

PSC NO. 4 GAS
ORANGE AND ROCKLAND UTILITIES, INC.
INITIAL EFFECTIVE DATE: January 1, 2015

LEAF: 191
REVISION: 3
SUPERSEDING REVISION: 2

SERVICE CLASSIFICATION NO. 14

RATE - MONTHLY: (Continued)

(3) Value Added Charge ("VAC") (Continued)

DEFINITIONS

Actual Value Added Charge - The Value Added Charges that the customer would have been billed during the Effective Period if the Value Added Charge had been calculated based on the actual Spark Spreads during the Effective Period. The Actual Value Added Charge includes the prior period Reconciliation Adjustment.

Base Year - The first full year of the operation of the New York Independent System Operator ("NYISO") starting December 1, 1999.

Base Year Spark Spread - The simple average of the Spark Spread for all 8,784 hours of the Base Year. The Base Year Spark Spread for each respective Heat Rate Tier Level is as follows:

Tier 1	\$(34.78)	per MWH
Tier 2	\$(6.76)	per MWH
Tier 3	\$(2.45)	per MWH
Tier 4	\$ 8.76	per MWH

Customer's Heat Rate - The Heat rate expressed in MMBtu/MWH in the Heat Rate Tier Level that applies to the customer's equipment.

Customer's MWH Generated Output - The hourly Dth consumption divided by the customer's heat rate expressed in MWH.

Daily Market Gas Cost - The Daily Market Gas Cost per Dth is the market cost of gas reported in Platt's "Gas Daily" for Transco Zone 6 (NY) or, if gas is delivered to the Company's system from another gas pipeline, the cost of gas as reported in the Gas Daily for that pipeline delivery point. Such cost of gas shall be the average of the midpoint and the high price for the day of flow.

Effective Period - The period May 1st through April 30th of the following year.

Fuel Cost of Generation - The applicable Daily Market Gas Cost multiplied by the customer's Heat Rate Tier Level expressed in \$/MWH.

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