

PSC NO: 15 ELECTRICITY LEAF: 105
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 7
INITIAL EFFECTIVE DATE: 08/01/06 SUPERSEDING REVISION: 5
Issued in Compliance with Order in C.05-E-0934 dated July 24, 2006

29. ENERGY COST ADJUSTMENT MECHANISM (Cont'd)

Market Price Charge (MPC) (Cont'd)

The total MPC for each MPC Group, as so determined, will be divided by an estimate of billed sales for each MPC Group to determine the MPC factor. The factor so determined will be stated in whole \$0.00001 amounts per kilowatthour.

Effective July 1, 2007, the Service Classification No. 6 MPC shall be differentiated into on-peak and off-peak rates, with the same on-peak rate applied to all Service Classification No. 6 on-peak rate periods and the same off-peak rate applied to all Service Classification No. 6 off-peak rate periods.

Market Price Adjustment Factor (MPA)

The Company will reconcile, by MPC Group, actual MPC recoveries with total MPC costs and refund to or collect from customers any over or under recoveries on a monthly basis through a separate Market Price Adjustment factor. This MPA factor will be stated in whole \$0.00001 amounts per kilowatthour and will be developed on a three (3) month lag.

Miscellaneous Charges Factor

The Miscellaneous Charges factor is designed to recover from or refund to all delivery customers the cost or benefit of non-avoidable, variable energy related revenues and costs associated with the Company's remaining generating facilities and from mandatory IPP purchases, as well as all ancillary charges incurred on and after February 1, 2002 and prior to July 1, 2007, including reimbursements to ESCOs for ancillary service charges pursuant to General Information Section 35.K. The cost or benefit associated with the Company's remaining generating facilities and mandatory IPP purchases will be determined as the difference between the actual variable energy related costs of these facilities or purchases and either the revenue from the sale of output or the cost included in the MPC for these same facilities or purchases. An allowance for bad debts and working capital costs will also be included in the Miscellaneous Charges Factor.

The total monthly Miscellaneous Charges cost/benefit will be divided by an estimate of total billed delivery sales. The factor so determined will be stated in whole \$0.00001 amounts per kilowatthour and will be the same for all Service Classifications.

Issued by: Arthur R. Upright, Senior Vice President, Poughkeepsie, New York