

PSC NO: 12 GAS LEAF: 181.3
 COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 2
 INITIAL EFFECTIVE DATE: 05/01/07 SUPERSEDING REVISION: 1
 Issued in compliance with Order in C.05-G-0935 dated July 24, 2006

SERVICE CLASSIFICATION NO. 11 (Cont'd)

FIRM TRANSPORTATION - Core (Cont'd)

BALANCING: Charges for Over- and Under-Deliveries (Cont'd)

A. Daily Balancing (Cont'd)

II. Under-deliveries - Daily

If on any day a customer's under-delivery is greater than 10% of a customer's actual usage, and the combined over- or under-delivery for all Service Classification Nos. 9 and 11 daily balanced customers is greater than 10%, the under-delivered volumes in excess of 10% will be sold to the customer by the Company at the rates set forth below. The Index Price used to determine the applicable rate shall be equal to the "Midpoint" rate of the higher of "Transco, zone 6 N.Y." and "Iroquois, zone 2" receipt points as published in Platt's Gas Daily in the table "Daily Price Survey" under the Citygates heading.

For Under-deliveries	Rate
> 10% up to and including 15%	110% of Index Price
> 15% up to and including 20%	115% of Index Price
> 20% - Winter	140% of Index Price
> 20% - Summer	130% of Index Price

III. Month End Cash Out

At the end of the month, a customer's cumulative over- or under-deliveries, net of any activity resulting from the daily balancing provisions described above, will be summed into a net imbalance.

(a) Exchange of Net Imbalances

A customer or its Retail Supplier may exchange a month-end imbalance with another Service Classification No. 9 or 11 customer or its Retail Supplier. Imbalance position and contact information for each Retail Supplier will be available after the end of the month on the Company's Gas Tracking System. Such exchanges of imbalances shall be accomplished upon notification to the Company of the exchange by the applicable customer, or its designated Retail Supplier, prior to the imbalance resolution due date as shown on the Company's Calendar of Gas Transportation Scheduling as defined in General Information Section 2. The net effect of all imbalance exchanges must improve a customer's or its designated Retail Supplier's, relative imbalance position. In no event will the company process exchanges that result in a larger negative position for the customer, or its designated supplier.

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