

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

June 15, 2012

Hon. Jaclyn Brillling  
Secretary  
Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

**Re: Case 11-G-0697 –Central Hudson Gas & Electric Corporation Tariff Filing to Implement Weighted Average Cost of Capacity Pricing**

Dear Secretary Brillling:

In its Order issued and effective March 19, 2012, in the above matter, the Public Service Commission requested that Central Hudson Gas & Electric Corporation (“Central Hudson” or the “Company”) file necessary tariff changes to implement Weighted Average Cost of Capacity (“WACOC”) pricing for capacity released to Retail Suppliers required to accept mandatory assignment of capacity. The Company subsequently filed a request for extension on April 17, 2012 for which the Secretary, in a letter dated May 17, 2012 granted a thirty-day extension. The tariff leaves set forth below are filed by the Company on June 15, 2012 to become effective November 1, 2012 in compliance with the Commission’s Order issued and effective March 19, 2012 in the above referenced case and as extended by the Secretary:

**P.S.C. No. 12 – Gas**

9<sup>th</sup> Revised Leaf No. 115  
2<sup>nd</sup> Revised Leaf No. 125.1

The purpose of this filing is to modify the Company’s capacity release service available to Retail Suppliers serving firm transportation customers to enable it to release capacity to Retail Suppliers at the Company’s Weighted Average Cost of Capacity (“WACOC”). Under this proposal, the Company will calculate a capacity release rate to become effective each April 1 for the 12-month period ending March 31. However, to comply with the effective date indicated in the aforementioned Order, the first rate shall be calculated to become effective November 1, 2012. The capacity release rate will be set at the Company’s proposed WACOC, based on rates that the Company pays for firm pipeline capacity as published in the pipeline’s FERC tariff and/or as negotiated with the pipeline, and shall include a provision for a rate revision should the rate differ by greater than plus or minus five (5) percent.

The Capacity Assignment Adjustment (“CAA”) will be revised to surcharge or credit firm transportation customers the difference between the WACOC charged to Retail Suppliers during the 12-month period ending March 31 and the actual WACOC experienced by the Company during the same period. The CAA will also be used to implement a final reconciliation of the current capacity release program.

Questions related to this filing should be directed to Amy Dittmar at [adittmar@cenhud.com](mailto:adittmar@cenhud.com) or (845) 486-5433.

Yours very truly,

Michael L. Mosher  
Vice President - Regulatory Affairs

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