

Natural Gas Technical Conference

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People. Power. Possibilities.

Central Hudson
Gas & Electric Corporation



Central Hudson's Natural Gas System

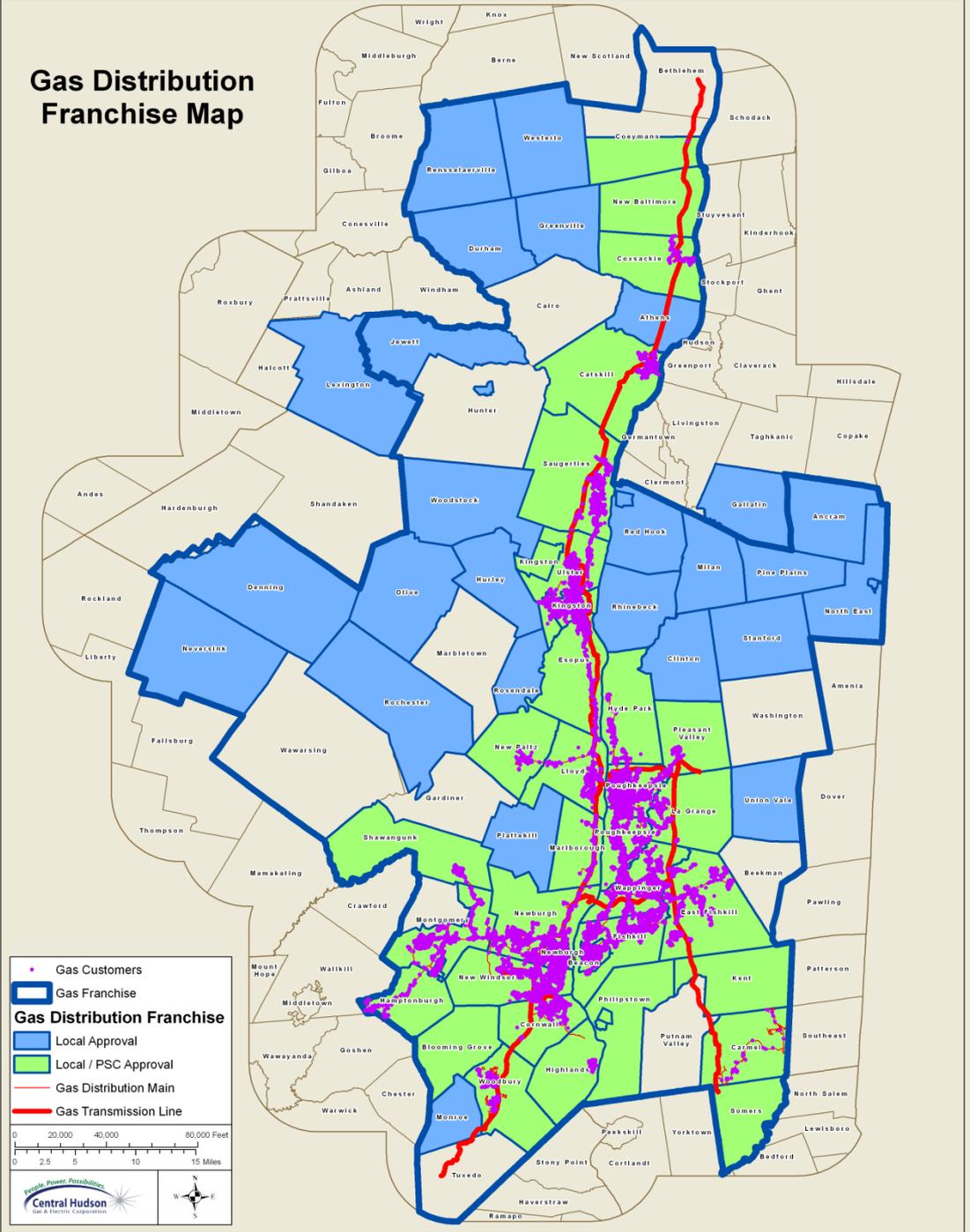
- **75,675 customers**
- **Supplied at 4 points**
- **164 miles of transmission**
- **1,170 miles of distribution**



New Gas Business and Expansion Expenditures

**Approximately \$50M over
the next 5 years**

Gas Distribution Franchise Map



• Gas Customers
 Gas Franchise
Gas Distribution Franchise
 Local Approval
 Local / PSC Approval
 Gas Distribution Main
 Gas Transmission Line

0 20,000 40,000 80,000 Feet
 0 2.5 5 10 15 Miles

People. Power. Possibilities.

Customer Barriers

- Will the price advantage over oil last?
- Fear of going into debt
- Unaware of cost-benefit
- Resistance to change



Overcoming Barriers

- **A new, easy turn-key solution**
- **Financing**
- **Let customers do the math**

Residential Strategy

- **Two-fold customer target**
- **Structure cost fairly so only those who convert pay**

Commercial Plan

- **Work with businesses within 100 feet of gas main**
- **Find the anchor businesses in business districts**

Gas Calculator

What type of Customer are you?

Choose your Current Fuel:

Fuel Oil

850

Total Gallons of
your Current Fuel
Used in the Last
12 Months

\$3.47

Price paid per gallon*

A

\$2,949.50

Total cost for the last 12
months

Select Desired Efficiency: AFUE

Natural Gas Equivalent

\$2.02

This is the **natural gas
equivalent cost** per
gallon, based on your
usage, price paid and
desired efficiency of
equipment

B

\$1,714.76

What your natural gas
cost would have been the
last 12 months

Total Annual Savings

A - B =

\$1,234.74

Marketing Materials

NATURAL GAS

EASIER. CHEAPER. GREENER.

Central Hudson is offering businesses a turnkey solution to convert to natural gas, which is more affordable, efficient and convenient than fuel oil or propane. It's better for your bottom line and the environment.

Discover for yourself why natural gas is



Marketing Materials



Proposal

Standard Natural Gas Conversion Option

Lower Your Annual Heating Bill by

\$1,357

Total Cash Price for Conversion

\$3,442

Cost Savings of

45%

Simple Payback in

**2.5
years**

Financing Option*

Estimated Low
Monthly Payment of

\$76

Average Monthly
Savings of

\$113

Converting Pays YOU

\$38

per month

Total Cost of Conversion: \$4,381

*5.99% APR, 58 months

For Discussion

- **Allow utilities to purchase long-term gas supply allowing fixed pricing option**
- **Promote state institutions (colleges, prisons, hospitals) to extend mains**

For Discussion

- **Allow school districts to use SBC dollars to offset conversion costs**
- **Allow a tax deduction to transfer existing oil to low-income heating customers**
- **RPS**

For Discussion

- **Use ratepayer dollars to offer 0% financing options**
- **Increase tariff to 200 feet for gas service**
- **Rebates for converting**

Questions

Thank You!

