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PSC NO. 4 GAS

ORANGE AND ROCKLAND UTILITIES, INC.

INITIAL EFFECTIVE DATE: November 1, 2015

Issued in compliance with Commission order in Case 14-G-0494, dated 10/16/15

## GENERAL INFORMATION

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

## 12.2 MONTHLY GAS ADJUSTMENT (Cont'd.)

(C) <u>Credit/Surcharge for Sharing of Benefits (applicable to Service</u> Classification Nos. 1, 2 and 6)

The Monthly Gas Adjustment applicable to Service Classification ("S.C.") Nos. 1, 2, and 6 shall be adjusted to reflect the net benefits from 1)interruptible (S.C. No. 8) sales and transportation, firm withdrawable transportation and sales (S.C. No. 9), and firm dual fuel (S.C. No. 5) service (collectively "Interruptible Benefits") and 2) transfer of gas to electric generating facilities previously owned by the Company ("Power Generation Benefits"). Such benefits shall be determined as follows:

(1) Interruptible Benefits

Interruptible Benefits shall be defined as (1) total interruptible revenues from S.C. No. 8 minus any associated gas costs and revenue tax surcharge revenues; (2) total firm withdrawable delivery revenues from S.C. No. 9 minus any associated gas costs and revenue tax surcharge revenues; and (3) total firm dual fuel revenues from S.C. No. 5 minus gas costs and revenue tax surcharge revenues.

For the twelve-month periods commencing November 1, 2015 and November 1, 2016, a base rate revenue imputation of \$3,000,000 and \$3,500,000, respectively, relating to the Interruptible Benefits described above shall be in effect. For the twelve-month period commencing November 1, 2017, and every twelve-month period commencing November 1, thereafter, such imputation shall be \$4,000,000 until such time the imputation is reset in a base rate proceeding. Any variance between the actual total Interruptible Benefits and the base rate revenue imputation for each twelve-month period shall be shared 80 percent/20 percent between customers and the Company respectively, in accordance with the Joint Proposal, dated June 5, 2015, and adopted by the Commission in its Order issued and effective October 16, 2015, in Case No. 14-G-0494.

Customers' share of the Interruptible Benefits so determined shall be credited (or surcharged if negative) to S.C. Nos. 1, 2, and 6 customers. The rate of credit (or surcharge) shall be determined by dividing the estimated customer share available to S.C. Nos. 1, 2, and 6 customers for the twelvemonth period ending October 31 of each year by the S.C. Nos. 1, 2, and 6 deliveries estimated for that period.

Issued By: <u>Timothy Cawley, President, Pearl River, New York</u>
(Name of Officer, Title, Address)