Received: 05/31/2006

Status: CANCELLED
Effective Date: 06/01/2006

PSC NO: 12 GAS

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

INITIAL EFFECTIVE DATE: 06/01/06

Issued in Compliance with Order in C.00-E-1273 & 00-G-1274 dated May 26, 2006

SERVICE CLASSIFICATION NO. 12

<u>AGGREGATED FIRM TRANSPORTATION RATE - RESIDENCE (Cont'd)</u>

Firm Standby Sales Adjustment

In the event that the Customer's Retail Supplier defaults on delivery obligations, the capacity released to the customer will be recalled by the Company as explained in Special Provision 12.3. The Customer will be charged a rate per 100 cu. ft. equal to 110 percent of the commodity cost component, as shown on Schedule 7-H of the Statement of Supply Charge, for all gas volumes delivered to the customer in excess of the customer owned gas. In addition, Customers using third party upstream capacity will be charged the Capacity Release Surcharge. In the event that their Retail Supplier defaults on delivery or payment obligations, the customer will need to transfer to another Retail Supplier or return to core sales service at the start of their next billing cycle. Customers returning to core sales service will be required to remain on core sales service for a twelve month period.

The rates and charges under this Service Classification are increased pursuant to General Information, Section 28, to reflect tax rates applicable within the municipality where the customer takes service.

MONTHLY MINIMUM CHARGE - \$7.20 Per Meter Installation

SUPPLEMENTAL BENEFIT CREDIT

The Supplemental Benefit Credit, as described in General Information Section 42.A, shall apply to eligible customers.

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