

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

November 21, 2006

Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: CHG&E Proposed Change to Gas Retail Access Program

Dear Commissioners:

Central Hudson Gas & Electric Corporation ("Central Hudson" or the "Company") hereby submits proposed tariff amendments, as listed below, to become effective March 1, 2007.

P.S.C. No. 12 - Gas

6th Revised Leaf No. 111
4th Revised Leaf No. 112

The purpose of these amendments is to update the determination of the deliverability demand billing components ("demand determinants") applicable to customers taking transport service under the Company's gas Retail Access Program via Service Classification Nos. 6, 12 and 13.

Under Central Hudson's gas Retail Access Program, the Company calculates demand determinants for each customer for peaking service, storage service, storage space and capacity release. The demand determinants for peaking service and storage service are based on the percentage of the Company's system gas requirements for a design day that are served by peaking service and pipeline storage services, respectively. Currently, these percentages reflect the allocations of system gas requirements based on assets held for the 1999 - 2000 winter period. With this filing the Company is proposing to update these percentages, to be reflected in the determination of demand determinants effective April 1, 2007, to recognize the assets under contract for the 2006 - 2007 winter period. The current and proposed determinants are as follows:

<u>Current Determinants</u>		<u>Proposed Determinants</u>	
Peaking Service	8%	Peaking Service	20%
Storage Service	34%	Storage Service	27%

Further, the Company proposes that these percentages be updated annually and reflected in the determination of demand determinants effective April 1, in order to recognize the most current portfolio of assets under contract. Finally, Central Hudson proposes to provide this information on the Statement of Firm Gas Transportation Rates ("FTR") filed monthly with the Commission.

As the changes proposed herein directly impact amounts billed to retail suppliers and the Company will provide notification of these proposed changes to all retail suppliers operating in Central Hudson's service territory, the Company

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

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