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COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION:
STAMPS: Issued in compliance with Order in C. 97-G-1380 dated August 19,1999
Cancelled by 1 Rev. Leaf No. 124.2 Effective 12/15/2000
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 has presented an affidavit claiming firm, non-recallable, primary delivery point capacity to the Company's Citygate(s) and that affidavit is found to be fraudulent they will be charged for the standby service associated with utilizing secondary service retroactive to November 1. If a Retail Supplier has presented an affidavit claiming secondary, non-recallable capacity to the Company's Citygate(s) and that affidavit is found to be fraudulent they will be charged a penalty of \$25 per dekatherm applied to the equivalent of their customers' peak day MDQ. Those Retail Suppliers who have presented fraudulent affidavits will be required to take assignment of the upstream capacity under contract to Central Hudson to meet their customers' delivery requirements for the twelve-month period beginning April 1 of the ensuing year.

If the Retail Supplier chooses to take assignment of Central Hudson's upstream capacity the Company will determine the specific upstream capacity to be released to the Retail Supplier and will release that capacity at the applicable upstream pipelines maximum rate for the term of the customer's transportation agreement. Central Hudson will reimburse the Retail Supplier the cost of the upstream pipeline capacity in an amount equal to the credit the Company receives from the upstream pipeline related to the capacity release transaction. The cost of the upstream pipeline capacity will be charged to the customer at the Company's weighted average cost of capacity. The Company's weighted average cost of capacity will be determined monthly and will be filed with the New York State Public Service Commission. Once the capacity is released, Central Hudson is not responsible for any actions by the Retail Supplier. The capacity is resalable by the Retail Supplier subject to the provisions contained in the upstream pipeline rules and regulations, and is subject to recall by Central Hudson under the following conditions: (1) when required to preserve the integrity of the system, (2) the customer returns to Central Hudson as a core sales service customer, (3) the customer leaves the system or the meter is locked, or (4) the Retail Supplier serving the customer defaults on delivery obligations. A Retail Supplier will be considered to be in default when the predetermined delivery requirements have ceased for a forty-eight (48) hour period.

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