

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

December 27, 2006

Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: CHG&E Proposed Change to Gas Retail Access Program -
Purchase of Accounts Receivable Discount Rate

Dear Commissioners:

Central Hudson Gas & Electric Corporation ("Central Hudson" or the "Company") hereby submits the proposed tariff amendment listed below to become effective March 28, 2007.

P.S.C. No. 12 - Gas

8th Revised Leaf No. 124.1

Currently, Central Hudson offers a consolidated bill billing service under the Company's Retail Access Program. Under the terms of this service, a participating retail supplier's eligible receivable balance is purchased by the Company without recourse at a discount. The discount rate consists of a two-part rate equivalent to the average of the Company's most recent three calendar years' net write-offs plus an amount to reflect other costs of the program. The purpose of this amendment is to revise the latter portion of this discount rate, which is currently based on an annual rate of 3.00 percent, to reflect the customer deposit rate prescribed by the Public Service Commission, which will be 3.65 percent effective January 1, 2007.

The Company is arranging to comply with the requirements of §66((12)(b)) of the Public Service Law as to newspaper publication by publishing notices of the proposed changes contained herein in the January 10, 17, 24 and 31, 2007 issues of the Catskill Daily Mail, Kingston Daily Freeman, Times Herald Record and Poughkeepsie Journal.

Questions related to this filing should be directed to Stacy Powers at 845-486-5815.

Yours very truly,

Michael L. Mosher
Vice President - Regulatory Affairs

lett104