

..DID: 8798
..TXT:

May 26, 1999

Honorable Debra Renner
Acting Secretary
State of New York
Department of Public Service
Three Empire State Plaza
Albany, NY 12223

Re: Case 98-M-1343 - Compliance Filing

Dear Acting Secretary Renner:

Orange and Rockland Utilities, Inc. (the "Company") hereby submits for filing the following tariff leaves proposing revisions to its Schedule for Gas Service P.S.C. No. 4 - GAS.

3	Revision	2	166.6	Revision	0
4	Revision	2	166.7	Revision	0
7	Revision	3	166.8	Revision	0
8	Revision	3	166.9	Revision	0
9	Revision	1			
33	Revision	3			
62	Revision	1			
94	Revision	1			
94.1	Revision	0			
94.2	Revision	0			
94.3	Revision	0			
94.4	Revision	0			
94.5	Revision	0			
129	Revision	4			
133.1	Revision	4			
133.2	Revision	2			
152	Revision	3			
159	Revision	3			
160	Revision	3			
161	Revision	4			
162	Revision	4			
163	Revision	2			
164	Revision	2			
165	Revision	2			
166	Revision	1			
166.1	Revision	1			
166.2	Revision	0			
166.3	Revision	0			
166.4	Revision	0			
166.5	Revision	0			

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166.10	Revision	0
167	Revision	3
174	Revision	1
175	Revision	4
176	Revision	1
177	Revision	3
178	Revision	2
179	Revision	2
180	Revision	1
181	Revision	1
182	Revision	1
182.1	Revision	0
182.2	Revision	0
182.3	Revision	0
182.4	Revision	0
182.5	Revision	0
182.6	Revision	0
182.7	Revision	0
182.8	Revision	0
182.9	Revision	0
183	Revision	1
185	Revision	1
186	Revision	1
187	Revision	1
188	Revision	1
188.1	Revision	0
188.2	Revision	0
188.3	Revision	0
188.4	Revision	0
188.5	Revision	0
188.6	Revision	0
188.7	Revision	0
188.8	Revision	0
188.9	Revision	0
188.10	Revision	0

These tariff leaves are issued May 26, 1999, to become effective June 1, 1999. This filing is submitted in compliance with the Commission's Opinion and Order Concerning Uniform Business Practices (Opinion 99-3), issued and effective February 16, 1999 and Order Granting Portions of Petitions for Rehearing, issued and effective April 15, 1999 in Case 98-M-1343.

The details of the Company's filing are as follows.

1. Rider A - Gas Transportation Service Program

This is a new Service Classification Rider applicable to customers taking service under Service Classification Nos. 4, 6 and 8. This Rider governs the terms and conditions of gas transportation service and provides customer eligibility, enrollment, switch of supplier, slamming prevention, billing and termination of service procedures.

2. Service Classification Nos. 11, 12 and 13

Existing Service Classification Nos. 11, 12 and 13 describe the terms and conditions applicable to Qualified Sellers and Direct Customers as providers of gas supply to customers taking service under Service Classification Nos. 4, 6 and 8. The tariff revisions submitted herein add provisions for discontinuance of service and dispute resolution procedures. Also, the creditworthiness provisions have been revised to

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comply with the Uniform Business Practices.

3. Other Changes

General Information Section No. 10 has been modified to provide to a customer, or its designee, 24 months of energy usage history and 12 months of customer credit information. General Information Section No. 6 has been modified to include fees for special meter readings.

Implementation of Uniform Business Practices

The Commission, in Opinion No. 99-3, provided for the deferral of the implementation of those aspects of the Uniform Business Practices ("UBPs") requiring new information processing and communication systems until a decision is reached by the Commission in the EDI proceeding. This will avoid duplication of significant computer software and hardware costs. Accordingly, pending resolution of the EDI proceeding, the data exchange provisions of the UBPs for customer enrollment, switching, slamming prevention and discontinuance of service will be implemented, to the extent practicable, using information and communication systems currently employed in the operation of the Company's gas transportation program.

The Seller creditworthiness standards identified in Service Classification Nos. 11, 12 and 13 are consistent with the UBP requirement that utilities accept a Seller's Dun & Bradstreet ("D&B") rating of 1A2 or better coupled with 24 months of good payment history with the Company. The Company's filing expands on this creditworthiness standard by specifying that the 24 month good payment history must be for amounts equal to, or greater than, the Company's monthly credit exposure relating to said Seller. The Commission, by coupling a 24 month good payment history requirement to the minimum D&B credit rating, has recognized that the credit rating of a Seller by D&B alone is not a sufficient measure of the Seller's ability to make timely payments to a utility under its gas transportation service program. The utility must have a credit security calculation commensurate with its credit exposure in order to avoid significant financial risk from possible non-performance or non-payment by Sellers. The clarification identified in Service Classification Nos. 11, 12 and 13 of the definition of a Seller's "good payment history" provides for creditworthy Sellers to avoid posting security while providing the Company protection against the financial risks of Seller non-performance.

Also, this filing does not contain provisions for the implementation of Billing Agency Arrangements. The Commission, in Opinion No. 99-3, stated "that billing agency arrangements are voluntary agreements between the utility and the ESCO/Marketer/Billing Agent" (p. 99). Rider A provides for the negotiation between the Company and a Seller of alternative billing arrangements to provide a single bill for both gas supply and delivery services. The details of such arrangements are subject to mutual agreement of the parties rather than identified in advance in the Company's tariff.

Waivers and Modifications Requested

In accordance with Ordering Clause No. 1 of the Commission's Order Adopting Uniform Business Practices and Requiring Tariff Amendments issued and effective January 22, 1999, the Company hereby requests adoption of the modifications proposed for the creditworthiness requirements in Service Classification Nos. 11, 12 and 13.

Also included with this filing is the General Filing Information Form. The requirement for newspaper publication of this filing is waived per Opinion

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Questions regarding this filing can be directed to me at (914) 577-2963.

Very truly yours,

William A. Atzl, Jr.
Manager - Regulatory Affairs