

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

June 13, 2012

Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Central Hudson Merchant Function Charges

Dear Commissioners:

The statement set forth below is filed by Central Hudson Gas & Electric Corporation ("Central Hudson" or the "Company") on June 13, 2012 to become effective July 1, 2012.

P.S.C. No. 15 – Electricity

Statement of Merchant Function Charge

MFC-7

This filing is made to update the base rates of the MFC Administration and MFC Supply charges to reflect those approved in the Order in Case 09-E-0588 issued and effective June 18, 2010. Further, the MFC Lost Revenue surcharge included in the MFC Supply Charge and the Transition Adjustment have been revised to reflect the surcharge necessary to collect Estimated Net Lost Revenue. Estimated Net Lost Revenue was calculated based on methodology prescribed by the Commission in Case 05-E-0934, and approved for continuation in Case 09-E-0588, and is allocated between MFC Supply Charge and Transition Adjustment pursuant to the Company's P.S.C. No. 15 – Electricity tariff.

Questions related to this filing should be directed to Linda VanEtten at (845) 486-5554 or via email at Lvanetten@cenhud.com.

Yours very truly,

Michael L. Mosher
Vice President - Regulatory Affairs

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