



June 29, 2018

Honorable Kathleen H. Burgess, Secretary
State of New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Cases 17-E-0459 / 17-G-0460 Compliance Filing
in the Proceeding on Motion of the Commission as to Rates, Charges,
Rules and Regulations of Central Hudson Gas & Electric Corporation
for Electric and Gas Service

Dear Secretary Burgess:

Pursuant to Public Service Commission Order, issued and effective June 14, 2018, in the above captioned proceedings, Central Hudson Gas & Electric Corporation ("Central Hudson" or "the Company") hereby files amended tariff leaves and statements to its Schedule for Electric Service, PSC No. 15 – Electricity, and Schedule for Gas Service, PSC No. 12 – Gas.

These amendments which are set forth on Appendix A are filed June 29, 2018 to become effective July 1, 2018 on a temporary basis to effectuate the electric and gas rate changes as well as the other requirements of the Rate Plan adopted in the aforementioned Order. The purpose for these tariff amendments is described below.

ELECTRIC

Electric Bill Credit ("EBC")

An electric bill credit will be implemented July 1, 2018 to return to customers the regulatory liability remaining after the offset of various deferred balances. The bill credit has been designed to return to customers \$6 million for the twelve months ending June 30, 2019, \$9 million for the twelve months ending June 30, 2020 and \$11 million for the twelve months ending June 30, 2021.

Revenue Decoupling Mechanism ("RDM")

The electric revenue decoupling mechanism ("RDM") will continue to be applicable to Service Classification Nos. ("SC") 1, 2, and 6 and those customers taking service under SC 14 whose parent service classification would be either SC 1, 2, or 6. The RDM will be expanded to include SC 3, including those customers taking service under SC 14 whose parent service classification would be SC 3, as well as SCs 5 and 8.

Energy Cost Adjustment Mechanism ("ECAM")

ECAM statements have not been filed herein to effectuate changes to the working capital carrying charge rate, uncollectible rate and electric loss factors included in Case 17-E-0459. It is estimated that the changes would result in a 0.08% increase to the base costs included in the MPC factors, and a 0.1% increase in the base costs included in the MISC factors. Since the increases are immaterial, the updated

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working capital carrying charge, uncollectible and electric loss factors will be reflected in the ECAM factors filed in the routine monthly Statement update which will go into effect on July 12, 2018.

S.C. No. 8 – Public Street and Highway Lighting

SC 8 Rate C annual delivery charges have been specifically identified in the tariff.

S.C. No. 14 - Standby Rates

The Company has included revised standby rates utilizing the Rate Year cost of service study presented in Hearing Exhibit 1, as scaled consistent with the parent service classification rate design, such that the rates are revenue neutral. Tariff amendments also include changes to the definition of designated technologies.

Merchant Function Charges (“MFCs”)

An electric MFC statement is filed herein to effectuate changes to the base MFC rates.

GAS

Base Delivery Rates

The rate structure of SC 11 has been revised to reflect a three-part rate consisting of: (1) a monthly customer charge; (2) a volumetric charge applicable to all monthly volume in excess of 1,000 Ccf per month; and (3) a demand charge applicable to a customer’s MDQ. Additionally, the three SC 11 transmission rates from the Case 14-G-0319 Rate Order shall be consolidated into one transmission rate and the two SC 11 distribution rates from the Case 14-G-0319 Rate Order shall be consolidated into one distribution rate while also maintaining a Distribution Large Mains (“DLM”) rate.

Gas Bill Credit (“GBC”)

A gas bill credit has been implemented effective July 1, 2018 in Case 17-G-0460 to return to customers the regulatory liability remaining after the offset of various deferred balances. The bill credit will return to customers \$2.5 million for the twelve months ending June 30, 2019, \$3 million for the twelve months ending June 30, 2020 and \$3 million for the twelve months ending June 30, 2021. To the extent that the Company expects to receive gas delivery revenues from the Danskammer Generating Station for the twelve months ending June 30, 2019, the bill credit will also reflect up to \$1 million of those revenues in the twelve months ending June 30, 2019. Similarly, up to \$1 million of the revenues expected to be received from Danskammer for the twelve months ending June 30, 2020 and June 30, 2021 will be credited to customers over the twelve months ending June 30, 2020 and June 30, 2021.

Imputation of Interruptible Revenue

The structure of the annual imputed interruptible profit from SC Nos. 8, 9 and 14 as set forth in Case 09-G-0589 shall continue and the imputation will be set at \$2.6 million for each of the Rate Years ending June 30, 2019, June 30, 2020, and June 30, 2021. The classes receiving the benefit of the imputation will be expanded to include SC 11 (with the exception of SC 11 Electric Generators), and as such, ninety percent of actual annual excess or shortfall amounts, as compared to the imputation level, will be refunded or surcharged to customers taking service under SCs 1, 2, 6, 11, 12 and 13. Any such refund or surcharge amounts will be allocated to each service class in proportion to its contribution to overall annual gas delivery revenue for each Rate Year. Refund or surcharge factors will be developed for SCs 1, 2, 6, 12 and 13, combined, and for SC 11, by dividing any such allocated refund or surcharge amount by the forecasted deliveries of each group (SCs 1, 2, 6, 12 and 13 and SC 11) to create a uniform factor per Ccf by group. The refund or surcharge factor developed for the SC 1, 2, 6, 12 and 13 group will continue to be addressed

through the Gas Cost Adjustment Mechanism; and the refund or surcharge factor developed for SC 11 will be addressed through a new gas surcharge/sur-credit rate to be combined with other new gas surcharges.

Factor of Adjustment

The factor of adjustment will continue consistent with the Order in Case No. 14-G-0319.

Gas Supply Charge

An updated GSC Statement will not be filed herein to reflect the changes to the uncollectible rate and working capital carrying charge rate effective July 1, 2018. It is estimated that these items combined would result in a 0.03% increase in the currently effective GSC factor that would only be in effect for one day. As a result of this timing coupled with low seasonal volumes it is estimated that any difference will be immaterial and more efficiently recognized in the upcoming annual reconciliation of gas expense required pursuant to 16 NYCRR §720-6.5(g). The updated uncollectible and working capital carrying charge rates have been reflected in the GSC factor filed in the routine monthly GSC Statement update which will go into effect on July 2, 2018.

Distributed Generation

The Company has included revised distributed generation rates utilizing the Rate Year cost of service study presented in Hearing Exhibit 1, parent service classification billing units, and load factor assumptions consistent with the various orders of the Commission in Case 02-M-0515 and consistent with the manner in which these rates were last updated in Case 14-G-0319.

Gas Miscellaneous Charge ("MISC")

A new Gas Miscellaneous Charge mechanism and bill line item will be implemented to address the recovery and refund of new initiatives addressed in Case 17-G-0460, including interruptible refunds or surcharges applicable to SC 11 as described above, as well as amounts addressed through the Gas Rate Adjustment Mechanism and Gas Earnings Adjustment Mechanism incentives as described below.

ELECTRIC AND GAS ISSUES

Base Delivery Rates

Base delivery rates for each year of the Rate Plan have been reflected in the tariff amendments submitted herein to provide customers with delivery rate transparency.

Earnings Adjustment Mechanism ("EAM")

Pursuant to the Rate Plan the Company will adopt electric and gas Earnings Adjustment Mechanisms ("EAM"). Incentives associated with Electric EAMs will be recovered through the Miscellaneous Charges EAM Factor, which will be a component of the Company's Energy Cost Adjustment Mechanism. For billing purposes, 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. Incentives associated with Gas EAMs will be recovered through the new Gas Miscellaneous Charge mechanism.

Rate Adjustment Mechanism ("RAM")

The Company will implement a Rate Adjustment Mechanism ("RAM") to refund or recover the

net balance of RAM Eligible Deferrals and Carrying Charges. The Electric RAM annual recovery/return amounts shall be delivered through a new component of the MISC. The Gas RAM annual recovery/return amounts shall be delivered through the new gas surcharge/sur-credit rate, the gas Miscellaneous Charge. For administrative consistency with the EAM mechanism, the tariff revisions provide for RAM updates effective with the first billing batch of July rather than July 1 each year, with factors to be in effect from July to the subsequent June based on billing batch.

Reconnection Charges

Reconnection charges for each year of the Rate Plan have been revised to reflect the rates approved in the Order.

Energy Efficiency Tracker

Tariff amendments have been included to reflect the removal of the Energy Efficiency Tracker (EET) Surcharge from the System Benefits Charge (SBC). The recovery of costs of the Company's internal energy efficiency programs will now be reflected in base delivery rates. Tariff amendments also reflect, the monthly credit related to Recharge New York Power Program and Empire Zone Rate customer exemptions. An SBC statement is also filed herein to reflect the removal of EET costs previously projected to be recovered through the SBC for the months of July through December 2018.

Future Filings

Any necessary corresponding changes to reflect Compliance related items will be made to documents such as the Gas Transportation Operating Procedures Manual (GTOP), Electric Retail Access Operating Procedures Manual, Billing Service Agreement (BSA), etc. subsequent to the Compliance Filing.

PROCEDURAL MATTERS

As directed by Ordering paragraph seven, the requirements of 66(12)(b) of the Public Service Law that newspaper publications are to be completed prior to the effective date of the amendments is waived with respect to the tariff changes for the rate year ended June 30, 2019. Notices of the changes contained herein will be published in the July 11, 18, 25 and August 1, 2018 issues of the Catskill Daily Mail, the Daily Freeman, the Times Herald Record, and the Poughkeepsie Journal, as well as the July 10, 17, 24 and 31 issues of the Putnam County Courier.

Questions related to this filing should be addressed to Darlene Clay at dclay@cenhud.com or Amy Dittmar at adittmar@cenhud.com.

Very truly yours,

Anthony S. Campagiorini

cc: Active Party List
B. T. FitzGerald, Cullen and Dykman LLP

TARIFF LEAVES

PSC No. 15 – ELECTRICITY

5th Revised Leaf No. 94	21st Revised Leaf No. 210
21st Revised Leaf No. 104	3rd Revised Leaf No. 210.1
Initial Leaf No. 106.1.5	21st Revised Leaf No. 217
Initial Leaf No. 106.1.6	2nd Revised Leaf No. 217.1
12th Revised Leaf No. 163.3	17th Revised Leaf No. 218
11th Revised Leaf No. 163.5.2	14th Revised Leaf No. 218.1
7th Revised Leaf No. 163.5.3	10th Revised Leaf No. 218.2
14th Revised Leaf No. 163.5.4	14th Revised Leaf No. 219
9th Revised Leaf No. 163.5.5	17th Revised Leaf No. 220
6th Revised Leaf No. 163.5.32	15th Revised Leaf No. 221
5th Revised Leaf No. 163.5.35	17th Revised Leaf No. 222
4th Revised Leaf No. 163.6	10th Revised Leaf No. 222.1
16th Revised Leaf No. 165	10th Revised Leaf No. 222.2
19th Revised Leaf No. 169	19th Revised Leaf No. 226
15th Revised Leaf No. 185	11th Revised Leaf No. 231
15th Revised Leaf No. 186.1	16th Revised Leaf No. 246
20th Revised Leaf No. 205	19th Revised Leaf No. 246.1
17th Revised Leaf No. 205.1	12th Revised Leaf No. 272.3
9th Revised Leaf No. 205.2	6th Revised Leaf No. 272.3.1
12th Revised Leaf No. 206	6th Revised Leaf No. 272.3.2
13th Revised Leaf No. 206.1	6th Revised Leaf No. 272.10
8th Revised Leaf No. 206.2	3rd Revised Leaf No. 272.11
3rd Revised Leaf No. 206.3	

Statement of Electric Bill Credit EBC – 5

Statement of Merchant Function Charges MFC – 14

Statement of Light Emitting Diode (LED) Fixture Delivery Rates LED – 5

Statement of System Benefits Charge SBC - 40

TARIFF LEAVES

PSC No. 12 – GAS

5th Revised Leaf No. 63	15th Revised Leaf No. 153
21st Revised Leaf No. 68	17th Revised Leaf No. 158
10th Revised Leaf No. 71	20th Revised Leaf No. 159
12th Revised Leaf No. 72	18th Revised Leaf No. 181
11th Revised Leaf No. 75	8th Revised Leaf No. 181.1
19th Revised Leaf No. 126.1	3rd Revised Leaf No. 181.1.1
7th Revised Leaf No. 126.2	19th Revised Leaf No. 186
9th Revised Leaf No. 127	15th Revised Leaf No. 187
4th Revised Leaf No. 128.1	18th Revised Leaf No. 188
4th Revised Leaf No. 129.2	19th Revised Leaf No. 191
1st Revised Leaf No. 129.3	17th Revised Leaf No. 192
5th Revised Leaf No. 137	18th Revised Leaf No. 193
8th Revised Leaf No. 138	13th Revised Leaf No. 195
21st Revised Leaf No. 149	17th Revised Leaf No. 206
14th Revised Leaf No. 151	11th Revised Leaf No. 212
17th Revised Leaf No. 152	

Statement of Merchant Function Charges MFC – 15

Statement of Gas Bill Credit GBC – 4

Statement of System Benefits Charge SBC – 21

Statement of Miscellaneous Charge MISC - 1