

PSC NO: 12 GAS LEAF: 118
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 6
INITIAL EFFECTIVE DATE: 04/01/07 SUPERSEDING REVISION: 4
Issued in compliance with Order in C.05-G-0935 dated July 24, 2006

41. RETAIL ACCESS PROGRAM (Cont'd)

H. BALANCING AND SETTLEMENT

The Retail Supplier must deliver to Central Hudson on each day of the month, at predetermined interconnection points, the $ADCQ_{forecast}$ as provided in General Information, Section 41.G. Daily deliveries in excess of 102 percent of the $ADCQ_{forecast}$ will be purchased by Central Hudson at one hundred percent of the daily average of the "Midpoint" rates for "Tennessee, zone 0" and "Tennessee, zone 1" (500 and 800 legs) receipt points as published in Platt's Gas Daily in the table "Daily Price Survey", plus the Company's weighted average cost of transportation and fuel losses.

In the event that the daily deliveries are less than 98 percent of the $ADCQ_{forecast}$, the Retail Supplier will purchase from Central Hudson the incremental gas required to increase the deliveries to 98 percent of the $ADCQ_{forecast}$ at the higher of the daily "Midpoint" rate of "Transco zone 6 N.Y." or "Iroquois, zone 2" receipt points as posted in Platt's Gas Daily, for the applicable day plus a charge of ten (\$10) dollars per dekatherm. In the event that an excess delivery occurs during a period in which Central Hudson has issued an operational flow order the Retail Supplier will be assessed all penalties incurred by Central Hudson which resulted from the excess delivery. In the event that the under-delivery occurs during a period in which Central Hudson has issued an operational flow order, the Retail Supplier will purchase from Central Hudson the incremental gas required to increase the deliveries to 98 percent of the $ADCQ_{forecast}$ at a rate equal to one hundred percent of the daily gas price posted in Platt's Gas Daily for "Transco zone 6 N.Y.", for the applicable day plus a charge of twenty-five (\$25) dollars per dekatherm.

Monthly Cash Out

Within 15 days after the end of each month, the Company will estimate customer consumption using actual degree days as measured at the Dutchess County Airport and the same heat and non-heat factors that were used to provide the $ADCQ_{forecast}$ to arrive at an estimate of the amount of gas consumed by the aggregated group of customers each month. This calculated value will be multiplied by the factor of adjustment and converted from Ccf to Dth using the 12 month system average BTU conversion factor and will be called the Aggregated Monthly Contract Quantity ($AMCQ_{actual}$). The monthly cash out quantity for each Retail Supplier's pool will then be equal to the difference between the $AMCQ_{forecast}$, including WBSV and any allowed daily imbalance, minus the $AMCQ_{actual}$. Any resulting difference will be cashed out at the following index prices:

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