

PSC NO: 12 GAS LEAF: 197.2
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 03/15/06 SUPERSEDING REVISION:
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)

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:

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

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