

PSC NO: 15 ELECTRICITY LEAF: 106.1.7
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 06/01/2019 SUPERSEDING REVISION:
Issued in Compliance with Order in C.18-E-0130 dated December 13, 2018

29. ENERGY COST ADJUSTMENT MECHANISM (Cont'd)

Miscellaneous Charges Factor (Cont'd)

Energy Storage Deployment Recovery

The Energy Storage Deployment Recovery factor is designed to recover all costs, less any amounts received from NYSERDA, including implementation costs, incremental costs and carrying charges associated with the procurement of scheduling and dispatch rights of at least 10 MW from qualified energy storage systems pursuant to the Company's Implementation Plan filed in Case 18-E-0130, with all lump sum payments made by Central Hudson amortized over the life of the underlying contract.

Cost recovery will be determined:

1. on an annual basis to be effective with the first billing batch of February;
2. by amortizing lump sum payments over the life of the underlying contract;
3. by including all incremental and/or recurring costs in the rate determination subsequent to incurrence;
4. by reflecting any revenues realized as a reduction to costs; however, to the extent that net annual wholesale market revenues exceed annual costs, the excess will be shared on a 70/30 basis between delivery customers and shareholders;
5. for each service classification or sub-classification;
6. on a kWh basis for non-demand customers and on a kW basis for demand customers;
7. based on the transmission and distribution demand allocators from the most recent rate year proforma embedded cost of service study;
8. with the rate per kWh or kW determined by dividing allocable costs by estimated billed kWh deliveries or kW demand over the collection period;
9. by reconciling recoveries (eleven months actual, one month forecast) with allocable costs for each twelve month recovery period ending January 31, with any over or under recoveries included in the development of succeeding rates. Reconciliation amounts related to the one month forecast will be included in the second subsequent rates determination.

The rates so determined will be stated in whole \$0.00001 per kWh and whole \$0.01 per kW and will be filed on the Statement of Miscellaneous Charges not less than fifteen days prior to a proposed change in rates. These rates will be applied to the energy (kWh) and demand (kW) deliveries on the bills of all customers served under Service Classification Nos. 1, 2, 3, 5, 6, 8, 9, 13, and 14. Customers taking service under Service Classification No. 14 will be billed the rate applicable to their Parent Service Classification, which is the Service Classification that the customer would otherwise qualify for based on the customer's usage characteristics.

For billing purposes, cost recovery for non-demand customers will be included in the Miscellaneous Charges, with the combined amount shown as one line item on customer bills. Cost recovery for demand customers will be through the Miscellaneous Charges II, a separate line item on customer bills.