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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2
INITIAL EFFECTIVE DATE: 01/14/02 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with Order in Case 00-G-0996, dated 10/31/01.
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SERVICE CLASSIFICATION NO. 9 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

(I) Customer Responsibilities (Cont'd.)

The customer shall immediately: (i) notify the Company of any condition that would prevent the required discontinuance of gas service or prevent the Company from determining whether the customer is using gas during a period in which the Company withdraws service, (ii) take immediate action to correct such condition, and (iii) notify the Company when such condition has been corrected. If the customer does not correct such condition within 10 days from when the condition is first reported by the customer or from when first discovered by the Company with notice to the customer, whichever is earlier, the customer shall be billed an additional charge equal to the greater of a) 130% of the cost of its alternate fuel, as established with reference to appropriate fuel price indices as determined in accordance with the Company's Gas Transportation Operating Procedures or b) 130% of the rates charged by the Company under Service Classification No. 3 of this Schedule, minus the rates paid by the customer under this Service Classification. This additional charge shall be applied to all gas consumed during the billing period in which there is non-compliance and for any subsequent billing periods during which the non-compliance continues.

The customer must comply with an annual inspection of its alternate fuel or alternate energy facilities, at a date and time determined by the Company, to determine whether such facilities are operable. In addition, the Company shall have the right to require a test of the customer's alternate fuel or alternate energy facilities. The customer must comply with any such test.

(J) Reserve Requirements

Prior to November 1 of each year, customers are required to demonstrate to the Company that they have adequate reserves of alternate fuel based on peak winter period requirements and in accordance with the provisions below.

- (1) All Distillate Users shall have a five days supply of alternate fuel. If the customer does not have five days storage capability on site, the customer must fill available on-site storage and prove, to the Company's satisfaction, that a relationship exists with an alternate fuel provider to supply the customer for the difference between its on-site supply and the five days of required alternate fuel supply.

For the purposes of this provision, Distillate Users are those customers using No. 2 fuel oil, diesel fuel or kerosene as their alternate fuel source.

Issued By: Stephen B. Bram, President, Pearl River, New York
(Name of Officer, Title, Address)