

PSC NO: 15 ELECTRICITY LEAF: 138
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 02/09/04 SUPERSEDING REVISION: 1
Issued in Compliance with Order in C. 98-M-1343 Dated December 19, 2003

35. RETAIL ACCESS PROGRAM (Cont'd)

O. PRORATION OF CUSTOMER PAYMENTS

If Central Hudson is providing a consolidated bill billing service to a Retail Supplier for both natural gas and electric service, Central Hudson will allocate customer payments received in proportion to the electric and gas charges.

In addition, if Central Hudson is providing a consolidated bill billing service to a Retail Supplier, Central Hudson will allocate customer payments received to the following categories of charges on the bill or contained in a notice that are not in dispute in this order of priority of payment:

- (a) amounts owed to avoid termination, suspension or disconnection of commodity or delivery service;
- (b) amounts owed under a deferred payment arrangement;
- (c) arrears; and,
- (d) current charges not associated with a deferred payment arrangement.

Central Hudson will prorate payments to the charges within each category in proportion to the Company's and Retail Supplier's charges in that category. After satisfaction of the charges in a category, assuming, available funds, the remainder of the payment will apply to the next highest category according to the priority of payments and in the same manner as described above until the payment is exhausted.

If Central Hudson receives a customer payment in excess of the total Retail Supplier and Company amount due, the allocation of the overpayment will be as follows:

- (a) Over payments that are less than or equal to \$10 will be considered a contribution to the Good Neighbor Fund, provided the Customer does not have restrictions on the account that prohibit this allocation.
- (b) For Budget Billing accounts, the overpayment will be prorated based on the installment amounts on Central Hudson's and the Retail Supplier's budget plans.

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