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35. RETAIL ACCESS PROGRAM (Cont'd)

R. REIMBURSEMENT TO RETAIL SUPPLIER FOR ANCILLARY SERVICES

Central Hudson will reimburse Retail Suppliers/Direct Customers for certain NYISO defined ancillary services, as more particularly described below, and NYPA Transmission Access Charges (NTAC). Such reimbursement will be for costs incurred on and after February 1, 2002, and will include only those costs Retail Suppliers/Direct Customers incur, either from the NYISO or another ancillary services provider, as a result of providing service to customers pursuant to Central Hudson's Retail Access Program.

- (a) Central Hudson will reimburse Retail Suppliers/Direct Customers for the following NYISO defined ancillary services:
 - Scheduling, System Control, Dispatch, Local Reliability Related Uplift Charge, NYISO Wide Uplift Charge and residual adjustments (Schedule 1);
 - 2. Reactive Supply and Voltage Control (Schedule 2);
 - 3. Regulations and Frequency Response (Schedule 3);
 - 4. Operating Reserve, Spinning Reserve and Supplemental Reserve (Schedule 5); and,
 - 5. Black Start (Schedule 6).

Reconciliations for ancillary service charges incurred on or after February 1, 2002 shall also be included.

- (b) On or before the close of business on the third business day of the month following the month in which ancillary service charges are incurred, each Retail Supplier/Direct Customer will provide Central Hudson with an estimate of the Retail Supplier's/Direct Customer's charges for ancillary services incurred as a result of providing service pursuant to Central Hudson's Retail Access Program. Such estimate must detail the load (kWh), rate per kWh and total amount for each ancillary service for which reimbursement is requested. For ancillary services provided by the NYISO, such estimate shall be based on the Hourly Advisory Billings prepared and provided by the NYISO.
- (c) Each Retail Supplier/Direct Customer shall provide Central Hudson with an invoice for ancillary services on or before the close of business on the ninth calendar day of the month following the month in which ancillary service charges are incurred. Each invoice must

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