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August 10, 2001

**Orange and Rockland Utilities, Inc.  
4 Irving Place  
New York, NY 10003**

Hon. Janet Hand Deixler  
Secretary  
State of New York  
Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223

**Re: Case 00-G-0996 In the Matter of Criteria for Interruptible Gas Service**

Dear Secretary Deixler:

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

Leaf 122.1	Revision 2
Leaf 122.2	Revision 1
Leaf 141.1	Revision 2
Leaf 141.2	Revision 2
Leaf 141.3	Revision 1
Leaf 147.1	Revision 1
Leaf 147.2	Revision 1
Leaf 151.1	Revision 1
Leaf 151.2	Revision 1
Leaf 197	Revision 1
Leaf 197.1	Revision 0

These tariff leaves are issued August 10, 2001, to become effective on November 1, 2001.

Corresponding revisions to the Company's Gas Transportation Operating Procedures will also be submitted under separate cover.

The purpose of this filing is to modify provisions of the Company's gas tariff relating to interruptible sales, interruptible transportation, withdrawable sales, and withdrawable transportation service (Service Classification Nos. 3, 8, 9, 10, and 14).

### **Summary of the Proposed Changes**

- (A) A change in the additional charge for failure to maintain adequate alternate fuel reserves is being made pursuant to the Commission's January 31, 2001 Order Adopting Permanent Rule ("January 31<sup>st</sup> Order") in the above referenced proceeding. The January 31<sup>st</sup> Order modified and clarified many of the requirements included in the Commission's August 24, 2000 Order Directing Utilities to File Revised Interruptible Gas Service Tariffs ("August 24<sup>th</sup> Order"). In accordance with the January 31<sup>st</sup> Order, the percentage applied in calculating the additional charge for non-compliance with the reserve requirements of Service Classification Nos. 3, 8, 9, 10, and 14 has been increased from 110% to 130%. The period for applying the additional charge has been changed from a retroactive period to the billing period(s) in which there is non-compliance with the reserve requirements and for any subsequent billing period(s) during which non-compliance continues.
- (B) In addition, the Company is proposing the following other changes to its gas tariff:
- Customers failing to meet the requirements to maintain operable dual-fuel facilities, including an operable dedicated customer-installed telephone line, will be subject to the same additional charge as they would for non-compliance with the reserve requirements.
  - Any new customers taking service under Service Classification Nos. 3 or 8 on or after November 1, 2001, will be required, as part of their reserve requirement, to have three days or more of on-site inventory of alternate fuel based upon the customer's peak winter period requirements.

With respect to the proposed tariff changes described in (B) above, enclosed herewith is a proposed "Notice of Proposed Rule Making" for publication in the State Register pursuant to the provisions of the State Administrative Procedure Act. The Company will publish notice of such proposed tariff changes in accordance with the Commission's requirements on newspaper publication.

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

Sincerely,

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