

PSC NO: 12 GAS LEAF: 116
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 8
INITIAL EFFECTIVE DATE: 11/01/07 SUPERSEDING REVISION: 7
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)

Retail Suppliers purchasing capacity from a third party supplier must obtain from the Company the citygate delivery points that are operationally acceptable to the Company, and must utilize firm, non-recallable, primary delivery point capacity to the Company's citygate(s) during the months from November through March.

Each Retail Supplier purchasing third party capacity must provide the Company with an affidavit on or before October 1 of each year disclosing that they will maintain firm, non-recallable, primary delivery point capacity for the period beginning November 1 equal to the sum of the customers' TCQ delivery requirements and any applicable ACR. Demonstration of firm, non-recallable capacity shall consist of an affidavit, signed by an officer, and notarized, setting forth information sufficient to allow the Company to verify that the Retail Supplier does have capacity meeting the requirements set forth above. The Company shall have the right to request additional documentation in support of the affidavit. Price-sensitive or proprietary data may be redacted from any capacity contracts provided to the Company.

In the event the Retail Supplier cannot obtain capacity or cannot satisfactorily demonstrate, in the manner set forth above, that it has obtained capacity, or in the event the capacity obtained does not meet the criteria set forth above, the Retail Supplier will be assigned the appropriate amount of upstream capacity under contract to the Company.

If a Retail Supplier cannot obtain capacity meeting the requirements set forth above and the Retail Supplier declines to take assignment of the capacity held by the Company, the Company shall provide firm sales service to the Retail Supplier's customers commencing on November 1 and the Retail Supplier shall be prohibited from serving such customers for a period of one year.

In addition to any and all other remedies the Company may have in law and/or equity, if a Retail Supplier fails to maintain the firm, non-recallable, primary delivery point capacity, attested to by the Retail Supplier, in its affidavit, the Retail Supplier will be liable to the Company for an amount equal to \$50 times the daily volume in dekatherms previously attested to by the Retail Supplier, in its affidavit, as being supplied with firm non-recallable capacity. The Company, at its sole discretion, may require the Retail Supplier to take and pay for the Company's released firm upstream transportation capacity, at maximum pipeline rates, for a period of twelve months.

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