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 0.9979 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>
<th>Residential</th>
<th>Non-Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certain Municipalities*</td>
<td>0.9900</td>
<td>0.9700</td>
<td>0.9900</td>
</tr>
<tr>
<td>All Other Municipalities</td>
<td>1.0000</td>
<td>0.9800</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 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 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

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