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 ..TXT: PSC NO: 12 GAS LEAF: 73
 COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 2
 INITIAL EFFECTIVE DATE: 09/01/00 SUPERSEDING REVISION: 1
 STAMPS:
 CANCELLED by Supplement 10 effective 10/31/01
 Suspended by order in Case 00-G-1274. See suppl. No. 9, , , ,
 RECEIVED: 08/01/00 STATUS: Cancelled EFFECTIVE: 11/01/01

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

Fixed Gas Cost Adjustment Factor (Cont'd)

- (3) the credits resulting from; 90% of the annual estimate of the net revenues to be received from interruptible sales, interruptible transportation customers and sales to the electric generating facilities;
- (4) the credits resulting from 85% of the credits expected to be received from upstream pipelines as a result of upstream pipeline capacity assignments and streaming transactions;
- (5) the Company's annual surcharge or refund factor;
- (6) the applicable Gas Supplier Take or Pay Surcharge, Pipeline Transition Cost Surcharge, and any other applicable refunds or surcharges;
- (7) the Company's estimate of pipeline credits;
- (8) and bad debt allowance associated with commodity and upstream pipeline demand charges.

The gas expense incurred and collected from the customers taking the Fixed Gas Cost Adjustment Factor option will be included in the Company's annual surcharge or refund calculation.

Gas Supplier Take or Pay Charges

Commencing January 3, 1996, the gas cost adjustment applicable to Service Classification Nos. 1 and 2 shall reflect a surcharge calculated in accordance with the New York State Public Service Commission's Order issued November 30, 1995, in Case 88-G-062 concerning the collection of take or pay costs. The surcharge is designed to collect over a forty-eight (48) month period the remaining uncollected balance of the take or pay costs incurred by the Company. The Take or Pay Surcharge will be shown on the monthly filed statement of Gas Cost Adjustment. The Take or Pay Surcharge will be reconciled for the twelve month period ended December 31 of each year.

Gas Supplier Transition Costs

Commencing May 1, 1996, the gas cost adjustment applicable to Service Classification Nos. 1 and 2 shall reflect a surcharge calculated in accordance with the New York State Public Service Commission's Opinion and Order in Case No. 93-G-0932. The Pipeline Transition Cost surcharge is designed to collect, subject to refund, the transition costs currently being billed to the Company by interstate pipeline suppliers. The Pipeline Transition Cost surcharge will be reconciled for the twelve month period ended April 30 of each year.

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