

June 30, 2015

Public Service Commission Three Empire State Plaza Albany, New York 12223-1350

> Re: Cases 15-E-0186- Dynamic Load Management ("DLM"): <u>Central Hudson Compliance Filing</u>

Dear Commissioners:

Pursuant to Ordering Paragraph 1 in the Public Service Commission's order issued and effective June 18, 2015 ("Order") in the above captioned proceeding, Central Hudson Gas & Electric Corporation hereby files amended tariff leaves to its Schedule for Electric Service, PSC No. 15 – Electricity.

P.S.C. No. 15 – Electricity

25th Revised Leaf No.3	Initial Leaf No. 163.5.43
Initial Leaf No. 163.5.38	Initial Leaf No. 163.5.44
Initial Leaf No. 163.5.39	Initial Leaf No. 163.5.45
Initial Leaf No. 163.5.40	Initial Leaf No. 163.5.46
Initial Leaf No. 163.5.41	Initial Leaf No. 163.5.47
Initial Leaf No. 163.5.42	

These amendments are being filed June 30, 2015, to become effective July 1, 2015 to implement the Direct Load Control ("DLC") and Commercial System Relief ("CRSP") programs approved in the Order and reflect the following required modifications:

- allowing hourly pricing customers to fully participate in both the Reservation and Voluntary options of the CSRP programs in summer 2015;
- allowing CSRP participants to simultaneously enroll in the NYISO SCR program;
- redesign of CSRP payments to exclude the value of avoided wholesale market capacity costs and to recognize current cost information, as discussed below;
- adopting provisions that limit diesel-fired generating unit participation in the CSRP to only those units of vintage year 2000 or newer and limiting the total kW enrollment of these units to 20% of the total kW enrolled the CSRP;
- allowing customers who already have installed interval metering and associated communications, and who meet the other eligibility requirements, to participate in the CSRP as of July 1, 2015 if such customers submit a completed application on or before June 24, 2015;
- accepting completed applications from all customers, regardless of whether such customers already have interval metering or not, submitted by July 1, 2015 for an August 1, 2015 commencement date, to be effective for the summer of 2015 only; and,
- adopting a 21-day deadline for installation of interval metering and providing for lost reservation payments funded by shareholders to customers who are precluded from participating because the utility missed its metering installation deadline.

In the absence of a detailed marginal distribution cost study, which is required pursuant to the Order for the purposes of designing program payment structures for the summer of 2016, the Company utilized the results of the study performed during the development of its non-wires alternative

demonstration projects. This study identified four areas within the Company's service territory where existing loads and forecasted demand growth are expected to drive growth related investments in distribution capacity. Although load growth and distribution investments are concentrated in specific areas, there will continue to be growth across the system and the need for distribution capacity will arise in other areas. As a result, the avoided cost analysis from current growth areas was utilized to estimate the distribution capacity values on a system wide basis. This value, in turn, was used to estimate distribution values and the payment structure for both the DLC program and the CSRP as reflected in the tariff amendments filed herein.

Pursuant to Ordering Paragraph 7 of the Order, the requirements of Public Service Law §66(12)(b) regarding newspaper publication of these tariff amendments has been waived.

Questions related to this filing should be addressed to Darlene Clay at 845-486-5466 or by email to dclay@cenhud.com.

Very truly yours,

Michael L. Mosher Vice President – Regulatory Affairs

LETT352