

PSC NO: 15 ELECTRICITY

LEAF: 106.1

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 0

INITIAL EFFECTIVE DATE: 01/01/17

SUPERSEDING REVISION:

Issued in Compliance with Order in C.14-E-0318 dated July 15, 2016

29. ENERGY COST ADJUSTMENT MECHANISM (Cont'd)**Purchased Power Adjustment Factor (PPA)**

The PPA factor, also referred to as the Transition Power Agreement/Purchased Power Agreement (TPA/PPA) Benefit mechanism in the Joint Proposal in Case 00-E-1273, as approved by the Public Service Commission in its Order issued and effective October 25, 2001, is designed to refund to or collect from all delivery customers the benefits or costs of the Company's Transition Power Agreement and Purchased Power Agreement (Agreements) with the new owners of the fossil generating and nuclear generating plants, respectively, previously owned by the Company.

The PPA benefit/cost will be determined each month as the difference between the contract cost of the energy, installed capacity and ancillary services purchased under the Agreements, regardless of whether the actual purchases were transacted through a financial arrangement, and the cost the Company would have incurred if these requirements had been purchased solely from the NYISO market, as calculated.

Issued by: Anthony S. Campagiorni, Vice President, Poughkeepsie, New York