

..DID: 16327

..TXT:

July 31, 2001

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

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

Re: **Case No. 97-G-1380 – Revisions to the Company's
Winter Capacity Proposal**

Dear Secretary Deixler:

Orange and Rockland Utilities, Inc. ("O&R" or "the Company") hereby files changes to its Schedule for Gas Service, P.S.C. No. 4 – Gas, in compliance with the Commission's Order issued July 27, 2001 in the above captioned proceeding ("July 27 Order"). The following tariff leaves are issued July 31, 2001, to become effective on August 1, 2001:

Leaf No. 133	Revision 12
Leaf No. 133.1	Revision 7
Leaf No. 133.2	Revision 4
Leaf No. 152	Revision 6
Leaf No. 152.1	Revision 1
Leaf No. 152.2	Revision 1

Corresponding revisions to the Company's Gas Transportation Operating Procedures will also be

submitted under separate cover.

Reasons for the Proposed Changes

On May 21, 2001, O&R filed revisions to its Gas Schedule that provided for a new three-year capacity program, commencing November 1, 2001, for Sellers serving the Company's firm transportation customers. In compliance with the July 27 Order, the Company is filing the above-referenced tariff leaves reflecting the following changes to its May 2001 filing:

- 0 The weighted average cost of firm pipeline capacity ("WACOC") used in pricing released capacity will be adjusted to reduce TransCanada demand charges to the extent necessary to result in comparability between Canadian and domestic commodity costs. Service Classification Nos. 6 and 11 have been amended to reflect this change.
- 0 The proposed limitation on releasing capacity to Sellers after November 1, 2001 has been removed from "Capacity Option A" of Service Classification No. 11. Capacity Option A will be made available to existing firm transportation customers who switch Sellers even if the Customer's prior Seller had not elected to meet their customers needs with capacity released by the Company, provided that the Company is able to obtain the required capacity to serve that Customer.
- 0 The Company will permit a Seller to market released capacity, subject to recall, during the winter months (November through March) above a prescribed temperature established by the Company. The "Capacity Option for Sellers" section of Service Classification No 11 has been amended accordingly.
- 0 The WACOC will be compared to the pipeline's maximum underlying reservation rate to clarify that there are no adjustments for differences in variable costs.

The requirement for newspaper publication of this filing is waived per the July 27 Order. The Company will provide Marketers and all active parties in the above-captioned docket with notice of the proposed changes.

If you have any questions concerning this filing, please contact the undersigned at (212) 460-3308.

Sincerely,

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

c.c. All Active Parties (regular mail)

and Marketers via E-Mail