



State Regulators Approve Three-Year Rate Plan for Central Hudson

Plan provides for ongoing system modernization, customer service improvements and environmental benefits.

(Albany, NY) The New York State Public Service Commission approved a new, three-year rate plan for Central Hudson Gas & Electric Corporation that supports the energy company's ongoing investments in modernizing the electric and natural gas delivery systems, provides customer service enhancements and offers programs to benefit the environment. The Commission today approved a plan that adopted a Joint Proposal that was presented in April and developed and supported by Central Hudson, Staff of the Department of Public Service and ten additional participating parties after months of extensive negotiations with state and local consumer advocates and environmental groups. This approval culminates an eleven-month review process by regulators and independent parties to establish a new rate plan.

Parties that had supported the Joint Proposal include Central Hudson, the Staff of the Department of Public Service, Multiple Intervenors, the Public Utility Law Project, Bob Wyman, Dutchess County, Pace Energy and Climate Center, the New York Geothermal Energy Association, Acadia Center, Natural Resources Defense Council, the Utility Intervention Unit of the New York State, and the U.S. Dept. of the Defense representing West Point. No party opposed the proposal.

"We're pleased the new rate plan was approved, as it will allow us to better serve our customers now and in the years ahead," said Michael L. Mosher, President and C.E.O. of Central Hudson. "We're also appreciative of the work and dedication of the parties to the proceeding in bringing together a plan that benefits our customers and stakeholders."

The approved rate plan covers a three-year period beginning July 1, 2018 through June 30, 2021, and utilizes existing regulatory balances to offset billing impacts for customers during the term of the agreement, as well as projected reductions in federal income tax obligations under the new federal tax plan.

Under the new rate plan, total average residential electric bills using 625 kilowatt-hours (kWh) per month would increase by 1.33 percent, or less than 5 cents per day, in the first year;

2.99 percent, or less than 11 cents per day, during the second year; and 4.41 percent, or less than 17 cents per day, in the third year. Total average residential natural gas bill using 910 hundred cubic feet (ccf) per year would increase by 2.05 percent, or about 8 cents per day, during the first year; 4.4 percent, or about 18 cents per day, in the second year; and 5.45 percent, or about 24 cents per day, during the third year. These increases are based upon the market supply prices for electricity and natural gas in January 2018. Eligible families facing financial challenges will see a bill reduction of up to 65 percent.

The new rate plan enhances system investments that will improve electric service reliability by replacing aging infrastructure, bolstering tree trimming and vegetation management programs and utilizing technologies to reduce electric service interruptions. New equipment will be employed to boost system efficiency to lower customers' energy use. Investments in the natural gas system will improve safety and reliability by replacing older mains and services on an accelerated basis. The proposal also seeks to upgrade computer systems to improve cybersecurity and enable utilization of new technologies.

The plan also expands existing energy efficiency and carbon reduction programs to protect the environment and assist customers in reducing their energy consumption. These include incentives for air source heat pumps and ground source heat pumps.

Safety initiatives include the development of formal training programs for municipal and county first responders, and incentives for customer purchases of home methane detectors. Customer Service programs include elimination of fees for bill payments using credit cards and third-party payment centers, and expanded assistance programs for families facing financial difficulties. The plan also sets required performance metrics for Central Hudson and penalties for non-compliance.

Fixed monthly customer charges for residential electric, residential natural gas and small commercial electric customer classes will be reduced in increments each year during the term of the agreement.

“This new rate plan expands the services offered to our customers and continues our investments in modernizing the electric and natural gas delivery systems in order to meet the energy needs of the Mid-Hudson Valley,” said Mosher.

For more information on the new rate plan, visit www.CentralHudson.com/EvenBetterFuture.

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***Central Hudson Gas & Electric Corporation** is a regulated transmission and distribution utility serving approximately 380,000 customers in portions of eight counties of New York State's Mid-Hudson River Valley; it delivers natural gas and electricity in a 2,600-square-mile service territory that extends from the suburbs of metropolitan New York City north to the Capital District at Albany. Its mission is to deliver electricity and natural gas to an expanding customer base in a safe, reliable, courteous and affordable manner; to produce growing financial returns for its owner; to foster a culture that encourages employees to reach their full potential; and to be a good corporate citizen. Visit www.CentralHudson.com for more information.*