

PSC NO: 15 ELECTRICITY LEAF: 106
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 12
INITIAL EFFECTIVE DATE: 09/28/18 SUPERSEDING REVISION: 11
Issued in Compliance with Order in C.18-E-0071 dated July 12, 2018

29. ENERGY COST ADJUSTMENT MECHANISM (Cont'd)

Miscellaneous Charges Factor (Cont'd)

The cost or benefit associated with the Company's remaining generating facilities and mandatory IPP purchases will be determined as the difference between the actual variable energy related costs of these facilities or purchases and either the revenue from the sale of output or the cost included in the MPC for these same facilities or purchases. An allowance for bad debts and working capital costs will also be included in the Miscellaneous Charges Factor.

The total monthly Miscellaneous Charges cost/benefit will be divided by an estimate of total billed delivery sales. The factor so determined will be stated in whole \$0.00001 amounts per kilowatthour and will be the same for all Service Classifications.

The Company will reconcile Miscellaneous Charges recoveries with actual costs/benefits and refund to or collect from customers any over or under recoveries on a monthly basis through the Miscellaneous Charges factor. These reconciliation adjustments will be developed on a three (3) month lag.

Miscellaneous Charges II Factor

The Miscellaneous Charges II factor is designed to recover the costs of the Company's alternative infrastructure project approved for recovery pursuant to the July 15, 2016 Order in Case 14-E-0318 from all delivery customers served under this Schedule.

Cost recovery will be determined:

1. on an annual basis to be effective with the first billing batch in February;
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. by amortizing all costs and incentives related to the project over a five year period, excluding incentives related to wholesale generation capacity which will be recovered over the subsequent one year period;
5. based on the transmission and distribution demand allocators from the most recent rate year proforma embedded cost of service study;
6. with the rate per kWh or kW determined by dividing allocable costs by estimated billed kWh deliveries or kW Demand over the collection period;
7. by reconciling recoveries (eleven months actual, one month forecast) with allocable costs for each twelve month recovery period ending December 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.