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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2
INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with Order in Case 97-G-1380 dated 08/19/99
Cancelled by 3 Rev. Leaf No. 168 Effective 11/30/2000
RECEIVED: 10/01/99 STATUS: Cancelled EFFECTIVE: 11/01/99

SERVICE CLASSIFICATION NO. 12 (Cont'd.)

CHARACTER OF SERVICE: (Cont'd.)

In the event Seller cannot obtain capacity or cannot satisfactorily demonstrate, in the manner set forth above, that it has obtained capacity, or in the event the capacity obtained does not meet the criteria set forth above, Seller has the option to serve its customers pursuant to Service Classification No. 11 of this Schedule.

If Seller cannot obtain capacity meeting the requirements set forth above and Seller declines to purchase capacity pursuant to Service Classification No. 11, the Company shall provide firm sales service to Seller's customers commencing on November 1 and Seller shall be prohibited from serving such customers for a period of one year.

In addition to any and all other remedies the Company may have in law and/or equity, if a Seller, in its affidavit, misrepresents that it possesses firm, non-recallable, primary or secondary delivery point capacity, the Seller shall be liable to the Company for an amount equal to \$25 times the daily volume in dekatherms previously attested to by the Seller, in its affidavit, as being supplied with firm non-recallable capacity, for the entire winter period November through March and the Company, at its sole discretion, may a) terminate service hereunder immediately and provide firm sales service to the Seller's customers; or b) permit the Seller to continue service hereunder and require the Seller to take and pay for the Company's released firm upstream transportation capacity, at maximum pipeline rates, for a period of seven months.

RATE:

Rates and charges pursuant to this Service Classification are as specified under "Functional Storage Service Option", and under Special Provisions A, C, E and F.

DETERMINATION OF AGGREGATED DAILY CONTRACT QUANTITY:

An Aggregated Daily Contract Quantity ("ADCQ"), stated in dekatherms (Dth's), shall be calculated monthly for each Seller taking service hereunder. The ADCQ shall be equal to the sum of the DCQs ("Daily Contract Quantity") for all Balancing Service customers and Functional Storage Service customers in the Seller's Aggregation Group. The ADCQ represents the volume of gas the Seller is required to deliver to the Company's city gate each day.

A customer must elect either the Balancing Service Option or the Functional Storage Service Option for each customer account. A Seller must specify in the nomination procedures which customers within its Aggregation Group are to receive the Balancing Service and which customers are to receive the Functional Storage Service. A Seller must retain a customer in the Balancing Service Option, or Functional Storage Service Option aggregation group initially through March 31, and annually thereafter.

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