

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
CALCAULATION OF FEDERAL & STATE INCOME TAXES

Schedule A – Twelve Months Ended March 31, 2009

Schedule B – Twelve Months Ended December 31, 2009

Schedule C – Twelve Months Ended December 31, 2010

Schedule D – Twelve Months Ended June 30, 2011

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
 Calculation of Federal Income Taxes
 Twelve Months Ended March 31, 2009
 (\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Total Utility Operating Income	\$38,505	\$9,930	\$48,435
Federal Income Tax - Utility Operations	12,623	3,933	16,556
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Income Before Federal Income Tax Excluding Interest Charges	51,128	13,863	64,991
Reconciling Amounts			
Additional Income/Unallowable Deductions	83,918	30,190	114,108
Additional Deductions/Nontaxable Income	92,340	25,501	117,841
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Taxable Income	42,706	18,552	61,258
Dividend Credit on Preferred Stock	(95)	(32)	(127)
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Adjusted Taxable Income	42,611	18,520	61,131
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Utility Operations Federal Income Tax			
Current Period Accrual @ 35%	14,919	6,480	21,399
Additional Accrual	(213)	0	(213)
Prior Period Adjustment	(376)	(182)	(558)
Total Account 409.1	14,330	6,298	20,628
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Total Provision for Deferred			
Income Tax Accounts 410.1 & 411.1	(1,707)	(2,365)	(4,072)
Federal Income Tax-Utility Operations	12,623	3,933	16,556
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CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Calculation of State Income Taxes
Twelve Months Ended March 31, 2009
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Federal Taxable Income	42,706	18,552	61,258
NYS Adjustments to Federal Taxable Income:			
<u>Additions:</u>			
New York State Income Tax - Current Period	3,379	1,492	4,871
MTA on New York State Income Tax	438	224	662
Fed Depreciation Deduction-Transition Property	19,134	6,475	25,609
Total Additions	22,951	8,191	31,142
<u>Subtractions:</u>			
NYS Depreciation Deduction-Transition Property	16,050	4,400	20,450
Total Subtractions	16,050	4,400	20,450
 New York Taxable Income	 49,607	 22,343	 71,950
Utility Operations NYS Income Tax			
Current Period Accrual @ 7.1%	3,523	1,586	5,109
Additional Accrual	-	-	-
Prior Year Adjustments	(144)	(94)	(238)
Total Account 409.1	3,379	1,492	4,871
Total Provision for Deferred			
Income Tax Accounts 410.1 & 411.1	(578)	(502)	(1,080)
NYS Income Tax - Utility Operations	2,801	990	3,791

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Federal & State Income Tax Reconciling Amounts & Deferred Taxes
Electric Department
Twelve Months Ended March 31, 2009
(\$000)

<u>Reconciling Items</u>	Additional Income/ Unallowable Deductions	Additional Deductions/ Nontaxable Income	Federal Deferred Income Taxes Accounts <u>410.1/411.1</u>	State Deferred Income Taxes Accounts <u>410.1/411.1</u>
Interest Expense		15,295		
Depreciation	24,116	46,203	8,410	752
Transportation Depreciation	2,953			
Def CBA	1		(1)	(1)
Use of CBA - Economic Development		552	193	25
Use of CBA - Competitive Education	287		(101)	(12)
Use of CBA - Competitive Metering		15	6	1
Storm Damage - December 2008		3,376	1,182	156
Excess Depreciation Reserve		2,839	993	131
Gain on Grovesville Hydro		3	1	
Def Revenues - Medicare Act Subsidy	1,058		(370)	(49)
Domestic Production Deduction		65		
Deduction for Bad Debt	5,911	4,987		
Provision for Injuries & Damages	296	1,000		
Worker's Compensation Reserve	391	359		
Property Tax Accrued		488		
Vacation Accrual-Add'l Tax Deduction		24		
Deferred Directors Compensation	368		(145)	(19)
Officers Life Ins Policy Premium	5			
Officers Life Ins Policy - Buildup CSV		50		
50 Percent Meal Disallowance	196			
Avoided Cost Interest Capitalized	1,066		(27)	(16)
Cost of Removal - Tax Basis		3,190	49	34
Repair Allowance		2,633	(35)	24
Contribution in Aid of Construction	2,305		(640)	(102)
Mortgage Bond Redemption Premium	270		(95)	(7)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Federal & State Income Tax Reconciling Amounts & Deferred Taxes
Electric Department
Twelve Months Ended March 31, 2009
(\$000)

<u>Reconciling Items Continued</u>	Additional Income/ Unallowable Deductions	Additional Deductions/ Nontaxable Income	Federal Deferred Income Taxes Accounts 410.1/411.1	State Deferred Income Taxes Accounts 410.1/411.1
Electric Fuel Costs Deferred	19,832		(6,941)	(914)
MFC overcollection		120	49	7
Powerful Opp Program - Over/Under Coll		903	316	42
Attachment Rents	136		(48)	(7)
Stray Voltage Testing	1,235		(432)	(57)
MGP SIR Costs & Recovery		3,304	1,157	152
Asbestos Litigation		325	113	15
R & D Costs Deferred		607	213	28
SBC/RPS/EEPS Costs Deferred	2,190		(767)	(100)
Def Lost Rev PV Net Metering		38	13	2
Def Revenues - E. Fishkill Substation	1,056		(370)	(49)
MTA Tax		192	68	(12)
Def Elect Serv Quality Incentive Penalty		111	39	5
Unbilled Revenue	1,568		(549)	(72)
Prepaid Insurance		64	363	48
OPEB Expense-Not Funded	3,109		(1,081)	(143)
OPEB Expense-Medicare Act Subsidy		298		
Deferred OPEB Over/Under collected	5,747		(2,012)	(265)
Medicare Act Subsidy-over/under coll		1,292		
Officers Pension Expense FAS87	654		(227)	(30)
Pension Expense-Not Deductible	5,560		(1,946)	(257)
Pension Contribution-deducted prior yr	2,025			
Deferred Pension Exp Over/Under Collected		3,770	1,319	174
Directors Stock Compensation		5	3	
Executive Performance Shares Plan		232	84	11
FAS 123 Fair Value Option Accrual	0		0	
Deferred Property Tax overcollection	1,263		(442)	(58)
NMP2 Deferred Global Settle Costs	320		(111)	(15)
Statutory Rate Adjustment			0	
FIT Research Credit			181	
Amort.Deferred FIT Const. Charges			(109)	
Amort 81-82 ACRS Method Change			(10)	
Total	\$83,918	92,340	(1,707)	(578)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Federal & State Income Tax Reconciling Amounts & Deferred Taxes
Gas Department
Twelve Months Ended March 31, 2009
(\$000)

<u>Reconciling Items</u>	<u>Additional Income/ Unallowable Deductions</u>	<u>Additional Deductions/ Nontaxable Income</u>	<u>Federal Deferred Income Taxes Accounts 410.1/411.1</u>	<u>State Deferred Income Taxes Accounts 410.1/411.1</u>
Interest Expense		4,460		
Depreciation	6,340	13,489	3,303	259
Transportation Depreciation	519			
Use of CBA - Economic Development		34	12	2
Use of CBA - Competitive Education	51		(18)	(2)
Residual Gas Deferred Balances	4,329		(1,558)	(205)
Def Revenues - Medicare Act Subsidy	305		(107)	(14)
Deduction for Bad Debt	3,045	2,569		
Provision for Injuries & Damages	50	178		
Worker's Compensation Reserve	66	63		
Property Tax Accrued		181		
Vacation Accrual-Add'l Tax Deduction		4		
Deferred Directors Compensation	64		(25)	(4)
Officers Life Ins Policy Premium	1			
Officers Life Ins Policy - Buildup CSV		8		
50 Percent Meal Disallowance	40			
Avoided Cost Interest Capitalized	70		(1)	(3)
Cost of Removal - Tax Basis		2,448	499	66
Contribution in Aid of Construction	86		35	3
Mortgage Bond Redemption Premium	96		(34)	(2)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Federal & State Income Tax Reconciling Amounts & Deferred Taxes
Gas Department
Twelve Months Ended March 31, 2009
(\$000)

<u>Reconciling Items</u>	<u>Additional Income/ Unallowable Deductions</u>	<u>Additional Deductions/ Nontaxable Income</u>	<u>Federal Deferred Income Taxes Accounts 410.1/411.1</u>	<u>State Deferred Income Taxes Accounts 410.1/411.1</u>
Gas Costs Deferred	8,121		(2,841)	(376)
MFC overcollection	35		(13)	(2)
Powerful Opp Program - Over/Under Coll		35	11	2
Interruptible AMR Meters		9	3	1
MGP SIR Costs & Recovery		583	204	26
R & D Costs Deferred		86	32	2
SBC/RPS/EEPS Costs Deferred	423		(149)	(19)
Gas Bal Software Maint Costs		41	18	3
MTA Tax		101	36	(6)
Unbilled Revenue	2,509		(878)	(116)
Prepaid Insurance		11	64	8
OPEB Expense-Not Funded	686		(248)	(32)
OPEB Expense-Medicare Act Subsidy		59		
Deferred OPEB Over/Under collected	1,225		(429)	(56)
Medicare Act Subsidy-over/under coll		276		
Officers Pension Expense FAS87	115		(40)	(7)
Pension Expense-Not Deductible	1,312		(459)	(61)
Pension Contribution-deducted prior yr	475			
Deferred Pension Exp Over/Under Coll		821	287	38
Directors Stock Compensation		3		
Executive Performance Shares Plan		42	13	3
Deferred Property Tax overcollection	227		(80)	(10)
Amort 81-82 ACRS Method Change			(2)	
Total	<u>\$30,190</u>	<u>\$25,501</u>	<u>(\$2,365)</u>	<u>(\$502)</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Calculation of Federal Income Taxes
Twelve Months Ended December 31, 2009
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Total Utility Operating Income	\$40,261	\$9,430	\$49,691
Federal Income Tax - Utility Operations	13,573	3,676	17,249
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Income Before Federal Income Tax Excluding Interest Charges	53,834	13,106	66,940
Reconciling Amounts			
Additional Income/Unallowable Deductions	72,092	21,530	93,622
Additional Deductions/Nontaxable Income	112,590	26,438	139,028
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Taxable Income	13,336	8,198	21,534
Dividend Credit on Preferred Stock	(95)	(32)	(127)
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Adjusted Taxable Income	13,241	8,166	21,407
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Utility Operations Federal Income Tax			
Current Period Accrual @ 35%	4,634	2,858	7,492
Additional Accrual	0	0	0
Prior Period Adjustment	0	0	0
Total Account 409.1	4,634	2,858	7,492
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Total Provision for Deferred Income Tax Accounts 410.1 & 411.1	8,939	818	9,757
Federal Income Tax-Utility Operations	13,573	3,676	17,249
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CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Calculation of State Income Taxes
Twelve Months Ended December 31, 2009
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Federal Taxable Income	13,336	8,198	21,534
NYS Adjustments to Federal Taxable Income:			
<u>Additions:</u>			
New York State Income Tax - Current Period	1,833	(202)	1,631
MTA on New York State Income Tax	-	-	-
Fed Depreciation Deduction-Transition Property	29,931	(5,702)	24,229
Total Additions	31,764	(5,904)	25,860
<u>Subtractions:</u>			
NYS Depreciation Deduction-Transition Property	19,158	5,105	24,263
NYS Transition Property Regulatory Asset Amort.	122	41	163
Total Subtractions	19,280	5,146	24,426
 New York Taxable Income	 25,820	 (2,852)	 22,968
 Utility Operations NYS Income Tax			
Current Period Accrual @ 7.1%	1,833	(202)	1,631
Additional Accrual	-	-	-
Prior Year Adjustments	-	-	-
Total Account 409.1	1,833	(202)	1,631
 Total Provision for Deferred			
Income Tax Accounts 410.1 & 411.1	1,296	81	1,377
NYS Income Tax - Utility Operations	3,129	(121)	3,008

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Federal & State Income Tax Reconciling Amounts & Deferred Taxes
Electric Department
Twelve Months Ended December 31, 2009
(\$000)

<u>Reconciling Items</u>	Additional Income/ Unallowable Deductions	Additional Deductions/ Nontaxable Income	Federal Deferred Income Taxes Accounts <u>410.1/411.1</u>	State Deferred Income Taxes Accounts <u>410.1/411.1</u>
Interest Expense		15,560		
Depreciation	25,329	58,179	12,339	1,714
Transportation Depreciation	2,919			
Excess Depreciation Reserve		10,900	3,815	503
Domestic Production Deduction		130		
Property Tax Accrued		261		
Vacation Accrual-Add'l Tax Deduction		26		
Deferred Directors Compensation		425	149	20
50 Percent Meal Disallowance	227			
Avoided Cost Interest Capitalized	1,023		(299)	(46)
Cost of Removal - Tax Basis		5,739	846	108
Repair Allowance		1,000	(44)	25
Contribution in Aid of Construction	455		14	(9)
Mortgage Bond Redemption Premium	261		(91)	(8)
MGP SIR Costs & Recovery		2,894	1,013	134
Prepaid Insurance		65	23	3
OPEB Expense-Not Funded	8,302	4,792	(1,229)	(162)
OPEB Expense-Medicare Act Subsidy		408		
Officers Pension Expense FAS87	860		(301)	(40)
Pension Expense/Contribution	32,716	12,211	(7,177)	(946)
Amort.Deferred FIT Const. Charges			(109)	
Amort 81-82 ACRS Method Change			(10)	
Total	<u>\$72,092</u>	<u>112,590</u>	<u>8,939</u>	<u>1,296</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Federal & State Income Tax Reconciling Amounts & Deferred Taxes
Gas Department
Twelve Months Ended December 31, 2009
(\$000)

<u>Reconciling Items</u>	<u>Additional Income/ Unallowable Deductions</u>	<u>Additional Deductions/ Nontaxable Income</u>	<u>Federal Deferred Income Taxes Accounts 410.1/411.1</u>	<u>State Deferred Income Taxes Accounts 410.1/411.1</u>
Interest Expense		4,442		
Depreciation	6,836	16,490	4,145	520
Transportation Depreciation	515			
Residual Gas Deferred Balances	4,420		(1,547)	(204)
Property Tax Accrued		21		
Vacation Accrual-Addtl Tax Deduction		5		
Deferred Directors Compensation		75	26	3
50 Percent Meal Disallowance	40			
Avoided Cost Interest Capitalized	83		(13)	(3)
Cost of Removal - Tax Basis		988	1	0
Contribution in Aid of Construction	86		35	3
Mortgage Bond Redemption Premium	87		(30)	(2)
MGP SIR Costs & Recovery		513	180	24
Prepaid Insurance		11	4	1
OPEB Expense-Not Funded	1,885	1,078	(282)	(37)
OPEB Expense-Medicare Act Subsidy		92		
Officers Pension Expense FAS87	152		(53)	(7)
Pension Expense/Contribution	7,426	2,723	(1,646)	(217)
Amort 81-82 ACRS Method Change			(2)	
Total	<u>\$21,530</u>	<u>\$26,438</u>	<u>\$818</u>	<u>\$81</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Calculation of Federal Income Taxes
Twelve Months Ended December 31, 2010
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Total Utility Operating Income	\$49,010	\$12,425	\$61,435
Federal Income Tax - Utility Operations	17,369	5,262	22,631
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Income Before Federal Income Tax Excluding Interest Charges	66,379	17,687	84,066
Reconciling Amounts			
Additional Income/Unallowable Deductions	73,424	22,195	95,619
Additional Deductions/Nontaxable Income	120,204	24,700	144,904
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Taxable Income	19,599	15,182	34,781
Dividend Credit on Preferred Stock	(95)	(32)	(127)
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Adjusted Taxable Income	19,504	15,150	34,654
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Utility Operations Federal Income Tax			
Current Period Accrual @ 35%	6,826	5,302	12,128
Additional Accrual	0	0	0
Prior Period Adjustment	0	0	0
Total Account 409.1	6,826	5,302	12,128
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Total Provision for Deferred Income Tax Accounts 410.1 & 411.1	10,543	(40)	10,503
Federal Income Tax-Utility Operations	17,369	5,262	22,631
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CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Calculation of State Income Taxes
Twelve Months Ended December 31, 2010
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Federal Taxable Income	19,599	15,182	34,781
NYS Adjustments to Federal Taxable Income:			
<u>Additions:</u>			
New York State Income Tax - Current Period	872	1,018	1,890
MTA on New York State Income Tax	-	-	-
Fed Depreciation Deduction-Transition Property	12,669	3,508	16,177
Total Additions	13,541	4,526	18,067
<u>Subtractions:</u>			
NYS Depreciation Deduction-Transition Property	20,774	5,339	26,113
NYS Transition Property Regulatory Asset Amort.	84	28	112
Total Subtractions	20,858	5,367	26,225
 New York Taxable Income	 12,282	 14,341	 26,623
 Utility Operations NYS Income Tax			
Current Period Accrual @ 7.1%	872	1,018	1,890
Additional Accrual	-	-	-
Prior Year Adjustments	-	-	-
Total Account 409.1	872	1,018	1,890
 Total Provision for Deferred			
Income Tax Accounts 410.1 & 411.1	1,538	(16)	1,522
NYS Income Tax - Utility Operations	2,410	1,002	3,412
	2,410	1,002	3,412

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Federal & State Income Tax Reconciling Amounts & Deferred Taxes
Electric Department
Twelve Months Ended December 31, 2010
(\$000)

<u>Reconciling Items</u>	Additional Income/ Unallowable Deductions	Additional Deductions/ Nontaxable Income	Federal Deferred Income Taxes Accounts <u>410.1/411.1</u>	State Deferred Income Taxes Accounts <u>410.1/411.1</u>
Interest Expense		16,512		
Depreciation	26,733	42,249	6,123	927
Transportation Depreciation	2,847			
Excess Depreciation Reserve		16,450	5,758	759
Domestic Production Deduction		194		
Property Tax Accrued		605		
Vacation Accrual-Add'l Tax Deduction		15		
Deferred Directors Compensation		425	149	20
50 Percent Meal Disallowance	230			
Avoided Cost Interest Capitalized	1,060		(300)	(47)
Cost of Removal - Tax Basis		3,777	198	25
Repair Allowance		1,000	(51)	24
Contribution in Aid of Construction	455		20	(8)
Mortgage Bond Redemption Premium	221		(77)	(8)
MGP SIR Costs & Recovery		8,887	3,110	410
Prepaid Insurance		65	23	3
OPEB Expense-Not Funded	8,302	5,365	(1,028)	(136)
OPEB Expense-Medicare Act Subsidy		408		
Officers Pension Expense FAS87	860		(301)	(40)
Pension Expense/Contribution	32,716	24,252	(2,962)	(391)
Amort.Deferred FIT Const. Charges			(109)	
Amort 81-82 ACRS Method Change			(10)	
Total	<u>\$73,424</u>	<u>120,204</u>	<u>10,543</u>	<u>1,538</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Federal & State Income Tax Reconciling Amounts & Deferred Taxes
Gas Department
Twelve Months Ended December 31, 2010
(\$000)

<u>Reconciling Items</u>	<u>Additional Income/ Unallowable Deductions</u>	<u>Additional Deductions/ Nontaxable Income</u>	<u>Federal Deferred Income Taxes Accounts 410.1/411.1</u>	<u>State Deferred Income Taxes Accounts 410.1/411.1</u>
Interest Expense		4,599		
Depreciation	7,391	11,401	2,211	283
Transportation Depreciation	502			
Residual Gas Deferred Balances	4,554		(1,594)	(210)
Property Tax Accrued		59		
Vacation Accrual-Addtl Tax Deduction		3		
Deferred Directors Compensation		75	26	3
50 Percent Meal Disallowance	41			
Avoided Cost Interest Capitalized	84		(12)	(4)
Cost of Removal - Tax Basis		264	(239)	(32)
Contribution in Aid of Construction	86		36	3
Mortgage Bond Redemption Premium	74		(26)	(2)
MGP SIR Costs & Recovery		1,572	550	73
Prepaid Insurance		12	4	1
OPEB Expense-Not Funded	1,885	1,257	(220)	(29)
OPEB Expense-Medicare Act Subsidy		92		
Officers Pension Expense FAS87	152		(53)	(7)
Pension Expense/Contribution	7,426	5,366	(721)	(95)
Amort 81-82 ACRS Method Change			(2)	
Total	<u>\$22,195</u>	<u>\$24,700</u>	<u>(\$40)</u>	<u>(\$16)</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
 Calculation of Federal Income Taxes
 Twelve Months Ended June 30, 2011
 (\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Total Utility Operating Income	\$44,792	\$12,016	\$56,808
Federal Income Tax - Utility Operations	14,095	4,835	18,930
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Income Before Federal Income Tax Excluding Interest Charges	58,887	16,851	75,738
Reconciling Amounts			
Additional Income/Unallowable Deductions	74,281	22,372	96,653
Additional Deductions/Nontaxable Income	115,558	24,723	140,281
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Taxable Income	17,610	14,500	32,110
Dividend Credit on Preferred Stock	(95)	(32)	(127)
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Adjusted Taxable Income	17,515	14,468	31,983
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Utility Operations Federal Income Tax			
Current Period Accrual @ 35%	6,130	5,064	11,194
Additional Accrual	0	0	0
Prior Period Adjustment	0	0	0
Total Account 409.1	6,130	5,064	11,194
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Total Provision for Deferred Income Tax Accounts 410.1 & 411.1	7,965	(229)	7,736
Federal Income Tax-Utility Operations	14,095	4,835	18,930
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CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Calculation of State Income Taxes
Twelve Months Ended June 30, 2011
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Federal Taxable Income	17,610	14,500	32,110
NYS Adjustments to Federal Taxable Income:			
<u>Additions:</u>			
New York State Income Tax - Current Period	724	957	1,681
MTA on New York State Income Tax	-	-	-
Fed Depreciation Deduction-Transition Property	13,490	3,442	16,932
Total Additions	14,214	4,399	18,613
<u>Subtractions:</u>			
NYS Depreciation Deduction-Transition Property	21,547	5,390	26,937
NYS Transition Property Regulatory Asset Amort.	84	28	112
Total Subtractions	21,631	5,418	27,049
 New York Taxable Income	 10,193	 13,481	 23,674
 Utility Operations NYS Income Tax			
Current Period Accrual @ 7.1%	724	957	1,681
Additional Accrual	-	-	-
Prior Year Adjustments	-	-	-
Total Account 409.1	724	957	1,681
 Total Provision for Deferred			
Income Tax Accounts 410.1 & 411.1	1,194	(35)	1,159
NYS Income Tax - Utility Operations	1,918	922	2,840

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Federal & State Income Tax Reconciling Amounts & Deferred Taxes
Electric Department
Twelve Months Ended June 30, 2011
(\$000)

<u>Reconciling Items</u>	Additional Income/ Unallowable Deductions	Additional Deductions/ Nontaxable Income	Federal Deferred Income Taxes Accounts <u>410.1/411.1</u>	State Deferred Income Taxes Accounts <u>410.1/411.1</u>
Interest Expense		18,533		
Depreciation	27,547	43,936	6,552	977
Transportation Depreciation	2,899			
Excess Depreciation Reserve		11,100	3,885	512
Domestic Production Deduction		194		
Property Tax Accrued		641		
Vacation Accrual-Add'l Tax Deduction		11		
Deferred Directors Compensation		425	149	20
50 Percent Meal Disallowance	232			
Avoided Cost Interest Capitalized	1,049		(291)	(46)
Cost of Removal - Tax Basis		3,826	136	18
Repair Allowance		1,000	(54)	24
Contribution in Aid of Construction	455		22	(8)
Mortgage Bond Redemption Premium	221		(77)	(8)
MGP SIR Costs & Recovery		6,272	2,195	289
Prepaid Insurance		66	23	3
OPEB Expense-Not Funded	8,302	5,064	(1,133)	(149)
OPEB Expense-Medicare Act Subsidy		408		
Officers Pension Expense FAS87	860		(301)	(40)
Pension Expense/Contribution	32,716	24,082	(3,022)	(398)
Amort.Deferred FIT Const. Charges			(109)	
Amort 81-82 ACRS Method Change			(10)	
Total	<u>\$74,281</u>	<u>115,558</u>	<u>7,965</u>	<u>1,194</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Federal & State Income Tax Reconciling Amounts & Deferred Taxes
Gas Department
Twelve Months Ended June 30, 2011
(\$000)

<u>Reconciling Items</u>	<u>Additional Income/ Unallowable Deductions</u>	<u>Additional Deductions/ Nontaxable Income</u>	<u>Federal Deferred Income Taxes Accounts 410.1/411.1</u>	<u>State Deferred Income Taxes Accounts 410.1/411.1</u>
Interest Expense		5,074		
Depreciation	7,558	11,512	2,215	290
Transportation Depreciation	512			
Residual Gas Deferred Balances	4,554		(1,594)	(210)
Property Tax Accrued		49		
Vacation Accrual-Add'l Tax Deduction		2		
Deferred Directors Compensation		75	26	3
50 Percent Meal Disallowance	41			
Avoided Cost Interest Capitalized	84		(12)	(4)
Cost of Removal - Tax Basis		275	(235)	(31)
Contribution in Aid of Construction	86		36	3
Mortgage Bond Redemption Premium	74		(26)	(2)
MGP SIR Costs & Recovery		1,107	387	51
Prepaid Insurance		12	4	1
OPEB Expense-Not Funded	1,885	1,239	(226)	(30)
OPEB Expense-Medicare Act Subsidy		92		
Officers Pension Expense FAS87	152		(53)	(7)
Pension Expense/Contribution	7,426	5,286	(749)	(99)
Amort 81-82 ACRS Method Change			(2)	
Total	<u>\$22,372</u>	<u>\$24,723</u>	<u>(\$229)</u>	<u>(\$35)</u>