

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

GAS DEPARTMENT

Embedded Cost of Service Studies

Schedule A – Rate of Return Statement for the Historical Year 2007

Schedule B – Rate of Return Statement for Rate Year # 1, 7/10 – 6/11

Schedule C, pg. 1– Levelized Revenue Requirements @ 7.58% ROR for Rate Year #1

Schedule C, pg. 2– Unbundled Revenue Requirements with Backout Credits

Gas Department 2007 Rate of Return Statement

Rate Base:	Total System	Residential		Commercial / Industrial		SC8/9 Interruptible	Firm		Intrdprtmntl	Firm	Firm
		Heating	Non-heat	Heating	Non-heat		SC11 dlm	SC11 t		SC11 d	
1	Gross Plant in Service	\$ 259,679,369	\$ 140,319,400	\$ 17,906,088	\$ 71,544,888	\$ 7,436,723	\$ 1,748,198	\$ 2,898,119	\$ 13,069,218	\$ 4,017,141	\$ 739,594
2	less: Accum. Provisions for Depr. & Amort.	\$ 95,813,000	\$ 45,714,208	\$ 5,515,056	\$ 24,923,566	\$ 2,558,359	\$ 530,154	\$ 1,146,094	\$ 13,302,675	\$ 1,868,657	\$ 254,231
3	Net Plant in Service	\$ 163,866,369	\$ 94,605,192	\$ 12,391,032	\$ 46,621,322	\$ 4,878,364	\$ 1,218,044	\$ 1,752,025	\$ (233,457)	\$ 2,148,484	\$ 485,363
4	plus: Construction Work in Progress	\$ 7,353,000	\$ 4,245,117	\$ 556,009	\$ 2,091,989	\$ 218,902	\$ 54,656	\$ 78,617	\$ (10,476)	\$ 96,407	\$ 21,779
5	plus: Working Capital	\$ 23,730,249	\$ 11,923,028	\$ 826,515	\$ 8,857,418	\$ 821,343	\$ 940,665	\$ 74,748	\$ 169,597	\$ 97,620	\$ 19,314
6	less: Accumulated Deferred Income Taxes	\$ 27,270,000	\$ 15,000,341	\$ 1,815,815	\$ 8,168,913	\$ 839,323	\$ 175,925	\$ 400,278	\$ 113,863	\$ 669,029	\$ 86,512
7	plus: Deferred Charges	\$ 4,267,000	\$ 2,430,668	\$ 311,139	\$ 1,233,487	\$ 128,305	\$ 30,357	\$ 51,980	\$ (5,357)	\$ 73,343	\$ 13,078
8	less: Other Rate Base Deductions	\$ 13,907,249	\$ 7,937,719	\$ 990,251	\$ 4,101,068	\$ 421,633	\$ 167,594	\$ 126,289	\$ (15,706)	\$ 141,677	\$ 36,723
9	Total Rate Base	\$ 158,039,369	\$ 90,265,945	\$ 11,278,629	\$ 46,534,234	\$ 4,785,957	\$ 1,900,202	\$ 1,430,804	\$ (177,849)	\$ 1,605,147	\$ 416,300
Revenues:											
10	Sales, Transport & Dlvry Srvc Revenues	\$ 145,945,217	\$ 74,330,740	\$ 4,397,589	\$ 52,925,779	\$ 5,412,902	\$ 6,655,279	\$ 516,810	\$ 301,390	\$ 1,258,150	\$ 146,578
11	Miscellaneous Revenues	\$ 19,804,484	\$ 9,005,651	\$ 376,102	\$ 8,664,903	\$ 1,280,324	\$ -	\$ -	\$ 477,504	\$ -	\$ -
12	Total Operating Revenues	\$ 165,749,701	\$ 83,336,391	\$ 4,773,691	\$ 61,590,682	\$ 6,693,226	\$ 6,655,279	\$ 516,810	\$ 778,894	\$ 1,258,150	\$ 146,578
Expenses:											
13	Operation and Maintenance	\$ 137,892,300	\$ 68,003,166	\$ 4,012,162	\$ 53,416,238	\$ 4,887,384	\$ 6,120,315	\$ 273,976	\$ 747,153	\$ 363,495	\$ 68,410
14	Depreciation and Amortization	\$ 6,147,731	\$ 3,424,069	\$ 424,223	\$ 1,813,600	\$ 187,252	\$ 41,265	\$ 83,314	\$ 23,721	\$ 131,175	\$ 19,113
15	Taxes Other than Income	\$ 7,512,657	\$ 4,153,914	\$ 487,496	\$ 2,369,897	\$ 272,244	\$ 47,344	\$ 66,766	\$ 13,568	\$ 83,084	\$ 18,344
16	Federal Income Tax	\$ 3,653,670	\$ 1,985,163	\$ (112,395)	\$ 997,527	\$ 408,225	\$ 126,479	\$ 24,687	\$ (6,414)	\$ 219,264	\$ 11,133
17	NYS Income Tax	\$ 511,831	\$ 275,495	\$ (43,770)	\$ 133,434	\$ 80,774	\$ 25,982	\$ 1,677	\$ (5,798)	\$ 42,440	\$ 1,598
18	Total Operating Expenses	\$ 155,718,188	\$ 77,841,807	\$ 4,767,716	\$ 58,730,696	\$ 5,835,879	\$ 6,361,385	\$ 450,421	\$ 772,230	\$ 839,457	\$ 118,597
19	Net Operating Income (line 12 less line 18)	\$ 10,031,513	\$ 5,494,584	\$ 5,975	\$ 2,859,986	\$ 857,347	\$ 293,894	\$ 66,389	\$ 6,664	\$ 418,693	\$ 27,981
20	Rate of Return (line 19 divided by line 9)	6.35%	6.09%	0.05%	6.15%	17.91%	15.47%	4.64%	-3.75%	26.08%	6.72%
21	Index (Class ROR divided by System ROR)	100	96	1	97	282	244	73	(59)	411	106

Gas Department RY 7/10-6/11 Rate of Return Statement

		Residential		Commercial / Industrial		SC8/9	Firm		Firm	Firm	
	Total System	Heating	Non-heat	Heating	Non-heat	Interruptible	SC11 dlm	Intrdprtmntl	SC11 t	SC11 d	
1	Rate Base:										
	Gross Plant in Service	\$ 311,390,000	\$ 176,611,223	\$ 19,748,481	\$ 83,197,317	\$ 9,134,735	\$ -	\$ 3,601,637	\$ 13,982,845	\$ 4,664,446	\$ 449,316
2	less: Accum. Provisions for Depr. & Amort.	\$ 105,053,822	\$ 53,616,345	\$ 5,767,394	\$ 26,488,877	\$ 2,885,150	\$ -	\$ 1,323,458	\$ 12,791,673	\$ 2,037,374	\$ 143,552
3	Net Plant in Service	\$ 206,336,178	\$ 122,994,878	\$ 13,981,087	\$ 56,708,440	\$ 6,249,586	\$ -	\$ 2,278,180	\$ 1,191,172	\$ 2,627,072	\$ 305,764
4	plus: Construction Work in Progress	\$ 8,577,000	\$ 5,112,662	\$ 581,167	\$ 2,357,261	\$ 259,783	\$ -	\$ 94,700	\$ 49,515	\$ 109,202	\$ 12,710
5	plus: Working Capital	\$ 8,809,000	\$ 5,047,626	\$ 579,604	\$ 2,509,267	\$ 283,079	\$ -	\$ 95,801	\$ 157,235	\$ 124,182	\$ 12,205
6	less: Accumulated Deferred Income Taxes	\$ 37,035,000	\$ 21,098,715	\$ 2,213,580	\$ 10,777,152	\$ 1,170,254	\$ -	\$ 587,595	\$ 152,417	\$ 976,417	\$ 58,870
7	plus: Deferred Charges	\$ 3,473,000	\$ 1,972,192	\$ 205,381	\$ 1,006,390	\$ 108,789	\$ -	\$ 58,067	\$ 18,270	\$ 98,230	\$ 5,682
8	less: Other Rate Base Deductions	\$ 127,000	\$ 76,280	\$ 8,815	\$ 34,469	\$ 3,816	\$ -	\$ 1,285	\$ 838	\$ 1,313	\$ 184
9	Total Rate Base	\$ 190,033,178	\$ 113,952,363	\$ 13,124,843	\$ 51,769,737	\$ 5,727,167	\$ -	\$ 1,937,868	\$ 1,262,937	\$ 1,980,955	\$ 277,307
	Revenues:										
10	Sales, Transport & Dlvry Svc Revenues	\$ 67,993,360	\$ 40,918,936	\$ 2,949,488	\$ 19,312,754	\$ 2,747,072	\$ -	\$ 655,200	\$ 54,270	\$ 1,282,320	\$ 73,320
11	Miscellaneous Revenues	\$ 1,329,300	\$ 953,072	\$ 53,438	\$ 287,607	\$ 35,184	\$ -	\$ -	\$ -	\$ -	\$ -
12	Total Operating Revenues	\$ 69,322,660	\$ 41,872,008	\$ 3,002,926	\$ 19,600,360	\$ 2,782,256	\$ -	\$ 655,200	\$ 54,270	\$ 1,282,320	\$ 73,320
	Expenses:										
13	Operation and Maintenance	\$ 35,787,000	\$ 20,134,342	\$ 2,322,673	\$ 10,655,346	\$ 1,225,206	\$ -	\$ 372,943	\$ 518,692	\$ 511,260	\$ 46,539
14	Depreciation and Amortization	\$ 7,571,000	\$ 4,376,503	\$ 471,483	\$ 2,166,039	\$ 236,272	\$ -	\$ 109,573	\$ 29,746	\$ 169,566	\$ 11,818
15	Taxes Other than Income	\$ 8,157,000	\$ 4,970,392	\$ 514,812	\$ 2,200,078	\$ 247,234	\$ -	\$ 76,168	\$ 47,310	\$ 90,913	\$ 10,093
16	Federal Income Tax	\$ 4,839,178	\$ 3,459,527	\$ (170,966)	\$ 1,235,227	\$ 321,792	\$ -	\$ 26,035	\$ (201,304)	\$ 168,579	\$ 288
17	NYS Income Tax	\$ 922,151	\$ 675,403	\$ (34,394)	\$ 229,459	\$ 62,312	\$ -	\$ 967	\$ (38,052)	\$ 26,711	\$ (255)
18	Total Operating Expenses	\$ 57,276,329	\$ 33,616,168	\$ 3,103,606	\$ 16,486,148	\$ 2,092,817	\$ -	\$ 585,687	\$ 356,392	\$ 967,028	\$ 68,483
19	Net Operating Income (line12 less line 18)	\$ 12,046,331	\$ 8,255,840	\$ (100,680)	\$ 3,114,212	\$ 689,439	\$ -	\$ 69,513	\$ (302,122)	\$ 315,292	\$ 4,837
20	Rate of Return (line 19 divided by line 9)	6.34%	7.24%	-0.77%	6.02%	12.04%	0.00%	3.59%		15.92%	1.74%
21	Index (Class ROR divided by System ROR)	100	114	(12)	95	190	-	57		251	28

Levelized RY Gas Revenue Requirement @ Target ROR = 7.58%

		Total System	Residential		Commercial / Industrial		SC8/9	Firm		Firm	Firm	
			Heating	Non-heat	Heating	Non-heat	Interruptible	SC11 dlm	Intrprtmntl	SC11 t	SC11 d	
Production:												
1	Demand - Capacity	DFWPK	\$ 1,017,864	\$ 501,045	\$ 13,468	\$ 455,297	\$ 45,268	\$ -	\$ -	\$ 2,787	\$ -	\$ -
2	Demand - Generation	DAVGMCF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Commodity	COMMOD	\$ (68,693)	\$ (26,637)	\$ (967)	\$ (26,641)	\$ (4,031)	\$ -	\$ (3,752)	\$ (105)	\$ (6,269)	\$ (290)
4	Procurement	DAVGMCF	\$ 2,066,784	\$ 944,677	\$ 34,285	\$ 944,844	\$ 142,978	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Production		\$ 3,015,955	\$ 1,419,085	\$ 46,786	\$ 1,373,500	\$ 184,214	\$ -	\$ (3,752)	\$ 2,682	\$ (6,269)	\$ (290)
Transmission & Subtransmission:												
6	Supply Trans - Reg Stations	DWPK	\$ 4,118,350	\$ 1,735,850	\$ 46,660	\$ 1,577,359	\$ 156,828	\$ -	\$ 175,233	\$ 9,654	\$ 406,162	\$ 10,605
7	Supply Trans - Lines	DWPK	\$ 12,737	\$ 5,368	\$ 144	\$ 4,878	\$ 485	\$ -	\$ 542	\$ 30	\$ 1,256	\$ 33
8	Common Trans - Reg Stations	DWPK	\$ 1,485,413	\$ 626,089	\$ 16,829	\$ 568,924	\$ 56,565	\$ -	\$ 63,203	\$ 3,482	\$ 146,495	\$ 3,825
9	Common Trans - Lines	DWPK	\$ 245	\$ 103	\$ 3	\$ 94	\$ 9	\$ -	\$ 10	\$ 1	\$ 24	\$ 1
10	T&D Equip for Spfc Cstmrs @ Trans PSI	STSUB	\$ 216,048	\$ 12,659	\$ 419	\$ 12,561	\$ 1,294	\$ -	\$ 50,598	\$ 916	\$ 137,600	\$ -
11	Specific Iroquois Lines	STLNS	\$ 425,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,661	\$ -	\$ -
12	General Reg Stations / Lines	DWPK	\$ 3,147,386	\$ 1,326,597	\$ 35,659	\$ 1,205,472	\$ 119,853	\$ -	\$ 133,919	\$ 7,378	\$ 310,403	\$ 8,104
13	Total Transmission & Subtransmission		\$ 9,405,840	\$ 3,706,667	\$ 99,715	\$ 3,369,289	\$ 335,035	\$ -	\$ 423,505	\$ 447,121	\$ 1,001,941	\$ 22,567
Bulk Distribution:												
14	Distribution Reg Stations	DMAINS	\$ 2,245,920	\$ 1,082,039	\$ 29,085	\$ 983,244	\$ 97,758	\$ -	\$ 41,165	\$ 6,018	\$ -	\$ 6,610
15	Bulk Mains & Mtr Stations - Demand	DMAINS	\$ 17,108,249	\$ 8,242,410	\$ 221,557	\$ 7,489,838	\$ 744,672	\$ -	\$ 313,577	\$ 45,840	\$ -	\$ 50,355
16	Bulk Mains & Mtr Stations - Customer	CMAINS	\$ 9,212,134	\$ 6,837,224	\$ 1,107,428	\$ 1,110,941	\$ 156,245	\$ -	\$ 47	\$ 125	\$ -	\$ 125
17	(reserved for future use) - Demand	DSFPC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Dist Equip of Spfc Customers (SC8 & SC11)	CORUPT	\$ 408,546	\$ 176,588	\$ 7,054	\$ 184,704	\$ 27,464	\$ -	\$ -	\$ -	\$ -	\$ 12,735
19	Bulk Services Demand	DSRVCS	\$ 807,827	\$ 396,461	\$ 10,657	\$ 360,263	\$ 35,819	\$ -	\$ -	\$ 2,205	\$ -	\$ 2,422
20	Bulk Services Customer	CSECY	\$ 11,101,638	\$ 8,239,762	\$ 1,334,597	\$ 1,338,831	\$ 188,296	\$ -	\$ -	\$ 150	\$ -	\$ -
21	(reserved for future use) - Demand	DSVCS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Specific Services - Customer (SC8 & SC11)	CORUPT	\$ 28,507	\$ 12,322	\$ 492	\$ 12,888	\$ 1,916	\$ -	\$ -	\$ -	\$ -	\$ 889
23	Total Bulk Distribution		\$ 40,912,820	\$ 24,986,807	\$ 2,710,871	\$ 11,480,709	\$ 1,252,171	\$ -	\$ 354,790	\$ 54,338	\$ -	\$ 73,135
Meters & Regulators												
24	Meters & Regulators	CMTRS	\$ 7,193,271	\$ 3,599,295	\$ 623,989	\$ 2,462,492	\$ 280,306	\$ -	\$ 5,962	\$ 204,594	\$ 12,475	\$ 4,158
25	Industrial Reg Stations	CINSTP	\$ 111,849	\$ -	\$ -	\$ 98,426	\$ 13,423	\$ -	\$ -	\$ -	\$ -	\$ -
26	Firm Customers Mtr / Reg Installations	CINSTX	\$ 2,909,634	\$ 2,159,301	\$ 349,743	\$ 350,852	\$ 49,345	\$ -	\$ 197	\$ 39	\$ 118	\$ 39
27	Miscellaneous Revenues	DRMISC	\$ (1,329,300)	\$ (953,072)	\$ (53,438)	\$ (287,607)	\$ (35,184)	\$ -	\$ -	\$ -	\$ -	\$ -
28	Uncollectibles, Credit & Collections on Delivery	CODBT	\$ 1,741,044	\$ 1,292,135	\$ 209,288	\$ 209,952	\$ 29,528	\$ -	\$ 24	\$ 24	\$ 71	\$ 24
29	Bill Printing, Mailing & Receipt Services	CNBL5	\$ 528,051	\$ 344,487	\$ 55,797	\$ 111,947	\$ 15,745	\$ -	\$ 13	\$ 13	\$ 38	\$ 13
30	Customer Account Services (901-905)	CUSTAC	\$ 4,371,537	\$ 2,893,625	\$ 468,682	\$ 884,025	\$ 124,331	\$ -	\$ 471	\$ 6	\$ 298	\$ 99
31	Competitive Energy Services	CUSVCS2	\$ 156,836	\$ 103,479	\$ 16,761	\$ 31,886	\$ 4,484	\$ -	\$ 10	\$ 2	\$ 11	\$ 4
32	Sales & Customer Service (907-916)	CUSVCS3	\$ 1,495,529	\$ 1,033,323	\$ 167,368	\$ 258,328	\$ 36,332	\$ -	\$ 34	\$ 28	\$ 87	\$ 29
33	Sales, Transport & Dlvry Srvc Revenues	RSAL5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Total Levelized Revenue Requirement from Rates		\$ 70,512,866	\$ 40,585,133	\$ 4,695,559	\$ 20,343,798	\$ 2,289,731	\$ -	\$ 781,252	\$ 708,846	\$ 1,008,769	\$ 99,779
35	Demand		\$ 30,585,700	\$ 13,928,623	\$ 374,482	\$ 12,657,930	\$ 1,258,552	\$ -	\$ 778,247	\$ 503,971	\$ 1,001,941	\$ 81,955
36	Commodity		\$ 1,998,091	\$ 918,040	\$ 33,318	\$ 918,203	\$ 138,947	\$ -	\$ (3,752)	\$ (105)	\$ (6,269)	\$ (290)
37	Customer		\$ 39,258,375	\$ 26,691,541	\$ 4,341,197	\$ 7,055,272	\$ 927,416	\$ -	\$ 6,757	\$ 204,980	\$ 13,098	\$ 18,114
38	Revenue		\$ (1,329,300)	\$ (953,072)	\$ (53,438)	\$ (287,607)	\$ (35,184)	\$ -	\$ -	\$ -	\$ -	\$ -
39	Check		\$ 0.00	\$ (0.00)	\$ 0.00	\$ -	\$ 0.00	\$ -	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ (0.00)

		Total System	Residential		Commercial / Industrial		SC8/9	Firm		Firm	Firm	
			Heating	Non-heat	Heating	Non-heat	Interruptible	SC11 dlm	Intrdprmntl	SC11 t	SC11 d	
	Revenue Requirements for bundled functions @ ROR on RB =	7.58%										
40	Demand-related functions	L 35	\$ 30,585,700	\$ 13,928,623	\$ 374,482	\$ 12,657,930	\$ 1,258,552	\$ -	\$ 778,247	\$ 503,971	\$ 1,001,941	\$ 81,955
41	Commodity-related functions	L 36-L45	\$ (68,693)	\$ (26,637)	\$ (967)	\$ (26,641)	\$ (4,031)	\$ -	\$ (3,752)	\$ (105)	\$ (6,269)	\$ (290)
42	Customer-related functions	L37-L38-L46-48	\$ 35,503,344	\$ 23,998,369	\$ 4,005,914	\$ 6,413,881	\$ 842,475	\$ -	\$ 6,711	\$ 204,942	\$ 12,978	\$ 18,074
43	sub-total		\$ 66,020,351	\$ 37,900,355	\$ 4,379,429	\$ 19,045,169	\$ 2,096,995	\$ -	\$ 781,206	\$ 708,808	\$ 1,008,650	\$ 99,739
44	Revenue Requirements for Unbundled Functions											
45	Procurement function	L 4	\$ 2,066,784	\$ 944,677	\$ 34,285	\$ 944,844	\$ 142,978	\$ -	\$ -	\$ -	\$ -	\$ -
46	DS Uncollectibles, Credit & Collections function	L 28	\$ 1,741,044	\$ 1,292,135	\$ 209,288	\$ 209,952	\$ 29,528	\$ -	\$ 24	\$ 24	\$ 71	\$ 24
47	Bill Printing, Mailing & Receipt function	L 29	\$ 528,051	\$ 344,487	\$ 55,797	\$ 111,947	\$ 15,745	\$ -	\$ 13	\$ 13	\$ 38	\$ 13
48	Competitive Energy Services function	L 31	\$ 156,836	\$ 103,479	\$ 16,761	\$ 31,886	\$ 4,484	\$ -	\$ 10	\$ 2	\$ 11	\$ 4
49	sub-total		\$ 4,492,515	\$ 2,684,778	\$ 316,129	\$ 1,298,629	\$ 192,735	\$ -	\$ 46	\$ 38	\$ 119	\$ 40
50	Total Delivery Service Revenue Requirement	L43+L49	\$ 70,512,866	\$ 40,585,133	\$ 4,695,559	\$ 20,343,798	\$ 2,289,731	\$ -	\$ 781,252	\$ 708,846	\$ 1,008,769	\$ 99,779
	RY Billing Units											
51a	GAS Deliveries @ meter (SC8&9 sales to SC1 & 2), Mcf		14,851,002	5,758,687	208,997	5,759,705	871,586	0	811,237	22,650	1,355,420	62,720
51b	GAS Deliveries @ meter, Mcf		14,851,002	4,995,750	181,308	4,996,633	756,114	1,669,170	811,237	22,650	1,355,420	62,720
52	Number of Customers		73,855	54,813	8,878	8,906	1,253	0	1	1	3	1
	Levelized Full Service DS Rates based on RY @ ROR =	7.58%										
53	for Demand-related functions, Rate, \$ / Mcf	L35 / L51a	\$ 2.06	\$ 2.42	\$ 1.79	\$ 2.20	\$ 1.44	\$ -	\$ 0.96	\$ -	\$ 0.74	\$ 1.31
54	Energy functions \$ / Mcf @ mtr (excluding commodity chgs)	L36 / L51a	\$ 0.1345	\$ 0.1594	\$ 0.1594	\$ 0.1594	\$ 0.1594	\$ -	\$ (0.0046)	\$ -	\$ (0.0046)	\$ (0.0046)
55	Customer Rate, \$ / mo	L37+ L38/L52/12	\$42.80	\$39.13	\$40.25	\$63.32	\$59.36	\$0.00	\$563.08	\$0.00	\$363.82	\$1,509.50
	Potential Backout Credits available to Customers											
56	Procurement \$ / Mcf at meter	L45 / L51b	\$ 0.1392	\$ 0.1891	\$ 0.1891	\$ 0.1891	\$ 0.1891	\$ -	\$ -	\$ -	\$ -	\$ -
57	Divry Svc Uncollectibles, Credit & Collections Rate \$ / month	L46 / L52 / 12	\$1.96	\$1.96	\$1.96	\$1.96	\$1.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
58	Bill Printing & Receipt Services Rate \$ / month	L47 / L52 / 12	\$0.60	\$0.52	\$0.52	\$1.05	\$1.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
59	Competitive Energy Services Rate \$ / month	L48 / L52 / 12	\$0.18	\$0.16	\$0.16	\$0.30	\$0.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Delivery Service Rates and MFCs @ ROR =	7.58%										
60	Energy Rate (Net of Procurement) in \$ / Mcf	L40+L41 / L51b	\$ 2.0549	\$ 2.7828	\$ 2.0601	\$ 2.5280	\$ 1.6592	\$ -	\$ -	\$ -	\$ -	\$ -
61	Customer Rate (Net of CES & UCC) in \$ / month	L55- L57- L59	\$40.66	\$37.01	\$38.13	\$61.06	\$57.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
62	Supply Charge (Procurement + CES) in \$ / Mcf	L45+L48 / L51b	\$ 0.1497	\$ 0.2098	\$ 0.2815	\$ 0.1955	\$ 0.1950	\$ -	\$ -	\$ -	\$ -	\$ -
63	Admin. Charge: (Uncollectibles Credit & Collections) in \$ / Mcf	L46 / L51b	\$ 0.1172	\$ 0.2586	\$ 1.1543	\$ 0.0420	\$ 0.0391	\$ -	\$ -	\$ -	\$ -	\$ -
	Current (Jul 09) Delivery Service Rates											
64	First Block			First 2 Ccf or less	\$ 17.00	rst 2 Ccf or less	\$ 30.00		\$ 600.00	customer chg	\$ 600.00	\$ 600.00
65	Second Block			next 48 Ccf	\$ 0.6845	next 98 Ccf	\$ 0.4727		\$ 9.21	Mcf of MDQ/mo	\$ 7.73	\$ 15.53
66	Third Block			additional gas	\$ 0.3944	next 4900 Ccf	\$ 0.2704		\$ 1.00	Excess MDQ	\$ 1.00	\$ 1.00
67	Fourth Block					additional gas	\$ 0.2206					

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ELECTRIC DEPARTMENT

Embedded Cost of Service Studies

Schedule A – Rate of Return Statement for the Historical Year 2007

Schedule B – Rate of Return Statement for Rate Year # 1, 7/10 – 6/11

Schedule C, pg. 1– Levelized Revenue Requirements @ 7.58% ROR for Rate Year #1

Schedule C, pg. 2– Unbundled Revenue Requirements with Backout Credits

Electric Department 2007 Rate of Return Statement

Rate Base:	Total System	Residential			Small General Service			Large General Service			SC5 Area	SC8 Street	SC9 Traffic	
		SC1 Non-heat	SC1 Heat	SC6 TOU	SC2 non-dmnd	SC2 sec-dmnd	SC2 pri-dmnd	SC3 Primary	SC13 Subs	SC13 Trans	Lighting	Lighting	Lighting	
1	Gross Plant in Service	\$ 841,316,671	\$ 489,227,071	\$ 67,526,136	\$ 6,444,856	\$ 59,003,014	\$ 122,907,662	\$ 13,243,150	\$ 18,175,419	\$ 8,610,642	\$ 34,803,407	\$ 9,390,348	\$ 11,527,286	\$ 457,678
2	less: Accum. Provisions for Depr. & Amort.	\$ 259,703,270	\$ 148,059,727	\$ 20,548,963	\$ 1,982,083	\$ 17,762,692	\$ 39,662,036	\$ 4,377,740	\$ 6,033,077	\$ 2,847,822	\$ 12,091,930	\$ 2,723,169	\$ 3,475,003	\$ 139,029
3	Net Plant in Service	\$ 581,613,401	\$ 341,167,344	\$ 46,977,173	\$ 4,462,773	\$ 41,240,323	\$ 83,245,627	\$ 8,865,411	\$ 12,142,343	\$ 5,762,820	\$ 22,711,477	\$ 6,667,179	\$ 8,052,283	\$ 318,649
4	plus: Construction Work in Progress	\$ 32,990,000	\$ 19,224,127	\$ 2,661,621	\$ 254,315	\$ 2,294,942	\$ 4,738,772	\$ 519,969	\$ 721,777	\$ 347,067	\$ 1,401,195	\$ 382,015	\$ 426,233	\$ 17,967
5	plus: Working Capital	\$ 32,389,000	\$ 18,615,036	\$ 2,534,181	\$ 240,566	\$ 2,312,052	\$ 5,191,918	\$ 512,462	\$ 670,065	\$ 272,778	\$ 1,182,314	\$ 284,285	\$ 554,242	\$ 19,100
6	less: Accumulated Deferred Income Taxes	\$ 75,995,000	\$ 42,613,247	\$ 5,915,190	\$ 580,581	\$ 5,117,899	\$ 11,787,085	\$ 1,387,630	\$ 1,913,984	\$ 905,365	\$ 3,833,533	\$ 812,561	\$ 1,088,042	\$ 39,883
7	plus: Deferred Charges	\$ (40,844,000)	\$ (23,909,916)	\$ (3,304,963)	\$ (315,380)	\$ (2,857,829)	\$ (5,811,328)	\$ (633,430)	\$ (878,071)	\$ (421,682)	\$ (1,679,320)	\$ (477,581)	\$ (532,257)	\$ (22,241)
8	less: Other Rate Base Deductions	\$ (7,380,000)	\$ (4,229,995)	\$ (589,411)	\$ (57,271)	\$ (510,710)	\$ (1,113,129)	\$ (119,143)	\$ (163,033)	\$ (80,258)	\$ (314,042)	\$ (83,131)	\$ (116,107)	\$ (3,770)
9	Total Rate Base	\$ 537,533,401	\$ 316,713,339	\$ 43,542,233	\$ 4,118,963	\$ 38,382,299	\$ 76,691,033	\$ 7,995,923	\$ 10,905,163	\$ 5,135,876	\$ 20,096,175	\$ 6,126,468	\$ 7,528,567	\$ 297,362
Revenues:														
10	Electric Delivery Revenues	\$ 575,273,377	\$ 249,924,255	\$ 42,410,839	\$ 4,381,978	\$ 22,696,503	\$ 142,492,954	\$ 15,388,300	\$ 20,758,588	\$ 1,733,686	\$ 68,259,412	\$ 1,920,627	\$ 4,868,264	\$ 437,970
11	Other Revenues	\$ 41,580,840	\$ 17,573,331	\$ 2,897,447	\$ 293,767	\$ 1,602,364	\$ 9,492,155	\$ 1,107,947	\$ 1,636,885	\$ 732,631	\$ 5,552,620	\$ 324,992	\$ 339,912	\$ 26,788
12	Total Operating Revenues	\$ 616,854,217	\$ 267,497,587	\$ 45,308,286	\$ 4,675,745	\$ 24,298,868	\$ 151,985,109	\$ 16,496,246	\$ 22,395,473	\$ 2,466,317	\$ 73,812,032	\$ 2,245,619	\$ 5,208,176	\$ 464,759
Expenses:														
13	Operation and Maintenance	\$ 510,766,394	\$ 218,071,294	\$ 35,885,969	\$ 3,631,792	\$ 23,363,035	\$ 121,984,958	\$ 14,124,688	\$ 18,116,719	\$ 1,241,610	\$ 68,015,721	\$ 1,802,234	\$ 4,190,237	\$ 338,137
14	Depreciation and Amortization	\$ 22,251,467	\$ 13,001,075	\$ 1,790,476	\$ 170,183	\$ 1,577,234	\$ 3,225,254	\$ 342,277	\$ 467,040	\$ 220,917	\$ 878,934	\$ 250,494	\$ 315,411	\$ 12,172
15	Taxes Other than Income	\$ 27,063,824	\$ 12,733,029	\$ 1,701,652	\$ 200,535	\$ 1,331,622	\$ 5,893,758	\$ 745,898	\$ 1,078,947	\$ 425,189	\$ 2,733,011	\$ 58,003	\$ 149,932	\$ 12,249
16	Federal Income Tax	\$ 13,755,420	\$ 5,069,942	\$ 1,545,695	\$ 181,527	\$ (926,540)	\$ 5,943,393	\$ 340,388	\$ 782,073	\$ 149,949	\$ 538,680	\$ 2,373	\$ 97,863	\$ 30,077
17	NYS Income Tax	\$ 3,243,229	\$ 1,189,484	\$ 356,436	\$ 41,774	\$ (204,726)	\$ 1,403,842	\$ 81,079	\$ 181,568	\$ 34,534	\$ 125,190	\$ (2,574)	\$ 29,662	\$ 6,961
18	Total Operating Expenses	\$ 577,080,333	\$ 250,064,823	\$ 41,280,229	\$ 4,225,812	\$ 25,140,624	\$ 138,451,204	\$ 15,634,329	\$ 20,626,347	\$ 2,072,198	\$ 72,291,536	\$ 2,110,529	\$ 4,783,106	\$ 399,596
19	Net Operating Income (line 12 less line 18)	\$ 39,773,884	\$ 17,432,764	\$ 4,028,057	\$ 449,933	\$ (841,756)	\$ 13,533,905	\$ 861,917	\$ 1,769,127	\$ 394,119	\$ 1,520,496	\$ 135,090	\$ 425,070	\$ 65,162
20	Rate of Return (line 19 divided by line 9)	7.40%	5.50%	9.25%	10.92%	-2.19%	17.65%	10.78%	16.22%	7.67%	7.57%	2.21%	5.65%	21.91%
21	Index (Class ROR divided by System ROR)	100	74	125	148	(30)	238	146	219	104	102	30	76	296

Electric Department RY#1 7/10-6/11 Rate of Return Statement

		Residential			Small General Service			Large General Service			SC5 Area	SC8 Street	SC9 Traffic	
	Rate Base:	Total System	SC1 Non-heat	SC1 Heat	SC6 TOU	SC2 non-dmnd	SC2 sec-dmnd	SC2 pri-dmnd	SC3 Primary	SC13 Subs	SC13 Trans	Lighting	Lighting	Lighting
1	Gross Plant in Service	\$ 1,038,725,000	\$ 603,417,853	\$ 83,116,492	\$ 6,975,211	\$ 68,322,060	\$ 158,305,203	\$ 19,698,527	\$ 21,193,811	\$ 11,329,413	\$ 40,973,675	\$ 11,010,731	\$ 13,842,551	\$ 539,473
2	less: Accum. Provisions for Depr. & Amort.	\$ 295,695,177	\$ 169,884,012	\$ 23,487,209	\$ 1,980,252	\$ 19,230,150	\$ 46,331,464	\$ 5,818,155	\$ 6,259,905	\$ 3,337,036	\$ 12,337,371	\$ 2,984,923	\$ 3,892,088	\$ 152,611
3	Net Plant in Service	\$ 743,029,823	\$ 433,533,841	\$ 59,629,283	\$ 4,994,959	\$ 49,091,910	\$ 111,973,738	\$ 13,880,372	\$ 14,933,906	\$ 7,992,377	\$ 28,636,304	\$ 8,025,809	\$ 9,950,463	\$ 386,862
4	plus: Construction Work in Progress	\$ 31,130,000	\$ 18,109,978	\$ 2,504,178	\$ 210,663	\$ 2,023,158	\$ 4,684,962	\$ 593,146	\$ 643,673	\$ 348,697	\$ 1,260,437	\$ 342,973	\$ 391,855	\$ 16,280
5	plus: Working Capital	\$ 36,990,000	\$ 21,747,356	\$ 2,900,848	\$ 237,972	\$ 2,623,641	\$ 5,733,584	\$ 648,866	\$ 661,774	\$ 317,902	\$ 1,154,093	\$ 326,350	\$ 617,706	\$ 19,908
6	less: Accumulated Deferred Income Taxes	\$ 122,866,000	\$ 69,432,857	\$ 9,603,564	\$ 824,862	\$ 7,862,045	\$ 19,601,065	\$ 2,617,946	\$ 2,817,985	\$ 1,503,501	\$ 5,551,960	\$ 1,258,820	\$ 1,729,134	\$ 62,260
7	plus: Deferred Charges	\$ 7,695,000	\$ 4,440,333	\$ 615,315	\$ 52,094	\$ 493,270	\$ 1,182,030	\$ 151,600	\$ 164,863	\$ 88,791	\$ 326,531	\$ 82,135	\$ 94,044	\$ 3,995
8	less: Other Rate Base Deductions	\$ 1,857,000	\$ 1,264,764	\$ 160,781	\$ 11,292	\$ 149,571	\$ 185,048	\$ 17,027	\$ 17,449	\$ 4,412	\$ 15,728	\$ 21,654	\$ 7,895	\$ 1,377
9	Total Rate Base	\$ 694,121,823	\$ 407,133,887	\$ 55,885,279	\$ 4,659,533	\$ 46,220,363	\$ 103,788,202	\$ 12,639,010	\$ 13,568,782	\$ 7,239,854	\$ 25,809,676	\$ 7,496,791	\$ 9,317,038	\$ 363,407
Revenues:														
10	Electric Delivery Revenues	\$ 254,320,935	\$ 143,171,971	\$ 22,643,372	\$ 1,785,870	\$ 12,184,099	\$ 51,255,891	\$ 4,692,742	\$ 5,620,970	\$ 2,003,720	\$ 4,843,740	\$ 1,625,120	\$ 4,291,090	\$ 202,350
11	Other Revenues	\$ 8,369,485	\$ 4,140,455	\$ 844,976	\$ 54,241	\$ 351,171	\$ 873,827	\$ 59,223	\$ 71,832	\$ 118,687	\$ 1,646,572	\$ 205,274	\$ 1,210	\$ 2,017
12	Total Operating Revenues	\$ 262,690,420	\$ 147,312,426	\$ 23,488,348	\$ 1,840,111	\$ 12,535,271	\$ 52,129,718	\$ 4,751,965	\$ 5,692,802	\$ 2,122,407	\$ 6,490,312	\$ 1,830,394	\$ 4,292,300	\$ 204,367
Expenses:														
13	Operation and Maintenance	\$ 143,685,000	\$ 84,728,972	\$ 10,991,966	\$ 883,199	\$ 10,827,112	\$ 23,077,351	\$ 2,395,611	\$ 2,302,401	\$ 961,300	\$ 3,584,349	\$ 985,163	\$ 2,868,327	\$ 79,250
14	Depreciation and Amortization	\$ 27,563,000	\$ 16,234,165	\$ 2,232,855	\$ 185,739	\$ 1,841,545	\$ 4,037,086	\$ 495,138	\$ 532,719	\$ 289,274	\$ 1,013,442	\$ 312,790	\$ 373,726	\$ 14,521
15	Taxes Other than Income	\$ 31,831,000	\$ 15,667,704	\$ 2,090,476	\$ 212,609	\$ 1,504,241	\$ 7,015,236	\$ 978,884	\$ 1,108,970	\$ 523,436	\$ 2,421,053	\$ 71,106	\$ 223,171	\$ 14,115
16	Federal Income Tax	\$ 14,101,101	\$ 6,903,777	\$ 2,243,482	\$ 146,541	\$ (892,647)	\$ 5,042,939	\$ 189,058	\$ 467,863	\$ 59,585	\$ (369,503)	\$ 96,214	\$ 184,933	\$ 28,858
17	NYS Income Tax	\$ 1,917,703	\$ 873,715	\$ 379,300	\$ 23,340	\$ (236,990)	\$ 876,768	\$ 17,511	\$ 71,196	\$ (1,698)	\$ (129,254)	\$ 8,304	\$ 30,192	\$ 5,317
18	Total Operating Expenses	\$ 219,097,804	\$ 124,408,332	\$ 17,938,079	\$ 1,451,429	\$ 13,043,263	\$ 40,049,381	\$ 4,076,202	\$ 4,483,149	\$ 1,831,897	\$ 6,520,086	\$ 1,473,577	\$ 3,680,349	\$ 142,061
19	Net Operating Income (line 12 less line 18)	\$ 43,592,616	\$ 22,904,094	\$ 5,550,269	\$ 388,682	\$ (507,992)	\$ 12,080,337	\$ 675,763	\$ 1,209,653	\$ 290,510	\$ (29,774)	\$ 356,817	\$ 611,951	\$ 62,306
20	Rate of Return (line 19 divided by line 9)	6.28%	5.63%	9.93%	8.34%	-1.10%	11.64%	5.35%	8.91%	4.01%	-0.12%	4.76%	6.57%	17.14%
21	Index (Class ROR divided by System ROR)	100	90	158	133	(18)	185	85	142	64	(2)	76	105	273

Levelized Electric RY #1 Revenue Requirement @		Target ROR	7.58%		Residential			Small General Service			Large General Service			SC5 Area	SC8 Street	SC9 Traffic
			Total System	SC1 Non-heat	SC1 Heat	SC6 TOU	SC2 non-dmnd	SC2 sec-dmnd	SC2 pri-dmnd	SC3 Primary	SC3 Subs	SC13 Trans	Lighting	Lighting	Lighting	
Production:																
1	Demand - Capacity	DSUWN	\$ 6,440,018	\$ 2,894,635	\$ 515,977	\$ 46,457	\$ 250,565	\$ 1,472,759	\$ 232,660	\$ 259,550	\$ 124,279	\$ 613,145	\$ 9,946	\$ 17,442	\$ 2,604	
2	Demand - Generation	DAVGKW	\$ 7,238,711	\$ 2,417,780	\$ 443,569	\$ 41,111	\$ 217,260	\$ 2,050,458	\$ 337,569	\$ 380,054	\$ 220,801	\$ 1,074,566	\$ 18,458	\$ 32,365	\$ 4,721	
3	Commodity	COMMOD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4	Procurement	CUNITS	\$ 8,646,875	\$ 6,550,610	\$ 735,144	\$ 44,750	\$ 822,187	\$ 344,097	\$ 4,856	\$ 904	\$ 199	\$ 170	\$ 129,636	\$ 5,881	\$ 8,439	
5	Total Production		\$ 22,325,603	\$ 11,863,024	\$ 1,694,690	\$ 132,319	\$ 1,290,012	\$ 3,867,314	\$ 575,085	\$ 640,509	\$ 345,279	\$ 1,687,881	\$ 158,040	\$ 55,688	\$ 15,763	
Transmission & Subtransmission:																
6	Power Supply Trans - Subs	DSUWN	\$ 19,313,348	\$ 8,680,891	\$ 1,547,394	\$ 139,322	\$ 751,433	\$ 4,416,742	\$ 697,737	\$ 778,379	\$ 372,709	\$ 1,838,797	\$ 29,827	\$ 52,309	\$ 7,809	
7	Power Supply Trans - Lines	DSPK	\$ 36,122,938	\$ 17,099,155	\$ 1,765,528	\$ 234,275	\$ 1,511,778	\$ 8,556,262	\$ 1,278,337	\$ 1,473,989	\$ 710,308	\$ 3,479,796	\$ -	\$ -	\$ 13,510	
8	Common Trans - Subs	DNCPTS	\$ 232,109	\$ 56,171	\$ 10,127	\$ 1,070	\$ 5,966	\$ 28,362	\$ 4,198	\$ 56,881	\$ -	\$ 68,371	\$ 339	\$ 584	\$ 40	
9	Common Trans - Lines	DNCPTL	\$ 374,079	\$ 104,064	\$ 18,762	\$ 1,982	\$ 11,052	\$ 52,544	\$ 7,778	\$ 10,297	\$ -	\$ 165,818	\$ 627	\$ 1,082	\$ 73	
10	Specific - Subs	STSUB	\$ 2,287,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,513	\$ 458,614	\$ 1,810,651	\$ -	\$ -	\$ -	
11	Specific - Lines	STLNS	\$ 181,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,061	\$ -	\$ -	\$ -	
12	General Subtrans Lines	DNCPGT	\$ 1,595,928	\$ 712,497	\$ 129,635	\$ 11,979	\$ 68,228	\$ 362,733	\$ 60,817	\$ 62,173	\$ 29,663	\$ 145,708	\$ 4,353	\$ 7,633	\$ 508	
13	Total Transmission & Subtransmission		\$ 60,107,241	\$ 26,652,778	\$ 3,471,446	\$ 388,627	\$ 2,348,457	\$ 13,416,644	\$ 2,048,867	\$ 2,400,233	\$ 1,571,294	\$ 7,690,202	\$ 35,146	\$ 61,607	\$ 21,940	
Bulk Distribution:																
14	Distribution Substations	DSUBS	\$ 20,982,753	\$ 10,308,885	\$ 1,875,644	\$ 173,327	\$ 987,164	\$ 5,248,267	\$ 879,942	\$ 899,567	\$ 429,181	\$ -	\$ 62,983	\$ 110,438	\$ 7,355	
15	Primary Lines - Demand	DPRIM	\$ 18,170,322	\$ 9,113,538	\$ 1,658,157	\$ 153,229	\$ 872,700	\$ 4,639,714	\$ 777,910	\$ 795,259	\$ -	\$ -	\$ 55,680	\$ 97,632	\$ 6,503	
16	Primary Lines - Customer	CPRIM	\$ 39,806,028	\$ 30,157,127	\$ 3,384,392	\$ 206,018	\$ 3,785,113	\$ 1,584,124	\$ 22,357	\$ 4,164	\$ -	\$ -	\$ 596,808	\$ 27,077	\$ 38,849	
17	Line Transformers - Demand	DTRNSF	\$ 5,617,889	\$ 3,445,449	\$ 598,548	\$ 45,614	\$ 319,842	\$ 1,175,794	\$ -	\$ -	\$ -	\$ -	\$ 11,372	\$ 19,941	\$ 1,328	
18	Line Transformers - Customer	CSECY	\$ 6,431,716	\$ 4,875,930	\$ 547,203	\$ 33,310	\$ 611,993	\$ 256,128	\$ -	\$ -	\$ -	\$ -	\$ 96,494	\$ 4,378	\$ 6,281	
19	Secondary Lines - Demand	DSECY	\$ 6,120,983	\$ 3,923,775	\$ 669,701	\$ 46,756	\$ 359,993	\$ 1,095,293	\$ -	\$ -	\$ -	\$ -	\$ 8,872	\$ 15,557	\$ 1,036	
20	Secondary Lines - Customer	CSECY	\$ 20,199,866	\$ 15,313,662	\$ 1,718,580	\$ 104,615	\$ 1,922,064	\$ 804,411	\$ -	\$ -	\$ -	\$ -	\$ 303,057	\$ 13,749	\$ 19,727	
21	Services - Demand	DSVCES	\$ 2,856,370	\$ 2,241,450	\$ 382,566	\$ 26,709	\$ 205,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
22	Services - Customer	CSVCES	\$ 1,991,596	\$ 1,628,440	\$ 107,298	\$ 9,448	\$ 246,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
23	Total Bulk Distribution		\$ 122,177,523	\$ 81,008,254	\$ 10,942,088	\$ 799,026	\$ 9,310,926	\$ 14,803,731	\$ 1,680,208	\$ 1,698,990	\$ 429,181	\$ -	\$ 1,135,267	\$ 288,772	\$ 81,080	
24	Meter Installations, CTs & PTs	CMTRS2	\$ 6,680,890	\$ -	\$ -	\$ -	\$ -	\$ 5,900,860	\$ 445,836	\$ 214,450	\$ 55,589	\$ 64,155	\$ -	\$ -	\$ -	
25	Installations on Customer Premises - Plant	CINSTP	\$ 642,235	\$ 115,320	\$ 31,685	\$ 1,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 494,025	\$ -	\$ -	
26	Installations on Customer Premises - Exp	CINSTX	\$ 6,976,932	\$ 4,474,285	\$ 653,972	\$ 49,219	\$ 425,070	\$ 1,243,712	\$ 108,361	\$ -	\$ -	\$ -	\$ 22,313	\$ -	\$ -	
27	Street Lighting	CLGTNG	\$ 3,754,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,754,247	\$ -	
28	Meter Ownership (re: line 24)	CMTRS	\$ 2,954,418	\$ 1,954,311	\$ 227,104	\$ 49,166	\$ 402,094	\$ 304,208	\$ 9,730	\$ 4,111	\$ 1,216	\$ 2,479	\$ -	\$ -	\$ -	
29	Meter Services / Maintenance (re: line 24)	CMTRS3	\$ 4,349,625	\$ 2,630,582	\$ 309,027	\$ 87,621	\$ 587,961	\$ 694,407	\$ 22,210	\$ 9,384	\$ 2,775	\$ 5,659	\$ -	\$ -	\$ -	
30	Meter Reading (902)	CMTRS4	\$ 10,803,270	\$ 7,258,841	\$ 814,625	\$ 49,589	\$ 1,822,158	\$ 762,599	\$ 10,763	\$ 60,136	\$ 13,224	\$ 11,335	\$ -	\$ -	\$ -	
31	DS Uncollectibles, Credit & Collections (903, 904, 905)	COBTD	\$ 6,869,325	\$ 5,292,097	\$ 593,907	\$ 36,153	\$ 664,227	\$ 277,989	\$ 3,923	\$ 731	\$ 161	\$ 138	\$ -	\$ -	\$ -	
32	Bill Printing, Mailing & Receipt Services (903, 905)	CNBSL	\$ 2,988,831	\$ 1,965,089	\$ 220,533	\$ 13,424	\$ 493,289	\$ 206,448	\$ 2,914	\$ 543	\$ 119	\$ 102	\$ 77,778	\$ 3,529	\$ 5,063	
33	Customer Account Services (901-905)	CUSTAC	\$ 13,344,527	\$ 7,697,883	\$ 1,184,297	\$ 91,947	\$ 684,276	\$ 2,536,305	\$ 229,183	\$ 273,974	\$ 97,651	\$ 236,024	\$ 93,470	\$ 209,726	\$ 10,789	
34	Competitive Energy Services	CUSVCS2	\$ 809,647	\$ 627,784	\$ 70,453	\$ 4,289	\$ 66,907	\$ 28,001	\$ 395	\$ 74	\$ 16	\$ 14	\$ 10,549	\$ 479	\$ 687	
35	Sales & Customer Services (907-916)	CUSVCS3	\$ 8,853,362	\$ 6,673,452	\$ 760,558	\$ 51,472	\$ 863,056	\$ 344,624	\$ 6,383	\$ 3,335	\$ 1,309	\$ 5,741	\$ 128,977	\$ 5,868	\$ 8,587	
36	OTHER Revenues	OSALES	\$ (8,369,485)	\$ (4,140,455)	\$ (844,976)	\$ (54,241)	\$ (351,171)	\$ (873,827)	\$ (59,223)	\$ (71,832)	\$ (118,687)	\$ (1,646,572)	\$ (205,274)	\$ (1,210)	\$ (2,017)	
37	Sales Revenues	RSALES														
38	Total Levelized Electric RY #1 Revenue Requirement @		\$ 265,268,191	\$ 154,073,245	\$ 20,129,411	\$ 1,699,815	\$ 18,607,262	\$ 43,512,016	\$ 5,084,635	\$ 5,234,636	\$ 2,399,125	\$ 8,057,158	\$ 1,950,291	\$ 4,378,705	\$ 141,892	
39	Demand-related		\$ 120,295,576	\$ 58,580,509	\$ 9,172,039	\$ 880,720	\$ 5,344,367	\$ 27,048,471	\$ 3,939,379	\$ 4,354,608	\$ 2,124,753	\$ 8,303,347	\$ 183,999	\$ 322,617	\$ 40,766	
40	Energy-related		\$ 15,885,586	\$ 8,968,389	\$ 1,178,713	\$ 85,862	\$ 1,039,447	\$ 2,394,555	\$ 342,425	\$ 380,959	\$ 221,000	\$ 1,074,736	\$ 148,094	\$ 38,246	\$ 13,159	
41	Commodity-related		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
42	Customer-related		\$ 137,456,515	\$ 90,664,802	\$ 10,623,635	\$ 787,474	\$ 12,574,620	\$ 14,942,816	\$ 862,054	\$ 570,901	\$ 172,059	\$ 325,647	\$ 1,823,472	\$ 4,019,052	\$ 89,984	
43	Revenue		\$ (8,369,485)	\$ (4,140,455)	\$ (844,976)	\$ (54,241)	\$ (351,171)	\$ (873,827)	\$ (59,223)	\$ (71,832)	\$ (118,687)	\$ (1,646,572)	\$ (205,274)	\$ (1,210)	\$ (2,017)	
44	Check		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

		Total System	Residential			Small General Service			Large General Service			SC5 Area	SC8 Street	SC9 Traffic	
			SC1 Non-heat	SC1 Heat	SC6 TOU	SC2 non-dmnd	SC2 sec-dmnd	SC2 pri-dmnd	SC3 Primary	SC13 Subs	SC13 Trans	Lighting	Lighting	Lighting	
Revenue Requirements for bundled functions @ ROR on RB =		7.58%													
44	Demand-related functions	L 39-f43	\$ 117,953,291	\$ 58,364,077	\$ 8,915,923	\$ 878,123	\$ 5,327,608	\$ 26,948,245	\$ 3,920,168	\$ 4,331,549	\$ 2,010,179	\$ 6,710,186	\$ 183,999	\$ 322,617	\$ 40,616
45	Energy-related functions	L40 - L48	\$ 7,238,711	\$ 2,417,780	\$ 443,569	\$ 41,111	\$ 217,260	\$ 2,050,458	\$ 337,569	\$ 380,054	\$ 220,801	\$ 1,074,566	\$ 18,458	\$ 32,365	\$ 4,721
46	Customer-related functions	L42-f43-49-54	\$ 102,657,218	\$ 67,013,569	\$ 7,799,430	\$ 495,608	\$ 8,203,698	\$ 11,895,878	\$ 772,129	\$ 447,177	\$ 150,478	\$ 253,103	\$ 1,529,945	\$ 4,013,835	\$ 82,368
47	sub-total		\$ 227,849,220	\$ 127,795,425	\$ 17,158,922	\$ 1,414,843	\$ 13,748,566	\$ 40,894,581	\$ 5,029,866	\$ 5,158,780	\$ 2,381,459	\$ 8,037,855	\$ 1,732,402	\$ 4,368,817	\$ 127,705
Revenue Requirements for Unbundled Functions															
48	Procurement function	L 4	\$ 8,646,875	\$ 6,550,610	\$ 735,144	\$ 44,750	\$ 822,187	\$ 344,097	\$ 4,856	\$ 904	\$ 199	\$ 170	\$ 129,636	\$ 5,881	\$ 8,439
49	Meter Ownership function	L 28	\$ 2,954,418	\$ 1,954,311	\$ 227,104	\$ 49,166	\$ 402,094	\$ 304,208	\$ 9,730	\$ 4,111	\$ 1,216	\$ 2,479	\$ -	\$ -	\$ -
50	Meter Services function	L 29	\$ 4,349,625	\$ 2,630,582	\$ 309,027	\$ 87,621	\$ 587,961	\$ 694,407	\$ 22,210	\$ 9,384	\$ 2,775	\$ 5,659	\$ -	\$ -	\$ -
51	Meter Reading function	L 30	\$ 10,803,270	\$ 7,258,841	\$ 814,625	\$ 49,589	\$ 1,822,158	\$ 762,599	\$ 10,763	\$ 60,136	\$ 13,224	\$ 11,335	\$ -	\$ -	\$ -
52	DS Uncollectibles, Credit & Collections function	L 31	\$ 6,869,325	\$ 5,292,097	\$ 593,907	\$ 36,153	\$ 664,227	\$ 277,989	\$ 3,923	\$ 731	\$ 161	\$ 138	\$ -	\$ -	\$ -
53	Bill Printing, Mailing & Receipt function	L 32	\$ 2,988,831	\$ 1,965,089	\$ 220,533	\$ 13,424	\$ 493,289	\$ 206,448	\$ 2,914	\$ 543	\$ 119	\$ 102	\$ 77,778	\$ 3,529	\$ 5,063
54	Competitive Energy Services function	L 34	\$ 809,647	\$ 627,784	\$ 70,453	\$ 4,289	\$ 66,907	\$ 28,001	\$ 395	\$ 74	\$ 16	\$ 14	\$ 10,549	\$ 479	\$ 687
55	sub-total		\$ 37,421,991	\$ 26,279,314	\$ 2,970,794	\$ 284,991	\$ 4,858,823	\$ 2,617,750	\$ 54,790	\$ 75,883	\$ 17,709	\$ 19,897	\$ 217,964	\$ 9,889	\$ 14,188
56	Total Delivery Service Revenue Requirement	L47 + L55	\$ 265,271,211	\$ 154,074,739	\$ 20,129,716	\$ 1,699,834	\$ 18,607,389	\$ 43,512,331	\$ 5,084,657	\$ 5,234,662	\$ 2,399,168	\$ 8,057,752	\$ 1,950,365	\$ 4,378,706	\$ 141,893
Billing Units															
57	Average Monthly Sigma NCPi @ meter, kWh		1,952,640	1,069,547	167,584	12,630	84,323	372,498	53,119	52,594	25,392	114,953	0	0	0
58	Deliveries as measured @ meter, MWh		5,190,459	1,705,499	312,893	29,000	153,255	1,446,391	245,144	275,997	165,640	817,460	13,020	22,830	3,330
59	Number of Customers		304,329	230,550	25,874	1,575	28,937	12,111	171	32	7	6	4,563	207	297
Levelized Full Service DS Rates based on ROR =		7.58%													
60	Demand Rate, \$ / kW / month	L44 / L57 / 12	\$ 5.03	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6.03	\$ 6.15	\$ 6.86	\$ 6.60	\$ 4.86	\$ 0.00	\$ 0.00	\$ 0.00
61	Energy Rate \$ / kWh @ mtr (excluding commodity chgs)	L40 / L58	\$ 0.00306	\$ 0.03948	\$ 0.03226	\$ 0.03324	\$ 0.04155	\$ 0.00166	\$ 0.00140	\$ 0.00138	\$ 0.00133	\$ 0.00131	\$ 0.02551	\$ 0.01581	\$ 0.01615
62	Customer Rate, \$ / mo	L42-f43/L59/12	\$ 35.99	\$ 31.35	\$ 32.32	\$ 38.93	\$ 35.25	\$ 97.50	\$ 400.81	\$ 1,366.90	\$ 1,999.86	\$ 3,789.29	\$ 29.56	\$ 1,617.49	\$ 24.72
Potential Backout Credits available to Customers															
63	Procurement \$ / kWh delivered @ Meter level	L48 / L58	\$ 0.00167	\$ 0.00384	\$ 0.00235	\$ 0.00154	\$ 0.00536	\$ 0.00024	\$ 0.00002	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ 0.00996	\$ 0.00026	\$ 0.00253
64	Meter Ownership Rate \$ / month	L49 / L59 / 12	\$ 0.81	\$ 0.71	\$ 0.73	\$ 2.60	\$ 1.16	\$ 2.09	\$ 4.74	\$ 10.76	\$ 14.47	\$ 34.43	\$ 0.00	\$ 0.00	\$ 0.00
65	Meter Services Rate \$ / month	L50 / L59 / 12	\$ 1.19	\$ 0.95	\$ 1.00	\$ 4.64	\$ 1.69	\$ 4.78	\$ 10.83	\$ 24.57	\$ 33.03	\$ 78.59	\$ 0.00	\$ 0.00	\$ 0.00
66	Meter Reading Rate \$ / month	L51 / L59 / 12	\$ 2.96	\$ 2.62	\$ 2.62	\$ 2.62	\$ 5.25	\$ 5.25	\$ 5.25	\$ 157.42	\$ 157.42	\$ 157.42	\$ 0.00	\$ 0.00	\$ 0.00
67	Divry Srvc Uncollectibles, Credit & Collections Rate \$ / month	L52 / L59 / 12	\$ 1.88	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 0.00	\$ 0.00	\$ 0.00
68	Bill Printing & Receipt Services Rate \$ / month	L53 / L59 / 12	\$ 0.82	\$ 0.71	\$ 0.71	\$ 0.71	\$ 1.42	\$ 1.42	\$ 1.42	\$ 1.42	\$ 1.42	\$ 1.42	\$ 1.42	\$ 1.42	\$ 1.42
69	Competitive Energy Services Rate \$ / month	L54 / L59 / 12	\$ 0.22	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19
Delivery Service Rates and MFCs @ ROR =		7.58%													
70	Demand Rate, \$ / kW / month	L 60	\$ 5.03	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6.03	\$ 6.15	\$ 6.86	\$ 6.60	\$ 4.86	\$ 0.00	\$ 0.00	\$ 0.00
71	Energy Rate (Net of Procurement) in \$ / kWh	L61 - L63	\$ 0.00139	\$ 0.03564	\$ 0.02991	\$ 0.03170	\$ 0.03618	\$ 0.00142	\$ 0.00138	\$ 0.00138	\$ 0.00133	\$ 0.00131	\$ 0.01555	\$ 0.01555	\$ 0.01361
72	Customer Rate (Net of CES & UCC) in \$ / month	L62- L67- L69	\$ 33.89	\$ 29.21	\$ 30.18	\$ 36.79	\$ 33.14	\$ 95.40	\$ 398.71	\$ 1,364.79	\$ 1,997.76	\$ 3,787.19	\$ 29.36	\$ 1,617.30	\$ 24.53
73	Supply Charge (Procurement + CES) in \$ / kWh	(L48+L54) / L58	\$ 0.00182	\$ 0.00421	\$ 0.00257	\$ 0.00169	\$ 0.00580	\$ 0.00026	\$ 0.00002	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ 0.01077	\$ 0.00028	\$ 0.00274
74	Admin. Charge: (Uncollectibles Credit & Collections) in \$ / kWh	L52 / L58	\$ 0.00132	\$ 0.00310	\$ 0.00190	\$ 0.00125	\$ 0.00433	\$ 0.00019	\$ 0.00002	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ -	\$ -	\$ -
Current (Jul '09) Delivery Service Rates															
75	Demand Rate, \$ / kW / month		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8.00	\$ 6.30	\$ 8.42	\$ 6.21	\$ 3.34	\$ 0.00	\$ 0.00	\$ 0.00
76	Energy Rate \$ / kWh (excluding commodity chgs)		\$ 0.04691	\$ 0.04691	\$ 0.04691	\$ 0.03340	\$ 0.00522	\$ 0.00135	\$ -	\$ -	\$ -	\$ -	rates based on lamp type		
77	Customer Rate, \$ / mo		\$ 18.00	\$ 18.00	\$ 21.00	\$ 30.00	\$ 50.00	\$ 160.00	\$ 620.00	\$ 800.00	\$ 800.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

MFC_B
MFC_A

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ELECTRIC DEPARTMENT

Electric Department Delivery-Only Hypothetical Embedded Study

Page 1 of 2: Electric Department Delivery-Only Hypothetical Rate of Return Statement

Page 2 of 2: Summary of Assumptions

Electric Department Delivery-Only HYPOTHETICAL Rate of Return Statement														
Rate Base:	Total System	Residential			Small General Service			Large General Service			SC5 Area	SC8 Street	SC9 Traffic	
		SC1 Non-heat	SC1 Heat	SC6 TOU	SC2 non-dmnd	SC2 sec-dmnd	SC2 pri-dmnd	SC3 Primary	SC13 Subs	SC13 Trans	Lighting	Lighting	Lighting	
1	Gross Plant in Service	\$ 841,316,671	\$ 489,227,071	\$ 67,526,136	\$ 6,444,856	\$ 59,003,014	\$ 122,907,662	\$ 13,243,150	\$ 18,175,419	\$ 8,610,642	\$ 34,803,407	\$ 9,390,348	\$ 11,527,286	\$ 457,678
2	less: Accum. Provisions for Depr. & Amort.	\$ 259,703,270	\$ 148,059,727	\$ 20,548,963	\$ 1,982,083	\$ 17,762,692	\$ 39,662,036	\$ 4,377,740	\$ 6,033,077	\$ 2,847,822	\$ 12,091,930	\$ 2,723,169	\$ 3,475,003	\$ 139,029
3	Net Plant in Service	\$ 581,613,401	\$ 341,167,344	\$ 46,977,173	\$ 4,462,773	\$ 41,240,323	\$ 83,245,627	\$ 8,865,411	\$ 12,142,343	\$ 5,762,820	\$ 22,711,477	\$ 6,667,179	\$ 8,052,283	\$ 318,649
4	plus: Construction Work in Progress	\$ 32,990,000	\$ 19,224,127	\$ 2,661,621	\$ 254,315	\$ 2,294,942	\$ 4,738,772	\$ 519,969	\$ 721,777	\$ 347,067	\$ 1,401,195	\$ 382,015	\$ 426,233	\$ 17,967
5	plus: Working Capital	\$ 32,126,856	\$ 18,515,767	\$ 2,516,317	\$ 238,713	\$ 2,302,446	\$ 5,123,359	\$ 504,169	\$ 659,393	\$ 272,568	\$ 1,138,409	\$ 283,651	\$ 553,143	\$ 18,923
6	less: Accumulated Deferred Income Taxes	\$ 75,995,000	\$ 42,613,247	\$ 5,915,190	\$ 580,581	\$ 5,117,899	\$ 11,787,085	\$ 1,387,630	\$ 1,913,984	\$ 905,365	\$ 3,833,533	\$ 812,561	\$ 1,088,042	\$ 39,883
7	plus: Deferred Charges	\$ (40,844,000)	\$ (23,909,916)	\$ (3,304,963)	\$ (315,380)	\$ (2,857,829)	\$ (5,811,328)	\$ (633,430)	\$ (878,071)	\$ (421,682)	\$ (1,679,320)	\$ (477,581)	\$ (532,257)	\$ (22,241)
8	less: Other Rate Base Deductions	\$ (7,380,000)	\$ (4,230,871)	\$ (589,465)	\$ (57,273)	\$ (510,854)	\$ (1,112,634)	\$ (119,073)	\$ (162,948)	\$ (80,294)	\$ (313,500)	\$ (83,169)	\$ (116,148)	\$ (3,770)
9	Total Rate Base	\$ 537,271,257	\$ 316,614,947	\$ 43,524,422	\$ 4,117,112	\$ 38,372,837	\$ 76,621,979	\$ 7,987,560	\$ 10,894,405	\$ 5,135,702	\$ 20,051,729	\$ 6,125,871	\$ 7,527,508	\$ 297,185
Revenues:														
10	Electric Delivery Revenues	\$ 194,379,244	\$ 105,038,768	\$ 16,356,535	\$ 1,680,849	\$ 8,781,290	\$ 43,167,590	\$ 3,372,014	\$ 5,309,453	\$ 1,430,059	\$ 4,788,739	\$ 1,000,995	\$ 3,272,051	\$ 180,901
11	Other Revenues	\$ 41,623,263	\$ 17,614,425	\$ 2,881,257	\$ 292,281	\$ 1,644,335	\$ 9,532,308	\$ 1,104,058	\$ 1,634,352	\$ 731,802	\$ 5,496,048	\$ 325,323	\$ 340,259	\$ 26,816
12	Total Operating Revenues	\$ 236,002,507	\$ 122,653,192	\$ 19,237,792	\$ 1,973,129	\$ 10,425,625	\$ 52,699,898	\$ 4,476,072	\$ 6,943,805	\$ 2,161,860	\$ 10,284,787	\$ 1,326,319	\$ 3,612,310	\$ 207,716
Expenses:														
13	Operation and Maintenance	\$ 129,216,049	\$ 73,585,877	\$ 9,884,301	\$ 934,433	\$ 9,381,303	\$ 22,196,974	\$ 2,053,937	\$ 2,582,324	\$ 935,517	\$ 4,111,899	\$ 879,086	\$ 2,589,940	\$ 80,459
14	Depreciation and Amortization	\$ 22,251,467	\$ 13,001,075	\$ 1,790,476	\$ 170,183	\$ 1,577,234	\$ 3,225,254	\$ 342,277	\$ 467,040	\$ 220,917	\$ 878,934	\$ 250,494	\$ 315,411	\$ 12,172
15	Taxes Other than Income	\$ 27,063,824	\$ 13,071,791	\$ 1,734,988	\$ 203,829	\$ 1,349,922	\$ 5,811,841	\$ 715,832	\$ 1,050,903	\$ 439,078	\$ 2,432,356	\$ 63,794	\$ 176,700	\$ 12,791
16	Federal Income Tax	\$ 13,999,942	\$ 4,826,623	\$ 1,513,043	\$ 178,850	\$ (901,566)	\$ 6,147,845	\$ 369,143	\$ 821,040	\$ 144,996	\$ 779,966	\$ 1,136	\$ 88,746	\$ 30,120
17	NYS Income Tax	\$ 3,460,228	\$ 1,229,778	\$ 360,447	\$ 42,227	\$ (184,416)	\$ 1,470,987	\$ 90,300	\$ 193,284	\$ 34,545	\$ 187,239	\$ (1,522)	\$ 30,335	\$ 7,023
18	Total Operating Expenses	\$ 195,991,510	\$ 105,715,143	\$ 15,283,255	\$ 1,529,522	\$ 11,222,477	\$ 38,852,900	\$ 3,571,489	\$ 5,114,590	\$ 1,775,053	\$ 8,390,394	\$ 1,192,988	\$ 3,201,133	\$ 142,565
19	Net Operating Income (line 12 less line 18)	\$ 40,010,997	\$ 16,938,049	\$ 3,954,537	\$ 443,607	\$ (796,852)	\$ 13,846,998	\$ 904,583	\$ 1,829,215	\$ 386,807	\$ 1,894,393	\$ 133,331	\$ 411,178	\$ 65,151
20	Rate of Return (line 19 divided by line 9)	7.45%	5.35%	9.09%	10.77%	-2.08%	18.07%	11.32%	16.79%	7.53%	9.45%	2.18%	5.46%	21.92%
21	Index (Class ROR divided by System ROR)	100	72	122	145	(28)	243	152	225	101	127	29	73	294

These results are hypothetical only and do not necessarily depict the results that may have been achieved if Central Hudson operated as a delivery-only company.

**Electric Department Delivery-Only Hypothetical Embedded Study
Summary of Assumptions**

Changes from historical study (COSP-2):

- 1 Eliminated commodity working capital
- 2 Removed commodity related revenue (This impacted the RSALES & OSALES allocators)
- 3 Removed commodity expense
- 4 Adjusted FIT/SIT calculations to remove commodity related Schedule M adjustments

Comparison of impact on system is provided below:

	<u>Total</u>	<u>Delivery Only</u>	<u>Difference</u>
Total Rate Base	\$ 537,533,401	\$ 537,271,257	\$ 262,144
Total Revenues	\$ 616,854,217	\$ 236,002,507	\$ 380,851,710
Operating Expenses:			
Operation and Maintenance	\$ 510,766,394	\$ 129,216,049	\$ 381,550,345
Depreciation and Amortization	\$ 22,251,467	\$ 22,251,467	\$ -
Taxes Other than Income	\$ 27,063,824	\$ 27,063,824	\$ -
Federal Income Tax	\$ 13,755,420	\$ 13,999,942	\$ (244,523)
New York State Income Tax	\$ 3,243,229	\$ 3,460,228	\$ (216,999)
Total Operating Expenses	\$ 577,080,334	\$ 195,991,510	\$ 381,088,824
Net Operating Income	\$ 39,773,884	\$ 40,010,997	\$ (237,114)
Rate of Return by Function	7.399%	7.447%	

These results are hypothetical only and do not necessarily depict the results that may have been achieved if Central Hudson operated as a delivery-only company.