

PSC NO: 12 GAS LEAF: 115
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 3
INITIAL EFFECTIVE DATE: 02/19/04 SUPERSEDING REVISION: 2
Issued in Compliance with Order in C. 98-M-1343 Dated December 19, 2003

41. RETAIL ACCESS PROGRAM (Cont'd)

G. **NATURAL GAS SUPPLY REQUIREMENT** (Cont'd)

Retail Suppliers purchasing capacity from a third party supplier must utilize firm, non-recallable, primary delivery point capacity to the Company's citygate(s) during the months from November through March.

Each Retail Supplier choosing to use third party capacity must provide the Company with an affidavit on or before October 1 of each year disclosing that they will maintain firm, non-callable, primary delivery point capacity for the period from November 1 through March 31 equal to the sum of the customers' ADCQ and IDCQ delivery requirements. Demonstration of firm, non-recallable capacity shall consist of an affidavit, signed by an officer, and notarized, setting forth information sufficient to allow the Company to verify that the Retail Supplier does have capacity meeting the requirements set forth above. The Company shall have the right to request additional documentation in support of the affidavit. Price-sensitive or proprietary data may be redacted from any capacity contracts provided to the Company.

In the event the Retail Supplier cannot obtain capacity or cannot satisfactorily demonstrate, in the manner set forth above, that it has obtained capacity, or in the event the capacity obtained does not meet the criteria set forth above, the Retail Supplier will be assigned the appropriate amount of upstream capacity under contract to the Company.

If Retail Supplier cannot obtain capacity meeting the requirements set forth above and Retail Supplier declines to purchase capacity held by the Company, the Company shall provide firm sales service to Retail Supplier's customers commencing on November 1 and the Retail Supplier shall be prohibited from serving such customers for a period of one year.

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