

PSC NO: 15 ELECTRICITY LEAF: 272.12
 COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 1
 INITIAL EFFECTIVE DATE: 07/01/04 SUPERSEDING REVISION: 0
 Issued in Compliance with Order in C. 02-E-1108 Dated December 4, 2003

SERVICE CLASSIFICATION NO. 14 (Cont'd)

STANDBY SERVICE (Cont'd)

SPECIAL PROVISIONS (Cont'd)

14.6 Standby Rates Billing Phase-In for Certain Existing OSG Customers

Existing OSG customers are defined for this purpose as customers operating OSG (including renewable generators and wholesale generators) as of January 31, 2003 or who had, as of that date, commenced construction of an OSG facility within Central Hudson's service territory or received a binding, written financial commitment from a lending institution for the construction and installation of an OSG within Central Hudson's service territory, and that commences operation of that OSG within two (2) years of the commencement of construction or the receipt of the commitment. Existing OSG customers shall also include projects that, as of January 31, 2003, had been named by the New York State Research and Development Authority (NYSERDA) as an OSG project grant recipient or had been named by NYSERDA as an OSG feasibility study grant recipient, listed as follows: State University of New York at New Paltz. To remain qualified as an existing customer, a NYSERDA grant recipient must commence operation of its OSG by May 31, 2006.

During the phase-in period, an existing customer described above, will take service under the standby rates of this Service Classification but be billed based on the otherwise applicable non-standby service rates, or Parent Service Classification rates, plus a percentage of the difference, if greater than zero, between the standby service rates and the Parent Service Classification rates, where the percentage will be determined from the table set forth below:

Percentage	From	To
0%	7/1/2004	6/30/2008
25%	7/1/2008	6/30/2009
50%	7/1/2009	6/30/2010
75%	7/1/2010	6/30/2011
100%	7/1/2011	6/30/2012

Completion of the eight-year phase-in and service at the full standby rates of this Service Classification will commence as of July 1, 2012.

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