

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

September 22, 2006

Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223

Re: Net Metering Tariff Changes

Dear Commissioners:

The amended tariff leaves set forth below are filed by Central Hudson Gas & Electric Corporation ("Central Hudson" or the "Company") on September 22, 2006 to become effective January 1, 2007.

P.S.C. No. 15 - Electricity

2nd Revised Leaf No. 167  
1st Revised Leaf No. 167.5  
10th Revised Leaf No. 212  
1st Revised Leaf No. 213.6  
2nd Revised Leaf No. 272.13  
2nd Revised Leaf No. 272.13.1

With these amendments Central Hudson proposes to increase the total residential photovoltaic generator load on its system from 0.8 MW to 1.2 MW.

As a result of the Order on Net Metering of Residential Photovoltaic Generation in Case 97-E-2003, issued and effective February 11, 1998, the rated capacity limit for solar net metering for each of the New York State utilities was set at 0.1% of their 1996 peak demand. Therefore Central Hudson's tariff limits net metering of customers with interconnected solar generators to 0.8 MW of rated generating capacity. Based on the capacity of existing solar generators and the current pending applications, Central Hudson expects that this limit will be approached in the near future. As a result, Central Hudson proposes to increase this limit to 1.2 MW, consistent with Section 66-J of the Public Service Law which does not prohibit a utility from providing net metering to "additional customer-generators". It is also proposed that Special Provision 14.7, which expanded net metering for residential and non-demand metered commercial photovoltaic and wind generation, be closed to new installations as of January 1, 2007. The original intent of Special Provision 14.7 was to extend the photovoltaic net metering threshold from 10 kW to 15 kVa and extend net metering to wind generation up to 15 kVa, with both available to residential and smaller, non-demand metered commercial customers. However, of the 21 commercial customers

who have completed interconnection of solar generators, only 3 qualified for net metering under Special Provision 14.7. As small business owners are not taking advantage of this provision, the Company believes that reducing the size limit of residential systems to once more align with the provisions of 66-J will allow for a closer match of these systems to the customer's load.

Since customers participating in net metering of residential photovoltaic and residential wind generation are subject to interconnection requirements and are therefore in direct contact with Central Hudson, the Company requests that the requirements of 66(12)(b) of the Public Service Law as to newspaper publication for the amendments listed herein be waived.

Questions related to this filing should be directed to Nicholas R. Wight at (845) 486-5749.

Yours very truly,

Michael L. Mosher

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