

PSC NO: 12 GAS
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 11/01/12
Issued in compliance with Order in C.11-G-0697 dated March 19, 2012

LEAF: 125.1
REVISION: 3
SUPERSEDING REVISION: 2

41. RETAIL ACCESS PROGRAM (Cont'd)

P. **CAPACITY ASSIGNMENT ADJUSTMENT**

Effective November 1, 2012, pursuant to the adoption of Weighted Average Cost of Capacity (WACOC) pricing for capacity released to Retail Suppliers, as described in General Information, Section 41.G, the Capacity Assignment Adjustment, reflecting the difference between the maximum firm pipeline rates at which the capacity is released to Retail Suppliers and the Company's system weighted average cost of capacity, will be phased out.

The Company shall effectuate a final Capacity Assignment Adjustment to become effective April 1, 2013 to reconcile any difference between the amount surcharged or credited to Service Classification Nos. 6, 12 and 13 customers through the Capacity Assignment Adjustment and the actual differences between pipeline rates and the Company's system WACOC for the period April 1, 2012 through November 1, 2012. The Company may apply such adjustment over a period greater than one month, if deemed necessary by the Company, to mitigate the customer bill impact of the adjustment.

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