

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

LEAF: 106.1.6  
REVISION: 0  
SUPERSEDING REVISION:

## **29. ENERGY COST ADJUSTMENT MECHANISM** (Cont'd)

### Miscellaneous Charges Factor (Cont'd)

#### Earnings Adjustment Mechanism ("EAM")

Pursuant to Order in Case 17-E-0459 dated June 14, 2018, the EAM factor is designed to recover incentives associated with Electric EAMs from all customers taking service 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.

Cost recovery will be determined:

1. on an annual basis to be effective with the first billing batch of July each year, commencing July 2019;
2. for each service classification or sub-classification;
3. on a kWh basis for non-demand customers and on a kW basis for demand customers;
4. for each service classification or sub-classification based on the aggregate results of the following allocation methodologies:
  - (a) Peak Reduction EAM: allocated using the transmission demand allocator from the Company's most recently filed embedded cost of service study;
  - (b) Energy Efficiency, Energy Intensity and Environmentally Beneficial Electrification EAMs: allocated using the energy allocator from the Company's most recently filed embedded cost of service study; and,
  - (c) DER Utilization EAM: allocated using three allocators which will be equally weighted (coincident peak, non-coincident peak, and energy allocators from the Company's most recently filed embedded cost of service study).
5. with the rate per kWh or kW determined by dividing aggregate allocable costs by estimated billed kWh deliveries or kW demand over the collection period;
6. by reconciling recoveries (eleven months actual, one month forecast) with allocable costs for each twelve month recovery period ending June, 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 a subsequent rates determination;

The EAM factor will be stated in whole \$0.00001 per kWh or \$0.01 per kW. 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. Not less than fifteen days prior to a proposed change in the EAM factor, a statement showing the EAM factor and the effective date will be filed with the Public Service Commission apart from this Schedule.