

PSC NO: 12 GAS LEAF: 117.1
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 11/01/07 SUPERSEDING REVISION: 0
Issued in compliance with Order in C.07-G-0299 dated August 30, 2007

41. RETAIL ACCESS PROGRAM (Cont'd)

G. NATURAL GAS SUPPLY REQUIREMENT (Cont'd)

Winter Bundled Sales (WBS) Service and Balancing Service Option (Cont'd)

(1) Winter Bundled Sales (WBS) Service Option (Cont'd)

Inside FERC Gas Market Report - First of Month Index for each month between April - October would be combined for the following trading points: 50% "Dawn Ontario" & 50% "TCPL Alberta, AECO" to produce a "blended index" for each month.

- (a) Individual months would be weighted by adding the following monthly values and dividing the total by six:

April Blended Index divided by two
May Blended Index
June Blended Index
July Blended Index
August Blended Index
September Blended Index
October Blended Index divided by two

- (b) The above commodity cost will be adjusted to include storage charges, firm transportation charges, including fuel, from the Canadian Index points to the Company's market area storage, and from the market area storage to the Company's city gates, and carrying charges on the cost of gas in storage.

(2) Balancing Service Option

Retail suppliers electing the balancing service option will be required to procure additional capacity, Alternate Capacity Requirements or ACR, equal to the aggregated total amount of Storage Service demand determinants for all customers in their pool. Retail Suppliers may choose to procure their own capacity and/or request capacity release from the Company as more fully described in this section.

In addition to any payments that the Retail Supplier will make for such capacity, the Company will charge the Retail Supplier a monthly fee for balancing service as described in General Information Section 43.

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