

PSC NO: 12 GAS LEAF: 173.3
 COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 1
 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)

BALANCING: Charges for Over- and Under-Deliveries (Cont'd)

A. Daily Balancing (Cont'd)

III. Month End Cash Out (Cont'd)

(b) Cash Out

Any net imbalances which are not resolved through exchange will be cashed out according to the following terms and pricing:

November - March	Over-Deliveries	Under-Deliveries
0% to 5%	Index	Index
5% to 10%	90% of Index	110% of Index
>10%	80% of Index	120% of Index

All Other Months	Over-Deliveries	Under-Deliveries
0% to 10%	Index	Index
>10%	80% of Index	120% of Index

The over-delivery Index Price will be equal to the average of the daily averages of the "Midpoint" rates for "Tennessee, zone 0" and "Tennessee, zone 1" (500 and 800 legs) receipt points as published in Platt's Gas Daily in the table "Daily Price Survey" for the applicable month, plus the Company's weighted average cost of transportation and fuel losses.

The under-delivery Index Price will be equal to the average of the "Midpoint" rates of the higher of "Transco, zone 6 N.Y." and "Iroquois, zone 2" receipt points as published in Platt's Gas Daily in the table "Daily Price Survey" under the Citygates heading for the applicable month.

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