

PSC NO: 12 GAS LEAF: 112
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 7
INITIAL EFFECTIVE DATE: 04/01/07 SUPERSEDING REVISION: 5
Issued in compliance with Order in C.05-G-0935 dated July 24, 2006

41. RETAIL ACCESS PROGRAM (Cont'd)

D. DELIVERABILITY DEMAND DETERMINANTS (Cont'd)

(b) Storage Service (Cont'd)

suppliers that do not elect the WBS Option, described in Section G, will be required to procure Alternate Capacity Requirements (ACR) equal to the aggregated total of the Storage Service demand determinants for customers in their aggregated pool.

(c) Storage Space

The storage space billing determinant represents the amount of space the Company has estimated would be needed to store the customer's excess deliveries if 1/365 of the customer's normalized annual consumption of gas were to be delivered every day of the year.

(d) Capacity Release

Each retail access customer is assigned a Capacity Release determinant equal to the Total Contract Quantity (TCQ) as calculated by Central Hudson for each customer. The TCQ includes the Daily Contract Quantity (DCQ), calculated as if 1/365 of the customer's normalized annual consumption of gas were to be delivered every day of the year, and any applicable IDCQ.

The percentage of the Company's system gas requirements for a design day that is served by peaking service and the storage service limitation will be included in the Statement of Firm Transportation Rates as described in General Information Section 27. If there is a change in the percentage of the Company's system requirement that is met through peaking service and storage service, the new percentage will be effective the following April 1.

E. REQUIREMENTS OF RETAIL SUPPLIERS

- (a) Retail Suppliers must have signed and delivered a Supplier Operating Agreement with the Company.
- (b) Retail Suppliers must have authority to act as the customer's agent and attorney-in-fact for the purpose of scheduling, balancing and settlement.
- (c) Retail Suppliers must plan to meet the full natural gas supply requirements of the customer. In the event there is a material change or an anticipated substantial increase in the natural gas supply requirement of a customer or customers, Retail Suppliers will notify the Company of such change prior to such change or increase and will cooperate with the Company, as reasonably required by the Company, to accommodate such change or increase.

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