

PSC NO: 12 GAS	LEAF: 126
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION	REVISION: 14
INITIAL EFFECTIVE DATE: 07/01/10	SUPERSEDING REVISION: 13

Issued in Compliance with Order in C.09-G-0589 dated June 18, 2010

42. OTHER CHARGES AND ADJUSTMENTS

A. Supplemental Benefit Credit

During the 2008/2009 HEAP Plan Year (commencing November 3, 2008), each residential customer who receives a HEAP benefit for their Central Hudson bill and is enrolled in, or eligible for, Central Hudson's Enhanced Powerful Opportunities Program will receive a one-time supplemental benefit credit of \$300 applied to their Central Hudson account. A one-time supplemental benefit credit of \$200 will be applied to the accounts of all remaining HEAP recipients during the 2008/2009 HEAP Plan Year. Each customer will be entitled to only one supplemental benefit credit regardless of whether the customer takes electric and gas service from the Company.

The provision of supplemental benefit credits will be funded from the balance of surplus funds in the Interim and Enhanced Powerful Opportunities Programs.

The provision of supplemental benefit credits complies with the New York State Public Service Commission's Orders in Case Nos. 05-E-0934 and 05-G-0935 issued and effective November 13, 2008.

HEAP Credit

Each residential customer who received a HEAP benefit for their Central Hudson bill during the 2009/2010 HEAP Plan Year will receive a credit each month applied to their Central Hudson account. The HEAP credit will continue for 12 consecutive months, or until either the customer renews their HEAP eligibility for a succeeding Plan Year or the HEAP Credit Program terminates June 30, 2013. The monthly credit will be as follows: \$7 per month for the twelve months ending June 30, 2011; \$9 per month for the twelve months ending June 30, 2012; and \$11 per month for the twelve months ending June 30, 2013. Each customer will be entitled to only one monthly credit provided the customer's account remains active and regardless of whether the customer takes electric and gas service from the Company.

B. Merchant Function Charge (MFC)

The Merchant Function Charge (MFC) is a charge designed to reflect the costs the Company incurs associated with the procurement and provision of natural gas supplies. The MFC includes cost-based components of commodity-related procurement, commodity-related credit and collections, commodity-related call center costs, commodity-related advertising and promotions, and related Administrative and General (A&G) expenses and rate base items allocated to each of the aforementioned components.

MFC Groups

MFC 1 - Service Classification Nos. 1, 12 and 16

MFC 2 - Service Classification Nos. 2, 6 13 and 15

MFC Tiers

Each MFC group will be sub-divided into a MFC Administration Charge and a MFC Supply Charge as follows:

The MFC Administration Charge will include a commodity-related credit and collections component and 50% of commodity-related call center costs, plus A&G and rate base items associated with each component.

Issued by: Michael L. Mosher, Vice President, Poughkeepsie, New York