

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
284 SOUTH AVENUE
POUGHKEEPSIE, NEW YORK 12601

June 30, 2009

Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Cases 08-E-0887/ 08-G-0888 Compliance Filing
in the Proceeding on Motion of the Commission as to Rates, Charges,
Rules and Regulations of Central Hudson Gas & Electric Corporation
for Electric and Gas Service

Dear Commissioners:

Pursuant to Public Service Commission Order, issued and effective June 22, 2009, in the above captioned proceeding, Central Hudson Gas & Electric Corporation ("Central Hudson" or "the Company") hereby files amended tariff leaves, statements and supplements to its Schedule for Electric Service, PSC No. 15 – Electricity, and Schedule for Gas Service, PSC No. 12 – Gas.

These amendments which are set forth on Appendix A are filed June 30, 2009 to become effective July 1, 2009 on a temporary basis to effectuate the electric and gas rate increases as well as the other requirements of the aforementioned Order. The purpose for these tariff amendments is described below.

ELECTRIC

Rate Design

Base Delivery Rates & Merchant Function Charges ("MFCs")

The base delivery and MFC rates effective July 1, 2009 reflect the revision to the pro forma cost of service study required by the Order to allocate procurement costs using an allocator that does not vary with volume. As a result, the Company allocated these costs to the various service classes and sub classes based on number of customers. The rates also reflect an upper constraint of 1.25 times the system average in the revenue allocation process, adoption of Staff's residential customer charges, adoption of the Company's non-residential customer charges, and an increase in the reactive demand charge applicable to S.C. Nos. 3 and 13 from \$0.44 to \$0.83 per RKVA, all as approved by the Commission. MFCs have been revised to reflect the revised pro forma cost of service study and to reflect determination on a service class and sub class basis.

Electric Bill Credit ("EBC")

An electric bill credit will be implemented July 1, 2009 to return to customers the regulatory liability remaining after the offset of various deferred balances of June 30, 2009. A refund of \$36 million will be returned to customers over three years: \$20 million for the twelve months ending June 30, 2010, \$10 million for the twelve months ending June 30, 2011, and \$6 million for the twelve months ending June 30, 2012. The EBC has been allocated to service classes and sub classes in proportion to class responsibility for the total delivery rate increase.

Revenue Decoupling Mechanism ("RDM")

The amendments filed herein reflect implementation of a revenue per class RDM model applicable by sub-class to S.C. Nos. 1, 2 and 6, and those customers taking service under S.C. No. 14 whose parent service classification would be either S.C. No. 1, 2 or 6. The RDM provides for a monthly comparison of actual delivery revenue to delivery revenue targets, with any revenue excess/shortfall accrued, with interest at the Commission's rate for other customer provided capital, for refund to/recovery from customers over a twelve-month period commencing August 1, 2010. If however, during the Rate Year, the cumulative delivery revenue excess/shortfall exceeds \$4 million the Company is authorized to begin refund/recovery of such excess/shortfall over a twelve-month period.

S.C. No. 12 - Standby Rates

The Company has included revised standby rates consistent with the parent service classification rate design and cost of service, such that the rates are revenue neutral.

18-a Assessment

The amendments filed herein incorporate tariff revisions filed on June 29, 2009 in Case 09-M-0311 and effective July 1, 2009.

Electric Loss Factor

The Company initially conferred with Staff based on a preliminary review of programming capabilities and determined service-level specific loss factors would not be able to be implemented until August 1, 2009. After further review the Company has determined that service-level specific loss factors can be implemented effective July 1, 2009 and has been reflected in this filing.

Energy Cost Adjustment Mechanism ("ECAM")

Effective August 1, 2009 the Market Price Charge ("MPC") group for S.C. Nos. 1, 2 and 9 will be further differentiated into two groups: (1) for S.C. Nos. 1, 2 (Secondary Demand), 2 (Non-Demand) and 9; (2) for S.C. No. 2 (Primary Demand). Each MPC group will reflect service-level specific loss factors effective August 1, 2009.

Effective July 1, 2009 the factors of the ECAM will reflect revised rates, in compliance with the aforementioned Order, for working capital requirements and allowances for uncollectibles.

Effective July 1, 2009, service classification or sub classification specific PPA factors will be implemented. Thirty-one percent of the total monthly PPA benefit/cost will be allocated to each classification based on average summer and winter peak demand factors, with the remaining portion allocated based on estimated billed sales.

Hourly Pricing Provision ("HPP") Capacity Costs

On and after May 1, 2011, capacity charges will be recovered through a separate charge, HPP UCAP. Each customer's capacity charge will be calculated as the product of the customer's demand during the previous summer's NYCA peak hour, as adjusted pursuant to the NYCA peak load forecast for the corresponding capability period and NYISO UCAP requirements, and the monthly NYISO Spot Auction price for the NYCA for the prior calendar month.

The currently effective HPP UCAP Charge will be renamed the HPP Charge and will continue to recover charges for energy balancing, ancillary services, allowances for working capital and bad debts according to currently effective tariff provisions.

GAS

Rate Design

Base Delivery Rates & Merchant Function Charges ("MFCs")

The base delivery and MFC rates effective July 1, 2009 reflect the revisions to the pro forma cost of service study required by the Order to allocate gas mains 65% to demand and 35% to customer and to allocate the cost of the downstream meters at West Point on the same basis as the Crow's Nest regulator station. The rates also reflect an upper constraint of 120% of the system average in the revenue allocation process, adoption of Staff's residential customer charges and adoption of the Company's non-residential customers charges, all as approved by the Commission.

Weather Normalization Adjustment ("WNA")

A WNA will be implemented for all heating customers taking service under S.C. Nos. 1, 2, 6, 12 and 13. The WNA will be applied to total gas usage during the period October 1 through May 31 of each year.

Revenue Decoupling Mechanism

The amendments filed herein reflect implementation of a unit per customer ("UPC") RDM model applicable to S.C. Nos. 1 and 12 combined and S.C. Nos. 2, 6 and 13 combined. The RDM provides for a monthly comparison, by billing block, of actual UPC as adjusted by the WNA, to UPC targets, with any difference multiplied by actual number of customers billed and then multiplied by base delivery rates and MFCs to determine any revenue excess or shortfall. Revenue excesses or shortfalls will be accrued, with interest at the Commission's rate for other customer provided capital, for refund to/recovery from customers over a twelve-month period commencing August 1, 2010. If however, during the Rate Year, the cumulative delivery revenue excess/shortfall exceeds \$2 million the Company is authorized to begin refund/recovery of such excess/shortfall over a twelve-month period.

18-a Assessment

The amendments filed herein incorporate tariff revisions filed on June 29, 2009 in Case 09-M-0311 and effective July 1, 2009.

Gas Supply Charge

Effective July 1, 2009 the Gas Supply Charge and Transportation Demand Adjustment will reflect revised rates, in compliance with the aforementioned Order, for working capital requirements, allowances for uncollectibles and lost and unaccounted for gas, as applicable.

Imputation of Interruptible Revenue

The Company has imputed \$1.95 million of interruptible profit from S.C. Nos. 8, 9 and 14. Each August the Company will reconcile the annual interruptible profit received and will be permitted to retain the first \$1.95 million in profit received. If the profit is less than \$1.95 million the Company will surcharge customers taking service under S.C. Nos. 1, 2, 6, 12 and 13 for 90% of the shortfall. If the profit exceeds \$1.95 million, the Company will credit customers taking service under S.C. Nos. 1, 2, 6, 12 and 13 for 90% of the excess.

ELECTRIC AND GAS ISSUES

HEAP Credit

During the 2009/2010 HEAP Plan Year (commencing November 2, 2009), each residential customer who receives a HEAP benefit for their Central Hudson bill will receive a credit of \$5 per month applied to their Central Hudson account. The HEAP credit will commence

when the HEAP benefit is received and will continue for 12 consecutive months provided the customer's account remains active. Each customer will be entitled to only one monthly credit regardless of whether the customer takes electric and gas service from the Company.

Procedural Matters

As directed by Ordering paragraph five, the requirements of 66(12) (b) of the Public Service Law that newspaper publications are to be completed prior to the effective date of the amendments is waived. Notices of the changes contained herein will be published in the July 8, 15, 22 and 29, 2009 issues of the Catskill Daily Mail, the Kingston Freeman, the Times Herald Record and the Poughkeepsie Journal.

Questions related to this filing should be addressed to Glynis L. Bunt at (845) 486-5420.

Very truly yours,

Michael L. Mosher

cc: Active Party List
R.J. Glasser, Thompson Hine

TARIFF LEAVESPSC No. 15 – ELECTRICITY

10 th	Revised Leaf No. 104	8 th	Revised Leaf No. 205.1
9 th	Revised Leaf No. 105	2 nd	Revised Leaf No. 205.2
5 th	Revised Leaf No. 107	9 th	Revised Leaf No. 206
9 th	Revised Leaf No. 109	8 th	Revised Leaf No. 206.1
5 th	Revised Leaf No. 135	5 th	Revised Leaf No. 206.2
7 th	Revised Leaf No. 137	8 th	Revised Leaf No. 207
4 th	Revised Leaf No. 163.3	12 th	Revised Leaf No. 210
4 th	Revised Leaf No. 163.4	9 th	Revised Leaf No. 211
4 th	Revised Leaf No. 163.5	6 th	Revised Leaf No. 211.1
3 rd	Revised Leaf No. 163.5.1	9 th	Revised Leaf No. 217
4 th	Revised Leaf No. 163.5.2	10 th	Revised Leaf No. 218
	Original Leaf No. 163.5.4	7 th	Revised Leaf No. 218.1
	Original Leaf No. 163.5.5	4 th	Revised Leaf No. 218.2
9 th	Revised Leaf No. 165	8 th	Revised Leaf No. 219
7 th	Revised Leaf No. 165.1	10 th	Revised Leaf No. 220
10 th	Revised Leaf No. 169	7 th	Revised Leaf No. 221
7 th	Revised Leaf No. 169.1	9 th	Revised Leaf No. 222
3 rd	Revised Leaf No. 169.2	7 th	Revised Leaf No. 222.1
10 th	Revised Leaf No. 178	6 th	Revised Leaf No. 222.2
4 th	Revised Leaf No. 179	8 th	Revised Leaf No. 226
6 th	Revised Leaf No. 184.1	5 th	Revised Leaf No. 231
8 th	Revised Leaf No. 184.2	10 th	Revised Leaf No. 246
9 th	Revised Leaf No. 184.2.1	11 th	Revised Leaf No. 246.1
9 th	Revised Leaf No. 185	11 th	Revised Leaf No. 247
10 th	Revised Leaf No. 186	6 th	Revised Leaf No. 262
8 th	Revised Leaf No. 186.1	6 th	Revised Leaf No. 267.1
13 th	Revised Leaf No. 194	8 th	Revised Leaf No. 267.2
4 th	Revised Leaf No. 196	6 th	Revised Leaf No. 272.3
7 th	Revised Leaf No. 202.1	2 nd	Revised Leaf No. 272.3.1
8 th	Revised Leaf No. 202.2	2 nd	Revised Leaf No. 272.3.2
10 th	Revised Leaf No. 205	5 th	Revised Leaf No. 272.6

Statement of Market Price Charge and Market Price Adjustment MPC – 98

Statement of Purchased Power Adjustment PPA – 97

Statement of Miscellaneous Charges MISC - 97

Statement of Bill Credit EBC – 1

TARIFF LEAVESPSC No. 12 – GAS

8 th	Revised Leaf No. 68	7 th	Revised Leaf No. 153
6 th	Revised Leaf No. 71	8 th	Revised Leaf No. 158
7 th	Revised Leaf No. 72	14 th	Revised Leaf No. 159
6 th	Revised Leaf No. 73	7 th	Revised Leaf No. 171
6 th	Revised Leaf No. 75	7 th	Revised Leaf No. 172
3 rd	Revised Leaf No. 117.1	9 th	Revised Leaf No. 181
4 th	Revised Leaf No. 121	12 th	Revised Leaf No. 186
10 th	Revised Leaf No. 124.1	10 th	Revised Leaf No. 187
13 th	Revised Leaf No. 126	11 th	Revised Leaf No. 188
9 th	Revised Leaf No. 126.1	12 th	Revised Leaf No. 191
1 st	Revised Leaf No. 126.2	11 th	Revised Leaf No. 192
2 nd	Revised Leaf No. 129	9 th	Revised Leaf No. 193
	Original Leaf No. 129.1	5 th	Revised Leaf No. 195
12 th	Revised Leaf No. 149	11 th	Revised Leaf No. 206
7 th	Revised Leaf No. 151	6 th	Revised Leaf No. 212
8 th	Revised Leaf No. 152		

Statement of Interruptible Gas Rates IGR-129
Statement of Interruptible Transportation Rates ITR-123