



Central Hudson Gas & Electric Corporation

GAS TRANSPORTATION OPERATING PROCEDURES

Submitted: February 27, 2009

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I. INTRODUCTION

The purpose of Central Hudson Gas & Electric Corporation's ("CHG&E" or "the Company") Gas Transportation Operating Procedures Manual ("the Manual") is to provide a set of procedures and guidelines for Retail Suppliers and Direct Customers doing business within CHG&E's service territory. These procedures and guidelines have been established to help provide a safe, reliable operating environment where participating Customers may choose an alternate energy supplier (Retail Supplier) by evaluating all available options, where Retail Suppliers may conduct business with CHG&E and Customers in a smooth, efficient manner, and where all Customers are adequately represented and afforded reasonable consumer protections.

The Manual includes procedures and guidelines for the Company's firm retail access transportation program (Service Classification Nos. 6, 12 and 13), interruptible transportation program (Service Classification No. 9) and firm transportation program for large customers (Service Classification No. 11).

Retail Suppliers and Direct Customers are subject to the terms of CHG&E's tariff, P.S.C. No. 12 - Gas and the terms of the Supplier Operating Agreement, as each of the same may be amended, modified, superseded or supplemented. Unless otherwise specifically stated herein, the provisions of CHG&E's tariff, P.S.C. No. 12 continue to apply. CHG&E's tariff leaves are subject to approval by the PSC, and are subject to change in accordance with applicable laws, rules and regulations.

II. OVERVIEW OF CENTRAL HUDSON

A. Corporate Structure

Table of Organization - Executives Central Hudson Gas & Electric Corporation

Steven V. Lant	Chairman of the Board and CEO
Carl E. Meyer	President and COO
Joseph J. DeVirgilio	Exec. Vice President Corporate Services & Administration
Charles A. Freni	Senior Vice President Customer Services
Christopher Capone	CFO and Treasurer
Paul Haering	Vice President Engineering and Environmental Affairs
Denise D. Vanburen	Vice President Public Affairs & Energy Efficiency
Michael L. Mosher	Vice President Regulatory Affairs
Thomas C. Brocks	Vice President Human Resources
Stacey A. Renner	Treasurer
Kimberly J. Wright	Controller

B. Gas Operations Organization

Brian Dimisko	Manager Customer Account Services
James Valleau	Energy Resources Manager
Glynis Bunt	Director Costs, Rates & Forecasts
Hans Schick	Section Engineer Gas & Mechanical Engineering
James McCloskey	Manager System Operations

Transportation and Retail Supplier Support

Direct questions on the Company's Retail Access Program and billing to:

Mr. James Van Tassell - Director of Retail Access Programs

Telephone - 845- 486-5857

Fax - 845-486-5894

E-Mail Jvantassell@cenhud.com

Direct questions on gas deliveries, nominations, and pipeline capacity to:

Mr. Vito Cracchiolo

- OR -

Ms. Barbara Pastoriza

(Fuel Buyer)

(Energy Control Analyst)

Telephone: 845-486-5562

Telephone: 845-486-5443

Fax: 845-486-5626

Fax: 845-486-5626

E-Mail: Vcracchiolo@cenhud.com

E-Mail: Bpastoriza@cenhud.com

Direct questions on interruptible services and Service Class No. 11 to:

Ms. Stacy Powers

- OR -

Ms. Glynis Bunt

(Associate Cost and Rate Analyst)

(Director Costs, Rates & Forecasts)

Telephone: 845-486-5815

Telephone: 845-486-5420

Fax: 845-486-5894

Fax: 845-486-5894

E-Mail: Spowers@cenhud.com

E-Mail: Gbunt@cenhud.com

Customer Service: 845-452-2700

Emergency Gas Control: 845-486-5600 or 5601 - 24-hour service

C. Territory

- Central Hudson provides gas service on both sides of the Hudson River starting 25 miles north of New York City and extending to 10 miles south of Albany. Central Hudson serves parts of Albany, Columbia, Dutchess, Greene, Orange, Putnam, Sullivan, and Ulster Counties.

- Territorial Map - available on the Company's web site

- Pipelines Serving Franchise Area :

Iroquois Gas Transmission System - Pleasant Valley Citygate

Columbia Gas Transmission Corp - Tuxedo Citygate

Algonquin Gas Transmission - Somers Citygate

Tennessee Gas Pipeline - Cedar Hill Citygate

Millennium Pipeline Company - Tuxedo Citygate

D. Service Classifications

Sales Services

Service Classification No. 1- Firm Residential Customers

General Service for all residential customers.

Rates and charges are set forth in P.S.C. No. 12 – Gas, Service Classification No. 1.

Service Classification No. 2 - Firm Commercial and Industrial Customers

General Service for all customers except use exclusively in individual residences.

Rates and charges are set forth in P.S.C. No. 12 – Gas, Service Classification No. 2.

Service Classification No. 8 - Interruptible Dual Fuel Customers

General Service for all customers with annual consumption less than 750,000 Ccf.

Transmission and Distribution Service for all customers with annual requirements greater than 750,000 Ccf and are located on a part of our system that does not have constraints.

Rates are set monthly.

Transportation Services

Service Classification No. 6 - Firm Transport Service - Commercial and Industrial Customers

Annual requirements greater than 35,000 Ccf.

Available for firm transportation service by the Company of customer-owned gas, which the customer has arranged to have transported to a delivery point at the boundary of the Company's service area.

Rates and charges are set forth in P.S.C. No. 12 – Gas, Service Classification No. 6.

Service Classification No. 12 - Firm Transport Service - Residential Customers

Available to customers who would otherwise qualify for service under Service Classification No. 1, and who are party to a customer buying group which has the capability of consuming 50,000 Ccf or greater per year. This rate schedule allows for firm transportation service by the Company of customer-owned gas, which the customer buying group has arranged to have transported to a delivery point at the boundary of the Company's service area.

Rates and charges are set forth in P.S.C. No. 12 – Gas, Service Classification No. 12.

Service Classification No. 13 - Firm Transport Service - Commercial and Industrial Customers

This rate schedule is available to customers who would otherwise qualify for service under Service Classification No. 2, and are party to a customer buying group which has the capability of consuming 50,000 Ccf or greater per year. This rate schedule allows for firm transportation service by the Company of customer-owned gas, which the customer buying group has arranged to have transported to a delivery point at the boundary of the Company's service area.

Rates and charges are set forth in P.S.C. No. 12 – Gas, Service Classification No. 13.

Service Classification No. 11 - Firm Transport Service Large Commercial and Industrial Customers

Annual Requirements greater than 750,000 Ccf.

Firm transportation service of customer-owned gas which the customer has arranged to have transported to a delivery point at the boundary of the Company's service area.

Distribution Large Mains (DLM) Service

Annual requirements greater than 400,000 Mcf and service from Company facilities below transmission pressures and from mains at least 6 inches in diameter.

Distribution Service

All other service from Company facilities below transmission pressures.

Transmission Service

Service provided off the transmission system.

Rates and charges are set forth in P.S.C. No. 12 – Gas, Service Classification No. 11.

Service Classification No. 9 - Interruptible Dual Fuel Customers

Annual requirements greater than 35,000 Ccf or be party to an aggregated group.

General Service for all customers with annual consumption less than 750,000 Ccf.

Transmission and Distribution Service for all customers with annual requirements greater than 750,000 Ccf and are located on a part of CHG&E's system that does not have constraints.

Central Hudson's gas tariffs are available on the Company's website www.CentralHudson.com and on the New York State Public Service Commission's website www.dps.state.ny.us.

E. Customer Breakdown

December 31, 2008	Number of Customers	Annual Sales- Mcf
<u>Sales</u>		
Residential	55,736	4,476,979
Commercial	8,392	3,470,245
Industrial	245	227,440
West Point	1	799,436
Interruptible	43	658,106
<u>Transportation</u>		
Residential	7,667	700,409
Commercial	2,043	1,973,553
Industrial	30	203,562
Interruptible	same sales customers	2,938,688

III. BUSINESS RULES GENREIC TO AGGREGATION AND FIRM TRANSPORTATION
CUSTOMERS

New York State Retail Access Business Rules

Uniform Business Practices

PSC Case No. 98-M-1343

On July 15, 2004 the PSC issued the Order on Petitions on Rehearing and Clarification in Case 98-M-1343. Appendix A attached thereto contains the detailed rules and practices governing credit requirements, customer relationships, invoicing and other significant program aspects relating to the relationships between Distribution Utilities and Retail Suppliers. Appendix A, in its entirety, is incorporated by reference into this Manual.

IV. NOMINATING PROCEDURES

A. Nomination Procedures

To nominate gas, the Retail Supplier notifies Central Hudson of the quantity of gas they are transporting to the Central Hudson system via CHG&E's web-based Gas Tracking System. Separate nominations are required for daily and monthly balanced customer pools. Nomination due dates are posted on the Company's Gas Transportation Calendar. The Calendar is available on the Company's website.

Mid-day nominations must be received by Central Hudson by 11:00 am. EST the day on which the nomination is to become effective.

All nominations and changes at Central Hudson's city gates are confirmed by Central Hudson with the upstream pipeline prior to gas flowing. Central Hudson may refuse the nomination if the Retail Supplier's nomination does not match the pipeline nomination, or if the nomination is in excess of the customers' maximum daily quantity (MDQ).

B. GISB Standards

Transaction schedules and procedures upstream of the Company’s Citygate are controlled by the FERC Regulations and GISB Standards. The following table shows the current GISB Daily Nomination Cycle.

Daily Nomination Cycle- Eastern Time (Central Time)

Nomination Type	Deadline for Shipper Nomination	Deadline Upstream/ Downstream Confirmation	Deadline for Schedule Quantities or Bump Notice	Effective Time to Flow Gas
Timely Nomination	12:30 pm (11:30 am)	4:30 pm (3:30 pm)	5:30 pm (4:30 pm)	10:00 am (9:00 am) Next gas day
Intra-Day 1 Nomination	11:00 am (10:00 am)	2:00 pm (1:00 pm)	3:00 pm (2:00 pm)	6:00 pm (5:00 pm) Same gas day
Intra-Day 2 Nomination	6:00 pm (5:00 pm)	9:00 pm (8:00 pm)	No Bumping	10:00 pm (9:00 pm) Same gas day
Evening Nomination	7:00 pm (6:00 pm)	10:00 pm (9:00 pm)	11:00 pm (10:00 pm)	10:00 am (9:00 am) Next gas day

C. Daily Delivery Quantity Procedures - Service Class 6, 12 or 13

1. Prior to the beginning of the month Central Hudson will provide to the Retail Supplier (1) the Daily Contract Quantity Forecast ($DCQ_{forecast}$), expressed in Ccf, for each customer taking service from the Retail Supplier, (2) the Aggregated Daily Contract Quantity Forecast ($ADCQ_{forecast}$) expressed in Dekatherms, equal to the sum of the $DCQ_{forecast}$ for all aggregation customers being served by the Retail Supplier multiplied by the factor of adjustment and converted from Ccf to Dth using the twelve month system average BTU conversion factor, (3) the Total Contract Quantity (TCQ) expressed in dekatherms, representing the amount of pipeline capacity required to serve the peak day requirements of the Retail Supplier’s aggregated pool of customers and (4) any applicable Alternate Capacity Requirements (ACR) as more fully described, below. This information will be available on the Company’s website. The Retail Supplier will notify Central Hudson within three (3) business days as to any corrections or changes to their list of customers or the expected daily requirements of those customers. The Retail Supplier will provide a natural gas nomination to Central Hudson by the date specified on Central Hudson’s Calendar of Natural Gas Transportation Scheduling. A copy of the calendar is available on the Company’s website.

2. The Retail Supplier must deliver to Central Hudson on each day of the month, at predetermined interconnection points, the ADCQ_{forecast}. In the event of a period of peak weather conditions, or other system emergencies, Central Hudson may increase the volume of natural gas to be delivered up to the TCQ. Retail Suppliers will be given forty-eight (48) hour notice of the need to increase deliveries.
3. If a Retail Supplier declines to take assignment of the capacity held by the Company, the Company shall provide firm sales service to Retail Supplier's customers commencing on November 1 and the Retail Supplier shall be prohibited from serving such customers for a period of one year. In addition to any and all remedies the Company may have in law and/or equity, if a Retail Supplier fails to maintain firm, non-recallable, primary delivery point capacity, the Retail Supplier shall be liable to the Company for an amount equal to \$50 times the daily volume in dekatherms of the difference between the capacity released by the Company to the Retail Supplier and the actual firm, non-recallable, primary delivery point capacity maintained by the Retail Supplier under the Company's Retail Access Program.
4. Where upstream capacity is available for assignment, the Retail Supplier will be assigned a pro-rata slice of applicable capacity in the Company's portfolio. The Company will determine the specific upstream capacity to be released to the Retail Supplier and will release that capacity, in minimum increments of 1 dekatherm, at the applicable upstream pipeline's maximum rate in accordance with the terms and conditions of the interstate pipeline's FERC gas tariff and the rules and regulations of the FERC. The Retail Supplier shall be directly billed by the pipeline(s) for such capacity and will be responsible for paying the pipeline(s) for such charges. Once the capacity is released, Central Hudson is not responsible for any actions by the Retail Supplier. The capacity is resalable by the Retail Supplier subject to the provisions contained in the upstream pipeline rules and regulations, and is subject to recall by Central Hudson under the following conditions: (a) when required to preserve the integrity of the system, (b) the customer returns to Central Hudson as a core sales service customer, (c) the customer leaves the system or the meter is locked, or (d) the Retail Supplier serving the customer defaults on delivery obligations. A Retail Supplier will be considered to be in default when the predetermined delivery requirements have ceased for a forty-eight (48) hour period.

5. The capacity intended for release under the Company’s Retail Access Program is set forth in the table below. The releases are made on a monthly basis beginning November 1 and continue for 12 months until October 31 and reflect adjustments for incremental customer migration. Any Retail Supplier beginning service prior to November 1 will be released capacity on a monthly basis until October 31.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Capacity Available for Retail Program 4/1/2009

Pipeline Path	Zone	Leg	DTH Volume	% of Total Available for Release
Tennessee Gas	0-5	100	5,644	26.9%
Tennessee Gas	1-5	800	3,386	16.2%
Tennessee Gas	1-5	500	4,648	22.2%
			13,678	
Tennessee Gas	0-4	100	34	
Tennessee Gas	1-4	800	394	
Tennessee Gas	1-4	500	311	
Tennessee Gas	1-4	500	1,479	
Columbia Gas			2,175	
			2,175	10.4%
Columbia Gulf			5,113	
Columbia Gas			5,105	
			5,105	24.4%
Total Available for Retail Program			20,958	100.0%

6. Any difference between the system weighted average cost of capacity (“WACOC”) and the WACOC associated with the pipeline capacity released through the Retail Access Program will be collected or refunded through the Capacity Assignment Adjustment as part of the Transportation Demand Adjustment. The Capacity Assignment Adjustment will be set annually, effective April 1, based on the Company’s estimate of its system WACOC for the applicable annual period, the current pipeline rates for the pipelines upon which the Company releases capacity, and the estimated deliveries to Service Classification No. 6, 12 and 13 customers. Any difference between the amount surcharged or credited to these customers through the Capacity Assignment Adjustment and the actual difference between the pipeline rates and the Company’s system WACOC will be reconciled annually and reflected in the Capacity Assignment Adjustment. The Company will apply this adjustment to all firm transportation customers.

7. Central Hudson shall in no way be liable for any errors in the calculation of the customer's delivery requirements, nor be responsible for any additional gas costs incurred by the Retail Supplier due to an error in the calculation of the delivery requirements.

D. Company Holidays

New Year's Day

President's Day

Good Friday

Memorial Day

Independence Day

Labor Day

Columbus Day

Thanksgiving Day and the day after

Christmas Eve and Christmas Day

Note: For any holiday that falls on a weekend the weekday that falls closest to the holiday will be considered to be the holiday.

V. TRANSPORTATION SERVICES

A. Firm and Aggregated Transportation (Service Class Nos. 6, 12 and 13)

Eligibility

To be eligible for service under the Company's Retail Access Program for firm "core" gas transportation service,:

1. customers who would otherwise qualify for service under Service Classification No. 1 - Residence, must be party to a customer buying group that has the capability of consuming 50,000 Ccf or greater per year. These customers will operate under the terms of Service Classification No. 12; or,
2. customers who would otherwise qualify for service under Service Classification No. 2 - Commercial and Industrial and have annual requirements less than 35,000 Ccf, must be a party to a customer buying group that has the capability of consuming 50,000 Ccf or greater per year. These customers will operate under the terms of Service Classification No. 13. Customers who qualify for service under Service Classification No. 2 and whose annual consumption is greater than 35,000 Ccf will operate under the terms of Service Classification No. 6; and,
3. customers must assist and allow the collection of data and information necessary to evaluate the program; and,
4. customers must agree to subscribe to the services of only one Retail Supplier at a time per meter.

Customer Enrollment

1. Customers interested in the program may contact Central Hudson and request a listing of the eligible Retail Suppliers published by the Company;

Customers may call 1-877-444-CHGE (2443), 845-452-2700 or 1-800-527-2714. This information is also available on the Company's website **www.CentralHudson.com**

2. The customer may contact any eligible Retail Supplier directly and request a statement of the Retail Supplier's terms and conditions that detail the customer's rights, responsibilities, and expected costs;
3. The customer may contract with the Retail Supplier by telephone or in writing, by providing the Supplier with the customer's Central Hudson account number(s) and other information required by the Supplier;
4. Customers may be served by only one Retail Supplier per meter;
5. A customer whose annual consumption is greater than 35,000 Ccf may act as his own Retail Supplier (Direct Customer) to obtain natural gas supplies from third party suppliers and to have those supplies delivered to the appropriate interconnection points on Central Hudson's system subject to the applicable terms and conditions of Central Hudson's Retail Access Program.
6. Retail Suppliers must transact all enrollments, drops, changes and reinstatements (switches) using the prescribed electronic data interchange (EDI) transactions. Retail Suppliers must have a customer group with annual usage in excess of 50,000 Ccf to participate in the program.

B. Winter Bundled Sales Service and Balancing Service Option

Retail Suppliers must elect either Winter Bundled Sales (WBS) Service or Balancing Service prior to the date Firm Transportation Information is available for the month of April, as indicated on the Company's Calendar of Gas Transportation Scheduling as defined in General Information Section 2 of the Company's tariff.

1. Winter Bundled Sales (WBS) Service Option

Retail Suppliers electing the WBS option will be provided with storage space demand determinants for each customer in their pool. The aggregated total of the storage space for all customers in a Retail Supplier's pool, measured in dekatherms, will be called the Winter Bundled Sales Volume (WBSV). The Retail Supplier is required to purchase the WBSV from the Company during the period November – March (winter period) in accordance with the provisions set forth below.

During the winter period, the ADCQ for each Retail Supplier will be reduced by a monthly allocation of WBSV based on the schedule set forth below:

<u>Month</u>	<u>Amount Delivered</u> <u>As a % of WBSV</u>
November	10%
December	20
January	25
February	25
March	20

The WBS gas delivered by the Company to a Retail Supplier's customers shall be defined as WBSV divided by the factor of adjustment, and will be considered the first gas through the meter each day of the winter period.

The Retail Supplier shall purchase the WBSV at a price, to be published in the Statement of Firm Gas Transportation Rates during the period November – March of each year.

2. Balancing Service Option

Retail Suppliers electing the balancing service option will be required to take assignment of additional capacity, Alternate Capacity Requirements or ACR, from the Company equal to the aggregated total amount of Storage Service demand determinants for all customers in their pool.

In addition to any payments that the Retail Supplier will make for such capacity, the Retail Supplier will be subject to a Balancing Service Charge applied monthly to the difference between the sum of the peak day requirements for Retail Supplier's aggregated pool of customers less the TCQ, converted from Dth to Ccf.

C. Supply Balancing and Settlement

1. Daily

The Retail Supplier must deliver to Central Hudson on each day of the month, at predetermined interconnection points, the $ADCQ_{forecast}$. Deliveries in excess of one hundred two (102) percent of the $ADCQ_{forecast}$ will be purchased by Central Hudson at one hundred (100) percent of the lowest daily average of the “Midpoint” rates for “Tennessee, zone 0” and “Tennessee, zone 1” (500 and 800 legs) receipt points as published in Platt’s Gas Daily in the table “Daily Price Survey”, plus the Company’s weighted average cost of transportation and fuel losses. In the event that the daily deliveries are less than ninety eight (98) percent of the $ADCQ_{forecast}$, the Retail Supplier will purchase from Central Hudson the incremental gas required to increase the deliveries to 98 percent of the $ADCQ_{forecast}$ at the higher of the daily “Midpoint” rate of “Transco zone 6 N.Y.” or “Iroquois, zone 2” receipt points as posted in Platt’s Gas Daily, for the applicable day plus a charge of ten (\$10) dollars per dekatherm. In the event that an excess delivery occurs during a period in which Central Hudson has issued an operational flow order the Retail Supplier will be assessed all penalties incurred by Central Hudson which resulted from the excess delivery. In the event that the under-delivery occurs during a period in which Central Hudson has issued an operational flow order, the Retail Supplier will purchase from Central Hudson the incremental gas required to increase the deliveries to 98 percent of the daily $ADCQ_{forecast}$ at the higher of the daily “Midpoint” rate of “Transco, zone 6 N.Y.” or “Iroquois, zone 2” receipt points as posted in Platt’s Gas Daily, for the applicable day plus a charge of twenty-five (\$25) dollars per dekatherm.

2. Monthly Cash Out

Within 15 days after the end of the month, the Company will estimate customer consumption using actual degree days as measured at the Dutchess County Airport and the same heat and non-heat factors that were used to provide the $ADCQ_{forecast}$ to arrive at an estimate of the amount of gas consumed by the aggregated group of customers each month. This calculated value will be grossed up by the factor of adjustment and converted from Ccf to Dth using the 12 month system average BTU conversion factor and will be called the Aggregated Monthly Contract Quantity ($AMCQ_{actual}$). The monthly cash out quantity for each Retail Supplier’s pool will then be equal to the difference between the $AMCQ_{forecast}$,

including WBSV, and any allowed daily imbalance, minus the $AMCQ_{actual}$. Any resulting difference will be cashed out at the following index prices:

April – October

For the months of April – October, inclusive, the monthly cash out prices for both over- and under-deliveries will be equal to the monthly average of the daily average of the “Midpoint” rates for “Tennessee, zone 0” and “Tennessee, zone 1” (500 and 800 legs) receipt points, plus the Company’s weighted average cost of transportation and fuel losses.

November – March

For the months of November – March, inclusive, monthly cash out prices will be as follows:

Over-deliveries: the monthly average of the daily average of the “Midpoint” rates for “Tennessee, zone 0” and “Tennessee, zone 1” (500 and 800 legs) receipt points as published in Platt’s Gas Daily in the table “Daily Price Survey”, plus the Company’s weighted average cost of transportation and fuel losses.

Under-deliveries: the monthly average of the daily “Midpoint” rate of the higher of “Transco zone 6, N.Y.” or “Iroquois, zone 2” receipt points as published in Platt’s Gas Daily in the table “Daily Price Survey” under the Citygates heading.

3. Semi-Annual Reconciliation/Cash Out

Central Hudson will reconcile the gas supplies delivered and the natural gas consumed by customers taking service under Service Classification Nos. 6, 12 and 13 twice per year; once for the seven months ending October 31 (Summer) and once for the five months ending March 1 (Winter).

At the end of the Summer and Winter periods, the Company will determine the over- or under-delivery, or net imbalance, for each Retail Supplier based on the Retail Supplier’s customers’ actual usage for the period. The sum of each Retail Supplier’s customers’ consumption will be multiplied by the factor of adjustment, converted from Ccf to Dth and compared to the Retail Supplier’s Aggregated Monthly Contract Quantity ($AMCQ_{actual}$). The Company will release this imbalance determination, and supporting detail, twenty-one (21) days after the end of each period.

A Retail Supplier may exchange a period end imbalance with another Retail Supplier serving Service Classification Nos. 6, 12 and 13. Imbalance position and contact information for each Retail Supplier will be available after the end of the month on the Company's Gas Tracking System. Such exchanges of imbalances shall be accomplished upon notification to the Company of the exchange by the applicable Retail Supplier on or before the fifth business day after the release of imbalance determinations by the Company.

The net effect of all imbalance exchanges must improve a Retail Supplier's relative imbalance position. In no event will the Company process exchanges that result in a larger negative position for a Retail Supplier.

Central Hudson will purchase net over-deliveries in either the Summer or Winter seasonal cash out at the average of the individual months' cash out prices for over-deliveries in the applicable season. Central Hudson will charge for net under-deliveries in either the Summer or Winter seasonal cash out at the average of the individual months' cash out prices for under-deliveries in the applicable season.

D. Interruptible Transportation Service - Service Classification No. 9

Eligibility

1. To be eligible for service under the Company's Service Class No. 9 interruptible transportation service the customer must have the capability of transporting and consuming at one service point 35,000 Ccf or greater per year or be party to a customer buying group having the capability of transporting and consuming 50,000 Ccf or greater per year;
2. the customer agrees to take service on a fully interruptible basis;
3. the customer provides and maintains necessary standby facilities for using alternate fuels during periods of interruption, human needs customers and customers relying on distillate fuel as their alternate fuel must provide and maintain necessary standby facilities together with a fuel reserve that will support ten (10) days of the customer's energy requirements and have arranged for fuel deliveries during curtailments that are longer than ten (10) days. The alternate fuel reserve inventory must be in place on or before November 1. Customers with storage facilities that cannot maintain the required fuel reserves must provide documentation confirming that they have arranged to have fuel deliveries during curtailment periods;
4. the service hereunder is not used in any equipment which is supplied with gas service under any other Service Classification except for S.C. No. 8;
5. the customer's premises are (a) located adjacent to the Company's existing gas mains having adequate capacity to supply customer's prospective requirements in addition to the simultaneous requirements of present or prospective customers taking firm or interruptible service from such mains, or (b) at other points under arrangements made in accordance with General Information, Section 25;
6. the customer has entered into a transportation agreement with Central Hudson. Copies of the agreement are included in the Forms Section of this manual and are also included in General Information, Sections 35 or 36 of the Company's tariff;

7. the customer agrees to discontinue or curtail the use of gas service, at any time, at the Company's option on not less than two hours' notice to the customer;
8. the customer agrees to notify the Company, within 24 hours, in the event the customer discontinues service provided under this Service Classification;
9. all customers opting to commence service under this service classification on and after September 1, 2004 are required to have automated meter recording equipment furnished and installed by the Company at the customer's expense. The customer agrees to prepay to the Company the cost of the automated meter recording equipment. In addition, the customer shall furnish an electrical supply and a phone line necessary for the operation of the equipment, in an area which is acceptable to the Company. Effective March 1, 2006, all customers taking service under this service classification prior to September 1, 2004 are required to have automated meter recording equipment furnished and installed by the Company at the Company's expense. In addition, the customer shall furnish an electrical supply and a phone line necessary for the operation of the equipment, in an area which is acceptable to the Company, and;
10. Customers found to be operating under this tariff without meeting the requirements of this tariff will be required to take service under Service Classification No. 2 for a period of not less than one year. If after the one-year period the Customer is able to meet the requirements of this tariff they will be given the option of returning to interruptible service.

Character of Service

1. Transportation service of interruptible customer-owned gas for which the customer has arranged transport to a delivery point at the boundary of the Company's service area. The Company shall control the dispatch of such gas, and dispatch shall be provided as requested by the customer, conditioned on the availability of the Company's system capacity.
2. Standby sales of interruptible gas, owned by the Company, having a monthly average heating value of not less than 1,000 Btu. per cu. ft., delivered at a pressure agreed upon by the customer and the Company, but not in excess of the pressure available at the point of delivery. The Company shall control the dispatch of such gas, conditioned on the availability of gas supplies and system capacity.

Monthly Rate

The monthly rate billed to customers under this Service Classification will be comprised of two components: (1) a Transportation Rate and (2) a Balancing Service Charge, both as defined below.

Rates and charges are set forth in P.S.C. No. 12 – Gas, Service Classification No. 9 – Interruptible Transportation/Standby Sales Service.

(1) Transportation Rate

Customer's transportation rates will be determined for each of the following categories and alternate fuel types:

Category 1- No. 6 Oil, 1.5% Sulfur Content or Higher

Category 2- No. 6 Oil, Less than 1.5% Sulfur Content and No. 4 Oil

Category 3- All others

A. Monthly Rate Option

The rate per 100 cu. ft. shall be established for each interruptible customer category, at the Company's discretion, and shall be applied to all gas transported under each interruptible category.

The rate shall not be less than \$.010 per 100 cu. ft. or more than the firm transportation rate applicable to customers under Service Classification No. 6.

For customers eligible for S.C. No. 11, the rate shall not be greater than the transportation rate capped at the applicable S.C. No. 11 rate, as established in Opinion 96-28 in Case 95-G-1034. The annual S.C. No. 11 transportation rate cap shall be determined each January based on customer load data from the previous calendar year. The rate cap will become effective in February and shall remain in effect for the following twelve (12) months.

B. Seasonal Rate Option

Seasonal transportation rates will be determined in April and October of each year. The rate per 100 cu. ft. established in April for each interruptible customer category will remain in effect from May 1 through October 31. The rate per 100 cu. ft. established in October for each interruptible customer category will remain in effect from November 1 through April 30. Customers operating under the interruptible transportation seasonal rate option will not be eligible for service under Service Classification No. 8 during the term of their interruptible transportation service agreement. Service agreement terms will correspond to the seasonal rate periods.

(2) Balancing Service Charge

The Balancing Service Charge, as described in General Information Section 43 of the Company's tariff, shall apply to all gas consumed by a customer under this Service Classification and shall be billed to the customer.

Customers taking service under this Service Classification will be required to make a semi-annual election to have their gas deliveries and usage balanced on a daily or monthly basis according to the terms of this Service Classification for the following balancing periods:

November 1 - April 30, inclusive

May 1 - October 31, inclusive

Existing customers will be required to notify the Company in writing, of their selected balancing option for an applicable balancing period on or before the date indicated on the Company's Calendar of Gas Transportation Schedule utilizing Attachment A to the service agreement included in General Information Section 35 or 36 of the Company's tariff, as appropriate.

Absent timely receipt by the Company of notification of a customer's selected balancing option, the customer will be placed on monthly balancing by default.

A customer taking service under this Service Classification will maintain its balancing option for the full duration of the balancing period regardless of whether the customer

switches to service under another service classification or its alternate fuel and subsequently returns to service under this Service Classification.

BALANCING: Charges for Over- and Under-Deliveries

All charges resulting from over- or under- deliveries will be billed to a customer's Retail Supplier pursuant to the rates and terms contained herein. If for any reason a Retail Supplier does not pay the charges resulting from over-or under-deliveries however, the Company retains the right to bill the customer for such charges.

Retail Suppliers must have the authority to act as the customer's agent and attorney-in-fact for the purpose of scheduling, balancing and settlement. Retail Suppliers must have signed and delivered a Supplier Operating Agreement Applicable to Interruptible and/or Firm Transport, as included in the Forms Section of this manual.

Retail Suppliers shall undertake all reasonable efforts to provide the Company with accurate nominations of the customer-owned gas and to balance nominations and deliveries. Any penalty amount paid by the Retail Supplier shall not be construed as giving the Retail Supplier the right to continue to under or over deliver gas.

A. Daily Balancing

If the amount of gas delivered to the Company for a customer, less any adjustment determined in accordance with Special Provision 9.4 of the Company's tariff, varies from the amount of gas used by the customer on a daily basis, the customer will have an over-delivery or an under-delivery.

1. Over-deliveries - Daily

If on any day a customer's over-delivery is greater than 10% of a customer's actual usage, and the combined over- or under-delivery for all Service Classification Nos. 9 and 11 daily balanced customers is greater than 10%, the over-delivered volumes in excess of 10% will be purchased by the Company at the rates set forth below. The Index Price used to determine the applicable rate shall be equal to the average "Midpoint" rate for "Tennessee, zone 0" and "Tennessee, zone 1" (500 and 800 legs) receipt points as published in Platt's Gas Daily in the table "Daily Price Survey", plus the Company's weighted average cost of transportation and fuel losses.

For Over-Deliveries	Rate
> 10% up to and including 15%	90% of Index Price
> 15% up to and including 20%	85% of Index Price
> 20% - Winter	60% of Index Price
> 20% - Summer	70% of Index Price

2. Under-deliveries - Daily

If on any day a customer's under-delivery is greater than 10% of a customer's actual usage, and the combined over- or under-delivery for all Service Classification Nos. 9 and 11 daily balanced customers is greater than 10%, the under-delivered volumes in excess of 10% will be sold to the customer by the Company at the rates set forth below. The Index Price used to determine the applicable rate shall be equal to the "Midpoint" rate of the higher of "Transco, zone 6 N.Y." and "Iroquois, zone 2" receipt points as published in Platt's Gas Daily in the table "Daily Price Survey" under the Citygates heading.

For Under-deliveries	Rate
> 10% up to and including 15%	110% of Index Price
> 15% up to and including 20%	115% of Index Price
> 20% - Winter	140% of Index Price
> 20% - Summer	130% of Index Price

3. Month End Cash Out

At the end of the month, a customer's cumulative over- or under-deliveries, net of any activity resulting from the daily balancing provisions described above, will be summed into a net imbalance.

(a) Exchange of Net Imbalances

A customer or its Retail Supplier may exchange a month-end imbalance with another Service Classification No. 9 or 11 customer or its Retail Supplier. Imbalance position and contact information for each Retail Supplier will be available after the end of the month on

the Company’s Gas Tracking System. Such exchanges of imbalances shall be accomplished upon notification to the Company of the exchange by the applicable customer, or its designated Retail Supplier, prior to the imbalance resolution due date as shown on the Company’s Calendar of Gas Transportation Scheduling. The net effect of all imbalance exchanges must improve a customer’s or its designated Retail Supplier’s, relative imbalance position. In no event will the company process exchanges that result in a larger negative position for the customer, or its designated supplier.

(b) Cash Out

Any net imbalances which are not resolved through exchange will be cashed out according to the following terms and pricing:

November - March	Over-Deliveries	Under-Deliveries
0% to 5%	Index	Index
5% to 10%	90% of Index	110% of Index
>10%	80% of Index	120% of Index

All Other Months	Over-Deliveries	Under-Deliveries
0% to 10%	Index	Index
>10%	80% of Index	120% of Index

The over-delivery Index Price will be equal to the average of the daily averages of the “Midpoint” rates for “Tennessee, zone 0” and “Tennessee, zone 1” (500 and 800 legs) receipt points as published in Platt’s Gas Daily in the table “Daily Price Survey” for the applicable month, plus the Company’s weighted average cost of transportation and fuel losses.

The under-delivery Index Price will be equal to the average of the “Midpoint” rates of the higher of “Transco, zone 6 N.Y.” and “Iroquois, zone 2” receipt points as published in Platt’s Gas Daily in the table “Daily Price Survey” under the Citygates heading for the applicable month.

B. Monthly Balancing

If the amount of gas delivered to the Company for a customer, less any adjustment determined in accordance with Special Provision 9.4 of the Company’s tariff, varies from the

amount of gas used by the customer for a given month, the customer will have an over-delivery or an under-delivery. Any such over- or under-delivery will be cashed out according to the terms and pricing contained in A. 3., Month End Cash Out, of this section.

Minimum Charge

The Customer Charge – As set forth in P.S.C. No. 12 – Gas, Service Classification No. 9.

Increase in Rates and Charges

The rates and charges under this Service Classification are increased to reflect the tax rates applicable within the municipality where the customer takes service.

Current tax tables are available on the PSC website.

Operating Procedures

1. The Company shall determine the rate per 100 cu. ft. to be charged for the next calendar month under this Service Classification on or before the date shown on the Company's Calendar of Gas Transportation Scheduling. The rates will be available on the Company's website.
2. The customer shall reimburse the Company within ten days of receipt of a statement, for any additional fees, taxes or other charges billed directly to the Company for services regarding transportation of customer-owned gas to the boundary of the Company's service territory.
3. Customers switching to or from their alternate fuel shall provide the Company with written notification (email notification shall be acceptable) at least one business day prior to such switch.
4. The customer shall provide the Company gas supplies to compensate the Company for system line losses. The volume of gas associated with system line losses shall be calculated by applying the Company's Factor of Adjustment to the volume of gas delivered to the Company on behalf of the customer.

5. Customers can be served by only one Retail Supplier during the month. Customers will not be allowed to change Retail Suppliers after the initial monthly nomination form is received by the Company. For customers operating within a buying group the customer must comply with the Company's switching requirements.
6. The Company is under no obligation to accept deliveries on behalf of a customer in excess of the maximum daily quantities included in the customer's service agreement.
7. In the event that the Company must interrupt deliveries of customer-owned gas supplies which have been delivered to the Company on behalf of the customer, the Company will not impose any imbalance penalties associated with that gas supply.
8. Landlords of industrial and commercial properties, which do not have residential tenants, may file a petition and application to the New York State Public Service Commission requesting permission to submeter gas usage to their tenants. Such petitions and application must address the following four areas of major concern regarding the request to submeter: (a) safety (b) rate impact for the ultimate consumer (c) non-rate consumer protection issues, and (d) service provider and utility matters. The petition and application must also provide that the conditions proffered will be reiterated in leases with the submetered tenants. Copies of such petitions and application must be served on the Company and the petitioner's tenants.
9. If the Company curtails service and the Customer is not able to meet requirements of the curtailment, the Company will charge the Customer a curtailment charge for all gas consumed by the Customer until the Customer is able to meet the requirements of a curtailment. The curtailment charge for gas consumed will be \$2.50 per Ccf plus the highest price of the natural gas purchased by Central Hudson during the curtailment.
10. If a customer fails to meet the alternate fuel reserve requirement, the Company will charge the customer the greater of 130% of the market price of the customer's alternate fuel or 110% of the applicable tariff rate for natural gas service for all gas consumed until the customer is able to meet the alternate fuel reserve requirement. The daily alternate fuel market price will be the New York spot \$/MMBtu price of the customer's alternate fuel as published in Platt's Gas Daily in the table "Platt's oil prices" for the day prior to the noncompliance. If the customer's alternate fuel is No. 4 or No. 6 oil, the applicable alternate fuel price will be "1%

- Resid HP". The curtailment charge is effective for the billing period during which the noncompliance becomes known and for any subsequent periods during which noncompliance continues.
11. Central Hudson shall determine the delivery point for all end-user deliveries.
 12. Prior to November 15 of each year, the Company will institute an annual system curtailment. Customers will be notified by registered mail that the Company will be conducting a system curtailment. The notification letter will also request information concerning the Customer's alternate fuel supply and arrangements for deliveries during actual curtailment periods. Customers must reply to the request for information within thirty (30) days of receipt. Failure to reply will subject the Customer to the Company's curtailment charge. In addition, if for any reason the Customer is not able to curtail usage during the annual system curtailment, the Customer will be subject to the Company's curtailment charge, as described above, for all gas consumed by the Customer until the Customer is able to meet the requirements of a curtailment.
 13. If the Customer experiences unanticipated problems when attempting to curtail usage during either an actual curtailment or the annual system curtailment, the Company, at its sole discretion, may waive the curtailment charge for a period up to four (4) hours.
 14. In the event the Company issues an Operational Flow Order (OFO), the following requirements will remain in effect for the duration of the OFO:
 - a) Gas delivered to Central Hudson's system, less any adjustment determined in accordance with Special Provision 9.4 of the Company's tariff, for a daily balanced customer will be required to be within two percent (2%) of the customer's daily usage, and
 - b) The daily cashout tiering provisions will be revised such that the first tier will apply to daily over- and under-deliveries greater than 2% up to and including 15%, and
 - c) The Company will not issue an OFO simultaneously for under deliveries and over deliveries.
 15. Bills are due when personally served or three days after mailing. Bills shall be subject to a late payment charge if payment is not made by the date specified on the bill which date shall be not less than 20 days from the due date.

16. The term of service will be as defined within the written transportation service agreement.

Nomination Procedures

To nominate gas, the Retail Supplier notifies Central Hudson of the quantity of gas they are transporting to the Central Hudson system via CHG&E's web-based Gas Tracking System. Separate nominations are required for daily and monthly balanced customer pools. For the month of April, 2007, Retail Suppliers will also be required to fax the nomination form, included in the Forms Section of this manual, to Central Hudson's Fuels Resources Group at 845-486-5626. Nomination due dates are posted on the Company's Gas Transportation Calendar. The Calendar is available on the Company's website.

Mid-day nominations must be received by Central Hudson by 11:00 am. EST the day on which the nomination is to become effective.

All nominations and changes at Central Hudson's city gates are confirmed by Central Hudson with the upstream pipeline prior to gas flowing. Central Hudson may refuse the nomination if the Retail Supplier's nomination does not match the pipeline nomination, or if the nomination is in excess of the customer's maximum daily quantity (MDQ).

The initial nomination must be received by the Company no later than the date indicated on the Company's gas transportation calendar as the "Notice of Intent to Transport". Final nominations must be received by the date indicated on the calendar as the "Final Transportation Nomination".

Curtailment Procedures

The Company shall only implement a curtailment as a last resort. Economic considerations shall not be the basis for a curtailment. Mutual aid, contractual and other non-curtailment supply management tools, Operational Flow Orders, interruption of contractually-interruptible load, and supply acquisition shall be utilized before the Company declares a curtailment. As circumstances

permit, the Company shall initially seek voluntary curtailments to alleviate an emergency situation. In the event of a force majeure, loss of capacity on the Company's system or a loss of upstream gas supply(s) and/or loss of upstream interstate pipeline capacity, the Company shall initiate the following curtailment procedures. Curtailments shall be limited in scope and duration as necessary to alleviate an emergency and shall be localized to the extent possible. Customers who are unable to secure customer-owned gas supplies and are unable to switch to their alternate fuel will be switched to the Company's Service Classification No. 2 service.

A. Order of Curtailment

1. ELECTRIC GENERATION. NOTE: If in the sole judgment of the Company a need for the electric generation exists, the Company would endeavor to maintain adequate gas supply to the electric generation facilities.
2. Interruptible transport (S.C. No. 9) and firm transport (S.C. No. 11) without customer-owned supplies.
3. Interruptible service requirements (S.C. No. 8).

Category 1 - No. 6 Oil, 1.5% Sulfur Content or Higher

Category 2 - No. 6 Oil, Less than 1.5% Sulfur Content and No. 4 Oil

Category 3 - All Others

4. Requirements of the Company's general office and of customers with installed dual-fuel capability.
5. Firm industrial and commercial requirements for boiler fuel for space heating, air conditioning, electric generation and other non-process purposes where the total annual requirements are 100,000 Ccf. or greater.
6. Firm industrial and commercial requirements for boiler fuel for space heating, air conditioning, electric generation and other non-process purposes where the total annual requirements are between 12,000 Ccf. and 99,999 Ccf., inclusive.

7. Firm industrial and commercial requirements for processes for which there are technically feasible alternate fuels and for space heating (other than boiler fuel) where the total annual requirements are 100,000 Ccf. or greater.
8. Firm industrial and commercial requirements for processes for which there are technically feasible alternate fuels and for space heating (other than boiler fuel) where the total annual requirements are between 12,000 Ccf. and 99,999 Ccf., inclusive.
9. Process and feedstock requirements for which there are no technically feasible alternate fuels where the total annual requirements are 12,000 Ccf. or greater.
10. Plant protection requirements for customers curtailed in Priorities 5 through 9 above.
11. Firm industrial and commercial requirements where the total annual requirements are less than 12,000 Ccf.
12. Interruptible transport (S.C. No. 9) and firm transport (S.C. No. 11) with customer-owned supplies.
13. Firm residential requirements including the requirements of apartment houses, prisons, dormitories, nursing homes, hospitals and residential hotels.

B. Method of Curtailment

1. Curtailment will proceed through the priorities starting with Priority 1, and will require curtailment of consumption by the affected customer after not less than two hours notice by telephone or otherwise. The Company will notify customers when curtailment of consumption is no longer required.
2. Curtailment within each priority shall be made on a pro rata basis except that curtailment of firm residential requirements will be by individual customers in descending order based on volume of gas used.

3. When necessary to meet high-priority customer demand, Central Hudson will acquire gas intended for lower priority customers at the citygate. Retail suppliers/direct customers whose gas is diverted by Central Hudson will be required to continue making nominations of gas throughout the curtailment period up to their maximum delivery obligation as directed by Central Hudson, unless qualified upstream force majeure interruptions or curtailments prevent retail suppliers/direct customers from securing or delivery of such supplies. During a curtailment period, Central Hudson shall make all reasonable efforts to inform non-responding retail suppliers/direct customers that required actions are not being taken. Lack of such notice shall not relieve any retail supplier/direct customer of its obligations.
4. The Company reserves the right to curtail services outside the order listed in order to protect the efficient operation of the system.
5. Failure of the Company to adhere to one or more of the curtailment criteria is not a basis for Retail Suppliers or Direct Customers not to comply with requirements of the curtailment, but may provide the basis for a complaint to the Commission regarding the Company's behavior.

C. Notification of Curtailment

1. The Company will notify the Director of the Office of Electric, Gas and Water of the New York State Department of Public Service when a curtailment is declared and when the situation returns to normal.
2. Notification will be provided to the Retail Supplier and curtailed customers periodically during the curtailment period.

D. Compensation

1. If a non-core customer (S.C. No. 8 or 9) has been directed to curtail consumption, by telephone or otherwise, and refuses to comply with the directed reductions, the customer may be subject to an additional charge of \$2.50 per Ccf of unauthorized usage.

2. In the event it is necessary to divert gas from non-core customers (S.C. No. 8 or 9) to supply the needs of core customers (S.C. Nos. 1, 2, 6, 11, 12, 13, 15 and 16), compensation to non-core customers, or their designated retail supplier, will be at the market value of the diverted gas on the day(s) the gas was diverted. The market value of the diverted gas shall be equal to the “Midpoint” rate of the higher of “Transco, zone 6 N.Y.” and “Iroquois, zone 2” receipt points as published in Platt’s Gas Daily in the table “Daily Price Survey” under the Citygates heading. When gas is diverted to serve firm sales customers, the payments made by the Company will be recovered through the Gas Supply Charge as described in General Information Section 27 of the Company’s tariff. When gas is diverted to serve a customer operating under a firm transportation service, that firm transportation customer will reimburse the Company for its payments to the non-core customer.

3. In the event it is necessary to divert gas from lower priority core customers to supply the needs of higher priority core customers, Central Hudson will compensate the direct customer(s) or the customers’ retail supplier(s) at the market value of the diverted gas on the day(s) the gas was diverted. The market value of the diverted gas shall be equal to the “Midpoint” rate of the higher of “Transco, zone 6 N.Y.” and “Iroquois, zone 2” receipt points as published in Platt’s Gas Daily in the table “Daily Price Survey” under the Citygates heading. If it can be demonstrated by the retail supplier/direct customer that a contract calls for a higher price, Central Hudson will reimburse the retail supplier/direct customer at the contract price. Any such payments made by Central Hudson will be recovered through the Gas Supply Charge as described in General Information Section 27 of the Company’s tariff.

E. Service Classification No. 11 - Large Customer Transportation

Eligibility

1. This service is available to those customers that have the capability of transporting and receiving at one service point 750,000 Ccf. or greater per year, and;
2. the customer's premises are (a) located adjacent to the Company's existing gas mains having adequate capacity to supply customer's prospective requirements in addition to the simultaneous requirements of present or prospective customers taking firm or interruptible service from such mains, and;
3. service is to be provided under a transportation agreement as included the Forms Section of the manual and as shown in General Information, Section 40 of the Company's tariff.

Character of Service

Firm transportation service of customer-owned gas which the customer has arranged to have transported to a delivery point at the boundary of the Company's service area. The Company shall control the dispatch of such gas, and dispatch shall be provided as requested by the customer. All customer-owned supplies delivered to the Company's citygate will be redelivered to the customer. However, the Company is under no obligation to provide supplies if the customer-owned supplies are curtailed before the Company's citygate.

Monthly Rate

The monthly rate billed to customers under this Service Classification will be comprised of two components: (1) a Transportation Rate and (2) a Balancing Service Charge, both as defined below.

(1) Transportation Rate

Rates and charges are set forth in P.S.C. No. 12 – Gas, Service Classification No. 11.

For each Mcf. of gas metered on any day in excess of the customer's MDQ there will be a delivery charge of \$1.00 per Mcf.

The rates and charges under this Service Classification are increased pursuant to General Information Section 28 of the Company's tariff, to reflect the tax rates applicable within the municipality where the customer takes service. Current tax tables are available on the PSC's website.

(2) Balancing Service Charge

The Balancing Service Charge, as described in General Information Section 43 of the Company's tariff, shall apply to all gas consumed by a customer under this Service Classification and shall be billed to the customer.

Customers taking service under this Service Classification will be required to make a semi-annual election to have their gas deliveries and usage balanced on a daily or monthly basis according to the terms of this Service Classification for the following balancing periods:

November 1 - April 30, inclusive

May 1 - October 31, inclusive

Existing customers will be required to notify the Company in writing, of their selected balancing option for an applicable balancing period on or before the date indicated on the Company's Calendar of Gas Transportation Schedule utilizing Attachment A to the service agreement included in General Information Section 40 of the Company's tariff.

Absent timely receipt by the Company of notification of a customer's selected balancing option, the customer will be placed on monthly balancing by default.

A customer taking service under this Service Classification will maintain its balancing option for the full duration of the balancing period.

BALANCING: Charges for Over- and Under- Deliveries

All charges resulting from over- or under- deliveries will be billed to a customer's Retail Supplier pursuant to the rates and terms contained herein. If for any reason a Retail Supplier does not pay the charges resulting from over-or under-deliveries however, the Company retains the right to bill the customer for such charges.

Retail Suppliers must have the authority to act as the customer's agent and attorney-in-fact for the purpose of scheduling, balancing and settlement. Retail Suppliers must have signed and delivered a Supplier Operating Agreement Applicable to Interruptible and/or Firm Transport, as included in the Forms Section of this manual.

Retail Suppliers shall undertake all reasonable efforts to provide the Company with accurate nominations of the customer-owned gas and to balance nominations and deliveries. Any penalty amount paid by the Retail Supplier shall not be construed as giving the Retail Supplier the right to continue to under or over deliver gas.

A. Daily Balancing

If the amount of gas delivered to the Company for a customer, less any adjustment determined in accordance with Special Provision 11.2 of the Company's tariff, varies from the amount of gas used by the customer on a daily basis, the customer will have an over-delivery or an under-delivery.

1. Over-deliveries - Daily

If on any day a customer's over-delivery is greater than 10% of a customer's actual usage, and the combined over- or under-delivery for all Service Classification Nos. 9 and 11 daily balanced customers is greater than 10%, the over-delivered volumes in excess of 10% will be purchased by the Company at the rates set forth below. The Index Price used to determine the applicable rate shall be equal to the average "Midpoint" rate for "Tennessee, zone 0" and "Tennessee, zone 1" (500 and 800 legs) receipt points as published in Platt's Gas Daily in the table "Daily Price Survey", plus the Company's weighted average cost of transportation and fuel losses.

For Over-Deliveries	Rate
> 10% up to and including 15%	90% of Index Price
> 15% up to and including 20%	85% of Index Price
> 20% - Winter	60% of Index Price
> 20% - Summer	70% of Index Price

2. Under-deliveries - Daily

If on any day a customer's under-delivery is greater than 10% of a customer's actual usage, and the combined over- or under-delivery for all Service Classification Nos. 9 and 11 daily balanced customers is greater than 10%, the under-delivered volumes in excess of 10% will be sold to the customer by the Company at the rates set forth below. The Index Price used to determine the applicable rate shall be equal to the "Midpoint" rate of the higher of "Transco, zone 6 N.Y." and "Iroquois, zone 2" receipt points as published in Platt's Gas Daily in the table "Daily Price Survey" under the Citygates heading.

For Under-deliveries	Rate
> 10% up to and including 15%	110% of Index Price
> 15% up to and including 20%	115% of Index Price
> 20% - Winter	140% of Index Price
> 20% - Summer	130% of Index Price

3. Month End Cash Out

At the end of the month, a customer's cumulative over- or under-deliveries, net of any activity resulting from the daily balancing provisions described above, will be summed into a net imbalance.

(a) Exchange of Net Imbalances

A customer or its Retail Supplier may exchange a month-end imbalance with another Service Classification No. 9 or 11 customer or its Retail Supplier. Imbalance position and contact information for each Retail Supplier will be available after the end of the month on

the Company's Gas Tracking System. Such exchanges of imbalances shall be accomplished upon notification to the Company of the exchange by the applicable customer, or its designated Retail Supplier, prior to the imbalance resolution due date as shown on the Company's Calendar of Gas Transportation Scheduling. The net effect of all imbalance exchanges must improve a customer's or its designated Retail Supplier's, relative imbalance position. In no event will the company process exchanges that result in a larger negative position for the customer, or its designated supplier.

(b) Cash Out

Any net imbalances, which are not resolved through exchange, will be cashed out according to the following terms and pricing:

November - March	Over-Deliveries	Under-Deliveries
0% to 5%	Index	Index
5% to 10%	90% of Index	110% of Index
>10%	80% of Index	120% of Index

All Other Months	Over-Deliveries	Under-Deliveries
0% to 10%	Index	Index
>10%	80% of Index	120% of Index

The over-delivery Index Price will be equal to the average of the daily averages of the "Midpoint" rates for "Tennessee, zone 0" and "Tennessee, zone 1" (500 and 800 legs) receipt points as published in Platt's Gas Daily in the table "Daily Price Survey" for the applicable month, plus the Company's weighted average cost of transportation and fuel losses.

The under-delivery Index Price will be equal to the average of the "Midpoint" rates of the higher of "Transco, zone 6 N.Y." and "Iroquois, zone 2" receipt points as published in Platt's Gas Daily in the table "Daily Price Survey" under the Citygates heading for the applicable month.

B. Monthly Balancing

If the amount of gas delivered to the Company for a customer, less any adjustment determined in accordance with Special Provision 11.2 of the Company's tariff, varies from the amount of gas used by the customer for a given month, the customer will have an over-delivery or an under-delivery. Any such over- or under-delivery will be cashed out according to the terms and pricing contained in A. 3, Month End Cash Out, of this section.

Operating Procedures

1. The customer shall reimburse the Company within ten days of receipt of a statement, for any additional fees, taxes or other charges billed directly to the Company for services regarding transportation of customer-owned gas to the boundary of the Company's service territory.
2. The customer shall provide to the Company gas supplies to compensate the Company for system line losses. The volume of gas associated with system line losses shall be calculated by applying the Company's Factor of Adjustment to the volume of gas delivered to the Company on behalf of the customer.
3. Customer deliveries, less any adjustment determined in accordance with Special Provision 11.2 of the Company's tariff, and usage for those customers taking service under special contracts will be balanced on a monthly basis in accordance with the provisions contained in the Monthly Balancing section above.
4. During the period November 1 through March 31, the MDQ, as set forth on a customer's service agreement, will be reset each time a customer's usage exceeds the MDQ on five separate days. The average of the five highest demands will establish the new MDQ which will be effective on the first day of the next calendar month. If a customer's usage exceeds the MDQ in effect on November 1 on five or more separate days during the period November 1 through March 31, the average of the five highest demands will establish the new MDQ which will be effective April 1.

5. All customers taking service under this service classification are required to have automated meter recording equipment furnished and installed by the Company at the customer's expense. The provisions included in this service classification require daily monitoring; therefore, all customers operating under this service are required to have installed automated meter recording equipment. The Customer agrees to prepay, to the Company, the cost of the automated meter recording equipment. In addition, the Customer shall furnish an electrical supply and a phone line necessary for the operation of the equipment, in an area which is acceptable to the Company.
6. Customers can be served by only one Retail Supplier during the month. Customers will not be allowed to change Retail Suppliers after the initial monthly nomination form is received by the Company.
7. Landlords of industrial and commercial properties, which do not have residential tenants, may file a petition and application to the New York State Public Service Commission requesting permission to submeter gas usage to their tenants. Such petitions and application must address the following four areas of major concern regarding the request to submeter: (1) safety (2) rate impact for the ultimate consumer (3) non-rate consumer protection issues, and (4) service provider and utility matters. The petition and application must also provide that the conditions proffered will be reiterated in leases with the submetered tenants. Copies of such petitions and application must be served on the Company and the petitioner's tenants.
8. In the event the Company issues an Operational Flow Order (OFO), the following requirements will remain in effect for the duration of the OFO:
 - a) Gas delivered to Central Hudson's system, less any adjustment determined in accordance with Special Provision 11.2 of the Company's tariff, for a daily balanced customer will be required to be within two percent (2%) of the customer's daily usage, and
 - b) The daily cashout tiering provisions will be revised such that the first tier will apply to daily over- and under-deliveries greater than 2% up to and including 15%, and
 - c) The Company will not issue an OFO simultaneously for under deliveries and over deliveries.

9. Bills are due when personally served or three days after mailing. Bills shall be subject to a late payment charge if payment is not made by the date specified on the bill which date shall be not less than 20 days from the due date.
10. The term of service will be one year. All terms will be renewed annually unless three months prior written notification of termination or change has been provided by Company or Customer.

Nomination Procedures

To nominate gas, the Retail Supplier notifies Central Hudson of the quantity of gas they are transporting to the Central Hudson system via CHG&E's web-based Gas Tracking System. Separate nominations are required for daily and monthly balanced customer pools. For the month of April 2007, Retail Suppliers will also be required to fax the nomination form to both Central Hudson's Energy Control Group at 845-486-5268 and Fuels Resources Group at 845-486-5626. Nomination due dates are posted on the Company's Gas Transportation Calendar. The Calendar is available on the Company's website.

Mid-day nominations must be received by Central Hudson by 11:00 am. EST the day on which the nomination is to become effective.

Central Hudson does not accept weekend or holiday nomination changes from Retail Suppliers serving customers who are required to balance monthly. All nominations should be made by 12:30 p.m. EST on the last working day prior to the weekend or holiday. Retail Suppliers who serve customers operating under the Company's Daily Balancing service will be permitted to make nomination changes during weekends and holidays.

All nominations and changes at Central Hudson's city gates are confirmed by Central Hudson with the upstream pipeline prior to gas flowing. Central Hudson may refuse the nomination if the Retail Supplier's nomination does not match the pipeline nomination, or if the nomination is in excess of the customers maximum daily quantity (MDQ).

The initial nomination must be received by the Company no later than the date indicated on the Company's gas transportation calendar as the "Notice of Intent to Transport". Final nominations must be received by the date indicated on the calendar as the "Final Transportation Nomination".

VI. REQUIREMENTS OF POOL OPERATIONS

Operating Procedures

The following information defines Company policies related to the Retail Access Program that are not specifically addressed by the Uniform Business Practices.

1. Retail Suppliers must have signed and delivered a Supplier Operating Agreement with the Company.
2. Retail Suppliers must plan to meet the full natural gas supply requirements of the customer. In the event there is a material change or an anticipated substantial increase in the natural gas supply requirement of a customer or customers, Retail Suppliers will notify the Company of such change prior to such change or increase and will cooperate with the Company, as reasonably required by the Company, to accommodate such change or increase.
3. Retail suppliers must provide a list of contact personnel to the Company and information on after hours contact.

VII. COMMUNICATION PROTOCOLS

A. Internet Access

The coordinated effort of Central Hudson, Retail Suppliers, Pipelines and the Customers is needed to make the open market system work efficiently. A key component of this effort is information exchange. In an attempt to make as much information as possible available to all parties Central Hudson has made extensive information available on the Company's website. Central Hudson's web address is **www.CentralHudson.com**. Parties interested in retail access information should go into the section entitled "**Energy Choice**". The following is a summary of the information available in the "Energy Choice" section.

Energy Suppliers:

Gas Retail Suppliers – A listing of the retail suppliers operating in Central Hudson's territory.

For Energy Suppliers:

General Information:

Gas Transportation Manual – Current copy of our procedures manual.

Gas Transportation Calendar

Map of Central Hudson's Territory

Meter Reading Template – Templates are available which will define file specifications of the meter reading and daily delivery schedules.

Usage & Billing History – The Central Hudson customer account number is required to access actual billing histories. Up to 24 months of data is available along with customer specific information.

Approved Suppliers Only – A Retail Supplier Account number and password are required to enter this area. The account number and password is available from the Supervisor of Customer Account Services. Retail Suppliers are able to access current usage records, monthly and daily delivery schedules.

The following is a summary of the information available in the "Rates & Tariffs" section, found at the top of Central Hudson's web page:

Cost Adjustment – Actual gas prices for all services by month.

Tariff Summary– A link to the PSC website with current, pending and superseded Gas Tariffs.

B. Electronic Bulletin Boards

Interstate pipelines have developed Electronic Bulletin Boards which are interactive links between the gas supply and distribution parties. Each interstate pipeline delivering gas into Central Hudson's system has their own Electronic Bulletin Board. Retail Suppliers who wish to provide service to customers in our territory are responsible for monitoring the appropriate Bulletin Boards. The following table shows the name of the pipeline delivering into Central Hudson's territory and the name of their bulletin board. Questions about the Electronic Bulletin Boards should be directed to the Company's Fuels Buyer.

Pipelines Serving Franchise Area

Pipeline System	Electronic Bulletin Board
Iroquois Gas Transmission System	Iroquois On Line
Columbia Gas Transmission Corp.	Navigator
Algonquin Gas Transmission	Link
Tennessee Gas Pipeline	Passkey

C. Company Contacts

Direct questions on the Company's Retail Access Program to:

Mr. James Van Tassell - Director of Retail Access Programs

Telephone: 845-486-5857

Fax: 845-486-5894

E-Mail: Jvantassell@cenhud.com

Direct questions on gas deliveries, nominations, and pipeline capacity to:

Mr. Vito Cracchiolo

- OR -

Ms. Barbara Pastoriza

(Fuel Buyer)

(Energy Control Analyst)

Telephone: 845-486-5562

Telephone: 845-486-5443

Fax: 845-486-5626

Fax: 845-486-5626

E-Mail: Vcracchiolo@cenhud.com

E-Mail: Bpastoriza@cenhud.com

Direct questions on interruptible services and Service Class No. 11 to:

Ms. Stacy Powers
(Associate Cost and Rate Analyst)

Telephone: 845-486-5815

Fax: 845-486-5894

E-Mail: Spowers@cenhud.com

- OR -

Ms. Glynis Bunt
(Director Costs, Rates & Forecasts)

Telephone: 845-486-5420

Fax: 845-486-5894

E-Mail: Gbunt@cenhud.com

Customer Service: 845-452-2700

Emergency Gas Control: 845-486-5600 or 5601 - 24-hour service

D. Operational Flow Orders (OFO)

Central Hudson, at its sole discretion, shall have the right to issue Operational Flow Orders (OFOs) to transportation customers and third party suppliers of gas to either minimize or alleviate conditions which threaten the physical integrity of its system or to prevent a short term curtailment.

Before issuing an OFO, Central Hudson shall first attempt to correct the problem through the use of other options available to the Company. In the event Central Hudson's options cannot correct the problem, the Company shall issue an OFO (1) as localized as possible (2) to the recipients causing the problem and (3) to those recipients transporting gas in the problem area.

Actions required by an OFO may include but shall not be limited to the following:

- Limit Retail Suppliers to deliveries at specific points.
- Direct Retail Suppliers to balance daily or deliver a specified quantity of gas.
- Nomination changes daily for aggregated groups being served with a flat nomination. Retail Suppliers may be required to increase their deliveries to include their incremental supplies.

Except for circumstances where immediate action is necessary, Central Hudson shall attempt to provide 24-hour notice for an OFO. When an OFO is declared, all direct customers and Retail Suppliers will be notified via fax and contacted by telephone notifying them of the

effective date and time, the situation making the OFO necessary, the actions expected of all parties, and the consequences for not complying. Retail Suppliers must communicate with their customers to insure compliance with the conditions of Central Hudson's OFO. Retail Suppliers who are aware of the noncompliance of one or more of its customers must notify Central Hudson of the name, address and account number of the end-user(s).

When Central Hudson receives advance notice of a potential for a curtailment on our system, a System Alert (SA) will be issued to advise Retail Suppliers and Direct Customers of the situation and request voluntary action to possibly avert the necessity for the issuance of an OFO. Central Hudson is not obligated to issue a SA before an OFO, but will endeavor to do so when adequate advance notice is available.

Central Hudson Gas & Electric Corporation

End - User Transportation Nomination

Attention : Fuels Resources

Fax Number : 845-486-5626

Email: gassupplygroup@cenhud.com

Phone #'s : 845-486-5562 or 5422 or 5443

Retail Supplier _____

Date(s) of natural gas deliveries _____

Volume Mmbtu	Upstream Pipeline	Gate Station	Upstream Contract #	Meter#	Upstream Contract Holder

Central Hudson City Gate Information

Upstream Pipeline	City Gate	Meter #
Tennessee Gas	Cedar Hill	20275
Millennium	Tuxedo	11
Algonquin	Mahopac	45
Iroquois	Pleasant Valley	PV

Central Hudson Gas & Electric Corporation
Form of Service Agreement- Service Classification No.9
Interruptible Transportation

AGREEMENT made and entered into for interruptible gas transportation and standby sales service by and between Central Hudson Gas & Electric Corporation, (herein called the Company) and Customer Buying Group (herein called the Customer).

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree that the Company will transport gas and provide standby sales service up to the Customer's MDQ, for qualified customers, and the Customer will deliver to the Company natural gas for such transportation during the term hereof.

The Customer agrees that service supplied under this Agreement will be taken and paid for by the undersigned in accordance with the rules and regulations, and at the rates contained in the Company's tariffs and schedules as filed from time to time with the Public Service Commission of the State of New York. The name, account number, pre-determined monthly and daily contract quantities, name of Retail Supplier and authorization for each party to this agreement will also be included as an attachment to this service agreement.

If extension or reinforcement of distribution main facilities is required for transportation service, Customer agrees to prepay to the Company the total costs of such additional facilities. All customers opting for service under this service classification on and after September 1, 2004 are required to agree to have automated meter recording equipment furnished and installed by the Company at the Customer's expense. The Customer agrees to prepay to the Company the costs of the automated meter recording equipment. The Customer shall furnish an electrical supply and phone line necessary for the operation of the equipment, in an area which is acceptable to the Company.

Effective March 1, 2006, all customers taking service under this service classification prior to September 1, 2004 are required to have automated meter recording equipment furnished and installed by the Company at the Company's expense. In addition, the Customer shall furnish an electrical supply and phone line necessary for the operation of the equipment, in an area which is acceptable to the Company.

DELIVERIES: Beginning on the date on which deliveries of gas are commenced hereunder and thereafter for the remaining term of this Agreement, the Company agrees to receive from the Customer for transportation and the Customer agrees to tender for transportation up to the following quantities of natural gas per month:

		(MCF)
Maximum Daily Quantity (MDQ)	January	_____
	February	_____
	March	_____
	April	_____
	May	_____
	June	_____
	July	_____
	August	_____
	September	_____
	October	_____
	November	_____
	December	_____

The Customer agrees to notify the Company, in writing, of the Customer's daily and monthly transport quantity for a given month on or before the date indicated on the Company's Calendar of Gas Transportation Scheduling as defined in General Information, Section 2. The Customer will also indicate the Retail Supplier which will be supplying the natural gas.

For transportation service rendered under this Agreement, Company agrees to redeliver to Customer and Customer agrees to accept delivery of above quantities less volumes allocated to compensate the Company for system line losses as defined in General Information, Section 27.

RATES: The Customer agrees to pay the Company the rates and charges provided by Service Classification No. 9, contained in the Company's effective gas tariffs or any effective superseding rate schedule.

TERM OF AGREEMENT: For customers operating under the monthly rate option, service shall be requested each month for the next calendar month. Service shall be rendered until the Company's facilities are not adequate to provide the service and/or until Company-owned gas

supplies are not adequate to provide standby sales service. For customers operating under the seasonal rate option, the term of service shall commence either May 1 or November 1 and will continue until the end of the corresponding seasonal rate period and thereafter until canceled by written notice by either the Company or the Customer thirty days prior to the beginning of the subsequent seasonal rate period. Customers must elect to take service under the seasonal rate option prior to the start of the seasonal period.

Seasonal Rate Citygate Delivery Location _____

Balancing Option Daily/Monthly _____

Accepted: _____

Customer Buying Group

Address

By: _____

Dated: _____

Accepted: Central Hudson Gas & Electric Corp.

By: _____

Dated: _____

**FORM OF SERVICE AGREEMENT APPLICABLE TO AGGREGATED INTERRUPTIBLE
GAS TRANSPORTATION AND STANDBY SALES SERVICE
- AGGREGATION (SERVICE CLASSIFICATION NO. 9)**

ATTACHMENT A

Customer Buying Group _____

Retail Supplier _____

Balancing Option (Daily/Monthly) _____

Balancing Option Term: November 1, _____ April 30, _____, inclusive

or

May 1, _____ October 31, _____, inclusive

ACCEPTED: _____
CUSTOMER BUYING GROUP

ADDRESS

DATED _____

RECEIVED:

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

BY _____

DATED _____

**FORM OF SERVICE AGREEMENT APPLICABLE TO INTERRUPTIBLE GAS
TRANSPORTATION AND STANDBY SALES SERVICE (SERVICE CLASSIFICATION NO. 9)**

ATTACHMENT A

Customer _____

Retail Supplier _____

Balancing Option (Daily/Monthly) _____

Balancing Option Term: November 1, _____ April 30, _____, inclusive

or

May 1, _____ October 31, _____, inclusive

ACCEPTED: _____
CUSTOMER

ADDRESS

DATED _____

RECEIVED:

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

BY _____

DATED _____

Central Hudson Gas & Electric Corporation
Form of Service Agreement- Service Classification No. 11
Large Customer Firm Transportation

AGREEMENT made and entered into for firm gas transportation service by and between Central Hudson Gas & Electric Corporation, (herein called the Company) and _____ (herein called the Customer).

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree that Company will transport for Customer and Customer will furnish to Company natural gas (not less than 75,000 Mcf. annually) for such transportation during the term hereof.

The Customer agrees that service supplied under this Agreement will be taken and paid for by the undersigned in accordance with the rules and regulations, and at the rates contained in the Company's tariffs and schedules as filed from time to time with the Public Service Commission of the State of New York.

If extension or reinforcement of distribution main facilities is required for transportation service, Customer agrees to prepay to the Company the total costs of such additional facilities. All customers taking service under this service classification are required to have automated meter recording equipment furnished and installed by the Company at the Customer's expense. The Customer agrees to prepay to the Company the cost of the automated meter recording equipment. The Customer shall furnish an electrical supply and a phone line necessary for the operation of the equipment, in an area which is acceptable to the Company.

DELIVERIES: Beginning on the date on which deliveries of gas are commenced hereunder and thereafter for the remaining term of this Agreement, Company agrees to receive from Customer for transportation and Customer agrees to tender for transportation up to the following quantities of natural gas:

Maximum Daily Quantity (MDQ) _____ Mcf.

The Customer agrees to notify the Company, in writing, of Customer's daily and monthly transport quantity for each month and the delivering pipeline, on or before the date indicated on the Company's Calendar of Gas Transportation Scheduling as defined in General Information, Section 2.

During the period November 1 through March 31, the MDQ, as set forth on a customer's service agreement, will be reset each time a customer's usage exceeds the MDQ on five separate days. The average of the five highest demands will establish the new MDQ which will be effective on the first day of the next calendar month. If a customer's usage exceeds the MDQ in effect on November 1 on five or more separate days during the period November 1 through March 31, the average of the five highest demands will establish the new MDQ which will be effective April 1. The Customer agrees to provide natural gas supplies to the Company to compensate for system line losses as defined in General Information, Section 27.

RATES: Customer agrees to pay Company the rates and charges provided by Service Classification No. 11, contained in the Company's effective gas tariffs or any effective superseding rate schedule.

TERM OF AGREEMENT: Transportation service shall commence _____, and continue for a period of one year. All terms will be renewed annually unless three months prior written notification of termination or change has been provided by Company or Customer.

Accepted: _____

Customer

Address

By: _____

Dated: _____

Accepted: Central Hudson Gas & Electric Corp.

By: _____

Dated: _____

FORM OF TRANSPORTATION SERVICE AGREEMENT
(SERVICE CLASSIFICATION NO. 11)

ATTACHMENT A

Customer _____

Retail Supplier _____

Balancing Option (Daily/Monthly) _____

Balancing Option Term: November 1, _____ April 30, _____, inclusive

or

May 1, _____ October 31, _____, inclusive

ACCEPTED: _____
CUSTOMER

ADDRESS

DATED _____

RECEIVED:

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

BY _____

DATED _____

Central Hudson Gas & Electric Corporation Retail Supplier Operating Agreement

This **AGREEMENT** (“Agreement”), is made and entered into this _____ day of _____, 20____, by and between Central Hudson Gas & Electric Corp. a New York corporation having its principal office at 284 South Ave., Poughkeepsie, New York 12601 (“Central Hudson”) and _____, a _____ corporation, having an office at _____ (“Retail Supplier”), both Central Hudson and the Retail Supplier hereinafter sometimes referred to collectively as the “Parties”, or individually as a “Party”.

WITNESSES

WHEREAS, Central Hudson has established a retail access program (the “Customer Choice Program”), as described in its Schedule for Gas Service, P.S.C. No. 12 - Gas (“Tariff”), on file with the New York State Public Service Commission (“NYPSC”);

WHEREAS, Retail Supplier is an eligible supplier under the Retail Access Program and desires to supply natural gas to its retail access customers (“Customers”);

WHEREAS, Central Hudson agrees to receive from the Retail Supplier and deliver such Customers’ natural gas quantities supplied by the Retail Supplier (“Natural Gas Supply”) through Central Hudson’s transmission and distribution system, subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and mutual promises set forth hereunder and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Central Hudson and Retail Supplier, intending to be legally bound, hereby covenant, promise and agree as follows:

ARTICLE 1

COMMON TERMS AND CONDITIONS

1.1 Incorporation By Reference

The rights and obligations of the Parties under this Agreement shall be governed by the provisions of Central Hudson’s Schedule for Gas Service, P.S.C. No. 12 - Gas, as the same may be amended, modified, or superseded from time to time and are incorporated within the original agreement. In the event of any conflict, the Schedule for Gas Service, P.S.C. No 12 - Gas, shall govern with respect to the services provided hereunder.

1.2 Term

This Agreement shall commence on the date set forth above (“Effective Date”), and will remain in effect until terminated in accordance with its terms, the Tariff, or an order of the FERC or the NYPSC.

ARTICLE 2

BALANCING AND AGENCY ARRANGEMENTS

2.1 Retail Supplier Obligations

The Retail Supplier must follow all supply requirements as outlined in the Gas Transportation Operating Procedures Manual and as further defined in Central Hudson’s Schedule for Gas Service, P.S.C. No. 12 - Gas, as the same may be amended, modified or superseded from time to time.

2.2 Representations and Warranties

Retail Supplier makes the following representations and warranties to Central Hudson:

- A.** The information in Appendix No. 1 (Retail Supplier Information Form) is correct as of the Effective Date, and Retail Supplier will promptly inform Central Hudson in writing of any changes in such information.
- B.** Retail Supplier is in compliance with all of the requirements set forth in the Uniform Business Practices (“UBP”) Section 2, and will continue to be in compliance with such requirements and all subsequently adopted regulatory requirements throughout the term of this Agreement.
- C.** No material changes in the data contained in Retail Supplier’s initial eligibility application filing with the NYPSC have occurred or will occur, except such changes as have been or will be reported to the NYPSC.
- D.** Throughout the term of this Agreement, Retail Supplier will continually adhere to its own policies and procedures as set forth in its disclosure statement filed with the NYPSC, as updated from time to time.
- E.** Retail Supplier will not, either directly or indirectly, engage in, participate in or encourage or assist others to engage or participate in the practice of transferring customers without authorization, commonly referred to as “slamming.”
- F.** Retail Supplier will have sufficient natural gas supply resources available to it, either by contract or through ownership to provide Customers with their natural gas requirements.
- G.** Retail Supplier will have in place, and must bear the costs of putting in place and successfully testing prior to the start of Customer enrollment, all required information technology systems that will enable it to send and receive data to and from Central Hudson to satisfy its obligations under this Agreement and all other relevant agreements.

2.3 Central Hudson Service

Central Hudson will follow all requirements as outlined in the Gas Transportation Operating Procedures Manual and as further defined in Central Hudson's Schedule for Gas Service, P.S.C. No. 12 - Gas, Section 41, as the same may be amended, modified or superseded from time to time.

2.4 Financial Security

Prior to the commencement of service to the Retail Access Customer, Retail Supplier will provide financial security in an amount determined in accordance with the UBP. If a cash security deposit is provided, Central Hudson will pay interest thereon at the "Other Customer Contributed Capital" rate established by the NYPSC.

2.5 Resolution of Disputes

If a dispute arises between Parties, including those issues requiring NYPSC action, the dispute resolution process described in the UBP will be followed.

2.6 Suspension

A. NYPSC Suspension of Retail Supplier

In accordance with the provisions of the UBP, Central Hudson will be notified by the NYPSC if Retail Supplier's eligibility is temporarily suspended or permanently revoked. Central Hudson then will notify Customers. Upon the effective date of the termination of Retail Supplier's eligibility, the Company will cease to provide service under this Agreement and notify Customers of such action.

B. Central Hudson Suspension of Retail Supplier

Conditions under which Central Hudson will initiate a suspension of Retail Supplier are included in provisions of the UBP.

Central Hudson will notify in writing (by mail or fax) Retail Supplier and the NYPSC of Central Hudson's intention to suspend Retail Supplier as of a date certain (the "Suspension Date"). Central Hudson will provide such written notice to Retail Supplier so that it is received at least 10 business days before the Suspension Date unless the suspension is related to an immediate safety or reliability issue, in which case notice will be provided on the Suspension Date. Unless informed otherwise by the NYPSC, Central Hudson will cease to provide service to Retail Supplier on the Suspension Date and will notify Customers of the suspension.

2.7 Retail Access Customer Record

Retail Supplier will obtain and retain authorization from each Customer and make the authorization available for audit by Central Hudson or its agent.

2.8 Billing and Payment

- A.** Central Hudson will bill Retail Supplier and Retail Supplier will pay fees and charges for reconciling imbalances as provided herein. Retail Supplier also shall pay all charges billed in accordance with the Tariff including charges for miscellaneous services and billing determinant items.
- B.** Retail Supplier will pay the full amount stated in any invoice from Central Hudson to Retail Supplier, without deduction, set-off or counterclaim, within 20 days from the date of such invoice. Claims that any invoice is not correct will be made no more than three months after the invoice date.
- C.** Upon failure of Retail Supplier to make any payment when due under this Agreement, Central Hudson will assess a late payment charge at the rate stated in the Tariff on all overdue billed amounts, including arrears and unpaid late payment charges.

2.9 Notices

Any notice to be provided pursuant to the terms of this Agreement will be deemed given, and any other document to be delivered hereunder will be deemed delivered, if in writing and (i) delivered by hand, (ii) deposited for next-business day delivery (fee prepaid) with a reputable overnight delivery service such as Federal Express, or (iii) mailed by certified mail (return receipt requested) postage prepaid, addressed to the recipient at the address set forth below for that party (or at such other address as that party may from time to time designate by giving notice thereof).

Notice to:

Central Hudson Gas & Electric Corp.
Director of Retail Choice Programs
284 South Ave.
Poughkeepsie, NY 12601
Telephone #: 845-486-5857
Fax # 845-486-5894
E-Mail: retailaccess@cenhud.com

and to:

Retail Supplier

Attn: _____
Telephone #: _____
Fax #: _____
E-Mail: _____

2.10 Customer Accounts

Central Hudson will provide Retail Supplier with the applicable billing determinants of Retail Supplier's Customers and such other information as detailed in the Tariff. Such information will be provided in accordance with the procedures set forth in the Tariff and may not be used by Retail Supplier for unrelated purposes.

ARTICLE 3

MISCELLANEOUS

3.1 Amendments

Notwithstanding any provision of this Agreement, Central Hudson may at any time propose and file with the FERC and/or NYPSC changes to the rates, terms, and conditions of the tariff. Such amendment or modification will become effective with respect to service pursuant to this Agreement on the date specified by the FERC or NYPSC.

3.2 Prior Agreements Superseded

This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof, supersedes any and all previous understandings between the parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties, their successors and permitted assigns.

3.3 Waiver and Modification

No modification or waiver of all or any part of this Agreement will be valid unless in writing and signed by the Parties or their agents. Any waiver will be effective only for the particular event for which it is issued and will not be deemed a waiver with respect to any subsequent performance, default or matter.

3.4 Applicable Law and Forum

This Agreement shall be interpreted and enforced in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable principles of conflicts of law). Each Party agrees that any legal action or proceeding arising under or relating to this Agreement shall be brought in a court of the State of New York. Each Party hereby agrees to consent to the personal jurisdiction of the courts of the State of New York in any legal action or proceeding concerning this Agreement or the transactions contemplated hereby. Each Party agrees to accept service of process by mail in any such action or proceeding in accordance with applicable New York State law. The method of serving process, however, shall not be limited by this Agreement to service by mail.

3.5 Severability

If one or more provisions herein are held to be invalid, illegal or unenforceable for any reason, the remaining portion of the Agreement shall remain in such full force and effect and shall be carried out in a manner consistent with the intentions of the parties hereto.

3.6 Agency

This Agreement is not intended, and will not be construed, to create any association, joint venture, agency relationship or partnership between Central Hudson and the Retail Supplier or any other parties or to impose any such obligation or liability upon Central Hudson.

3.7 Not for the Benefit of Third Parties

This Agreement is for the benefit of the Parties hereto and not for the benefit of any third parties.

3.8 Assignment of Contracts

A Retail Supplier may assign customer contracts to other eligible Retail Supplier, and transfer the rights to serve those customers under the terms defined in the UBP.

3.9 This Agreement may be executed in counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, as of the date first above written.

CENTRAL HUDSON GAS & ELECTRIC CORP.

By _____

Name _____

Title _____

Date _____

(Retail Supplier)

By _____

Name _____

Title _____

Date _____

BALANCING AND SETTLEMENT

A. Contact person responsible for Balancing and Settlement _____
Address: _____
Phone Number _____ Fax Number _____ E-Mail Address: _____

B. Billing Information:
Send Bills To: _____
Address: _____
Phone Number _____ Fax Number _____ E-Mail Address: _____

C. Send Statement To: _____
Address: _____

D. Send Check (If a Credit is Due) To: _____
Address: _____
Phone Number _____ Fax Number _____ E-Mail Address: _____

SUPPLIER CREDIT

Contact person responsible for financial information _____
Address: _____
Phone Number _____ Fax Number _____ E-Mail Address: _____

NEW YORK STATE TAX INFORMATION

A. Contact Person Responsible for Tax Information _____
Phone Number _____ Fax Number _____ E-Mail Address: _____

Important: Please attach a copy of Form ST-120 New York State Resale Certificate

B. New York State Certificate of Authority #: _____

Signature _____ **Date** _____

WHEN THIS FORM IS COMPLETED PLEASE MAIL IT TO:

Mr. James Van Tassell
Central Hudson Gas & Electric Corporation
284 South Avenue
Poughkeepsie, New York 12601

CENTRAL HUDSON GAS & ELECTRIC CORP.
SUPPLIER OPERATING AGREEMENT APPLICABLE TO INTERRUPTIBLE AND/OR FIRM
TRANSPORTATION (SERVICE CLASSIFICATION NOS. 9 AND/OR 11)

This **AGREEMENT** (“Agreement”), is made and entered into this ___ day of ___, 20___, by and between Central Hudson Gas & Electric Corp. a New York corporation having its principal office at 284 South Ave., Poughkeepsie, New York 12601 (“Central Hudson”) and _____, a _____ corporation, having an office at (“Retail Supplier”), both Central Hudson and the Retail Supplier hereinafter sometimes referred to collectively as the “Parties”, or individually as a “Party”.

WITNESSES

WHEREAS, Retail Supplier desires to supply natural gas to interruptible and/or firm transportation customers (“Customers”); taking service under Service Classification Nos. 9 and/or 11.

WHEREAS, Central Hudson agrees to receive from the Retail Supplier and deliver such Customers’ natural gas quantities supplied by the Retail Supplier (“Natural Gas Supply”) through Central Hudson’s transmission and distribution system, subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and mutual promises set forth hereunder and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Central Hudson and Retail Supplier, intending to be legally bound, hereby covenant, promise and agree as follows:

ARTICLE 1
COMMON TERMS AND CONDITIONS

1.1 Incorporation by Reference

The rights and obligations of the Parties under this Agreement shall be governed by the provisions of Central Hudson’s Schedule for Gas Service, P.S.C. No. 12 - Gas, as the same may be amended, modified, or superseded from time to time and are incorporated within the original agreement. In the event of any conflict, the Schedule for Gas Service, P.S.C. No. 12 - Gas, shall govern with respect to the services provided hereunder.

1.2 Term

This Agreement shall commence on the date set forth above (“Effective Date”), and will remain in effect until terminated in accordance with its terms, the Tariff, or an order of the FERC or the NYPSC.

ARTICLE 2
BALANCING AND AGENCY ARRANGEMENTS

2.1 Retail Supplier Obligations

The Retail Supplier must follow all supply requirements as outlined in the Gas Transportation Operating Procedures Manual and as further defined in Central Hudson’s Schedule for Gas Service, P.S.C. No. 12 - Gas, Service Classification Nos. 9 and/or 11, as the same may be amended, modified or superseded from time to time.

2.2 Representations and Warranties

Retail Supplier makes the following representations and warranties to Central Hudson:

- A.** The information in Appendix No. 1 (Retail Supplier Information Form) is correct as of the Effective Date, and Retail Supplier will promptly inform Central Hudson in writing of any changes in such information.
- B.** Retail Supplier will have sufficient natural gas supply resources available to it, either by contract or through ownership to provide Customers with their natural gas requirements.

2.3 Central Hudson Service

Central Hudson will follow all requirements as outlined in the Gas Transportation Operating Procedures Manual and as further defined in Central Hudson’s Schedule for Gas Service, P.S.C. No. 12 - Gas, Service Classification Nos. 9 and/or 11, as the same may be amended, modified or superseded from time to time.

2.4 Billing and Payment

- A. Central Hudson will bill Retail Supplier and Retail Supplier will pay fees and charges for reconciling imbalances as provided herein. Retail Supplier also shall pay all charges billed in accordance with the Tariff including charges for miscellaneous services.
- B. Retail Supplier will pay the full amount stated in any invoice from Central Hudson to Retail Supplier, without deduction, set-off or counterclaim, within 20 days from the date of such invoice. Claims that any invoice is not correct will be made no more than three months after the invoice date.
- C. Upon failure to make any payment when due under this Agreement, Central Hudson will assess a late payment charge at the rate stated in the Tariff on all overdue billed amounts, including arrears and unpaid late payment charges.

2.5 Notices

Any notice to be provided pursuant to the terms of this Agreement will be deemed given, and any other document to be delivered hereunder will be deemed delivered, if in writing and (i) delivered by hand, (ii) deposited for next-business day delivery (fee prepaid) with a reputable overnight delivery service such as Federal Express, or (iii) mailed by certified mail (return receipt requested) postage prepaid, addressed to the recipient at the address set forth below for that party (or at such other address as that party may from time to time designate by giving notice thereof).

Notice to: Central Hudson Gas & Electric Corp.
 Cost and Rate Division
 284 South Ave.
 Poughkeepsie, NY 12601
 Telephone #: 845-486-5420
 Fax #: 845-486-5894
 E-Mail: gbunt@cenhud.com

and to: Retail Supplier

 Attn: _____
 Telephone #: _____
 Fax #: _____
 E-Mail: _____

2.6 Customer Accounts

Central Hudson will provide Retail Supplier access to each of its customer’s MDQ data. Such information may not be used by Retail Supplier for unrelated purposes.

**ARTICLE 3
MISCELLANEOUS**

3.1 Amendments

Notwithstanding any provision of this Agreement, Central Hudson may at any time propose and file with the FERC and/or NYPS&C changes to the rates, terms, and conditions of the tariff. Such amendment or modification will become effective with respect to service pursuant to this Agreement on the date specified by the FERC or NYPS&C.

3.2 Prior Agreements Superseded

This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof, supersedes any and all previous understandings between the parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties, their successors and permitted assigns.

3.3 Waiver and Modification

No modification or waiver of all or any part of this Agreement will be valid unless in writing and signed by the Parties or their agents. Any waiver will be effective only for the particular event for which it is

3.3 Waiver and Modification (Cont'd)

issued and will not be deemed a waiver with respect to any subsequent performance, default or matter.

3.4 Applicable Law and Forum

This Agreement shall be interpreted and enforced in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable principles of conflicts of law). Each Party agrees that any legal action or proceeding arising under or relating to this Agreement shall be brought in a court of the State of New York. Each Party hereby agrees to consent to the personal jurisdiction of the courts of the State of New York in any legal action or proceeding concerning this Agreement or the transaction contemplated hereby. Each Party agrees to accept service of process by mail in any such action or proceeding in accordance with the applicable New York State law. The method of serving process, however, shall not be limited by this Agreement to service by mail.

3.5 Severability

If one or more provisions herein are held to be invalid, illegal or unenforceable for any reason, the remaining portion of the Agreement shall remain in such full force and effect and shall be carried out in a manner consistent with the intentions of the parties hereto.

3.6 Agency

This Agreement is not intended, and will not be construed, to create any association, joint venture, agency relationship or partnership between Central Hudson and the Retail Supplier or any other parties or to impose any such obligation or liability upon Central Hudson.

3.7 Not for the Benefit of Third Parties

This Agreement is for the benefit of the Parties hereto and not for the benefit of any third parties.

3.8 This Agreement may be executed in counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, as of the date first above written.

CENTRAL HUDSON GAS & ELECTRIC CORP

(Retail Supplier)

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____

BUSINESS INFORMATION

Supplier Federal Tax ID: _____ or S.S. No: _____
Company Name: _____
Business Address: _____
Mailing Address: _____
Business Contact Name (Title): _____
Telephone Number: _____ Fax Number: _____
E-Mail Address: _____ Internet Site: _____

BALANCING AND SETTLEMENT

A. Contact person responsible for Balancing and Settlement _____
Address: _____
Phone Number _____ Fax Number _____
E-Mail Address _____

B. Billing Information:

Send Bills To: _____
Address: _____
Phone Number _____ Fax Number _____
E-Mail Address _____

C. Send Statement To: _____
Address: _____

D. Send Check (If a Credit is Due) To: _____
Address: _____
Phone Number _____ Fax Number _____
E-Mail Address _____

NEW YORK STATE TAX INFORMATION

A. Contact Person Responsible for Tax Information _____
Phone Number _____ Fax Number _____
E-Mail Address _____

Important: Please attach a copy of Form ST-120 New York State Resale Certificate

B. New York State Certificate of Authority #: _____

Signature _____ **Date** _____

WHEN THIS FORM IS COMPLETED PLEASE MAIL IT TO:

Central Hudson Gas & Electric Corporation
Cost and Rate Division
284 South Avenue
Poughkeepsie, NY 12601

Glossary of Terms

AGGREGATED DAILY CONTRACT QUANTITY FORECAST (Citygate) - (ADCQ_{forecast}): The volume of gas, expressed in dekatherms (Dth), to be delivered to the Company on a daily basis on behalf of a Customer Buying Group, or Pool: sum of each Pool's DCQ_{forecast} multiplied by the factor of adjustment and converted from Ccf to Dth using the twelve month system average BTU conversion factor.

AGGREGATED DAILY CONTRACT QUANTITY ACTUAL (Citygate) - (ADCQ_{actual}): Sum of each Pool's DCQ_{actual} multiplied by the factor of adjustment and converted from Ccf to Dth using the twelve month system average conversion factor.

AGGREGATED GROUP: A group of customers who have contracted with a specific Retail Supplier who combines customers' load for the purposes of nominations, scheduling reconciliation of monthly imbalances and supplemental supply billing.

AGGREGATOR: Any party (such as a Retail Supplier) that is approved by the Company to deliver gas supplies to an Aggregated Group.

ANNUAL PERIOD: The 12 months beginning with the month in which the customer first receives service under the applicable Service Classification and each succeeding 12-month period.

ALTERNATE ENERGY SUPPLIER or ENERGY SERVICE COMPANY (ESCO): An energy company that offers to supply the actual commodity of natural gas. This entity is sometimes referred to as a "retail supplier" or "Retail Supplier".

ANNUAL CONSUMPTION QUANTITY - (ACQ): The customer's annual natural gas requirement at design weather conditions.

BALANCING: A process that reconciles actual customer use with the amount of natural gas delivered to the Company on behalf of the customer. Any difference between the two is an imbalance.

BUNDLED SERVICE: Providing full-service natural gas including the supply from the pipeline, delivery through gas mains and service pipes, reading meters, and providing customer service. This is the way you've been accustomed to receiving your natural gas service.

CALENDAR OF GAS TRANSPORTATION SCHEDULING: A schedule, which indicates when information pertaining to transportation gas is to be made available. The Calendar is available on the Company's website.

CAPACITY RELEASE: The release of a Utility entitlement to interstate pipeline transportation capacity to a customer or a third party.

CAPACITY RELEASE SURCHARGE: A charge to a customer who chooses to take assignment of the upstream pipeline capacity under contract to the Company. The capacity release surcharge rate per 100 cu. ft. is equal to the weighted average cost of pipeline capacity included in the Company's calculation of the Monthly Gas Supply Charge.

CITY GATE: The point of interconnection between a pipeline and a local distribution company where the gas is delivered to the LDC.

CORE MARKET CUSTOMER: A customer who lacks alternatives to natural gas or chooses not to utilize alternatives to natural gas. If a customer chooses to be a core customer for a specific application or end-use, such application must be separately metered.

CRITICAL DAY: A critical day exists when the LDC declares and OFO.

CURTAILMENT: A mandatory reduction of gas deliveries and usage.

CUSTOMER BUYING GROUP: A group of customers formed for the sole purpose of transporting gas under the Company's aggregated transportation tariff.

CUSTOMER CHOICE: The ability of individual customers to select an alternate supplier to provide their natural gas; sometimes called "retail access".

DAILY CONTRACT QUANTITY FORECAST (Burnertip) - (DCQ_{forecast}): The volume of gas, expressed in Ccf, to be delivered to the Company on a daily basis on behalf of a transportation customer as specified by the Company: (Number of days in month times non-heat factor plus the normal monthly degree days times the heat factor) divided by the number of days in the month.

DAILY CONTRACT QUANTITY ACTUAL (Burnertip) - (DCQ_{actual}): An estimate of the volume of gas, expressed in Ccf, delivered to the Company on a daily basis based on the actual number of degree days: (Number of days in month times non-heat factor plus the actual monthly degree days times the heat factor) divided by the number of days in the month.

DELIVERY SERVICE CUSTOMER: A customer who elects to participate in Central Hudson's Customer Choice Plan and receives their supply of natural gas from an alternate supplier. Central Hudson will continue to deliver the gas.

DIRECT CUSTOMER: A customer with an annual natural gas consumption in excess of 35,000 Ccf that acts on their own behalf in arranging to bring natural gas to Central Hudson's citygate for their own consumption and not for resale. A Direct Customer does not have to file an application with the New York State Department of Public Service to become eligible as a Retail Supplier, but must comply with certain operating requirements established by the Company. A Direct Customer may aggregate and schedule load for itself and other Direct Customers, each of which would continue to be responsible individually for meeting requirements placed on Direct Customers.

DISTRIBUTION: The delivery of natural gas through pipes along roadways into your home or business. The cost to provide this service is included in the delivery-service portion of the customer's bill.

FULL-SERVICE CUSTOMER: A customer who elects not to participate in Customer Choice and continues to receive both the supply and delivery of natural gas from Central Hudson.

GAS DAY: The twenty-four hour period beginning at 10:00 a.m. EST.

GAS CONFIRMATION: The process by which a gas supplier's nomination to the LDC is verified by the pipelines and the LDC.

GAS INDUSTRY STANDARDS BOARD (GISB): A not for profit North American industry association whose mission is "to develop and promote standards to simplify and expand electronic communications, and to simplify and streamline business practices that will lead to a seamless marketplace for natural gas".

INCREMENTAL DAILY CONTRACT QUANTITY (Citygate) - (IDCQ): The incremental volume of gas, expressed in Ccf, to be delivered to the Company on a daily basis, on behalf of a transport customer to meet the customer's incremental natural gas requirements during periods of peak weather conditions.

INTERCONNECTION POINTS: The point of delivery between the Company's facilities and the upstream pipeline's facilities.

INTERRUPTIBLE SERVICE: Transportation and sales service which can be interrupted by the LDC.

LINE LOSS: The amount of gas lost in the gas distribution system.

LOAD FACTOR: The ratio of the average consumption to the maximum consumption for the same time period.

LOST AND UNACCOUNTED FOR GAS (LAUF): The difference between the quantity of gas available from all sources and the quantity accounted for.

MAIN: A pipeline located on a public or private right-of-way, which is generally available or used to transport gas to more than one service line.

MARKETER / RETAIL SUPPLIER: Any non-utility entity that is determined eligible by the New York State Department of Public Service to provide or arrange to provide gas supply and other services on behalf of end use customers in New York State using Central Hudson's distribution system.

MAXIMUM DAILY QUANTITY - (MDQ): The maximum volume of gas the Company is obligated to accept on behalf of a transportation customer during the twenty-four hour period beginning at 10:00 a.m. each day.

NON-CORE MARKET CUSTOMER: A customer who has and chooses to utilize alternatives to natural gas. If a customer chooses to be a non-core customer for a specific application or end-use, such application must be separately metered.

NOMINATION: A shipper's request to move a certain amount of gas on a pipeline during a given period.

NORMAL DEGREE DAYS: Estimated (normalized) degree days for a given period based on historic averages.

NORMALIZED: Adjusted for weather based on the degree day factors.

OPERATIONAL FLOW ORDER: Orders issued by a pipeline or an LDC in difficult operational circumstances to protect the integrity of its gas system, either by restricting service or requiring affirmative action by shipper.

PEAK DAY: The day in which the greatest volume of gas is delivered to meet the demand of the customers.

PEAKING SERVICE SURCHARGE: The peaking service surcharge rate per 100 cu. ft. is equal to the weighted average cost of the peaking service demand components included in the Company's calculation of the Monthly Gas Supply Charge.

PUBLIC RIGHT-OF-WAY: The territorial limits of any street, avenue, road or way (other than a limited access thoroughfare) that is for any highway purpose under the jurisdiction of the State of New York or the legislative body of any county, city, town or village and is open to public use.

QUALIFIED SELLER OR AGENT: A non-utility supplier that arranges to bring gas to the utility citygate on behalf of a customer or aggregated customer buying group.

RETAIL SUPPLIER / MARKETER: Any non-utility entity that is determined eligible by the New York State Department of Public Service to provide or arrange to provide gas supply and other services on behalf of end use customers in New York State using Central Hudson's distribution system.

SERVICE LINE: The piping, including associated metering and pressure reducing appurtenances, that transports gas below grade from a main to the first accessible fitting inside the wall of a customer's building when a meter is located within the building; if a meter is located outside the building, the service line will be deemed to terminate at the outside of the building foundation wall.

SLAMMING: Where a customer is switched from one provider to another without the customers authorization.

STREAMING TRANSACTION: The arrangement by the Company for specific gas supplies dedicated to an individual customer, customer buying group or market.

STORAGE SERVICE SURCHARGE: The storage service surcharge rate per 100 cu. ft. is equal to the weighted average cost of the storage services included in the Company's calculation of the Monthly Gas Supply Charge.

STORAGE SPACE SURCHARGE: The storage space surcharge rate per 100 cu. ft. is equal to the weighted average cost of the storage space included in the Company's calculation of the Monthly Gas Supply Charge.

SUMMER PERIOD: April 1 through October 31.

SYSTEM ALERT: An announcement of actual or pending events that if unchecked may result in an OFO.

TRANSMISSION: The delivery of natural gas (often over long distances) from pipelines through Central Hudson's gas transmission system. The cost to provide this service is included in the delivery-service portion of the customer's bill.

TOTAL CONTRACT QUANTITY (TCQ): The amount of pipeline capacity required to be obtained by a Retail Supplier serving customers on Service Classification Nos. 6, 12 and 13, excluding any applicable Alternate Capacity Requirements as more fully described in General Information Section 41.

UNBUNDLED SERVICE: Separates the generating or commodity of natural gas from all the other services required to provide delivery of gas to a home or business.

UPSTREAM CAPACITY ASSIGNMENT: The assignment of transportation capacity on upstream pipeline(s) which is available to the Company for other parties.

WINTER PERIOD: November 1 through March 31.