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Audrey Zibelman, Chair

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**PSC Adopts Multi-Year Central Hudson Rate Agreement
— Plan Calls for Strategic Investments to Improve Service and Resiliency —**

ALBANY — The New York State Public Service Commission (Commission) today adopted a three-year electric and gas rate plan for Central Hudson Gas & Electric Corporation. The rate plan is adopted as an alternative to the one-year plan initially proposed by the Company which would have increased annual revenues for electric customers by \$40.1 million and \$5.9 million for natural gas customers. The three-year plan adopted by the Commission reduces the proposed increases by making use of available customer credits, a move that will significantly lower the overall impact on customers.

“This decision strikes a fair balance between the interests of utility customers, community leaders, stakeholders, and the company,” said Commission Chair Audrey Zibelman. “While any increase in rates is potentially a burden to customers, the approved plan creates and strengthens programs that directly benefit customers while keeping the rate increase as small as possible over a longer period of time.”

The adopted plan sets new rates beginning July 1, 2015.

- In 2015, electric rates will increase \$2.3 million, up 0.3 percent or \$0.38 a month on the total bill for the average residential customer, while gas rates will drop \$721,000, or -0.3 percent or \$0.33 a month for the average residential customer.
- In 2016, electric rates will increase \$17 million in 2016, up 3.4 percent or \$3.86 a month for the average residential customer, while gas rates will increase \$5.4 million, or 1 percent or \$1.19 a month for the average residential customer.
- In 2017, electric rates will go up \$24.1 million, up 4.8 percent or \$5.58 month for the average residential customer, while gas rates will increase \$6 million, or 4.3 percent or \$4.96 a month for the average residential customer.

The Commission also approved a non-wires alternative project that would promote greater use of distributed resources to reduce load. The project will provide customers with an opportunity to avoid costs associated with transmission and distribution infrastructure investment in three designated locations within Central Hudson’s service territory. It will promote residential and commercial customer aggregation in three targeted areas, which were selected based on identified distribution circuits, substations, and transmission regions where Central Hudson anticipates the need for load growth-related infrastructure projects generally estimated to occur in the next four to 10 years. Central

Hudson is also expected to submit a Reforming the Energy Vision demonstration project by July 1, 2015.

The joint proposal allows the company to create a major storm reserve, which lessens customer impact of repairing infrastructure damage from storms, creates a new incentive program to convert customers to natural gas, expands the removal of leak prone pipe, and incentivizes the utility to reduce residential service terminations. The rate increases granted were the first increases for the company since 2012. The joint proposal also allows Central Hudson to fund the first year of implementation of a new network communication and distribution automation program. Future funding, however, is dependent on the successful demonstration of the operation and integration of these investments.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Numbers 14-E-0318 [Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation for Electric Service] and 14-G-0319 [Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation for Gas Service] in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.