



September 15, 2016

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

Re: Case 14-E-0318 – Cost Recovery for Non-Wire Alternative Project: Compliance

Dear Secretary Burgess:

Pursuant to Ordering Paragraph 1 of the Commission's order issued and effective July 15, 2016 ("Order") in the above referenced proceeding, Central Hudson Gas & Electric Corporation ("Central Hudson" or "the Company") hereby files amended tariff leaves to its Schedule for Electric Service, P.S.C. No. 15 – Electricity, to become effective January 1, 2017¹.

P.S.C. No. 15- Electricity

7th Revised Leaf No.106
Initial Leaf No.106.1

The tariff amendments provide for the recovery of costs and incentives associated with the non-wire alternative project approved by the Commission in this proceeding. Pursuant to Ordering Paragraphs 2 and 3 of the Order, recovery from non-demand customers will be accomplished on a per kWh basis through the existing Miscellaneous Charge with recovery from demand customers accomplished on a per kW basis through a second Miscellaneous Charge component called the Miscellaneous Charge II. The tariff amendments also reflect allocation of costs and incentives across service classifications/sub-classifications utilizing a demand allocator, also pursuant to Ordering Paragraph 2, that reflects the transmission and distribution cost allocation of the traditional transmission and distribution investment being deferred, with costs and incentives amortized and collected over a five year period, excluding any incentives related to wholesale generating capacity savings which will be collected over a one year period. Cost recovery factors will be calculated every twelve months and will include a reconciliation of recoveries with costs resulting from billed kW and kWh delivery variations pursuant to Ordering Paragraph 3 of the Order.

In order to address programming time requirements and calendar year amortization periods, while also capturing potential synergistic efficiencies coincident with programming for and implementation of cost recovery for dynamic load management programs, as more fully described in the Extension Request, the effective date of the tariff amendments is proposed to be January 1, 2017, with the first recovery factors effective with the first billing batch of February 2017.

As provided by Ordering Paragraph 8, the requirements of § 66(12)(b) of the Public Service Law as to newspaper publication of the tariff amendments filed herein have been waived.

¹ On August 11, 2016, the Company requested an extension of the filing deadline to September 15, 2016 ("Extension Request") which was subsequently granted by the Secretary on August 12, 2016.

Questions related to this filing should be addressed to Glynis Bunt at gbunt@cenhud.com or Darlene Clay at dclay@cenhud.com.

Very truly yours,

Anthony S. Campagiorni
Vice President of Regulatory and Governmental Affairs

LETT392