

PSC NO. 4 GAS

ORANGE AND ROCKLAND UTILITIES, INC.	LEAF:	74
INITIAL EFFECTIVE DATE: July 1, 2019	REVISION:	11
	SUPERSEDING REVISION:	9

GENERAL INFORMATION

12. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF GAS
(Cont'd.)

12.1 GAS SUPPLY CHARGE (Cont'd.)

(C) Average Cost of Gas (Cont'd.)

(2) Variable Cost

Variable gas costs include purchased gas cost, storage gas cost, alternate gas supplies, e.g., liquefied natural gas from the facility owned by Consolidated Edison Company of New York, liquefied propane gas, trucked and stored CNG, trucked and stored LNG, and propane-air, variable transportation costs, applicable surcharges and taxes, the commodity cost of gas associated with bundled purchases made by the Company including bundled purchases associated with Service Classification No, 11, and the costs associated with risk management programs.

The variable cost of the Companies shall be determined by:

- (i) applying the variable rates and charges of the transporters, storage and peaking providers, and suppliers to the billing determinates associated with transportation, storage and peaking, bundled purchases, and gas supply for the forecasted weather normalized quantities of gas to be taken for delivery to the Companies' firm sales customers during the month in which the gas supply charge will be in effect, adjusted further for the costs associated with risk management programs; and
- (ii) applying the average unit cost of gas in storage at the date of computation to the quantities of gas estimated to be withdrawn from storage for the Companies' firm sales customers during the month in which the gas supply charge will be in effect.

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