

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Financial Statements
for 2006, 2007, 2008 and the twelve months ended March 2009

Schedule A - Balance Sheets

Schedule B - Income Statements

Schedule C - Statement of Retained Earnings

Central Hudson Gas & Electric Corporation
Balance Sheet
Assets and Other Debits

<u>Acct. No.</u>	<u>Account Title</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2008</u>	<u>Mar. 31, 2009</u>
101-106,114	Utility Plant	\$1,120,551,444	\$1,169,800,706	\$1,268,317,797	\$1,286,403,030
107	Construction Work in Progress	51,041,270	75,866,230	47,531,078	49,870,980
	Total Utility Plant	1,171,592,714	1,245,666,936	1,315,848,875	1,336,274,010
108,111,115	(Less) Accum. Prov. for Depr. Amort. Depl.	389,142,196	402,172,213	417,555,070	424,409,945
	Net Utility Plant	782,450,518	843,494,723	898,293,805	911,864,065
120	Nuclear Fuel	0	0	0	0
120.5	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies	0	0	0	0
	Net Nuclear Fuel	0	0	0	0
	Net Utility Plant	782,450,518	843,494,723	898,293,805	911,864,065
121	Nonutility Property	454,644	438,390	438,390	438,390
122	(Less) Accum. Prov. for Depr. and Amort.	27,009	29,452	31,895	32,507
123.1	Investment in Subsidiary Companies	93,013	93,228	93,364	0
124	Other Investments	73,922	73,922	1,117,490	1,129,380
125 - 128	Special Funds	62,742,895	51,686,579	43,756,068	35,683,953
	Total Other Property and Investments	63,337,465	52,262,667	45,373,417	37,219,216
131	Cash	1,500,170	3,383,680	2,295,131	15,972,231
132 - 134	Special Deposits	5,845,475	3,962,434	2,187,593	4,876,116
135	Working Fund	122,500	122,500	72,500	67,473
136	Temporary Cash Investments	0	0	0	0
142	Customer Accounts Receivable	36,503,590	73,183,447	79,778,437	102,402,669
143	Other Accounts Receivable	2,502,158	1,900,755	2,504,939	1,648,260
144	(Less) Accum. Prov. for Uncollectible Acct.-Credit	3,800,000	2,761,484	4,000,000	4,500,000
146	Accounts Receivable from Assoc. Companies	323,199	671,709	521,272	495,958
151	Fuel Stock	726,042	924,968	892,869	864,975
154	Plant Materials and Operating Supplies	6,437,939	7,094,642	7,538,398	7,765,112
163	Stores Expense Undistributed	1	1	(0)	(22,405)
164.1	Gas Stored Underground - Current	15,639,879	16,250,105	22,683,639	11,015,908
165	Prepayments	12,748,856	18,026,464	13,891,314	15,475,692
171	Interest and Dividends Receivable	0	0	0	0
172	Rents Receivable	208,756	283,430	421,120	341,371
173	Accrued Utility Revenues	9,772,204	12,021,940	12,656,834	11,863,058
174	Miscellaneous Current and Accrued Assets	2,414,657	2,492,084	2,494,313	2,517,879
175	Derivative Instrument Assets	0	0	0	0
	Total Current and Accrued Assets	90,945,426	137,556,675	143,938,359	170,784,297
181	Unamortized Debt Expense	4,041,374	4,344,614	5,009,067	5,025,781
182.3	Other Regulatory Assets	243,157,337	183,065,589	201,846,933	341,803,726
183	Prelim. Survey and Investigation Charges (Electric)	79,169	0	0	0
183.1	Prelim. Natural Gas Survey and Investigation Charges	11,830	0	0	0
184	Clearing Accounts	1,234,698	1,029,038	1,080,806	856,249
186	Miscellaneous Deferred Debits	3,219,370	2,592,369	1,278,826	1,468,410
188	Research, Devel. and Demonstration Expend.	(164,836)	(157,743)	256,986	403,286
189	Unamortized Loss on Reacquired Debt	6,626,231	6,032,016	5,441,556	5,293,941
190	Accumulated Deferred Income Taxes	79,223,100	83,673,700	103,022,400	103,438,200
	Total Deferred Debits	337,428,273	280,579,583	317,936,574	458,289,593
	Total Assets and Other Debits	\$1,274,161,682	\$1,313,893,648	\$1,405,542,155	\$1,578,157,172

Central Hudson Gas & Electric Corporation
Balance Sheet
Liabilities and Other Credits

<u>Acct. No.</u>	<u>Account Title</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2008</u>	<u>Mar. 31, 2009</u>
201	Common Stock Issued	\$84,310,435	\$84,310,435	\$84,310,435	\$84,310,435
204	Preferred Stock Issued	21,026,500	21,026,500	21,026,500	21,026,500
207	Premium on Capital Stock	63,868,866	63,868,866	63,868,866	63,868,866
208 - 211	Other Paid-in Capital	111,111,522	111,111,522	111,111,522	111,111,522
214	(Less) Capital Stock Expense	4,960,934	4,960,934	4,960,934	4,960,934
215,215.1,216	Retained Earnings	68,652,836	92,618,804	118,886,719	131,237,289
216.1	Unappropriated Undistributed Subsidiary Earnings	57,146	57,361	57,497	57,497
217	(Less) Reacquired Capital Stock	0	0	0	0
	Total Proprietary Capital	344,066,371	368,032,554	394,300,605	406,651,175
221	Bonds	0	0	0	0
224	Other Long-Term Debt	370,950,000	403,950,000	433,950,000	413,950,000
226	(Less) Unamortized Discount on Long-Term Debt-Debit	61,429	58,453	55,477	54,733
	Total Long-Term Debt	370,888,571	403,891,547	433,894,523	413,895,267
228.2	Accumulated Provision for Injuries and Damages	3,936,018	4,242,779	3,897,918	3,593,549
228.4	Accumulated Miscellaneous Operating Provisions	0	0	0	0
	Total Other Noncurrent Liabilities	3,936,018	4,242,779	3,897,918	3,593,549
231	Notes Payable	13,000,000	42,500,000	25,500,000	40,000,000
232	Accounts Payable	32,409,520	29,766,275	42,910,328	29,479,859
234	Accounts Payable to Associated Companies	8,273	5,063	2,629	4,027
235	Customer Deposits	7,810,612	7,989,718	8,317,401	8,269,469
236	Taxes Accrued	(9,798,957)	3,915,798	1,011,410	23,542,490
237	Interest Accrued	5,645,262	6,126,614	5,894,800	4,644,326
238	Dividends Declared	242,447	242,447	242,447	242,447
241	Tax Collections Payable	(56,662)	343,663	263,538	162,804
242	Miscellaneous Current and Accrued Liabilities	12,395,879	13,169,711	23,556,305	23,654,843
244	Derivative Instruments Liabilities	2,970,889	1,235,220	15,758,730	20,515,514
	Total Current and Accrued Liabilities	64,627,263	105,294,509	123,457,588	150,515,779
252	Customer Advances for Construction	881,942	1,430,330	1,438,560	1,388,397
255	Accumulated Deferred Investment Tax Credits	2,247,000	1,900,000	1,569,000	1,497,000
253	Other Deferred Credits	201,633,094	145,757,171	107,389,898	283,869,483
254	Other Regulatory Liabilities	84,356,523	72,983,358	104,750,963	90,921,622
281 - 285	Accumulated Deferred Income Taxes	201,524,900	210,361,400	234,843,100	225,824,900
	Total Deferred Credits	490,643,459	432,432,259	449,991,521	603,501,401
	Total Liabilities and Other Credits	\$1,274,161,682	\$1,313,893,648	\$1,405,542,155	\$1,578,157,172

Central Hudson Gas & Electric Corporation
Income Statement
For the Twelve Months Ended March 31, 2009

EXHIBIT___(AP-1)
Schedule B
Sheet 1 of 4

<u>Acct. No.</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
	UTILITY OPERATING INCOME			
400	Operating Revenues	\$621,117,477	\$203,840,598	\$824,958,075
	Operating Expenses			
401	Operation Expenses	487,537,542	169,117,665	656,655,207
402	Maintenance Expenses	25,072,819	4,937,260	30,010,079
403	Depreciation Expense	23,294,280	6,193,212	29,487,492
404 - 405	Amort. & Depl. of Utility Plant	823,811	145,376	969,187
408.1	Taxes Other Than Income Taxes	29,845,400	8,090,056	37,935,456
409.1	Income Taxes -- Federal	14,330,000	6,298,000	20,628,000
409.1	-- Other	3,379,000	1,492,000	4,871,000
410.1	Provision for Deferred Income Taxes	12,189,755	2,393,145	14,582,900
411.1	(Less) Provision for Deferred Income Taxes -Cr.	14,474,700	5,260,200	19,734,900
411.4	Investment Tax Credit Adj. -- Net	-	-	-
411.9	Accretion Expense	34,349	1,975	36,324
	Total Utility Operating Expenses	582,032,256	193,408,489	775,440,745
	Net Utility Operating Income	\$39,085,221	\$10,432,109	\$49,517,330
	OTHER INCOME AND DEDUCTIONS			
	Other Income			
	Nonutility Operating Income			
415	Revenues From Merchandising, Jobbing and Contract Work			26,592
416	(Less) Costs and Exp. of Merchandising, Job. & Contract Work			22,479
417.1	(Less) Expenses of Nonutility Operations			-
418	Nonoperating Rental Income			2,600
418.1	Equity in Earnings of Subsidiary Companies			136
419	Interest and Dividend Income			(1,718,387)
419.1	Allowance for Other Funds Used During Construction			-
421	Miscellaneous Nonoperating Income			5,710,859
421.1	Gain on Disposition of Property			-
	Total Other Income			3,999,321
	Other Income Deductions			
421.2	Loss on Disposition of Property			-
425	Miscellaneous Amortization			90,648
426.1 - 426.5	Miscellaneous Income Deductions			310,238
	Total Other Income Deductions			400,886
	Taxes Applic. to Other Income and Deductions			
408.2	Taxes Other Than Income Taxes			107,224
409.2	Income Taxes -- Federal			(1,257,000)
410.2	Provision for Deferred Inc. Taxes			2,424,600
411.2	(Less) Provision for Deferred Income Taxes -- Cr.			1,373,900
420	(Less) Investment Tax Credits			324,000
	Total Taxes on Other Income and Deductions			(423,076)
	Net Other Income and Deductions			4,021,511
	INTEREST CHARGES			
427	Interest on Long-Term Debt			20,209,715
428	Amort. of Debt Disc. and Expense			391,458
428.1	Amortization of Loss on Reacquired Debt			590,460
431	Other Interest Expense			4,699,981
432	(Less) Allowance for Borrowed Funds Used During Construction-Cr.			436,439
	Net Interest Charges			25,455,175
	Income Before Extraordinary Items			28,083,666
	EXTRAORDINARY ITEMS			
434	Extraordinary Income			-
435	(Less) Extraordinary Deductions			-
	Net Extraordinary Items			-
409.3	Income Taxes -- Federal and Other			-
	Extraordinary Items After Taxes			-
	Net Income			\$28,083,666

Central Hudson Gas & Electric Corporation
Income Statement
For the Year Ended December 31, 2008

EXHIBIT___(AP-1)
Schedule B
Sheet 2 of 4

<u>Acct. No.</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
	UTILITY OPERATING INCOME			
400	Operating Revenues	\$608,177,410	\$189,869,055	\$798,046,465
	Operating Expenses			
401	Operation Expenses	477,565,597	156,773,507	634,339,104
402	Maintenance Expenses	24,235,409	5,009,136	29,244,545
403	Depreciation Expense	22,837,327	6,084,920	28,922,247
404 - 405	Amort. & Depl. of Utility Plant	756,073	133,421	889,494
408.1	Taxes Other Than Income Taxes	29,353,785	7,916,312	37,270,097
409.1	Income Taxes -- Federal	3,715,000	3,668,000	7,383,000
409.1	-- Other	1,050,000	926,000	1,976,000
410.1	Provision for Deferred Income Taxes	25,499,600	5,326,800	30,826,400
411.1	(Less) Provision for Deferred Income Taxes -Cr.	15,164,400	5,505,700	20,670,100
411.9	Accretion Expense	34,325	2,032	36,357
	Total Utility Operating Expenses	569,882,716	180,334,428	750,217,144
	Net Utility Operating Income	\$38,294,694	\$9,534,627	\$47,829,321
	OTHER INCOME AND DEDUCTIONS			
	Other Income			
	Nonutility Operating Income			
415	Revenues From Merchandising, Jobbing and Contract Work			26,061
416	(Less) Costs and Exp. of Merchandising, Job. & Contract Work			21,875
417.1	(Less) Expenses of Nonutility Operations			0
418	Nonoperating Rental Income			2,600
418.1	Equity in Earnings of Subsidiary Companies			136
419	Interest and Dividend Income			(1,540,486)
419.1	Allowance for Other Funds Used During Construction			0
421	Miscellaneous Nonoperating Income			6,658,274
421.1	Gain in Disposition of Property			0
	Total Other Income			5,124,710
	Other Income Deductions			
421.2	Loss on Disposition of Property			0
425	Miscellaneous Amortization			90,648
426.1 - 426.5	Miscellaneous Income Deductions			334,849
	Total Other Income Deductions			425,497
	Taxes Applic. to Other Income and Deductions			
408.2	Taxes Other Than Income Taxes			106,480
409.2	Income Taxes -- Federal			(1,461,000)
410.2	Provision for Deferred Inc. Taxes			2,817,000
411.2	(Less) Provision for Deferred Income Taxes -- Cr.			1,267,200
420	(Less) Investment Tax Credits			331,000
	Total Taxes on Other Income and Deductions			(135,720)
	Net Other Income and Deductions			4,834,933
	INTEREST CHARGES			
427	Interest on Long-Term Debt			20,517,962
428	Amort. of Debt Disc. and Expense			391,177
428.1	Amortization of Loss on Reacquired Debt			590,460
431	Other Interest Expense			4,494,915
432	(Less) Allowance for Borrowed Funds Used During Construction-Cr.			568,098
	Net Interest Charges			25,426,416
	Income Before Extraordinary Items			27,237,838
	EXTRAORDINARY ITEMS			
434	Extraordinary Income			0
435	(Less) Extraordinary Deductions			0
	Net Extraordinary Items			0
409.3	Income Taxes -- Federal and Other			0
	Extraordinary Items After Taxes			0
	Net Income			\$27,237,838

Central Hudson Gas & Electric Corporation
Income Statement
For the Year Ended December 31, 2007

EXHIBIT___(AP-1)
Schedule B
Sheet 3 of 4

<u>Acct. No.</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
	UTILITY OPERATING INCOME			
400	Operating Revenues	\$616,854,220	\$165,749,700	\$782,603,920
	Operating Expenses			
401	Operation Expenses	489,298,895	133,166,090	622,464,985
402	Maintenance Expenses	21,467,499	4,726,210	26,193,709
403	Depreciation Expense	21,952,072	6,094,896	28,046,968
404 - 405	Amort. & Depl. of Utility Plant	299,395	52,835	352,230
408.1	Taxes Other Than Income Taxes	27,063,824	7,512,657	34,576,481
409.1	Income Taxes -- Federal	11,148,000	4,033,000	15,181,000
409.1	-- Other	2,852,000	738,000	3,590,000
410.1	Provision for Deferred Income Taxes	16,882,100	4,201,800	21,083,900
411.1	(Less) Provision for Deferred Income Taxes -Cr.	13,886,300	4,806,500	18,692,800
411.9	Accretion Expense	30,737	1,631	32,368
	Total Utility Operating Expenses	577,108,222	155,720,619	732,828,841
	Net Utility Operating Income	\$39,745,998	\$10,029,081	\$49,775,079
	OTHER INCOME AND DEDUCTIONS			
	Other Income			
	Nonutility Operating Income			
415	Revenues From Merchandising, Jobbing and Contract Work			189,089
416	(Less) Costs and Exp. of Merchandising, Job. & Contract Work			161,274
417.1	(Less) Expenses of Nonutility Operations			
418	Nonoperating Rental Income			9,557
418.1	Equity in Earnings of Subsidiary Companies			215
419	Interest and Dividend Income			716,980
419.1	Allowance for Other Funds Used During Construction			0
421	Miscellaneous Nonoperating Income			5,138,145
421.1	Gain in Disposition of Property			468,335
	Total Other Income			6,361,047
	Other Income Deductions			
421.2	Loss on Disposition of Property			0
425	Miscellaneous Amortization			90,648
426.1 - 426.5	Miscellaneous Income Deductions			427,909
	Total Other Income Deductions			518,557
	Taxes Applic. to Other Income and Deductions			
408.2	Taxes Other Than Income Taxes			111,239
409.2	Income Taxes -- Federal			(1,550,000)
410.2	Provision for Deferred Inc. Taxes			1,945,100
411.2	(Less) Provision for Deferred Income Taxes -- Cr.			884,500
420	(Less) Investment Tax Credits			347,000
	Total Taxes on Other Income and Deductions			(725,161)
	Net Other Income and Deductions			6,567,651
	INTEREST CHARGES			
427	Interest on Long-Term Debt			18,653,163
428	Amort. of Debt Disc. and Expense			368,810
428.1	Amortization of Loss on Reacquired Debt			594,215
431	Other Interest Expense			4,378,309
432	(Less) Allowance for Borrowed Funds Used During Construction-Cr.			1,087,738
	Net Interest Charges			22,906,759
	Income Before Extraordinary Items			33,435,971
	EXTRAORDINARY ITEMS			
434	Extraordinary Income			
435	(Less) Extraordinary Deductions			
	Net Extraordinary Items			0
409.3	Income Taxes -- Federal and Other			
	Extraordinary Items After Taxes			
	Net Income			\$33,435,971

Central Hudson Gas & Electric Corporation
Income Statement
For the Year Ended December 31, 2006

EXHIBIT___(AP-1)
Schedule B
Sheet 4 of 4

<u>Acct. No.</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
	UTILITY OPERATING INCOME			
400	Operating Revenues	\$503,922,288	\$155,591,072	\$659,513,360
	Operating Expenses			
401	Operation Expenses	381,937,905	121,529,386	503,467,291
402	Maintenance Expenses	20,661,935	4,478,059	25,139,994
403	Depreciation Expense	22,234,725	6,615,499	28,850,224
404 - 405	Amort. & Depl. of Utility Plant	127,915	23,797	151,712
408.1	Taxes Other Than Income Taxes	26,067,882	7,066,887	33,134,769
409.1	Income Taxes -- Federal	2,178,200	(884,000)	1,294,200
409.1	-- Other	608,000	(695,000)	(87,000)
410.1	Provision for Deferred Income Taxes	23,091,600	8,017,000	31,108,600
411.1	(Less) Provision for Deferred Income Taxes -Cr.	10,098,100	1,021,800	11,119,900
411.9	Accretion Expense	28,961	1,537	30,498
	Total Utility Operating Expenses	466,839,023	145,131,365	611,970,388
	Net Utility Operating Income	\$37,083,265	\$10,459,707	\$47,542,972
	OTHER INCOME AND DEDUCTIONS			
	Other Income			
	Nonutility Operating Income			
415	Revenues From Merchandising, Jobbing and Contract Work			73,663
416	(Less) Costs and Exp. of Merchandising, Job. & Contract Work			142,559
418	Nonoperating Rental Income			6,557
418.1	Equity in Earnings of Subsidiary Companies			223
419	Interest and Dividend Income			446,431
419.1	Allowance for Other Funds Used During Construction			0
421	Miscellaneous Nonoperating Income			6,145,443
421.1	Gain in Disposition of Property			2,217,541
	Total Other Income			8,747,299
	Other Income Deductions			
421.2	Loss on Disposition of Property			0
425	Miscellaneous Amortization			90,648
426.1 - 426.5	Miscellaneous Income Deductions			419,078
	Total Other Income Deductions			509,726
	Taxes Applic. to Other Income and Deductions			
408.2	Taxes Other Than Income Taxes			165,905
409.2	Income Taxes -- Federal			(935,000)
410.2	Provision for Deferred Inc. Taxes			2,208,400
411.2	(Less) Provision for Deferred Income Taxes -- Cr.			575,200
420	(Less) Investment Tax Credits			366,200
	Total Taxes on Other Income and Deductions			497,905
	Net Other Income and Deductions			7,739,668
	INTEREST CHARGES			
427	Interest on Long-Term Debt			16,425,334
428	Amort. of Debt Disc. and Expense			391,982
428.1	Amortization of Loss on Reacquired Debt			599,472
431	Other Interest Expense			3,621,473
432	(Less) Allowance for Borrowed Funds Used During Construction-Cr.			625,933
	Net Interest Charges			20,412,328
	Income Before Extraordinary Items			34,870,312
	EXTRAORDINARY ITEMS			
434	Extraordinary Income			
435	(Less) Extraordinary Deductions			
	Net Extraordinary Items			0
409.3	Income Taxes -- Federal and Other			
	Extraordinary Items After Taxes			
	Net Income			\$34,870,312

Central Hudson Gas & Electric Corporation

Statement of Retained Earnings (Account 216)

<u>Acct. No.</u>	<u>Account Title</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2008</u>	<u>Twelve Months Ended Mar. 31, 2009</u>
216	Unappropriated Retained Earnings (Beginning of Period)	\$43,252,535	\$68,652,836	\$92,618,804	\$104,123,546
439	Adjustments to Retained Earnings Debit: Common Stock Retirement Debit: Transfer of Subsidiary to CH Energy Group Debit: Premium on Preferred Stock Redemption				
433	Balance Transferred from Income	34,870,089	33,435,756	27,237,702	28,083,530
		<u>78,122,624</u>	<u>102,088,592</u>	<u>119,856,506</u>	<u>132,207,076</u>
437	Dividends Declared: Preferred Stock	969,788	969,788	969,788	969,788
438	Common Stock	8,500,000	8,500,000		0
		<u>9,469,788</u>	<u>9,469,788</u>	<u>969,788</u>	<u>969,788</u>
216	Unappropriated Retained Earnings (End of Period)	<u>68,652,836</u>	<u>92,618,804</u>	<u>118,886,718</u>	<u>131,237,288</u>
216.1	Unappropriated Undistributed Subsidiary Earnings (Beginning of Period)	56,923	57,146	57,361	57,361
433.1	Equity in Earnings	223	215	136	136
	Other Changes - Transfer of subsidiary companies to CH Energy Group				
216.1	Unappropriated Undistributed Subsidiary Earnings (End of Period)	<u>57,146</u>	<u>57,361</u>	<u>57,497</u>	<u>57,497</u>
	Total Retained Earnings	<u>\$68,709,982</u>	<u>\$92,676,165</u>	<u>\$118,944,215</u>	<u>\$131,294,785</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

**Electric Operation and Maintenance Expenses
for 2006, 2007, 2008 and twelve months ended March 2009**

Schedule A - Summary of Electric Operation and Maintenance
Expenses by Class of Expense

Schedule B - Electric Operation and Maintenance Expense by
Account Number

Central Hudson Gas & Electric Corporation

Summary of Electric Operation and Maintenance Expenses

	<u>Year Ended Dec. 31, 2006</u>	<u>Year Ended Dec. 31, 2007</u>	<u>Year Ended Dec. 31, 2008</u>	<u>Twelve Months Ended Mar. 31, 2009</u>
<u>Class of Expense</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Power Production	296,130,980	384,026,087	365,801,151	373,682,283
Transmission	10,045,540	10,086,320	9,803,955	9,682,730
Distribution	32,105,408	30,543,624	35,735,877	35,498,409
Customer Accounts	14,225,269	14,746,050	17,257,307	18,046,953
Customer Services	12,277,696	12,368,999	14,539,511	18,349,146
Sales Promotion	1,212,680	959,181	303,320	286,709
Administrative & General	36,602,267	58,036,133	58,359,885	57,064,131
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operation and Maintenance Expenses	<u><u>\$402,599,840</u></u>	<u><u>\$510,766,394</u></u>	<u><u>\$501,801,006</u></u>	<u><u>\$512,610,361</u></u>

Central Hudson Gas & Electric Corporation

Electric Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Year Ended</u> <u>Dec. 31, 2008</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2009</u>
	<u>Steam Power Generation</u>				
500	Operation Supervision and Engineering	\$0	\$0	\$0	\$0
501	Fuel	0	0	0	0
502	Steam Expenses	0	0	0	0
505	Electric Expenses	0	0	0	0
506	Miscellaneous Steam Power Expenses	0	0	0	0
507	Rents	0	0	0	0
509	Allowances	0	0	0	0
	Total Operation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
510	Maintenance Supervision and Engineering	0	0	0	0
511	Maintenance of Structures	0	0	0	0
512	Maintenance of Boiler Plant	0	0	0	0
513	Maintenance of Electric Plant	0	0	0	0
514	Maintenance of Miscellaneous Steam Plant	0	0	0	0
	Total Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total Power Production Expenses-Steam Power	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>Nuclear Power Production</u>				
517	Operation Supervision and Engineering	0	0	0	0
518	Fuel	75,895	0	0	0
519	Coolants and Water	0	0	0	0
520	Steam Expenses	0	0	0	0
523	Electric Expenses	0	0	0	0
524	Miscellaneous Nuclear Power Expenses	0	0	0	0
525	Rents	0	0	0	0
	Total Operation	<u>75,895</u>	<u>0</u>	<u>0</u>	<u>0</u>
528	Maintenance Supervision and Engineering	0	0	0	0
529	Maintenance of Structures	0	0	0	0
530	Maintenance of Reactor Plant Equipment	0	0	0	0
531	Maintenance of Electric Plant	0	0	0	0
532	Maintenance of Miscellaneous Nuclear Plant	0	0	0	0
	Total Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total Power Production Expenses-Nuclear Power	<u>75,895</u>	<u>0</u>	<u>0</u>	<u>0</u>

Central Hudson Gas & Electric Corporation

Electric Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Year Ended</u> <u>Dec. 31, 2008</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2009</u>
	<u>Hydraulic Power Generation</u>				
535	Operation Supervision and Engineering	\$0	\$1,340	\$1,768	\$1,731
536	Water for Power	184,929	0	0	0
537	Hydraulic Expenses	0	2,186	5,312	5,289
538	Electric Expenses	230,914	206,037	129,935	114,886
539	Miscellaneous Hydraulic Power Generation Expenses	44,844	12,073	18,348	19,708
	Total Operation	460,687	221,636	155,363	141,614
541	Maintenance Supervision and Engineering	642	31,588	8,742	6,465
542	Maintenance of Structures	24,992	1,728	1,290	1,290
543	Maintenance of Reservoirs, Dams, and Waterways	51,435	62,312	98,266	68,596
544	Maintenance of Electric Plant	379,678	150,401	111,976	120,811
545	Maintenance of Miscellaneous Hydraulic Plant	32,989	10,702	18,951	22,231
	Total Maintenance	489,736	256,731	239,225	219,393
	Total Power Production Expenses-Hydraulic Power	950,423	478,367	394,588	361,007
	<u>Other Power Generation</u>				
546	Operation Supervision and Engineering	196	0	0	465
547	Fuel	79,400	79,267	69,485	70,865
548	Generation Expenses	18,566	11,766	19,787	19,088
549	Miscellaneous Other Power Generation Expenses	82	542	387	63
	Total Operation	98,244	91,575	89,659	90,481
551	Maintenance Supervision and Engineering	0	18	1,649	1,336
552	Maintenance of Structures	46	0	149	149
553	Maintenance of Generating and Electric Plant	7,842	45,903	9,991	9,195
554	Maintenance of Miscellaneous Other Power Generation Plant	75,420	54,071	24,701	22,764
	Total Maintenance	83,308	99,992	36,490	33,444
	Total Power Production Expenses-Other Power	181,552	191,567	126,149	123,925
	<u>Other Power Supply Expenses</u>				
555	Purchased Power	293,127,551	381,550,346	363,577,022	371,493,687
556	System Control and Load Dispatching	1,638,804	1,624,298	1,513,711	1,529,011
557	Other Expenses	156,755	181,509	189,681	174,653
	Total Other Power Supply Expenses	294,923,110	383,356,153	365,280,414	373,197,351
	Total Power Production Expenses	\$296,130,980	\$384,026,087	\$365,801,151	\$373,682,283

Central Hudson Gas & Electric Corporation

Electric Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Year Ended</u> <u>Dec. 31, 2008</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2009</u>
	<u>Transmission Expenses</u>				
560	Operation Supervision and Engineering	\$1,143,336	\$501,940	\$393,038	\$417,917
561	Load Dispatching	56,857	55,249	46,913	47,522
562	Station Expenses	422,066	487,679	309,372	310,591
563	Overhead Lines Expenses	291,004	719,489	324,964	(51,767)
565	Transmission of Electricity by Others	2,189,192	2,191,117	2,196,874	2,197,366
566	Miscellaneous Transmission Expenses	806,326	700,668	666,358	661,639
567	Rents	1,492,425	1,751,444	1,434,772	1,423,129
	Total Operation	6,401,206	6,407,586	5,372,291	5,006,397
568	Maintenance Supervision and Engineering	133,104	155,118	151,828	139,701
569	Maintenance of Structures	429,115	497,819	504,350	521,399
570	Maintenance of Station Equipment	1,133,381	954,143	1,130,449	1,220,819
571	Maintenance of Overhead Lines	1,907,958	1,998,214	2,645,037	2,793,781
572	Maintenance of Underground Lines	40,776	73,440	0	633
573	Maintenance of Miscellaneous Transmission Plant	0	0	0	0
	Total Maintenance	3,644,334	3,678,734	4,431,664	4,676,333
	Total Transmission Expenses	\$10,045,540	\$10,086,320	\$9,803,955	\$9,682,730
	<u>Distribution Expenses</u>				
580	Operation Supervision and Engineering	\$1,171,098	\$1,394,049	\$1,426,446	\$1,471,621
581	Load Dispatching	294,206	309,199	324,820	326,742
582	Station Expenses	264,595	536,384	402,395	361,583
583	Overhead Line Expenses	6,755,702	2,946,522	5,931,770	5,251,111
584	Underground Line Expenses	807,508	894,057	935,562	933,919
585	Street Lighting and Signal System Expenses	0	0	0	0
586	Meter Expenses	1,662,767	1,662,734	1,502,290	1,256,401
587	Customer Installations Expenses	710,035	1,058,445	971,514	997,811
588	Miscellaneous Expenses	4,430,461	4,838,291	5,100,904	5,180,106
589	Rents	581,936	594,083	615,533	487,921
	Total Operation	16,678,308	14,233,764	17,211,234	16,267,215
590	Maintenance Supervision and Engineering	129,736	146,859	169,403	169,229
592	Maintenance of Station Equipment	966,924	1,026,546	881,084	890,943
593	Maintenance of Overhead Lines	12,823,304	13,505,426	15,744,506	16,401,107
594	Maintenance of Underground Lines	778,952	829,570	823,119	888,090
595	Maintenance of Line Transformers	0	0	0	0
596	Maintenance of Street Lighting and Signal Systems	728,184	801,459	906,272	881,566
597	Maintenance of Meters	0	0	0	0
598	Maintenance of Miscellaneous Distribution Plant	0	0	259	259
	Total Maintenance	15,427,100	16,309,860	18,524,643	19,231,194
	Total Distribution Expenses	\$32,105,408	\$30,543,624	\$35,735,877	\$35,498,409

Central Hudson Gas & Electric Corporation

Electric Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Year Ended</u> <u>Dec. 31, 2008</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2009</u>
	<u>Customer Accounts Expenses</u>				
901	Supervision	\$0	\$0	\$0	\$0
902	Meter Reading Expenses	\$2,464,259	2,524,974	2,648,013	2,645,060
903	Customer Records and Collection Expenses	6,494,641	6,792,859	6,880,116	6,977,754
904	Uncollectible Accounts	3,125,737	3,296,080	5,208,401	5,910,665
905	Miscellaneous Customer Accounts Expenses	2,140,632	2,132,137	2,520,777	2,513,474
	Total Customer Accounts Expenses	\$14,225,269	\$14,746,050	\$17,257,307	\$18,046,953
	<u>Customer Services Expenses</u>				
907	Supervision	\$0	\$0	\$0	\$0
908	Customer Assistance Expenses	11,111,421	11,286,211	13,105,518	16,839,717
909	Information and Instructional Expenses	220,552	234,740	287,745	272,925
910	Miscellaneous Customer Service and Information Expenses	945,723	848,048	1,146,248	1,236,504
	Total Cust. Service and Informational Expenses	\$12,277,696	\$12,368,999	\$14,539,511	\$18,349,146
	<u>Sales Promotions Expenses</u>				
912	Demonstrating and Selling Expenses	\$1,066,233	\$787,340	\$215,953	\$211,611
916	Miscellaneous Sales Expenses	146,447	171,841	87,367	75,098
	Total Sales Promotion Expenses	\$1,212,680	\$959,181	\$303,320	\$286,709
	<u>Administrative and General Expenses</u>				
920	Administrative and General Salaries	\$14,213,753	\$14,556,154	\$14,094,987	\$14,074,033
921	Office Supplies and Expenses	3,002,834	3,120,146	2,726,528	2,850,971
923	Outside Services Employed	2,584,434	2,653,480	2,627,957	2,480,021
924	Property Insurance	552,441	531,500	521,743	467,964
925	Injuries and Damages	1,734,531	2,852,262	2,359,507	2,114,039
926	Employee Pensions and Benefits	7,820,791	24,192,586	23,649,061	23,526,670
928	Regulatory Commission Expenses	1,718,817	1,718,952	2,070,283	2,420,723
930.2	Miscellaneous General Expenses	3,805,125	7,125,627	9,165,939	8,078,245
931	Rents	152,084	163,244	140,493	139,010
	Total Operation	\$35,584,810	\$56,913,951	\$57,356,498	\$56,151,676
935	Maintenance of General Plant	1,017,457	1,122,182	1,003,387	912,455
	Total Administrative and General Expenses	\$36,602,267	\$58,036,133	\$58,359,885	\$57,064,131
	Total Electric Operation and Maintenance Expenses	\$402,599,840	\$510,766,394	\$501,801,006	\$512,610,361

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Electric Operating Taxes - Account 408
for 2006, 2007, 2008 and twelve months ended March 2009

Central Hudson Gas & Electric Corporation

Operating Taxes - Electric

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Year Ended</u> <u>Dec. 31, 2008</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2009</u>
	Federal				
408.1	FICA Contribution	\$2,910,472	\$2,946,659	\$3,085,575	3,107,270
408.1	Unemployment	48,780	35,346	25,115	27,979
408.1	Other	0	0	0	0
	Total Federal	2,959,252	2,982,005	3,110,690	3,135,249
	State				
408.1	NYS MTA Surcharge	232,768	349,231	375,429	515,734
408.1	Unemployment Insurance	65,164	48,051	43,532	51,468
408.1	Sales and Use	1,226,773	1,482,841	1,438,750	1,512,204
408.1	Utility Service	2,005,638	2,474,226	2,689,572	2,703,045
408.1	NYS Tax Deferral - Laws of 2000	354,973	(590,545)	0	0
408.1	NYS Tax Excluded from Deferred	(416,000)	0	0	0
408.1	Other	1,699	590	764	677
	Total State	3,471,015	3,764,394	4,548,047	4,783,128
	Local				
408.1	Real Estate	12,835,482	12,554,465	12,779,403	13,063,789
408.1	Special Franchise	6,033,209	5,791,456	6,313,517	6,573,757
408.1	Municipal Utility Service	768,924	964,880	1,012,368	1,027,205
408.1	Deferred Property Taxes	0	1,006,624	1,589,760	1,262,272
408.1	Other	0	0	0	0
	Total Local	19,637,615	20,317,425	21,695,048	21,927,023
	Total Per Income Statement	\$26,067,882	\$27,063,824	\$29,353,785	\$29,845,400

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Gas Operation and Maintenance Expenses
for 2006, 2007, 2008 and twelve months ended March 2009

Schedule A - Summary of Gas Operation and Maintenance
Expenses by Class of Expense

Schedule B - Gas Operation and Maintenance Expense by
Account Number

Central Hudson Gas & Electric Corporation

Summary of Gas Operation and Maintenance Expenses

	<u>Year Ended Dec. 31, 2006</u>	<u>Year Ended Dec. 31, 2007</u>	<u>Year Ended Dec. 31, 2008</u>	<u>Twelve Months Ended Mar. 31, 2009</u>
<u>Class of Expense</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Production/Purchases	106,177,291	110,787,659	130,328,277	142,075,786
Transmission	1,251,613	1,186,044	1,205,950	1,143,722
Distribution	7,738,981	8,037,857	8,631,957	8,463,645
Customer Accounts	3,232,983	3,550,645	4,774,078	5,200,931
Customer Services	917,904	539,352	662,631	750,988
Sales Promotion	217,223	179,212	63,895	58,968
Administrative & General	6,471,450	13,611,531	16,115,855	16,360,885
Total Operation and Maintenance Expenses	<u><u>\$126,007,445</u></u>	<u><u>\$137,892,300</u></u>	<u><u>\$161,782,643</u></u>	<u><u>\$174,054,925</u></u>

Central Hudson Gas & Electric Corporation

Gas Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Year Ended</u> <u>Dec. 31, 2008</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2009</u>
	<u>Manufactured Gas Production Expenses</u>				
710	Operation Supervision and Engineering	\$2,832	\$22,340	\$35,784	\$33,648
717	Liquefied Petroleum Gas Expenses	26,693	42,688	38,811	34,799
728	Liquefied Petroleum Gas	11,626	127,882	22,293	25,347
733	Gas Mixing Expenses	949	0	326	870
735	Misc. Production Expenses	3,623	4,942	7,550	6,327
	Total Operation	45,723	197,852	104,764	100,991
740	Maintenance Supervision and Engineering	339	2,118	3,575	6,922
741	Maintenance of Structures	1,159	77	1,152	2,461
742	Maintenance of Production Equipment	87,398	100,907	84,914	74,278
	Total Maintenance	88,896	103,102	89,641	83,661
	Total Manufactured Gas Production Expenses	134,619	300,954	194,405	184,652
	<u>Other Gas Supply Expenses</u>				
803	Natural Gas Transmission Line Purchases	105,069,148	110,893,220	136,372,406	146,403,080
808.1	Gas Withdrawn from Storage - Debit	10,608,591	19,422,493	24,656,227	25,971,801
808.2	Gas Delivered to Storage - Credit	(9,727,318)	(20,019,745)	(31,078,764)	(30,672,614)
813	Other Gas Supply Expenses (Incl Joint Expense Credit)	92,251	190,737	184,003	188,867
	Total Other Gas Supply Expenses	106,042,672	110,486,705	130,133,872	141,891,134
	Total Production & Other Storage Expenses	\$106,177,291	\$110,787,659	\$130,328,277	\$142,075,786
	<u>Transmission Expenses</u>				
850	Operation Supervision and Engineering	\$213,204	\$194,250	\$178,553	\$175,936
851	System Control & Load Dispatching	220,236	229,519	228,053	232,122
856	Mains Expenses	67,370	153,532	137,563	93,982
857	Measuring & Regulating Station Expenses	0	0	0	0
859	Other Expenses	47,962	36,110	88,600	90,414
860	Rents	74,570	61,776	67,545	97,486
	Total Operation	623,342	675,187	700,314	689,940
861	Maintenance Supervision and Engineering	309,852	249,620	282,589	265,795
862	Maintenance of Structures & Improvements	0	0	0	0
863	Maintenance of Mains	313,652	257,538	218,801	183,636
865	Maintenance of Measuring & Reg. Sta. Equipment	4,767	3,699	4,246	4,351
	Total Maintenance	628,271	510,857	505,636	453,782
	Total Transmission Expenses	\$1,251,613	\$1,186,044	\$1,205,950	\$1,143,722

Central Hudson Gas & Electric Corporation

Gas Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Year Ended</u> <u>Dec. 31, 2008</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2009</u>
	<u>Distribution Expenses</u>				
870	Operation Supervision and Engineering	\$507,016	\$539,059	\$536,945	\$539,727
871	Distribution Load Dispatching	206,272	215,036	223,773	229,243
874	Mains & Services Expenses	589,603	556,693	664,185	659,471
875	Measuring & Regulating Station Expenses	418,235	397,225	367,912	373,789
878	Meter & House Regulator Expenses	877,138	842,132	935,207	716,457
879	Customer Installations Expenses	134,079	190,027	202,389	207,628
880	Other Expenses	1,243,783	1,229,569	1,316,065	1,341,919
881	Rents	127,611	94,551	81,482	84,730
	Total Operation	4,103,737	4,064,292	4,327,958	4,152,964
885	Maintenance Supervision and Engineering	170,515	218,516	326,521	276,535
886	Maintenance of Structures & Improvements	0	0	0	0
887	Maintenance of Mains	2,842,597	2,993,841	3,202,129	3,246,367
889	Maintenance of Measuring & Reg. Sta. Equipment	147,259	135,535	141,053	166,416
892	Maintenance of Services	474,873	625,673	634,296	621,363
893	Maintenance of Meters & House Regulators	0	0	0	0
	Total Maintenance	3,635,244	3,973,565	4,303,999	4,310,681
	Total Distribution Expenses	\$7,738,981	\$8,037,857	\$8,631,957	\$8,463,645
	<u>Customer Account Expenses</u>				
901	Supervision	\$0	\$0	\$0	\$0
902	Meter Reading Expenses	419,982	438,182	458,572	465,153
903	Customer Records & Collection Expenses	1,140,900	1,202,292	1,199,440	1,268,170
904	Uncollectible Accounts	1,309,508	1,553,920	2,683,115	3,044,892
905	Miscellaneous Customer Account Expenses	362,593	356,251	432,951	422,716
906	Rents	0	0	0	0
	Total Customer Account Expenses	\$3,232,983	\$3,550,645	\$4,774,078	\$5,200,931
	<u>Customer Services Expenses</u>				
908	Customer Assistance Expenses	\$636,756	\$268,608	\$375,873	\$467,881
909	Informational and Instructional Expenses	36,257	40,766	50,920	48,299
910	Miscellaneous Cust. Svc. And Informational Expenses	244,891	229,978	235,838	234,808
	Total Customer Services Expenses	\$917,904	\$539,352	\$662,631	\$750,988
	<u>Sales Promotion Expenses</u>				
912	Demonstrating and Selling Expenses	\$204,894	\$160,945	\$46,842	\$44,082
916	Miscellaneous Sales Expenses	12,329	18,267	17,053	14,886
	Total Sales Promotion Expenses	\$217,223	\$179,212	\$63,895	\$58,968
	<u>Administrative and General Expenses</u>				
920	Administrative & General Salaries	\$2,718,651	\$2,778,964	\$2,549,867	\$2,564,339
921	Office Supplies & Expenses	554,116	605,729	557,518	577,635
923	Outside Services Employed	620,834	1,072,254	664,878	534,336
924	Property Insurance	74,861	75,538	61,327	59,877
925	Injuries & Damages	450,530	707,157	1,084,851	1,042,564
926	Employee Pensions & Benefits	605,530	5,094,987	4,911,293	4,919,997
928	Regulatory Commission Expenses	503,588	500,020	490,013	549,237
930.2	Miscellaneous General Expenses	790,833	2,609,609	5,661,453	5,999,233
931	Rents	26,859	28,587	24,795	24,531
	Total Operation	6,345,802	13,472,845	16,005,995	16,271,749
932	Maintenance of General Plant	125,648	138,686	109,860	89,136
	Total Administrative & General Expenses	\$6,471,450	\$13,611,531	\$16,115,855	\$16,360,885
	Total Gas Operation & Maintenance Expenses	\$126,007,445	\$137,892,300	\$161,782,643	\$174,054,925

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Gas Operating Taxes - Account 408
for 2006, 2007, 2008 and twelve months ended March 2009

Central Hudson Gas & Electric Corporation

Operating Taxes - Gas

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Year Ended</u> <u>Dec. 31, 2008</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2009</u>
	<u>Federal</u>				
408.1	FICA Contribution	\$656,313	\$691,999	\$690,826	681,003
408.1	Unemployment	11,000	8,301	5,623	6,132
408.1	Other	0	0	0	0
	Total Federal	667,313	700,300	696,449	687,135
	<u>State</u>				
408.1	NYS MTA Surcharge	194,585	33,735	94,568	198,968
408.1	Unemployment Insurance	14,695	11,284	9,746	11,280
408.1	Sales and Use	221,699	253,759	207,237	198,573
408.1	Utility Service	438,630	624,408	728,552	736,891
	Other	0	0	0	0
	NYS Tax Deferral - Laws of 2000	(34,220)	15,598	0	0
	Total State	835,389	938,784	1,040,103	1,145,712
408.1	Real Estate	2,561,959	2,617,478	2,689,925	2,763,374
408.1	Special Franchise	2,522,284	2,444,255	2,563,276	2,659,919
408.1	Municipal Utility Service	479,942	595,888	593,282	607,146
408.1	Deferred Property Taxes	0	215,952	333,277	226,770
408.1	Other	0	0	0	0
	Total Local	5,564,185	5,873,573	6,179,760	6,257,209
	Total Per Income Statement	\$7,066,887	\$7,512,657	\$7,916,312	\$8,090,056

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

Schedule A - Historical Period - Twelve Months Ended March 31, 2009

Schedule B - Forecast Period - Twelve Months Ending: December 31, 2009, December 31, 2010
December 31, 2011, December 31, 2012, December 31, 2013

Schedule C - Forecast Period - Twelve Months Ending: June 30, 2011, June 30, 2012, June 30, 2013

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

**Twelve-Month Average for the
Period Ending March 31, 2009**

	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$406	\$32	\$438
Less : Amounts Applicable to Major Projects	<u>359</u>	<u>15</u>	<u>374</u>
Amounts Applicable to Minor Projects	<u>\$47</u>	<u>\$17</u>	<u>\$64</u>
Average Construction Work in Progress	\$56,945	\$10,567	\$67,512
Less : Amounts Applicable to Major Projects	<u>27,645</u>	<u>3,105</u>	<u>30,750</u>
Amounts Applicable to Minor Projects	29,300	7,462	36,762
Less: Average Interest-Bearing Construction Work in Progress (Note 1)	<u>1,560</u>	<u>573</u>	<u>2,133</u>
Average Noninterest-Bearing Construction Work in Progress	<u>\$27,740</u>	<u>\$6,889</u>	<u>\$34,629</u>

Note:

1) AFDC divided by 3.0%

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

Twelve-Month Average for the
Year Ending December 31, 2009

Twelve-Month Average for the
Year Ending December 31, 2010

	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$243	\$15	\$258	\$289	\$12	\$301
Less : Amounts Applicable to Major Projects	<u>172</u>	<u>1</u>	<u>173</u>	<u>223</u>	<u>1</u>	<u>224</u>
Amounts Applicable to Minor Projects	<u>\$71</u>	<u>\$14</u>	<u>\$85</u>	<u>\$65</u>	<u>\$12</u>	<u>\$77</u>
Average Construction Work in Progress	\$49,866	\$9,219	\$59,085	\$57,148	\$9,510	\$66,658
Less : Amounts Applicable to Major Projects	<u>16,162</u>	<u>639</u>	<u>16,801</u>	<u>21,041</u>	<u>74</u>	<u>21,115</u>
Amounts Applicable to Minor Projects	33,704	8,580	42,284	36,107	9,436	45,543
Less: Average Interest-Bearing Construction Work in Progress (Note 1)	<u>4,763</u>	<u>903</u>	<u>5,666</u>	<u>5,236</u>	<u>924</u>	<u>6,160</u>
Average Noninterest-Bearing Construction Work in Progress	<u>\$28,941</u>	<u>\$7,677</u>	<u>\$36,618</u>	<u>\$30,871</u>	<u>\$8,512</u>	<u>\$39,383</u>

Note:

1) AFDC divided by 1.5% for 2009 and 1.25% for 2010

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

**Twelve-Month Average for the
Year Ending December 31, 2011**

	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$594	\$36	\$630
Less : Amounts Applicable to Major Projects	<u>434</u>	<u>8</u>	<u>441</u>
Amounts Applicable to Minor Projects	<u>\$161</u>	<u>\$28</u>	<u>\$189</u>
Average Construction Work in Progress	\$54,811	\$9,918	\$64,729
Less : Amounts Applicable to Major Projects	<u>17,286</u>	<u>236</u>	<u>17,522</u>
Amounts Applicable to Minor Projects	37,525	9,682	47,207
Less: Average Interest-Bearing Construction Work in Progress (Note 1)	<u>5,352</u>	<u>948</u>	<u>6,300</u>
Average Noninterest-Bearing Construction Work in Progress	<u>\$32,173</u>	<u>\$8,734</u>	<u>\$40,907</u>

Note:

1) AFDC divided by 3.00%

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

**Twelve-Month Average for the
Year Ending December 31, 2012**

**Twelve-Month Average for the
Year Ending December 31, 2013**

	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$1,159	\$88	\$1,247	\$1,115	\$205	\$1,320
Less : Amounts Applicable to Major Projects	<u>903</u>	<u>41</u>	<u>944</u>	<u>872</u>	<u>155</u>	<u>1,027</u>
Amounts Applicable to Minor Projects	<u>\$256</u>	<u>\$47</u>	<u>\$303</u>	<u>\$243</u>	<u>\$50</u>	<u>\$293</u>
Average Construction Work in Progress	\$60,861	\$11,045	\$71,906	\$59,098	\$14,152	\$73,250
Less : Amounts Applicable to Major Projects	<u>21,614</u>	<u>914</u>	<u>22,528</u>	<u>18,665</u>	<u>3,270</u>	<u>21,935</u>
Amounts Applicable to Minor Projects	39,247	10,131	49,378	40,433	10,882	51,315
Less: Average Interest-Bearing Construction Work in Progress (Note 1)	<u>5,693</u>	<u>1,040</u>	<u>6,733</u>	<u>5,402</u>	<u>1,113</u>	<u>6,515</u>
Average Noninterest-Bearing Construction Work in Progress	<u>\$33,554</u>	<u>\$9,091</u>	<u>\$42,645</u>	<u>\$35,031</u>	<u>\$9,769</u>	<u>\$44,800</u>

Note:

1) AFDC divided by 4.5% for 2012 and 2013

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

**Twelve-Month Average for the
Period Ending June 30, 2011**

	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$373	\$25	\$398
Less : Amounts Applicable to Major Projects	<u>258</u>	<u>4</u>	<u>262</u>
Amounts Applicable to Minor Projects	<u>\$115</u>	<u>\$22</u>	<u>\$136</u>
Average Construction Work in Progress	52,410	9,728	62,138
Less : Amounts Applicable to Major Projects	<u>15,892</u>	<u>139</u>	<u>16,031</u>
Amounts Applicable to Minor Projects	\$36,518	\$9,589	\$46,107
Less: Average Interest-Bearing Construction Work in Progress (Note 1)	<u>5,388</u>	<u>1,012</u>	<u>6,400</u>
Average Noninterest-Bearing Construction Work in Progress	<u>\$31,130</u>	<u>\$8,577</u>	<u>\$39,707</u>

Note:

1) AFDC divided by 2.125% (Average of 1.25% and 3.0%)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

**Twelve-Month Average for the
Period Ending June 30, 2012**

	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$808	\$52	\$860
Less : Amounts Applicable to Major Projects	<u>600</u>	<u>16</u>	<u>616</u>
Amounts Applicable to Minor Projects	<u>\$208</u>	<u>\$36</u>	<u>\$244</u>
Average Construction Work in Progress	57,055	10,247	67,302
Less : Amounts Applicable to Major Projects	<u>18,604</u>	<u>377</u>	<u>18,981</u>
Amounts Applicable to Minor Projects	\$38,451	\$9,870	\$48,321
Less: Average Interest-Bearing Construction Work in Progress (Note 1)	<u>5,547</u>	<u>960</u>	<u>6,507</u>
Average Noninterest-Bearing Construction Work in Progress	<u>\$32,904</u>	<u>\$8,910</u>	<u>\$41,814</u>

Note:

1) AFDC divided by 3.75% (Average of 3.0% and 4.5%)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

Twelve-Month Average for the
Period Ending June 30, 2013

	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$1,182	\$136	\$1,318
Less : Amounts Applicable to Major Projects	<u>923</u>	<u>88</u>	<u>1,011</u>
Amounts Applicable to Minor Projects	<u>\$259</u>	<u>\$48</u>	<u>\$307</u>
Average Construction Work in Progress	61,062	12,456	73,518
Less : Amounts Applicable to Major Projects	<u>21,186</u>	<u>1,999</u>	<u>23,185</u>
Amounts Applicable to Minor Projects	\$39,876	\$10,457	\$50,333
Less: Average Interest-Bearing Construction Work in Progress (Note 1)	<u>5,757</u>	<u>1,066</u>	<u>6,823</u>
Average Noninterest-Bearing Construction Work in Progress	<u>\$34,119</u>	<u>\$9,391</u>	<u>\$43,510</u>

Note:

- 1) AFDC divided by 4.5%

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

STATEMENT OF DEPRECIATION AND AMORTIZATION ACCRUALS

Schedule A - Historic Period - Twelve Months Ended March 31, 2009

Schedule B - Forecast Period - Twelve Months Ending: December 31, 2009, December 31, 2010,
December 31, 2011, December 31, 2012, December 31, 2013

Schedule C - Forecast Period - Twelve Months Ending: June 30, 2011, June 30, 2012, June 30, 2013

Central Hudson Gas & Electric Corporation
Depreciation, Amortization & ARO Accruals
(\$000)

Account Number		Twelve Months Ended March 31, 2009
	Electric	
403	Depreciation - T & D	\$ 20,043
404	Amortization	<u>0</u>
403	Depreciation - ARO	16
	Total	20,059
	Gas	
403	Depreciation - T & D	5,622
404	Amortization	<u>0</u>
	Total	5,622
	Common	
403	Depreciation	3,752
404	Amortization (Note 1)	15
405	Software Amortization (Note 2)	954
184	Clearing Account - Transportation	<u>3,467</u>
403	Depreciation - ARO	59
	Total	<u>8,247</u>
	Total Corporation	<u>\$ 33,928</u>

Allocation of Accruals

	Electric	
	Depreciation :	
	Direct	\$ 20,043
	Allocation of Common (Note 3)	<u>3,189</u>
	Depreciation - ARO	16
	Depreciation - ARO Common Allocation	50
	Total Depreciation	23,298
	Amortization :	
	Direct	0
	Leased Property Common Allocation (Note 3)	13
	Software Common Allocation (Note 3)	<u>811</u>
	Total Amortization	824
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	<u>1,763</u>
	Total Electric	25,885
	Gas	
	Depreciation :	
	Direct	5,622
	Allocation of Common (Note 3)	<u>563</u>
	Depreciation - ARO Common Allocation	9
	Total Depreciation	6,194
	Amortization :	
	Direct	0
	Leased Property Common Allocation (Note 3)	2
	Software Common Allocation (Note 3)	<u>143</u>
	Total Amortization	145
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	<u>380</u>
	Total Gas	6,719
	Other	
	Transportation Depreciation Cleared to Construction and other accounts	<u>1,324</u>
	Total Provisions for Depreciation and Amortization	<u>\$ 33,928</u>

Notes:

- 1) Improvements to leased property are being amortized over the life of the lease.
- 2) Software is amortized over a 5 year period.
- 3) The common allocation is split 85% electric and 15% gas.

Central Hudson Gas & Electric Corporation
Depreciation, Amortization & ARO Accruals (Estimate)
(\$000)

Account Number		Year Ended December 31,				
		2009	2010	2011		
Electric						
403	Depreciation - T & D	\$ 20,821	\$ 21,864	\$ 23,157		
404	Amortization	0	0	0		
403	Depreciation - ARO	16	16	16		
Total		20,837	21,880	23,173		
Gas						
403	Depreciation - T & D	6,049	6,540	6,814		
404	Amortization	0	0	0		
Total		6,049	6,540	6,814		
Common						
403	Depreciation	4,049	3,983	4,026		
404	Leased Property (Note 1)	0	0	0		
405	Software Amortization (Note 2)	1,122	1,640	2,017		
184	Clearing Account - Transportation	3,434	3,349	3,472		
403	Depreciation - ARO	70	43	15		
Total		8,675	9,015	9,530		
Total Corporation		\$ 35,561	\$ 37,435	\$ 39,517		

Allocation of Accruals

Electric			
Depreciation :			
Direct	\$ 20,821	\$ 21,864	\$ 23,157
Allocation of Common (Note 3)	3,442	3,386	3,422
Depreciation - ARO			
Depreciation - ARO Common Allocation	16	16	16
	60	37	13
Total Depreciation	24,339	25,303	26,608
Amortization :			
Direct	0	0	0
Leased Property Common Allocation (Note 3)	0	0	0
Software Common Allocation (Note 3)	954	1,394	1,714
Total Amortization	954	1,394	1,714
Transportation Depreciation Cleared to Operation and Maintenance Accounts			
	1,747	1,704	1,766
Total Electric	27,040	28,401	30,088
Gas			
Depreciation :			
Direct	6,049	6,540	6,814
Allocation of Common (Note 3)	607	597	604
Depreciation - ARO Common Allocation			
	10	6	2
Total Depreciation	6,666	7,143	7,420
Amortization :			
Leased Property Common Allocation (Note 3)	0	0	0
Software Common Allocation (Note 3)	168	246	303
Total Amortization	168	246	303
Transportation Depreciation Cleared to Operation and Maintenance Accounts			
	376	367	381
Total Gas	7,210	7,756	8,104
Other			
Transportation Depreciation Cleared to Construction and other accounts			
	1,311	1,278	1,325
Total Provisions for Depreciation and Amortization	\$ 35,561	\$ 37,435	\$ 39,517

Notes:

- 1) Improvements to leased property are being amortized over the life of the lease.
- 2) Software is amortized over a 5 year period.
- 3) The common allocation is split 85% electric and 15% gas.

Central Hudson Gas & Electric Corporation
Depreciation, Amortization & ARO Accruals (Estimate)
(\$000)

Account Number		Year Ended December 31,	
		2012	2013
	Electric		
403	Depreciation - T & D	\$ 24,448	\$ 25,843
404	Amortization	0	0
		<hr/>	<hr/>
403	Depreciation - ARO	16	16
	Total	24,464	25,859
	Gas		
403	Depreciation - T & D	7,097	7,448
404	Amortization	0	0
	Total	<hr/>	<hr/>
		7,097	7,448
	Common		
403	Depreciation	4,124	4,171
404	Leased Property (Note 1)	0	0
405	Software Amortization (Note 2)	2,168	2,082
184	Clearing Account - Transportation	3,621	3,765
		<hr/>	<hr/>
403	Depreciation - ARO	15	15
	Total	9,928	10,033
	Total Corporation	<hr/>	<hr/>
		\$ 41,489	\$ 43,340
	<u>Allocation of Accruals</u>		
	Electric		
	Depreciation :		
	Direct	\$ 24,448	\$ 25,843
	Allocation of Common (Note 3)	3,505	3,545
		<hr/>	<hr/>
	Depreciation - ARO	16	16
	Depreciation - ARO Common Allocation	13	13
	Total Depreciation	27,982	29,417
	Amortization :		
	Direct	0	0
	Leased Property Common Allocation (Note 3)	0	0
	Software Common Allocation (Note 3)	1,843	1,770
	Total Amortization	<hr/>	<hr/>
		1,843	1,770
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	<hr/>	<hr/>
		1,842	1,915
	Total Electric	31,667	33,102
	Gas		
	Depreciation :		
	Direct	7,097	7,448
	Allocation of Common (Note 3)	619	626
		<hr/>	<hr/>
	Depreciation - ARO Common Allocation	2	2
	Total Depreciation	7,718	8,076
	Amortization :		
	Leased Property Common Allocation (Note 3)	0	0
	Software Common Allocation (Note 3)	325	312
	Total Amortization	<hr/>	<hr/>
		325	312
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	<hr/>	<hr/>
		397	413
	Total Gas	8,440	8,801
	Other		
	Transportation Depreciation Cleared to Construction and other accounts	<hr/>	<hr/>
		1,382	1,437
	Total Provisions for Depreciation and Amortization	<hr/>	<hr/>
		\$ 41,489	\$ 43,340

Notes:

- 1) Improvements to leased property are being amortized over the life of the lease.
- 2) Software is amortized over a 5 year period.
- 3) The common allocation is split 85% electric and 15% gas.

Central Hudson Gas & Electric Corporation
Depreciation, Amortization & ARO Accruals (Estimate)
(\$000)

Account Number		Twelve Months Ended June 30, 2011
Electric		
403	Depreciation - T & D	22,518
403	Depreciation - ARO	16
	Total	22,534
404	Amortization: Neversink	0
	Total	0
Gas		
403	Depreciation - T & D	6,684
	Total	6,684
Common		
403	Depreciation	3,995
403	Depreciation - ARO	15
404	Amortization	0
405	Software Amortization	1,906
184	Clearing Account - Transportation	3,409
	Total	9,325
	Total Corporation	38,543
<u>Allocation of Accruals</u>		
Electric		
	Depreciation :	
	Direct	22,518
	Allocation of Common (a)	3,396
	Depreciation - ARO	16
	Depreciation - ARO Common Allocation	13
	Total Depreciation	25,943
	Amortization :	
	Direct	0
	Leased Property Common Allocation	0
	Software Common Allocation	1,620
	Total Amortization	1,620
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	1,734
	Total Electric	29,297
Gas		
	Depreciation :	
	Direct	6,684
	Allocation of Common (a)	599
	Depreciation - ARO Common Allocation	2
	Total Depreciation	7,286
	Amortization :	
	Leased Property Common Allocation	0
	Software Common Allocation	286
	Total Amortization	286
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	374
	Total Gas	7,945
Other		
	Transportation Depreciation Cleared to Construction and other accounts	1,301
	Total Provisions for Depreciation and Amortization	38,543

(a) The common allocation split is 85% electric and 15% gas.

Central Hudson Gas & Electric Corporation
Depreciation, Amortization & ARO Accruals (Estimate)
(\$000)

Account Number		Twelve Months Ended <u>June 30, 2012</u>
	Electric	
403	Depreciation - T & D	23,805
403	Depreciation - ARO	16
	Total	23,821
404	Amortization: Neversink	0
	Total	0
	Gas	
403	Depreciation - T & D	6,958
	Total	6,958
	Common	
403	Depreciation	4,074
403	Depreciation - ARO	15
404	Amortization	0
405	Software Amortization	2,078
184	Clearing Account - Transportation	3,550
	Total	9,717
	Total Corporation	40,496
	<u>Allocation of Accruals</u>	
	Electric	
	Depreciation :	
	Direct	23,805
	Allocation of Common (a)	3,463
	Depreciation - ARO	16
	Depreciation - ARO Common Allocation	13
	Total Depreciation	27,297
	Amortization :	
	Direct	0
	Leased Property Common Allocation	0
	Software Common Allocation	1,766
	Total Amortization	1,766
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	1,806
	Total Electric	30,869
	Gas	
	Depreciation :	
	Direct	6,958
	Allocation of Common (a)	611
	Depreciation - ARO Common Allocation	2
	Total Depreciation	7,571
	Amortization :	
	Leased Property Common Allocation	0
	Software Common Allocation	312
	Total Amortization	312
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	389
	Total Gas	8,272
	Other	
	Transportation Depreciation Cleared to Construction and other accounts	1,355
	Total Provisions for Depreciation and Amortization	40,496

(a) The common allocation split is 85% electric and 15% gas.

Central Hudson Gas & Electric Corporation
Depreciation, Amortization & ARO Accruals (Estimate)
(\$000)

Account Number		Twelve Months Ended June 30, 2013
	Electric	
403	Depreciation - T & D	25,138
403	Depreciation - ARO	16
	Total	25,154
404	Amortization: Neversink	0
	Total	0
	Gas	
403	Depreciation - T & D	7,271
	Total	7,271
	Common	
403	Depreciation	4,154
403	Depreciation - ARO	15
404	Amortization	0
405	Software Amortization	2,133
184	Clearing Account - Transportation	3,693
	Total	9,995
	Total Corporation	42,420
	<u>Allocation of Accruals</u>	
	Electric	
	Depreciation :	
	Direct	25,138
	Allocation of Common (a)	3,531
	Depreciation - ARO	16
	Depreciation - ARO Common Allocation	13
	Total Depreciation	28,698
	Amortization :	
	Direct	0
	Leased Property Common Allocation	0
	Software Common Allocation	1,813
	Total Amortization	1,813
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	1,879
	Total Electric	32,390
	Gas	
	Depreciation :	
	Direct	7,271
	Allocation of Common (a)	623
	Depreciation - ARO Common Allocation	2
	Total Depreciation	7,896
	Amortization :	
	Leased Property Common Allocation	0
	Software Common Allocation	320
	Total Amortization	320
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	405
	Total Gas	8,621
	Other	
	Transportation Depreciation Cleared to Construction and other accounts	1,409
	Total Provisions for Depreciation and Amortization	42,420

(a) The common allocation split is 85% electric and 15% gas.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Gas Excess Cost of Removal Projection
for 2009, 2010 and the Twelve Months Ended June 2011

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
CASES 09-E-XXXX AND 09-G-XXXX
Gas Excess Cost Of Removal Projection

	<u>2009</u>	<u>2010</u>	<u>Rate Year Ending 6/30/2011</u>
Projected Capital Additions of Gas Mains & Services	13,478	10,726	10,753
Projected Cost of Removal Net of Salvage	1,030	963	1,135
Projected Retirements of Gas Mains & Services	322	306	306
60% of Book Cost Retirements Remains in Reserve	193	184	184
Gas O&M Expense	<u>837</u>	<u>779</u>	<u>951</u>
Projected COR Net of Salvage	1,030	963	1,135