



For Immediate Release: 02/27/15

Audrey Zibelman, Chair

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15022/14-E-0318;14-E-0319

PSC SEEKS PUBLIC INPUT ON CENTRAL HUDSON RATE PROPOSAL
— Comments Sought on Joint Proposal for Electric and Gas Rates —

ALBANY, NY — The New York State Public Service Commission (Commission) announced today that it will hold public statement hearings on the terms of a Joint Proposal for a three-year electric and gas rate plan for Central Hudson Gas & Electric Corporation (Central Hudson). The Joint Proposal was filed on February 6, 2015, by Central Hudson, Department of Public Service Staff and four other parties, to resolve all issues raised concerning the Company's initial July 24, 2014 rate increase request.

Under the terms of the Joint Proposal, Central Hudson would increase its delivery revenues from electric customers by \$20.2 million in the rate year beginning July 1, 2015, by an additional \$20.8 million in the rate year beginning July 1, 2016, and by an additional \$14.0 million in the rate year beginning July 1, 2017. Through the use of bill credits and other adjustments, electric delivery revenue increases are reduced by \$13.0 million in rate year 1, \$12.0 million in rate year 2, and \$2.0 million in rate year 3.

For Central Hudson gas customers, the delivery revenue increases under the proposed rate plan are \$2.5 million in the rate year beginning July 1, 2015, an additional \$5.3 million in the rate year beginning July 1, 2016, and an additional \$4.3 million in the rate year beginning July 1, 2017. Through the use of bill credits and other adjustments, gas delivery revenue increases are reduced by \$2.5 million in rate year 1 and \$1.7 million in rate year 2.

These revenue increases reflect a return on equity for the Company of 9.0 percent, with a common equity ratio of 48%, and establish an earnings sharing mechanism that will allocate to customers 50% of any earnings above 9.5%, 80% of any earnings above 10.5%, and 90% of any earnings above 10.5%.

In addition, the Joint Proposal would:

- Establish a Major Storm Reserve for electric operations,
- Establish a Same Day Reconnection Program in which the Company will strive to achieve not less than 80% reconnection within the same day,
- Establish an incentive program through which the Company could receive a positive revenue adjustment if terminations for residential customers are held below 11,000 per year,

- Make more stringent the electric reliability and gas safety performance metrics applicable to the Company,
- Continue and expand the Company's program for the replacement of leak prone pipe and provide a positive incentive if replacement levels are greater than the annual targets,
- Convert customers to monthly billing,
- Create a \$1 million per year program to incent the conversion of customers to gas service, and
- Establish a Reforming the Energy Vision Working Group to develop demonstration projects for consideration by the Commission through Case 14-M-0101 and related cases.

The Commission may accept, reject or modify the terms of the Joint Proposal in whole or in part. The Joint Proposal may be viewed, printed or downloaded from the Commission's Web site at www.dps.ny.gov by following the instructions to search by case number for Case 14-E-0318 or 14-G-0319.

Public Statement Hearing

The public will have an opportunity to present comments at hearings before an Administrative Law Judge assigned by the Department to hear this case. A verbatim transcript of the hearings will be made for inclusion in the record of the proceeding.

The public statement hearings will be held as follows:

TUESDAY, MARCH 10, 2015

Poughkeepsie Town Hall
1 Overocker Road
Poughkeepsie, NY 12603

Public Statement Hearing 6:00 p.m.

THURSDAY, MARCH 12, 2015

Kingston City Hall
420 Broadway
Kingston, NY 12401

Public Statement Hearing 6:00 p.m.

It is not necessary to be present at the start of the hearing, to make an appointment in advance, or to present written material to speak at the hearing. Persons will be called to speak after completing a request card. Each public statement hearing will continue until everyone wishing to speak has been heard or other reasonable arrangements have been made. Disabled persons requiring special accommodations should call the Department of Public Service's Human Resources Management Office at (518) 474-2520 as soon as possible. TDD users may request a sign language interpreter by placing a call through the New York Relay Service at 711. Individuals with difficulty understanding or reading English are encouraged to call the Commission at 1-800-342-3377 for free language assistance services regarding this notice.

Other Ways to Comment

Internet or Mail: In addition speaking at the formal hearings, members of the public desiring to comment may submit written comments by sending them electronically to the Secretary at secretary@dps.ny.gov or by mail or delivery to Hon. Kathleen H. Burgess, Secretary, Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350. Comments should refer to "Cases 14-E-0318, 14-E-0319 - Central Hudson Gas and Electric Rates."

Toll-free Opinion Line: Comments may also be submitted through the Commission's Opinion Line at 1-800-335-2120. This number is designed to take comments about pending cases from in-state callers, 24 hours a day. Callers should press "1" to leave comments for the cases referenced above. These comments are not transcribed but are summarized, with the summary reported to the Administrative Law Judge and the Commission.

Comments will be accepted throughout the pendency of this proceeding. Written comments will become part of the record considered by the Commission. Written comments may be accessed on the Commission's website by searching Cases 14-E-0318, 14-E-0319 in the input box labeled "Search for Case Number") and clicking on the "Public Comments" tab. Many libraries offer free Internet access.

The Commission's decision in this case, when issued, may be obtained on the Commission's website by searching for Cases 14-E-0318, 14-E-0319 as described above. Commission orders 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.