

PSC NO:12 GAS LEAF: 111
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 02/19/04 SUPERSEDING REVISION: 1
Issued in Compliance with Order in C. 98-M-1343 Dated December 19, 2003

41. RETAIL ACCESS PROGRAM (Cont'd)

C. VERIFICATION OF ACCOUNTS

Ten (10) calendar days prior to the first day of the month, Central Hudson will provide the Retail Supplier a listing of the Retail Supplier's customers to be served during the month.

D. DELIVERABILITY DEMAND COMPONENTS

Customers taking service under Service Classification Nos. 6, 12 or 13 will be assigned deliverability demand billing determinants. Each customer's bill will include charges related to the deliverability demand billing determinants. The billing determinants represent the estimated allocation of Peaking Service, Propane Service, Storage Service and Pipeline Capacity which will be needed to meet the customers' estimated peak day delivery requirements. All billing determinants are customer specific and are estimated by Central Hudson. Retail Suppliers can request a specific customer's billing determinants from Central Hudson's Director of Retail Choice Programs.

(a) Peaking Service Surcharge

The peaking services under contract to Central Hudson represent 8% of system requirements for a design day. Accordingly, each retail access customer is assigned a peaking service billing determinant equal to 8% of their MDQ.

(b) Storage Service Surcharge

The pipeline storage services under contract to Central Hudson represent 34% of the system requirements for a design day. Accordingly, each retail access customer will be assigned a storage service billing determinant no greater than 34% of their MDQ. If a customer's peak day requirements warrant an assignment of greater than 34% of their MDQ, the customer will be assigned an Incremental Capacity billing determinant equal to the requirements in excess of the storage service limitation.

(c) Storage Space Surcharge

The storage space billing determinant represents the amount of space the Company has estimated will be needed to store the customer's excess deliveries. The customer's excess deliveries will be used during peak periods.

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