

PSC NO: 12 GAS
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 09/26/20

LEAF: 129
REVISION: 10
SUPERSEDING REVISION: 9

42. OTHER CHARGES AND ADJUSTMENTS (Cont'd)

E. Revenue Decoupling Mechanism (RDM) Adjustment

Pursuant to the Commission's Order in Case 08-G-0888 issued and effective June 22, 2009, actual gas deliveries for certain customer classes are subject to reconciliation through an RDM Adjustment. The RDM Adjustment is applicable to Service Classification Nos. 1, 2, 6, 11, 12 and 13. The RDM is not applicable to Service Classification Nos. 8, 9, 14, 15 and 16. The inclusion of SC 11 shall take effect beginning July 1, 2021.

1. Definitions

- a. **Delivery Revenue Targets** by month will be determined for Service Classification Nos. 1 and 12 combined, and Service Classification Nos. 2, 6, 13 and 11 combined based on delivery revenue forecast for the Rate Year ending June 30, 2022. Delivery Revenue Targets will include gas bill credit revenue and exclude merchant function charge revenue.
- b. **Actual Delivery Revenue** is defined as the sum of total billed revenue, derived from customer charges, base rate energy delivery charges, and gas bill credit revenue. Actual delivery revenue will be adjusted by the Weather Normalization Adjustment described in General Information Section 27. The Actual Delivery Revenue in the first month of each rate year will be adjusted upward to reverse the effect of proration between old and new rates in actual revenue. This will be accomplished by multiplying actual billing determinants for each RDM eligible class by the new rate year rates.
- c. **Semi-Annual RDM Periods** are defined as the six months ending December 31, 2015 and June 30, 2016 and each succeeding six-month period thereafter.
- d. **RDM Adjustment Period** is defined as the six months beginning February 1 or the six months beginning August 1 immediately following each Semi-Annual RDM Period.

2. Determination of RDM Adjustment

For each service classification group, the Company will compare, on a monthly basis, the difference between Actual Delivery Revenue and corresponding Delivery Revenue Targets. If the monthly Actual Delivery Revenue exceeds the Delivery Revenue Target, the delivery revenue excess will be accrued for refund to customers at the end of the Semi-Annual RDM Period. Likewise, if the monthly Actual Delivery Revenue is less than the Delivery Revenue Target, the delivery revenue shortfall will be accrued for recovery from customers at the end of the Semi-Annual RDM Period.