



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

March 9, 2012

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-42 to its Schedule for Gas Service P.S.C. No. 4 – Gas (“Gas tariff”). The statement is issued March 9, 2012 to become effective April 1, 2012.

This filing is made in accordance with the Company's Gas tariff, Section 15 of P.S.C. No. 4 - Gas, which provides for the Company's recovery of 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-42 reflects: (1) the MTA tax expense on the estimated 2011 New York State Net Income Tax, (2) the MTA tax expense on the 2011 Gross Income Tax, and (3) the reconciliation of the MTA tax expense on the actual 2010 New York State Net Income Tax with the MTA tax expense on the estimated 2010 New York State Net Income Tax that was included in the Company's March 11, 2011 MTA tax filing with the Commission.

Also included with this filing is a copy of the Company's work paper that shows the determination of the proposed gas surcharge factor for the twelve months ending March 2013.

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

Very truly yours,

/s/

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