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INITIAL EFFECTIVE DATE: 5/1/2015 SUPERSEDING REVISION: 4

Issued in Compliance with Order issued and effective April 17, 2015 in Case 09-M-0311

42. OTHER CHARGES AND ADJUSTMENTS (Cont'd)

D. New York State Assessment

The New York State Assessment (NYSA) is designed to recover the Temporary State Energy and Utility Service Conservation Assessment pursuant to Public Service Law (PSL) Section 18-a(6) as implemented by Chapter 59 of the Laws of 2009, and amended by Chapter 59 of the Laws of 2013 and Chapter 57 of the Laws of 2014, and as authorized by Commission Order in Case 09-M-0311 dated June 19, 2009 and June 18, 2014. As authorized by the Commission, for each twelve-month period commencing July 1, 2009 through July 1, 2016, the NYSA will collect the amount assessed to the Company under PSL Section 18-a(6) in excess of the amount reflected in base rates for the corresponding State Fiscal Year (April 1- March 31), including an allowance for uncollectibles. The last assessment to the Company under PSL Section 18-a(6) in excess of the amount reflected in base rates for the State Fiscal Year of April 1, 2017 through March 31, 2018, including an allowance for uncollectibles, will be collected from customers over the six month period of July 1, 2017 through December 31, 2017. Effective with the first billing batch of 2018, the NYSA surcharge rates will be set to zero (0).

The NYSA will be applied to the bills of all customers, excluding electric generators, taking service under Service Classification Nos. 1, 2, 6, 8, 9, 11, 12 13, 15 and 16.

Effective July 1, 2009 a uniform NYSA will be applicable to Service Classification Nos. 1, 2, 6, 12 and 13. The NYSA will be determined separately for Service Classification No. 11 and Service Classification Nos. 8 and 9, combined.

Effective September 1, 2009, the NYSA will be determined separately for each of the following groups:

Service Classification Nos. 1, 12 and 16 Service Classification Nos. 2, 6, 13 and 15 Service Classification Nos. 8 and 9 Service Classification No. 11

The assessment amount in excess of the amount reflected in base rates will be allocated to each group based on the group's contribution to the Company's total gas revenues as included in the determination of the assessment. The contribution of each level will include both actual delivery and commodity supply revenue, including estimated supply charges for sales made under the Company's Retail Access Program and Service Classification Nos. 9 and 11.

The NYSA rate for each group will be determined by dividing the allocated assessment for the group by the forecasted delivered units (hundred cubic feet (Ccf) or thousand cubic feet of maximum daily quantity (Mcf of MDQ)) for the group for the period July 1 through June 30.

The initial NYSA rates will become effective July 1, 2009 and shall be based on the assessment for the 2009/2010 State Fiscal Year. A reconciliation of NYSA recoveries (eleven months actual, one month forecast), with the actual assessment less the actual amount reflected in base rates, will be performed by group for each twelve month period ending June 30, with any over or under recoveries included in the development of succeeding NYSA rates commencing with the rates

Issued by: Michael L. Mosher, Vice President, Poughkeepsie, New York