



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

December 8, 2003

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

Re: Case 00-M-1556 -

In the Matter of the Proposed Accounting and
Ratemaking for the Tax Law Changes Included in
the 2000-2001 New York State Budget

Dear Acting Secretary Brilling,

Orange and Rockland Utilities, Inc. ("O&R" or "the Company") hereby submits for filing its Statement of Increase in Rates and Charges No. RTS-21 to its Schedule for Gas Service, P.S.C. No. 4 – GAS, to become effective on January 1, 2004. By separate letter, the Company also filed its Statement of Increase in Rates and Charges No. RTS-75 to its Schedule for Electric Service, P.S.C. No. 2 - Electricity, to become effective January 1, 2004. Such filing also included the work papers showing the determination of the electric and gas State Income Tax Surcharge factors.

This filing is being made in compliance with the Public Service Commission's "Order Implementing Tax Law Changes On A Permanent Basis" ("the Order") issued June 28, 2001 in the above-referenced proceeding.

The electric and gas tax surcharge factors, effective January 1, 2004, reflect (1) the lower Gross Receipts Tax rates imposed on commodity and delivery service revenues pursuant to the Order and (2) the amounts authorized to be passed-back to customers during the taxable year 2004 related to the reconciliation of prior tax years¹.

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

Sincerely,

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

¹ Letters dated August 18, 2003 from the Director, Office of Accounting and Finance.