



August 15, 2016

Honorable Kathleen H. Burgess, Secretary
State of New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Central Hudson Merchant Function Charges

Dear Secretary Burgess:

The statement set forth below is filed by Central Hudson Gas & Electric Corporation ("Central Hudson" or the "Company") on August 15, 2016 to become effective September 1, 2016.

P.S.C. No. 12 – Gas

Statement of Merchant Function Charge MFC-12

Pursuant to the Company's P.S.C. No. 12 – Gas tariff the Statement herein reflects the Merchant Function Charge ("MFC") Revenue Reconciliation for the period July 1, 2015 through June 30, 2016. On a monthly basis, monthly actual billed MFC revenue, by MFC group, are compared to monthly MFC revenue targets for each rate year as set forth in Case 14-G-0319, with any monthly over or under billed MFC revenue deferred for refund to or recovery from full service customers.

For each twelve month period ended June 30, any over or under recovery including actual and estimated interest will be divided by estimated sales by MFC group over the refund or recover period to develop a reconciliation factor to be effective for the twelve months beginning September 1. These factors are designated as the Transition Adjustment and are reflected on the Statement filed herein.

Questions related to this filing should be directed to Amy Dittmar at (845) 486-5433 or via email at adittmar@cenhud.com.

Yours very truly,

Anthony S. Campagiorni
Vice President of Regulatory and Governmental Affairs

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