

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
284 SOUTH AVENUE  
POUGHKEEPSIE, NEW YORK 12601

April 19, 2012

Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223

**Incremental Monthly Charge for Service Classification No. 2 Customers**  
**Subject to Mandatory Hourly Pricing**

The amended tariff leaf set forth below is filed by Central Hudson Gas & Electric Corporation ("Central Hudson" or "the Company") on April 19, 2012 to become effective August 1, 2012.

**P.S.C. No. 15 – Electricity**

18<sup>th</sup> Revised Leaf No. 184.2.1

The tariff leaf listed above is being filed to update the incremental monthly charge currently included in the tariff applicable to Service Classification No. 2 customers subject to the Mandatory Hourly Pricing Provision.

**Background**

Pursuant to the Order in C. 08-E-0887 and the subsequent Implementation Plan, Central Hudson began installing interval meters in the Spring of 2010 to expand the Company's Mandatory Hourly Pricing Provision ("HPP") to Service Classification No. 2 customers exceeding 500 kW. At that time, the meters installed at customer locations were those requiring a dedicated phone line for communication purposes. After further consultations with PSC Staff it was determined that in order for the Company to move forward with the HPP expansion it must offer customers the option to have the Company provide the required telecommunications to the meter through the use of cell meters. Effective August 14, 2010, the Company's tariff included an adder to the existing incremental monthly charge to recover the cost of the cellular service from customers choosing this option.

Pursuant to the Order in C. 09-E-0588 and the subsequent Implementation Plan, Central Hudson began installing interval meters in the Spring of 2011 to expand HPP to S.C. No. 2 customers exceeding 300 kW. At that time, customers were given the option to 1) have Central Hudson install a cellular-enabled meter, given the availability of adequate signal strength at the customer's location, or 2) install a dedicated phone line at the customer's expense, after which the Company would install the appropriate interval meter.

Based on experience to date with the two phases of HPP expansion, the Company has run into a number of difficulties regarding the dedicated phone line option. Some of these difficulties include, but are not limited to 1) customers choosing to install dedicated phone lines but failing to do so by the given deadline, 2) customer-owned phone lines failing to operate for any reason and the customer does not remedy the problem within a reasonable time frame, and 3) lack of cellular signal strength necessitating the use of a dedicated phone line for telecommunications purposes but the customer refuses to install a phone line or installation costs are prohibitive.

**Proposed Modifications to Program**

Due to the difficulties with customer-owned dedicated phone lines, the Company proposes to require the installation of cellular meters on a going-forward basis. Should the customer's location require a dedicated phone line, the Company will arrange for the installation of, and be responsible for the ownership and maintenance of, a dedicated phone line. Given that the Company proposes to require the cell option, the incremental monthly charge applicable to these customers has been modified to reflect a weighted-average of land-line and cell meter installations to date as well as those expected to be installed through the end of the current rate plan.

To remedy the problems created by the lack of signal strength at some customer locations, the Company has developed a solution through the use of several wireless signal boost packages. The proposed modification to the incremental monthly charge includes recovery of the projected expenses related to the installation of wireless signal boost packages for the remaining 15 meters to be installed for the second phase of HPP expansion as well as a projection of costs for customers added to the program through the end of the current rate plan.

Given the limited number of customers impacted by this proposal and the fact that these customers are provided with access to Central Hudson's Energy Manager website, the Company plans to post notices regarding the proposed tariff filing on both the Energy Manager site as well as the section of the Company's website dedicated to Hourly Pricing. Therefore, the Company requests that the requirements of Section 66(12)(b) of the Public Service Law as to newspaper publication for the amendments listed herein be waived.

Work papers will be provided to DPS Staff under separate cover. Questions related to this filing should be directed to Stacy Powers at (845) 486-5815 or [spowers@cenhud.com](mailto:spowers@cenhud.com).

Yours very truly,

Michael L. Mosher  
Vice President - Regulatory Affairs

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