STATEMENT OF INCREASE IN RATES AND CHARGES

Applicable to Billing under all Service Classifications of the Schedule for Gas 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 Service Classification Nos. 1, 2, and 6 of P.S.C. No. 4 GAS, shall be increased by dividing such rates and charges by a surcharge factor of 1.0000 pursuant to General Information Section 15.2.

(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. 4 GAS, including the effect of the surcharge factor shown in (1) above, shall be increased by dividing such rates and charges by a factor of 0.9988 pursuant to General Information Section 15.3.

(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. 4 GAS, 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 15.4:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>Non-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
City of Port Jervis
Village of Airmont
Village of Chestnut Ridge
Village of Goshen
Village of Grand-View-on-Hudson
Village of Greenwood Lake
Village of Harriman
Village of Haverstraw
Village of Hillburn
Village of Kaser
Village of Kiryas Joel
Village of Monroe
Village of Montebello
Village of New Hempstead
Village of New Square
Village of Nyack
Village of Piermont
Village of Pomona
Village of Sloatsburg
Village of South Nyack
Village of Spring Valley
Village of Suffern
Village of Unionville
Village of Upper Nyack
Village of Warwick
Village of Washingtonville
Village of Wesley Hills
Village of West Haverstraw

Issued By: John D. McMahon, President, Pearl River, New York
(Name of Officer, Title, Address)