

PSC NO: 15 ELECTRICITY

LEAF: 163.5.4

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 7

INITIAL EFFECTIVE DATE: 11/01/11

SUPERSEDING REVISION: 4

Issued in Compliance with Order Issued and Effective September 19, 2011 in Case 11-E-0176

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Pursuant to the Commission's Order in Case 08-E-0887 issued and effective June 22, 2009, as amended and superseded by the Order in Case 09-E-0588 issued and effective June 18, 2010, actual delivery revenues for certain customer classes are subject to reconciliation through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. The RDM is not applicable to Service Classification Nos. 3, 5, 8, 9 and 13.

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, 2011, June 30, 2012, and June 30, 2013 as set in Case 09-E-0588. 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.
- 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, Reactive Demand Charges 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. 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. **Annual RDM Period** is defined as the twelve months ending June 30, 2010 and each succeeding twelve-month period thereafter.
- d. **RDM Adjustment Period** is defined as the twelve months beginning August 1 immediately following the Annual RDM Period.

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