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PSC NO: 12 GAS LEAF: COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION:

INITIAL EFFECTIVE DATE: 08/24/14 SUPERSEDING REVISION: 5

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## 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.

## 1. <u>Definitions</u>

- a. Unit per Customer (UPC) Targets will be determined for Service Classification Nos. 1 and 12 combined, Service Classification Nos. 2, 3 and 13 combined and Service Classification No. 11 Transmission, Service Classification No. 11 Distribution and Service Classification No. 11 Distribution Large Mains, for each month by dividing billing determinant units, Mcf or MDQ as applicable, by customer months based on the billing determinants and customer forecasts as approved by the Commission.
- b. **Actual UPC** will be calculated in the same manner as the target UPC, on a monthly basis, based on actual billed usage as adjusted by the Weather Normalization Adjustment described in General Information Section 27 and billed customer months.
- c. Semi-Annual RDM Period is defined as the six months ending June 30 and the six months ending December 31.
- d. **RDM Adjustment Period** is defined as the six months beginning August 1 and February 1 immediately following the Semi-Annual RDM Period.

## 2. <u>Determination of RDM Adjustment</u>

For each service classification group, the Company will compare, on a monthly basis, the difference between Actual UPC and corresponding UPC Targets, to determine the UPC difference. The UPC difference will then be multiplied by the actual number of billed customer months in each service classification group to calculate the total unit difference. The total unit difference will then be multiplied by the applicable base delivery rate and the applicable Merchant Function Charges, as defined in General Information Section 42.B, and combined to determine the delivery revenue excess or shortfall to be accrued for refund to or recovery from customers at the end of the Semi-Annual RDM Period.

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