

PSC NO: 12 GAS LEAF: 173.3
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 01/01/06 SUPERSEDING REVISION:
Issued in compliance with Order in C.04-G-0463 dated November 29, 2005

SERVICE CLASSIFICATION NO. 9 (Cont'd)

INTERRUPTIBLE TRANSPORTATION/STANDBY SALES SERVICE RATE (Cont'd)

RATE (Cont'd)

2. Balancing: Charges for Over- and Under-Deliveries (Cont'd)

A. Daily Balancing (Cont'd)

IV. Under-deliveries - Monthly

If on any day the cumulative under delivery exceeds 125% of the MDQ, the cumulative under-delivered volumes in excess of 125% of the MDQ will be sold to the customer by the Company at a rate equal to 110% of the daily Index Price for that date as specified above. If there is an under-delivery at the end of the month, the under-delivered volumes will be sold to the customer by the Company at a rate equal to 110% of the monthly average of the "Midpoint" rate of the higher of "Transco, zone 6 N.Y." and "Iroquois, zone 2" receipt points as published in Platt's Gas Daily in the table "Daily Price Survey" under the Citygates heading.

B. Monthly Balancing

If the amount of gas delivered to the Company for a customer, less any adjustment determined in accordance with Special Provision 9.4, varies from the amount of gas used by the customer for a given month, the customer will have an over-delivery or an under-delivery.

I. Over-deliveries

If there is an over-delivery at the end of the month, the over-delivered volumes will be purchased by the Company at a rate equal to one hundred percent (100%) of the lowest weekly gas price posted in Natural Gas Week for Texas Offshore and Onshore and Louisiana Offshore and Onshore price plus Tennessee Gas Pipeline's FT transportation costs and equivalent fuel costs from Zone 0 and Zone 1 to Zone 5, for the applicable month.

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