

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

June 16, 2008

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

Re: Statement of Merchant Function Charge

Dear Commissioners:

In accordance with General Information Section 42.B. of P.S.C. No. 12 - Gas, the Merchant Function Charge Statement listed below is filed June 16, 2008 to become effective July 1, 2008.

P.S.C. No. 12 – Gas

Statement of Merchant Function Charge - MFC-2

The purpose of this filing is to update the Merchant Function Charge factors to reflect a revision in the forecast net lost revenues associated with customer migration to Retail Suppliers, in compliance with Order in C. 05-G-0935.

Questions related to this filing should be directed to Amy Patel at (845) 486-5433.

Yours very truly,

Michael L. Mosher
Vice President - Regulatory Affairs