



Orange and Rockland Utilities, Inc.  
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February 8, 2005

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

RE: Case 02-M-0515 – Proceeding on Motion of the Commission to  
Establish Gas Transportation Rates for Distributed Generation  
Technologies

Dear Secretary Brilling:

Orange and Rockland Utilities, Inc. ("the Company") is filing today with the Public Service Commission ("the Commission") First Revised Leaf No. 94.17 of its Schedule for Gas Service, PSC No. 4 – Gas ("Gas tariff") to reflect a change in Rider C applicable to residential customers that install distributed generation facilities.

The tariff leaf filed electronically today is effective February 9, 2005.

Subsequent to the Company's November 2, 2004 compliance filing in the above referenced proceeding, the Company and Commission Staff have had discussions concerning the appropriate level of "customer-related costs"<sup>1</sup> to be included in the initial block charge applicable to residential customers that install DG facilities. As a result of these discussions, the Company has revised the Delivery Charges component of Rider C to reflect a higher initial block charge, which includes the first 3 Ccf or less of monthly gas usage, with a corresponding decrease in the charge for all monthly gas usage above 3 Ccf. The revised rates are designed to collect the same unadjusted delivery revenue requirement as the Rider C Delivery Charges that went into effect on November 3, 2004, on a temporary basis.<sup>2</sup>

The new Delivery Charges include an initial block charge of \$21.50 for the first 3 Ccf or less of monthly gas usage, and a charge of \$0.10654 per Ccf for all monthly gas usage above 3 Ccf. The gas delivered to a DG facility under Rider C is not separately metered. Customers taking Rider C are billed for their totally monthly-metered gas usage at the rates and charges of Rider C.

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<sup>1</sup> Commission's Order Providing for Gas Service for Residential Distributed Generation in Case 02-M-0515 ("the Order"), issued August 4, 2004; Subparagraph "4. Rate Design", p. 8

<sup>2</sup> Filed in compliance with the Order.

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O&R is serving a copy of today's filing on all parties. Please direct any questions pertaining to this filing to me at (212) 460-3308.

Respectfully submitted,

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

Attachment

CC: All active parties (via e-mail)