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..TXT: PSC NO: 4 GAS LEAF: 79  
COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 5  
INITIAL EFFECTIVE DATE: 08/01/00 SUPERSEDING REVISION: 2  
STAMPS:  
Cancelled by 6 Rev. Leaf No. 79 Effective 12/01/2000  
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### 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.)

###### (I) Annual Reconciliation

Actual gas cost recoveries shall be reconciled with actual gas expenses each year, and a surcharge or refund to recover gas adjustment under-recoveries or refund gas adjustment over-collections shall be computed as follows:

- (1) taking the cost of gas, adjusted for supplier refunds, liquified propane consumed, and any Over- and Under-delivery Charges, Emergency Service Charges and Penalty Charges assessed under Service Classification Nos. 3, 4, 8 and 13 as recorded on its books during the determination period, adjusting that cost to reflect a level of purchased gas commensurate with actual sales and the fixed factor of adjustment as determined in the preceding rate proceeding, and subtracting therefrom an amount equal to:
  - (a) the base cost of gas multiplied by the quantities of gas sold by the company;
  - (b) gas adjustment revenues recorded during the determination period, adjusted to eliminate associated revenue tax recoveries;
  - (c) costs recorded during the determination period assignable to gas sold to customers not subject to gas cost adjustments; and
  - (d)
    - (i) the previous year's over-collection including interest, to the extent not refunded, or
    - (ii) adding the previous year's under-collection including interest, to the extent not recovered.
- (2) The amount derived in paragraph (1) of this subdivision shall be divided by the quantities of gas to be sold by the company to its customers during the surcharge/refund period.
- (3) Appropriate adjustment shall be made to eliminate the effect of net credits which have been included in the gas adjustment due to interruptible or other flexibly priced sales.
- (4) Surcharge or refund amounts shall bear interest, at a rate prescribed by the Commission, on unamortized balances.

Issued By: Kevin Burke, President, Pearl River, New York  
(Name of Officer, Title, Address)