

PSC NO: 12 GAS
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 11/01/07
Issued in compliance with Order in C.06-G-0059 dated August 23, 2007

LEAF: 85
REVISION: 1
SUPERSEDING REVISION: 0

31. CURTAILMENT OF GAS SERVICE (Cont'd)

D. Compensation

1. If a non-core customer (S.C. No. 8 or 9) has been directed to curtail consumption, by telephone or otherwise, and refuses to comply with the directed reductions, the customer may be subject to an additional charge of \$2.50 per Ccf of unauthorized usage.
2. In the event it is necessary to divert gas from non-core customers (S.C. No. 8 or 9) to supply the needs of core customers (S.C. Nos. 1, 2, 6, 11, 12, 13, 15 and 16), compensation to non-core customers, or their designated retail supplier, will be at the replacement cost of fuel. The replacement cost of fuel to compensate a non-core customer for gas supplies diverted to meet the needs of core customers will be calculated as the market value of the equivalent volume of the non-core customer's alternate fuel on the day(s) the gas was diverted or, in the event the customer does not use an alternate fuel, the market value of the diverted gas on the day(s) the gas was diverted. The market value of the customer's alternate fuel shall be the most recently available posted price for such fuel in Platt's Marketscan for New York deliveries. The market value of the diverted gas shall be the average 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 day(s) the gas was diverted, plus the Company's weighted average cost of transportation and fuel losses. When gas is diverted to serve firm sales customers, the payments made by the Company will be recovered through the Gas Supply Charge as described in General Information Section 27. When gas is diverted to serve a customer operating under a firm transportation service, that firm transportation customer will reimburse the Company for its payments to the non-core customer.
3. In the event it is necessary to divert gas from lower priority core customers to supply the needs of higher priority core customers, Central Hudson will compensate the direct customer(s) or the customers' retail supplier(s) the market value of the diverted gas on the day(s) the gas was diverted. The market value of the diverted gas shall be the average 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 day(s) the gas was diverted, plus the Company's weighted average cost of transportation and fuel losses. If it can be demonstrated by the retail supplier/direct customer that a contract calls for a higher price, Central Hudson will reimburse the retail supplier/direct customer at the contract price. Any such payments made by Central Hudson will be recovered through the Gas Supply Charge as described in General Information Section 27.

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