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COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 11/01/01 SUPERSEDING REVISION:
STAMPS: Issued in Compliance with Order in C.00-E-1273 dated October 25, 2001
Cancelled by 1 Rev. Leaf No. 163.3 Effective 11/01/2002
RECEIVED: 10/31/01 STATUS: Cancelled EFFECTIVE: 11/01/01

36. OTHER CHARGES AND ADJUSTMENTS

The following charges and adjustments shall be applied prior to the application of the tax rates applicable within the municipality where the customer takes service, pursuant to General Information Section 30.

A. System Benefits Charge (SBC)

The System Benefits Charge (SBC) is designed to recover the costs of environmental and public policy programs approved for SBC funding by the Public Service Commission and will be applied to the energy (kWh) deliveries on the bills of all full service and delivery service customers served under this Schedule, excluding energy delivered by the Company which is supplied through a Power For Jobs allocation. The SBC factor will be determined annually, stated in whole \$0.00001 amounts per kilowatthour and will be the same for all applicable Service Classifications. A reconciliation of SBC recoveries (eleven months actual, one month forecast), with the target amount, will be submitted by the Company to the Public Service Commission on or before December 15 of each year. Any over or under recoveries will be included in the development of the following year's SBC rate.

Not less than fifteen days prior to a proposed change in the SBC, a Statement showing the SBC and the effective date will be filed with the Public Service Commission apart from this Schedule. Such Statement shall be made available to the public at Company offices.

B. Customer Refund

The Customer Refund Factor is designed to return to customers an after-tax refund of \$45 million from the Benefit Fund resulting from the sale of the Company's fossil generating plants, as provided for in the Joint Proposal in Case 00-E-1273, and as approved by the Public Service Commission in its Order issued and effective October 25, 2001. The Customer Refund Factor will be stated in whole \$0.00001 amounts per kilowatthour, will be the same for all applicable Service Classifications and will be applied as a per kWh credit to the energy (kWh) deliveries on the bills of all full service and delivery service customers served under this Schedule. The Customer Refund Factor will be developed from the forecasted billing units for each of the three Rate Years, ending June 30, 2002, 2003 and 2004, prorated for the total number of months until June 30, 2004 following the November 1, 2001 effective date of new rates pursuant to the aforementioned Commission Order. The Company will track and reconcile the amounts credited. In the event that the entire \$45 million is not credited prior to June 30, 2004, the un-dispensed credit will be carried forward subject to further order of the Commission.

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