



Orange and Rockland Utilities, Inc.  
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October 30, 2003

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

RE: Case No. 02-G-1553

Dear Acting 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").

This filing is made in compliance with the Commission's "Order Adopting the Terms of a Joint Proposal<sup>1</sup> and Clarifying a Provision" issued October 23, 2003, in Case No. 02-G-1553 (the "Order").

The tariff leaves filed electronically today become effective on November 1, 2003. Appendix A to this filing letter sets forth the tariff leaves being filed.

#### Summary of Tariff Modifications

The enclosed tariff leaves reflect the following modifications in accordance with the Joint Proposal.

1. Service Classification ("SC") Nos. 1, 2, and 6 rates ("SC1", "SC2", "SC 6") have been revised in accordance with Appendix F of the Joint Proposal.
2. The Base Charge under SC No. 8 has been capped at \$0.65 per Mcf for the period November 1, 2003 through October 31, 2006.
3. The Factor of Adjustment set forth in General Information ("GI") section 12.1 of the Gas tariff has been updated. The calculation of the updated Factor of Adjustment is set forth in Appendix B to this filing letter.
4. The Monthly Gas Adjustment provision set forth in GI section 12.2 of the Gas tariff applicable to SC 1, SC 2, and SC 6 customers has been revised as follows:

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<sup>1</sup> Joint Proposal dated June 24, 2003

Honorable Jaclyn A. Brilling

October 30, 2003

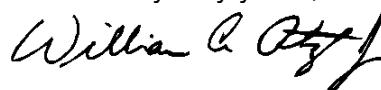
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- The Credit/Surcharge for Sharing of Benefits provision has been updated to reflect the rate years ending October 31, 2004, 2005 and 2006.
  - An Interim Backout Lost Revenue Adjustment has been added to recover the lost revenues associated with the interim backout credit applicable to SC 6 customers.
5. The Weather Normalization Adjustment set forth in GI section 12.3 has been revised as follows:
- Normal heating degree days for the 12-month period commencing November 1, 2003 have been set at 5,139 heating degree days. Commencing November 1, 2004, the definition of Normal Heating Degree days has been changed from a rolling 30-year average to the 30-year average ending the prior calendar year.
  - The dead-band for determining the weather normal adjustment has been set at 2.2% from the normal heating degree days.
6. The re-inspection and dishonored payment fees set forth in GI section 5.1 and GI section 6.6 of the Gas tariff, respectively, have been updated and revised.
7. New tariff language implementing a Low Income Program has been added as GI section 6.16 of the Gas tariff.
8. GI section 15.2 relating to the State Income Tax ("SIT") has been revised to (1) remove the provisions dealing with the current recovery of SIT from the surcharge mechanism and (2) continue the surcharge mechanism for reconciliation purposes only.
9. The cash-out tiers and index multipliers set forth in Appendix H of the Joint Proposal have been reflected in the daily over- and under-delivery provisions of SC Nos. 8 and 13 of the Gas tariff.
10. A housekeeping change has been made to SC No. 6. References to the individual components of the Monthly Gas Adjustment ("MGA") have been replaced with a single reference to the MGA.

The Company will publish notice of this filing in accordance with ordering clause 3 of the Order.

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

Very truly yours,



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

**APPENDIX A**

**P.S.C. No. 4 Gas**

Leaf 2	Revision 3
Leaf 25	Revision 2
Leaf 35	Revision 4
Leaf 36	Revision 3
Leaf 47	Revision 3
Leaf 72	Revision 8
Leaf 80	Revision 8
Leaf 80.2	Revision 3
Leaf 80.3	Revision 4
Leaf 81	Revision 7
Leaf 92	Revision 5
Leaf 114	Revision 8
Leaf 116	Revision 9
Leaf 130	Revision 9
Leaf 132	Revision 5
Leaf 133	Revision 13
Leaf 133.1	Revision 8
Leaf 137.1	Revision 4
Leaf 137.2	Revision 0
Leaf 138	Revision 8
Leaf 138.1	Revision 6
Leaf 139	Revision 7
Leaf 139.1	Revision 5
Leaf 183	Revision 3
Leaf 183.1	Revision 0
Leaf 184	Revision 3

## Appendix B

**ORANGE AND ROCKLAND UTILITIES, INC.**

Case No. 02-G-1553  
GAS LOST AND UNACCOUNTED FOR

**Calculation of Rate Year 1 Factor of Adjustment\*****Rate Year 1**

Actual LAUF Percentage 12 Mo. Ended 8/31/03	2.50%	See below
Actual LAUF Percentage 12 Mo. Ended 8/31/02	3.31%	
Actual LAUF Percentage 12 Mo. Ended 8/31/01	3.69%	
Three Year Average	3.17%	
<b>Gas Loss and Unaccounted for - Rate Year 1</b>	3.17%	
Factor of Adjustment - Rate Year 1 ( $1/(1-\text{LAUF})$ )	1.033	

<u>(Mcf)</u>	Twelve Months Ending August 31,		
	<u>2001</u>	<u>2002</u>	<u>2003</u>
Actual Gas Sendout	25,394,679.7	21,496,574.5	25,853,551.7
Retail Sales & Firm Transportation	24,456,747.4	20,784,429.3	25,206,077.7
Lost and Unaccounted for Gas Deliveries	937,932.3	712,145.2	647,474.0
Percent of Gas Sendout Lost and Unaccounted for	3.69%	3.31%	2.50%

\* Calculation as per Appendix E of Joint Proposal as approved by the Commission in its Order dated October 23, 2003 in Case No. 02-G-1553 .