

Description of Central Hudson's Budget Billing Service

Full Service Customers

Central Hudson offers most of its customers the option of Budget Billing, a service that provides a level monthly installment payment amount. The plan covers a twelve-month period, at the end of which the account is reconciled to the customer's actual usage.

To establish the customer's monthly installment, Central Hudson calculates the most recent twelve months' actual usage for the account. We multiply this usage by an estimated rate for both delivery and energy supply for the coming year.

At each anniversary of the Budget, we reconcile the Budget installment payments received to the actual cost of the usage. If there is an amount due from the customer, it will be reflected in the twelfth bill (the billing will be for the amount due instead of the normal installment amount). If there is an amount due to the customer, the credit will remain on the account, unless the customer asks to have it refunded. At this anniversary, the monthly installments for the upcoming year may also be changed, depending upon the customer's usage and the projected pricing.

After the first year Central Hudson also reviews the Budget using the most recent six months of actual charges, and determines if the current installment level is correct. We may raise or lower the installment for future months following this review.

Customer Choice Customers

If the customer is served by an ESCO and receives a consolidated bill, we use the actual rate currently being charged by the ESCO in the calculation of the installment amount. If the customer is served by an ESCO and is dual billed, we include only the delivery portion of the customer's charges in the monthly installment.

When a customer switches between suppliers (utility to ESCO, ESCO to utility, or ESCO to ESCO), Central Hudson will recalculate the Budget installment using the rate provided by the supplier who will be selling the energy in the future.