



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

December 9, 2005

Honorable Jaclyn A. Brilling
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 Brilling,

Orange and Rockland Utilities, Inc. ("O&R" or "the Company") hereby submits electronically for filing its Statement of Increase in Rates and Charges No. RTS-28 to its Schedule for Gas Service, P.S.C. No. 4 – GAS, to become effective on January 1, 2006. By separate letter, the Company also filed its Statement of Increase in Rates and Charges No. RTS-82 to its Schedule for Electric Service, P.S.C. No. 2 - Electricity, to become effective January 1, 2006.

By letter dated June 22, 2005 ("June 22 letter") the Company filed with the Commission a revised gas state income tax ("SIT") surcharge factor relating to the final reconciliation of the Company's SIT liability for the tax year December 31, 2004. The June 22 letter indicated that the Company had received authorization to collect from customers an additional \$77,385 for the tax year ended December 31, 2004 and to combine it with any remaining balance previously authorized to be recovered from customers in 2005 relating to the tax year ended December 31, 2004¹. Recovery of these amounts will be complete by December 31, 2005.

Therefore, the Company is filing a revised gas SIT surcharge factor reflecting zero SIT surcharge effective January 1, 2006.

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 from the Director, Office of Accounting and Finance, dated June 6, 2005.