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CENTRAL HUDSON GAS & ELECTRIC CORPORATION 284 SOUTH AVENUE POUGHKEEPSIE, NEW YORK 12601

December 6, 1999

Public Service Commission Three Empire State Plaza Albany, New York 12223-1350

Dear Commissioners:

In accordance with General Information, Section 30.B of P.S.C. No. 12 - Gas, the Revenue Tax Surcharge Statement listed below is filed to become effective January 5, 2000.

P.S.C. No. 12 - Gas

RTS - 2

The purpose of this filing is to reflect the changes in the New York State Tax Law which reduced the Gross Income Tax rate from 3.25% to 2.50% effective January 1, 2000. The tax law changes also required that the MTA surcharge that is applied to the Gross Income Tax collections continue to be calculated on the Gross Income Tax rate of 3.5% which was in effect prior to the initial October 1, 1998 tax rate reduction.

The impact on our customers' bills effective January 5, 2000 will be a decrease of approximately 0.78%.

Very truly yours,

Arthur R. Upright