

PSC NO: 12 GAS

LEAF: 75

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 2

INITIAL EFFECTIVE DATE: 08/01/06

SUPERSEDING REVISION: 1

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

28. INCREASE IN RATES APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED

- A. The rates and charges for service under all Service Classifications, including, but not limited to, gas cost adjustment and minimum charge, shall be increased to reflect the aggregate percentage rate of taxes imposed on the Company's revenues pursuant to Section 186-a of the Tax Law as amended by Chapter 63 of the Laws of 2000, Section 20-b of the General City Law, Section 5-530 of the Village Law, and Section 188 of the Tax Law as authorized by Commission Order in Case 27611 dated July 5, 1990, and in Case 91-M-0366, dated May 15, 1992.

The total of all rates and charges will be divided by a factor determined as the quantity one minus the quantity of the applicable tax rate divided by 100.

The applicable surcharge factor shall be set forth on statements filed with the Public Service Commission. Whenever a city or village levies a new tax on the Company's gross revenue, repeals such a tax or changes the rate of such a tax, the Company will file a new statement. Every such statement shall be filed not less than fifteen (15) business days before the date on which it is proposed to be effective and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to the tax enactments that are rendered on or after the effective date of the statement; and shall be canceled not more than five business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate. Such statements will be duly filed with the Public Service Commission, apart from this rate schedule, and will be available to the public at Company offices at which applications for service may be made.

- B. The rates and charges for service under all Service Classifications, including gas cost adjustment and minimum charge, applicable in the counties of Dutchess, Orange and Putnam shall be increased to recover the tax expense imposed by the temporary Metropolitan Transportation Authority Business Tax Surcharge, pursuant to Section 186-c of the Tax Law as amended by Chapter 63 of the Laws of 2000. The additional surcharge shall be set forth on the statement described in Section 28.A.

A revised surcharge will be filed for each year the Metropolitan Transportation Authority Business Tax Surcharge is applicable. The actual business tax surcharge expense shall be reconciled with revenues produced during each twelve month period and an adjustment will be made, if necessary, in the last two months of each twelve month period.

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