



May 28, 2014

Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Central Hudson Merchant Function Charges

Dear Commissioners:

The statement set forth below is filed by Central Hudson Gas & Electric Corporation ("Central Hudson" or the "Company") on May 28, 2014 to become effective July 1, 2014.

P.S.C. No. 12 – Gas

Statement of Merchant Function Charge MFC-8

This filing is made to update the MFC Lost Revenue surcharge included in the MFC Supply Charge and the Transition Adjustment to reflect the surcharge necessary to collect Estimated Net Lost Revenue. Estimated Net Lost Revenue was calculated based on methodology prescribed by the Commission in Case 05-G-0935, and approved for continuation in Case 09-G-0589, and is allocated between MFC Supply Charge and Transition Adjustment pursuant to the Company's P.S.C. No. 12 – Gas tariff. Estimated Net Lost Revenue was previously filed with the Secretary on February 28, 2014.

Questions related to this filing should be directed to Darlene Clay at (845) 486-5466 or via email at dclay@cenhud.com.

Yours very truly,

Michael L. Mosher
Vice President - Regulatory Affairs

LETTMFC8