

PSC NO: 15 ELECTRICITY

LEAF: 106.1

COMPANY: CENTRAL HUDSON GAS &amp; ELECTRIC CORPORATION

REVISION: 2

INITIAL EFFECTIVE DATE: 08/01/17

SUPERSEDING REVISION: 0

Issued in Compliance with Order in C.17-E-0113 dated July 13, 2017

**29. ENERGY COST ADJUSTMENT MECHANISM** (Cont'd)**Miscellaneous Charges Factor (Cont'd)****Miscellaneous Charges III Factor**

The Miscellaneous Charges III factor is designed to recover the costs related to the development of the Distributed System Implementation Plan and related grid modernization efforts pursuant to the July 13, 2017 Order in Case 17-E-0113 from all delivery customers served under this schedule.

Cost recovery will be determined:

1. over a 24-month period;
2. to be effective with the eighth billing batch in August 2017 reflecting \$1,829,537 in deferred costs and \$105,795 in carrying charges recorded through June 30, 2017;
3. for each service classification or sub-classification;
4. on a kWh basis for non-demand customers and on a kW basis for demand customers;
5. based on the allocation of delivery revenue, excluding any surcharges, as approved by the Commission in Case 14-E-0318 for Rate Year 3;
6. with the rate per kWh or kW determined by dividing the allocable costs by estimated billed kWh deliveries and kW demand over the collection period;
7. with factors to be updated effective with the eighth billing batch of August 2018 to reflect the remaining balance of unrecovered deferred costs as well as the incremental carrying charge balance recorded for the period July 2017 through June 2018; and,
8. with the disposition of any resulting over or under recovery at the end of the 24-month recovery period addressed by the Commission.

The rates so determined for the Miscellaneous Charges II and Miscellaneous Charges III factors 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.