

**Central Hudson Gas & Electric Corporation**  
**Case Nos. 09-E-0588 & 09-G-0589**  
**Gas Marginal Cost**

		Transmission	Distribution	Regulators & Meters	Combined
	<b>Gas Plant Investment</b>				
[1]	<b>Average Plant Investment (2010-2014)</b>	\$ 242,709	\$ 5,278,132	\$ 903,379	\$ 6,424,220
[2]	plus General & Common Plant Loader	10.16% \$ 267,369	\$ 5,814,403	\$ 995,164	\$ 7,076,936
[3]	Plant A&G Loader	0.60%			
[4]	Economic Carrying Charge	9.88%	9.67%	11.86%	
[5]	<b>Annual Carrying Cost on Plant Investment</b> line [2] * (line [3] + line [4])	<b>\$ 28,015</b>	<b>\$ 597,117</b>	<b>\$ 123,997</b>	<b>\$ 749,129</b>
[6]	Incremental Annual Sales (2010-2014)	221,979	221,979	221,979	221,979
[7]	<b>Annual Carrying Cost on Plant Investment per Mcf</b>	<b>\$ 0.126</b>	<b>\$ 2.690</b>	<b>\$ 0.559</b>	<b>\$ 3.375</b>
	<b>Annual O&amp;M Expense</b>				
[8]	O&M Expense per Mcf				\$0.411
[9]	<b>Annual Gas O&amp;M plus A&amp;G Expenses</b>	49.71%			<b>\$ 0.615</b>
	<b>Annual Working Capital Costs</b>				
[10]	Materials and Supplies	0.65%			\$ 0.208
[11]	Prepayments	16.65%			\$ 0.102
[12]	Working Capital for Expenses	14.29%			\$ 0.088
[13]	Sum of Working Capital Costs				\$ 0.398
[14]	<b>Annual Working Capital Revenue Requirement</b>	10.80%			<b>\$ 0.043</b>
[15]	<b>Annual Marginal Cost per Mcf</b>				<b>\$ 4.033</b>
	<b>Annual Marginal Cost per Ccf</b>				<b>\$ 0.4033</b>

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**Excludes "CH" Line Extension & New Services**

		Transmission	Distribution	Regulators & Meters	Combined
	<b>Gas Plant Investment</b>				
[1]	<b>Average Plant Investment (2010-2014)</b>	\$ 242,709	\$ 2,969,024	\$ 903,379	\$ 4,115,112
[2]	plus General & Common Plant Loader	10.16% \$ 267,369	\$ 3,270,684	\$ 995,164	\$ 4,533,217
[3]	Plant A&G Loader	0.60%			
[4]	Economic Carrying Charge	9.88%	9.67%	11.86%	
[5]	<b>Annual Carrying Cost on Plant Investment</b> line [2] * (line [3] + line [4])	<b>\$ 28,015</b>	<b>\$ 335,887</b>	<b>\$ 123,997</b>	<b>\$ 487,899</b>
[6]	Incremental Annual Sales (2010-2014)	221,979	221,979	221,979	221,979
[7]	<b>Annual Carrying Cost on Plant Investment per Mcf</b>	<b>\$ 0.13</b>	<b>\$ 1.51</b>	<b>\$ 0.56</b>	<b>\$ 2.198</b>
	<b>Annual O&amp;M Expense</b>				
[8]	O&M Expense per Mcf				\$0.411
[9]	<b>Annual Gas O&amp;M plus A&amp;G Expenses</b>	49.71%			<b>\$ 0.615</b>
	<b>Annual Working Capital Costs</b>				
[10]	Materials and Supplies	0.65%		\$	0.133
[11]	Prepayments	16.65%		\$	0.102
[12]	Working Capital for Expenses	14.29%		\$	0.088
[13]	Sum of Working Capital Costs			\$	0.323
[14]	<b>Annual Working Capital Revenue Requirement</b>	10.80%		<b>\$</b>	<b>0.035</b>
[15]	<b>Annual Marginal Cost per Mcf</b>			<b>\$</b>	<b>2.848</b>
	<b>Annual Marginal Cost per Ccf</b>			<b>\$</b>	<b>0.2848</b>