

PSC NO: 15 ELECTRICITY

LEAF: 132

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 2

INITIAL EFFECTIVE DATE: 12/01/04

SUPERSEDING REVISION: 1

35. RETAIL ACCESS PROGRAM (Cont'd)K. REIMBURSEMENT TO RETAIL SUPPLIER FOR ANCILLARY SERVICES (Cont'd)

(a) (cont'd)

4. Operating Reserve, Spinning Reserve and Supplemental Reserve(Schedule 5); and,

5. Black Start (Schedule 6).

Reconciliations for ancillary service charges incurred on or after February 1, 2002 shall also be included.

- (b) On or before the close of business on the third business day of the month following the month in which ancillary service charges are incurred, each Retail Supplier/Direct Customer will provide Central Hudson with an estimate of the Retail Supplier's/Direct Customer's scheduled load and/or charges for ancillary services incurred as a result of providing service pursuant to Central Hudson's Retail Access Program in accordance with the following:

1. For ancillary services purchased through the NYISO, such estimate shall consist of the Retail Supplier's/Direct Customer's estimated scheduled load (Mwh) for the month for which reimbursement is requested. If applicable, reimbursement for NYISO charges will be based on the estimated load less the load for which ancillaries are purchased through a third party.
2. For ancillary services purchased through providers other than the NYISO, such estimate shall detail the load (Mwh), rate per kWh and total charge for each ancillary service for which reimbursement is requested.

- (c) Reimbursement for each ancillary service provided through the NYISO will be calculated by applying the rate per kWh incurred by Central Hudson, for the same NYISO provided ancillary service for the reimbursement month, to the estimated scheduled load provided by the Retail Supplier/Direct Customer, including any necessary adjustments as described in 35.K (b) 1.

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