

..DID: 20317
..TXT:

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
284 SOUTH AVENUE
POUGHKEEPSIE, NEW YORK 12601

August 22, 2002

Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Case 99-E-1470- Proceeding on the Motion
of the Commission as to the Reasonableness
of the Rates, Terms and Conditions for the Provision of
Electric Standby Service

Dear Commissioners:

As required by the Opinion and Order Approving Guidelines for the Design of Standby Service Rates, issued and effective October 26, 2001 (the Standby Order), in the above referenced proceeding, Central Hudson Gas & Electric Corporation (the "Company") hereby files its Standby Delivery Service tariff. The purpose of this filing is to establish a new electric Standby Service that shall apply to customers, and potential customers, where all or a portion of the customer's electric power requirements are supplied from a generation facility which does not supply energy to the customer by means of the Company's delivery facilities. Central Hudson is issuing the attached proposed tariff amendments on August 22, 2002 to become effective on November 22, 2002.

P.S.C. No. 15 - Electricity

3rd Revised Leaf No. 4
1st Revised Leaf No. 272
Original Leaf No. 272.1
Original Leaf No. 272.2
Original Leaf No. 272.3
Original Leaf No. 272.4
Original Leaf No. 272.5
Original Leaf No. 272.6

The proposed rates were designed using the revenue requirements and cost of service approved in the Commission Order Establishing Rates Issued and

Effective October 25, 2001 in Case 00-E-1273. Central Hudson's present electric delivery rates are based on revenue requirements of about \$153 million. The rate design proposed herein is based on cost of service study approved by the PSC in that proceeding.

Central Hudson proposes to activate its Service Classification No. 14 - Standby Service for this purpose. The Standby Service tariff refers to a Customer's Parent Service Classification for each rate component. The Parent Service Classification is defined as the Service Classification that a Customer would otherwise qualify for based on usage characteristics. As directed by the Standby Order, rates have been designed for Customer Charges, Contract Demand Charges and Daily-As-Used Demand Charges. The filing also includes provisions for energy supply. The Parent Service Classifications for residential service are Service Classification Nos. 1 and 6. The Parent Service Classifications for commercial and industrial service are Service Classification Nos. 2, 3 and 13. In accordance with the Standby Rate Order, the rates for each rate class within Service Classification No. 14 were designed to be revenue neutral with the Parent Service Classification so that rates produce the same delivery service revenues as the equivalent non-standby rates assuming the same demand and energy billing units.

The monthly Customer Charges are set equal to the Customer Charges established in Case 00-E-1273.

The Contract Demand Charge will be based on the Customer's connected load unless the Customer and the Company have agreed in writing to an alternative contract demand. Customers with interval or demand metering will be billed for the product of the per kilowatt demand rate, as set forth in the tariff, and the contract demand for that customer. Customers without interval or demand metering will be billed a fixed monthly charge.

The Daily As-Used Demand Charge will be applied based on the actual metered demand or metered energy usage depending on the Customer's Service Classification. Customers with interval metering will be billed for the product of the per-kilowatt Daily As-Used demand rate, as set forth in the tariff and the peak metered demand for that customer on a daily basis. The peak metered demand is measured during peak demand hours which are defined in the tariff as 7 am to 11 pm weekdays. Customers without interval metering, but who are subject to demand metering, shall be billed for the product of the per kilowatt demand rate, as set forth in the tariff and the peak metered demand for that customer. The peak metered demand used shall be the monthly peak demand for all hours. Customers without interval or demand metering shall be billed for the product of the per kilowatt-hour rate, set forth in the tariff and the monthly metered kilowatt-hours for that customer.

The energy supply charge will be based on the monthly Market Price and Market Price Adjustment Charges for the Customer's respective Parent Service Classification. All customers will be billed for their energy supply based on metered kilowatt-hours.

Included in this filing are provisions for interconnection requirements and fees, excess demand charges, and a minimum self supplied load requirement. The tariff also allows Central Hudson the option to individually negotiate contracts, if the customer can demonstrate a viable competitive alternative as a means of metering electric power needs without making use of the Company's distribution system.

Notices of this filing will be published in accordance with 16 NYCRR 136.70 and 270.70 and proof of publication will be submitted not later than six weeks

following the amendments effective date. Notices of the changes proposed herein will be published in August 30, September 6, 13 and 30, 2002 issues of the Catskill Daily Mail, the Kingston Freeman, the Times Herald Record and the Poughkeepsie Journal.

Questions related to this filing should be directed to Maida J. Lewis at 845-486-5375.

Yours very truly,

Arthur R. Upright

Enclosures

CC: Service List Case 00-E-1470
Service List Case 00-E-1273/00-G -1274

lett52