

PSC NO: 15 ELECTRICITY

LEAF: 163.5.6

COMPANY: CENTRAL HUDSON GAS &amp; ELECTRIC CORPORATION

REVISION: 0

INITIAL EFFECTIVE DATE: 08/1/10

SUPERSEDING REVISION:

Issued in Compliance with Order in C.09-E-0310 dated July 27, 2009

**36. OTHER CHARGES AND ADJUSTMENTS** (Cont'd)**H. Electric Delivery and Energy Reliability (EDER) Surcharge**

The Electricity Delivery and Energy Reliability (EDER) surcharge is designed to recover the revenue requirement associated with electricity delivery and energy reliability projects as authorized by Commission Order in Case 09-E-0310, et al. issued and effective July 27, 2009 that are not being recovered through the Company's base rates and are determined to be eligible for recovery under the EDER. The EDER surcharge is applicable to the energy (kWh) deliveries on the bills of all full service and delivery service customers served under this Schedule.

**1. Definitions**

- a. **Revenue Requirement:** The EDER revenue requirement will be estimated on a calendar year basis, or portion(s) thereof based on the initial in-service date(s) of the eligible project(s). The revenue requirement will be defined as the sum of:
  1. A return, equal to the Company's authorized pre-tax weighted average cost of capital, on the projected incremental average rate base, including AFUDC and accumulated deferred income taxes, for the annual period, or portion thereof, over which the surcharge will be collected; and,
  2. Projected ownership costs associated with such eligible project(s) including depreciation, income taxes, operation and maintenance costs, property taxes, property insurance and other fees and costs that are applicable to the eligible project(s).
- b. **Over/Under Recovery:** On a monthly basis EDER recoveries will be compared to the EDER revenue requirement intended to be recovered through the EDER surcharge, allocated equally across the months of the recovery period, with any over/under recovery deferred with carrying charges at the Company's authorized pre-tax weighted average cost of capital for future pass back/collection.
- c. **Designated Recovery Period:** The designated recovery period will be a twelve month period ending December 31, or portion(s) thereof based on the initial in-service date(s) of the eligible project(s).
- d. **True-Up Amount:** For each designated recovery period a true-up amount will be determined as the difference, positive or negative, between the estimated revenue requirement and the actual revenue requirement, determined pursuant to the revenue requirement definition utilizing actual plant balances and costs, for such period. The true-up amount will be calculated by no later than four months following the end of the designated recovery period.
- e. **Forecasted Energy (kWh) Deliveries:** Forecasted energy (kWh) deliveries shall be the forecasted energy deliveries for all full service and delivery service customers for the designated recovery period.

Issued by: Michael L. Mosher, Vice President, Poughkeepsie, New York