

ATTENTION RETAIL SUPPLIERS SERVING TRANSPORTATION CUSTOMERS

In accordance with the Order of the Public Service Commission, issued and effective July 24, 2006 in Case 05-G-0935, all interruptible transportation customers taking service under Service Classification No. 9 are required to elect either daily or monthly balancing for both the winter and summer seasons. Letters and balancing selection forms are sent to current SC No. 9 customers approximately six weeks prior to the election deadline. This season's election deadline is October 27, 2008, as indicated on Central Hudson's Calendar of Gas Transportation Schedule. Please be advised that your transportation customers may be contacting you for guidance in their election.

Current interruptible sales customers (SC No. 8) are not required to elect a balancing option at this time. However, if any of these customers transfer to SC No. 9 at any time during the season, they will be required to elect a balancing option. A customer will not appear in a Retail Supplier's pool unless the balancing selection has been updated on Central Hudson's Gas Tracking System ("GTS"). Unfortunately, the interruptible transportation enrollment deadline falls five business days prior to the beginning of the month and final transportation pools are available two days later. By the time interruptible transportation enrollments are received via GTS and processed, Central Hudson may have less than one day to obtain a completed balancing selection form from a new customer.

In order to facilitate the addition of new interruptible transportation customers to your pool, the Company has included a copy of the interruptible transportation balancing selection form at the bottom of this letter. Since a Retail Supplier will generally have contact with a customer prior to Central Hudson receiving an enrollment request, the Company encourages you to pass the balancing selection form on to any new interruptible transportation customers so that the customer may return the balancing selection to the Company and be added to your pool in a timely fashion.

Should you have any questions regarding balancing selection, please feel free to contact Stacy Powers at spowers@cenhud.com or by phone at (845) 486-5815.

**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 _____

WHEN THIS FORM IS COMPLETED PLEASE RETURN TO:

Central Hudson Gas & Electric Corporation
Cost & Rate Division
284 South Ave.
Poughkeepsie, NY 12601

OR BY FAX TO:

Attention: Cost & Rate Division
Fax: (845) 486-5894