

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

October 28, 2004

Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Central Hudson Gas & Electric Corporation:
Case 02-M-0515 Proceeding on Motion of the Commission to Establish Gas
Transportation Rates for Distributed Generation Technologies

In compliance with the Commission's Order in Case 02-M-0515, issued and effective August 4, 2004, Central Hudson Gas & Electric Corporation ("Central Hudson" or "the Company"), is issuing the attached tariff leaves. These leaves are issued on a temporary basis to become effective on November 2, 2004.

P.S.C. No. 12 - Gas
Original Leaf No. 211
Original Leaf No. 212
Original Leaf No. 213
Original Leaf No. 214

By this filing the Company is establishing a new firm transportation service applicable to Residential Distributed Generation Customers. Service Classification No. 16 ("S.C. No. 16") will contain the rates, terms and conditions applicable to the sale of natural gas and the transportation of supplies to customers which qualify for service under this tariff.

Natural Gas and Upstream Pipeline Sales

S.C. No. 16 customers will have the option of purchasing their natural gas supplies from either Central Hudson or a Retail Supplier. Natural gas supplies will be sold to distributed generation customers by Central Hudson at the monthly Gas Supply Charge Rate filed with the Public Service Commission.

Customers purchasing their supplies from a Retail Supplier must abide by the terms and conditions applicable to residential customers as set forth in the Company's General Information Section 41 and Service Classification No.12.

Rate Design

The rates presented in this filing are based on the Company's Cost of Service Study as filed in Case 00-G-1274 and the Company's currently effective delivery rates under Service Classification No. 1 and 12. The Company's

Administrative Charge under Service Classification No. 16 is equivalent to the customer charge as derived in the Company's Cost of Service as filed in Case 00-G-1274. The revenue produced by charges in the second and third rate blocks of the Company's current delivery charges for residential service was reduced by the additional revenue to be collected through the Administrative Charge and converted to a 50 percent load factor volumetric rate that will be applicable to all gas delivered in excess of the first 2 Ccf for all customers taking this service.

Metering and System Reinforcements

Customers taking service under this classification will not be required to have a separate meter for their distributed generation usage. Separate service lines for the distributed generation usage and all other usage will not be required unless existing facilities are not adequate to deliver the additional supplies.

Customers operating under this service will pay for system reinforcements that are in excess of the Company's required service installations for firm residential customers. However, if the Customer takes service under this classification for less than one year they will be obligated to reimburse the Company for the cost of system upgrades made by the Company to serve the Customer.

As directed in Ordering paragraph 5, the requirements of 66(12)(b) of the Public Service Law as to newspaper publication has been waived.

Questions related to this filing should be directed to Patricia M. Buck at (845) 486-5244.

Yours very truly,
Arthur R. Upright

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