



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

March 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. hereby transmits for electronic filing its Statement of Increase in Rates and Charges No. RTS-23 to its Schedule for Gas Service P.S.C. No. 4 - Gas. Under separate cover, the Company also filed its Statement of Increase in Rates and Charges No. RTS-77 to its Schedule for Electric Service, P.S.C. No. 2 - Electricity. These Statements are issued March 11, 2004 to become effective April 1, 2004.

This filing is made in accordance with the Company's tariff schedule, Section 15 of P.S.C. No. 4 - Gas, which requires the Company to recover the tax expense imposed by the temporary Metropolitan Transportation Authority Business Tax Surcharge pursuant to New York State Tax Law Sections 209-b and 186-c. A revised surcharge is filed annually to be effective for the fiscal period April 1 through March 31.

The gas MTA surcharge factor set forth in the Statement of Increase in Rates and Charges No. RTS-23 reflects: (1) the MTA tax expense on the estimated 2003 New York State Income Tax, (2) the MTA tax expense on the 2003 Gross Income Tax, (3) the reconciliation of the MTA tax expense on the actual 2002 New York State Income Tax with the MTA tax expense on the estimated 2002 New York State Income Tax that was included in the Company's March 19, 2003 MTA tax filing with the Commission, and (4) an adjustment for a change in allocation factors from 97% to 100% for the years 2000 and 2001.

Work-papers detailing the determination of the proposed MTA Tax electric and gas surcharge factors are being submitted with the Company's electric filing.

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

Very truly yours,

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