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. 2 ELECTRICITY, shall be increased by dividing such rates and charges by a surcharge factor of 0.9866 pursuant to General Information Section 18.

(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. 2 ELECTRICITY, including the effect of the surcharge factor shown in (1) above, shall be increased by dividing such rates and charges by the following applicable surcharge factors pursuant to General Information Section 18:

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>SURCHARGE FACTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange County</td>
<td>0.9927</td>
</tr>
<tr>
<td>Rockland County</td>
<td>0.9927</td>
</tr>
<tr>
<td>Sullivan County</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

ISSUED: January 13, 2003          EFFECTIVE: February 1, 2003

ISSUED BY: John D. McMahon, President
Pearl River, New York 10965
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.

(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. 2 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 18:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certain Municipalities*</td>
<td>0.9815</td>
</tr>
<tr>
<td>All Other Municipalities</td>
<td>0.9915</td>
</tr>
</tbody>
</table>

*Applicable to the following municipalities:

City of Middletown  Village of New Square
City of Port Jervis Village of Nyack
Village of Airmont  Village of Otisville
Village of Bloomingburg 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
Village of New Hempstead

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