

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

January 25, 2007

Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Increase in Rates to Recover Costs Associated with Renewal of Advanced Metering
Software Contract

Dear Commissioners:

The amended tariff leaves set forth below are filed by Central Hudson Gas & Electric Corporation (ACentral Hudson® or the ACompany®) on January 25, 2007 to become effective May 1, 2007.

P.S.C. No. 15 - Electricity

7th Revised Leaf No. 171
6th Revised Leaf No. 184.2.1
5th Revised Leaf No. 184.3
3rd Revised Leaf No. 184.5
7th Revised Leaf No. 185
8th Revised Leaf No. 246
9th Revised Leaf No. 246.1
5th Revised Leaf No. 272.3
1st Revised Leaf No. 272.3.1
1st Revised Leaf No. 272.3.2

The purpose of these amendments is to increase the customer charge for those customers with access to the Company's Energy Manager advanced metering software. The revised customer charge is designed to recover costs associated with the monthly meter subscription fee charged by the software provider. These amendments also clarify metering requirements for customers taking service under Service Classification No. 2 who wish to upgrade to interval metering.

Background

On June 14, 2004, the Public Service Commission (ACommission®) issued an Order adopting the terms of a Joint Proposal for Rate Plan Modification (AJP®) in Case 00-E-1273. As part of this proposal the Company recommended, and the Commission approved, that a portion of the \$500,000 provided in the JP for Aencouraging appropriate installations of advanced metering technologies and implementation of related pricing strategies intended to facilitate the development of competitive markets® (Acompetitive metering fund®) be utilized to provide S.C. Nos. 3 and 13 customers with software, for a two-year period, for daily access to hourly load profile and pricing information. Through a competitive bidding process conducted in early 2005 a two-year contract was awarded to an outside vendor for provision of this service. This contract has been renewed for an additional year effective May 1, 2007.

Proposed Revision

The exhaustion of funding from the competitive metering fund necessitates a cost recovery mechanism for the Company to recover the costs associated with the software provided to these customers. The Company proposes to recover these costs by increasing the customer charge for S.C. Nos. 3 and 13, as well as any S.C. No. 2 customers who are provided the software, to recover the monthly meter subscription fee charged by the vendor.

The metering clarifications proposed by the Company include clarifications to Service Classification No. 2 requiring customers wishing to upgrade to an interval meter to bear the cost of the meter and dedicated phone line, as well as pay the customer charge under Service Classification No. 3.

As the Company will notify all customers provided access to the Energy Manager software of the new charges, and all customers requiring metering upgrades under Service Classification No. 2 are in direct contact with the Company, Central Hudson requests that the requirements of 66(12)(b) of the Public Service Law as to newspaper publication be waived.

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

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