PSC NO. 4 GAS   LEAF: 80.3.6
ORANGE AND ROCKLAND UTILITIES, INC.   REVISION: 1
INITIAL EFFECTIVE DATE: November 1, 2015   SUPERSEDING REVISION: 0
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.)

(K) Energy Efficiency ("EE") Tracker Mechanism (applicable to Service Classification Nos. 1, 2 and 6)(Cont'd.)

The EE Tracker Mechanism shall be determined by dividing the calendar year program budget and any prior period reconciliation (i.e., the difference between actual collections and the target amount included in the prior year's EE Tracker Mechanism filing) by the forecasted Ccf deliveries to Service Classification Nos. 1, 2, and 6 customers for the twelve-month period the EE Tracker Mechanism will be in effect.

(L) System Performance Adjustment ("SPA") Mechanism (applicable to Service Classification Nos. 1, 2 and 6)

Beginning January 1, 2017, the Monthly Gas Adjustment shall be adjusted by a per Ccf rate to refund or surcharge customers for differences in actual gas losses as compared to estimated gas losses based on the actual Factor of Adjustment within a pre-determined dead-band.

For purposes of the SPA Mechanism, the Line Loss Factor ("SPA Mechanism LLF") will be set equal to 1.562% (i.e., the line loss factor that was in effect commencing November 1, 2015) and will remain the SPA Mechanism LLF until such time that base rates are reset.

The Company will compare the actual line loss factor for the 12-month period ending the previous August 31 ("actual LLF") to a Target Dead Band based on the SPA Mechanism LLF. The Target Dead Band limits are set at minus two standard deviations of the SPA Mechanism LLF ("Dead Band Lower Limit" or "DBLL") and plus two standard deviations of the SPA Mechanism LLF ("Dead Band Upper Limit" or "DBUL"). If the actual LLF is less than 0%, the actual LLF shall be set to 0%.

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