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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2
INITIAL EFFECTIVE DATE: 06/01/99 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with Order in Case 98-M-1343 dated 02/16/99
RECEIVED: 05/26/99 STATUS: Effective EFFECTIVE: 06/01/99

SERVICE CLASSIFICATION NO. 11 (Cont'd.)

DISCONTINUANCE OF SERVICE BY A SELLER: (Cont'd.)

Involuntary Discontinuance of Sellers Right to Provide Service (Cont'd.)

the Direct Customer will no longer be allowed to procure its own gas supply. The discontinuance process will be terminated if the Seller/Direct Customer corrects the identified problem to the satisfaction of the party seeking discontinuance within the designated notice period. If a more expedited process is deemed necessary for any discontinuance, the Company may request such expedited treatment upon a showing of need to the Commission or its designee. The Commission or its designee may also initiate an expeditious discontinuance on its own motion. The Company shall also have standing in any such processes.

The Company may suspend or discontinue a Seller immediately if an imminent risk exists that compromises the safety or operational reliability of the Company's system.

Sellers may contest any suspension or proposed discontinuance by use of the "Dispute Resolution Process" identified herein if that process is initiated in a timely manner.

The notice of discontinuance of service by a Seller to be sent to customers by the Company shall be submitted to the Commission for review, at least 5 calendar days prior to release, advising the affected customers of the following:

- a) the date of the discontinuance;
- b) of their option to select another Seller or the Company to be their provider of gas supply;
- c) the names and telephone numbers of eligible Sellers that have indicated a willingness to serve retail customers in the Company's service territory;
- d) that if they do select other Sellers, those entities will file switch requests with the Company on the customers' behalf, and there will be no fee charged by the Company for the switches;
- e) that after the discontinuance and unless/until new Sellers are selected and the switches are completed, service will be provided by the Company; and
- f) that there will be no switching fee charged by the Company to the customer for a switch back to the Company, whether as an interim measure until a new Seller is selected or as a permanent action.

Upon any discontinuance of a Seller, the Seller shall remain responsible for payment or reimbursement of any and all sums owed under this Service Classification or under any other agreements between the Seller and the Company. The Seller shall also remain obligated to customers to the extent provided for in any contracts with them. The Seller shall also remain responsible for all outstanding upstream pipeline charges.

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