

PSC NO: 15 ELECTRICITY
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 08/29/05

LEAF: 106
REVISION: 4
SUPERSEDING REVISION: 3

29. ENERGY COST ADJUSTMENT MECHANISM (Cont'd)

Miscellaneous Charges Factor (Cont'd)

The total monthly Miscellaneous Charges cost/benefit will be divided by an estimate of total delivery sales for the following month. The factor so determined will be stated in whole \$0.00001 amounts per kilowatthour and will be the same for all Service Classifications.

The Company will reconcile Miscellaneous Charges recoveries with actual costs/benefits and refund to or collect from customers any over or under recoveries on a monthly basis through the Miscellaneous Charges factor. This reconciliation adjustment will be developed on a three (3) month lag.

Purchased Power Adjustment Factor (PPA)

The PPA factor, also referred to as the Transition Power Agreement/Purchased Power Agreement (TPA/PPA) Benefit mechanism in the Joint Proposal in Case 00-E-1273, as approved by the Public Service Commission in its Order issued and effective October 25, 2001, is designed to refund to or collect from all delivery customers the benefits or costs of the Company's Purchased Power Agreement with the new owner of the nuclear generating plant in which the Company previously owned a share.

The PPA benefit/cost will be determined each month as the difference between the contract cost of the energy, installed capacity and ancillary services purchased under the Agreements, regardless of whether the actual purchases were transacted through a financial arrangement, and the cost the Company would have incurred if these requirements had been purchased solely from the NYISO market, as calculated

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