

PSC NO: 12 GAS LEAF: 118.2
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 04/01/07 SUPERSEDING REVISION:
Issued in compliance with Order in C.05-G-0935 dated July 24, 2006

41. RETAIL ACCESS PROGRAM (Cont'd)

H. **BALANCING AND SETTLEMENT** (Cont'd)

Semi-Annual Reconciliation/Cash Out (Cont'd)

The net effect of all imbalance exchanges must improve a Retail Supplier's relative imbalance position. In no event will the Company process exchanges that result in a larger negative position for a Retail Supplier.

Central Hudson will purchase net over-deliveries in either the Summer or Winter seasonal cash out at the average of the individual months' cash out prices for over-deliveries in the applicable season. Central Hudson will charge for net under-deliveries in either the Summer or Winter seasonal cash out at the average of the individual months' cash out prices for under-deliveries in the applicable season.

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