

PSC NO: 15 ELECTRICITY

LEAF: 230

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 1

INITIAL EFFECTIVE DATE: 09/01/03

SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 10 (Cont'd)PURCHASE OF ELECTRIC ENERGY AND CAPACITY FROM CUSTOMERS
WITH QUALIFYING ON-SITE GENERATION FACILITIES (Cont'd)MONTHLY RATE TO BE PAID BY COMPANY (Cont'd)

2. Payment Rate for Capacity

The Company will pay for the capacity it purchases under this Service Classification at a rate based on the pre-capability period strip auction price set by the NYISO for Zone G prior to the start of each summer and winter period.

Sellers opting to sell capacity to the Company will be required to enter into a sales agreement with the Company for the purchase of such capacity. Such agreements must include, among other things, provisions requiring the capacity to satisfy all of the requirements applicable to unforced capacity (UCAP) established by the NYISO, including reimbursements for capacity deficiencies imposed by the NYISO on the Company as a result of the Seller's failure to satisfy all such requirements.

3. Adjustment to Rates and Charges

To the extent that a minimum unit rate applies under Section 66-c of the Public Service Law, the annual average rate to be paid under this Service Classification shall be no less than 6.0 cents per kilowatt-hour, trued up each month.

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