



Orange and Rockland Utilities, Inc.  
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January 11, 2011

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

Dear Secretary Brilling:

Orange and Rockland Utilities, Inc. (the "Company") hereby transmits for electronic filing Statement of Increase in Rates and Charges No. RTS-39 to its Schedule for Gas Service P.S.C. No. 4 - GAS. Under separate cover, the Company also filed Statement of Increase in Rates and Charges No. RTS-93 to its Schedule for Electric Service, P.S.C. No. 2 - Electricity. These Statements are issued January 11, 2011 to become effective February 1, 2011.

The Company's tariff schedules, General Information Section No. 15 of P.S.C. No. 4 - Gas and General Information Section No. 18 of P.S.C. No. 2 - Electricity, provide for reconciliation of the Temporary Metropolitan Transportation Authority Business Tax Surcharge (MTA Tax) recoveries with the MTA Tax expenses. The tariff provisions further provide for adjustment, if necessary, of the revenue tax surcharge rates in the last two months of each fiscal period to reflect the results of the reconciliation.

The work papers detailing the reconciliation and determination of the proposed electric and gas MTA Tax surcharge rates for the billing months of February and March 2011 are being submitted with the Company's electric filing.

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

Very truly yours,

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