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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
 RECEIVED: 12/14/01 STATUS: Effective EFFECTIVE: 01/14/02

SERVICE CLASSIFICATION NO. 14

RATE - SIX PART - MONTHLY: (Continued)

(4) Over and Under-delivery Charges (Continued)

(c) Under-deliveries - Daily (Continued)

"Tennessee" receipt points for the applicable gas flow day as published in Gas Daily in the table "Daily Price Survey" - "Flow Date", plus the Company's weighted average cost of transportation (WACOT) and fuel losses calculated at 100% load factor.

(d) Under-deliveries - Monthly

If there is an under-delivery at the end of the month, the under-delivered volumes will be sold to the customer by the Company at a rate equal to 105% of the monthly average of the highest daily "Midpoint" rates of the "Louisiana - Onshore South", "Tennessee" receipt points for the month published in Gas Daily in the table "Daily Price Survey" - "Flow Date", plus the Company's weighted average cost of transportation (WACOT) and fuel losses calculated at 100% load factor.

(5) Penalty Charge

All gas used by a customer during periods in which the Company has requested customer to discontinue usage of gas service shall be subject to a minimum penalty equal to the higher of a) 120% of the wholesale electric market price at the time of non-compliance converted to a gas price in accordance with the Company's Gas Transportation Operating Procedures or b) \$25.00 per Dth plus the cost of gas or c) \$45.00 per Dth, or any penalty the Company may incur from a pipeline due to customer's unauthorized takes that is greater than the minimum penalty. The Company may, at its option, waive this penalty during emergencies. For the purposes of this provision, the cost of gas shall be equal to the highest daily "Midpoint" rate of the "Louisiana-Onshore South", "Tennessee" receipt points for the appropriate day as published in Gas Daily in the table "Daily Price Survey" plus the Company's weighted average cost of transportation (WACOT) and fuel losses at 100% load factor.

(6) Increase in Rates and Charges

All rates and charges under this Service Classification will be increased pursuant to General Information Section 15 of this Schedule.

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