

STATE OF NEW YORK

Public Service Commission

Garry A. Brown, Chairman

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10013/08-E-0887

PSC OKs CENTRAL HUDSON'S PLAN TO REDUCE PEAK DEMAND — Large, Non-Residential Customers Gain Greater Control of Energy Usage —

Albany, NY—02/11/10—The New York State Public Service Commission (Commission) today approved Central Hudson Gas & Electric Corporation's plan to expand the company's mandatory hourly pricing provision to all customers with demand exceeding 500 kilowatts in any two of the previous 12 months.

“The goal in implementing hourly pricing is to realize the benefits of reducing the electric system's peak period demand and shifting load to off-peak, less expensive time periods,” said Commission Chairman Garry Brown. “Additionally, hourly pricing provides more accurate price signals and more equitable customer bills by properly assigning the cost of electricity to each hour instead of averaging the cost over many hours.”

In June 2009, the Commission directed Central Hudson to file an implementation plan to expand the company's mandatory hourly pricing provision to all customers with demand exceeding 500 kW in any two of the previous 12 months. Also, the implementation plan was required to provide tariff amendments, meter data provisions, an outreach and education program, and an estimate of costs and proposed cost recovery terms.

In approving the company's implementation plan today, the Commission noted that Central Hudson intends to have meters in place by October of this year, or one year before the mandatory hourly pricing provisions would take effect in October 2011. Additionally, the outreach and education plans will consist of customer notification, seminars to educate customers,

enhancement to the company's Web site, and employee training in order to help prepare customers for the transition to hourly pricing. An important goal attending the implementation of hourly pricing is the reduction of peak load and peak prices. These reductions will ultimately benefit all customers.

The Commission's decision, when available, may be obtained by going to the Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Number 08-E-0887 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. The Commission's decision may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).