

..DID: 8084  
..TXT:

April 15, 1999

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

Re: Cases 93-G-0932, 97-G-1380 and  
98-G-1096 Compliance Filing

Dear Acting Secretary Renner:

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

Leaf 80.1	Revision 3
Leaf 133	Revision 6
Leaf 133.1	Revision 2
Leaf 167	Revision 2
Leaf 175	Revision 3

These tariff leaves are transmitted on April 15, 1999 with an effective date of May 1, 1999. These leaves are issued in compliance with the Commission's Order Concerning Assignment of Capacity issued and effective March 24, 1999 ("March 24th Order") in the above-referenced cases.

The Company made a previous filing on February 1, 1999 to make permanent the Company's pilot program, initiated by filing made July 24, 1998, whereby Qualified Sellers serving firm transportation customers would no longer be required to take an assignment of the Company's upstream pipeline capacity. That filing was intended to permanently terminate mandatory capacity assignment for customers switching to the Company's firm transportation gas service.

The March 24th Order requires some modifications to the Company's February 1, 1999 filing pertaining to the calculation and application of the stranded cost surcharge (now known as the "Transition Surcharge"). The March 24th Order also requires the Company to make tariff revisions to require marketers serving firm loads to demonstrate the adequacy of their winter season capacity.

By letter dated March 30, 1999, the Company requested an extension of time to respond to the March 24th Order. The Company received verbal approval

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of this request on March 31, 1999 and on that same day filed Supplement No. 3 which postponed, until May 1, 1999, the effective dates of the tariff amendments previously filed on February 1, 1999. Supplement No. 3 was approved by the Commission by Order dated March 31, 1999 and was put into effect on April 1, 1999.

A summary of the revisions in the instant filing follows.

#### Transition Surcharge

General Information Section 12.1(L) has been revised to reflect the term "Transition Surcharge" and to reflect the Staff formula for calculating the Transition Surcharge. A statement has also been added to this section to reflect that pre-aggregation firm transportation customers<sup>1</sup> shall not be subject to the Transition Surcharge. Similarly, rate part (4)e of Service Classification No. 6 has been revised to reflect the applicability of the Transition Surcharge.

In accordance with the March 24th Order, the Company will refund Transition Surcharges previously collected from pre-aggregation firm transportation customers. Such refund shall include Transition Surcharges collected during April 1999 due to the extension of time granted to submit this compliance filing. Amounts refunded to pre-aggregation firm transportation customers shall be collected, through the Transition Surcharge, from firm sales service customers and post-aggregation firm transportation customers in the month following the refund.

In its March 30, 1999 letter requesting an extension of time for this filing, the Company agreed to take any and all actions necessary, including refunds, to assure that no customers are prejudiced by the extension. Since the refund to pre-aggregation firm transportation customers will include Transition Surcharges collected in April 1999, those customers are not prejudiced by the extension of time. Also, since the extension request was made, the Company has determined that application of its current method of calculating the existing Stranded Cost Surcharge for April 1999, rather than the Staff formula for calculating the Transition Surcharge, does not result in an overpayment by firm sales service and post-aggregation firm transportation customers. Therefore, these customers also have not been prejudiced by the extension of time.

#### Winter Season Capacity for Marketers Serving Firms Loads

Service Classification No. 12 has been revised to add a requirement that, during the months of November through March, Sellers must demonstrate to the Company that they have firm, non-recallable, primary delivery point capacity, to the Company's citygate, sufficient to serve the needs of their firm transportation customers.

Also included with this filing is the General Filing Information Form. The newspaper publication requirements of 16 NYCRR 270.70 have been waived per the March 24th Order.

Any questions concerning this filing can be directed to me at (914) 577-

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<sup>1</sup>

Pre-aggregation customers are defined as those customers commencing service under Service Classification No. 6 prior to October 1, 1996. Customers commencing service under Service Classification No. 6 on or after October 1, 1996 are referred to as "post-aggregation" customers.

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Very truly yours,

William A. Atzl, Jr.  
Manager - Regulatory Affairs