

PSC NO:12 GAS

LEAF: 111

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 3

INITIAL EFFECTIVE DATE: 04/01/05

SUPERSEDING REVISION: 2

41. RETAIL ACCESS PROGRAM (Cont'd)**C. VERIFICATION OF ACCOUNTS**

Ten (10) calendar days prior to the first day of the month, Central Hudson will provide the Retail Supplier a listing of the Retail Supplier's customers to be served during the month.

D. DELIVERABILITY DEMAND COMPONENTS

Customers taking service under Service Classification Nos. 6, 12 or 13 will be assigned deliverability demand billing determinants. The billing determinants represent the estimated allocation of Peaking Service, Propane Service, Storage Service and Pipeline Capacity which will be needed to meet the customers' estimated peak day delivery requirements. All billing determinants are customer specific and are estimated by Central Hudson. Retail Suppliers can request a specific customer's billing determinants from Central Hudson's Director of Retail Choice Programs. Billing determinants for customers being served by Retail Suppliers are available on the Company's web-site.

The charges related to the deliverability demand billing determinants will be calculated each month by Central Hudson for each Customer and sent to the Retail Suppliers for billing purposes. Central Hudson will summarize the customers' deliverability demand billing determinant charges and will provide the appropriate customer summary to each Retail Supplier providing service to customers operating under Service Classification Nos. 6, 12 or 13. The summary of the customers' deliverability demand billing determinant charges will be sent to the Retail Suppliers on the business day following the Company's fifth and fifteenth billing batches.

(a) Peaking Service Surcharge

The peaking services under contract to Central Hudson represent 8% of system requirements for a design day. Accordingly, each retail access customer is assigned a peaking service billing determinant equal to 8% of their MDQ. The peaking service rate will be equivalent to the per unit cost of peaking services under contract to Central Hudson.

(b) Storage Service Surcharge

The pipeline storage services under contract to Central Hudson represent 34% of the system requirements for a design day. Accordingly, each retail access customer will be assigned a storage service billing determinant no greater than 34% of their MDQ. If a customer's peak day requirements warrant an assignment of greater

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