

PSC NO: 12 GAS

LEAF: 112

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 3

INITIAL EFFECTIVE DATE: 04/01/05

SUPERSEDING REVISION: 2

41. RETAIL ACCESS PROGRAM (Cont'd)**D. DELIVERABILITY DEMAND COMPONENTS** (Cont'd)

(b) (Cont'd)

than 34% of their MDQ, the customer will be assigned an Incremental Capacity billing determinant equal to the requirements in excess of the storage service limitation. The storage service rate will be equivalent to the per unit cost of storage services under contract to Central Hudson.

(c) Storage Space Surcharge

The storage space billing determinant represents the amount of space the Company has estimated will be needed to store the customer's excess deliveries. The customer's excess deliveries will be used during peak periods. The storage space rate will be equivalent to the per unit cost of storage space under contract to Central Hudson.

(d) Capacity Release Surcharge

If a customer or their Retail Supplier chooses to take assignment of the upstream pipeline capacity under contract to the Company the customer will be assigned a Capacity Release billing determinant. The capacity release billing determinant is equal to the customer's daily delivery contract quantity (DCQ) and Incremental Capacity. The capacity release rate will be equivalent to the per unit cost of upstream capacity under contract to Central Hudson.

E. REQUIREMENTS OF RETAIL SUPPLIERS

- (a) Retail Suppliers must have signed and delivered a Supplier Operating Agreement with the Company.
- (b) Retail Suppliers must have authority to act as the customer's agent and attorney-in-fact for the purpose of scheduling, balancing and settlement.
- (c) Retail Suppliers must plan to meet the full natural gas supply requirements of the customer. In the event there is a material change or an anticipated substantial increase in the natural gas supply requirement of a customer or customers, Retail Suppliers will notify the Company of such change prior to such change or increase and will cooperate with the Company, as reasonably required by the Company, to accommodate such change or increase.

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