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COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
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STAMPS: Issued in compliance with Order in C. 97-G-1380 dated August 19, 1999
Cancelled by 1 Rev. Leaf No. 124.1 Effective 11/01/1999
RECEIVED: 09/30/99 STATUS: Cancelled EFFECTIVE: 11/01/99

41. RETAIL ACCESS PROGRAM (Cont'd)

J. NATURAL GAS SUPPLY REQUIREMENT

If a Retail Supplier chooses to use third party secondary, non-recallable capacity with Central Hudson providing standby service, Central Hudson will be compensated for providing the standby service by charging the Retail Supplier a demand charge that is applied to the sum of the ADCQ and IDCQ for the customers being served by the Retail Supplier each month from November through March. In the event that the Retail Supplier's deliveries are curtailed anytime during the period, the Company will meet ninety-eight percent of the customers' ADCQ and IDCQ delivery requirements and will charge the Retail Supplier for all commodity and transportation expenses associated with acquiring the replacement gas supplies. Those charges will be equal to the highest weekly price posted in Natural Gas Week for the New York City citygate for the applicable month plus ten (\$10) dollars per dekatherm.

In the event that the curtailment occurs during a period in which Central Hudson has issued an operational flow order, the Retail Supplier will be assessed an additional charge of twenty-five dollars (\$25) per dekatherm. The Company will provide standby service for no more than forty-eight hours during each individual curtailment incident. If the Retail Supplier is unable to resume gas deliveries within that forty-eight hour period, they will be considered to be in default. If a Retail Supplier defaults on their delivery obligations, Central Hudson has the right to terminate the Retail Suppliers participation in Central Hudson's Retail Access Program as defined in General Information Section 41.P.

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