

PSC NO: 15 ELECTRICITY LEAF: 134
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 4
INITIAL EFFECTIVE DATE: 02/19/04 SUPERSEDING REVISION: 3
Issued in Compliance with Order in C. 98-M-1343 Dated December 19, 2003

35. RETAIL ACCESS PROGRAM (Cont'd)

M. RETAIL SUPPLIER CUSTOMER DEPOSITS AND PREPAYMENTS (Cont'd)

Retail Suppliers may accept prepayments from its customers if the Retail Supplier provides Central Hudson with evidence that it has a minimum rating of "BBB" from S&P, "Baa 2" from Moody's or "BBB" from Fitch. Retail Suppliers are allowed to accept deposits from its customers if the Retail Supplier provides Central Hudson with evidence that it has a minimum rating of "BBB" from S&P, "Baa 2" from Moody's or "BBB" from Fitch or the Retail Supplier has a letter of credit or an escrow account with a financial institution with at least an "A" credit rating.

The required evidence of creditworthiness must be provided to Central Hudson on August 1, 2002 and on August 1 of each subsequent year.

Customer deposits will only be permitted in accordance with Public Service Law and HEFPA rules.

N. CUSTOMER BILLING OPTIONS

Customers who are participating in the Company's Retail Access program may choose to receive separate bills from Central Hudson and their Retail Supplier or may choose to receive a single-bill which contains the charges from both Central Hudson and their Retail Supplier. The Company's billing options will be in accordance with the consolidated billing and payment processing practices under the Utility Rate Ready format as specified in the Commission's Order in Case 99-M-0631, Appendix A, issued and effective May 18, 2001, and as may be modified from time to time by the Commission, and as described in the Company's Consolidated Bill - Billing Services Agreement. A copy of the Billing Services Agreement may be obtained by contacting Central Hudson's Customer Services or Central Hudson's Director of Retail Choice Programs. Anyone with Internet access may obtain a copy from www.chenergygroup.com

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