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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 5
INITIAL EFFECTIVE DATE: 10/01/00 SUPERSEDING REVISION: 4
STAMPS: Issued in compliance with Order in Case 00-G-0996 dated 08/24/00
Cancelled by 6 Rev. Leaf No. 139 Effective 12/01/2000
RECEIVED: 09/29/00 STATUS: Cancelled EFFECTIVE: 10/01/00

SERVICE CLASSIFICATION NO. 8 (Cont'd.)

RATE - EIGHT PART - MONTHLY: (Cont'd.)

(5) Penalty Charge

All gas used by a customer during a period of interruption shall be subject to a penalty equal to the higher of a) \$25.00 per Mcf plus the cost of gas or b) \$45.00 per Mcf except for such gas taken under Special Provision E or with the Company's prior permission under the Emergency Service provision above. For the purposes of this provision, the cost of gas shall be equal to the highest daily "Midpoint" rate of the "Louisiana-Onshore South", "Tennessee" receipt points for the appropriate day as published in Gas Daily in the table "Daily Price Survey" plus the Company's weighted average cost of transportation (WACOT) and fuel losses at 100% load factor. Should the Company notify a customer taking Emergency Service that such Emergency Service must be interrupted, continued usage by such customer shall be subject to the penalty charge.

(6) Penalty Surcharge

The Penalty Surcharge ("Surcharge") shall be in addition to the Penalty Charge. The Company may apply the Surcharge on the second and all subsequent occasions that a customer uses gas during an interruption period in any heating season. The heating season is defined as the five consecutive calendar months commencing with November 1 and terminating on March 31. The surcharge will commence with the billing month following the month in which the second or subsequent occasion occurred. The Surcharge will be billed each month for a twelve-month period at the rates and charges contained in Service Classification No. 2. The Service Classification No. 2 rates shall be multiplied by the lesser of (a) all usage in the applicable billing month excluding any Firm Base Load volumes, or (b) the maximum daily amount used during the second or any subsequent interruption period excluding any Firm Base Load volumes, multiplied by the number of days in the billing period. Surcharge volumes and Firm Base Load volumes, if applicable, shall be combined for the purpose of determining usage in each of the Service Classification No. 2 rate blocks, with Firm Base Load volumes being considered first through the meter. Any additional volumes used by a customer in any billing month shall be billed in accordance with the applicable rates contained in Rate - Eight Part - Monthly herein. For purposes herein, a Day is defined as a period of 24 consecutive hours ending 9:00 a.m. Central Clock Time and the date of the Day shall be that of its beginning.

Customers paying the Surcharge shall remain interruptible customers and be subject to all terms and conditions herein.

Issued By: Stephen B. Bram, President, Pearl River, New York
(Name of Officer, Title, Address)