



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

January 23, 2004

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

Re: Case No. 02-G-1553

Dear Secretary Brilling:

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

The Gas tariff leaves filed electronically today are scheduled to become effective on May 1, 2004. Appendix A to this filing letter sets forth the tariff leaves being filed.

Summary of Tariff Modifications

The enclosed tariff leaves reflect revisions to Service Classification ("SC") No. 11 applicable to Marketers serving firm customers under the Company's Gas Transportation Service Program.

The tariff revisions filed today provide the Company with the right to use or acquire firm, non-recallable, primary delivery point capacity obtained by Marketers from third parties in a manner that would enable the Company to rely on such capacity for reliability purposes.

Reasons for the Proposed Tariff Changes

Section 23 of the Joint Proposal adopted by the Commission in the above referenced proceeding¹, provided that the Company would continue to negotiate with Staff and other interested parties with the objective of developing a consensus on a program under which the Company would have rights to use or acquire the capacity of Marketers that would enable the Company to rely on such rights for reliability purposes. In its Order adopting the Joint Proposal, the Commission directed the Company to file, within 60 days of issuance of its order, tariff revisions to implement a gas reliability program that would commence in November 2004².

The Company has had discussions with Staff and other interested parties concerning the new program. On December 9, 2003, the Company circulated to Staff and other interested

¹ Case 02-G-1553, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Orange and Rockland Utilities, Inc. for Gas Service, Order Adopting the Terms of a Joint Proposal and Clarifying a Provision (issued October 23, 2003).

² By letter dated December 22, 2003, the Company requested and was granted by the Commission a 30-day extension to file tariff revisions.

Honorable Jaclyn A. Brilling
January 23, 2004
Page 2 of 2

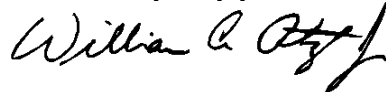
parties draft tariff revisions and a draft of the Assignment Agreement. On December 22, 2003, the Company circulated to Staff and other interested parties a draft Agency Authorization Agreement. The Company received comments from several Marketers and the comments, to the extent they are consistent with the objectives of the program, are reflected in the proposed tariff revisions filed today and in the Agency Authorization Agreement and the Assignment Agreement that are referred to in the proposed tariffs and that will become part of the Company's Gas Transportation Operating Procedures.

Notification

The Company will publish notice of the changes proposed in accordance with the Commission's regulations concerning newspaper publication. A copy of the filing will also be available on the O&R web site.

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

APPENDIX A

P.S.C. No. 4 Gas

Leaf 153	Revision 5
Leaf 153.1	Revision 0
Leaf 163	Revision 4
Leaf 164	Revision 4
Leaf 164.1	Revision 1
Leaf 165	Revision 3
Leaf 165.1	Revision 0
Leaf 166	Revision 2
Leaf 166.1	Revision 3