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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 1
INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with Order in Case 97-G-1380 dated 08/19/99
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SERVICE CLASSIFICATION NO. 12 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

- (B) 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: (1) Seller's Functional Storage Service Option shall terminate, any gas remaining in inventory shall be credited to the under deliveries at a rate equal to that specified for volume purchased by the Company in the Termination of the Functional Storage Option, and any remaining amount shall be returned to the Seller; (2) 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 (3) 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 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 "Creditworthiness". 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.

To the extent that a Seller has executed an affidavit that Seller will be using firm, non-recallable upstream transportation with secondary delivery point capacity during the 1999 - 2000 winter period, the daily volumes delivered by the Seller will be increased by any volumes supplied by the Company pursuant to the Standby Volumetric Charge as set forth in Special Provision F, for the purpose of calculating month-to-date underdeliveries under this Special Provision. The Standby Volumetric Charge shall be assessed on such volumes supplied by the Company in accordance with Special Provision F.

- (C) 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

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