

PSC NO: 12 GAS LEAF: 197.2
 COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 1
 INITIAL EFFECTIVE DATE: 06/01/06 SUPERSEDING REVISION: 0
 Issued in compliance with Order in C. 03-G-1392 et.al. dated November 23, 2005

SERVICE CLASSIFICATION NO. 14

INTERRUPTIBLE TRANSPORTATION SERVICE TO ELECTRIC GENERATION FACILITIES

(Cont'd)

RATE COMPONENTS (Cont'd)

2. (Cont'd)

Test Year: The Test Year corresponding to the Collection Period of March 15, 2006 through April 30, 2007 will be the twelve months ended November 30, 2005. Effective May 1, 2007, the Test Year corresponding to each twelve month Collection Period of May 1st through April 30th of the following year will be the calendar year preceding the Collection Period.

Base Year: is defined as the twelve months ended November 30, 2000, corresponding to the first full year of the operation of the New York Independent System Operator (NYISO).

Base Year Spark Spread: will be calculated as the simple average of the Spark Spread for all 8,784 hours of the Base Year.

Market Electric Price: the respective zonal average of the Real Time Electric Market Locational Based Marginal Pricing (LBMP) for the applicable hour and zone as reported on the NYISO website and expressed in \$/MWh.

Fuel Cost of Generation: will be determined as the average per dth market cost of gas as reported in Gas Daily as the Transco Zone 6 (NY) midpoint and high price for the day of flow multiplied by the customer's Heat Rate Tier Level, and expressed in \$/MWh.

Customer's MWh Generated Output: will be determined as the hourly dth consumption divided by the customer's heat rate and expressed in MWh.

Customer's Heat Rate Tier Level: a customer's proxy heat rate will be based on the technology the customer's unit employs:

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|---------|---|
| Tier 1: | 17.5 mmBTU/MW-hour for older, simple cycle peaking units (i.e. those units that commenced operation prior to December 31, 1998) |
| Tier 2: | 11.0 mmBTU/MW-hour for Rankine Cycle steam units |
| Tier 3: | 10.0 mmBTU/MW-hour for new, simple cycle peaking units |
| Tier 4: | 7.4 mmBTU/MW-hour for combined cycle plants |

Issued by: Arthur R. Upright, Senior Vice President, Poughkeepsie, New York