



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

December 23, 2008

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

Re: Annual System Benefits Charge Filing

Dear Secretary Brilling,

Orange and Rockland Utilities, Inc. (the "Company") herein submits for filing its Statement of System Benefits Charge, Statement No. SBC – 3 to its Schedule for Gas Service, P.S.C. No. 4 – GAS. This Statement is issued December 23, 2008, to become effective with service rendered on or after January 1, 2009.

This filing is in accordance with General Information Section 23 of the Company's Schedule for Gas Service requiring an annual SBC filing in accordance with the Commission's June 23, 2008 Order in Case No. 07-M-0548 ("June 2008 Order").

The proposed SBC rate is based on an SBC collection target of \$467,019 for the period January 1, 2009 through December 31, 2009 as established in the June 2008 Order. The determination of the proposed SBC rate also includes a reconciliation of SBC recoveries for the period October through December 2008, and the SBC collection target for the same period. The amount under-collected for the reconciliation period is \$8,823. The resulting SBC rate is 0.345 cents per Ccf.

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

Very truly yours,



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