

PSC NO: 12 GAS

LEAF: 127

COMPANY: CENTRAL HUDSON GAS &amp; ELECTRIC CORPORATION

REVISION: 5

INITIAL EFFECTIVE DATE: 01/01/10

SUPERSEDING REVISION: 4

Issued in Compliance with Order in C.08-E-1127, et al. dated October 23, 2009

**42. OTHER CHARGES AND ADJUSTMENTS (Cont'd)**

The following charges and adjustments shall be applied prior to the application of the tax rates applicable within the municipality where the customer takes service, pursuant to General Information Section 42.

**C. System Benefits Charge (SBC)**

The System Benefits Charge (SBC) is designed to recover the costs of environmental and public policy programs approved for SBC funding by the Public Service Commission and will be applied to the total measured quantities (Ccf) for all customers taking service under Service Classification Nos. 1, 2, 6, 12, 13, 15, and 16 under this Schedule. Two separate SBC factors will be developed, one that is applicable to Service Classification Nos. 1, 12 and 16 and one for Service Classification Nos. 2, 6, 13 and 15. These factors will be determined annually and stated in whole \$0.00001 amounts per cubic foot. A reconciliation of SBC recoveries (eleven months actual, one month forecast), with the target amount, will be submitted by the Company to the Public Service Commission on or before December 15 of each year. However, the first such reconciliation will be performed for calendar year 2009 and will include a reconciliation for the three months ending December 2008. Any over or under recoveries will be included in the development of the following year's SBC rate.

Not less than fifteen days prior to a proposed change in the SBC, a statement showing the SBC and the effective date will be filed with the Public Service Commission apart from this Schedule.

Issued by: Michael L. Mosher, Vice President, Poughkeepsie, New York