

PSC NO: 15 ELECTRICITY LEAF: 163.5.4
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 14
INITIAL EFFECTIVE DATE: 07/01/18 SUPERSEDING REVISION: 12
Issued in Compliance with Order in C.17-E-0459 dated June 14, 2018

36. OTHER CHARGES AND ADJUSTMENTS (Cont'd)

G. Revenue Decoupling Mechanism (RDM) Adjustment

Pursuant to the Commission's Order in Case 08-E-0887 issued and effective June 22, 2009, as amended and superseded by the Orders in Case 09-E-0588 issued and effective June 18, 2010, Case 14-E-0318 issued and effective June 17, 2015 and Case 17-E-0459 issued and effective June 14, 2018, actual delivery revenues for certain customer classes are subject to reconciliation through an RDM Adjustment. The RDM Adjustment is applicable to Service Classification Nos. 1, 2, and 6, and those customers taking service under SC No. 14 whose parent service classification would be either SC 1, 2 or 6. Effective July 1, 2018, as per Case 17-E-0459, the RDM Adjustment will be expanded to include Service Classification Nos. 3, 5 and 8, including those customers taking service under SC No. 14 whose parent service classification would be SC 3. The RDM is not applicable to Service Classification Nos. 9 and 13.

Effective November 1, 2011, Service Classification Nos. 1 and 6 will be combined for RDM purposes.

1. Definitions

- a. **Delivery Revenue Targets** by month for each service classification or sub classification will be based on delivery revenue targets for the Rate Years ending June 30, 2019, June 30, 2020, and June 30, 2021 as set in Case 17-E-0459. Delivery Revenue Targets will be adjusted to exclude the Actual Delivery Revenue, as defined below, associated with the Awarded Allocations of those customers receiving an allocation of power from the New York Power Authority ("NYPA") under the Recharge New York ("RNY") Power Program as addressed in General Information Section 40. Conversely, Delivery Revenue Targets will be adjusted to include the Actual Delivery Revenue, as defined below, associated with the Awarded Allocations of those customers no longer receiving an allocation of power from the NYPA under the RNY Power Program. Delivery Revenue Targets will also be adjusted monthly to account for municipalities taking service under SC 8 who switch from Rate A (Company owned and maintained) or Rate B (customer owned/Company maintained) to Rate C (customer owned and maintained).
- b. **Actual Delivery Revenue** is defined as the sum of total billed revenue derived from customer charges, base rate energy delivery charges, base rate demand delivery charges and Merchant Function Charges inclusive of lost revenues including the Transition Adjustment, all as applicable. Actual Delivery Revenue shall not include revenues derived from the RDM Adjustment, or incremental monthly charges assessed under the Company's Hourly Pricing Provision, nor shall it include the Actual Delivery Revenue associated with the Awarded Allocations of those customers receiving an allocation of power from the NYPA under the RNY Power Program. Geothermal Rate Impact Credits paid to customers taking service under Service Classification Nos. 1 and 6 will be subtracted from Actual Delivery Revenue in the month that they are incurred prior to the monthly comparison of Actual Delivery Revenue to the Delivery Revenue Target. The Actual Delivery Revenue in the first two months of each rate year will be adjusted upward to reverse the effect of proration between old and new rates in actual revenue. This will be accomplished by multiplying actual billing determinants for each RDM eligible class by the new rate year rates.
- c. **Semi-Annual RDM Periods** are defined as the six months ending December 31, 2018 and June 30, 2019 and each succeeding six-month period thereafter.
- d. **RDM Adjustment Period** is defined as the six months beginning February 1 or the six months beginning August 1 immediately following each Semi-Annual RDM Period.

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