



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

December 9, 2004

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

Re: Case 00-M-1556 -

In the Matter of the Proposed Accounting and
Ratemaking for the Tax Law Changes Included in
the 2000-2001 New York State Budget

Dear Secretary Brillig,

Orange and Rockland Utilities, Inc. ("O&R" or "the Company") hereby submits for filing its Statement of Increase in Rates and Charges No. RTS-24 to its Schedule for Gas Service, P.S.C. No. 4 – GAS, to become effective on January 1, 2005. By separate letter, the Company also filed its Statement of Increase in Rates and Charges No. RTS-78 to its Schedule for Electric Service, P.S.C. No. 2 - Electricity, to become effective January 1, 2005. Such filing also included the work papers showing the determination of the electric and gas State Income Tax Surcharge factors.

This filing is being made in compliance with the Public Service Commission's "Order Implementing Tax Law Changes On A Permanent Basis" issued June 28, 2001 in the above-referenced proceeding.

The gas tax surcharge factor, effective January 1, 2005, reflects (1) the elimination of the Gross Receipts Tax rate imposed on both residential and non-residential commodity revenues and the elimination of the Gross Receipts Tax rate imposed on non-residential delivery service revenues; (2) the lower Gross Receipts Tax rate imposed on residential delivery service revenues; and (3) the amount, related to the reconciliation of State Income tax for prior tax years, authorized to be collected from customers during the taxable year 2005 related to the reconciliation of prior tax years ¹.

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

Sincerely,

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

¹ Such authorization was set forth in a letter dated September 1, 2004 from the Director, Office of Accounting and Finance.