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COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 1

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STAMPS: Issued in compliance with Order n C. 97-G-1380 dated August 19,1999

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41. RETAIL ACCESS PROGRAM (Cont'd)

J. NATURAL GAS SUPPLY REQUIREMENT (Cont'd)

Central Hudson shall in no way be liable for any errors in the calculation of the customer's delivery requirements, nor be responsible for any additional gas costs incurred by the Retail Supplier due to an error in the calculation of the delivery requirements.

In the event that the upstream pipeline capacity to be released to the Retail Supplier by Central Hudson has an associated gas supply contract in place, the Retail Supplier may be required to either assume the gas supply contract or incur the penalty provisions contained in the gas supply contract.

In the event a customer begins taking service under Service Classification Nos. 6, 12 or 13 on any day other than April 1, Central Hudson will allocate an appropriate volume of storage supplies needed to meet the customer's winter requirements. The cost of the transferred commodity to be charged to the customer's Retail Supplier will be equal to the incremental cost of gas for new customers or the storage inventory cost, including commodity cost, injection and transportation charges, for customers transferring to transportation service from Central Hudson's core sales service.

K. BALANCING AND SETTLEMENT

The Retail Supplier must deliver to Central Hudson on each day of the month, at predetermined interconnection points, the ADCQ as provided in General Information, Section 41.J. Daily deliveries in excess of 102 percent of the ADCQ will be purchased by Central Hudson at one hundred percent of the lowest weekly gas price posted in Natural Gas Week for Texas Offshore and Onshore and Louisiana Offshore and Onshore prices plus

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