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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 1
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SERVICE CLASSIFICATION NO. 11 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

- (C) In the event that, during any month, the sum of the month-to-date underdeliveries for non-Force Majeure reasons, for a particular Seller exceeds three times the Seller's ADCQ, the Company will immediately notify the Seller via telephone and facsimile. If underdeliveries reach five times the Seller's ADCQ, at the option of the Company, the following will occur: the Company's firm pipeline capacity, which has been released to the Seller, shall be recalled and (1) the Seller is no longer eligible for service hereunder unless and until the conditions below are satisfied, but not before the first day of the following month; and (2) the affected Seller's customers will be supplied natural gas by the Company and will be billed Emergency Interim Sales Service pursuant to Service Classification No. 6.

In order to reinstate a Seller following the occurrence of an under-delivery event as described above, the former Seller, in addition to meeting all other requirements of this Service Classification must, at the Company's option, post and maintain for a one year period, Security in an amount equal to two times that otherwise required for Sellers failing to satisfy the Company's credit criteria pursuant to Special Provision B of this Service Classification. At the conclusion of that year and assuming no additional occurrence of an under-delivery event as described above, Seller's requirement regarding maintenance of the Security will be returned to that described in Special Provision B. If an additional under-delivery event as described above occurs during that one year period, the Company may, at its sole discretion, suspend the Seller's eligibility for service hereunder for an additional one year period.

- (D) Seller will be excused from delivering its ADCQ on any given day for Force Majeure events which directly and substantially affect the Seller's natural gas deliveries to the Company. For purposes of this Service Classification, a Force Majeure event will be any failure of the final pipeline delivering gas to the Company on behalf of the Seller or an upstream pipeline feeding such pipeline, with such failure having been classified as a Force Majeure event pursuant to the terms of that pipeline's FERC approved tariff. A legitimate Force Majeure event that curtails Seller's firm transportation service on an upstream pipeline that ultimately feeds a downstream pipeline, which directly and substantially affects a Seller's natural gas deliveries to the Company, will excuse a Seller from performing pursuant to Special Provision A of this Service Classification to the extent of such curtailment. If at such time the Seller is delivering gas to customers on other systems, the volume excused from performance on the Company's system will be no more than a proportionate amount of the Seller's affected deliveries curtailed by the Force Majeure event. The Seller is responsible for supplying complete information and any verifiable proof requested by the Company related to any such Force Majeure exclusion. Volumes curtailed pursuant to this Special Provision must be made up by Seller as soon as possible at a delivery rate to be established by the Company. Any curtailed volumes which are not made-up within thirty (30 days) will be charged the rates specified in Special Provision A (1).

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