



Orange and Rockland Utilities, Inc.
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February 22, 2017

Honorable Kathleen H. Burgess
Secretary
New York State Department of Public Service
Three Empire State Plaza, 19th Floor
Albany, New York 12223

RE: Case 15-G-0185 – In the Matter of Heating Fuel Oil
Supply Coordination with Interruptible Gas Service
Customers

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. ("O&R" or "the Company") hereby submits for electronic filing with the Public Service Commission (the "Commission") the following tariff leaves reflecting revisions to its Schedule for Gas Service, P.S.C. No. 4 – Gas ("Gas Tariff").

10th Revised Leaf No. 139.1
2nd Revised Leaf No. 147.3

These leaves are issued February 22, 2017, to become effective February 23, 2017.

Reason for Filing and Tariff Changes

On December 30, 2016, the Company filed amendments to its Gas Tariff ("December Compliance Filing") in compliance with the Commission's Order Adopting New Communication Protocols (the "Order"), issued and effective December 16, 2016 in the above referenced case, which directed that changes be made by all local distribution companies ("LDC") to the provisions for interruptible service contained in the LDC tariffs and Gas Transportation Operating Procedures ("GTOP") to ensure safe and reliable service for all customers at times of peak demand.

The Order proposed changes in the following areas: (1) the required communications between the LDC and interruptible customers¹ prior to, during, and immediately following an interruption; (2) the filing of an annual customer affidavit attesting to compliance with the LDC tariff from all interruptible customers except those customers who have elected to cease using natural gas when directed in lieu of maintaining an alternate fuel inventory ("Shut Down customer"); (3) the inclusion of certain information in the annual customer affidavit; and (4) an additional unannounced interruption test at the end of January of every year.

¹ In the Order, the Commission refers to interruptible customers as "demand response customers."

Honorable Kathleen H. Burgess

February 22, 2017

Page 2

In the December Compliance Filing, the Company revised Service Classification ("SC") Nos. 8 and 9 to: (1) explicitly state that any interruptible customer will be required to submit the affidavit contained in the GTO by October 1 of each year; (2) indicate that there may be more than one planned interruption test each year; and (3) revise the one time waiver of certain penalties contained in SC No. 8 of the Gas Tariff for a customer's failure to interrupt due to documented equipment failures. These Gas Tariff changes became effective January 1, 2017.

Changes were also filed to the Company's GTO on December 30, 2016, amending the existing affidavit for customer information and outlining the required communications between the Company and its interruptible customers prior to, during, and immediately following an interruption. After discussions with the Department of Public Service Staff ("Staff"), it was requested that the Company add language to the Gas Tariff stating that these required communications protocol and affidavit requirements could be found in the GTO. In this filing, the Company is revising SC Nos. 8 and 9 of the Gas Tariff to include the language that, effective January 1, 2017, the daily communications protocol and customer affidavit requirements as established in the Order were implemented by the Company and are further described in the GTO.

Request for Waiver and Withdrawal of Request for Clarification

In the December Compliance Filing, the Company requested the Commission clarify that the Order was not intended to modify existing utility waivers related to documented equipment failures but, rather, that the Commission simply directed utilities to extend existing waivers to planned interruptions. After discussions with Staff, it has been confirmed the Gas Tariff changes made in the December Compliance Filing properly reflect the opportunity for a second waiver of certain penalties for failing to interrupt during any second planned interruption test due to documented equipment failures (i.e., the waiver will apply to the two-violation rule and Charge for Inoperable Alternate Fuel/Energy Facilities or Inadequate Fuel Reserves, but the waiver will not apply to the Charge for Unauthorized Use of Gas). Therefore, the Company withdraws its previous request for clarification.

Regarding Recommendation 1 in the Order, the Company hereby requests a waiver of the requirement that it communicate daily with interruptible customers as soon as weather forecasts project outside temperatures to be 20 degrees or less for the upcoming three consecutive days or during times when three days of consecutive customer interruptions occur. The Company has reviewed the weather data in its service territory for the last several years and has determined that it would have been required to communicate with interruptible customers on 23 occasions under this requirement since 2014. Consequently, a more appropriate threshold temperature for the Company's service territory would be 15 degrees and the Company respectfully requests this minor modification.

Conclusion and Notice

Ordering Clause 2 of the Order directed utilities to file, on not less than one days' notice, changes to their tariffs to effectuate the Order. Therefore the Company is filing these tariff changes to be issued on February 22, 2017, and effective on February 23, 2017 on a temporary basis.

Honorable Kathleen H. Burgess
February 22, 2017
Page 3

The newspaper publication requirements of §66(12)(b) of the Public Service Law are waived pursuant to Ordering Clause 3 of the Order.

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

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering