

PSC NO: 12 GAS LEAF: 126.1
 COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 5
 INITIAL EFFECTIVE DATE: 08/01/06 SUPERSEDING REVISION: 4
 Issued in Compliance with Order in C.05-G-0935 dated July 24, 2006

42. OTHER CHARGES AND ADJUSTMENTS (Cont'd)

B. Merchant Function Charge (MFC) (Cont'd)

MFC Applicability

Customers purchasing their natural gas supplies from Central Hudson will be billed by the Company for MFC_T , which is equal to the sum of MFC_A and MFC_B .

Customers purchasing their natural gas supplies from a Retail Supplier that is participating in the Company's Purchase of Accounts Receivables Program (POR), as described in General Information Section 41, will be billed by Central Hudson for MFC_A only.

Customers purchasing their natural gas supplies from a Retail Supplier that is not participating in the Company's POR Program will not be billed a MFC by Central Hudson.

Base MFCs

The base MFCs effective July 1, 2007 are as follows:

		MFC_A	MFC_B	MFC_T
	Applicable to			
	<u>S.C. No.</u>	<u>\$/Ccf</u>	<u>\$/Ccf</u>	<u>\$/Ccf</u>
MFC-1	1 & 12	0.00680	0.01390	0.02070
MFC-2	2, 6 & 13	0.00213	0.00277	0.00490

These base MFCs will remain in effect until changed by order of the Public Service Commission.

MFC Net Lost Revenue

Central Hudson will recover forecast net lost revenues associated with customer migration to Retail Suppliers. Such forecast of customer migration will be developed according to the procedure contained in the Joint Proposal in Case 05-G-0935 as approved by the Public Service Commission in its Order issued and effective July 24, 2006.

Fifty percent of the forecast net lost revenues will be recovered by adding a separate component to MFC_B on a MFC group-specific basis. The remaining fifty percent of forecast net lost revenues will be recovered through a MFC Net Lost Revenue Charge (MFC NLR).

MFC Statement

Not less than fifteen days prior to a proposed change in the MFC_B net lost revenue component a statement showing all MFC components, by MFC group, including the net lost revenue component will be filed with the Public Service Commission apart from this schedule. Such statement shall be made available to the public at Company offices.

Issued by: Arthur R. Upright, Senior Vice President, Poughkeepsie, New York