



Orange and Rockland Utilities, Inc.
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June 14, 2006

Honorable Jaclyn A. Brilling
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 98-G-0122 - Proceeding on Motion of the
Commission to Review the Bypass Policy Relating to the
Pricing of Gas Transportation for Electric Generation

Dear Secretary Brilling:

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

Leaf No.	191	Revision No.	2
Leaf No.	191.1	Revision No.	1
Leaf No.	191.2	Revision No.	1

These tariff leaves filed electronically today are scheduled to become effective on June 15, 2006, on a temporary basis.

Reason for Tariff Changes

On March 14, 2006, in compliance with Commission order¹, the Company filed revised Gas tariff leaves applicable to the transportation of gas used to fuel an electric generation facility. Pursuant to such order, the tariff leaves filed on March 14, 2006 became effective March 15, 2006, on a temporary basis. Subsequent to such filing, the Company and Staff have had discussions concerning certain aspects of the filing and the Company has agreed to make changes to the Gas tariff leaves that went into effect on March 15, 2006.

¹ "Order Approving Staff Proposal" issued November 23, 2005 in Case No. 98-G-0122.

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Summary of Tariff Changes

The Gas tariff leaves filed today reflect the following changes to the Gas tariff leaves that went into effect on March 15, 2006:

- (1) The definition of "Market Electric Price" has been revised to reflect the use of real-time locational based marginal prices as posted on the web site of the New York Independent System Operator ("NYISO") in determining the spark spread;
- (2) The definition of "Daily Market Gas Cost" has been revised to (1) reflect the use of the Transco Zone 6 (NY) published price instead of the Tennessee Zone 6 (NY) published gas price to calculate the spark spread and (2) to provide the Company with the flexibility to calculate the spark spread using a published indexed gas price other than the published Transco gas price if the gas is delivered to the O&R system from another pipeline.
- (3) The "Base Year Spark Spread" prices have been revised to reflect the use of the NYISO's published real-time prices instead of the NYISO's published day-ahead prices.
- (4) A clarifying change has been made to the "Total Value Added Charge" language found on Leaf No. 191.2.

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

Very truly yours,



William A. Atzl, Jr.
Director – O&R Rates