

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

December 22, 2011

Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Modifications to Gas Retail Access Program

Dear Commissioners:

The tariff amendments set forth below are filed by Central Hudson Gas & Electric Corporation (“Central Hudson” or “the Company”) on December 22, 2011 to become effective April 1, 2012:

P.S.C. No. 12 – Gas

4 th Revised Leaf No. 8	5 th Revised Leaf No. 119
8 th Revised Leaf No. 69	5 th Revised Leaf No. 130
9 th Revised Leaf No. 111	16 th Revised Leaf No. 159
9 th Revised Leaf No. 112	15 th Revised Leaf No. 186
6 th Revised Leaf No. 114	11 th Revised Leaf No. 187
5 th Revised Leaf No. 117	15 th Revised Leaf No. 191
5 th Revised Leaf No. 117.1	13 th Revised Leaf No. 192

The tariff leaves listed above are being filed to 1) remove the propane demand determinant, and 2) require all Retail Suppliers to take Winter Bundled Sales (WBS) Service.

Propane

Pursuant to Central Hudson’s August 2011 notification to the Public Service Commission that the Company plans to decommission the two propane air facilities previously utilized to fulfill peak day requirements, tariff amendments are being filed to remove the propane deliverability demand determinant from the requirements used to meet Retail Access customers’ estimated peak day requirements. These amendments are filed to become effective April 1, coincident with the Company’s annual update of deliverability demand determinants for all Retail Access customers.

Winter Bundled Sales (WBS) Service

Pursuant to preliminary discussions with PSC Staff and Retail Suppliers, which most recently took place during the Company’s August 2011 ESCO conference call, Central Hudson proposes to make the Company’s Winter Bundled Sales (WBS) Service mandatory for all suppliers serving Service Classification Nos. 6, 12 & 13 customers. Currently, Retail Suppliers must either elect WBS, or take the Balancing Service Option under which suppliers take assignment of additional capacity, for twelve months, for all customers in their Retail Access pool. Given the growth in the Company’s Retail program over the past several years, the move to require suppliers to take WBS will reduce the amount of capacity released to suppliers through the mandatory ‘slice-of-system’ and allow the Company to delay adding more capacity, including Canadian capacity requiring import rights and other domestic capacity where the liquidity of such capacity is yet to be determined, to the capacity available for the Retail program. Additionally, this change will result in all Retail Suppliers paying the same costs for the additional capacity

needed to meet customers' requirements during the winter months while at the same time simplifying Central Hudson's administrative responsibilities for the Retail Program. These amendments are filed to become effective April 1, coincident with the deadline for Retail Suppliers to make their WBS election for the following twelve months.

Statement of Balancing Service Charge

Given that the Balancing Service Charge applicable to Service Classification Nos. 9 & 11 customers will be updated to be effective April 1, 2012, the Company is not filing a modified Statement of Balancing Service Charge at this time and proposes to instead remove the Balancing Service Charge applicable to Retail Suppliers on or about March 1, 2012 when the Company makes its annual filing to update such charges.

Given that 1) the removal of the propane demand determinant will have a negligible impact on customer bills since customers were previously billed for propane, through the TDA charge, only when propane facilities were used to serve the Company's customers during the prior month; and 2) Central Hudson will notify Retail Suppliers of the change to how the Company plans to meet retail customers' peak day requirements, as well as the change to require Retail Suppliers to take WBS, the Company requests that the requirements of Section 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 Stacy Powers (at 845-486-5815 or spowers@cenhud.com).

Yours very truly,

Michael L. Mosher
Vice President - Regulatory Affairs

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