



CENTRAL HUDSON MULTI-YEAR RATE SETTLEMENT

SUMMARY POINTS OF JOINT PROPOSAL

FILED MAY 2025



In May of 2025, Central Hudson, the Staff of the New York State Department of Public Service and other parties to the utility’s rate proceeding, signed and filed a proposed multi-year agreement for delivery rates. If approved, the new three-year rate plan would allow the company to continue making critical infrastructure investments to help improve reliability, protect the grid and customers against cyber-attacks, and help New York achieve its clean energy targets while minimizing bill impacts to most customers, and immediately decrease total electric bills for low-income customers.

RATES

Overall revenue increases for Central Hudson under the Joint Proposal would be as follows:

	ELECTRIC			GAS		
(\$000,000)	RY1	RY2	RY3	RY1	RY2	RY3
% on Delivery Revenues After Moderation	5.5%	5.3%	5.3%	8.8%	8.7%	9.0%
% on Total Revenues After Moderation	2.9%	2.9%	3.0%	5.4%	5.6%	5.8%

For residential customers, these delivery increases will result in the following average monthly bill impacts (shown with rate moderation):

Delivery Monthly Bill Increase	RY1		RY2		RY3	
Residential Electric 630 kWh	\$5.43	5.09%	\$6.25	5.57%	\$6.62	5.59%
Residential Gas 64 ccf	\$7.73	6.60%	\$11.27	9.03%	\$12.37	9.09%

Total Monthly Bill Increase	RY1		RY2		RY3	
Residential Electric 630 kWh	\$5.43	3.12%	\$6.25	3.48%	\$6.62	3.57%
Residential Gas 64 ccf	\$7.73	5.19%	\$11.27	7.20%	\$12.37	7.37%

PROTECTIONS FOR VULNERABLE CUSTOMERS:

The Joint Proposal was designed with protections for the most vulnerable customers within the utility’s service area. If approved, low income households would see the typical monthly electric bill **decrease** by approximately 4.2 percent, or \$3.85 per month; and natural gas bills will increase by less than that for average households, by approximately 1.1 percent instead of 5.2 percent.

Commercial and Industrial rate impacts can be found in Appendix Q of the Joint Proposal.

ENERGY AFFORDABILITY PROGRAM (EAP) OUTREACH

During Rate Year 1, the Company will endeavor to achieve enrollment of 15,500 EAP participants and endeavor to maintain that level of EAP participant enrollment in Rate Year 2 and Rate Year 3. Beginning in Rate Year 2, to the extent that EAP participation falls below 15,500, the Company will waive the late fees for the current month for any new self-certifying enrollment as additional incentive for the customers to enroll in the EAP.

CAPITAL STRUCTURE AND RETURN ON EQUITY

The common equity ratio is **48%** for all three Rate Years.

The allowed return on common equity (ROE) is **9.5%** for all three Rate Years.

Common Equity Ratio: *The portion of funding for infrastructure and other large projects from debt (e.g. banks and financial institutions) and shareholders. In this case, permitted funding from shareholders is set at 48%. This ratio was set in order to balance risk and minimize costs to customers.*

Allowed Return on Common Equity (ROE): *The return shareholders are permitted to earn on the portion of the funding they provide for infrastructure and other large projects. This rate is set to provide a fair rate of return for their investment and one that also helps keep costs down for other sources of funding such as debt. There is no guarantee that Central Hudson will earn this established ROE, as achieving this rate depends on the Company's ability to manage costs.*

EARNINGS SHARING MECHANISM

The Earnings Sharing Mechanism applicable to the Company is based on the agreed upon ROE of 9.5% as follows:

1. Actual regulatory earnings at the allowed ROE of 9.5% to 10.0% will be retained by the Company.	2. Actual regulatory earnings above 10.0% to 10.5% will be shared 50/50 (customers/ Company).	3. Actual regulatory earnings above 10.5% to 11.0% will be shared 75/25 (customers/ Company).	4. Actual regulatory earnings above 11.0% will be shared 90/10 (customers/Com-pany).
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From 2015 through 2024, Central Hudson earned below the ROE established by the PSC 60% of the time.

RECONNECTION CHARGES

The Company's Reconnection Charge, which is associated with restoring power for customers whose service has been discontinued for nonpayment, will be updated as follows. Charges continue to be waived for low-income customers.

\$70 for normal business hours	\$260 for normal business hours with a gas mechanic crew	\$130 for other hours	\$350 for other hours with a gas mechanic crew
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ELECTRIC RELIABILITY (SAIFI and CAIDI remain unchanged)

The electric service annual calendar year metrics for System Average Interruption Frequency Index will continue to be 1.30 for the calendar years associated with Rate Years 1 through 3, i.e., 2026, 2027, and 2028, and shall remain in effect thereafter until changed by the Commission in a subsequent Central Hudson rate case.

The target for Customer Average Interruption Duration Index will continue to be 2.50 for the calendar years associated with Rate Years 1 through 3, i.e., 2026, 2027, and 2028, and shall remain in effect thereafter until changed by the Commission in a subsequent Central Hudson rate case. The Company will be subject to a 30 basis point NRA for each metric not met.

LEAK PRONE PIPE

In calendar years 2025, 2026 and 2027, **the Company will replace or eliminate, at a minimum, 15 miles of leak prone pipe per year and will incur an NRA of 15 basis points if the mileage achieved in any year is less than 15 miles.** In calendar year 2028, the Company will replace or eliminate its remaining current inventory of leak prone pipe (approximately seven miles) and will incur an NRA of two basis points per mile remaining as of December 31, 2028. Central Hudson will seek alternatives to the replacement of pipelines scheduled to be eliminated by eliminating double runs of pipe or pursuing Non-Pipes Alternatives (NPAs) with a positive benefit cost analysis.

LEAK PRONE SERVICES:

The Company will continue its Leak Prone Service Replacement Program that focuses on services that are considered leak prone pipe but are not included within the leak prone pipe replacement program.

CUSTOMER SERVICE PERFORMANCE INDICATORS

PSC Complaint Rate	(NRA) BPs	CSI Satisfaction Index	(NRA) BPs
≤ 1.0	None	≥ 89.0%	None
> 1.0	(5)	< 89.0%	(5)
≥ 1.1	(10)	≤ 87.1%	(10)
≥ 1.2	(15)	≤ 85.3%	(15)

Call Answer Rate	2026 (NRA) BPs	2027(NRA) BPs	2028(NRA) BPs
≥ 67.0%	None	None	None
< 67.0%	(4)	(5)	(5)
≤ 61.4%	(8)	(10)	(10)
≤ 55.8%	(12)	(13)	(15)

APPOINTMENTS KEPT:

The Company will continue to provide a bill credit of \$20 to customers for each scheduled appointment missed by the Company.

RESIDENTIAL SERVICE TERMINATIONS/UNCOLLECTIBLES INCENTIVE MECHANISM:

The Signatory Parties agree to continue the pause of this mechanism through the term of this Proposal.

LANGUAGE ACCESS:

In 2025, the Company will provide customer bills and forms in Spanish and continue translation of its website into Spanish.

ECONOMIC DEVELOPMENT PROGRAMS

The Company's suite of electric economic development programs will continue to include the Manufacturing Building and Infrastructure, Manufacturing Productivity, and Expansion & Retention for Manufacturers Grant Programs. Additionally, the Company will implement the Workforce Clean Energy Program, as further described below.

WORKFORCE CLEAN ENERGY PROGRAM:

Beginning in Rate Year 1, the Company will implement a Workforce Clean Energy Program to support workforce development in the clean energy sector. This program will provide grants up to \$200,000 to educational institutions (e.g., local community colleges, vocational schools, non-profit organizations, and industry organizations)

developing and implementing training and micro-credential programs that focus on developing a skilled workforce ready to meet the demands of the clean energy sector.

CONTINUED FUNDING FOR ENERGY EFFICIENCY AND HEAT PUMP PROGRAMS:

Authorized by the Commission's Order Authorizing Utility Energy Efficiency and Building Electrification Portfolios in Case 18-M-0084.



CLIMATE AND ENERGY LEADERSHIP INITIATIVES

The Signatory Parties agree that this Proposal contains provisions supportive of and in furtherance of the objectives of the CLCPA, including:

- Continuation of CLCPA Phase 1 projects;*
- Replacement of leak prone pipe, year-end leak backlog targets, and continuation of the Leak Prone Services Replacement Program;
- Continuation of the Company's differentiated gas pilot program;
- Continuation of the Company's fleet electrification efforts;
- Elimination of gas declining block rates;
- Elimination of the high-volume usage rate discount offer to firm nonresidential gas transportation customers;
- Continuation of the Company's efforts to explore NPAs designed to displace the need for traditional gas infrastructure investments;
- The incorporation of Clean Heat Program information into the Company's natural gas service applications.
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- The incorporation of Clean Heat Program information into the Company's natural gas service applications.

***CLCPA PHASE 1 PROJECTS:**

The impact of CLCPA Phase 1 projects equates to approximately \$36.6M per year on electric rates. This includes transmission line rebuilds, upgrading substations, and replacing antiquated distribution circuitry to meet today's building standards.

EARNINGS ADJUSTMENT MECHANISMS (EAM)

These EAMs and scorecard metrics are described in detail in Appendix X.

Under the JP, the Company will have five EAMs and four scorecard metrics, listed below:

EAMs	Operations
Distributed Energy Resource (DER) Utilization – Photovoltaic	Electric
DER Utilization – Battery Energy Storage Systems	Electric
Electric Load Management	Electric
Residential Managed Charging	Electric
EV Adoption	Electric

Scorecard Metrics	Operations
Load Factor	Electric
Residential Energy Intensity	Electric
Commercial Energy Intensity	Electric
Gas Peak Reduction	Gas

DIFFERENTIATED GAS

Differentiated gas is natural gas that has been documented as having been extracted and handled in a manner that reduces emissions intensity compared to traditional gas exploration and production processes. **The Company will continue its pilot program to procure differentiated gas, limited to an annual cost above traditional supplies of \$200,000 per year, during the term of this Proposal.**

NATURAL GAS SERVICE AGREEMENT

The Company will modify its online and PDF Natural Gas Service Agreement forms **to include information on the Company’s Clean Heat Program**. Specifically, the first page of the online form will be modified to include a link to a one-page informational sheet detailing Clean Heat Program alternatives. A rich text field will also be integrated into the top of the first page of the application materials, which will provide a substantive overview of Clean Heat Program alternatives and a link to the Central Hudson Heat Pump page. The PDF form will be modified to include a one-page Clean Heat Program informational sheet. In addition, **a rich text field will be added to the top of the Company’s Contact Us webpage, calling out Clean Heat Program alternatives**, and providing a link to the Central Hudson Heat Pump page.



For more information on Central Hudson's rates, tariffs and supply prices, visit:
www.CentralHudson.com/Rates

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