

PSC NO: 15 ELECTRICITY

LEAF: 163.5.5

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 2

INITIAL EFFECTIVE DATE: 07/01/10

SUPERSEDING REVISION: 1

Issued in Compliance with Order in C.09-E-0588 dated June 18, 2010

36. OTHER CHARGES AND ADJUSTMENTS (Cont'd)**G. Revenue Decoupling Mechanism (RDM) Adjustment** (Cont'd)

At the end of an Annual RDM Period total delivery revenue excess/shortfalls, and associated interest, for each service classification or sub classification will be refunded/surcharged to customers through service classification or sub classification-specific RDM Adjustments applicable during a corresponding RDM Adjustment Period. The RDM Adjustment for each applicable service classification or sub classification shall be determined by dividing the amount to be refunded/surcharged to customers in that service classification or sub classification by estimated kWh and/or kW deliveries to customers in that service classification or sub classification over the RDM Adjustment Period. RDM Adjustments shall be rounded to the nearest \$0.00001 per kWh or \$0.01 per kW.

Following each RDM Adjustment Period, any difference between amounts required to be charged or credited to customers in each service classification or sub classification and amounts actually charged or credited will be charged or credited to customers in that service classification or sub classification, with interest, over a subsequent RDM Adjustment period, or as determined by the Commission if no RDM is in effect.

If for any reason, a service classification or sub classification included in the RDM no longer has customers, the Company will consult with Commission Staff.

3. Interim RDM Adjustments

If at any time during an Annual RDM Period, the total of cumulative delivery revenue excess/shortfall for all of the Company's service classifications and sub classifications subject to the RDM Adjustment exceeds \$4 million, the Company will implement interim RDM Adjustments by service classification and sub classification on no less than ten days notice. The refund/collection of the Interim RDM Adjustment will occur over a twelve month period. These Interim RDM Adjustments are subject to reconciliation at the end of the Annual RDM Period in which refund/collection of the Interim RDM Adjustment terminates. RDM factors, including Interim RDM Adjustments, may only be changed once in any given six-month period.

4. Statement of RDM Adjustments

Not less than ten (10) days prior to a proposed change in the RDM Adjustments, a Statement showing each factor by service classification, or sub-class, and the effective date will be filed with the Public Service Commission.

Issued by: Michael L. Mosher, Vice President, Poughkeepsie, New York