

PSC NO: 12 GAS LEAF: 130
 COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 4
 INITIAL EFFECTIVE DATE: 04/01/07 SUPERSEDING REVISION: 3
 Issued in compliance with Order in C.05-G-0935 dated July 24, 2006

43. BALANCING SERVICE CHARGE

Balancing Service Charge

Retail Access Program

Retail Suppliers electing not to take Winter Bundled Sales service, as described in General Information Section 41.G(1), will be subject to a Balancing Service Charge. The Balancing Service Charge is designed to recover from Retail Suppliers a prorata share of the Company's gas storage and other relevant costs.

The Balancing Service Charge will be applied monthly to the difference between the sum of the peak day requirements for a Retail Supplier's aggregated pool of customers less the TCQ, and converted from Dth to Ccf using the twelve month system average BTU conversion factor.

The Balancing Service Charge will be updated at least annually, to be effective April 1 of each year, and will be equivalent to the per unit cost of storage services and storage space under contract to the Company. The rate so determined will be stated in whole \$0.0000 amounts per Ccf.

Service Classification Nos. 9 & 11

All gas consumed by customers under Service Classification Nos. 9 and 11 will be subject to a volumetric Balancing Service Charge. The Balancing Service Charge is designed to recover from customers a prorata share of the Company's gas storage and other relevant costs.

Two separate rates will be calculated for Service Classification Nos. 9, 11 and 11- Distribution Large Mains (DLM): one for daily balanced customers and one for monthly balanced customers. These rates will be updated at least annually, to be effective April 1 of each year, and will be based on each Service Classification's total consumption and deliveries during the preceding winter period, of November 1 through March 31, and the Company's most recently available gas storage and other relevant costs.

For Service Classification No. 11 DLM customers, the rates set forth below will remain in effect until March 31, 2008 at which time they will be revised according to the procedure contained herein:

	Monthly	Daily
	<u>\$/Mcf</u>	<u>\$/Mcf</u>
S.C. No 11 DLM	0.0463	0.0164

The rates so determined will be stated in whole \$0.000 amounts per Mcf.

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