STATEMENT OF INCREASE IN RATES AND CHARGES

Applicable to Billing under all Service Classifications of the Schedule for Electric Service of

ORANGE AND ROCKLAND UTILITIES, INC.

(1) Section 209 of the New York State Tax Law (State Income Tax) - The applicable rates and charges for service under all service classifications of P.S.C. No. 3 ELECTRICITY, shall be increased by dividing such rates and charges by a surcharge factor of 1.0000 pursuant to General Information Section 19.

(2) Sections 209-b and 186-c of the New York State Tax Law (Metropolitan Transportation Authority Business Tax Surcharge) - The applicable rates and charges for service under all service classifications of P.S.C. No. 3 ELECTRICITY, including the effect of the surcharge factor shown in (1) above, shall be adjusted by dividing such rates and charges by the following applicable surcharge factors pursuant to General Information Section 19:

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>SURCHARGE FACTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange County</td>
<td>0.9982</td>
</tr>
<tr>
<td>Rockland County</td>
<td>0.9982</td>
</tr>
<tr>
<td>Sullivan County</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

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(3) Section 186-a of the New York State Tax Law (Gross Receipts Tax), Section 20-b of the General City Law, and Section 5-530 of the Village Law - The applicable rates and charges for service under all service classifications of P.S.C. No. 3 ELECTRICITY, including the effect of the surcharge factors shown in (1) and (2) above, shall be increased by dividing such rates and charges by the following applicable surcharge factors pursuant to General Information Section 19:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Delivery (Incl. Merchant Function Charge)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Residential</td>
</tr>
<tr>
<td>Certain Municipalities*</td>
<td>0.9900</td>
</tr>
<tr>
<td>All Other Municipalities</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

*Applicable to the following municipalities:

City of Middletown               Village of New Hempstead
City of Port Jervis              Village of New Square
Village of Airmont               Village of Nyack
Village of Bloomingburg          Village of Otisville
Village of Chester               Village of Piermont
Village of Chestnut Ridge        Village of Pomona
Village of Goshen                Village of Sloatsburg
Village of Grand View-on-Hudson  Village of South Nyack
Village of Greenwood Lake        Village of Spring Valley
Village of Harriman              Village of Suffern
Village of Haverstraw            Village of Unionville
Village of Highland Falls        Village of Upper Nyack
Village of Hillburn              Village of Warwick
Village of Kaser                 Village of Washingtonville
Village of Kiryas Joel           Village of Wesley Hills
Village of Monroe                Village of West Haverstraw
Village of Montebello            Village of Wurtsboro

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