

CASES 17-E-0459 & 17-G-0460 RATE CASE COMPLIANCE CHANGES

ELECTRIC	
Base Delivery Rates	Rates effective 7/1/2018, 7/1/2019 and 7/1/2020 for Service Classification ("SC") 1, 2 non-demand, and 6 (time-of-use) reflect decreases to the monthly customer charge. A summary of the standard base rates is attached. Revised standby rates available under SC 14, as well as a complete list of revised area and street light rates under SCs 5 and 8, respectively, are available in the Company's electric tariff.
Electric Bill Credit ("EBC")	Bill credits have been designed to return the following available regulatory liabilities to customers, which are allocated to each service class in proportion to the overall delivery rate increase: Rate Year 1 (12 months ending 6/30/2019) \$6 million Rate Year 2 (12 months ending 6/30/2020) \$9 million Rate Year 3 (12 months ending 6/30/2021) \$11 million
Revenue Decoupling Mechanism ("RDM")	The RDM continues for SCs 1, 2, and 6, and has been expanded to include SCs 3, 5, and 8.
Factor of Adjustment (Losses)	The electric factors of adjustment effective 7/1/2018 for the duration of the 3-year Rate Plan are as follows: SC 1, 2 (non-demand), 2 (secondary), 5, 6, 8, and 9 1.0264 SC 2 (primary) and 3 1.0160 SC 13 (substation) 1.0094 SC 13 (transmission) 1.0061
Energy Cost Adjustment Mechanism ("ECAM")	The structure of the ECAM will remain unchanged.
Merchant Function Charges ("MFCs")	The structure of the MFCs remains unchanged but the base MFC rates have been revised. A schedule of base MFC rates is attached.
Energy Efficiency Costs	Recovery of the costs of the Company's internal suite of energy efficiency programs will be transferred from the SBC to base delivery rates. Customers receiving an allocation of power under the Recharge New York Program or taking service under the Empire Zone Rate will receive a credit for the energy efficiency costs included in base rates applied to their eligible power allocation.
Rate Adjustment Mechanism ("RAM")	A RAM factor will be effective the first billing batch in July 2019, and updated annually, to refund or recover balances and carrying charges identified pursuant to the PSC approved mechanism. The RAM factor will be included in the MISC bill line for non-demand billed customers and in the MISC II bill line for demand billed customers.
Earnings Adjustment Mechanism ("EAM")	An EAM factor will be effective the first billing batch in July 2019, and updated annually, to recover incentives associated with EAMs, including peak reduction, energy efficiency, energy intensity, environmentally beneficial electrification, and distributed energy resource utilization. The EAM factor will be included in the MISC bill line for non-demand billed customers and in the MISC II bill line for demand billed customers.
Geothermal Rate Impact Credit	SC 1 and 6 customers that install equipment meeting the requirements of the Geothermal Rebate Program offered by the NYSERDA and enroll in the Company's Insights+ offering will be eligible to receive an annual impact credit of \$264 payable on June 30th each year.

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Gas							
Base Delivery Rates	Rates effective 7/1/2018, 7/1/2019 and 7/1/2020 for Service Classification ("SC") 1 and 12 (residential) reflect decreases to the monthly customer charge. A summary of the standard base rates is attached. Revised distributed generation rates available under SCs 15 and 16 are available in the Company's gas tariff.						
Gas Bill Credit ("GBC")	<p>Bill credits have been designed to return the following available regulatory liabilities to firm customers (excluding SC 11 EG), which are allocated to each service class in proportion to the overall delivery rate increase:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Rate Year 1 (12 months ending 6/30/2019)</td> <td>\$3.5 million</td> </tr> <tr> <td>Rate Year 2 (12 months ending 6/30/2020)</td> <td>\$4.0 million</td> </tr> <tr> <td>Rate Year 3 (12 months ending 6/30/2021)</td> <td>\$4.0 million</td> </tr> </table> <p>The amounts above reflect the first \$1.0 million of SC 11 gas delivery revenue from Danskammer which will be included in the GBC and is allocated in proportion to overall gas delivery revenues.</p>	Rate Year 1 (12 months ending 6/30/2019)	\$3.5 million	Rate Year 2 (12 months ending 6/30/2020)	\$4.0 million	Rate Year 3 (12 months ending 6/30/2021)	\$4.0 million
Rate Year 1 (12 months ending 6/30/2019)	\$3.5 million						
Rate Year 2 (12 months ending 6/30/2020)	\$4.0 million						
Rate Year 3 (12 months ending 6/30/2021)	\$4.0 million						
Gas Miscellaneous Charge ("Gas MISC")	A new Gas MISC Charge mechanism and bill line item will be implemented to address the recovery/refund related to interruptible refunds or surcharges applicable to SC 11, amounts addressed through the Rate Adjustment Mechanism, and gas Earnings Adjustment Mechanism incentives, all as described below.						
Revenue Decoupling Mechanism ("RDM")	The RDM continues for SCs 1, 2, 6, 12 and 13.						
Factor of Adjustment ("FOA" - Losses)	The provisions of the gas FOA mechanism continue, with the FOA updated annually to be effective Nov 1 through October 31, based on a five year average for the twelve months ending August 31 each year.						
Imputation of Interruptible Profit	The overall structure of the imputation of annual interruptible profit from SCs 8, 9 and 14 will continue, with the imputation reduced to \$2.6 million for each Rate Year, sharing of excess or shortfalls against this level expanded to include SC 11 (excluding EG), and amounts allocated proportionately based on contribution to overall annual gas delivery revenue. Two refund or surcharge factors will be developed for SCs 1, 2, 6, 12 and 13 combined and for SC 11, with resulting amounts addressed through the GSC and Gas MISC mechanisms, respectively.						
Gas Supply Charge ("GSC")	The structure of the GSC (transportation demand adjustment or "TDA" for retail access customers) will remain unchanged.						
Merchant Function Charges ("MFCs")	The structure of the MFCs remains unchanged but the base MFC rates have been revised. A schedule of base MFC rates is attached.						
Energy Efficiency Costs	Recovery of the costs of the Company's internal suite of energy efficiency programs will be transferred from the SBC to base delivery rates.						
Rate Adjustment Mechanism ("RAM")	A RAM factor will be effective the first billing batch in July 2019, and updated annually, to refund or recover balances and carrying charges identified pursuant to the PSC approved mechanism. For billing purposes the RAM factor will be included in the Gas MISC bill line.						
Earnings Adjustment Mechanism ("EAM")	An EAM factor will be effective the first billing batch in July 2019, and updated annually, to recover incentives associated with achievement of energy efficiency savings significantly above target. For billing purposes the EAM factor will be included in the Gas MISC bill line.						

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ELECTRIC & GAS

Reconnection Charges

Reconnection Charges applicable to service restoration to the same customers at the same meter location within 12 months after discontinuance of service will be revised to:

	Effective 7/1/2018	Effective 7/1/2019	Effective 7/1/2020
Normal Business Hours	\$35	\$50	\$60
Normal Business Hours with Line Crew or Gas Mechanic Crew	\$140	\$180	\$220
Other Hours	\$70	\$100	\$120
Other Hours with Line Crew or Gas Mechanic Crew	\$200	\$260	\$310

Where a customer receives both electric and gas service, the Reconnection Charge for only one service will apply in the event of simultaneous reconnection of both electric and gas service.

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Summary of Proposed Monthly Electric Base Delivery Rates
(Excludes S.C. Nos. 5 & 8, Unbilled & Interdepartmental)

			12 Months Ending Jun-19		12 Months Ending Jun-20		12 Months Ending Jun-21
	<u>Current Rates</u>		<u>Rate Year 1</u>		<u>Rate Year 2</u>		<u>Rate Year 3</u>
S.C. No. 1	Customer Charge	\$	24.00	\$	21.00	\$	20.00
	kWh Delivery	\$	0.06586	\$	0.07563	\$	0.08349
S.C. No. 2 - Non-Demand	Customer Charge	\$	35.00	\$	32.00	\$	31.00
	kWh Delivery	\$	0.02702	\$	0.03887	\$	0.04838
S.C. No. 2 - Secondary	Customer Charge	\$	84.00	\$	88.00	\$	92.50
	HPP Customer Charge	\$	114.00	\$	118.00	\$	122.50
	kWh Delivery	\$	0.00591	\$	0.00532	\$	0.00478
	kW Delivery	\$	9.06	\$	10.28	\$	11.10
S.C. No. 2 - Primary	Customer Charge	\$	310.00	\$	341.00	\$	376.00
	HPP Customer Charge	\$	340.00	\$	371.00	\$	406.00
	kWh Delivery	\$	0.00168	\$	0.00151	\$	0.00136
	kW Delivery	\$	7.64	\$	8.63	\$	8.97
S.C. No. 3	Customer Charge	\$	1,500.00	\$	1,650.00	\$	1,800.00
	kWh Delivery	\$	-	\$	-	\$	-
	kW Delivery	\$	9.84	\$	10.99	\$	11.38
	Rkva	\$	0.83	\$	0.83	\$	0.83
S.C. No. 6	Customer Charge	\$	27.00	\$	24.00	\$	23.00
	kWh Delivery On Pk	\$	0.09507	\$	0.10520	\$	0.11200
	kWh Delivery Off Pk	\$	0.03169	\$	0.03507	\$	0.03733
S.C. No. 6 (5 Hour On-Peak)	Customer Charge	\$	27.00	\$	24.00	\$	23.00
	kWh Delivery On Pk	\$	0.07494	\$	0.08522	\$	0.09305
	kWh Delivery Off Pk	\$	0.06116	\$	0.07144	\$	0.07928
S.C. No. 9	Signal Faces	\$	3.52	\$	3.68	\$	3.83
S.C. No. 13 - Substation	Customer Charge	\$	3,800.00	\$	4,200.00	\$	4,700.00
	kWh Delivery	\$	-	\$	-	\$	-
	kW Delivery	\$	7.49	\$	9.25	\$	10.18
	Rkva	\$	0.83	\$	0.83	\$	0.83
S.C. No. 13 - Transmission	Customer Charge	\$	5,020.00	\$	6,500.00	\$	7,500.00
	kWh Delivery	\$	-	\$	-	\$	-
	kW Delivery	\$	4.30	\$	4.62	\$	5.80
	Rkva	\$	0.83	\$	0.83	\$	0.83

Energy Efficiency Exemption Credit Rate per kW:						
S.C. No. 2 - Secondary	\$	0.74	\$	0.71	\$	0.66
S.C. No. 2 - Primary	\$	0.80	\$	0.77	\$	0.71
S.C. No. 3	\$	0.98	\$	0.93	\$	0.86
S.C. No. 13 - Substation	\$	1.59	\$	1.51	\$	1.39
S.C. No. 13 - Transmission	\$	0.32	\$	1.13	\$	1.16

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Summary of Proposed Electric Merchant Function Charges

	<u>Current Rates</u>	12 Months Ending Jun-19 <u>Rate Year 1</u>	12 Months Ending Jun-20 <u>Rate Year 2</u>	12 Months Ending Jun-21 <u>Rate Year 3</u>
<u>MFC Administration Charge per kWh</u>				
S.C. No. 1 - Residential	\$ 0.00163	\$ 0.00180	\$ 0.00183	\$ 0.00186
S.C. No. 2 - Non Demand	\$ 0.00230	\$ 0.00256	\$ 0.00255	\$ 0.00258
S.C. No. 2 - Primary Demand	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
S.C. No. 2 - Secondary Demand	\$ 0.00011	\$ 0.00011	\$ 0.00011	\$ 0.00012
S.C. No. 3 - Large Power Primary	\$ -	\$ -	\$ -	\$ -
S.C. No. 5 - Area Lighting	\$ 0.00427	\$ 0.00444	\$ 0.00445	\$ 0.00445
S.C. No. 6 - Residential Time-of-Use	\$ 0.00075	\$ 0.00072	\$ 0.00072	\$ 0.00072
S.C. No. 8 - Street Lighting	\$ 0.00012	\$ 0.00017	\$ 0.00018	\$ 0.00018
S.C. No. 9 - Traffic Signals	\$ 0.00116	\$ 0.00114	\$ 0.00118	\$ 0.00122
S.C. No. 13 - Substation	\$ -	\$ -	\$ -	\$ -
S.C. No. 13 - Transmission	\$ -	\$ -	\$ -	\$ -
<u>MFC Supply Charge per kWh</u>				
S.C. No. 1 - Residential	\$ 0.00236	\$ 0.00305	\$ 0.00309	\$ 0.00315
S.C. No. 2 - Non Demand	\$ 0.00332	\$ 0.00433	\$ 0.00431	\$ 0.00436
S.C. No. 2 - Primary Demand	\$ 0.00001	\$ 0.00002	\$ 0.00002	\$ 0.00002
S.C. No. 2 - Secondary Demand	\$ 0.00016	\$ 0.00019	\$ 0.00019	\$ 0.00019
S.C. No. 3 - Large Power Primary	\$ -	\$ -	\$ -	\$ -
S.C. No. 5 - Area Lighting	\$ 0.00618	\$ 0.00750	\$ 0.00752	\$ 0.00752
S.C. No. 6 - Residential Time-of-Use	\$ 0.00108	\$ 0.00121	\$ 0.00121	\$ 0.00121
S.C. No. 8 - Street Lighting	\$ 0.00018	\$ 0.00028	\$ 0.00030	\$ 0.00031
S.C. No. 9 - Traffic Signals	\$ 0.00167	\$ 0.00193	\$ 0.00200	\$ 0.00207
S.C. No. 13 - Substation	\$ -	\$ -	\$ -	\$ -
S.C. No. 13 - Transmission	\$ -	\$ -	\$ -	\$ -

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Summary of Proposed Monthly Gas Base Delivery Rates

			<u>Current Rates</u>	<u>Rate Year 1 July 1, 2018</u>	<u>Rate Year 2 July 1, 2019</u>	<u>Rate Year 3 July 1, 2020</u>
S.C. No. 1 & 12	Billing Block 1	First 2 Ccf	\$ 26.00	\$ 25.00	\$ 24.50	\$ 24.25
	Billing Block 2 per Ccf	Next 48 Ccf	\$ 0.9904	\$ 1.1050	\$ 1.2228	\$ 1.3593
	Billing Block 3 per Ccf	Additional	\$ 0.4542	\$ 0.5060	\$ 0.5621	\$ 0.6248
S.C. No. 2, 6 & 13	Billing Block 1	First 2 Ccf	\$ 39.00	\$ 39.00	\$ 39.00	\$ 39.00
	Billing Block 2 per Ccf	Next 98 Ccf	\$ 0.5494	\$ 0.5836	\$ 0.6340	\$ 0.6919
	Billing Block 3 per Ccf	Next 4900 Ccf	\$ 0.3262	\$ 0.3464	\$ 0.3764	\$ 0.4129
	Billing Block 4 per Ccf	Additional	\$ 0.2656	\$ 0.2819	\$ 0.3057	\$ 0.3345
S.C. No. 11 Transmission	Annual x<300k Mcf	Billing Block 1	\$ 7,500.00	N/A	N/A	N/A
		Billing Block 2 per Ccf	\$ 0.0298	N/A	N/A	N/A
	Annual 300k<x<800k Mcf	Billing Block 1	\$ 38,200.00	N/A	N/A	N/A
		Billing Block 2 per Ccf	\$ 0.0447	N/A	N/A	N/A
	Annual x>800k Mcf	Billing Block 1	\$ 64,300.00	N/A	N/A	N/A
		Billing Block 2 per Ccf	\$ 0.0391	N/A	N/A	N/A
S.C. No. 11 Distribution	Annual x<100k Mcf	Billing Block 1	\$ 7,500.00	N/A	N/A	N/A
		Billing Block 2 per Ccf	\$ 0.0639	N/A	N/A	N/A
	Annual x>=100k Mcf	Billing Block 1	\$ 17,200.00	N/A	N/A	N/A
		Billing Block 2 per Ccf	\$ 0.0612	N/A	N/A	N/A
	S.C. No. 11 DLM	Billing Block 1	\$ 50,600.00	N/A	N/A	N/A
		Billing Block 2 per Ccf	\$ 0.0599	N/A	N/A	N/A
S.C. No. 11 Transmission*	Customer Charge	First 1,000 Ccf	N/A	\$ 3,000.00	\$ 3,300.00	\$ 3,600.00
	Volumetric Charge per Ccf	Additional	N/A	\$ 0.0148	\$ 0.0157	\$ 0.0166
	MDQ	Per Mcf of MDQ per Month	N/A	\$ 7.02	\$ 7.46	\$ 8.02
S.C. No. 11 Distribution*	Customer Charge	First 1,000 Ccf	N/A	\$ 1,000.00	\$ 1,100.00	\$ 1,200.00
	Volumetric Charge per Ccf	Additional	N/A	\$ 0.0312	\$ 0.0332	\$ 0.0357
	MDQ	Per Mcf of MDQ per Month	N/A	\$ 16.66	\$ 17.65	\$ 18.90
S.C. No. 11 DLM*	Customer Charge	First 1,000 Ccf	N/A	\$ 6,000.00	\$ 6,400.00	\$ 6,800.00
	Volumetric Charge per Ccf	Additional	N/A	\$ 0.0198	\$ 0.0212	\$ 0.0226
	MDQ	Per Mcf of MDQ per Month	N/A	\$ 11.73	\$ 12.48	\$ 13.44
S.C. No. 11 EG	Customer Charge		\$ 1,200.00	\$ 1,500.00	\$ 1,600.00	\$ 1,700.00
	MDQ	Per Mcf of MDQ per Month	\$ 9.25	\$ 9.88	\$ 10.78	\$ 11.84

* Please refer to Section X.B.2 on S.C. No. 11 Rate Design.

Central Hudson Gas & Electric Corporation
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Gas Commodity Related Merchant Function Charges

		<u>Current Rates</u>	<u>Rate Year 1 July 1, 2018</u>	<u>Rate Year 2 July 1, 2019</u>	<u>Rate Year 3 July 1, 2020</u>
<u>MFC Administration Charge per Ccf</u>					
MFC-1	1, 12 & 16	\$ 0.00434	\$ 0.00697	\$ 0.00687	\$ 0.00678
MFC-2	2, 6, 13 & 15	\$ 0.00419	\$ 0.00764	\$ 0.00755	\$ 0.00749
<u>MFC Supply Charge per Ccf</u>					
MFC-1	1, 12 & 16	\$ 0.01297	\$ 0.01908	\$ 0.01881	\$ 0.01855
MFC-2	2, 6, 13 & 15	\$ 0.01251	\$ 0.02091	\$ 0.02067	\$ 0.02050