PSC NO: 4 GAS ORANGE AND ROCKLAND UTILITIES, INC. INITIAL EFFECTIVE DATE: 08/01/07 STATEMENT TYPE: MFC STATEMENT NO: 10

RECEIVED: STATUS: EFFECTIVE:

STATEMENT OF MERCHANT FUNCTION CHARGE

Effective for Service Rendered On or After August 1, 2007 Applicable to the Billing Under Service Classification Nos 1, 2 and 6 of the Schedule for Gas Service of

ORANGE AND ROCKLAND UTILITIES, INC.

A. Service Classification Nos. 1 and 2 (Cents/Ccf)

	<u>SC1</u>	<u>SC2</u>
Commodity Procurement	1.392	0.516
Credit and Collections	0.703	0.311
Storage Working Capital (Supply-Related)	1.485	1.485
Uncollectibles (1)	0.442	0.090
Total	4.022	2.402

B. Service Classification No. 6 (Cents/Ccf)

	Rate Schedule IA	Rate Schedule IB and II
Credit and Collections	0.703	0.311

(1) Calculation of Uncollectible Rate

	<u>SC1</u>	<u>SC2</u>
Uncollectible Percentage (UC%)	0.386%	0.079%
Gas Supply Charge (Statement No. GSC - 84)	114.013	114.013
Uncollectible Charge (GSC/(1-UC%)-GSC) (Cents/Ccf)	0.442	0.090

Issued by: John D. McMahon, President, Pearl River, NY