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PSC NO: 12 GAS

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

INITIAL EFFECTIVE DATE: 04/01/07

SUPERSEDING REVISION: 0

Issued in compliance with Order in C.05-G-0935 dated July 24, 2006

SERVICE CLASSIFICATION NO. 9 (Cont'd)

INTERRUPTIBLE TRANSPORTATION/STANDBY SALES SERVICE RATE (Cont'd)

<u>BALANCING: Charges for Over- and Under-Deliveries</u> (Cont'd)

B. Monthly Balancing

If the amount of gas delivered to the Company for a customer, less any adjustment determined in accordance with Special Provision 9.4, varies from the amount of gas used by the customer for a given month, the customer will have an over-delivery or an under-delivery. Any such over-or under-delivery will be cashed out according to the terms and pricing contained in A. III., Month End Cash Out, of this section.

MINIMUM CHARGE

The Customer Charge.

INCREASE IN RATES AND CHARGES

1. Commencing January 1, 1996, in addition to the applicable transportation charges under this Service Classification, customers shall also be charged a surcharge in accordance with the New York State Public Service Commission's Order issued November 30, 1995, in Case 88-G-062 concerning the collection of take or pay costs. The surcharge is designed to collect over a twenty-four (24) month period the remaining uncollected balance of the take or pay costs incurred by the Company. The Take or Pay Surcharge will be shown on the monthly filed Statement of Gas Transportation Rates. The Take or Pay Surcharge will be reconciled for the twelve month period ended December 31 of each year.

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