



HOURLY PRICING PROVISION – Status Update & Billing

What is the status of the expansion of the Hourly Pricing Provision (“HPP”)?

Pursuant to Orders issued by the Public Service Commission (“PSC”) on June 22, 2009 in Case 08-E-0887, and June 18, 2010 in Case 09-E-0588, Central Hudson filed plans (“Plan”) on September 21, 2009 and August 17, 2010 to expand HPP to those customers taking service under Service Classification No. 2 with demand exceeding 500 kW and 300 kW, respectively, in any two of the previous twelve months and purchasing their electric commodity from Central Hudson. Subsequently, the Company filed two supplements to the Plan, including a modified timeline, as a result of consultation with the Staff of the Department of Public Service.

The Company’s Plans were approved by the PSC effective February 11, 2010 and November 18, 2010. As a result, the Company commenced the activities outlined in the Plans starting with the purchase of the required interval meters. Central Hudson representatives have contacted those customers that require meter replacement to coordinate telecommunications setup before installation of the required metering. Additionally, Company representatives have contacted those customers that do not require a meter replacement to verify that telecommunications will be operational. Pursuant to the PSC-approved Plan, meters, with operational telecommunications, will need to be in place by October 1, of the respective implementation year. Refer to the HPP timeline for dates specific to your phase of expansion.

What is the significance of October 1?

The Company proposed in the Plan to have all equipment in place for this HPP expansion by October 1 so that customers would have one year until the pricing terms of the HPP are effective (October 1 of the subsequent year) to analyze their hourly loads.

Does the Company still plan to provide energy management software to enable access to and analysis of hourly load data?

Yes. The Company will provide access to Energy Manager, the energy management software currently utilized by customers taking service under the HPP of Service Classification Nos. 3 and 13.

How will customers gain access to and learn to use Energy Manager?

The Company will conduct a set of seminars at various locations throughout the service territory. Company representatives will provide an overview of the HPP and a demonstration on accessing and utilizing the Energy Manager software. The Company held seminars September 14 – 16, 2010 for customers subject to the 500 kW expansion. If you missed these seminars and would like more information please contact EnergyManager@cenhud.com. Another set of seminars will be held for customers subject to the 300 kW expansion in August 2011. Notification regarding dates, times and locations, when finalized, will be sent directly to customers and will also be made available in a future edition of the *HPP Bulletin*.

Will there be a fee for this software?

Access to Energy Manager will be provided free of charge for approximately one year from meter installation until billing commences October 1. Subsequently, the monthly charge for this software, which is about \$20, will be included in a monthly incremental metering charge as approved by the PSC.

What other charges will be included in the monthly incremental metering charge?

Pursuant to PSC policy, the monthly incremental metering charge will recover the incremental metering costs and the Energy Manager subscription costs. The proposed incremental metering charge, including the Energy Manager subscription cost, is \$41 per month for cellular enabled meters and \$27 per month for customers providing a dedicated phone line.

Will HPP customers' bills look different?

The format of the bill will be no different however, the incremental metering charge will be included under the Energy Delivery Charges section and the two line items for the Market Price Charge and Market Price Adjustment, if purchasing electric supply from Central Hudson, will be replaced with three line items indicating the NYISO DAM Hourly Pricing, HPP UCAP and HPP Charge (see *HPP Bulletin* No. 2). These changes will be effective for service rendered on and after October 1, of the respective implementation year. Refer to the HPP timeline for dates specific to your phase of the expansion.

Can you provide more details?

More HPP-related information, including energy management and educational opportunities, will be provided in future issues of the *HPP Bulletin*.