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COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 02/01/00 SUPERSEDING REVISION:
STAMPS:
Cancelled by 1 Rev. Leaf No. 140 Effective 06/01/2002
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35. RETAIL ACCESS PROGRAM (Cont'd)

K. **BALANCING AND SETTLEMENT** (Cont'd)

Energy Periods - On-Peak: 7:00 A.M. to 11:00 P.M.
weekdays and Saturday
Off-Peak: All other hours, including all hours
of the following off-peak holidays
defined by the NYPP: New Year's Day,
Memorial Day, Fourth of July, Labor
Day, Thanksgiving Day and Christmas
Day.

Balancing - the process of reconciling the hourly difference between
the forecast aggregated load profile and the actual hourly energy
delivered by the Retail Supplier.

Balancing Tolerance Bandwidth - the greater of plus/minus 5% of the
aggregated load profile, or two (2) megawatts.

Settlement - the process of reconciling the hourly difference
between the forecast aggregated load profile and the actual metered,
profiled and loss adjusted consumption by the Retail Supplier's
customers.

Price Basis for Balancing and Settlement - On-Peak: the cost per
megawatthour as represented by the Daily On-Peak Index of Spot
Electricity for East New York as posted in Power Markets Week; Off-
Peak: the cost per megawatthour as represented by the mid-point of
the Off-Peak Weekly Range of Prices of Spot Electricity for East New
York as posted in Power Markets Week. Until the ISO is established,
balancing and settlement differences will be charged or credited
using this price basis.

Under the Retail Access Program, the Retail Supplier is responsible for
scheduling, balancing and settlement discrepancies with respect to its
customers' electric power supply requirements. For purposes of this
program, scheduled will equal delivered except in cases where load is
curtailed.

The Company will continuously monitor the hourly delivery of energy by the
Retail Supplier to the tie point and estimate, from load profiles, the
hourly usage of the Retail Supplier's customers.

On a monthly basis, the Company will reconcile, or balance, the difference
between the Retail Supplier's hourly aggregated load profile and the
actual hourly energy delivered to the tie point. Balancing differences
will be charged or credited as follows:

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