

STATE OF NEW YORK

# Public Service Commission

William M. Flynn, Chairman

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<http://www.dps.state.ny.us>

FOR RELEASE: IMMEDIATELY

06028/05E0934,05G0935

## PSC Seeks Public Comment on Proposed Electric and Gas Rates for Central Hudson

Albany, NY – May 15, 2006 – The New York State Public Service Commission (Commission) today announced that it will conduct public statement hearings to seek consumers' views concerning the terms of a Joint Proposal regarding new electric and gas rates for Central Hudson Gas & Electric Corporation (Central Hudson). The Commission has already solicited and received comments on the company's original proposal.

The dates, times and locations for the hearings regarding the terms of the Joint Proposal are as follows:

**MONDAY, May 22, 2006**  
11:00 a.m. – 1:00 p.m.  
Dutchess County Office Building  
Legislative Chambers, 6<sup>th</sup> floor  
22 Market Street  
Poughkeepsie, NY

**MONDAY, May 22, 2006**  
7:00 p.m.  
Kingston City Hall – Council Chambers  
420 Broadway  
Kingston, NY

### The Joint Proposal

On April 20, 2006, Central Hudson, staff of the Department of Public Service, Multiple Intervenors (an association of over 50 industrial, large commercial, and institutional energy consumers) and the U.S. Department of Defense and all other Federal Executive Agencies filed a restated Joint Proposal dated April 19, 2006, to resolve issues pending in the Commission's rate proceedings. The Joint Proposal recommends a three-year rate plan beginning on July 1, 2006,

and continuing through June 30, 2009. The Commission may adopt the terms of the Joint Proposal, adopt the proposal with modifications, or reject it and adopt other terms.

Under the terms of the Joint Proposal, the company's electric and gas rates would be further unbundled into more specific delivery and commodity components to facilitate comparison between the prices for electric and gas commodities provided by Central Hudson and prices offered by competitive suppliers. The Joint Proposal recommends that Central Hudson increase delivery rates by approximately \$17.9 million in each of the next three rate years. The total bill impact for an average residential electric customer (500 kWh per month) would be approximately 5.4% in rate year one, 5.0% in rate year two, and 4.6% in rate year three. For the average residential gas customer (92ccf per month), the total bill impact would be approximately 6.4% in rate year one, 5.2% in rate year two, and 0% in rate year three. Overall bill impacts will vary depending on electricity and gas usage.

The Joint Proposal establishes a revenue sharing mechanism so that if the company earns a return on equity in the range 10.6 – 11.6%, those earnings will be shared equally among the company and ratepayers. Earnings above 11.6% and up to 14% will be shared 35%/65% among the company and ratepayers, respectively. All earnings above 14% will be deferred for ratepayer benefit.

Other components of the Joint Proposal include: continuing the Market Match, Market Expo, and Energy Fair initiatives designed to inform customers about available competitive opportunities, services and products offered by energy service companies; replacing and expanding the company's low income program; and, employing incentive mechanisms to encourage the company to maintain satisfactory customer service, and system safety and reliability.

### **Public Statement Hearings**

It is not necessary to make an appointment in advance or present written material to speak at the public statement hearings. Persons will be called to speak after completing a request card. All comments at the hearings will be transcribed and become part of the Commission's formal record. Each hearing session will remain open and continue until everyone wishing to speak has been heard or other reasonable arrangements are made.

Disabled persons requiring special accommodations should contact the Department of Public Service's Human Resources Management Office at (518) 474-2520. TDD users may

request a sign language interpreter by placing a call to that number through the New York Relay Service at 711 to reach the Department of Public Service Human Resources Office at the previously mentioned number.

### **Other Ways to Comment**

Interested persons not wishing to attend or who are unable to attend the public statement hearing may comment in English or Spanish on the pending Central Hudson cases by mailing their written statements to: Honorable Jaclyn A. Brillling, Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350. Statements should reference "Cases 05-E-0934 and 05-G-0935—Central Hudson Gas & Electric Corporation – Rates Joint Proposal" and be submitted or mailed no later than June 2, 2006.

Other alternatives available for submitting comments for consideration by the Commission include:

**Toll-free Opinion Line:** Interested persons may call a special toll-free Opinion Line at 1-800-335-2120. This phone line is set up to receive comments about the proceedings from in-state callers, 24 hours-a-day. Callers should select English or Spanish and press "1" to leave comments about the pending Central Hudson rate cases.

**Internet:** Comments also may be submitted via the "PSC Comment Form," in the "Contact Us" file, accessed through the homepage of the Commission's Consumer Web site. The Web site address is <http://www.AskPSC.com> and comments are downloaded regularly. Many libraries offer free Internet access.

All comments submitted via one of these alternative means should be submitted no later than June 2, 2006. All statements and comments received by the Commission will become part of the record, made available for inspection in the Commission's file room, and be reported to the Commission for consideration.

The full text of the Joint Proposal is available on the Internet and can be viewed at <http://www.dps.state.ny.us/05E0934.html>. The Joint Proposal also may be viewed at the Department of Public Service's offices in New York City, 90 Church Street, or in Albany, on the 14<sup>th</sup> floor, at Three Empire State Plaza.