

PSC NO. 4 GAS LEAF: 76  
ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 9  
INITIAL EFFECTIVE DATE: November 1, 2015 SUPERSEDING REVISION: 7  
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.)

12.1 GAS SUPPLY CHARGE (Cont'd.)

(D) Annual Reconciliation (Cont'd.)

(1) (Cont'd.)

and Peak Shaving Supply Fees assessed under Service Classification No. 6 as recorded on the Company's books during the determination period, adjusting that cost to reflect a level of purchased gas commensurate with actual sales and a fixed factor of adjustment as described below:

- (a) For purposes of the Annual Reconciliation, the Line Loss Factor ("Annual Reconciliation LLF") will be set equal to 1.562% (i.e., the line loss factor based on the fixed factor of adjustment that was in effect commencing November 1, 2015) and will remain the Annual Reconciliation LLF until such time that base rates are reset.
- (b) Beginning with the Annual Reconciliation effective January 1, 2017, 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 Annual Reconciliation LLF. The Target Dead Band limits are set at minus two standard deviations of the Annual Reconciliation LLF ("Dead Band Lower Limit" or "DBLL") and plus two standard deviations of the Annual Reconciliation LLF ("Dead Band Upper Limit" or "DBUL").
- (c) If the actual LLF falls within the Target Dead Band, there is no adjustment to the cost of gas.
- (d) If the actual LLF is greater than the DBUL, the cost of gas will be adjusted by the ratio of the factor of adjustment based on the DBUL and the factor of adjustment based on the actual LLF.
- (e) If the actual LLF is less than the DBLL, the cost of gas will be adjusted by the ratio of the factor of adjustment based on the DBLL and the factor of adjustment based on the actual LLF. However; 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)