

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

February 9, 2005

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

Dear Commissioners:

In accordance with General Information Section 41 of P.S.C. No. 12 - Gas, the Statement listed below is filed to become effective April 1, 2005.

P.S.C. No. 12 - GAS

Statement of Accounts Receivable Discount

DISC - 2

The purpose of this filing is to update the accounts receivable discount factor applicable to Central Hudson's ("the Company") purchase of an ESCO/retail supplier's customer billings where Central Hudson is providing consolidated billing service to the ESCO/retail supplier. The factor consists of a two-part rate equivalent to the Company's most recent actual three year average of net write-offs plus 0.25 percent to reflect other costs of the program. Discount Statement No. 2, to be in effect April 1, 2005, reflects a discount rate of 0.97 percent comprised of the Company's actual three year average net write-offs of 0.72 percent for 2002 through 2004, plus 0.25 percent to reflect other costs of the program.

Workpapers have been sent directly to Commission Staff.

Very truly yours,

Arthur R. Upright

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