



Orange and Rockland Utilities, Inc.
4 Irving Place
New York NY 10003-0987
www.oru.com

January 9, 2008

Honorable Jaclyn A. Brilling,
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

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, PSC No. 4 – Gas ("Gas Tariff").

6th	Revised Leaf No.	94.16
4th	Revised Leaf No.	94.17

The foregoing revised tariff leaves are issued January 9, 2008, to become effective on May 1, 2008.

Reasons for the Filing

In compliance with the Commission's Order Approving for Gas Service Residential Distributed Generation in Case 02-M-0515 (the "Residential DG Order"), the Company implemented, effective November 3, 2004, gas delivery service rates under Rider C of its Gas Tariff. In approving the rates, the Commission directed that the Rider C delivery service rates remain in effect at the November 3, 2004 rate level until at least December 31, 2007. The Residential DG Order also directed that the Company provide six-month reports of the residential DG activity in its service area and a final report summarizing the three-year period.

By letter dated December 21, 2007, the Company reported to the Commission on its operating experience under Rider C for the final six-month reporting period ending September 30, 2007. Specifically, the Company informed the Commission that the Company has no residential customers using natural gas for distributed generation and therefore has no data to report for the six-month period. In the letter the Company also advised the Commission of its intent to file in the near future for an increase in the Rider C delivery service rates to reflect the increase in gas delivery service rates and certain other related rate changes included in the three-year rate plan ("Rate Plan") approved by the Commission in Case 05-G-1494¹ and to provide a summary of the six-month residential DG reports provided to the Commission in this proceeding pursuant to the Residential DG Order².

¹ Case 05-G-1494, *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Orange and Rockland Utilities, Inc. for Gas Service*, Order Establishing Rates and Terms of Three-Year Rate Plan, (issued October 20, 2006) ("Gas Rate Order").

² The Residential DG Order directed that the LDCs prepare an analysis of the data and file it at the same time they file modified DG rates, after January 1, 2008, but no later than July 1, 2008 (p. 15).

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Since the inception of Rider C, the Company has had no residential customers using natural gas for DG and, therefore, has no data to analyze for the three-year period.

Summary of the Proposed Tariff Changes

By this filing, the Company proposes to increase the Rider C delivery service rates on May 1, 2008 and on November 1, 2008 to reflect the percentage increases in overall delivery service revenues approved by the Commission in the Gas Rate Order. Rider C delivery service rates effective May 1, 2008 have been determined based on the combined percentage increases for the 12 months ending October 31, 2007 (i.e., Rate Year One Increase) and the 12 months ending October 31, 2008 (i.e., Rate Year Two Increase). Rider B delivery service rates effective November 1, 2008 have been determined based on the percentage increase for the 12 months ending October 31, 2009 (i.e., Rate Year Three Increase).

Specifically, the Company proposes to increase the "Usage Charge" for gas usage over 3 Ccf each month as set forth under the "Delivery Charge" of Rider C. The initial block charge, which includes the first 3 Ccf of gas, has not been increased.

Attachment A to this filing letter sets forth the proposed changes to the Rider C delivery service rates. Page 1 of Attachment A shows the derivation of the overall percentage increases in delivery revenues applicable to Rider C and pages 2 and 3 of Attachment A show the rate changes and proposed delivery service rates that are to become effective on May 1, 2008 and on November 1, 2008.

The Company also proposes to amend the "Other Applicable Charges" provision of Rider C (set forth on Leaf 94.16) to provide for the application, to Rider C customers, of the Merchant Function Charge ("MFC") and the Billing and Payment Processing Charge ("B&PPC") approved by the Commission in the Gas Rate Order. Accordingly, effective May 1, 2008, a DG customer electing Rider C will be subject to the MFC and B&PPC set forth in the customer's otherwise applicable service classification. In addition, the last paragraph of the "Term" provision of Rider C relating to continuation of the delivery charges at the November 3, 2004 rate level through at least December 31, 2007 has been removed.

The tariff leaves filed herewith reflect the rate changes to Rider C effective May 1, 2008. The Company proposes to file the tariff leaves to implement the November 1, 2008 increase to Rider C delivery service rates concurrent with the compliance tariff filing the Company will file by October 1, 2008, to implement the rate changes associated with Rate Year Three of the Rate Plan.

Revenue Impact of Proposed Increases

At this time there is no revenue impact associated with the proposed increases in Rider C delivery service rates since there are no customers currently taking service under Rider C.

Notices

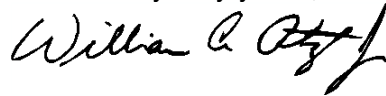
The Company will provide for public notice of the tariff changes proposed in this filing by means of newspaper publication once a week for four consecutive weeks prior to the effective

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date of the proposed tariff changes. Enclosed is a proposed form of Notice of Proposed Rule Making for publication in the State Register pursuant to the State Administrative Procedure Act.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "William A. Atzl, Jr.", with a stylized flourish at the end.

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

ORANGE AND ROCKLAND UTILITIES, INC.**Rider C - Residential Distributed Generation Rates****Overall Percentage Increase in Delivery Service Revenues Applicable to Rider C Rates
Effective May 1, 2008 and November 1, 2008 Resulting from Case 05-G-1494**

Determination of Rider C Delivery Rate Increase Percentages:

a) For Rider C rates effective May 1, 2008

Total Incremental Revenue Requirement for Rate Year One Impacting Base Delivery Revenues	\$2,342,084
Total Incremental Revenue Requirement for Rate Year Two Impacting Base Delivery Revenues	<u>\$6,442,150</u>
Total Incremental Revenue Requirement for Rate Year One and Rate Year Two	\$8,784,234
Base Delivery Revenue at the November 2005 Rate Level for Rate Year One for Firm Service Classifications 1, 2, and 6	\$77,601,000
Overall Percentage Increase in Base Delivery Service Rates	11.319743%

b) For Rider C rates effective November 1, 2008

Total Incremental Revenue Requirement for Rate Year Three Impacting Base Delivery Revenues	\$1,783,980
Base Delivery Revenue at the November 2007 Rate Level for Rate Year Three for Firm Service Classifications 1, 2, and 6	\$86,392,163
Overall Percentage Increase in Base Delivery Service Rates	2.064979%

ORANGE AND ROCKLAND UTILITIES, INC.**Rider C Rate Design Workpapers
Case 05-G-1494****Proposed Rider C Delivery Rates Eff. May 1, 2008**

<u>Blocking</u>	Current Rider C	Percentage Incr.	Per Ccf Increase (\$/Ccf)	Proposed Rider C Del. Rates Eff. 05/01/08
	Delivery Rates			
First 3 Ccf or Less	\$21.50	-	-	\$21.50
Over 3 Ccf	0.10654	11.3197431%	0.01206	0.11860
	<u>Monthly</u>			<u>Monthly(\$/Ccf)</u>
Sc No. 1 Merchant Function Charge	n/a			0.03742
Sc No. 6 RS IA Merchant Function Charge	n/a			0.00703
				<u>(\$/Month)</u>
Billing & Payment Processing Charge	n/a			0.62

Note: The Merchant Function Charge ("MFC") varies monthly. For illustrative purposes, the MFCs effective January 1, 2008 are shown. Customers are subject to the MFC of their otherwise applicable Service Classification.

ORANGE AND ROCKLAND UTILITIES, INC.**Rider C Rate Design Workpapers
Case 05-G-1494****Proposed Rider C Delivery Rates Eff. November 1, 2008**

<u>Blocking</u>	Proposed Rider C Del. Rates Eff. 05/01/'08	Percentage Incr.	Per Ccf Increase (\$/Ccf)	Proposed Rider C Del. Rates Eff. 11/01/'08
First 3 Ccf or Less	\$21.50	-	-	\$21.50
Over 3 Ccf	0.11860	2.0649790%	0.00245	0.12105

	<u>Monthly(\$/Ccf)</u>	<u>Monthly(\$/Ccf)</u>
Sc No. 1 Merchant Function Charge	0.03742	0.03742
Sc No. 6 RS IA Merchant Function Charge	0.00703	0.00703

	<u>(\$/Month)</u>	<u>(\$/Month)</u>
Billing & Payment Processing Charge	0.62	0.62

Note: The Merchant Function Charge ("MFC") varies monthly. For illustrative purposes, the MFCs effective January 1, 2008 are shown. Customers are subject to the MFC of their otherwise applicable Service Classification.