

PSC NO: 12 GAS
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 10/09/14
Issued in Compliance with Order in C. 14-G-0062 dated July 24, 2014

LEAF: 72
REVISION: 9
SUPERSEDING REVISION: 8

27. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF GAS (Cont'd)

Annual Surcharge or Refund (Cont'd)

Interim refunds or surcharges during the 12-month period ended August 31 will be permitted for the purpose of preventing large over-collection or under-collection balances from accruing at August 31. The methodology used to determine the amount of over-collection or under-collection and the method of refund or surcharge will be determined by the Company and filed with the Commission.

Capacity Release Credit

Eighty five percent (85%) of the credits received from upstream pipelines resulting from upstream capacity assignments and streaming transactions will be credited to customers taking service under Service Classification Nos. 1, 2, 6, 12 and 13.

Interruptible Sales Credit or Surcharge

If the monthly net of fuel revenues from the customers taking service under Service Classification Nos. 8, 9 and 14, excluding monthly customer charges billed under Service Classification No. 9, differs significantly from 1/12 of the annual imputation of \$2,400,000, the Company may refund or surcharge, as appropriate, the difference through the Gas Supply Charge in a subsequent month.

Back Out Credit/Surcharge

By Commission Order in Case 05-G-0935, the Company will reduce the delivery charges to customers operating under Service Classification Nos. 6, 12 and 13 by \$0.015 per Ccf until June 30, 2007. The net reduction in delivery charges to these customers will be collected from customers taking service under Service Classification Nos. 1 and 2 through a surcharge included in the monthly Gas Supply Charge.

Incremental Capacity Cost

By Commission Order in Case 14-G-0062, the Company shall recover the incremental cost associated with the increase in the unit rate credit provided by the Company for the transportation of gas through the United States Military Academy, via the GSC and Transportation Demand Adjustment (TDA) mechanisms beginning with the August 2014 billing cycle. The monthly cost that the Company is allowed to recover shall be calculated by taking the difference between the previously agreed upon unit rate and the new rate, which reflects 81.4 percent of the currently effective Service Classification No. 11 – Distribution Large Mains rate, and then multiplying by the sum of the MDQ of the Company's load served through the aforementioned transportation arrangement.

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