

PSC NO: 12 GAS

LEAF: 126.2

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 3

INITIAL EFFECTIVE DATE: 08/01/13

SUPERSEDING REVISION: 2

Issued in Compliance with Order in C.12-M-0192 dated June 26, 2013

42. OTHER CHARGES AND ADJUSTMENTS (Cont'd)**B. Merchant Function Charge (MFC)** (Cont'd)**Base MFCs (Cont'd)**

The base MFC Supply Charges are as follows (\$/Ccf):

	<u>Applicable to S.C. No.</u>	<u>Effective July 1, 2010</u>	<u>Effective July 1, 2011</u>	<u>Effective July 1, 2012</u>
MFC-1	1, 12 & 16	\$0.01169	\$0.01199	\$0.01214
MFC-2	2, 6, 13 & 15	\$0.01164	\$0.01150	\$0.01120

These base MFCs will remain in effect until changed by order of the Public Service Commission.

MFC Net Lost Revenue

Central Hudson will recover forecast net lost revenues associated with customer migration to Retail Suppliers. Such forecast of customer migration will be developed according to the procedure contained in the Joint Proposal in Case 05-G-0935 as approved by the Public Service Commission in its Order issued and effective July 24, 2006.

Fifty percent of the forecast net lost revenues will be recovered by adding a separate component to the MFC Supply Charge on a MFC group-specific basis. The remaining fifty percent of forecast net lost revenues will be recovered through the Transition Adjustment which is also MFC group specific, and will be applied to the total measured quantities (Ccf) for all customers taking service under Service Classification Nos. 1, 2, 6, 12, 13, 15 and 16.

MFC Statement

Not less than fifteen days prior to a proposed change in the MFC Lost Revenue or the MFC Transition Adjustment, the Company will file a statement with the Public Service Commission. The statement will show all of the applicable MFC rates by component by MFC group. Such statement shall be made available to the public on the Company's website at www.CentralHudson.com

Issued by: Michael L. Mosher, Vice President, Poughkeepsie, New York