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PSC NO. 4 GAS

ORANGE AND ROCKLAND UTILITIES, INC.

INITIAL EFFECTIVE DATE: February 25, 2018

SUPERSEDING REVISION: 10

GENERAL INFORMATION

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

12.4 Merchant Function Charge (MFC)

(A) Applicability

Customers taking service under Service Classification Nos. 1 and 2 of this Rate Schedule shall be subject to a Merchant Function Charge ("MFC"). Separate MFCs will be determined for Service Classification No. 1 and for Service Classification No. 2 of this Rate Schedule and will be applied to all gas volumes sold under such service classifications to recover the costs associated with commodity-related competitive services. Commodity-related costs include commodity procurement costs (including commodity revenue-based allocation of information resources and education and outreach costs), credit and collections costs, gas in storage working capital costs related to firm sales, and commodity-related uncollectibles.

(B) <u>Fixed MFC Components</u>

The fixed components of the MFC are as follows:

Cents per Ccf

Service Classification Commencing January 1,	And Outreach	Credit and Collections	<u>Total</u>
SC No. 1	0.477	0.124	0.601
SC No. 2	0.169	0.039	0.208

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