

PSC NO: 15 ELECTRICITY LEAF: 163.2.3
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 02/03/04 SUPERSEDING REVISION:
Issued in Compliance with Order in C. 98-M-1343 dated December 19, 2003

35. RETAIL ACCESS PROGRAM (Cont'd)

V. PRORATION OF CUSTOMER PAYMENTS (Cont'd)

- (a) amounts owed to avoid termination, suspension or disconnection of commodity or delivery service;
- (b) amounts owed under a deferred payment arrangement;
- (c) arrears; and,
- (d) current charges not associated with a deferred payment arrangement.

Central Hudson will prorate payments to the charges within each category in proportion to the Company's and Retail Supplier's charges in that category. After satisfaction of the charges in a category, assuming, available funds, the remainder of the payment will apply to the next highest category according to the priority of payments and in the same manner as described above until the payment is exhausted.

If Central Hudson receives a customer payment in excess of the total Retail Supplier and Company amount due, the allocation of the overpayment will be as follows:

- (a) Over payments that are less than or equal to \$10 will be considered a contribution to the Good Neighbor Fund, provided the Customer does not have restrictions on the account that prohibit this allocation.
- (b) For Budget Billing accounts, the overpayment will be prorated based on the installment amounts on Central Hudson's and the Retail Supplier's budget plans.
- (c) If neither of the above options are applicable, then one half of the overpayment will be applied as a credit to the Customer's Central Hudson account and the balance will be equally applied to the Customer's Retail Supplier(s) account(s). If the account is no longer a consolidated billed account, the entire overpayment will be credited to the Customer's Central Hudson account.

If Central Hudson or the Retail Supplier enters into a multi month payment agreement with a customer or waives any charges, that party will notify the other party of such actions.

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