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

March 22, 2000

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

Case 99-G-1369

Dear Commissioners:

Attached for filing electronically with the Commission are the following rate leaves, issued by Central Hudson Gas & Electric Corporation ("Central Hudson" or "the Company"), to become effective on April 23, 2000:

Gas - P.S.C No. 12
1st Revised Leaf No. 74
3rd Revised Leaf No. 159
2nd Revised Leaf No. 186
2nd Revised Leaf No. 191

Central Hudson is issuing these leaves in compliance with the Commission's Order in Case 99-G-1369, issued and effective February 14, 2000. The Commission's Order in this case approved the New York Gas Group's (NYGAS) proposal to establish a voluntary state funding mechanism to support research and development programs. The funding mechanism would replace the Federal Regulatory Commission surcharge used to support gas R&D conducted by the Gas Research Institute. The amount to be collected through the funding mechanism would mirror the decrement in the FERC surcharge each year through 2004 and will be capped at \$0.00174 per CCF, thereafter.

The Company's Gas Research & Development surcharge will be collected from firm sales customers through the Gas Cost Adjustment and from firm transportation customers through the Transportation Demand Adjustment. The surcharge will be subject to deferred accounting and any funds collected through the surcharge and not spent on R&D programs will be refunded to the firm customers.

The Company has sent workpapers supporting our Gas Research & Development Surcharge factor of \$.0004 per Ccf to PSC Staff in a separate letter. This surcharge factor will be in effect from April 23, 2000 through December 31, 2000. The Company will update its R&D surcharge factor January 1 of each year.

The Company is arranging to comply with the requirements of 66((12)(b)) of the Public Service Law as to newspaper publication by publishing notices of the proposed changes contained herein on March 29, April 5, 12, and 20, 2000 in the Catskill Daily Mail, Kingston Daily Freeman, Times Herald Record, Poughkeepsie Journal, and Putnam County Courier.

Very truly yours,

Arthur R. Upright