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COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 3
INITIAL EFFECTIVE DATE: 11/01/01 SUPERSEDING REVISION: 2
STAMPS: Issued in Compliance with Order in C.00-E-1273 dated October 25, 2001
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29. ENERGY COST ADJUSTMENT MECHANISM (Cont'd)

Miscellaneous Charges Factor (Cont'd)

The total monthly Miscellaneous Charges cost/benefit will be divided by an estimate of total delivery sales for the following month. The factor so determined will be stated in whole $0.00001 amounts per kilowatthour and will be the same for all Service Classifications.
The Company will reconcile Miscellaneous Charges recoveries with actual costs/benefits and refund to or collect from customers any over or under recoveries on a monthly basis through the Miscellaneous Charges factor. This reconciliation adjustment will be developed on a three (3) month lag.

The Miscellaneous Charges factor will include an estimate of the Competitive Transition Charge (CTC), as defined in General Information Section 2, for the period November 1, 2001 until such time as the sale of the Company's interest in the Nine Mile Point 2 nuclear generating plant is complete. The total estimate will be billed to customers on a per kWh basis over a one month period based on forecasted billing units and will commence with the first set of Statements of Energy Cost Adjustment Mechanism Factors issued subsequent to November 1, 2001 as provided below.

The Miscellaneous Charges factor will also include the disposition of any net change in base delivery rates for the period July 1, 2001 through October 31, 2001. Any such disposition will be applied to customer bills on a per kWh basis over a one month period based on forecasted billing units. Such disposition will commence with the first set of Statements of Energy Cost Adjustment Mechanism Factors issued subsequent to November 1, 2001 as provided below.

Purchased Power Adjustment Factor (PPA)

The PPA factor, also referred to as the Transition Power Agreement/Purchased Power Agreement (TPA/PPA) Benefit mechanism in the Joint Proposal in Case 00-E-1273, as approved by the Public Service Commission in its Order issued and effective October 25, 2001, is designed to refund to or collect from all delivery customers the benefits or costs of the Company's Transition Power Agreement and Purchased Power Agreement (Agreements) with the new owners of the fossil generating and nuclear generating plants, respectively, previously owned by the Company.

The PPA benefit/cost will be determined each month as the difference between the contract cost of the energy, installed capacity and ancillary services purchased under the Agreements, regardless of whether the actual purchases were transacted through a financial arrangement, and the cost the Company would have incurred if these requirements had been purchased solely from the NYISO market, as calculated

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

Cancelled by 5 Rev. Leaf No. 106 Effective 08/01/2006
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