

PSC NO: 12 GAS
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 03/01/16
Issued in Compliance with Order in C. 15-M-0252 dated January 22, 2016

LEAF: 129.2
REVISION: 2
SUPERSEDING REVISION: 1

42. OTHER CHARGES AND ADJUSTMENTS (Cont'd)

F. Gas Bill Credit

The Gas Bill Credit (GBC) is designed to return to customers the gas regulatory liability remaining after the offset of the various gas deferred balances as of June 30, 2015 pursuant to the Order in Case 14-G-0319, issued and effective June 17, 2015. A refund of \$2.548 million will be returned to customers over the twelve months ending June 30, 2016, and a refund of \$1.700 million will be returned to customers over the twelve months ending June 30, 2017. The GBC will be developed on a service classification or sub-classification basis from the forecasted billing units for the twelve months ended June 30, 2016 and June 30, 2017. The bill credit will be allocated to each service class in proportion to class responsibility for the overall delivery rate increase.

To the extent that the Company receives gas delivery revenues from the Danskammer Generating Station (Danskammer) in the twelve months ending June 30, 2016, 50% of those revenues will be refunded via the gas bill credit to the Company's gas customers over the twelve months ending June 30, 2017. Similarly, 50% of the gas delivery revenues received from Danskammer in the twelve months ending June 30, 2017 will be refunded via a bill credit to the Company's gas customers in the twelve months ending June 30, 2018. Danskammer gas delivery revenue related bill credits will be allocated to each service class in proportion to class contribution to overall gas delivery revenue.

The total GBC so determined shall be applied as a per Ccf credit, as applicable, to the energy deliveries on the bills of all customers taking service under Service Classification Nos. 1, 2, 6, 11, 12, 13, 15 and 16. Customers taking service under Service Classification Nos. 15 and 16 will receive the credit applicable to their Parent Service Classification.

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

G. Energy Efficiency Tracker (EET) Surcharge

Effective January 1, 2016, an Energy Efficiency Tracker (EET) Surcharge will be implemented to recover the costs of the Company's internal suite of energy efficiency programs, excluding internal labor costs, as approved for funding by the Public Service Commission. The EET Surcharge will be stated in whole \$0.00001 amounts per Ccf, will be the same for all applicable Service Classifications, and will be applied to the energy (Ccf) deliveries on the bills of all full service and delivery service customers served under this Schedule. The EET Surcharge will be determined, at a minimum, on an annual basis to be effective with the first billing batch in January, and will include a reconciliation of EET Surcharge recoveries (eleven months actual, one month forecast) with the costs approved for funding for the then current year, as applicable, as well as interest accrued at the Commission's rate for other customer provided capital during the same period.

Not less than fifteen (15) days prior to a proposed change in the EET Surcharge, the proposed EET Surcharge and effective date will be filed with the Public Service Commission on the System Benefits Charge Statement pursuant to General Information Section 42.C.

For billing purposes, the EET Surcharge will be combined with the System Benefits Charge, as described in General Information Section 42.C, with the combined amount shown as one line item on customer bills.

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