PSC NO: 12 GAS   LEAF: 181.1
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION   REVISION: 1
INITIAL EFFECTIVE DATE: 01/01/06   SUPERSEDING REVISION:
Issued in compliance with Order in C.04-G-0463 dated November 29, 2005

SERVICE CLASSIFICATION NO. 11 (Cont'd)

FIRM TRANSPORTATION - Core (Cont'd)

RATE (Cont'd)

2.   Balancing: Charges for Over- and Under- Deliveries

      Effective January 1, 2006, customers will have the option of selecting to
      have their gas deliveries and usage balanced on a daily or monthly basis.

      Existing customers taking service under this service classification as of
      January 1, 2006 will be required to select to have their gas deliveries
      and usage for the period January 1, 2006 through October 31, 2006 balanced
      on a daily or monthly basis according to the procedures provided below.
      Customers commencing service under this service classification during the
      period January 1, 2006 through October 31, 2006 will be required to select
      to have their gas deliveries and usage for the service period ending
      October 31, 2006 balanced on a daily or monthly basis according to the
      procedures provided below. Effective November 1, 2006, and each November
      1 thereafter, customers taking service under this service classification
      will be required to select to have their gas deliveries and usage balanced
      on a daily or monthly basis for the twelve-month period November 1 through
      October 31, or subset thereof based on the customers commencement of
      service under this service classification, according to the procedures
      provided below.

      The Customer shall undertake all reasonable efforts to provide the Company
      with accurate nominations of the customer-owned gas and to balance
      nominations, deliveries and use of such customer-owned gas.

      Any penalty amount paid by the customer shall not be construed as giving
      the customer the right to continue to use excess gas.

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