



Orange and Rockland Utilities, Inc.
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August 11, 2004

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

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 tariff leaves filed electronically today are to become effective on November 1, 2004. 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 to Service Classification ("SC") No. 3 - Interruptible Sales Service and SC No. 8 - Interruptible Transportation Service of the Gas tariff:

1. Part "(2) Emergency Service" of the rate section of SC No. 3 has been removed from the tariff and the remaining rates have been renumbered. In addition, the title of the rate section has been revised to reflect the elimination of a rate component and all references to the remaining rate components have been revised accordingly.
2. The "Applicable to Use of Service For" section of SC No. 8 has been revised to reference the new eligibility criteria for new interruptible transportation customers that are set forth in a new Special Provision I of SC No. 8.
3. Part "(3) Emergency Service Charge" of the rate section of SC No. 8 has been removed from the tariff and the remaining rates have been renumbered. In addition, the title of the rate section has been revised to reflect the elimination of a rate component and all references to the remaining rate components have been revised accordingly.
4. A new Special Provision I "New Interruptible Customer Load Requirements" has been added to SC No. 8. The new special provision sets forth the minimum annual usage and minimum peak usage requirements that apply to new interruptible transportation customers who commence taking service under Service Classification No. 8 on and after November 1, 2004.
5. The Company will remove from the "Statement of Interruptible Gas Rates" applicable to billings under SC No. 3 of the Gas tariff and from the "Statement of Interruptible

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Transportation and Supplemental Sales Charges” applicable to billings under SC No. 8 of the Gas tariff the reference to the “Emergency Service Charge” following Commission approval of the changes proposed herein.

Reasons for the Proposed Changes

By this filing, the Company proposes additional eligibility requirements for new customers taking interruptible transportation service under SC No. 8 of the O&R Gas tariff. The new eligibility requirements will require customers commencing interruptible transportation service on or after November 1, 2004 to meet certain minimum peak and annual usage requirements, as explained in more detail below. Customers taking service under SC No. 8 before November 1, 2004 will not be subject to the new eligibility rules. The Company also proposes to remove the Emergency Service provision from SC No. 3 and SC No. 8. The provision gives the Company the option to allow customers that experience equipment failure or are unable to secure adequate alternate fuel to continue to burn gas during a Company announced interruption without penalty charges to the extent the Company deems it possible to continue to supply gas to interruptible customers without jeopardizing service to its firm sales and transportation customers.

Under the new eligibility requirements, customers commencing interruptible transportation service on or after November 1, 2004 will be required to use a minimum of 100,000 Ccf annually and have a minimum one-hour peak demand of 100 Ccf during the period November through March. The Company has set the new minimum load requirements at levels that are designed to limit interruptible transportation service in the future to customers that can provide a material benefit to the O&R gas distribution system when interrupted. The minimum load requirements will typically result in a measurable pressure improvement on the distribution system if interruption is necessary during peak load periods.

The Company proposes to remove from its Gas tariff the Emergency Service provisions of SC No. 3 and SC No. 8 to eliminate any potential misconception that it is acceptable for customers to continue to burn gas during a period of interruption. Removal of the provision will provide a clear indication that the Company’s notification of an interruption is to be taken seriously and that failure to interrupt will result in penalty charges. In exchange for the right of the Company to interrupt service, interruptible customers are subject to delivery service rates that are lower than delivery service rates applicable to firm gas customers, and, therefore, should be expected to comply with all interruption notifications.

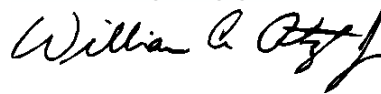
Notices

The Company will publish notice of the proposed changes in accordance with the Commission’s regulations concerning newspaper publication. A copy of the filing will also be posted on the Company’s website. Enclosed is a proposed form of Notice of Proposed Rule Making for publication in the State Register pursuant to the provisions of the State Administrative Act.

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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

Orange and Rockland Utilities, Inc.

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Appendix A

P.S.C. No. 4 Gas

Leaf 77	Revision 6
Leaf 118	Revision 6
Leaf 119	Revision 6
Leaf 120	Revision 6
Leaf 121	Revision 5
Leaf 137	Revision 4
Leaf 137.1	Revision 6
Leaf 137.2	Revision 2
Leaf 138	Revision 9
Leaf 138.1	Revision 8
Leaf 139	Revision 9
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Leaf 141.3	Revision 5
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