



Orange and Rockland Utilities, Inc.
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March 4, 2019

Honorable Kathleen H. Burgess
Secretary to the Commission
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. ("O&R" or the "Company") is filing with the Public Service Commission (the "Commission") amendments to its Schedule for Gas Service, P.S.C. No. 4 – GAS (the "Tariff").

The revised Tariff leaves, which are identified below, are filed to become effective on July 1, 2019:

21st	Revised Leaf No.	73
3rd	Revised Leaf No.	73.1
11th	Revised Leaf No.	74
	Original Leaf No.	74.1
5th	Revised Leaf No.	80.3.1

Reasons for Proposed Tariff Modifications

Consolidated Edison Company of New York, Inc. ("Con Edison") is making a filing today with the Commission regarding approval for recovery of certain costs associated with trucked and stored compressed natural gas ("CNG") and liquefied natural gas ("LNG") that are not covered by the definitions of gas costs in the Gas Cost Factor ("GCF") and Daily Delivery Service ("DDS") provisions of Con Edison's Schedule for Gas Service – P.S.C. No. 9 – Gas.¹

Pursuant to the Settlement Agreement adopted by the Commission in its *Order Authorizing Merger*, issued and effective April 2, 1999 and Confirming Order, issued and effective April 14, 1999 in Case No. 98-M-0961, gas is purchased for both Con Edison and O&R under a common supply arrangement whereby gas and services for both companies are purchased in a manner that minimizes the total cost. Given Con Edison's filing and Con Edison's and O&R's common supply arrangement, if the Commission approves Con Edison's proposed amendments to its GCF and DDS mechanisms, O&R will need similar approval to make comparable changes to its gas tariff provisions regarding trucked and stored CNG and LNG costs. Therefore, O&R is filing today to amend its definitions of fixed and variable gas costs contained in the Balancing Charge component of the Monthly Gas Adjustment ("MGA") and the Gas Supply Charge ("GSC") with respect to fixed and variable costs for trucked and stored CNG and LNG.

¹ Con Edison's filing made today sets forth the rationale behind the request for the recovery of these costs.

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Summary of Proposed Tariff Changes

The following is a summary of the Company's proposed changes to the Tariff.

- General Information Section No. 12.1 has been amended to: (1) clarify that fixed costs associated with trucked and stored CNG and LNG are recoverable through the Fixed Gas Cost component of the GSC; (2) allow the recovery of development costs associated with trucked and stored CNG and LNG projects, including abandoned projects, through the Fixed Gas Cost component of the GSC; and (3) clarify that gas commodity costs associated with trucked and stored CNG and LNG are recoverable through the Variable Gas Cost component of the GSC.
- General Information Section No. 12.2(I) has been amended to: (1) clarify that fixed costs associated with trucked and stored CNG and LNG are recoverable through the Balancing Charge component of the MGA; and (2) allow the recovery of development costs associated with trucked and stored CNG and LNG projects, including for abandoned projects, through the Balancing Charge component of the MGA.

Conclusion and Notice

The Company will provide for public notice of the tariff changes proposed in this filing by means of newspaper publication once a week for four consecutive weeks prior to the effective date. Enclosed is a proposed form of Notice of Proposed Rule-Making for publication in the State Register pursuant to the State Administrative Procedure Act.

Any questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering