVED: 02/02/99 STATUS: Cancelled EFFECTIVE: 05/01/99

GENERAL INFORMATION

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

12.1 APPLICABLE TO SERVICE CLASSIFICATION NOS. 1 AND 2 (Cont'd.)

(L) Stranded Cost Surcharge

Customers will be assessed a surcharge as set forth in the Statement of Gas Adjustment or Statement of Adjustments to Firm Transportation Rates, as applicable, to recover the stranded costs associated with gas restructuring pursuant to Cases 93-G-0932 and 97-G-1380. Stranded costs shall include the costs of upstream pipeline capacity, upstream storage capacity, and gas supply not utilized for service to gas sales customers and not assigned to Qualified Sellers under Service Classification No. 11 due to customer migration to gas transportation service. For the purposes of this provision, the surcharge rate shall be the rate derived from the difference between the costs incurred by the Company for the stranded upstream capacity, storage capacity and/or gas supplies and the revenues received by the Company for the resale, reassignment or release of such upstream capacity, storage capacity and/or gas supplies, divided by the sales and transportation volumes estimated to be sold and delivered to Service Classification Nos. 1, 2, 5, and 6 during the period.

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

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