

PSC NO: 12 GAS
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 07/01/15
Issued in Compliance with Order in C.14-G-0319 dated June 17, 2015

LEAF: 129
REVISION: 7
SUPERSEDING REVISION: 5

42. OTHER CHARGES AND ADJUSTMENTS (Cont'd)

E. Revenue Decoupling Mechanism (RDM) Adjustment

Pursuant to the Commission's Order in Case 08-G-0888 issued and effective June 22, 2009, actual gas deliveries for certain customer classes are subject to reconciliation through an RDM Adjustment. The RDM Adjustment is applicable to Service Classification Nos. 1, 2, 6, 12 and 13. The RDM is not applicable to Service Classification Nos. 8, 9, 11, 14, 15 and 16.

1. Definitions

- a. **Revenue per Customer (RPC) Targets** will be determined for Service Classification Nos. 1 and 12 combined and Service Classification Nos. 2, 6 and 13 combined, by dividing base revenue, excluding merchant function charge revenue, by customer months based on the revenue and customer forecasts as set forth in Case 14-G-0319. Rate Year ending June 30, 2018 RPC Targets so determined in the aforementioned Case, shall remain in effect until otherwise changed by the Commission.
- b. **Actual RPC** will be calculated in the same manner as the target RPC, on a monthly basis, based on actual billed revenue as adjusted by the Weather Normalization Adjustment described in General Information Section 27 and billed customer months.
- c. **Semi-Annual RDM Periods** are defined as the six months ending December 31, 2015 and June 30, 2016 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.

2. Determination of RDM Adjustment

For each service classification group, the Company will compare, on a monthly basis, the difference between Actual RPC and corresponding RPC Targets, to determine the RPC difference. The RPC difference will then be multiplied by the actual number of billed customer months in each service classification group to determine the delivery revenue excess or shortfall to be accrued for refund to or recovery from customers at the end of the Semi-Annual RDM Period.

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