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Orange and Rockland Utilities, Inc. 4 Irving Place
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November 21, 2011

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

RE: Case No. 08-G-1398, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Orange and Rockland Utilities, Inc. for Gas Service

Dear Secretary Brilling:

Orange and Rockland Utilities, Inc. (the "Company") hereby submits for filing Statement RDM-3 to its Schedule for Gas Service, P.S.C. No. 4 – GAS ("Gas Tariff"). This statement is issued November 21, 2011, to become effective December 1, 2011.

The purpose of this filing is to implement the reconciliation of the Company's gas revenue decoupling mechanism for the period November 1, 2010 through October 31, 2011 ("Rate Year 2") in accordance with General Information Section No. 25, Revenue Decoupling Mechanism ("RDM") Adjustment, of the Gas Tariff.

The Rate Year 2 cumulative net delivery revenue shortfalls for Group A and Group B<sup>1</sup> are \$1,331,693 and \$268,917, respectively, including interest. Group-specific RDM surcharges have been determined to recover these net delivery revenue shortfalls over the twelve-month period commencing December 1, 2011.

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

Very truly yours,

/s/

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

c: Active Parties, Case No. 08-G-1398 (via email)

<sup>&</sup>lt;sup>1</sup> Group A consists of Service Classification No. 1 and Service Classification No. 6 Rate Schedule IA customers. Group B consists of Service Classification No. 2 and Service Classification No. 6 Rate Schedule IB and Rate Schedule II customers.