

PSC NO: 15 ELECTRICITY

LEAF: 106

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 7

INITIAL EFFECTIVE DATE: 01/01/17

SUPERSEDING REVISION: 6

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

29. ENERGY COST ADJUSTMENT MECHANISM (Cont'd)**Miscellaneous Charges Factor (Cont'd)**

The Company will reconcile Miscellaneous Charges recoveries with actual costs/benefits and refund to or collect from customers any over or under recoveries on a monthly basis through the Miscellaneous Charges factor. These reconciliation adjustments will be developed on a three (3) month lag.

Miscellaneous Charges Factor II

The Miscellaneous Charges II factor is designed to recover the costs of the Company's alternative infrastructure project approved for recovery pursuant to the July 15, 2016 Order in Case 14-E-0318 from all delivery customers served under this Schedule.

Cost recovery will be determined:

1. on an annual basis to be effective with the first billing batch in February;
2. for each service classification or sub-classification;
3. on a kWh basis for non-demand customers and on a kW basis for demand customers;
4. by amortizing all costs and incentives related to the project over a five year period, excluding incentives related to wholesale generation capacity which will be recovered over the subsequent one year period;
5. based on the non-coincident transmission and distribution allocators from the most recent rate year proforma embedded cost of service study;
6. with the rate per kWh or kW determined by dividing allocable costs by estimated billed kWh deliveries or kW Demand over the collection period;
7. by reconciling recoveries (eleven months actual, one month forecast) with allocable costs for each twelve month recovery period ending December 31, with any over or under recoveries included in the development of succeeding rates. Reconciliation amounts related to the one month forecast will be included in the second subsequent rates determination.

The rates so determined will be stated in whole \$0.00001 per kWh and whole \$0.01 per kW and will be filed on the Statement of Miscellaneous Charges not less than fifteen days prior to a proposed change in rates. These rates will be applied to the energy (kWh) and demand (kw) deliveries on the bills of all customers served under Service Classification Nos. 1, 2, 3, 5, 6, 8, 9, 13, and 14. Customers taking service under Service Classification No. 14 will be billed the rate applicable to their Parent Service Classification, which is the Service Classification that the customer would otherwise qualify for based on the customer's usage characteristics.

For billing purposes, cost recovery for non-demand customers will be included in the Miscellaneous Charges, with the combined amount shown as one line item on customer bills. Cost recovery for demand customers will be through the Miscellaneous Charges II, a separate line item on customer bills.

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