

STATE OF NEW YORK

Public Service Commission

William M. Flynn, Chairman

Three Empire State Plaza, Albany, NY 12223

Further Details: (518) 474-7080

<http://www.dps.state.ny.us>

FOR RELEASE: IMMEDIATELY

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PSC Seeks Public Comment on O&R Gas and Electric Multi-Year Rate Plan Proposals

Albany, NY – 7/30/03 – The New York State Public Service Commission has scheduled four public statement hearings to provide interested members of the public opportunities to comment on proposed multi-year rate plans that would govern the rates and charges for Orange and Rockland Utilities, Inc.'s (O&R's) electric and gas delivery services.

The hearings at which members of the public can comment on the proposed multi-year rate plans for O&R customers will be held as follows:

Monday, August 11, 2003

3:00 p.m. and 7:00 p.m.

2nd Floor

Middletown Thrall Library

11-19 Depot Street

Middletown, NY

Thursday, August 21, 2003

3:00 p.m. and 7:00 p.m.

Rockland County Legislative Chambers

Allison-Parris County Office Bldg.

11 New Hempstead Road

New City, NY

Each hearing will remain open for at least one hour and continue until all persons wishing to speak are heard or other reasonable arrangements are made. Speakers will be called after completing a card requesting time to speak at the hearing. It is not necessary to make an appointment in advance or to present written material in order to speak. All comments, oral and written, will be considered in the Commission's review process and will help guide the Commission in its decision-making process. The Commission may adopt or reject the rate plan proposals, in whole or in part.

TDD users may request that a sign language interpreter be present. To make a request, please call the Department of Public Service's Human Resources Management office at (518) 474-2520 through the New York Relay Service at 1-800-662-1220 or have a representative call collect directly to the office. Disabled persons who require special accommodations other than

a sign language interpreter may place a collect call to the Department of Public Service's Human Resources Management office at (518) 474-2520. All requests should be made as soon as possible.

The Proposed Multi-year Rate Plans

In November 2002, O&R filed a request with the Commission to increase its natural gas delivery charges to produce \$27.2 million (14.7 percent) in additional annual revenues. O&R's request included a three-year rate plan, under which the company sought additional rate increases of \$2.5 million and \$2.6 million for the second and third years, respectively. On March 14, 2003, O&R filed various updates and corrections to its initial request, which raised the requested first year increase to \$29.3 million.

On June 24, 2003, the New York State Department of Public Service staff, Small Customer Marketer Coalition, Select Energy New York, Inc., Multiple Intervenors, Total Gas & Electric, Inc., and O&R instead proposed that a smaller gas delivery rate increase be implemented gradually over the next three years: \$9.25 million (5 percent) beginning November 1, 2003; up to \$9.275 million (5 percent) beginning November 1, 2004; and, \$5 million (2.7 percent) beginning November 1, 2005. According to the parties in the case, the factors contributing to the proposed rate increases include pension costs and other post retirement benefits, capital additions, inflation, payroll and accounting changes. The company's gas distribution rates were last increased in 1992.

With respect to electric rates, the New York State Department of Public Service staff, the New York State Consumer Protection Board, Multiple Intervenors and O&R proposed on July 2, 2003, an extension of the existing electric delivery rate plan. Under the proposed extension, which covers the period July 1, 2003, through October 31, 2006, the company would not be allowed to increase rates for electric delivery service. The price of O&R's electric delivery service has not increased since 1993.

Other Ways to Comment

Persons not wishing to speak at the public statement hearings, or who are unable to attend the hearings, may comment on the proposal (in English or Spanish) by mailing their written statements to the Honorable Jaclyn A. Brillling, Acting Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223. These letters should reference the "O&R Gas and Electric Rates" (Cases 02-G-1553 and 03-E-0797) and should be submitted as soon as possible.

Other alternatives are available for submitting comments for consideration by the Commission:

Toll-free Opinion Line: Interested persons may call a special toll-free Opinion Line at 1-800-335-2120 to voice their opinion. This phone line is set up to receive comments about the proceeding from in-state callers, 24 hours a day. Callers should press “1” for “electric and gas” to leave comments on the O&R rate plan proposals.

The Internet: Comments may be submitted via the "PSC Comment Form" in the “Contact Us” file accessed through the homepage of the Commission’s Consumer Web site. Many libraries offer free Internet access. The Web site address is <http://www.AskPSC.com> and comments are downloaded regularly.

Customers can obtain more information about the proposed O&R rate plan proposals by reviewing a copy of the proposals at the:

Middletown Thrall Library
11-19 Depot Street
Middletown, NY

New City Library
220 North Main Street
New City, NY

and the
New York State Department of Public Service Files Room
14th Floor
Three Empire State Plaza, Albany, NY

Individual summaries of the proposed natural gas and electric delivery rate plans are also available on the New York State Department of Public Service's Web site at

<http://www.dps.state.ny.us/fileroom/doc13413.pdf>

and

<http://www.dps.state.ny.us/fileroom/doc13455.pdf>, respectively.

Many libraries offer free Internet access.