

PSC NO: 12 GAS LEAF: 181.2
 COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 1
 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. 11 (Cont'd)

FIRM TRANSPORTATION - Core (Cont'd)

RATE (Cont'd)

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

A. Daily Balancing

If the amount of gas delivered to the Company for a customer, less any adjustment determined in accordance with Special Provision 11.2, varies from the amount of gas used by the customer on a daily basis, the customer will have an over-delivery or an under-delivery. If on any day the over-delivery or under-delivery is less than 10% of a customer's actual daily usage, the customer may adjust subsequent daily deliveries to the Company by an amount not to exceed 10% of any day's usage to eliminate any over- or under-deliveries by the end of the month. Each customer's cumulative monthly over- or under-delivery shall be subject to a limitation of 125% of the customer's MDQ. If on any day the cumulative over- or under-delivery exceeds 125% of the MDQ, the difference between the cumulative over- or under-delivery and 125% of the MDQ will be cashed out. Any over- or under-delivery remaining at the end of each month will be cashed out. To cash out over- or under- deliveries, the customer must sell the over-delivered volumes to the Company or purchase the under-delivered volumes from the Company as specified below.

I. Over-deliveries - Daily

If on any day a customer's over-delivery is greater than 10% of a customer's actual usage, the over-delivered volumes in excess of 10% will be purchased by the Company at the rates set forth below. The Index Price used to determine the applicable rate shall be equal to the average "Midpoint" rate for "Tennessee, zone 0" and "Tennessee, zone 1" (500 and 800 legs) receipt points as published in Platt's Gas Daily in the table "Daily Price Survey", plus the Company's weighted average cost of transportation and fuel losses.

For Over-Deliveries	Rate
> 10% up to and including 15%	90% of Index Price
> 15% up to and including 20%	85% of Index Price
> 20% - Winter	60% of Index Price
> 20% - Summer	70% of Index Price

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