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ORANGE AND ROCKLAND UTILITIES, INC.
4 Irving Place
New York, New York 10003

October 31, 2000

Honorable Janet H. Deixler
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Case 99-M-0631 - In the Matter of
Customer Billing Arrangements

Dear Secretary Deixler:

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

Leaf No. 8	Revision 4	Leaf No. 33.12	Revision 0
Leaf No. 33	Revision 5	Leaf No. 33.13	Revision 0
Leaf No. 33.1	Revision 0	Leaf No. 33.14	Revision 0
Leaf No. 33.2	Revision 0	Leaf No. 33.15	Revision 0
Leaf No. 33.3	Revision 0	Leaf No. 33.16	Revision 0
Leaf No. 33.4	Revision 0	Leaf No. 33.17	Revision 0
Leaf No. 33.5	Revision 0	Leaf No. 34	Revision 3
Leaf No. 33.6	Revision 0	Leaf No. 166.4	Revision 2
Leaf No. 33.7	Revision 0	Leaf No. 166.11	Revision 0
Leaf No. 33.8	Revision 0	Leaf No. 182.3	Revision 2
Leaf No. 33.9	Revision 0	Leaf No. 182.12	Revision 0
Leaf No. 33.10	Revision 0	Leaf No. 188.7	Revision 2
Leaf No. 33.11	Revision 0	Leaf No. 188.11	Revision 1

These tariff leaves are issued October 31, 2000, to become effective February 1, 2001. This filing is submitted in compliance with the Commission's Order Providing for Customer Choice of Billing Entity, issued and effective March 22, 2000 (the "March Order"), and Order Denying Petitions for Rehearing, issued and effective September 1, 2000 (the "September Order"), in Case 99-M-0631.

Summary of the Proposed Changes

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As required by the Commission's March and September Orders, the Company is filing tariff amendments to provide billing options for transportation service customers. Customers will have the following billing options: (a) to continue to receive separate bills from the Company and from a Marketer that offers a separate bill arrangement, (b) to receive a single, consolidated bill from the Company (a "Utility Single Bill"), or (c) to receive a single, consolidated bill from a Marketer (a "Marketer Single Bill"). The tariff identifies back-out credits, applicable to customers who receive Marketer Single Bills, and charges applicable to Marketers for which Utility Single Bills are issued. In accordance with the March Order, as a temporary proxy for long-run avoided costs, the backout credits are based on embedded costs related to printing and mailing of bills, customer care, and payment processing. The credit is based on a combination of 1999 actual expenses and 2000 estimated expenses, depending on the function, and includes Administrative and General ("A&G") expenses and common plant and a portion of customer care costs based on select billing and payment-related customer contacts. The charge to a Marketer for a Utility Single Bill is set equal to the backout credit.

The Company is offering the Utility Single Bill in a "rate-ready" format. This means that the Marketer contracting with the Company to bill its customers will submit rate information no more than once per customer account for each billing cycle; the Company will calculate the Marketer portion of the bill from this information and the meter data from the customer's meter. Under the Marketer Single Bill, the Company will send the Marketer "bill-ready" information, that is, the Company's rates and charges will be calculated and provided to the Marketer to be incorporated "as is" on the customer's bill.

Tariff Changes

Specific tariff changes include the following:

- A section entitled "Transportation Customer Billing Options" has been added to General Information Section 6.5, Rendering of Bills. This new section describes billing options available to transportation customers and the rules applicable to the Utility Single Bill, Marketer Single Bill and Two Separate Bills. This section also includes billing performance standards.
- Service Classification Nos. 11, 12 and 13 have been modified to reflect that the credit exposure for a Marketer providing a Marketer Single Bill is equal to 45 days of the projected peak period aggregate energy requirements of the Marketer's customers.
- A special provision has also been added to Service Classification Nos. 11, 12 and 13 describing transportation service billing options.

Recovery of Costs and Future Determination of Back-out Credits

The Company plans to track actual costs for the services made competitive in order to determine what costs have been avoided. Pursuant to the March Order, and reiterated in the September Order, the Commission acknowledged that utilities may petition the Commission "for recovery of any difference between costs that are ultimately avoided and the projected costs

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assumed here and for any net incremental costs associated with implementation of the billing arrangements." In order to set the back-out credits on an avoided cost basis, the Company plans to perform and file a long-run avoided cost study of billing services for consideration by the Commission as provided in the Commission's March and September Orders.

Conclusion

Also included with this filing is the General Filing Information Form. As provided by Ordering Clause 2 of the Commission's September Order, the requirement for newspaper publication has been waived. This filing is being served on the parties to this proceeding and on energy service companies presently serving retail access customers in the Company's service territory by email.

Questions regarding this filing can be directed to me at (212) 460-3308.

Sincerely,

William A. Atzl, Jr.
Manager - Electric and
Gas Rate Design

Enc.