

Cases 14-E-0318 / 14-G-0319 Compliance Filing Changes

ELECTRIC

Base Delivery Rates

The base delivery rates effective July 1, 2015, July 1, 2016 and July 1, 2017 for Service Classification (“SC”) Nos. 1, 2 Non-Demand and 6 have been revised from the Joint Proposal levels to reflect recovery of the rate increases allocated to these SCs through the volumetric delivery charge only, thereby maintaining the currently effective customer charge levels in compliance with the Commission’s directive. A summary of base rates is attached.

Electric Bill Credit (“EBC”)

An electric bill credit will be implemented July 1, 2015 to return to customers the regulatory liability remaining after the offset of various deferred balances. The bill credit has been designed to return to customers \$13.0 million for the twelve months ending June 30, 2016, \$12.0 million for the twelve months ending June 30, 2017 and \$2.0 million for the twelve months ending June 30, 2018. The electric bill credit rates, which are stated in \$/kWh and \$/kW, are filed on an EBC statement.

Revenue Decoupling Mechanism (“RDM”)

The electric revenue decoupling mechanism (“RDM”) will continue to be applicable to Service Classification Nos. (“SC”) 1, 2, and 6 and those customers taking service under SC 14 whose parent service classification would be either SC 1, 2, or 6. The structure and provisions of the electric RDM continue per the 2010 Rate Order in Case 09-E-0588 except that the provisions for annual and interim RDM periods are replaced with a provision for semi-annual RDM periods and the provision for the RDM adjustment period has been revised accordingly. RDM statements will therefore be issued to become effective each February 1 and August 1.

Factor of Adjustment (Losses)

The electric factors of adjustment will be as follows:

S.C. Nos. 1, 2 (Non Demand), 2 (Secondary Demand), 5, 6, 8 and 9	1.0285
S.C. Nos. 2 (Primary Demand) and 3	1.0173
S.C. No. 13 (Substation)	1.0101
S.C. No. 13 (Transmission)	1.0065

Energy Cost Adjustment Mechanism (“ECAM”)

The structure of the ECAM statements will remain unchanged with ECAM rates effective after July 1, 2015 reflecting changes to the working capital carrying charge rate, uncollectible rate, electric loss factors and coincident peak included in Case 14-E-0318.

S.C. No. 8 – Public Street and Highway Lighting

Rate B, wherein the Company maintains customer-owned fixtures, will be closed to new installations effective July 1, 2015. Rate C, wherein the Company provides delivery service to customer-owned and maintained fixtures, will continue to provide customers with the flexibility to choose any type of facility that will service their needs.

S.C. No. 14 - Standby Rates

The Company has revised standby rates utilizing the Rate Year cost of service study presented on in Hearing Exhibit 16, as scaled consistent with the parent service classification rate design, such that the rates are revenue neutral.

Merchant Function Charges (“MFCs”)

The structure of MFC’s will remain unchanged but an electric MFC statement has been filed to effectuate changes to the base MFC rates and also include updates to the net lost revenue components. A schedule of base MFC rates is attached.

GAS

Base Delivery Rates

The rate structure of all classes, except SC 11, remain the same with increase in both the customer charge and volumetric delivery charges. The rate structure of SC 11 will be revised from a demand to a volumetric basis, and a new transmission subclass, SC 11 EG, will be added to address service to electric generators on a demand rate basis maintaining the transmission rates currently in effect for this new subclass for the entirety of the Rate Plan. While the terms of the Joint Proposal provided for SC 11 EG to apply to electric generation facilities with a minimum generation capacity of 50 megawatts, the Company has modified this, after discussing with Staff of the Department of Public Service, to a minimum of 5 megawatts consistent with the Commission’s decision to increase the threshold for the Standardized Interconnection Requirements from 2 MW to 5 MW in its February 26, 2015 Order in Case 14-M-0101 and the resulting need to maintain system reliability. A summary of base rates is attached. Distributed Generation rates available under SC’s 15 and 16 have also been revised and are available in the Company’s gas tariff.

Gas Bill Credit (“GBC”)

A gas bill credit has been implemented effective July 1, 2015 in Case 14-G-0319 to return to customers the regulatory liability remaining after the offset of various deferred balances. The bill credit will return to customers \$2.548 million for the twelve months ending June 30, 2016 and \$1.7 million for the twelve months ending June 30, 2017. To the extent that the Company receives gas delivery revenues from the Danskammer Generating Station for the twelve months ending June 30, 2016, the bill credit will also reflect 50% of those revenues in the twelve months ending June 30, 2017. Similarly, 50% of the revenues received from Danskammer for the twelve months ending June 30, 2017 will be credited to customers over the twelve months ending June 30, 2018. The gas bill credit rates, which are stated in \$/Ccf, are filed on a GBC statement.

Revenue Decoupling Mechanism (“RDM”)

The overall provisions of the gas RDM will continue per the 2010 Rate Order in Case 09-G-0589 except that the structure is revised from a unit per customer model to a revenue per customer model; the provisions for annual and interim RDM periods are replaced with a provision for semi-annual RDM periods; and the provision for the RDM adjustment period has been revised accordingly. RDM statements will therefore be issued to become effective each February 1 and August 1.

Imputation of Interruptible Revenue

The structure of the annual imputed interruptible profit from S.C. Nos. 8, 9 and 14 as set forth in Case 09-G-0589 shall continue and the imputation will increase from \$2.4 million to \$3 million for each of the Rate Years ending June 30, 2016, June 30, 2017, and June 30, 2018. This revenue serves to reduce base rates for S.C. Nos. 1, 2, 6, 12 & 13.

Factor of Adjustment

The factor of adjustment was modified to 1.0044 as of July 1, 2015 to reflect the five-year average

ended August 31, 2014. Pursuant to the Order in Case No. 14-G-0319, the factor of adjustment will be calculated as the five-year average for the twelve months ending August 31st of each year, with the updated factor applicable to the period November 1 to October 31 consistent with the annual update provisions approved by the Commissions in Case 09-G-0589.

Gas Supply Charge

The updated factor of adjustment, uncollectible rate and working capital carrying charge rate were implemented in the GSC factor filed in the routine monthly GSC Statement update which went into effect on July 2, 2015.

Merchant Function Charges (“MFCs”)

The current gas MFC Net Lost Revenue mechanism will be replaced with a new gas MFC revenue reconciliation process wherein monthly actual billed MFC revenue, by MFC group, will be compared to the monthly MFC revenue targets for each rate year, with any monthly over or under billed MFC revenue deferred for refund to or recovery from full service customers. At the end of each rate year, any over or under recovery including estimated interest over the refund or recovery period at the Commission’s rate for other customer-provided capital will be divided by estimated sales by MFC group over the refund or recovery period to develop a reconciliation factor to be effective for the twelve months beginning September 1. Any over or under recoveries of any such gas MFC reconciliations will be addressed in a subsequent reconciliation period. For simplification of programming, tracking, and customer education purposes, the new MFC reconciliation process will be reflected in the current Transition Adjustment line item. MFC statements were filed to effectuate changes to the base MFC rates as well as the changes noted above. A schedule of base MFC rates is attached.

Retail Access

A revised cash-out process for the Retail Access program will be implemented effective November 2016, to cash-out, in any given month, those accounts with valid meter readings during the month. Subsequent to a final Semi-Annual Reconciliation for the period April 2016 through October 2016, effective November 2016, the Semi-Annual Reconciliation will no longer be applicable.

The Winter Bundled Sales (WBS) Service pricing methodology will be revised such that the commodity component of the WBS price, which will be revised each month, shall reflect the Company’s actual weighted average cost of storage (“WACOS”) for the preceding month. The WBS rate shall be published on the Company’s website during the period November – March of each year and in the Statement of Firm Gas Transportation Rates on a one month lag during the period –December - April of each year.

S.C. Nos. 15 and 16 – Distributed Generation Rates

The Company has revised distributed generation rates utilizing the Rate Year cost of service study presented in Hearing Exhibit 16, parent service classification billing units, and load factor assumptions consistent with the various orders of the Commission in Case 02-M-0515 and consistent with the manner in which these rates were last updated in Case 09-G-0589.

Other

The Compliance tariff amendments also reflect other approved provisions including the clarification of the charge for unauthorized use of gas as a penalty and the requirement for the installation of a remote operated valve by new electric generation gas customers to qualify for service and by existing customers who have failed to comply with a Company issued interruption.

ELECTRIC AND GAS ISSUES

New York State Assessment (“NYSA”)

New electric and gas NYSA statements took effect July 1, 2015 and reflect changes to the uncollectible rate included in Case 14-E-0318 and Case 14-G-0319.

Energy Efficiency Tracker

Tariff amendments have been filed to reflect the Energy Efficiency Tracker (EET) Surcharge which will be implemented Effective January 1, 2016 to recover the costs of the Company’s internal energy efficiency programs, excluding internal labor costs, as approved for funding by the Public Service Commission. For billing purposes, the EET Surcharge will be combined with the System Benefits Charge.

Service Guarantee

A general information section has been added to both the electric and gas tariffs to reflect the provision of a \$20 customer credit for missed appointments.

Central Hudson Gas & Electric Corporation
Cases 14-E-0318 & 14-G-0319
Summary of Proposed Monthly Electric Base Delivery Rates
(Excludes S.C. Nos. 5 & 8, Unbilled & Interdepartmental)

		<u>Current Rates</u>		<u>Rate Year 1</u> <u>July 1, 2015</u>		<u>Rate Year 2</u> <u>July 1, 2016</u>		<u>Rate Year 3</u> <u>July 1, 2017</u>
S.C. No. 1	Customer Charge	\$ 24.00	\$	24.00	\$	24.00	\$	24.00
	kWh Delivery	\$ 0.04963	\$	0.05484	\$	0.06070	\$	0.06586
S.C. No. 2 - Non-Demand	Customer Charge	\$ 35.00	\$	35.00	\$	35.00	\$	35.00
	kWh Delivery	\$ 0.00588	\$	0.01296	\$	0.02048	\$	0.02702
S.C. No. 2 - Secondary	Customer Charge	\$ 84.00	\$	84.00	\$	84.00	\$	84.00
	HPP Customer Charge	\$ 84.00	\$	114.00	\$	114.00	\$	114.00
	kWh Delivery	\$ 0.00540	\$	0.00556	\$	0.00573	\$	0.00591
	kW Delivery	\$ 8.10	\$	8.42	\$	8.77	\$	9.06
S.C. No. 2 - Primary	Customer Charge	\$ 310.00	\$	310.00	\$	310.00	\$	310.00
	HPP Customer Charge	\$ 310.00	\$	340.00	\$	340.00	\$	340.00
	kWh Delivery	\$ 0.00148	\$	0.00155	\$	0.00162	\$	0.00168
	kW Delivery	\$ 6.65	\$	6.95	\$	7.32	\$	7.64
S.C. No. 3	Customer Charge	\$ 1,400.00	\$	1,400.00	\$	1,450.00	\$	1,500.00
	kWh Delivery	\$ -	\$	-	\$	-	\$	-
	kW Delivery	\$ 8.74	\$	9.04	\$	9.47	\$	9.84
	Rkva	\$ 0.83	\$	0.83	\$	0.83	\$	0.83
S.C. No. 6	Customer Charge	\$ 27.00	\$	27.00	\$	27.00	\$	27.00
	kWh Delivery On Pk	\$ 0.06144	\$	0.08799	\$	0.09180	\$	0.09507
	kWh Delivery Off Pk	\$ 0.04022	\$	0.02933	\$	0.03060	\$	0.03169
S.C. No. 9	Signal Faces	\$ 2.96	\$	3.14	\$	3.34	\$	3.52
S.C. No. 13 - Substation	Customer Charge	\$ 2,040.00	\$	3,400.00	\$	3,610.00	\$	3,800.00
	kWh Delivery	\$ -	\$	-	\$	-	\$	-
	kW Delivery	\$ 6.65	\$	6.70	\$	7.12	\$	7.49
	Rkva	\$ 0.83	\$	0.83	\$	0.83	\$	0.83
S.C. No. 13 - Transmission	Customer Charge	\$ 3,810.00	\$	4,500.00	\$	4,780.00	\$	5,020.00
	kWh Delivery	\$ -	\$	-	\$	-	\$	-
	kW Delivery	\$ 3.59	\$	3.85	\$	4.09	\$	4.30
	Rkva	\$ 0.83	\$	0.83	\$	0.83	\$	0.83

* SC1, SC2- NonDemand, and SC6 includes revisions pursuant to order issued on June 17, 2015 and will not reflect the same rates on Appendix K in the final JP

Central Hudson Gas & Electric Corporation
Cases 14-E-0318 & 14-G-0319
Summary of Proposed Electric Merchant Function Charges

	<u>Current Rates</u>	<u>Rate Year 1 July 1, 2015</u>	<u>Rate Year 2 July 1, 2016</u>	<u>Rate Year 3 July 1, 2017</u>
<u>MFC Administration Charge per kWh</u>				
S.C. No. 1 - Residential	\$ 0.00183	\$ 0.00165	\$ 0.00164	\$ 0.00163
S.C. No. 2 - Non Demand	\$ 0.00240	\$ 0.00234	\$ 0.00231	\$ 0.00230
S.C. No. 2 - Primary Demand	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
S.C. No. 2 - Secondary Demand	\$ 0.00012	\$ 0.00011	\$ 0.00011	\$ 0.00011
S.C. No. 3 - Large Power Primary	\$ -	\$ -	\$ -	\$ -
S.C. No. 5 - Area Lighting	\$ 0.00510	\$ 0.00427	\$ 0.00427	\$ 0.00427
S.C. No. 6 - Residential Time-of-Use	\$ 0.00078	\$ 0.00075	\$ 0.00075	\$ 0.00075
S.C. No. 8 - Street Lighting	\$ 0.00013	\$ 0.00012	\$ 0.00012	\$ 0.00012
S.C. No. 9 - Traffic Signals	\$ 0.00128	\$ 0.00116	\$ 0.00116	\$ 0.00116
S.C. No. 13 - Substation	\$ -	\$ -	\$ -	\$ -
S.C. No. 13 - Transmission	\$ -	\$ -	\$ -	\$ -
<u>MFC Supply Charge per kWh</u>				
S.C. No. 1 - Residential	\$ 0.00186	\$ 0.00238	\$ 0.00237	\$ 0.00236
S.C. No. 2 - Non Demand	\$ 0.00244	\$ 0.00338	\$ 0.00334	\$ 0.00332
S.C. No. 2 - Primary Demand	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
S.C. No. 2 - Secondary Demand	\$ 0.00012	\$ 0.00016	\$ 0.00016	\$ 0.00016
S.C. No. 3 - Large Power Primary	\$ -	\$ -	\$ -	\$ -
S.C. No. 5 - Area Lighting	\$ 0.00519	\$ 0.00618	\$ 0.00618	\$ 0.00618
S.C. No. 6 - Residential Time-of-Use	\$ 0.00079	\$ 0.00108	\$ 0.00108	\$ 0.00108
S.C. No. 8 - Street Lighting	\$ 0.00013	\$ 0.00018	\$ 0.00018	\$ 0.00018
S.C. No. 9 - Traffic Signals	\$ 0.00130	\$ 0.00167	\$ 0.00167	\$ 0.00167
S.C. No. 13 - Substation	\$ -	\$ -	\$ -	\$ -
S.C. No. 13 - Transmission	\$ -	\$ -	\$ -	\$ -

*Base MFC only- Does not include Electric MFC Revenue Reconciliation Transition Adjustment.

Central Hudson Gas & Electric Corporation
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Summary of Proposed Electric Bill Credit

		<u>Current Rates</u>		<u>Rate Year 1</u> <u>July 1, 2015</u>	<u>Rate Year 2</u> <u>July 1, 2016</u>	<u>Rate Year 3</u> <u>July 1, 2017</u>
S.C. No. 1 - Residential	per kWh	\$	-	\$ (0.00468)	\$ (0.00438)	\$ (0.00073)
S.C. No. 2 - Non Demand	per kWh	\$	-	\$ (0.00637)	\$ (0.00562)	\$ (0.00093)
S.C. No. 2 - Primary Demand	per kWh	\$	-	\$ (0.00091)	\$ (0.00077)	\$ (0.00013)
S.C. No. 2 - Secondary Demand	per kWh	\$	-	\$ (0.00106)	\$ (0.00093)	\$ (0.00015)
S.C. No. 3 - Large Power Primary	per kW	\$	-	\$ (0.27000)	\$ (0.35000)	\$ (0.06000)
S.C. No. 5 - Area Lighting	per kWh	\$	-	\$ (0.00924)	\$ (0.00844)	\$ (0.00143)
S.C. No. 6 - Residential Time-of-Use	per kWh	\$	-	\$ (0.00165)	\$ (0.00160)	\$ (0.00025)
S.C. No. 8 - Street Lighting	per kWh	\$	-	\$ (0.00926)	\$ (0.00797)	\$ (0.00128)
S.C. No. 9 - Traffic Signals	per kWh	\$	-	\$ (0.00354)	\$ (0.00315)	\$ (0.00039)
S.C. No. 13 - Substation	per kW	\$	-	\$ (0.42000)	\$ (0.37000)	\$ (0.06000)
S.C. No. 13 - Transmission	per kW	\$	-	\$ (0.27000)	\$ (0.19000)	\$ (0.03000)

Central Hudson Gas & Electric Corporation
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Summary of Proposed Monthly Gas Base Delivery Rates

			<u>Current Rates</u>	<u>Rate Year 1</u> <u>July 1, 2015</u>	<u>Rate Year 2</u> <u>July 1, 2016</u>	<u>Rate Year 3</u> <u>July 1, 2017</u>
S.C. No. 1 & 12	Billing Block 1	First 2 Ccf	\$ 23.00	\$ 24.00	\$ 25.00	\$ 26.00
	Billing Block 2 per Ccf	Next 48 Ccf	\$ 0.8603	\$ 0.8805	\$ 0.9390	\$ 0.9904
	Billing Block 3 per Ccf	Additional	\$ 0.3944	\$ 0.4047	\$ 0.4300	\$ 0.4542
S.C. No. 2, 6 & 13	Billing Block 1	First 2 Ccf	\$ 37.00	\$ 37.00	\$ 38.00	\$ 39.00
	Billing Block 2 per Ccf	Next 98 Ccf	\$ 0.5494	\$ 0.5494	\$ 0.5494	\$ 0.5494
	Billing Block 3 per Ccf	Next 4900 Ccf	\$ 0.2704	\$ 0.2793	\$ 0.3039	\$ 0.3262
	Billing Block 4 per Ccf	Additional	\$ 0.2206	\$ 0.2273	\$ 0.2477	\$ 0.2656
S.C. No. 11 Transmission*	Customer Charge		\$ 1,200.00	N/A	N/A	N/A
	MDQ		\$ 9.25	N/A	N/A	N/A
S.C. No. 11 Distribution*	Customer Charge		\$ 1,200.00	N/A	N/A	N/A
	MDQ		\$ 18.75	N/A	N/A	N/A
S.C. No. 11 DLM*	Customer Charge		\$ 1,200.00	N/A	N/A	N/A
	MDQ		\$ 12.12	N/A	N/A	N/A
S.C. No. 11 EG*	Customer Charge		N/A	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
	MDQ		N/A	\$ 9.25	\$ 9.25	\$ 9.25
S.C. No. 11 Transmission	Annual x<300k Mcf	Billing Block 1	N/A	\$ 7,000	\$ 7,300	\$ 7,500
		Billing Block 2 per Ccf	N/A	\$ 0.0274	\$ 0.0283	\$ 0.0298
	Annual 300k<x<800k Mcf	Billing Block 1	N/A	\$ 35,000	\$ 36,600	\$ 38,200
		Billing Block 2 per Ccf	N/A	\$ 0.0431	\$ 0.0441	\$ 0.0447
	Annual x>800k Mcf	Billing Block 1	N/A	\$ 60,000	\$ 62,100	\$ 64,300
		Billing Block 2 per Ccf	N/A	\$ 0.0357	\$ 0.0378	\$ 0.0391
S.C. No. 11 Distribution	Annual x<100k Mcf	Billing Block 1	N/A	\$ 7,000	\$ 7,300	\$ 7,500
		Billing Block 2 per Ccf	N/A	\$ 0.0577	\$ 0.0586	\$ 0.0639
	Annual x>=100k Mcf	Billing Block 1	N/A	\$ 16,000	\$ 16,700	\$ 17,200
		Billing Block 2 per Ccf	N/A	\$ 0.0566	\$ 0.0579	\$ 0.0612
	S.C. No. 11 DLM	Billing Block 1	N/A	\$ 45,000	\$ 48,000	\$ 50,600
		Billing Block 2 per Ccf	N/A	\$ 0.0549	\$ 0.0571	\$ 0.0599

* Please refer to Section IX.B 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</u> <u>July 1, 2015</u>	<u>Rate Year 2</u> <u>July 1, 2016</u>	<u>Rate Year 3</u> <u>July 1, 2017</u>
<u>MFC Administration Charge per Ccf</u>					
MFC-1	1, 12 & 16	\$ 0.00960	\$ 0.00449	\$ 0.00441	\$ 0.00434
MFC-2	2, 6, 13 & 15	\$ 0.00886	\$ 0.00453	\$ 0.00434	\$ 0.00419
<u>MFC Supply Charge per Ccf</u>					
MFC-1	1, 12 & 16	\$ 0.01214	\$ 0.01342	\$ 0.01319	\$ 0.01297
MFC-2	2, 6, 13 & 15	\$ 0.01120	\$ 0.01353	\$ 0.01298	\$ 0.01251

*Base MFC only - Does not include Gas MFC Revenue Reconciliation Transition Adjustment.

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Summary of Proposed Monthly Gas Bill Credit Rates

Applicable to <u>S.C. No.</u>	\$/Ccf Rate Year 1 <u>July 1, 2015</u>
1, 12 & 16	\$ (0.02716)
2, 6, 13 & 15	\$ (0.01589)
SC 11 Transmission Annual x<300k Mcf	\$ (0.00082)
SC 11 Transmission Annual 300k<x<800k Mcf	\$ (0.00148)
SC 11 Transmission Annual x>800k Mcf	\$ (0.00139)
SC 11 Distribution Annual x<100k Mcf	\$ (0.00213)
SC 11 Distribution Annual x>=100k Mcf	\$ (0.00184)
SC 11 - DLM	\$ (0.00190)

Gas bill credit rates reflect rate moderation as described in Section III.D excluding the additional Danskammer Related Credits.