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 adjusted by dividing such rates and charges by a factor of 0.9991 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></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 Square
City of Port Jervis Village of Nyack
Village of Airmont  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 Hillburn  Village of Upper Nyack
Village of Kaser  Village of Warwick
Village of Kiryas Joel Village of Washingtonville
Village of Monroe  Village of Wesley Hills
Village of Montebello Village of West Haverstraw
Village of New Hempstead

Issued By: William Longhi, President, Pearl River, New York
(Name of Officer, Title, Address)