

PSC NO: 15 ELECTRICITY

LEAF: 163.5.2

COMPANY: CENTRAL HUDSON GAS &amp; ELECTRIC CORPORATION

REVISION: 2

INITIAL EFFECTIVE DATE: 10/11/07

SUPERSEDING REVISION: 1

**36. OTHER CHARGES AND ADJUSTMENTS** (Cont'd)**E. Merchant Function Charge (MFC)** (Cont'd)**Base MFCs**

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

		MFC Administration Charge (MFC <sub>A</sub> )	MFC Supply Charge (MFC <sub>B</sub> )
	Applicable to S.C. No.	\$/kWh	\$/kWh
MFC-1	1 & 6	0.00145	0.00176
MFC-2	2	0.00037	0.00035
MFC-3	3 & 13	0.00013	0.00008
MFC-4	5, 8 & 9	0.00013	0.00069

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-E-0934 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 the MFC Supply Charge on a MFC group-specific basis. The remaining fifty percent of forecast net lost revenues will be recovered through the Transition Adjustment. The Transition Adjustment, which is MFC group-specific, will be applied to all measured energy (kWh) deliveries for all full service and delivery service customers served under this schedule.

**MFC Statement**

Not less than fifteen days prior to a proposed change in the MFC Supply Charge net lost revenue component and Transition Adjustment a statement showing the MFC Administration Charge, the MFC Supply Charge by component, and the Transition Adjustment, all by MFC group, will be filed with the Public Service Commission apart from this schedule. Such statement shall be made available to the public on the Company's website at [www.CentralHudson.com](http://www.CentralHudson.com).

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