



Orange and Rockland Utilities, Inc.  
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October 1, 2014

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

Re: Winter Bundled Sales Service Option

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. (the "Company") hereby submits for filing 15th Revised Leaf No. 155 reflecting revisions to its Schedule for Gas Service, P.S.C. No. 4 – GAS ("Gas Tariff"). This leaf is issued October 1, 2014, to become effective on January 10, 2015.

Reason for Filing

On October 16, 2009, the Commission issued an Order Adopting Joint Proposal and Implementing a Three Year Rate Plan ("Gas Rate Order") in Case 08-G-1398<sup>1</sup>. One of the changes adopted by the Commission in the Gas Rate Order involved the recovery of balancing costs. Balancing costs are load following costs associated with storage assets and pipeline transportation charges from storage to the Company's citygates. Prior to Case 08-G-1398, the Company recovered balancing costs through three mechanisms: (1) the Gas Supply Charge ("GSC") applicable to firm sales customers; (2) the demand component of the Winter Bundled Sales ("WBS") service charge applicable to marketers serving firm transportation customers who elect WBS service; and (3) a balancing charge applicable to firm transportation customers who do not elect WBS service.

The Joint Proposal adopted by the Commission in the Gas Rate Order directed that balancing costs be removed from these three mechanisms and assessed on all firm customers through the Monthly Gas Adjustment ("MGA"). In its Rate Year 1 compliance filing made on October 30, 2009 in Case 08-G-1398, the Company made tariff changes intended to implement this provision; however, the Company inadvertently failed to remove language relating to fixed storage charges in the determination of the WBS charge as described in Service Classification No. 11.

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<sup>1</sup> Case 08-G-1398 - *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Orange and Rockland Utilities, Inc. for Gas Service*

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Although the current language describing the WBS charge in Service Classification No. 11 does not correctly reflect the provisions of the Joint Proposal, for the twelve-month periods ended October 31, 2010, 2011 and 2012, the Company billed marketers for WBS service correctly in accordance with the Joint Proposal. That is, all balancing charges were excluded from bills to these marketers. However, for the twelve-month period ended October 31, 2013, the Company included a fixed storage component in the WBS charge assessed on marketers pursuant to the incorrect tariff language. The Company plans to refund to marketers the amount collected through the fixed storage component for the twelve-month period ended October 31, 2013 within the next few weeks.

#### Summary of Tariff Modifications and Conclusion

The description of the WBS charge in Service Classification No. 11 has been modified to remove the language indicating that fixed storage charges are included in the determination of the WBS Charge.

The Company requests waiver of newspaper publication since the correct tariff language was previously approved in the Gas Rate Order. 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