

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

March 29, 2007

Hon. Jaclyn A. Brilling
Secretary
Department of Public Service
State of New York
Three Empire State Plaza
Albany, New York 12223

Dear Secretary Brilling:

Re: Central Hudson Gas & Electric Corporation
Tariff Filing to Reflect New URD Rates
Cases 25352 & 92-M-0607

Leaf No. 37 is issued by Central Hudson Gas & Electric Corporation ("the Company") and transmitted for filing in compliance with the requirements of the Public Service Commission of the State of New York in Case 92-M-0607.

P.S.C. No. 15 - Electricity

8th Revised Leaf No. 37

This amendment is issued March 29, 2007 to become effective July 1, 2007. The purpose of this filing is to update the rates used in determining contributions required from applicants for underground extensions in new residential subdivisions and the credit applicable to trenching underground distribution and services in residential subdivisions. The rates used in determining contributions required from applicants proposed with this filing reflect a five-year average of actual calendar-year data.

The tariff changes to the cost per trench foot of URD service are as follows:

	<u>Present</u>	<u>Proposed</u>
Overhead Supply Lines	\$ 17.50	\$24.56
Underground Supply Lines	10.09	9.90
Underground Distribution Lines	11.61	12.58
Underground Service Lines (a)	10.11	11.08

- (a) The average cost per foot of service lines installed excludes the cost of trenching. Therefore, the proposed tariff rate for underground service lines is based on the proposed underground distribution rate less the estimated cost differential between distribution line trenching (\$4.50 per foot for 36" trench depth) and service line trenching (\$3.00 per foot for 24" trench depth).

In February 2006, the Company revised its URD trench specification for situations when gas is installed in a URD. These revised specifications, which require a step layout as opposed to the former horizontal layout, were required to assist in maintaining adequate clearances between facilities. As a result, under the new specification a trench for a combination installation, where gas is installed along with electric, is eight inches deeper and requires fourteen additional inches of sand padding. At the time of the Company's filing of an annual update effective July 1, 2006, the impact of these revised specifications on the trenching credit were unknown. Through the end of 2006, it appears that on-site contractors are not willing to perform the trenching for combination installations at the current credit of \$7.72 per foot. As a result, the Company proposes to offer two credits applicable to trenching underground distribution and services in residential subdivisions: one for electric only installations to be maintained at the current rate of \$7.72 per foot, and a second credit applicable to combination electric and gas installations at a rate of \$11.04 per foot based on actual experience through December 2006.

The new rates detailed above, along with the proposed credits applicable to trenching underground distribution and services, will become effective July 1, 2007 and will remain in effect through June 30, 2008.

The Company is arranging to comply with the requirements of 66(12)(b) of the Public Service Law by publishing notices of the rate changes proposed herein in the April 11, 18, 25 and May 2, 2007 issues of the Catskill Daily Mail, the Kingston Freeman, the Times Herald Record and the Poughkeepsie Journal.

If you have any questions or require additional information, please call Nicholas R. Wight at (845) 486-5749.

Very truly yours,

Michael L. Mosher
Vice President - Regulatory Affairs

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