

PSC NO: 15 ELECTRICITY

LEAF: 163.5.46

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 0

INITIAL EFFECTIVE DATE: 07/01/15

SUPERSEDING REVISION:

Issued in Compliance with Order C. 15-E-0186 dated June 18, 2015

44. COMMERCIAL SYSTEM RELIEF PROGRAM (Cont'd)**G. Reservation Payment Option** (Cont'd)

The Performance Adjusted kW will become effective on the first of the month following the date the request is received. If the request is received late due to the Company's delay in providing interval meter data, the Performance Adjusted kW will be applied retroactively, effective as of the first of the month after the event on which the Performance Adjusted kW calculation is based occurred. The new kW level will remain in effect until the earlier of:

- (i) a month in which a new Performance Adjusted kW is requested and approved pursuant to (b) below; or
- (ii) the average kW for all events in a month represents kW of Load Relief that is lower than the Performance Adjusted kW. In this case, the new lower kW is used to calculate payment and a penalty is applied for the shortfall between the new kW amount and the Performance Adjusted kW; or
- (iii) the term of service under this CSRP ends.

b. Performance Factor

When more than one Planned Event and/or Test Event is called during the month, the average of the Performance Factors of all events for a Direct Participant or Aggregator is the Performance Factor for that month.

Direct Participants and Aggregators may increase the kW of contracted Load Relief in subsequent Capability Periods above their previously contracted kW of Load Relief, provided their most recent Performance Factor was 1.00. The Performance Factor is rounded to two decimal places. If the Direct Participant or Aggregator does not have a historical Performance Factor, the Performance Factor is 1.00.

c. Penalties

If the average kW of Load Relief provided for Planned Events in the current month is lower than the prior month's average kW of Load Relief for Planned Events or the contracted kW, whichever is lower, the Direct Participant or Aggregator will be subject to a Penalty. The penalty is equal to the Reservation Payment rate times the difference between the prior month's average kW or the contracted kW, whichever is lower, and the current (lower) average kW performed. If the current average kW performed is negative, 0 kW will be set as the current month's average kW performance.

d. Performance Adjustment

A Performance Adjustment will be applied in calculating the Performance Factor if the Direct Participant or Aggregator requests in writing to provide Performance Adjusted kW.

Once a Performance Adjustment is in effect, a Direct Participant or Aggregator may request subsequent increases to the Performance Adjusted kW if the updated kW level meets the requirements for Performance Adjusted kW. No more than one request will be accepted per month to change to the Performance Adjusted kW. The Performance Adjustment will become effective commencing the first day of the first calendar month that follows the Company's receipt of the request to initiate or update the Performance Adjusted kW.

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