

PSC NO: 12 GAS

LEAF: 72

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 3

INITIAL EFFECTIVE DATE: 08/29/05

SUPERSEDING REVISION: 2

27. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF GAS (Cont'd)Annual Surcharge or Refund (Cont'd)

Interim refunds or surcharges during the 12-month period ended August 31 will be permitted for the purpose of preventing large over-collection or under-collection balances from accruing at August 31. The methodology used to determine the amount of over-collection or under-collection and the method of refund or surcharge will be determined by the Company and filed with the Commission.

Capacity Release Credit

Eighty five percent (85%) of the credits received from upstream pipelines resulting from upstream capacity assignments and streaming transactions will be credited to customers taking service under Service Classification Nos. 1, 2, 6, 12 and 13.

Interruptible Sales Credit or Surcharge

Ninety percent (90%) of the monthly net of fuel revenues from customers taking service under Service Classification Nos. 8, 9 and 14 will be refunded to customers taking service under Service Classification Nos. 1, 2, 6, 12 and 13 in a subsequent month.

Back Out Credit Surcharge

By Commission Order in Case 00-G-1274, the Company will reduce the delivery charges to customers operating under Service Classification Nos. 6, 12 and 13 by \$0.015 per Ccf. The net reduction in delivery charges to these customers will be collected from customers taking service under Service Classification Nos. 1 and 2 through a surcharge included in the monthly Gas Supply Charge.

Fixed Gas Supply Charge Factor

By Commission Order in Case 97-G-0600, the Company will make available to all customers with annual consumption requirements greater than 500 Ccf operating under Service Classification Nos. 1 and 2 a Gas Supply Charge Factor that will be in effect for the twelve (12)month period beginning November 1 of each year. The Fixed Gas Supply Charge Factor will be an optional pricing service available to customers on a first come first served basis until a predetermined volume of annual gas supplies are allocated.

Retail Access Migration Incentive Surcharge

Any Retail Access Migration Incentive earned pursuant to Case 00-G-1274 will be collected from the customers taking service under Service Classification Nos. 1, 2, 6, 12 and 13.

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