Received: 07/09/2012

Orange & Rockland
a conEdison, inc. company

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July 9, 2012

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

RE: Case No. 08-G-1398, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Orange and Rockland Utilities, Inc. for Gas Service

Dear Secretary Brilling:

Orange and Rockland Utilities, Inc. (the "Company") hereby submits for filing the following tariff leaves reflecting revisions to its Schedule for Gas Service, P.S.C. No. 4 – GAS ("Gas Tariff").

Leaf	80.4	Revision	5
Leaf	81.1	Revision	8
Leaf	113.1	Revision	3
Leaf	113.2	Revision	4
Leaf	113.3	Revision	1
Leaf	113.4	Revision	1
Leaf	137.2	Revision	9

These leaves are issued July 9, 2012, to become effective November 1, 2012.

The Company is operating under a gas rate plan adopted by the Public Service Commission ("Commission") in its Order Adopting Joint Proposal and Implementing a Three-Year Rate Plan ("Gas Rate Order"), issued October 16, 2009, in the above-referenced proceeding ("Gas Rate Plan"). The Gas Rate Plan covers the three-year rate period from November 1, 2009 through October 31, 2012.[1] The Gas Rate Order adopts the Joint Proposal, dated June 29, 2009 and filed by Orange and Rockland, Staff of the New York State Department of Public Service, and various other parties ("Joint Proposal"). Since to date the Company has not filed a new general gas base rate case for rates to be effective on or after November 1, 2012, the current Gas Rate Plan will continue beyond its three-year term.

[1] Rate Year ("RY") 1 is the period November 1, 2009 through October 31, 2010, RY2 is the period November 1, 2010 through October 31, 2011, and RY3 is the period November 1, 2011 through October 31, 2012.

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Section 27, Continuation of Provisions, of the Joint Proposal states, "The programs and requirements adopted herein, that are not designated to expire by their own terms, will remain in effect until changed by the Commission. At the end of RY3, targets and goals set forth in the Proposal will continue at their RY3 levels unless modified by the Commission. The amortization of expiring credits/debits will cease at the end of RY3."

Although the JP specifically provides for the continuation of the Gas Rate Plan beyond its three-year term, the tariff modifications described below are necessary to effectuate the continuation of certain provisions of the Gas Tariff.

Summary of Tariff Modifications

1. General Information Section 12.3, Weather Normalization Adjustment, has been revised to extend the applicability of the definition of normal heating degree days beyond October 31, 2012.

2. General Information Section 12.4, Merchant Function Charge (“MFC”), has been revised to extend the applicability of the RY3 MFC fixed components beyond October 31, 2012.

3. General Information Section No. 25, Revenue Decoupling Mechanism (“RDM”), has been modified to provide for continuation of the RDM beyond October 31, 2012. The RY3 revenue per customer ("RPC") targets include revenues associated with a temporary surcharge, which expires at the end of RY3. Therefore, for the period after October 31, 2012, the RPC targets have been adjusted to remove the temporary surcharge revenues.

   A new subsection entitled "Partial Year RDM" has been added to General Information Section No. 25. If the Company files for new base rates to be effective on a date other than November 1 of any year beyond 2011, then for purposes of reconciling the RDM, Adjusted RPC Targets for the partial rate year will be determined as follows. Actual delivery revenues for each customer group for the months comprising the partial rate year period will be divided by the actual delivery revenues (excluding any temporary surcharge revenues) for the twelve-month period ended in the same month as the partial rate year period. This creates a factor for each customer group that is multiplied by the RPC Target for the group to create an Adjusted RPC target. For each customer group, the Adjusted RPC target will then be multiplied by the average number of customers for the partial rate year to determine the delivery revenue target for the partial rate year. For each customer group, actual delivery revenue for the partial rate year will be compared with the partial rate year delivery revenue target to determine the delivery revenue excess or shortfall to be refunded to or recovered from customers through the RDM adjustment.

4. Service Classification No. 8 has been revised to extend the limit on the base charge, used in the determination of interruptible transportation rates, beyond October 31, 2012.

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Conclusion

These tariff revisions are necessary to effectuate the continuation of the Gas Rate Plan beyond October 31, 2012, as provided for in the Joint Proposal adopted by the Commission.

The Company will publish notice of this filing in accordance with Public Service Law §66(12)(b). 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