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Orange & Rockland
a conEdison, inc. company

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September 2, 2003

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

RE: Case 99-M-0631- In the Matter of Customer Billing Arrangements and Case 03-M-0017 – In the Matter of Implementation of Chapter 686 of the Laws of 2003

Dear Acting Secretary Brilling:

Orange and Rockland Utilities, Inc. ("O&R" or "the Company") is filing today with the Public Service Commission ("the Commission") amendments to its Schedule for Gas Service, PSC No. 4 – Gas ("Gas Tariff").

The changes to the Company's Gas Tariff are set forth in Original Leaf No. 166.12. The foregoing leaf is issued September 2, 2003 to become effective September 3, 2003, on a temporary basis, in accordance with the Commission's Order Relating to Implementation of Chapter 686 of the Laws of 2003 and the Pro-ration of Consolidated Bills ("the Order"), issued June 20, 2003, in the above referenced proceedings. Under separate cover dated September 2, 2003, the Company is filing similar tariff changes to its Schedule for Electric Service, PSC No. 2 – Electricity, to implement the applicable provisions of the Order.

Reasons for the Proposed Changes

Chapter 686 of the Laws of 2002, which became effective on June 18, 2003, requires ESCOs and other entities providing gas and electricity commodity service to residential customers to comply with certain provisions of the Home Energy Fair Practices Act. Ordering clause 3 of the Order directs gas and electric utilities to file, within 75 days of the date of the Order, tariff amendments to implement the sections of the new law relating to (1) the charges to

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be paid by ESCOs[1] when they request the utility to suspend delivery service[2] and (2) the charges to be paid by ESCOs when they request the utility to compute the amount the utility would have charged a customer had the customer purchased its commodity service from the utility. In addition, the Order requires the Company to file any procedures necessary to implement the requirements of the Order.

Changes to be Made Upon Commission Action on Requests for Clarification

Ordering clause 3 also requires utilities to file their procedures for implementing the requirements of the Order. However, the Company is unable to develop detailed procedures for implementing Chapter 686 or the Order at this time. Many aspects of the impact of Chapter 686 on HEFPA remain unclear as evidenced by the petitions for clarification filed by parties in Cases 03-M-0117 and 99-M-0631 and the extensive discussions in all-parties' meetings on proposed revisions to the Commission's HEFPA regulations and on multiple-dwelling issues. Furthermore, the Commission has postponed the effective date of pro-ration pending the issuance of a clarifying order.

Clarification from the Commission not only on pro-ration, but on the other issues raised by the parties as well as the adoption of regulations, is essential before utility-specific procedures can be developed. This will avoid any unnecessary investment of time and money in preparing procedures, modifying systems, and training employees to carry out procedures that may later be modified by the Commission's adoption of new regulations or other regulatory action.

When the requirements of Chapter 686 have been clarified and the HEFPA regulations modified, the procedures for implementation can be developed and implemented. If additional filings are required, the Company will make them at that time.

Summary of the Proposed Tariff Changes

By this filing, the Company proposes to add a new Special Provision "K" to Service Classification No. 11 of its Gas Tariff applicable to ESCOs participating in the Company's Gas Transportation Service Program[3]. Special Provision K will contain the charge to be paid by the ESCO when the ESCO requests the Company to suspend delivery service in accordance with

[1] Under the Company's Gas Transportation Service Program, the terms "Qualified Sellers" and "Sellers" are used to refer to third-party commodity suppliers. To be consistent with the Order, the term "ESCO" shall be used herein to refer to third-party commodity suppliers.
[2] O&R filed a Petition for Clarification in this proceeding that requests that the Commission clarify that a utility issuing consolidated bills and purchasing an ESCO's receivables may assume the HEFPA rights and responsibilities of the non-billing ESCO and may terminate the ESCO's commodity service at the same time and according to the same process by which the utility terminates its own delivery service. The Company's present compliance filing is not intended to reflect any change in the Company's position on this issue.
[3] Pursuant to Commission order, the Company's Unbundling Track proceeding has been suspended. The Company anticipates that it will revisit the components of Special Provision K when that proceeding recommences.

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Section 32, subdivision 5, of the Public Service Law[4]. The Company is proposing a charge of $21.00 to suspend delivery service. The ESCO must initiate a separate request each time it desires to have service suspended and the ESCO shall be subject to the $21.00 charge each time the Company visits the customer's premises to suspend service. If the Company suspends both the electric and gas service at the same time on behalf of an ESCO supplying the customer with both commodities, the ESCO will be billed for only one charge. Special Provision K also contains a charge to be paid by the ESCO when an ESCO requests the Company to compute the amount the Company would have charged a customer had the customer purchased its commodity service from the Company ("bundled bill"). The Company is proposing a charge of $3.75 per request for providing to the ESCO the bundled bill amount.

Notices

Pursuant to ordering paragraph 3 of the Order, newspaper publication of the proposed tariff changes is waived. A copy of this filing will be mailed by regular mail to all parties to Case Nos. 99-M-0631 and 03-M-0017.

Company Contact

Please direct any questions pertaining to this filing to me at (212) 460-3308.

Respectfully submitted,

William A. Atzl, Jr.

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[4] The Company notes that it is not proposing charges for providing ESCOs with field services other than physical disconnection. In the Company's view, where the utility does not purchase the ESCO's receivables, ESCOs are responsible for satisfying the HEFPA requirements for contacts with residential customers and occupants of two-family and multiple-family buildings in connection with termination of service, whether such termination is subject to HEFPA or to the Commission's non-residential service rules.