

PSC NO: 15 ELECTRICITY LEAF: 137
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 02/09/04 SUPERSEDING REVISION: 1
Issued in Compliance with Order in C. 98-M-1343 Dated December 19, 2003

35. RETAIL ACCESS PROGRAM (Cont'd)

N. PURCHASE OF ACCOUNTS RECEIVABLE

If Central Hudson is providing a consolidated bill billing service to a Retail Supplier, Central Hudson will purchase the Retail Supplier's full undiscounted customer receivable, excluding amounts due from customers to the Retail Supplier originating from service provided by the Retail Supplier prior to the commencement of a consolidated billing arrangement with the Company. The receivable will be based on the billed charges for gas supply service. The terms of the purchase of the receivables are discussed below and are as defined in the Company's Billing Service Agreement.

- (a) The receivable balances will be purchased "with recourse";
- (b) payment for the purchased balances will be made semimonthly by Central Hudson, on the next billing day following the fifth and fifteenth billing batches;
- (c) payment will be made by electronic funds transfer to an account specified by the Retail Supplier, or by Central Hudson check drawn on the Company's account at a local bank;
- (d) any customer account purchased, if uncollected by Central Hudson at 120 days past the original bill date will be deducted from the next semimonthly payment due to the Retail Supplier, along with any accrued late payment charges;
- (e) any payments received by Central Hudson on an active account or within 23 days of a final consolidated bill will be prorated in accordance with the prevailing rules established in Cases 99-M-0631 and 03-M-0117 and as discussed in General Information Section 35.0; and,
- (f) other amounts due from the Retail Supplier may be deducted from Central Hudson's bimonthly payment, or billed directly to the Retail Supplier.

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