

PSC NO: 12 GAS LEAF: 125.1
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 04/01/07 SUPERSEDING REVISION:

41. RETAIL ACCESS PROGRAM (Cont'd)

P. CAPACITY ASSIGNMENT ADJUSTMENT

Customers taking service under Service Classification Nos. 6, 12 and 13, and whose Retail Supplier chooses to take assignment of the upstream pipeline capacity under contract to the Company, shall be subject to a Capacity Assignment Adjustment.

The Capacity Assignment Adjustment is a surcharge or credit 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.

The Capacity Assignment Adjustment shall be set annually, effective April 1, based on the Company's estimate of its system weighted average cost of capacity for the applicable annual period, the current interstate pipeline rates for the pipelines upon which the Company releases capacity, and estimated deliveries to Service Classification Nos. 6, 12 and 13 customers.

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 weighted average cost of capacity shall be reconciled annually and reflected in the Capacity Assignment Adjustment billed in the second month following the annual period. 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