

..DID: 12555
..TXT: PSC NO: 15 ELECTRICITY LEAF: 104
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 09/01/00 SUPERSEDING REVISION: 0
STAMPS:
CANCELLED by Supplement 14 effective 10/31/01
Suspended by order in Case 00-E-1273. See suppl. No. 13, 2, 0, ,
RECEIVED: 08/01/00 STATUS: Cancelled EFFECTIVE: 11/01/01

29.ENERGY COST ADJUSTMENT MECHANISM

The charges for electric energy delivered and/or supplied under all Service Classifications shall be adjusted each month upward or downward by an amount determined as the factor of adjustment multiplied by the components of the Energy Cost Adjustment Mechanism, as appropriate, all as defined below.

Factor of Adjustment

The factor of adjustment of 1.0739 adjusts the costs defined below for lost and unaccounted for kilowatthours. The factor of adjustment will be determined in each Company rate case.

Purchased Power Recovery Charge Factor (PPRC)

A monthly charge designed to recover all costs of supplying energy to full service delivery customers.

The PPRC includes, but is not limited to, the costs associated with the purchase of energy, demand and ancillary charges made by the Company on behalf of its full service customers. Included in this charge will be an allowance for bad debts and carrying charges. The total monthly PPRC costs will be divided by the forecasted sales for the following month. The factor will be stated in whole \$0.00001 amounts per kWh. The Company will reconcile PPR recoveries with actual costs and refund or collect from customers any over or under recoveries on an annual basis or as needed depending on the rate of transition customers from full service to retail access.

Variable Cost Recovery Charge (VCR) Factor

The Variable Cost Recovery Charge factor is designed to recover non-avoidable, variable energy related costs such as nuclear fuel, mandatory IPP purchases and combustion turbine fuel from all delivery customers. In addition, the VCR will be adjusted to credit customers with items such as wheeling revenues and benefits derived from selling the output of generation facilities retained by the Company.

Total monthly VCR costs will be divided by the forecasted total delivery service sales for the following month. The Company will reconcile VCR recoveries with actual costs and refund or collect from customers any over or under recoveries on an annual basis.

Issued by: Arthur R. Upright, Senior Vice President, Poughkeepsie, New York