

PSC NO: 12 GAS LEAF: 124.1
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 8
INITIAL EFFECTIVE DATE: 03/28/07 SUPERSEDING REVISION: 7

41. RETAIL ACCESS PROGRAM (Cont'd)

N. PURCHASE OF ACCOUNTS RECEIVABLE

If Central Hudson is providing a consolidated bill billing service to a Retail Supplier, Central Hudson will purchase the Retail Supplier's full customer receivable, excluding amounts due from customers to the Retail Supplier originating from service provided by the Retail Supplier prior to the commencement of a consolidated billing arrangement with the Company. The receivable will be based on the billed charges for gas supply service. The terms of the purchase of the receivables are discussed below and are as defined in the Company's Billing Service Agreement.

- (a) The receivable balances will be purchased "without recourse";
- (b) the receivable balance will be purchased by Central Hudson at a discount. The discount rate will be filed annually with the New York State Public Service Commission, on a Statement apart from this Schedule, on or before February 15 to become effective with the first billing batch of April. The annual discount rate will consist of a two-part rate equivalent to the average of the Company's most recent three calendar years net write-offs plus the customer deposit rate prescribed by the Public Service Commission to reflect other costs of the program;
- (c) payment for the purchased balances will be made semimonthly by Central Hudson, on the next billing day following the fifth and fifteenth billing batches;
- (d) payment will be made by electronic funds transfer to an account specified by the Retail Supplier, or by Central Hudson check drawn on the Company's account at a local bank, and;
- (e) other amounts due from the Retail Supplier may be deducted from Central Hudson's bimonthly payment, or billed directly to the Retail Supplier.

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