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

August 30, 1999

Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Dear Commissioners:

Re:Case 98-G-0122

Attached for filing electronically with the Commission are the following rate leaves, issued by Central Hudson Gas & Electric Corporation ("Central Hudson" or "the Company"), to become effective on August 31, 1999:

Gas - P.S.C No. 12
First Revised Leaf No. 196
First Revised Leaf No. 197
First Revised Leaf No. 199

The purpose of this filing is to reduce the fixed rate component of the Service Classification No. 14 - Monthly Rate and change the term of service under Service Classification No. 14.

The fixed rate component of Service Classification No. 14 comprises two separate factors designed to collect a portion of the overall system costs and the marginal system costs. The factor developed to collect the overall system costs has been set at \$0.010 per Ccf. The balance of the fixed rate component is a \$0.039 per Ccf charge designed to collect the marginal system costs. The Company is proposing to maintain the \$0.010 overall system costs factor and reduce the marginal system costs factor from \$0.039 to \$0.017 per Ccf. The current marginal system cost factor was developed using the Company's system load factor, however after discussions with the PSC Staff, we are proposing to increase the load factor used in the rate design to reflect a load factor that is more representative of the customers we would serve under this rate. By increasing the load factor used in its rate design, the Company is able to reduce the total fixed rate component for transportation to electric generating facilities from \$0.049 to \$0.027 per Ccf.

The Company's current provisions under Service Classification No. 14 define the initial term of service to a minimum of one year but not to exceed five years. We are proposing to change the minimum term of service to five years.

Because the Company does not have customers operating under this service, we request that the requirement of 66(12(b)) of the Public Service Law as to newspaper publication of the revisions be waived.

Very truly yours,

Arthur R. Upright