

PSC NO: 12 GAS LEAF: 181.4
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. 11 (Cont'd)

FIRM TRANSPORTATION - Core (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 11.2, 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 carried forward to the billing period immediately following and shall be considered the first customer-owned gas used in the billing period. Excess deliveries of ten percent (10%) or less of customer usage in the billing period will be carried forward without additional charge. Deliveries in excess of ten percent (10%) of customer usage in the billing period will be assessed a penalty. Cumulative excess deliveries exceeding ten times the MDQ will be subject to penalties. In those instances where an excess delivery penalty is applicable according to the terms of this rate, the penalty shall be \$1.00 per Mcf for the first ten

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